



**LACONIA CITY COUNCIL
BUDGET MEETING
APRIL 25, 2011
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.

PLANNING:

Director Shanna Saunders reviewed the accomplishments of the department this year, including the crafting of the Small Wind System Ordinance, Steep Slope Ordinance and Impact Fee Ordinance. In addition, the Planning Department has been working very closely with the Lakes Region Planning Commission on several projects including the round-a-bout, the Brown Fields, and the Laconia Prison Property.

In addition, Director Saunders reviewed the positions in her department, which include an Assistant Planner, two (2) Planning Technicians, one (1) Administrative Assistant, and one (1) part time secretary. In the proposed personnel cuts, the Planning Department would lose the part time secretary; this position is responsible for all of the filing within the Department. The Administrative Assistant is responsible for the acceptance of all permit applications, assisting residents at the counter, preparing and logging all transactions, attending all Planning Board meetings, and providing support service for the department. Director Saunders further explained that since 2009 the part time secretary has been tracking the number of requests for file information received from telephone and over the counter requests; this number averages 200 per month (January – 186, February – 278, March – 392, April to date – 263). It was further explained that with technology, most information is shared through e-mailing, and each e-mail is a part of the public record and needs to be filed; this has created even more filing for the part time secretary.

With regards to the Outside Services line item, Director Saunders commented that this is a very important source for the Planning Department. This line item funds the Master Plan, the Impact Fee analysis, and will be spent on upcoming projects such as the Architectural Consultant to draft and Architectural Ordinance as well as a Storm Water Regulations in conjunction with the Water Department. If the Council approves the recommended \$15,000 each year for a period of time, Director Saunders will be requesting to have it increased in future years.

Councilor Baer commented that in the expenditure report, only 5% of the budgeted amount for the current fiscal year has been spent. City Manager Cabanel and Director Saunders concurred that this is because there are carryovers for this line and some of the funds are designated for contractual obligations. Director Saunders also noted that this will be quickly expended with the Architectural Analysis.

Councilor Baer asked why there was an increase to the Salary line. Finance Director Reynolds explained that Director Saunders was working a 30 hour week temporarily and has now adjusted back to 35 hours.

Councilor Hamel noted that under the Capital Improvement Plan, there are funds designated for Storm Water Management. Director Saunders explained that this funding is through the Department of Public Works (DPW), and it is the hope of the Planning Department to partner with them and make the process more efficient. The DPW aspect of the project looks more into the technical process of upgrading; the Planning Department would like to look at storm water drains in general and how they relate Site Plan and Subdivision Regulations as well as update the language. Councilor Hamel asked if this was to have guidelines for contractors to control run off; Director Saunders confirmed it is.

Councilor Baer asked if the current level of work could be sustained with the current budget. Director Saunders clarified that Councilor Baer was asking if there is enough work for the personnel she has currently, and if so the answer to her question is yes. Director Saunders explained that there has been a decrease in large scale projects, but an increase in incremental builds which has made each application time consuming. Councilor Baer asked if the Manager's Budget was approved could Director Saunders maintain her current level of service; Director Saunders stated that if this is the case, she will be back next year asking for additional funding.

Councilor Lipman asked, with regards to the filing system, if there was a technological solution to the need. Director Saunders noted that a system has been chosen for this purpose by the IT Department, but it will take several years to have the system working at a capacity by which they will be comfortable not having hard paper backups. There are digital files, but if the system was to crash it would be devastating without a paper backup.

Councilor Lahey asked if they have considered having a requirement that plans being filed are done so on a disc. Director Saunders explained that this has been considered, but up until recently each department that would be given a copy of the plans was using a different software system. This has not been completely swept aside, but isn't ready just yet.

Councilor Lahey commented that with the Planning Department, they are called on to do a lot of work and research, especially with the Laconia Prison Property, that is not necessarily planned for. Director Saunders is more than willing to be helpful, and looking at it in a broader sense, it is the opinion of Councilor Lahey that the Planning Department is one of the most critical for the City because of the economic development.

Mayor Seymour thanked Director Saunders for her presentation.

Code Enforcement

Director Bill Stewart expressed his understanding that the need to limit expenditures is prevalent. However, as far as starting anything new, he is looking at having a more comprehensive plan review prior to having an inspector out in the field. This is going to be difficult because the Department is currently under staffed; the clerical help is justifiably needed and essential. In regards to inspectors, for a municipality this size it is the opinion of Director Stewart that the department would be ideally staffed with three (3) to four (4) Property Maintenance Inspectors and one (1) additional full time Inspector for new projects.

Councilor Lipman asked if Director Stewart has looked at the current fees being charged and how they relate to other areas. Director Stewart advised that they are adequate for the area, and he does not feel that at a time when the economy is in a tough state, now is not the time to raise fees.

City Manager Cabanel asked the Council to recall the review of fees done by Finance Director Reynolds approximately three (3) years ago, and it should be thought about again. Director Stewart reiterated that this is not the time to increase fees. Councilor Lipman respectfully disagreed, emphasizing that property taxes are subsidizing the cost of inspections and services for contractors and should be paid for by increased fees.

Discussion relating to fees and if they should be analyzed to increase.

Councilor Baer asked if the lack of expense in the Salaries line can be accounted for because of the lack of a Director for an extended time. Finance Director Reynolds confirmed.

Councilor Lipman advised that there needs to be a balance of responsive service for the fees being charged. If a job is held up, it is costly for the builders, and it has been stated that this is the case in the past.

Councilor Hamel advised that it would be beneficial to have a comprehensive brochure of all of the charges for construction within the City. City Manager Cabanel advised that this has been done with the Fire Department and it has been helpful. Councilor Hamel commented that people don't get accurate information and it can be frustrated. City Manager Cabanel advised that information is given accurately, and the departments strive to give accurate information. The software used by the Fire Department is being used by all of the departments involved in a building project and will simplify this process. Councilor Hamel asked if it is feasible to have a brochure created within the next year. Finance Director Reynolds advised that the information is available on the website and can be developed as a PDF on the website to avoid printing costs and allow the availability to edit the information.

Councilor Lahey commented that if there is a need for more inspectors, a balance will need to be found to adjust fees to cover the cost to ensure customer service levels are maximized.

Director Stewart commented that if there is an option to pay higher fees or pay Impact Fees, the contractors would rather pay higher permit fees.

Mayor Seymour thanked Director Stewart for his presentation.

Fire

Chief Ken Erickson thanked City Manager Cabanel and Finance Director Reynolds for their support and guidance.

Chief Erickson reviewed the accomplishments of the Fire Department in the last few years. This included the hiring of additional fire fighters , the addition of staff during peak periods through LRGH, staffing the station during the day with nine (9) firefighters and implementing technology in several areas to improve efficiencies.

Chief Erickson cautioned the Council that with the cuts pending for this Fiscal Year, the Fire Department will be slipping backwards into standards and practices of several years ago. Some of the areas that will be impacted, and some of which have already been implemented, include the discontinuing of STEMI patient transports to Concord Hospital or Catholic Medical Center (CMC), cutting back on the day shift to seven (7) fire fighters, and limiting mutual aid with surrounding communities. If staffing is cut even further than already proposed, the options would be close the Weirs Fire Station or to put the ladder truck out of service; working with less people will force additional recalls, but there is no funding to cover the costs.

Chief Erickson explained that another possible effect will be to “stack” emergency calls; in essence, this would mean that people would be waiting for services until someone was available because no additional staff can be called upon to come in and assist the duty staff. A draft proposal has already been prepared to guide the duty Officer on how the calls would be “stacked” and how to prioritize. In meetings with the immediate surrounding communities (Meredith, Gilford and Belmont) they have all said they do not have the man power to absorb calls that Laconia cannot fulfill. This will leave a predicted 200 calls without services in the upcoming year. When people call the Fire Department, it is because they are having what they feel is an emergency and they rely on the Fire Department to help them.

It can also be expected, according to Chief Erickson, to see injuries and lost time increase. With the need to fire fighters to be rushed they will over extend themselves. From a study done by Primex in the last few years, it was noted that Laconia had one of the highest rates of injury and lost time and it was contributed to lack of staffing.

Chief Erickson explained the negative impact the reduction in staffing will have on the Weirs area of the City, which includes not having an ambulance staffed and not having an engine available. The staff from Central Station will be called on more to go to the Weirs area to provide service.

City Manager Cabanel expressed the need to get a point across and make it compelling, not give the “dooms day” philosophy. When additional staff was added, it was to allow for three (3) fire fighters at the Weirs Station, and those positions still exist. Chief Erickson stated that the over time allotted is not enough to cover what is anticipated.

Councilor Bolduc asked the Chief to think about the taxpayer and the difficult times they face.

Councilor Hamel asked if this scenario includes the loss of four (4) fire fighters due to staff reductions. Chief Erickson said it does not. City Manager Cabanel reiterated that when these positions were added and the taxpayers took on the burden, it allowed for the full staffing of the Fire Department with 32 people; the reduction at this time is to the Overtime line.

Councilor Hamel expressed that the Council has been very clear on how they feel about overtime. In comparison, last years over time was \$286,152 and this year is \$277,830. Over the last few years, it was suggested to hire part time fire fighters to cover vacations rather than giving overtime and the option should be considered again. Councilor Hamel asked if someone is called in for overtime to cover vacations and time off, or if it is done as a swapping of shifts. Chief Erickson stated that fire fighters swap between themselves, but if someone swaps a shift to cover another shift you will still need someone to cover the open shift by the covering fire fighter. Councilor Hamel commented that when looking at salary reports, people are making double what they were hired at because of overtime. Chief Erickson denied this comment, stating that there are only a select few that are making \$90,000 a year and the average fire fighter makes approximately \$60,000 a year.

Councilor Hamel commented that the Mutual Aid system should be utilized because we are paying the highest amount into the system each year. Chief Erickson explained that the Mutual Aid payment is being made for the communications center, which handles all of the calls coming in as well as manages the box alarms for the City. As far as the Mutual Aid in the common use of the phrase, we are not paying for this service.

Councilor Hamel explained that none of the Councilors want to have to see anyone go, but unfortunately this will be dependent on what the State does with their budget. Referring to other municipalities, Councilor Hamel stated that others are cutting back many more people than we are and they are being forced to manage. Chief Erickson stated that these areas are larger communities, and Laconia is staffed at the minimum because there

should be 12 people on duty. When larger communities lose 20 people, they are still going to have 50 people on duty.

Councilor Hamel, stating that he is not insinuating that this is happening here, but there are cases where employees will take time so someone else can get overtime and return the act and both parties are making out with over time. Chief Erickson assured the Council that this does not happen in the City, and the fire department has the least amount of sick time used than any other department in the City. Chief Erickson stated he keeps a very close look at the time taken, including vacation time, personal time and all other.

Councilor Hamel asked if the recall policy has been changed to assist in the cost of having people come in and get paid for two (2) hours when it may not be necessary. Chief Erickson explained that they are no longer doing preemptive recalls; in this quarter there have only been three (3) recalls.

Councilor Lahey asked confirmed that the proposed cuts in the personnel, if needed, involves eliminating two (2) positions at the Fire Department. City Manager Cabanel expressed that it was not specific to positions, just a dollar amount. Councilor Lahey asked Chief Erickson if the reductions are imposed, what is his plan. Chief Erickson stated he will not eliminate fire fighter positions because it is more important to keep the station staffed; the plan would be to eliminate a Deputy Chief position.

Councilor Baer noted the appreciation of the Chief's report and the need to consider the safety of the City because it is essential. Chief Erickson apologized for the possibility of his presentation coming across as negative because he was trying to give the Council the sense of the reality of the situation they are facing in the Department.

City Manager Cabanel stated that she is not sure if any of the employees has an understanding of what it is like, other than Finance Director Reynolds, to sit in the position to oversee the needs of all of the departments and have to look at everyone collectively and make the decisions to reduce resources. When the Fire Department was given staff, it was very difficult to make it happen and when the presentation was made that we were going back to the way business was conducted before the additions, it came across that it was all done for nothing.

Councilor Lipman asked what the effect will be on the Fire Department if there are reductions in the State budget in regards to mental health. Chief Erickson commented that there will be an increase in emergency calls because they will revert back to the philosophy of "I need help and there is no one here to help me so I am going to call for an ambulance". One of the reasons that the call volume is as high as it is now is because of the make-up of the community and services are needed, not just from Fire and Police, but from other social services from the government.

Councilor Lipman stated that whether fair or unfair, we need to come to terms with the services provided and how they are financed. In addition, around the area of internal controls with regard to managing costs, there is interest among the Council to understand the process being used because there are concerns when managing the overall budget. City Manager Cabanel commented that the City cost of health insurance has increased \$400,000 in one year, with the Fire Department budget increasing \$250,000. Chief Erickson agreed that it is amazing.

Councilor Hamel commented that there is a possibility of being taxed on premium insurance policies to the employers. Councilor Lipman noted that the projection for 2018 for the State of NH is a payment of \$62 million.

Mayor Seymour thanked Chief Erickson for his presentation.

PARKS & RECREATION

Parks & Recreation Director Kevin Dunleavy gave a quick review of the accomplishments over the past year. One of the significant is the improvements in the playing fields throughout the City. In addition, the WOW Trail and Riverwalk segments have come under the Parks & Recreation Department and are striving with each addition. The Muskrats baseball league coming to the City was very successful and allowed the Robbie Mills facility to be used to its full potential, and the hope is to continue this venture for many years into the future.

Director Dunleavy also reported that the Parks & Recreation Commission is making great advancements in the implementation of a User Fee for the facilities, most likely in the form of a non-resident fee.

Director Dunleavy reviewed the requests for the upcoming Fiscal Year. A very important item is the staffing to maintain the facilities; this has been reduced because of the fortunate gain of labor from the Belknap County House of Corrections which began recently. This program will work out very nicely for the City and utilize the resource to the best levels possible. Director Dunleavy explained that some of the items have been level funded, however the Facilities portion has increased slightly due to increases in utilities such as electricity and water usage. There has been an increase in the request for Field Maintenance, but was reduced by the City Manager to an amount of funding that can be utilized, but Director Dunleavy cautioned that a large amount of time and work went into the fields and it won't take long for them to revert back to their prior condition if they are not maintained.

Mayor Seymour requested a motion to adjourn the budget session and continue into the regular Council Meeting at 7:29 p.m. This motion was carried by Councilor Bolduc and seconded by Councilor Hamel. **Motion passed unanimously.**

A True Record Attest:

Mary A. Reynolds
City Clerk