



**LACONIA CITY COUNCIL  
BUDGET WORK SESSION  
JUNE 11, 2012  
CITY HALL – CONFERENCE ROOM 200A  
6:00 P.M.**

**CALL TO ORDER:**

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

**ATTENDANCE:**

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

Also in attendance: City Manager Scott Myers, Finance Director Donna Woodaman, Superintendent of Schools Bob Champlin, School Board Chair Bob Dassatti, Police Chief Chris Adams, Police Captain Bill Clary, Police Commissioner Armand Maheux, and Police Commissioner Warren Clement.

Mayor Seymour began the meeting by inviting Supt. Champlin to address the Council.

Supt. Champlin outlined efforts being made by the School Board to lower the overall budget. These items include completing the Clerk of the Works for the Huot Technical center in-house which will reduce the outside services line by \$75,000 over two years, designating \$20,000 in unexpended revenue being directed back to Fund Balance, and a potential \$40,000 of unexpended funds from the operating budget that could be re-appropriated to the Fund Balance. In addition, the School Board has been in conversations with the Parks & Recreation Department in regards to possible shared funding to the irrigation system and fertilizer at Opechee Park, which is abutting the Laconia Middle School property and is of great interest to the School Board. The Clerk of the Works will be the current facility manager for the Laconia Middle School and Laconia High School, Steve Dalzell, and his position will be covered by current staff to ensure he is dedicated solely to this project.

Councilor Lahey asked if there was an idea of amount of deferred design costs. Supt. Champlin replied that it would be approximately \$130,000 because of all of the technical work done.

Councilor Bolduc asked if there was any risk to the City by having Mr. Dalzell be the Clerk of the Works. Supt. Champlin replied that as an employee of the School District he will be insured and a project superintendent for Harvey Construction will be overseeing the work and will look over the project. Councilor Baer asked if the employee is bonded for a limited amount. Supt. Champlin replied that he will have the same insurance as other employees and will be covered under the property and liability insurance as well.

Councilor Hamel commented that the budget looks great, but did have concern with the increase in salaries at Pleasant Street School. Supt. Champlin explained that the increase is caused by a shifting of kindergarten from three classes at Elm Street School and two classes at Pleasant Street School to three

classes at Pleasant Street School and two classes at Elm Street School. In addition, there was a teacher out on leave that was at a higher pay grade than the long term substitute that took their place. That teacher will be coming back this year and that salary has been included.

Councilor Hamel asked if there is an accountability of the early retirees. Supt. Champlin replied that there is a line item for \$260,000 and is very person dependent. Councilor Hamel asked how many retirees are enrolled in the system. Supt. Champlin replied that he will get the information for the Council.

Mayor Seymour thanked Supt. Champlin for his presentation.

Mayor Seymour invited Police Chief Chris Adams to address the Council regarding the possible plan for additional staffing to assist in the prevention of drug activity within the City. Chief Adams thanked there support in fighting the issue of narcotic activity in the City.

Chief Adams reviewed that in 2010, which was the last year that there was a detective on the Drug Task Force, there were three arrests made relating to narcotics, in 2011, when Detective Noyes was reassigned from the Drug Task Force and began working solely on the Laconia Police Department unit, there were 19 arrests and 49 purchases and seizures. Through May 2012, there have been 22 arrests and more narcotics seized than there were in all of 2011. Chief Adams explained that there is a relation to the ranking of the City among other crimes to the substance abuse that is ongoing. If there were to be an additional full time detective in the unit, there would be more than double the efficiencies and it would send a message that the community won't tolerate these activities to continue.

Councilor Lipman asked if there has been a review of the City's current laws and ordinances that could be adjusted to make the penalties for these activities stricter. Chief Adams explained that there is an ongoing POP project that will last approximately three years and that other municipalities have adopted stricter penalties and regulations and they are being offered to the POP participants for consideration.

Councilor Lipman asked how monitoring prescriptions will assist. Chief Adams explained that it will allow pharmacies to communicate with each other and target those individuals that could be abusing prescription drugs. Locally, the City has been trying to target cases that have been brought to their attention and will continue those efforts, which have been extremely successful.

Councilor Hamel commented that the synthetic marijuana should be banned in the City and he is confident the City Council would support a ban of this kind. In addition, Councilor Hamel commented that the City of Franklin has a Mayor's Drug Task Force and is has opened the communications and was a very good idea. Chief Adams explained that this Task Force is funded by a community grant and the application process was begun and became very competitive; at the time the City was not prepared for the activities that the grant sponsored. The City does additional educational tasks with the DARE program in the schools and other programs throughout the City.

Councilor Bolduc asked if there is a way to have stricter penalties for narcotic use, similar to the penalties for using tobacco, alcohol or narcotics in a school zone. Chief Adams reiterated that this could be done City wide with the adoption of ordinances by the Council, very similar to what the Town of Hooksett has done. The Chief and Police Commission will look into the possibility in the City, which will send a visual message to the community that it will not be tolerated.

Mayor Seymour thanked Chief Adams for his presented information.

Mayor Seymour invited Finance Director Donna Woodaman to review the Finance budget with the Council.

Finance Director Woodaman explained that there are no large changes in the Finance budget for the 2012/2013 Fiscal Year. The department consists of 10 positions, including the Finance Department, Welfare, MIS, Tax and Purchasing. The largest increase can be found in the Audit line, which represents a renewed contract with Melanson Heath. There is an additional increase in the MIS budget to reflect the additional full time personnel that was approved by the Council in the 2011/2012 Fiscal Year.

Councilor Lipman asked if the Health Insurance Stabilization would be reflected in the Finance budget moving forward. City Manager Myers explained that it is being set up similar to a trust account and will be reflected in that area. In addition, City Manager Myers requested the Council refer to page 44 of the proposed budget, which reflects the health insurance cost for all departments that do not contain the cost within their own budgets.

Councilor Lipman asked for the standing of the Contingency account. City Manager Myers replied that the Contingency is covered in the Administration budget.

City Manager Myers reviewed the Administration budget, which included the City Manager, his Assistant, the Mayor and Council. In this portion, there is a \$20,000 reduction. Referring to page 11, City Manager Myers reviewed the Capital Projects, including those that were funded and requested but not funded.

Continuing to page 19, City Manager Myers reviewed the Non-Departmental budget, which includes software, educational reimbursement, employee service awards, and Contingency. The current Contingency budget was budgeted at \$50,000. In the prior year's budget, there was a much larger amount funded because there were many unknowns with the NH Retirement System and what the rates would be and the Council was proactive in funding the increase. The recommendation for the amount not used would be to place \$150,000 in School Capital, \$100,000 in Compensated Absences, \$100,000 in Health Insurance Premium Stabilization upon approval, and \$100,000 into Environmental to cover the upcoming costs associated with several environmental related issues that are ongoing, including testing, monitoring, clean up and legal costs.

Councilor Baer asked if the Environmental funds could be used toward milfoil eradication. City Manager Myers replied that it could, but there are existing funds that are intended to be carried over for milfoil eradication. Realistically, \$100,000 for environmental issues will not last long; in the Legal line, the City has overspent the budget because of legal issues arising from environmental related issues.

Councilor Hamel asked where the funding would be coming from. City Manager Myers reiterated that the funds have been designated in the current fiscal year and would be carried over into these four accounts. The other option could be to allow the funds to flow back into the Fund Balance or to the operational account, but the recommendation is to move the funds to non-personnel or program funded accounts but into reserve accounts.

City Manager Myers referred the Council to page 22 of the proposed budget, which represents Special Items funding for the various support programs throughout the City, including social health organizations, rails and trails, fireworks and other social activities. There was a challenge because not all programs were funded to the level they had requested, however, Chief Adams was consulted and it was determined where the funding would be the most beneficial. Each agency also presented written requests for their organizations to explain where they receive their funding and how it is used in the community. Councilor Baer requested to receive the written requests. City Manager Myers advised that he would provide the requests to the Council.

Councilor Baer commented that there is no additional funding for milfoil in the proposed budget. City Manager Myers replied that this is funded on a request basis and the City has not received requests for this line. The funding that was allocated for the current budget will be presented to the Council for a carry forward for this line item. Councilor Baer reviewed that there was a one-time contribution made to the Lake Opechee Conservation in 2009. City Manager Myers requested the Council review the carry over lists that have been provided to the Council which reflects the carry overs for the funds for the last two years.

City Manager Myers reviewed the Records Department and Elections budget, which represent no large changes for the 2012/2013 fiscal year. City Manager Myers emphasized that the department will be conducting two elections in the upcoming year.

Mayor Seymour advised that the budget presentation will continue into the regular Council meeting this evening. The budget work session was adjourned at 6:58 p.m.

Respectfully Submitted,

Mary A. Reynolds  
City Clerk