



**LACONIA CITY COUNCIL
BUDGET WORK SESSION
MARCH 31, 2014
CITY HALL – CONFERENCE ROOM 200A
7:00 P.M.**

CALL TO ORDER:

Mayor Engler called the meeting to order at the above date and time.

ATTENDANCE:

The following Councilors were in attendance: Councilor Doyle, Bownes, Lipman, Baer, Hamel and Bolduc.

Also in attendance: City Manager Scott Myers, Finance Director Donna Woodaman, Public Works Director Paul Moynihan, Fire Chief Ken Erickson, Asst. Fire Chief Kirk Beattie, Police Chief Chris Adams, Capt. Bill Clary and Capt. Matt Canfield

PUBLIC WORKS – DIRECTOR PAUL MOYNIHAN (Pg. 86)

Director Moynihan reviewed the proposed budgets for Public Works, Solid Waste, Sanitary Sewer Fund, Sanitary Sewer Fund Capital Outlay, Public Works Capital Outlay, Internal Service Fund and Motorcycle Week expenses.

Councilor Lipman asked what the anticipated spend for this year is for Winter Maintenance. City Manager Myers replied that this would be available in the near future but acknowledged that the various lines were overspent by \$40,000. Councilor Lipman asked if the number being proposed is realistic or over budgeted. City Manager Myers replied that the amount is based on a five year average and

Councilor Hamel asked if the Winter Stabilization account was funded solely from remaining Winter Maintenance funds or from the overall Public Works budget. City Manager Myers replied that this was funded solely from the Winter Maintenance not used.

Councilor Bownes asked what the stabilization account is and how it was set up. City Manager Myers reviewed the process. Councilor Bownes asked if these funds can be used solely for Winter Maintenance or for other areas. City Manager Myers replied that it can only be used for Winter Maintenance expenses.

Councilor Hamel asked what the life expectancy is of the Penacook incinerator facility. Director Moynihan replied that he estimates another 20 to 30 years but would need to check on this. Councilor Hamel asked if any capital expenses should be anticipated. Director Moynihan replied that there are none known but the Board of Directors of the Concord Cooperative would be making those decisions if they were to come forward.

Mayor Engler asked if a new contract will be in place for solid waste and recycling before the budget is approved. City Manager Myers replied that the known figures have been placed in the budget and an increase of approximately 15% has been included in the budget. The intent is to have contracts signed before the end of June.

Councilor Lipman asked if there are any opportunities to partner with other communities for collection contracts. City Manager Myers replied that our neighboring communities do not offer curbside collection and may not be on the same contract schedule. Councilor Lipman added that it doesn't need to be a neighboring community as long as it is business it could be packaged together. City Manager Myers replied that there are several logistical factors that would need to be taken into consideration and he will look into it.

Mayor Engler asked if there is an anticipation to have another contract for recycling with a flat fee or to be paying by the tonnage. Director Moynihan replied that he is not certain at this time but that it has been bid this way in the past, even with prior contractors, and that it would be an acceptable format of bidding again.

Councilor Hamel asked if the capital Improvements are completed for the Winnepesaukee River Basin Project (WRBP) if they could structure similar to how the City does and limit the amount of commitment to control expenses throughout the years. Director Moynihan replied that he understands the request and has looked at the 20 year outlook with Finance Director Woodaman and there will be a decrease in the next few years, however the flow meter project will be upcoming. There has been difficulty with the bidders for the flow meter project and there has been a difficult progression for this project. The current bid looks like it can be favorable and is being reviewed by the NH DES at this time. The overall cost for the project is \$1.3 million as opposed to the last capital project of \$5 million.

Councilor Hamel asked if the amount to fund the WRBP includes the increases to sewer rates and if the rates will maintain the cost. Director Moynihan replied that he has been working with Finance Director Woodaman on this and the operating loss has decreased since the initial increase in September 2013. There are two additional increases projected in September 2014 and September 2015.

Councilor Hamel asked how many pump stations remain to be upgraded. Director Moynihan replied that there are 17 and when they are upgraded they are not necessarily full upgrades therefore additional components will continue to be upgraded. Councilor Hamel asked if there are any that have had nothing done to them. Director Moynihan replied that there are not to his knowledge and that he is comfortable that all of the stations are getting adequate services.

Councilor Baer expressed that she is concerned with the line item under capital outlay for lights at Court and Fair Street because a study needs to be done first. Director Moynihan replied that this appropriation request is for study only. Councilor Baer commented that this area is in the Downtown TIF district and the funds can be taken from there. City Manager Myers replied that the Council has the authority to do so.

Councilor Bolduc commented that he has received calls and residents do not want a light at this intersection.

Mayor Engler asked what can be done with the \$25,000 requested. Director Moynihan replied that he is estimating the amount based on experience when completing a study for the Oak Street intersection. Councilor Lipman commented that, in regards to the request for an additional mechanic for the Internal Services Fund, with the purchases of new equipment that have been made there would be the anticipation that less maintenance would be needed. Also, Councilor Lipman noted that there are several pieces of equipment that have been retained and they are in need to repair and he would like to

see the list of what remains. Director Moynihan emphasized that the City has looked at the mechanic to inspectable vehicles ratio as compared to other communities and the City employees are inspecting 50 per employee.

Councilor Bolduc asked what season the mechanics are busier. Director Moynihan replied that they are busier in the winter because of the use of the vehicles. There has been additional staff utilized for maintenance that are designated to Public Works but are mechanically inclined and this information has been tracked to show there is a need. Director Moynihan added that two mechanics for the number of vehicles is inadequate and if anyone would like to sit down with the mechanics and the list of vehicles to review the needs of the City.

City Manager Myers commented that hours have been logged and there are particular pieces of equipment that are being retained for their purpose but no funding is being used for them. Additionally, the Police Department vehicle maintenance was previously outsourced and has been taken on in-house. Although there was a large investment with additional equipment there is still a significant amount of vehicles that are not recently purchased that still require maintenance.

Councilor Hamel commented that he would like the Council to have more control over what is being replaced when the Council has appropriated funds for a specific type of vehicle so that the Council is aware of what is being purchased. For example, if funding for a pick-up truck is approved they need to purchase a pick-up truck and not a van.

Councilor Bownes asked if there is a process in place where the Council would be informed if that was occurring. City Manager Myers replied that this has not happened in his time here and referenced an instance where wording was perceived differently but assured that the Council would be made aware if something was happening to this effect.

Councilor Hamel commented that he feels the Council should be told when any vehicle is purchased and they should have the final say.

Councilor Lipman commented that the Internal Service Fund is a way to manage the expenses for the maintenance of City equipment but he is not willing to make any additional appropriations for personnel until he has seen a change in management of the department.

Director Moynihan stated that the Council is provided an equipment list each year and the department uses their discretion when making purchases. Councilor Lipman replied that when the Council is asked to replace equipment based on safety concerns it is not expected that the equipment will continue to be used and maintained and this has been expressed in the past.

Mayor Engler asked where the narrative is for the Internal Service Fund. Finance Director Woodaman replied that there isn't one and never has been. City Manager Myers replied that they can get one together for them. Mayor Engler stated that when adding an employee it would be nice to have this. Director Moynihan stated that this is not an addition and just reinstating a position that was removed.

Councilor Hamel asked who cleans the chemical toilets for Motorcycle Week. Director Moynihan replied that it is done by the contractor.

Mayor Engler thanked Director Moynihan for his presentation.

FIRE DEPARTMENT – CHIEF KEN ERICKSON & ASST. CHIEF KIRK BEATTIE (Pg. 54)

Chief Erickson and Asst. Chief Beattie reviewed the Fire Department statistics and proposed budget.

Councilor Lipman asked for the breakout of the four SAFER grant firefighters. City Manager Myers replied that five weeks of salaries and expenses has been included in the proposed budget with 47 weeks being covered by the grant. The cost has been blended into the costs for the salary line but the estimated amount is approximately \$30,000. Councilor Lipman confirmed that the expense is in the salaries line and asked where the revenue line is shown. City Manager Myers replied that it is included and is a net value.

Councilor Bownes asked if the majority of the increases are related to contractual commitments the department has and if the City is negotiating. Chief Erickson replied they are and that the City is negotiating. City Manager Myers added that the three departments presenting this evening are inclusive of health insurance and retirement system contributions while all other departments are found in the Finance budget. The amounts indicated are what the City believes to be reasonable amounts based on negotiations.

Councilor Baer confirmed that the City is taking on the responsibility for five weeks of the firefighters from the SAFER grant. City Manager Myers confirmed this is the case. Councilor Baer added that this is assuming the Council will agree to keep the firefighters. City Manager Myers replied that the Council can make a change to this at any time.

Councilor Lipman asked how much money the Fire Department budget will be able to contribute to the newly established account to fund the additional staffing. Chief Erickson replied that he is aiming to transfer \$50,000 into the account. Councilor Lipman asked if there was the anticipation to have \$100,000 by July 1, 2015. Chief Erickson replied that this is his intent but he cannot predict.

Mayor Engler asked why the addition of the four firefighters led to less equipment leaving the stations. Chief Erickson replied that when there is a call in the Weirs there are now three firefighters and they can maintain their calls themselves and a crew from Central Station does not need to go. When there is a motor vehicle incident they do not send the ladder truck unless there is a need which has resulted 35% less calls being done by the ladder.

Councilor Lipman asked if there are any other plans to make contributions for the reserve fund. City Manager Myers replied that this is being looked at in conjunction with the LRGH contract that expires at the end of the next fiscal year.

Councilor Hamel asked where the \$50,000 will be coming from this year. Chief Erickson replied that it will be coming from overtime and health insurance savings. Councilor Hamel asked for a specific amount that would be coming from overtime. Chief Erickson replied that he believed it to be approximately \$20,000. Councilor Hamel commented that the combined overtime for the department for 2013 was over \$700,000 to which Chief Erickson countered that this is not an accurate figure. Finance Director Woodaman explained that because the report being referenced, known as the Chapter 75 Report, is a calendar year and not a fiscal year and is inclusive of all payroll which may be coming from other sources, such as the hospital or the Motorcycle Week fund. City Manager Myers added that this also included shift differentials for working holidays.

Mayor Engler asked if every dollar being spent on Motorcycle Week for the Fire Department is overtime. Chief Erickson replied that it is because there are additional staff needed and they are additional hours beyond their scheduled hours and there is \$22,500 appropriated for this in that fund.

City Manager Myers stated that the payroll report is all wages that are processed through the City payroll system and are inclusive of hospital payments, paid details, training that is reimbursed and any other type of special circumstance and this total cannot be used to determine an expense to the budget

for that line. Councilor Hamel replied that regardless of where it is coming from it is overtime being paid out. Chief Erickson commented that his amount for overtime for the fiscal year is \$456,000 including the hospital contributions, which is approximately \$184,000.

Chief Erickson explained the expenses the hospital contract pays for, including having a paramedic on at the Weirs Station 24 hours a day and all training for paramedics and EMT's. The hospital contract does not just pay for four employees – they are providing a revenue so the City can provide a service and they bill for the income.

Councilor Hamel commented that if four additional people are added to the roster there should be a larger reduction in the overtime cost. Chief Erickson commented that the amount is \$50,000 and when taking into consideration all of the training that has been done this year in is substantial.

Councilor Hamel asked how the overtime can be accurately reflected. Chief Erickson advised that the information is in the budget. Mayor Engler commented that the Council needs to be given a breakdown of what is included in the overtime line. City Manager Myers replied that he will do this.

Councilor Lipman commented that the methods used to respond to certain instances should be looked at to see if there is a different way to look at the scenarios that may be more cost effective. Chief Erickson replied that he is running with the staff he can on duty to keep the community safe and the firefighter's safe, even when he feels there should be additional staff.

Councilor Hamel noted that Chief Erickson commented that there is an issue with absentee landlords and asked if there has been an ordinance worked on to address this. City Manager Myers replied that this was done through state legislation and they have been working to make this stronger through local ordinance and it is on the agenda.

Councilor Hamel commented that he notices hydrant shoveling being done and asked if it would be a better to hire an outside service to do this. Chief Erickson replied that there are over 500 hydrants in the City and it takes several days to dig them all out. The employees take the apparatus with them so they are not out in the streets without a means to respond to calls.

Councilor Hamel referred to the Municipal Resource, Inc. (MRI) report where it was reported that if four fireman were hired and converted to straight time positions the use of the current overtime could drop approximately \$87,000. Chief Erickson replied that if the full proposal was followed it would be a reduction in services for the community and there would be elimination of ambulance coverage from the hospital. Chief Erickson offered to review the document with any Councilor that would like to.

Mayor Engler thanked Chief Erickson and Asst. Chief Beattie for their presentation.

POLICE DEPARTMENT – CHIEF CHRIS ADAMS (Pg. 79)

Chief Adams reviewed the Police Department statistics and proposed budget.

Councilor Bownes asked if there is an increase in outside police for Motorcycle Week. Capt. Clary replied that the line has been level funded. In prior years they have been able to save by sending staff home because of lack of need.

Councilor Lipman asked how the City is doing with the increased drug problems that have been brought forward. Chief Adams replied that the department is playing catch up and there has been recent outbreak of heroin use within the last few years, which is a problem all over the State and Country. It is going to be a challenge and this is a community issue.

Councilor Lipman asked if additional funding were made available where it would be spent. Chief Adams replied he can always wish for extra personnel because that would be helpful but that is not always the answer. Making an investment in the education and treatment of the community through the Problem Oriented Policing (POP) initiatives that are ongoing throughout the City. The topic of substance abuse in the State, as well as the lack of treatment and prevention, is on the forefront. Funding would be used toward this area but Chief Adams stated he is not sure how at this time. The Police Department has always tried to send the signal to those involved in drugs that they don't want to come to our community because they will be arrested. Councilor Lipman asked for a targeted investment location in the near future.

Councilor Hamel asked what can be done that would help the department, such as technology, to try to police the drug situation. Chief Adams replied that technology is always changing and there is outdated surveillance equipment in the Detective unit and the cameras are very useful in solving certain crimes.

Mayor Engler asked if there is any line between prior discussion of building inspections and substance abuse, such as if the City were more diligent in performing inspections could this activity be identified. Chief Adams replied that this could be helpful and holding property owners responsible for the activities in their buildings would be beneficial. The Police Department has reached out to landlords in the past and they have been cooperative.

Councilor Hamel asked if the City has the authority to make stronger requirements for absentee landlords because it has now been brought forward by the Fire and Police Departments. City Manager Myers replied that we typically get authority from the State and, in understanding the concept being brought forward, he will look into the options before committing to a definitive answer.

Councilor Bolduc asked if the City is having a bigger problem than other communities. Chief Adams replied that it is everywhere.

Councilor Lipman commented that he would like to have a more comprehensive plan to handle this problem because although it is effecting every area there is a unique aspect about the City that needs to be taken into consideration. Overall the reduction of substance abuse will have a positive impact on various areas of the City as well as how the City is viewed. Chief Adams agreed.

Councilor Bownes commented that this problem is effecting everywhere and everyone. It would be beneficial to see what the City and the County are doing differently than other communities that is geared toward a proactive approach. We want people to want to come to the City to live because it is a nice place to be and the community cares about keeping it that way.

Councilor Lipman commented that the City does not want to be on the top of the reports for crime statistics. Chief Adams agreed and the POP projects log there activities and the information can be presented to Council for there review. Councilor Lipman encourage that outside agencies be sought out to assist in the process of educating and eliminating substance abuse issues in the City.

Mayor Engler commented that it has been noted that a large population of the community lives in multifamily housing and when there is a drug bust at these properties they make discoveries that the landlords should have been aware of, such as several surveillance cameras being installed.

Councilor Hamel commended the Council and the Police Department for not ignoring the problem and taking action by adding additional officers to go out and find the people creating a problem. Being proactive and having programs has been done and it hasn't helped but the Police Department being aggressive has.

Chief Adams commented that Police Department employees have volunteered 263 hours through various avenues, including Santa's Village, the Special Olympics, and buying Christmas presents for needy families. These actions make Chief Adams and the department proud.

Mayor Engler thanked Chief Adams for his presentation.

COUNCIL COMMENTS:

Councilor Bolduc asked everyone to drive up Elm Street and take a look at the railings on the bridge because they are all scraped up and he feels this will be happening with the Main Street Bridge railings as well.

Councilor Lipman asked the Council to think about Senate Bill 366 which has to do with the allocation of proceeds from gaming back to the municipalities. The estimate for the City to receive from this amendment is \$677,000 per year in shared revenues. The bill has passed the Senate and is moving on to the House. Councilor Lipman stated that on a personal level he is in support of this bill and feels that the Council as a whole should do the same because the shared revenue would be beneficial to the City. Councilor Lipman offered to share the legislation and requested the Council to take a formal position. Mayor Engler reviewed the process to this point with the Council.

Councilor Bownes commented that he hopes everyone has looked at the letter from the New Hampshire Civil Liberties Union because it needs to be addressed at some point.

ADJOURNMENT:

*Councilor Bolduc moved to adjourn at 9:39 p.m. Seconded by Councilor Lipman. **Motion passed unanimously.***

Respectfully Submitted:

Mary A. Reynolds
City Clerk