TOWN COUNCIL MINUTES - UNOFFICIAL Regular Meeting Wednesday, October 26, 2016 6:00 PM Council Chambers

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1. CALL TO ORDER

Chairman James Sullivan called the Town Council meeting to order at 6:00 p.m.

2. ROLL CALL #1

 In attendance: Councilors Donald Winterton, John Giotas, Timothy Tsantoulis, James Levesque, Marc Miville, David Ross, and Chairman James Sullivan. Absent: Councilors Adam Jennings [arrived at 6:02 p.m.] and Robert Duhaime [arrived at 6:40 p.m].

3. PLEDGE OF ALLEGIANCE

4. SPECIAL RECOGNITIONS

Al Jones and Kirsten Barber with NH Interlocal Trust (NHIT), Harvard Pilgrim Health, came forward to address concerns regarding the 27% rate increase in health insurance. Mr. Jones said the NH Interlocal Trust is owned and governed by members and by pooling all purchasing power get a more competitive price over the long term. The program started in July 2012. They are in their fifth year and have had some success. Mr. Jones said that somewhere around 5,000 employees, a group is fully actuarially credible and the previous years claims are the source of projecting the next years rate. He said there is a lot of variability and the rating model that they use has been used for over 30 years. Mr. Jones said that had Hooksett not been part of a pooled group, the rate would have soared to 48%. The credible increase was almost 34% and with the special credit that brought the rate down to 27.9%. Claims went up 107 percent. Part of the increase can be attributed to inflation and cost of services and the drug trend is 20 percent of costs and continues to rise. He said one community helps another and any claim over \$100,000 is paid by premium insurance. The Affordable Care Act (ACA) has had an impact in trends as well . 20 to 25 percent on average across the country.

Councilor Ross said that when the town signed on with NHIT he understood the rate would be based on multi-years, not based on claims of any one year. He asked what has changed. Mr. Jones explained that an issue for Hooksett is that they only have seven months of claims. A percentage is based on a townon experience and the whole pool. The average rate for the whole pool is 4.6 percent. Councilor Ross said basing the increase on a seven month history is not what we were told. He said we buy insurance so that unforeseen expenses are covered and this rate, we could all self-insure.

Chairman Sullivan asked if the Insurance Committee had discussion on what the company believed would be the average over the contract term. Mr. Jones said there was no discussion at all. Councilor Ross said he was led to believe that rates would be reasonably contained and based on sampling of more than one year. Mr. Jones said there was talk about the trusts overall experience year-by-year. Councilor Ross asked how much of this

could be attributed to the Affordable Care Act (ACA) versus the way it used to be. Mr. Jones said back in the late 1990s looking at trends of 14-17 percent. In the mid-2000s trends were down to 6.5 to 7 percent. A big contributor was drugs and the high cost drugs went off patent constraining use of services.

Councilor Winterton said people are very concerned and noted that this information comes past the middle of the budget season; the Budget Committee has met, union negotiations have come to agreement and clearly these numbers will change those negotiations. Unfortunately, he said, the Council doesnot get to decide; the voters do. Mr. Jones provided national data regarding an aging workforce, providers, and rates. Councilor Winterton pointed out that Anthem was the only provider in NH and asked Mr. Jones to limit his responses to NH rather than bringing in national trends.

Councilor Winterton asked if the 370 claims over \$50,000 are segmented into categories by department of by organization. He said the town insures people that they are not legally obligated to insure. He asked if there was any data available within the Highway Department. Mr. Jones said \(\)es, we do+. Mr. Jones said that one plan is running very high and makes up for a significant portion of the increase and \wou may choose different plans going forward+ Councilor Winterton asked if there were plans available that would allow participants to choose where they go, provide choices and where we can incentivize our participants to make it cheaper. Mr. Jones said there are choices that can be made and plans that are less Councilor Winterton asked if that information was presented to the Insurance Committee last year and asked what the rate increase is for other towns. Mr. Jones said they presented plans that were comparable. Chairman Sullivan pointed out that a list of partner increases was included in the Council packet. In response to Councilor Winterton, Mr. Jones said that Hooksettos rate increase was the second highest and there were a couple of communities with single digit increases. Councilor Winterton said the town has to send out tax bills to all of the people and if other plans were available to save money and werend presented, he is very disappointed.

Kirsten Barber said that when they presented to the Insurance Committee they did include low cost options and she believes they quoted ElevateHealth which wasnot requested of them. She will go back and review what was presented but she does recall presenting affordable options.

[Councilor Robert Duhaime arrived at 6:40]

Councilor Tsantoulis asked what options the town and employees have. He said a lot of costs from insurance are for visits to the emergency room that may not be as necessary as it seemed at the time. He asked if the insured might benefit from education and what options are available. Mr. Jones said there are a lot of options with specific types of services and use of emergency room that make it more attractive to go to the doctors rather than the emergency room. He said they are more than willing to sit with staff and go over ways of reducing costs. Dr. Shankle asked if the town could be provided with an extension and have a plan that meets everyones needs. Chairman Sullivan said the deadline is November 4th. would a weeks extension be possible.

Kirsten Barber said they would allow an extension to November 30th but that would be tight and she wouldnot guarantee ID cards would all get completed. If people are currently

enrolled, they can mass transfer everybody onto the new plan. More processing time will be involved if people are changing plans.

Councilor Jennings indicated that insured received seven months of coverage and asked if health care was seasonal and what types of claims % of us to 107+; what is driving it up. Mr. Jones said emergency and inpatient hospital are the two biggest claims. Kirsten Barber said before school starts there is an uptick in claims. Around the holidays people are generally busy and dond like to schedule procedures but holiday season can see an uptick in mental health.

Councilor Miville said he was deeply concerned about this matter and asked why other towns have lower increases than Hooksett. Mr. Jones said that it depends on the group size, credibility, and claims themselves. In response to Councilor Miville who asked about discounts provided for joining a wellness program, Mr. Jones said preventative care pays upfront; savings come later.

Councilor Winterton and Mr. Jones talked about low co-pays encouraging usage, high deductibles versus no deductibles, use of generic drugs that are not mandated, expensive drugs and driving up the costs. Councilor Ross asked about participation in the wellness program. Mr. Jones said they offer the wellness program as part of their premium and any program tends to drive costs to some degree. Stop smoking doesnot change the outcome. Kirsten Barber said \$12,185 was paid to employees.

Firefighter Ian Tewksbury asked what percentage of towns are similar to Hooksett and is Hooksett very unique. Kirsten Barber said the majority have HMO plans. Mr. Tewksbury asked if usage this year was 90 instead of 107, what would the rate increase have been. Mr. Jones said it would have reduced the increase by 15 percent but not likely zero, but it would be a lot less.

Chairman Sullivan suggested that additional questions be forward to Dr. Shankle and Donna Fitzpatrick. Dr. Shankle wanted to assure everyone that when staff heard about this, all are very concerned and disappointed that NHIT did not provide the town with a <code>%eads up+</code>. Chairman Sullivan thanked Mr. Jones and Ms. Kirsten for coming.

Chairman Sullivan adjusted the agenda to take up Item 12.a and 12.b – Stacey White and Police Chief Bartlett.

Stacey White and her son, Cameron, came forward and thanked Councilor Ross and Chairman Sullivan for responding to her email. Ms. White had a picture of her dog, Johnny, who died a few months ago from an obstruction and described the medical treatment her dog received, and did not receive, over a two week period from a local veterinary clinic. Ms. White was in touch with Dr. Shankle and spoke with Donna Fitzpatrick who indicated that Chief Bartlett would be in touch with her soon. She did hear from Chief Bartlett who recited the relevant statute. Ms. White rejected his interpretation of the law and told him so. She also filed a complaint with the Veterinary Board. Ms. White asked the Council to dedicate resources to combat animal cruelty and make sure someone is thoroughly educated in aspects of animal cruelty and prosecution. She said as a hiring authority, the town has an opportunity to evaluate the towns public service and not expose the town legally.

Chief Bartlett came forward and said it was very waisturbing to hear these comments. He said Ms. White sent him an email about Johnnyos journey. He researched the matter and found that way] hands are tied. He was in touch with Dick Tracy of the NH Department of Justice who agreed with his assessment of the situation. He takes exception to allegations made by Ms. White. He also sought the advice of Town Counsel, Matt Serge. This is not a criminal matter based on statutory language. He said he is a dog person and sent Ms. White a heartfelt email indicating that there was nothing the Police Department could do based on the law. He advised her to get in touch with the Veterinary Board; yet, she never told him that she had filed a complaint. The Veterinary Board is conducting an investigation into the matter.

Councilor Tsantoulis expressed all due respect to the family who lost their pet but said he didnot believe there was anything the Council could discuss further. Chairman Sullivan said the Council can allow citizens to come before the Council.

 David Ross feels it was appropriate; the gist of Ms. White complaint is the responsiveness as opposed to what was done, and it should be discussed at a non-public session. He understands it is not an arrest-ible offense but with the animal control position empty, who do residents call. Councilor Ross felt the matter deserves discussion; that is what we do as public servants. He said he didnot believe it was brought to the Council for punishment but rather a genuine concern on Ms. White part that there is something wrong.

Chairman Sullivan said the Council can look into what can be done about the animal control officer and thanked Ms. White and her son for coming in.

The Veterinarian asked to comment. Councilor Winterton didnot feel that was appropriate. Chairman Sullivan asked the speaker to hold her comments until the public comment period.

5. APPROVAL OF MINUTES

Councilor Jennings moved, second by Councilor Tsantoulis, to approve the October 12, 2016 public meeting minutes, as amended. Motion passed, 7-0-2 [Councilors Ross and Duhaime abstained].

Councilor Jennings moved, second by Councilor Tsantoulis, to approve the October 12, 2016 non-public meeting minutes, as presented. Motion passed, 7-0-2 [Councilors Ross and Duhaime abstained].

6. AGENDA OVERVIEW

7. PUBLIC HEARINGS

8. CONSENT AGENDA

9. TOWN ADMINISTRATOR'S REPORT

Town Administrator, Dr. Shankle, asked the Council to increase the legal budget line. Councilor Winterton moved, second by Councilor Jennings, to increase the legal budget line by \$814.63 for a total of \$18,666.58. Motion passed unanimously, 9-0.

Dr. Shankle indicated that the mortgagor of the 18 Benton Road property has agreed to a \$10,000 price to close the matter; that is, \$8,000 expended by the town for demolition and clean-up plus legal fees. Councilor Winterton moved, second by Marc Miville, to accept the \$10,000 offer to close out the 18 Benton Road matter and release the lien on the property. Motion passed unanimously, 9-0.

Dr. Shankle announced that the Town Clerks and Tax Collectors offices will be closed on election day since staff in those offices will be working at the polls.

The Hooksett American Legion will honor the Gold Star mothers of Hooksett on Veterans Day, November 11th, at 12:00 noon.

As requested by the Council, Dr. Shankle sent a letter to the Central Hooksett Water Precinct asking that they limit water usage and advise their customers to do so, as all other Hooksett residents were asked to do. There was a newspaper article indicating they have asked their customers to limit water usage.

Dr. Shankle said they had not yet gotten the tax rate out; will probably do so before the next Council meeting. A draft newsletter was provided for Council review. Chairman Sullivan asked that Councilors with comments about the newsletter provide them to Dr. Shankle or Nick Germain.

10. PUBLIC INPUT - 15 MINUTES

Dr. Winnie Krogman came forward and said the tone has been that malpractice has happened and how can this be assumed in this situation. She said a number of comments were not factual, are inappropriate, and blatantly incorrect. It is up to the Veterinarian Board to decide this matter. She apologized for taking the Councils time but needed to come forth for her staff and herself who care about pets and families.

Hooksett Firefighter Ian Tewksbury who lives in Hopkinton said he speaks for a lot of employees who feel lucky to be working for Hooksett even with a 27 percent increase in health insurance. He asked that the Council not make any drastic changes of what they give to employees but approach the matter from a different point-of-view and this rate increase provides a great opportunity for the Council and employees to be on the same side and not pass on the full increase to the employees.

Scott Evans, 69 Main Street, said he thought the proposal on the ‰ left turns onto Main Street+was supposed to be addressed tonight but is not on the agenda. Chairman Sullivan said a public hearing hasn¢ been posted yet. Councilor Miville offered to call Mr. Evans once the hearing is scheduled. Donna Fitzpatrick said it will be held on either November 9th, 16th, or December 14th.

11. NOMINATIONS AND APPOINTMENTS

Councilor Winterton nominated Cutler L. Brown as a representative to the Southern NH Planning Commission with a term to expire in 2017. Councilor Winterton said the Planning Board selected Mr. Brown over one other candidate who was equally capable and should be encouraged to become involved. Chairman Sullivan asked how many serve on the Commission and thought it was three. Councilor Winterton said Mr. Marshall and Mr. Brown

serve. Dr. Shankle will double-check how many representatives should be on the Commission.

12. SCHEDULED APPOINTMENTS – taken up earlier in the meeting

13. 15 MINUTE RECESS

14. OLD BUSINESS

14.a 2017-18 Budget and Warrant Articles

Councilor Miville said that the library came back to the Budget Committee for \$10,000 for one of their employees not involved in pay equity. The Budget Committee approved the request which added \$6,024 to the library budget.

Finance Director, Christine Soucie, went over the Budget and Warrant Articles with Estimated Impact on the Tax Rate. She had no information on the police union. Director Soucie passed out updated figures to include the new health insurance rates, and indicated that equitable raises include part-time and DPW staff that are not covered under union contract. Director Soucie said \$211,000 is in the current budget which can be found in the health insurance line since there were vacant positions that could allow moving money around some. Councilor Winterton said we need to be cognizant that a year from now there will be \$200,000 less that we might have put towards something else+. Christine Soucie said for FY17-18 the \$211,000 is just the town, not the library and sewer; the next budget includes the increase to \$390,000. She said the rates for July through December is already factored in at six percent, then add 20% to the six percent equals \$390,000.

Councilor Duhaime moved, second by Councilor Winterton, to see if the town will vote to raise and appropriate the sum of \$390,000 for salaries and benefits for non-union full-time and part-time town personnel. Roll Call #2: Councilor Duhaime-yes, Councilor Miville-yes, Councilor Ross-yes, Councilor Levesque-yes, Councilor Jennings-yes, Councilor Giotas-yes, Councilor Winterton-yes, Councilor Tsantoulis-yes, Chairman Sullivan-yes. Motion passed unanimously, 9-0.

Councilor Winterton asked if the health insurance rate increase affects the tax rate. Director Soucie said not for the 2016 tax rate. In 2017, because the \$211,000 savings will be used, that will not go into the fund balance and that when it would hit the tax rate. Director Soucie said it will add an estimated .30 cents to the tax rate next year. The Council discussed increases in the insurance rate over the years. Chairman Sullivan remarked that perhaps the town should change the insurance coverage to go from July to July so there is no need to worry about unexpected increases.

The Council discussed the pros and cons of weekly payroll versus bi-weekly payroll. Currently staff is paid weekly and, according to Director Soucie, the process can be changed with permission from the state. Chairman Sullivan asked if there would be any savings. Director Soucie said there would be small savings in the cost of paper and processing. She will take a closer look and direct deposit cannot be mandated. Donna Fitzpatrick said that perhaps efficiencies could be realized by centralizing three payroll systems. town, library, and sewer. Councilor Winterton asked if that would save time. Director Soucie said that the library uses a vendor and taking that on would be like taking on a mini company. It would not

be as easy as the sewer because they are our employees. It would take no time at all to incorporate the sewer employees. Dr. Shankle suggested that the Sewer Commission representative should talk with them about it. Councilor Winterton will bring it to the Commission members. Councilors mentioned that even with a pay raise, employees who live in town will lose money because of the increase in the health insurance rate

Councilor Ross moved, second by Councilor Tsantoulis, to keep the town share of 15% in place for the next year. Motion passed unanimously, 9-0

Councilor Winterton said he values part-time employees since they save the town a lot of money and the Council should not lowball those employees. He said Social Security increases went up .5 percent and Medicare insurance went up 120 percent. Councilor Winterton moved to raise and appropriate \$142,819, a three percent wage increase. Councilor Ross seconded and said it was hard to hire people right now and it was important to take care of employees and the three percent is consistent with what we have done in the past+.

Councilor Miville said that he cringes when people tell him to pay employees more to keep them here. People make life decisions, and it is there decision to make. He will support the increase however. Councilor Ross said in exit interviews lower pay was a recurring theme. Dr. Shankle suggested not focusing on that end of it. He said here is a reason that we cand fill positions that we have. DPW Director Diane Boyce cand get a mechanic because the town is paying less than everybody else, and she cand get truck drivers because we paying too low. There is a hierarchy of needs and they do need to put food on their table and be able to afford a car and get to work so it is a distraction to them if those needs are not possible to be filled. Dr. Shankle said some who work the hardest are going to be taking home less money even with this three percent.

Chairman Sullivan said there is need for balance and this is not out of line with past practices, and we also need to consider employees who live in town+who will have to pay increased insurance rates and pay more taxes. Councilor Winterton suggested a separate bucket that could be spent as the Town Administrator sees fit. Councilors Winterton and Ross withdrew their previously made motions.

Councilor Winterton moved, second by Councilor Ross, to authorize a two percent increase to non union personnel amounting to \$95,213 and provide the Town Administrator with a one percent equity pool of \$47,606. Motion passed unanimously, 9-0. This will be placed on the ballot.

Councilor Ross moved, second by Councilor Tsantoulis, to allocate a two percent increase to non union personnel and a one percent equity pool for a total amount of \$142,819. Motion passed unanimously, 9-0. Information should be placed in the Voters Guide.

The Council discussed the starting salary for a Recreation Director

Councilor Ross moved, second by Councilor Jennings, to raise and appropriate the sum of \$78,269 for the salary and benefits to hire a full time Recreation Director. Motion passed 6-3 [Councilors Miville, Levesque, and Sullivan opposed].

Councilor Duhaime moved, second by Councilor Miville, to discontinue the Feasibility Study.

Motion passed unanimously, 9-0.

Finance Director Soucie said there will be 15 warrant articles on the ballot. She will wait to close; closing now would provide \$63,000 more.

15. NEW BUSINESS

15.a Obligation of Impact Fees Zone 1 to Lilac Bridge

Councilor Jennings moved, second by Councilor Ross, to obligate \$33,372.68 in impact fees from Zone 1 to the Lilac Bridge project. Motion passed unanimously, 9-0. It was mentioned that \$278,000 has already been obligated for the Lilac Bridge. This would add \$33,372.68.

15.b Obligation of Impact Fees for Zone 3

Councilor Duhaime moved, second by Councilor Jennings, to obligate \$86,814 in impact fees from Zone 3 to the Morrill Road extended drainage and guard rails due to increased development. Motion passed unanimously, 9-0.

Councilor Ross moved, second by Councilor Winterton to extend the meeting until finished. Motion passed unanimously, 9-0.

15.c Tax Rate and Fund Balance

Finance Director, Christine Soucie, said the current policy is to maintain a minimum unassigned fund balance of 5% and the largest balance shall be 8% of the general funds annual budget, including the School and Countys net appropriations. The total tax rate is estimated to increase by \$2.16 from the 2015 rate of \$24.72 to \$26.88, if no fund balance is applied. As of June 30, 2016, the town has \$4,941,289 of unassigned fund balance which is estimated to be 10%. She said a low unassigned fund balance can be viewed as an indicator of financial instability which can negatively affect bond ratings and interest rate options, and a high unassigned fund balance is beneficial to the towns cash flow. Director Soucie provided three options that were discussed by the Council.

Option A: apply excess fund balance over 8%; the total tax rate increase is \$1.54

Option B: apply excess fund balance to keep the towns share of the tax rate level; the total tax rate will increase \$1.14

Option C: apply excess fund balance over 5%; the total tax rate increase is .62 cents

Director Soucie recommends Option A that would allow for enough funds to withdraw the estimated \$1.3 million for the Lilac Bridge and still leave the town with \$2.6 million in unassigned fund balance, which is just above the 5% minimum. Chairman Sullivan moved to approve Option C. There was no second.

Councilor Winterton said he is in favor of Option A since it is important to keep the fund balance high because it impacts the credit rating, is transparent and the right thing to do and

it lets the citizens understand that the cost of running the town is going up. Various figures were bandied about

Councilor Ross felt it might be wise to retain what we have+since construction on the Lilac Bridge proposes to take \$1.3 million to come from the unassigned fund balance. The fund balance can be used next year if ites still there. Councilor Winterton noted that weeqe building a bridge out of one-time money; the bridge is for the next 30-50 years+. He asked why the town wouldness bond the money instead of taking from taxpayers all in one year . a bridge is a long term thing. Dr. Shankle reminded everyone that the bridge is an emergency which is why the fund balance can be used.

A roll call on Option A was called. Roll Call #5: Councilor Tsantoulis-yes, Councilor Ross-no, Councilor Duhaime-no, Councilor Jennings-yes, Councilor Levesque-yes, Councilor Winterton-yes, Councilor Miville-no, Councilor Giotas-no, Chairman Sullivan-no. Motion failed 4-5.

Chairman Sullivan moved to approve Option B. Motion failed since there was no second.

Chairman Sullivan moved, second by Councilor Tsantoulis, to authorize the Town Administrator to apply fund balance in excess of 9% to the tax rate. Roll Call #6: Councilor Miville-no, Councilor Levesque-yes, Councilor Winterton-yes, Councilor Giotas-yes, Councilor Ross-yes, Councilor Tsantoulis-yes, Councilor Jennings-yes, Councilor Duhaime-yes, Chairman Sullivan-yes. Motion passed 8-1[Councilor Miville opposed].

16. SUB-COMMITTEE REPORTS

17. PUBLIC INPUT

18. NON-PUBLIC SESSION

 18.a NH RSA 91-A:3 II (a) The dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him or her,

 18.b NH RSA 91-A:3 II (c) Matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself.

J. Sullivan motioned to enter non-public session at 10:01pm. Seconded by T. Tsantoulis.

- 436 Roll Call
- 437 D. Ross . yes
- 438 D. Winterton . yes
- J. Levesque yes
- 440 R. Duhaime . yes
- 441 A. Jennings . yes 442 M. Miville . yes
- 443 T. Tsantoulis . yes
- 444 J. Giotas . yes
- J. Sullivan yes
- **Vote unanimously in favor.**

T. Tsantoulis motioned to exit non-public at 10:15pm. Seconded by R. Duhaime. Vote unanimously in favor. R. Duhaime motioned to seal the non-public minutes of 10/26/16. Seconded by J. Levesque. Vote unanimously in favor. 19. ADJOURNMENT A.Jennings motioned to adjourn the 10/26/16 public session at 10:15pm. Seconded by T. Tsantoulis. Vote Unanimously in favor. **NOTE:** The town website may have attachments to these Town Council minutes for documents referred to in the minutes, reading file material, and/or ancillary documents that the Town Council Chair has signed as agent to expend as a result of the Councils prior approval of the documents. Respectfully submitted, Suzanne Beauchesne Recording Clerk