



**LACONIA CITY COUNCIL
BUDGET WORK SESSION
JUNE 9, 2014
CITY HALL – CONFERENCE ROOM 200A
6:00 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, Fire Chief Ken Erickson, Assistant Fire Chief Kirk Beattie, Deputy Fire Chief Charlie Roffo, Jonathan Smith from Warrenstreet Architects and Engineering, School District Business Administrator Ed Emond, Superintendent Terri Forsten,

PRESENTATION OF THE CENTRAL FIRE STATION PROJECT

City Manager Myers reviewed the process for this project to date. This evening will be an update on the financial information.

Chief Erickson commended Deputy Roffo for doing a great job with this project.

Deputy Roffo reviewed site plan and design of the project.

Councilor Bownes asked for an explanation of the entrance from the Tremont Street side of the site plan. Deputy Roffo indicated the area on the site plan.

Councilor Hamel asked if there needs to be tree removal on the westerly side of the property. Deputy Roffo replied that there is no plan to remove them but if for some reason they need to be a buffer will be created so they can continue to be good neighbors.

Councilor Hamel asked where the Emergency Operations Center is located on the site plan. Deputy Roffo indicated the location.

Councilor Hamel asked for an explanation of the number of offices in the plan. Deputy Roffo reviewed the offices in the addition as well as the need and rationale for each.

Councilor Baer asked what the capacity of the community room will be. Deputy Roffo replied that the exact number has not been established yet. Mr. Smith added that the room is 1200 square feet and could accommodate seating for approximately 130 to 140 people in a meeting set up.

Councilor Bownes asked if there is the intention to go to the Planning Board for site plan approval. Deputy Roffo replied that they are in contact with the Planning Board and will be working with them on the entire project. Mr. Smith added that they will be going through the Technical Review Committee process as well.

Councilor Lipman commented that there is more concern for the budget aspect rather than the plans and was with the assumption the Council would have planning input as the project progresses, and requested to move along. Mayor Engler advised that this line of discussion would be concluded before beginning financial discussion.

Mayor Engler noted that he does not recall there being a three (3) car garage in the original plan. Deputy Roffo explained that this was added for accommodation of department vehicles that are stored on site and is an optional decision.

Mr. Smith reviewed the financial information for the project.

Councilor Hamel asked what the rough cost of the three (3) bay garage would be. Deputy Roffo advised that some of the expenses are going to be returned through grant but need to be included in the cost of the project to ensure the funding is in place if the grant is not fully funded. Mr. Smith added that the cost would be approximately \$10,000 to \$12,000 based on the cost per square foot.

Mayor Engler asked what is being requested of the Council this evening. Deputy Roffo replied that they are looking for approval on the next phase so work can begin this fall and continue through next year. The timing has been done with the intention of outdoor storage of the fire apparatus will not take place in the winter.

Mayor Engler asked what the cost of the next phase will be. City Manager Myers advised that it would be approximately \$101,500 for design.

Councilor Bownes asked if this would come out of this fiscal year or the next. City Manager Myers advised that this would come out of the bond if approved but if the Council chose not to bond the project than it would need to be found within the budget.

Councilor Lipman asked what the percentage accuracy is for the project. Mr. Smith replied that they feel the estimate is within \$300,000 of the estimate and the next phase would be the construction contingency which is generally two to three percent.

Councilor Hamel asked if the office space being proposed is going to be sufficient. Deputy Roffo replied that there is long term storage in the plan and with the movement to electronic this will allow for more place in the office space.

Mayor Engler advised that he will place this item on the regular agenda for this evenings meeting.

City Manager Myers advised that in the budget there is a place holder for \$4.1 million for this project and if it is adopted the option would be to place a bond for \$4.4 million knowing that it is the high end

of the range. The difference between the partial interest-only payment outlined would have an increase of less than \$7,000 to cover the additional interest.

Mayor Engler asked if this is approved this evening when they will return with the conclusion of the next phase. Mr. Smith replied that they could have this information in September based on the project schedule.

GENERAL BUDGET DISCUSSION

Councilor Bownes commented that Councilor Lipman had previously asked what a decrease in the proposed budget would impact in the school budget.

Councilor Lipman commented that he would like to see the impact of a reduction of \$50,000 in the school budget and \$100,000 on the City side. Additionally, it would be requested to have an update from the Police Department on the increased need for substance abuse prevention as well as the

Councilor Bolduc commented that he doesn't see why the budget needs to be cut. The City Manager has put a lot of time and effort into this budget and it should be approved.

Councilor Lipman stated that the City Manager and the School Board have done a good job creating the budget but there is a need to adjust some areas of priority. Also the budget was forecasted several months ago and there have been changes that need to be accounted for.

City Manager Myers agreed that this budget began in December with department submissions and has been adjusted by the City Manager before presenting to the Council. Since that time there have been some changes that developed; health insurance cost has been reduced by \$35,000, revenue can be increased because of an increased projection in Motor Vehicle, and the Planning Department received an unexpected portion of the Master Plan funding from a grant and \$20,000 can be reduced from that line item. All of these were unknown but could net a \$50,000 reduction in the budget.

Councilor Baer commented that she believes in reducing the school portion of the budget and would probably go more than \$50,000. Also the surveillance cameras for the Police Department, as well as the Fair Street light project, could be expended from the Downtown TIF funding to avoid impact on the budget. Councilor Baer noted that the Downtown TIF does not always have to be the central area of the District.

Councilor Lipman commented that he would like Chief Adams to address the items previously requested by the Council. Mayor Engler invited Chief Adams to do so.

Councilor Lipman commented that the concerns revolved around the overwhelming presence of drugs in the community and the ways to help combat it with a combined effort between the Police Department and various social service agencies within the City and County. Right now there is no one like that in place at this time to coordinate these activities.

Chief Adams commented that the full time position would be approximately \$72,000 and they would be dedicated to the substance abuse problems within the City, including working with the Recovery Court program. The preference would be to have this position be a sworn position rather than civilian for the convenience of certain aspects of the position. The part-time position would be approximately \$20,000

and would be a sworn officer that would work directly on the same issues but would not have the impact of a full-time position.

Councilor Hamel recommended that the Cable Television line of \$40,000 be reduced because the contribution will not be required this year. By leaving \$20,000 in this line for equipment upgrades that will be necessary an additional \$20,000 will be saved. Councilor Hamel also noted that a command vehicle for the Fire Department could be eliminated for this year because one was purchased last year and that would save another \$32,000. Mayor Engler stated that he believed Councilor Hamel's goal is to net a saving of \$50,000 after adding an additional police officer. Councilor Hamel replied that it could either be used to fund the part-time or full-time officer and the remainder could go toward reducing the amount to be raised by taxes.

Councilor Lipman commented that there is an option to fund the full-time position midway through the year, as has been done with positions in the past, to evaluate if it is worthwhile to continue into the next budget.

Councilor Hamel added that the light at Court and Fair Streets could also be removed from the budget and funded through the TIF and that would reduce the budget by another \$25,000.

Chief Adams commented that if a partial year funding is the direction the Council would like to take the officer could begin training on the position after the summer season ends to see results earlier. Mayor Engler replied that if a sworn officer were to be used for this position there would be a need to fill the vacated position down the road. Chief Adams confirmed this is correct.

Councilor Bownes encouraged the Councilors to sit in on the Recovery Court that is held each Tuesday so they can see the benefits of having this program and a dedicated team to work with this. It will prove to be invaluable in the long run.

City Manager Myers commented that the reduction from the Cable Television line recommended by Councilor Hamel is not something that can be done at this time. Unfortunately there is not a time estimate on when a changeover would take place and there is not an estimate on what it would cost. It could be reduced but the impact is unknown at this time. Regarding the fire command vehicle, City Manager Myers cautioned that it is not a straight General Fund reduction because it is funded partially by the Internal Service Fund.

Councilor Baer requested an explanation on the savings in health insurance, which is based on having new contracts which are not in place and could result in the savings not being available. City Manager Myers replied that when looking at the total employee benefits in the budget if the contracts are not settled the cost of health insurance will be offset by the lack on wage increases that would have been in place.

Mayor Engler commented that the first readings of the proposed budget resolutions will be brought forward and they can be amended on June 23rd. City Manager Myers agreed and suggested that if there are changes that are known at this time they can be given to Finance Director Woodaman and she can add this information to the public hearing information that will be advertised.

Councilor Lipman asked for response from the School District on a potential loss of \$50,000 in the budget. Mr. Emond replied that the impact would be absorbed in the underestimated revenues that

have been projected and the hope is to have the increase in revenue to offset a reduction. The effect would be the same for the net amount to be raised by taxes.

Councilor Lipman stated that if the revenue projections did not come in as anticipated there would need to be an adjustment in the operating budget to accommodate. Mr. Emond agreed and noted that this is the same as was done this year.

Councilor Bowne asked to confirm that there is no specific item that would be used to address the reduction of \$50,000. Mr. Emond confirmed and stated that it would be managed internally.

Mayor Engler declared the meeting adjourned at 7:00 p.m.

Respectfully Submitted:

Mary A. Reynolds
City Clerk