



City Council Meeting
Minutes
June 5, 2014
City Council Chambers
7:00 p.m.

1. The Mayor called the meeting to order at 7:00 p.m.
2. Roll Call. Councilor Bennett, Mayor Bouley, Councilors Champlin, Coen, Grady Sexton, Herschlag, Keach, Matson, McClure, Nyhan, St. Hilaire, Shurtleff, Todd and Werner were present. Councilor Bouchard was late.

Councilor St. Hilaire moved approval of the May 31, 2014 meeting minutes. The motion was duly seconded and passed with no dissenting votes.

Councilor Grady Sexton moved approval of the June 2, 2014 meeting minutes. The motion was duly seconded and passed with no dissenting votes.

3. Agenda overview by the Mayor.
4. **June 5, 2014 Public Hearings**
 - A. Resolution fixing and determining the amount of money to be appropriated by the City of Concord for the fiscal year 2015 ending June 30, 2015. (5-12)

Action: There being no Council objections, public hearing items A through F titles were read together.

Mayor Bouley opened the public hearings for items A through F.

Public Testimony

Sue Woodard, Edward Drive resident, spoke of the terrible condition of her street and the need for it to be maintained. She spoke of the safety issue and concerns of the street due to the fact that it has no sidewalks and street lights. She stated that she doesn't feel that safe streets are an optional item and feels that some of the other projects being proposed are optional.

Mayor Bouley explained that there was discussion about the roads and stated that there was a motion made and tentatively voted on to entertain a "catch up" bond, somewhere between 2 to 3 million dollars, that will use gas tax money to pay off the debt service and allow the city to do streets such as Edward Drive for fiscal year 2016.

Roy Schweiker, resident, noted his agreement with Ms. Woodard's testimony and stated that a "catch up" bond is nice but feels that there is no way that 2 or 3 million dollars can catch up in all the neighborhoods. He stated that he feels that the city needs to stop spending so much money in the downtown and start spending more in the neighborhoods. In regards to the retirement system, he noted his concern with spiking. He explained that, ordinarily, people receive a pension based upon work but some communities allow people to add extra money to the last few years so that their retirement is not based upon what they are actually earning but based on the spike which is very expensive to the retirement fund. Mr. Schweiker noted his concern with a winter shelter in the city and proposed that instead of giving the money to the shelter that the city offer to give the shelter \$5.00 a night as a voucher for anyone that goes to the Human Services Department and proves that they need to stay at the shelter. Lastly, he voiced his concerns with only having one leaf pick up instead of two in the fall and feels that this is a reduction in city services.

Mayor Bouley explained that there is no reduction in service in regards to the leaf pick noting that it will be done as it has been done in the past and staff will make it around as best they can depending upon the weather. In regards to the homeless issue, the Mayor asked if Mr. Schweiker would support cutting the budget as follows: \$10,000 for the First Congregational Church; \$31,200 for the McKenna House; and \$57,000 for the Friends Program.

Mr. Schweiker responded that his understanding is that the Friends Program and the McKenna House do in fact have some sort of screening mechanism. He stated that the difference with the winter shelter is that they take anybody at the shelter.

Mayor Bouley asked if Mr. Schweiker supports removing \$10,000 for the First Congregational Church emergency shelter during the winter.

Mr. Schweiker responded that that is not correct. He explained that instead of giving the money directly to them, he suggests giving the money to the Human Services Department so that they could give it out as vouchers to the people that are indigent and need a place to stay.

In regards to spiking in the retirement system, Councilor Shurtleff informed Mr. Schweiker that last session the legislature passed a law that banned municipalities from giving large severance packages to employees to drive up their retirement costs.

Councilor Keach appreciates Mr. Schweiker's concerns stating that he feels that he doesn't think that the people that show up at the shelter choose to be homeless. He recognizes that Concord does offer a lot of services which may attract a certain amount of people.

Jim Baer, resident, spoke in support of reducing the tax rate by a reasonable amount but not affect city services.

Sean Skabo, Intown Concord President, thanked Council for supporting Intown Concord. He indicated that they need to raise approximately \$130,000 a year which goes out in expenses; they may be on the path of going out in the next few years because they don't always get the support of the downtown merchants. Recently, to offset some of this, he stated that they have had to raise some of their fees, including registration fees for Market Days, cutting back on staff, and reducing expenses. He noted that the \$20,000 that the city gives them is a critical piece and if they didn't have this, he feels that their demise would be sooner.

Councilor Champlin indicated that he feels that Intown Concord provides a valuable service for downtown; creating destination events and many other activities downtown. He noted that there seems to be a question from some downtown merchants about transparency with Intown Concord. He asked if, the Council approves the continued funding, whether they could provide any assurances that Intown Concord will work hard to be transparent and communicate effectively with their members and other downtown merchants.

Mr. Skabo responded yes stating that it just hasn't been shared but his philosophy is good communication and good marketing. He stated that, in the past, they have done a poor job marketing Intown Concord and this is one of the things he wants to change this year since he has become president. He stated that they are putting more of their financial information out there because it's public knowledge.

Councilor Herschlag feels that there appears to be a negative tone towards the downtown merchants by Intown Concord. He noted that it was indicated that the reason they are increasing costs for the participation of Market Days was related to expenses and asked why, at the same time they are trying to control expenses, they have had significant increase in not only the cost of staffing but the percentage of the total budget.

Mr. Skabo stated that he doesn't mean to come across in a negative tone in regards to the merchants adding that they try to have merchants join and encourage them to become part of the organization. He noted that some of the merchants express that they don't feel that Intown Concord offers them any type of value. In regards to staffing, Mr. Skabo explained that there used to be a 40 hour executive director position and 25 to 30 hour office position; once these two positions resigned, they hired an operation officer at a much lower salary than what they were paying before: approximately 20 percent lower. He explained that they still had to get a lot of work done so they outsourced for some events such as Market Days stating that this doesn't appear in the payroll because it was a contract deal.

Councilor Herschlag asked if it's listed anywhere of the amount paid to a contractor for their services during Market Days pointing out that he doesn't see any specific line item. Mr. Skabo responded that the contract was approximately \$25,000.

Councilor Herschlag asked why Intown Concord isn't able to work together with the merchant roundtable; the merchant roundtable has a very specific purpose to meet the concerns and needs of the merchants and Intown Concord, as an umbrella organization,

would be able to coordinate activities and bring in a larger group. Mr. Skabo indicated that some members from Intown Concord do attend the merchant roundtable meetings on occasion.

Councilor Todd spoke of his appreciation for Intown Concord's work over the years. He noted his agreement with Councilor Champlin's comments that it's a matter of disclosure.

Councilor St. Hilaire asked how much the annual membership dues are. Mr. Skabo responded that they vary explaining that it all depends on full time equivalent (fte) counts in the shops - \$100 to \$500. He added that some of the law firms and banks do offer higher amounts because they see the value of the organization and may give \$1,000 to \$1,500. Mr. Skabo indicated that they are projecting \$13,000 in annual dues this year.

Councilor St. Hilaire asked, aside from what the City of Concord gives and what is earned for revenue from Market Days and other small events, where Intown Concord gets the rest of their fundraising. Mr. Skabo responded that it would consist of: \$13,000 in membership dues; \$20,000 from the state; \$8,000 on Market Days; \$6,000 annual meeting; \$5,000 upstairs/downtown walking tour; \$2,000 Midnight Merriment; board members donate money. He added that they are bleeding \$20,000 to \$30,000 a year on average and they are done in two years if this doesn't change.

Councilor Bennett stated that he hopes that Intown Concord is more transparent and when merchants come to them to ask for information that they respond in kind.

Mayor Bouley asked if Intown Concord was done if they do not receive \$20,000 from the city. Mr. Skabo responded that they may be done by the end of the year if they do not receive the \$20,000. Mayor Bouley asked, if they do receive the \$20,000 and they don't change the way things are done, whether they are done in two years. Mr. Skabo indicated that to be correct.

Discussion and clarification ensued in regards to expenses and revenues listed by Intown Concord.

Mike Cohen, Pitchfork Records, stated that he has been asking for a profit and loss sheet from Intown Concord for five years and has been denied it upon each request. He noted that many other merchants had requested this and also been denied the information. He indicated that he would join if he could receive a true profit and loss statement. He feels that if the city gives the \$20,000 to Intown Concord there should be an addendum that says that they have to provide a profit and loss statement upon request.

Mayor Bouley asked if Mr. Cohen was a member of the merchant roundtable. Mr. Cohen responded yes. Mayor Bouley asked how many members there are in the merchant roundtable. Mr. Cohen responded that it's open to anyone and there is not a set membership. Mayor Bouley asked if Mr. Cohen supported the \$20,000. Mr. Cohen indicated that to be correct. Mayor Bouley asked if it's anticipated that the merchant roundtable would pick up Market Days, Halloween Howl and Midnight Merriment if

Intown Concord no longer exists; would the merchant roundtable come to the city requesting \$20,000 to run these events. Mr. Cohen responded that what he hopes is that, once they remove the cloak of secrecy, they will see a number of other merchants joining this particular organization. Mr. Cohen indicated that he ran Market Days for two years and had 118 vendors with one extra person helping. He stated that he is not saying he wants to do this again but feels that 1,400 hours is a bit exaggerated. Mayor Bouley asked if he did this on a volunteer basis. Mr. Cohen responded yes. He stated that perhaps the roundtable would be interested in taking it over explaining that they offered to do so 3 ½ years ago but were denied.

Councilor Keach asked if Intown Concord is a nonprofit with public records. Mr. Cohen responded that he would think they would be public and would think that on top of that with the city donating \$20,000 it would make it more public. Councilor Keach noted that he believes that they are a 501(c)(3) or some variation of this.

There being no further public testimony, the Mayor closed the hearings for items A through F.

- B. Resolution amending the amount of money to be appropriated by the City of Concord for the fiscal year 2015 ending June 30, 2015. (5-13) (*Not previously distributed*)

Action: Public hearing for this item taken with item A.

- C. Resolution closing and completing certain capital projects; rescinding/de-authorizing appropriations; returning un-used fund balances to their original sources; and transferring, reappropriating or otherwise making remaining balances available for future purposes; together with report from the Senior Accountant. (5-14)

Action: Public hearing for this item taken with item A.

- D. Resolution for bonded projects within the Capital Budget for Fiscal Year 2015 (July 1, 2014 to June 30, 2015) hereby is authorizing and approving the expenditure of \$8,115,000 and authorizing the issuance of \$8,115,000 in bonds and notes for various capital projects; together with report from the Deputy City Manager – Finance. (5-15) (*Revised resolution submitted*)

Action: Public hearing for this item taken with item A.

- E. Ordinance amending the Code of Ordinances, Title I, General Code; Chapter 1, Government Organization, amending Schedule I of Article 1-5, Fees, Fines and Penalties, Water Rates. (5-16)

Action: Public hearing for this item taken with item A.

- F. Ordinance amending the Code of Ordinances, Title I, General Code; Chapter 1, Government Organization, amending Schedule I of Article 1-5, Fees, Fines and Penalties, Sewer Rates. (5-17)

Action: Public hearing for this item taken with item A.

June 5, 2014 Public Hearing Action

5. Resolution fixing and determining the amount of money to be appropriated by the City of Concord for the fiscal year 2015 ending June 30, 2015. (5-12)

Action: Councilor Nyhan moved approval. The motion was duly seconded and passed with no dissenting votes.

6. Resolution amending the amount of money to be appropriated by the City of Concord for the fiscal year 2015 ending June 30, 2015. (5-13) (*Not previously distributed*)

Action: Councilor St. Hilaire moved approval. The motion was duly seconded.

Councilor Herschlag moved to appropriate the \$20,000 for Intown Concord but not release the dollars until after they have provided the community with the information that they indicated they would be forthcoming with.

Councilor Shurtleff asked if by releasing the information to the Council doesn't the information become a public record that is available to the public; the criteria would therefore have been met.

Mayor Bouley responded that he believes this to be correct. He asked Councilor Herschlag if the information that he was looking for in his motion, is the same information that Council has received.

Councilor Herschlag responded that it's a good starting point but would like Intown Concord to provide more specific information relating to some of the items on the forms that they submitted to the city. He noted that Council has just heard Mr. Cohen's testimony indicating that over a number of years community members have asked for that information and it hasn't been forthcoming. He stated that he isn't looking to delay the funding but would feel more comfortable if they saw that information before the funding was released.

City Manager Tom Aspell explained that the money for Intown Concord isn't processed until March of each year. He suggested that Intown Concord submit the documents and, if they are not received by March, the payment wouldn't be processed.

Councilor Herschlag indicated that the City Manager's suggestion is acceptable to him.

City Manager Aspell indicated that the documents would be on file at the City Clerk's Office for public viewing.

Councilor St. Hilaire questioned what documents would be on file.

Mr. Aspell responded that the application would be on file along with the profit and loss statement as indicated this evening.

Councilor St. Hilaire stated that he feels that there is already a profit and loss included within the package. He asked what additional documents would be added.

Mr. Aspell responded that if it's already included then there wouldn't be any additional documents.

Councilor St. Hilaire noted that he feels that Councilor Herschlag is looking for a lot more than what was received this evening. He stated that he doesn't want the city in a position of trying to hone out several items and wants them to just have whatever a group is required to provide to the city to get funding; if they have met that criteria, it's a public document and that criteria has been satisfied.

Councilor Bennett noted his agreement with Councilor St. Hilaire and pointed out that Intown Concord was put on notice this evening and they realize that if someone asks for records that are public then they need to supply them. He indicated that they can monitor that for the next year and if it comes to a point that they are not doing that then the city can take appropriate action at that time.

Councilor Herschlag stated that he specifically requests more of an itemized list of their miscellaneous and community event expenses. He noted that he believes this is an item of particular interest to a number of merchants and it is his belief that, by providing this information, it will go a long way in answering questions and provide a reason for people to join that organization which will place it on a more solid footing.

Councilor St. Hilaire stated that he doesn't feel that the Council should be micromanaging an organization or intervening to try to save their business model.

Councilor Coen agreed with Councilor St. Hilaire indicating that what he has heard this evening is that they have new leadership and they recognize the severity they are in.

Councilor Shurtleff noted that he feels that Mr. Cohen's public testimony was very open and honest. He feels that any nonprofit that receives funds from the city should provide a profit and loss and feels that they have met that requirement. He further feels that they shouldn't have to jump through hoops to provide additional information.

Councilor Keach seconded Councilor Herschlag's motion. The motion failed on a voice vote.

Councilor Herschlag noted that it's his understanding that enterprise accounts, such as the arena and golf course, are designed to be financially independent and self supporting; this means that city property tax dollars are not used for the costs associated with these accounts and that the profits are excess revenues that can be used for capital projects as well as day to day operational costs. He noted that he believes that both the arena and golf course found themselves in a position of not being able to meet all their financial obligations in the recent past and in both cases the city has stepped in with money from the general fund to close the gap between revenue and expenses. He indicated that he feels that revenue from the city should only be used as a last resort and should not be used any longer than absolutely

necessary. In looking at the budget for both accounts, he pointed out that it appears that they are now in the position to meet their financial obligations without using property tax funding and both have sufficient funds in the reserve for the next few years which will relieve the city from having to support these accounts. He pointed out that this year, the amount that the city is providing the golf course is \$26,480 and the arena is \$16,030; the golf course was slated to continue providing city funds through 2017 and the arena through 2016.

Councilor Herschlag moved to remove, from the budget to transfer into the golf course and arena, \$26,480 for the golf course and \$16,030 for the arena. The motion failed to receive a second.

Councilor St. Hilaire's motion to accept the resolution passed with no dissenting votes.

Mayor Bouley announced that he did not vote on Crisis Center of Central NH or the NH Municipal Association portion of the budget; Councilor Shurtleff did not vote on the Penacook Community Center portion of the budget; Councilor Grady Sexton did not vote on the Crisis Center of Central NH portion of the budget; Councilor Keach did not vote on the Friendly Kitchen and the Chamber of Commerce portion of the budget; Councilor Champlin did not vote on the Chamber of Commerce portion of the budget.

7. Resolution closing and completing certain capital projects; rescinding/de-authorizing appropriations; returning un-used fund balances to their original sources; and transferring, reappropriating or otherwise making remaining balances available for future purposes; together with report from the Senior Accountant. (5-14)

Action: Councilor McClure moved approval. The motion was duly seconded and passed with no dissenting votes.

8. Resolution amending the amount of money to be raised for the bonded projects within the Capital Budget for Fiscal Year 2015 hereby is authorizing and approving the expenditure of \$7,975,000 and authorizing the issuance of \$7,975,000 in bonds and notes for various capital projects; together with report from the Deputy City Manager – Finance. (5-15) (*Revised resolution submitted*)

Action: Councilor Nyhan moved approval. The motion was duly seconded.

Councilor Nyhan stated that Council had previously had a robust discussion relative to not moving forward with building a concession stand at Memorial Field with capital dollars and being pushed and redirected to building a boat ramp. He stated that he wanted to revisit the discussion and add, when RPAC does consider improvements at Memorial Field relative to a concession stand, that RPAC also take up the thought of making some improvements at the neighborhood pools. He further asked formally that RPAC also consider a general quality of the pool experience and to also consider some shade structures or other improvements deemed necessary.

The motion was approved 15 to 0 on a roll call vote with Councilors Bennett, Bouchard, Mayor Bouley, Councilors Champlin, Coen, Grady Sexton, Herschlag, Keach, Matson,

McClure, Nyhan, St. Hilaire, Shurtleff, Todd and Werner voting yes.

9. Ordinance amending the Code of Ordinances, Title I, General Code; Chapter 1, Government Organization, amending Schedule I of Article 1-5, Fees, Fines and Penalties, Water Rates. (5-16)

Action: Councilor Nyhan moved approval. The motion was duly seconded and passed with no dissenting votes.

10. Ordinance amending the Code of Ordinances, Title I, General Code; Chapter 1, Government Organization, amending Schedule I of Article 1-5, Fees, Fines and Penalties, Sewer Rates. (5-17)

Action: Councilor Nyhan moved approval. The motion was duly seconded and passed with no dissenting votes.

Comments, Requests by Mayor, City Councilors

Councilor Todd reminded everyone that tomorrow evening there will be a ceremony at City Hall Plaza at 6:00 p.m. for Concord 250th unveiling of the time capsule.

Councilor Herschlag noted he was impressed with the City Planner and the Planning Department's due diligence in the PSNH line reintroduction from the Manor Station to Hopkinton Road.

Councilor Champlin added to Councilor Todd's reminder that there will also be the first opportunity to participate in the 250th community mosaic project; a community art project.

Mayor Bouley explained that Concord has the highest percentage of tax exempt land value than any city in NH at 30 percent; this means that 70 percent of the property tax payers are paying for 100 percent of the city services that are provided and despite this burden, this city is the fourth lowest municipal tax rate than any city in the state. He pointed out that the budget includes the completion of the Route 3 project, improvement of city pools, and the design for a citywide community center which are all in addition to the other capital initiatives that were approved last year. He added that this is all possible by the responsible policy making on the part of this City Council and the professional management on the part of the dedicated city staff. He noted that in working together and listening to the citizens they achieved this success; the measurement of this success can be seen in the improvements to the quality of life and the strong bond rating and continued top economic ranking. He recognized and thanked the City Manager Tom Aspell, Deputy City Manager-Finance Brian LeBrun, OMB Director Bob McManus, Assistant Finance Director Katie Graff, Budget Analyst Rebekah Dougherty, Department Heads, and Tom Tufo and Diane Rines in the IT Department. He recognized the public who called, emailed and came out to testify.

City Council Minutes

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Comments, Requests by the City Manager

City Manager Aspell indicated that the city is short fifteen lifeguards for the city pools. He made a plea to the public for these positions and added that assistance is available for certification.

Adjournment

The time being 8:49 p.m., Councilor Bennett moved to adjourn the meeting. The motion was duly seconded and passed with no dissenting votes.

A true copy; I attest:

*Michelle Mulholland
Deputy City Clerk*