

LACONIA CITY COUNCIL
Special Work Session
June 27, 2016

The meeting was called to order at 6:03 p.m. by Mayor Engler.

Recording Secretary: Deputy Clerk Lindsey Allen

Committee Members Present: Councilors Armand Bolduc & Robert Hamel (Chair)

Also present: City Manager Scott Myers, Finance Director Donna Woodaman

The purpose of the meeting is to discuss budget. He was advised by City Manager Myers that there were no requests from Council to have Department Heads present. There were two specific requests for the meeting: Councilor Hamel asked for an overtime report, debt by debt, and Mayor Engler asked for a copy of the worksheet about the safer firefighter issue proposal from a year ago. The mayor suggested each Councilor give a list of items that need attention in the budget or items that are not in the budget and feel should be. Then there will be a list of the items to be discussed.

Councilor Doyle hoped for more information on the portable radios at \$100,000 this year, for the Fire Dept and Leavitt Park tennis court reconstruction at \$78,000, and something for the playground revitalization. She would like something about news on that. If there is any money left over from the work at the Weirs, she is hoping that could be used toward these items. City Manager Myers stated that the radio towers would make the amount \$300,000.

Councilor Bownes commented on the school budget. The issue is driven by the tax cap. State aid for education eroded the base. Hoping to be able to find something in the budget to give the school board more room. They got hit with state aid of about \$300,000 dollars without generating the revenue. Councilor Bownes is looking to find \$100,000.

Councilor Lipman commented on the fact that there is nothing about the State School property. There is \$30,000 for the parking garage for the first year. He feels the parking garage should be spent by Planning instead of construction. In terms of the carryforwards, he asked if anything is deferrable and City Manager Myers said most of the items are special items or carry forward for future items like Code Pal and the Master Plan. There may be some money able to be reprogrammed after it has been carried forward. The unreserved fund balance in terms of projection to try to replenish City Manager Myers stated there is \$935,000 in the budget that is being used out of the fund balance. However he knows it will be over in a few revenue areas and under in a few departments, but hopeful that at the end of the day it will be near that number. There is not a lot of wiggle room. City Manager Myers noted in the packet where it says licenses and permits, this year the budget was \$2.325 million and that will be exceeded by about \$200,000. That will flow into the undesignated fund balance. For next year, projection for revenue have been bumped up by \$185,000. Mayor Engler reminded that the last fiscal year

\$935,000 was taken out with only \$700,000ish coming in, so there was a negative cash flow in the fund balance of about \$200,000. Councilor Lipman asked about Impact Fees. City Manager Myers stated that impact fees are not part of the budget and some of the big projects coming about currently, were approved prior to the impact fees and therefore grandfathered. \$72,000 has been collected so far. Councilor Lipman asked how the school can access those fees set for the schools and City Manager Myers stated that would be a request from Council to release those funds.

Councilor Baer didn't have anything extra to add in. She responded to Bownes request on the school budget. The submittal was a million more dollars than last year. She showed a chart of where in the City the money goes. She thinks the school department needs to make better decisions on where the budget should be cut. Councilor Lipman asked if the city budget has future labor contracts and City Manager Myers stated that this the third year of the 20% increase, the COLAs, and steps for the eligible employees included.

Councilor Hamel had a few things. He agrees with Councilor Doyle about Leavitt Park. The memorial park bleachers for \$15,000 would be a great investment. There was discussion and clarification regarding the Humane Society and the surrounding communities. Councilor Hamel would like Council to consider moving either a portion or all of the \$7,000 from the Boys and Girls Club to the senior center. The city has been supporting the Boys and Girls Club for a while and they are getting huge contributions privately. The senior center has \$11,800. They service about 150 meals a day, and funded by the federal govt. The cost is \$7.50 per meal and they get only \$5 per meal from the government. He would like at least half to the senior center and the other half elsewhere. They do things to raise money on their own but he feels the City move some of the money. City Manager Myers passed out sheets regarding the non-profit organizations and their expenses, income and who is serviced. Requests are based on population and attendance from certain communities. These organizations are funded at the requested amounts. Councilor Lipman supports the move of funds to the senior center. Councilor Baer stated Council used to get copies of the reports so they know who and how much is allocated. City Manager Myers stated those reports are in the office and are public record. Councilor Hamel continued with Assessing. There is \$40,000 that isn't funded. City Manager Myers said they were saving money for a full city wide revaluation that occurred in 2010. This is will be a different approach by doing a cycle for residential properties and try to cover 20-25% every year which will be completed within a five year cycle which is tied into the state law recommendations. They are working with reallocating staff priorities, new measurement software, and verification to assist with staff time. The only component that just started is the commercial reevaluation that is hired out to an outside vendor. There are approximately 700 property cards. The GIS (geographical information services) that do the mapping and used by many of the departments. Part of that is charged to the different departments like sewer and water and remainder of out the general fund. Councilor Hamel asked the City Manager to explain Public Works capital expenditure for up to \$190,000 for vehicles. In years past that amount was \$170,000 and asked why the amount went up. City Manager Myers explained that a new sweeper was purchased and therefore less outside street sweeper services were needed. City Manager Myers thinks the intent of the bond payment was

to allow for updating the fleet. The needs have not changed and currently looking at leasing options versus buying. There was a million dollar bond and only about half of that has been used for vehicles. Councilor Hamel asked about recall emergencies with Fire. They said it has been reduced to one recall from every 15 emergencies to one recall to every 7 emergency and have decreased lost wages and overtime from \$143,000 per year to \$27,000 per year. That is \$115,000 and is curious to where that went. City Manager Myers the money doesn't necessarily stay in the account and has been moved to contingency. He looks at the needs of the city and the money gets spread around and ultimately decided by Council. Over by \$66,000 and \$146,000. That was known with vacation and personal time being taken. Mayor Engler asked about an item that had an expense but not a budget line. City Manager Myers said it is the contract paid by LRGH which is the \$146,000. The overrun is \$66,551 for the overtime budget. City Manager Myers reminded Council that holiday time for the departments that don't shut down versus the departments that do. The ones that do get the day off with pay and the ones that don't may still work the hours plus get the holiday pay. There is no extra people but is the shift differential.

Councilor Bolduc asked about the budget for the old state school and City Manager Myers said nothing is there. Councilor Bolduc feels something should be there. He is for the Leavitt Park renovations but is not sure there is enough to do that. He got the school board members names on the list but to be able to answer questions phone numbers are needed.

Mayor Engler mentioned the safer firefighter issue. Last year during debates the City Manager presenting the logic on how it could be done. \$60,000 was voted in to help pay for the firefighter stabilization account that can be available currently. He recommends doing so rather than using for the Laconia Fest issue. He would like to take it out of the Motorcycle week account so the taxpayers will not have the burden. Milfoil request was reduced and he would like to see it replenished. Before a decision is made he would like to hear from Suzanne Perley. He would also like to discuss the \$30,000 for the parking garage repair and he would dedicate the money for a potential study for the long term parking needs. He is for the Memorial Park bleacher project and the tennis courts at Leavitt Park.

Mayor Engler stated this will be revisited at the regular meeting on July 11.

ADJOURNMENT

Motion to adjourn at 6:58 p.m. made by Mayor Engler without objection.