



**LACONIA CITY COUNCIL  
BUDGET HEARING  
JUNE 22, 2015  
CITY HALL – CONFERENCE ROOM 200A  
6:00 P.M.**

**CALL TO ORDER:**

Mayor Engler called the meeting to order at 6:00 p.m.

**RECORDING SECRETARY:** City Clerk Mary Reynolds

**ATTENDANCE:** Councilor Ava Doyle, Councilor David Bownes, Councilor Brenda Baer, Councilor Robert Hamel, Councilor Armand Bolduc.

Councilor Henry Lipman joined the budget hearing at 6:04 p.m.

**STAFF ATTENDANCE:** City Manager Scott Myers, Finance Director Donna Woodaman

**I. GENERAL BUDGET DISCUSSION**

Mayor Engler advised that the only item being discussed this evening will be budget related. There have been no specific requests for department representation this evening but the members of the Laconia School District and Laconia Board of Education are in attendance. The goal this evening is to have a list of consensus items that the Councilors can agree on to form a finalized budget.

Councilor Lipman reviewed the prior meeting of the Finance Committee on May 12, 2015 and the items requested. The general idea is to cut \$220,000 from the budget that has been presented and would result in an increase of \$.25 or less per thousand to the tax rate. City Manager Myers advised the Council that the City Assessed Value has increased by \$5 million and this alone would drop the tax rate from the proposed \$.36 to \$.29. The new projected City Assessed Value would be \$1,849,646,944.

Items discussed with regard to the School District budget were

Items discussed with regard to the general City budget were cutting the \$85,000 for the Fire Department radio upgrades from the General Fund, distributing the Bike Week funds among other departments rather than the Fire Department receiving \$70,000 for radio upgrades, health insurance premium returns anticipated of approximately \$30,000 as a one-time revenue to reduce the tax rate, adding the City Hall window replacement into the budget for \$60,000 and adding it to the bond for the Weirs Beach project.

School District Superintendent Terri Forsten and Business Administrator Ed Emond advised that if the Council would like the School District to remove up to \$150,000 from the bottom line it would eliminate the ability to add up to \$150,000 into the capital reserve fund established for Laconia High School, leaving a balance of \$150,000, as well as a withdrawal from the Health Insurance Stabilization Account of \$100,000 to stabilize the budget. This is the area where there is flexibility in the budget because contracts for staff have already been signed. The cuts would cut from the same accounts regardless of the amount the Council would like to cut. There is fear that with the CPI being low there may not be room for growth in the next budget cycle.

It was also suggested that the School District remove funds from the special education reserve. This is possible but would leave little to no cushion if a student moved into the district with a catastrophic need.

Councilor Baer noted that the School District budget has increased by \$1 million since last year and this was a \$.35 increase to the tax rate. It was explained that the State Education rate is included in the School amount and this needs to be considered.

Continued discussion with the School District included projected Medicaid revenue, enrollment projections for the Huot Center for the coming year, grants anticipated that could absorb staffing costs as well as grants coming to an end, and the cost difference for a full-time staff for the Law Enforcement program compared to the two (2) part-time positions.

Discussion regarding the SAFER Grant staffing that was added, and retaining them, was brought forward with a recommendation to place funding into Contingency to allow the Council to have control over the funding as it would relate to controlling overtime. City Manager Myers stated that he would support this for the \$50,000 that has been realized as an addition in the budget and reviewed the realization of savings by LRGH in overtime costs.

Mayor Engler closed the budget hearing at 6:59 p.m. and noted any discussion would continue during the regular meeting under Unfinished Business.

Respectfully Submitted:

Mary A. Reynolds  
City Clerk