

CITY COUNCIL BUDGET WORKSHOP
May 26, 2015
COUNCIL CHAMBERS
7:00 PM

COUNCILORS PRESENT

Councilor Bogan
Councilor Collins
Councilor Gates
Councilor Gray
Councilor Hamann
Councilor Keans
Councilor Larochelle
Councilor Lauterborn
Councilor Torr
Councilor Varney
Councilor Walker
Mayor Jean

OTHERS PRESENT

City Manager Daniel Fitzpatrick
Deputy City Manager Blaine Cox
Terence O'Rourke, City Attorney
Mark Sullivan, Sr. Staff Accountant
Roland Connors, Deputy Finance Director
Gregg DeNobile, Resident
Doreen Jones, Tax Collector
Tom Mullin, Assessor
Dennis Schafer, Systems Supervisor
Kelly Walters, City Clerk
Diane Hoyt, Human Resources Manager
Todd Marsh, Welfare Director

EXCUSED

Councilor Lachapelle

MINUTES

1. Call to Order

Mayor Jean called the City Council Budget Workshop to order at 7:00 PM. Marcia Roddy, Deputy City Clerk, took a silent roll call. All members were present, with the exception of Councilor Lachapelle, who had been excused.

2. Public Input

Gregg DeNobile, resident, said he had asked at a prior meeting that an ad hoc committee be formed to keep Rochester affordable and wondered if that has been considered. He also pointed out that the assessment review had come back as very positive and thought it was good news that should have been shared with the public.

Mr. DeNobile questioned "long term plans" and was concerned that the City did not have such a plan in place. He also wanted to know what the Conservation Commission's role is regarding buying, preserving, or selling property.

Councilor Larochelle commented that anything that is a conservation easement does not come off the tax roles.

Councilor Varney added that anything that is proposed by the Conservation Commission must go through the City Council for approval as the Commission does not

have budget to spend on land; however, they do have a fund that they can use at their discretion.

Mayor Jean closed public input at 7:06 PM.

3. Communications from the Mayor

Mayor Jean said that the Council is moving along in the budget process. There will be a Public Hearing on the budgets at the June 2, 2015, meeting and all changes will be made at that meeting. He said the Finance Department will then have the week between the June 2, 2015, meeting and the June 9, 2015, meeting to revise the spreadsheets, come up with the tax rate, and come up with the tax cap numbers, with the expectation that the Council will finalize the budget on the 9th (June 9, 2015).

Mayor Jean said the final budget presentations would be at this meeting and the councilors should be prepared to discuss and make any adjustments at the next meeting after that.

4. Communications from the City Manager

There was no discussion

5. Communications from the Deputy City Manager/Budget Presentations

Deputy City Manager, Blaine Cox. said that he has added one item, that being a tax cap update. He said that the City and County are \$5,006 under the tax cap, and the School Department is \$13,550 under the tax cap.

Councilor Gray asked if the funding for Bridging the Gaps was going to be moved to the Police Department budget. Mr. Fitzpatrick said that an Agenda Bill regarding this had been signed to be discussed at the June 2, 2015, meeting.

5.1 Tax Collector

- **O & M Budget Book P. 78**

Doreen Jones, Tax Collector, said that her budget was rather straightforward and was within the guidelines set by the City Manager. She said there are a few line items have gone up, as they do every year, They are software maintenance, contracted services, and postage.

Councilor Keans asked what the contracted services are. Ms. Jones said that is the Munis module increases every year and the Interware software increase, as well.

5.2 Assessing

- **O & M Budget Book P. 67**
- **Issues and Options Book [Excluded] P. 18**

Tom Mullin, Assessor, said his budget is straightforward with the only increases being uncontrollable due to vendors and a new software package.

Mr. Mullin said that Rochester is the only city in the State of New Hampshire who does not have an Assistant Assessor. He said the cost in adding that position would be \$7,395, including benefits. He said he is now 64 years old and plans on retiring at some point, thus necessitating the training of a successor. For that reason he highly recommends the creation of the Assistant Assessor position.

Mayor Jean asked if Mr. Mullin had anyone in mind for the position. Mr. Mullin said yes; he recommends Verna Sharpe, who currently holds the Assessing Technician position, to be promoted to the Assistant Assessor position. He said that when he retires the option would be to promote the Assistant Assessor to the Assessor position or go out to a contract assessor or full time assessor. He said he has a very highly trained staff.

Councilor Varney asked why the appraisal line is up \$10,500. Mr. Mullin said it is in anticipation additional appeals due to the highly vocal updated values of last year.

Councilor Walker asked if there will be updated appraisals done this year. Mr. Mullin said no; it is usually a good idea to skip a year in between appraisals.

Mr. Mullin said nobody has asked him about new construction. He said that there will be approximately \$15 million in new construction in the coming year; however, \$9 million is in the TIF district. He said there will not be any major savings in the tax rate based on new construction.

Councilor Gates asked Mr. Mullin why he does not have a line item called "contingencies." Mr. Mullin said it is there, only he just calls it something else. He likes to have some flexibility with money budgeted just in case it is needed.

Mayor Jean asked Mr. Mullin if he was going to address the Veterans' and senior citizens' exemptions. Mr. Mullin said that will be done in July at the Finance Committee meeting. Councilor Varney said by waiting until July that those exemptions would not be part of this budget. Mr. Mullin said that the deadline for exemptions and credits have already passed and what is decided going forward would be in next year's budget (FY17).

The Council discussed the process for exemptions and credits. Mr. Mullin cited RSA 72.78 and 72.75 as guidelines for the exemptions and credits. He said he can get specific figures for them.

5.3 MIS

- **O & M budget Book - P. 54**
- **CIP Budget Book - P. 1**

- **Issues and Options Book [Excluded] P. 5 & 9**

Dennis Schafer, Systems Director, said one of the major changes in the MIS budget include increasing the bandwidth. He said there are some increases in the licensing fees for certain necessary hardware and software.

Mayor Jean asked about hardware replacement at \$45,000. Mr. Schafer said that is for desktops, laptops, tablets, etc., that after a period of years need to be replaced. He said the guideline for machine replacement is four years since most hardware has a three year warranty.

Councilor Varney asked what the "Consulting - Other" for \$50,000 is. Mr. Schafer said that is for the database programmer. He said that his department was unsuccessful in hiring a part-time programmer, so instead they contract out on a per-project basis.

Councilor Varney asked why Communications has gone up. Mr. Schafer said that is because of the upgrade of internet access, or the band width. It has doubled from \$3,600 to \$7,200. Communications also includes cell phones and desk phones.

Councilor Varney asked if Mr. Schafer could get them a count of how many PCs, desktops, laptops, and tablets are part of his department.

Councilor Varney questioned the server room upgrades and how many of these rooms are throughout the city that may be requiring upgrades. Mr. Schafer said that the one in City Hall was expanded and upgraded with proper air conditioning and fire suppression. The server room in the Police Department also houses the communication devices (such as radios). There is not a "city server" as such; the library has its own tower server.

Councilor Varney asked what "system expansion" is. Mr. Schafer said that can be anywhere from re-use of an office or adding people to an office requiring telephone connections.

Councilor Varney asked what the "Munis employee" is. Mr. Schafer said that is actually two separate modules out of Munis. The employee self service is for benefits, where the employee can manage their own benefits online. The second part, Content and Management, is a document management system for storing and retrieving documents.

Councilor Varney questioned the upgrading of the telephone system. Mr. Schafer said the current one was installed in 2004 when the Police Station was built. The PBX needs to get upgraded. The "call pilot" portion has just been upgraded, which includes all of the voice mail and auto attendants. Licensing needs to be kept up with in order to be able to upgrade.

5.4 Government Channel

- **O & M Budget Book - P. 59**
- **Issues and Options Book [Excluded] P. 7 & 11**

The councilors discussed having the committee meetings recorded. The Codes and Ordinances Committee meetings are always recorded with the Clerk turning on the recording units. However, it would be difficult to have all the committees record all of their meetings. The MIS Department is suggesting hiring a part time operator for on-call recording of meetings.

5.5 City Clerk

- **O & M Budget Book - P. 59**
- **CIP Budget Book - P. 19**
- **Issues and Options Book [Included] P. 13**

Prior to the City Clerk's budget presentation, Mayor Jean invited City Clerk Kelly Walters up front and he read a Proclamation designating the week of May 3 through May 9 as Municipal Clerks Week.

Kelly Walters, City Clerk, gave an overview of her budget for the upcoming fiscal year. She said there are some increases in the Clerk's budget.

The Staff Development line has increased in order to send the Clerk Typist, Nancy Carignan, to the New Hampshire City and Town Clerk's Association Certification Program. That will be the week August 10 through 14. It is a three year program and has benefited both the City Clerk and the Deputy City Clerk, Marcia Roddy. Ms. Walters is also in the process of completing Municipal Clerk certification, having completed the New Hampshire certification classes and the New England Municipal Clerk Institute. She said she needs a few more credits in order to submit her final application this year.

Ms. Walters said that another line item that has increased is for contracted services. This is to begin the codification process. She explained that the cost will be approximately \$20,000 to begin the process no matter what company is chosen and most companies charge an annual maintenance fee of about \$1,200. She said that what has not been calculated is what it would cost to update the Ordinances throughout any given year. In researching other towns, it is best to plan on about an additional \$3,000 per year. Ms. Walters said that this is a way of the City of Rochester implementing the latest technology for record keeping and that this is the right time to do this.

Ms. Walters talked about the replacement of the AcuVote voting machines. Councilor Gray added that he will be going to a conference in New Mexico regarding voting machines and replacing them at the State level. Councilor Walker asked if the new machines will be "touch screen" machines and Ms. Walters said no, they will be

very similar to the ones that are being used. She clarifies that the current machines are no longer manufactured and getting replacement parts or repairs is not an option.

Councilor Hamann asked why there is only one voting machine in the budget and wouldn't all six be purchased at once. Ms. Walters said that the idea is to budget for one new each year to keep the funds available. The new machines are not available yet, so there is time to save for them.

Councilor Larochelle asked what is driving the codification process. Ms. Walters said it comes mostly from City staff. She explained how easy it would be to look up ordinances, cross reference, and get information must faster. It would solve researching issues. Using the "pdf" method is not a simple process. Mr. Fitzpatrick added that the information would be online and accessible to anyone. He said that City Attorney O'Rourke is very much in favor of codification.

Mr. O'Rourke gave an example of how a judge can look up a code through this process and if the information is not available on line then it slows the judicial process. He said that going forward this is a very useful tool.

Councilor Varney said that the process of codification will be time consuming and a large task involving the Clerk's office. He said it is a lot of work and wanted people to be aware of the work involved.

5.6 Elections

- **O & M Budget Book - P. 66**

Ms. Walters said that the election budget is constantly changing depending on the number of elections during the year. The coming fiscal year will see a municipal election and the Presidential Primary. The City is responsible for the entire cost of the local election, including printing ballots and programming memory cards. The City is also responsible for the cost of programming the memory cards for State elections. The software maintenance line has almost doubled because of the elections in the fiscal year.

Another increase in the budget is the printing and binding because of the printing of the ballots for the municipal election. Ms. Walters pointed out other increases, such as the office supply line and goods and services. She said that food is provided for the election workers, but that a portion of the budgeted amount would be to hold a small recognition dinner to honor the election officials. She said that some of the elections workers have worked during the elections for many years and this would be a way of recognizing and thanking them.

Mayor Jean questioned the amount for postage fees. He asked Ms. Walters if there is going to be a mailing to the voters of Ward 1 due to the fact that the polling location will be changing. Ms. Walters said that the Clerk's office is looking into having post cards printed and mailed. Mayor Jean said he thought the amount seemed to

small and asked Ms. Walters if she could come up with a more definitive figure that could be considered as part of the budget for.

5.4 Government Channel

- **O & M Budget Book - P. 54**
- **CIP Budget Book - P. 11**
- **Issues and Options Book [Excluded] P. 7 & 11**

Dennis Schafer, Systems Supervisor, returned to speak on the Government Channel budget. He said this is the first year that it has been separated out of the MIS budget. It is usually a line item in the MIS budget.

Mayor Jean asked Mr. Schafer if the increase for the Government Channel budget was for additional committee meetings. He said that was not recommended by the City Manager. He added that it has been difficult to add another camera operator; the position has been advertised for some time and they have not been able to find anyone.

Councilor Lauterborn asked who is asking for this position. Councilor Varney said that there have been many times when someone has asked to see what transpired at a committee meeting. He said there is no transparency by not broadcasting the meetings. Councilor Lauterborn said that there are committee reports that highlight the meetings. Councilor Varney said that those reports are not available right away.

The councilors discussed whether or not the meetings are, or should be, broadcast live. Councilor Hamann suggested streaming the meetings by an outside contractor. They discussed who could turn on the video equipment at meetings; Mayor Jean suggested having a representative from each committee be trained to turn on the equipment, such as that being done by the Clerk's office at the Codes and Ordinances Committee meetings.

5.7 Welfare

- **O & M Budget Book - P. 133**

Todd Marsh, Welfare Director, said there are zero increases in the Welfare Department budget and, in some cases, there are reductions in line items. He said the department's budget has adjusted and stabilized to a new lower norm. One major increase was an \$8,000 in employee health insurance benefits as an employee added a member to their plan.

Councilor Keans asked if there was a cut in personnel. Mr. Marsh said that one of the two part-time works left and the second part-time worker's hours were increased to the maximum part-time hours allowed. This ultimately resulted in a savings.

5.8 Business Office

- **O & M Budget Book - P. 72**

- **CIP Budget Book - P. 20**

Mark Sullivan, Senior Staff Accountant, pointed out that there is a budgeted amount for an ICMA conference for the Deputy City Manager that will be in Seattle, so is an expensive item. Additionally, he is proposing a new staff accountant to be hired due to the extensive work load of the department. He said that the former Assistant Director of Finance, who had retired, has been able to assist the department when needed, but will no longer be able to do that.

Mayor Jean said he supports the idea of additional staff, especially when there are audits being performed. Deputy City Manager Cox said that the added complexity of the audit process puts more responsibility on the staff. He said there are stricter guidelines, as well, that add to the complexity of the audit process.

Mr. Sullivan said that there is a request for a part-time employee in the Human Resources Department and asked Diane Hoyt, Human Resources Manager to speak to that request.

Ms. Hoyt said that the Human Resourced Department is in need of a part-time (20 hours per week) specialist. She said that Kay Snyder works in the department for 6 hours per day and 1 hour per day in the City Manager's office. In 2014 the Department serviced approximately 452 employees under 8 collective bargaining agreements, non-union, seasonal, regular employees, and elected officials and processed 546 payroll status change forms. The department review, audit, and process medical, dental, life, disability, and retirement invoices, and process various other claims. It processes approximately 450 to 500 employment applications per year. Among other functions are processing bi-weekly tax payments, quarterly 941s, and printing W-2s for both City and School employees.

Councilor Varney asked Ms. Hoyt if the proposal to purchase new software for employee Munis time and attendance would decrease some of the Human Resources work. Ms. Hoyt said no; all changes that are initiated by an employee still must go through the department for approval. She said that the software will eliminate some paperwork as the employees and department heads will enter time and attendance into a computer program.

Mr. Sullivan said that the Business Office would like to purchase a new mailing inserter machine as the current one is 5 years old and has had quite a lot of problems of late. It has essentially been re-built and is running okay, but when running the tax bills, water and sewer bills, etc., it may not be able to handle the load. It could be kept as a backup to a new machine.

Mr. Sullivan went over General Fund items that do not fit into a specific category. Mayor Jean questioned the E.O.C. funds in the amount of \$12,500. Mr. Sullivan said that was a special request from the mayor. Mayor Jean explained that would be funds set aside for an emergency shelter if needed. He said that if a shelter is opened in an

emergency that most of the funds expended are reimbursed by FEMA. The councilors discussed this further. Mayor Jean said that the City has a good emergency plan in place.

5.9 City Council

- **O & M Budget Book - P. 39**

City Manager Fitzpatrick said there are no substantive changes in the budget from last year.

5.10 City Manager

- **O & M Budget Book - P. 39**

City Manager Fitzpatrick said there are no changes in the City Manager's budget.

5.11 General Overhead

Mayor Jean suggested amending several budget items in order to get a better overview on where the City stands with the tax cap. By going through these items the Finance Department will have time to make the changes and come up with tax cap figures to better work with.

Mayor Jean **MOVED** to reduce the Public Works budgeted amount for the Strafford Square project by \$2 million, from \$7 million to \$5 million due to the cost of relocation of utilities. This is a bonded item. The Committee of the Whole **ADOPTED the MOTION** to reduce the Public Works Strafford Square project by \$2 million to \$5 million by a unanimous voice vote.

Mayor Jean **MOVED** to amend the City Manager's CIP proposed budget for Public Works entitled "Franklin, Adams, Western Reconstruction Alternate - DP" of \$450,000 by increasing it by \$110,000 to \$560,000. Councilor Varney said this project was recommended to push it out to FY17. Councilor Gray strongly objected to pushing this project out any farther due the need for the work.

Councilor Varney **MOVED** to **AMEND** the "Franklin, Adams, Western Reconstruction Alternate - DP" project to FY17. Councilor Keans seconded the motion. The Committee of the Whole **ADOPTED the MOTION to AMEND** to move the project to FY17 by majority voice vote.

The Committee of the Whole **ADOPTED the MOTION as AMENDED** to increase the amount of funding for the "Franklin, Adams, Western Reconstruction Alternate - DP" project from \$450,000 to \$560,000 bond for FY17 by unanimous voice vote.

Mayor Jean **MOVED** to increase the Water Department CIP budget for the "Franklin, Adams, Western Reconstruction Alternate - W" by \$350,000 to \$1 million. Councilor Walker seconded the motion. Councilor Varney **MOVED** to **AMEND** the

motion to push the project out to FY17. Councilor Walker seconded the motion. Councilor Gray said he strongly objects to moving the project to FY17. The Committee of the Whole **ADOPTED** the **MOTION** to **AMEND** by majority voice vote. The Committee of the Whole **ADOPTED** the **MOTION** as **AMENDED** by unanimous voice vote.

Mayor Jean **MOVED** to amend the CIP proposed budget for Public Buildings for the project entitled "Install Ductless Heating/Cooling - City Clerk's Office" by increasing the cost from \$10,000 to \$20,000. This increase will cover the cost of including the Finance Offices in the project. Councilor Varney seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean **MOVED** to amend the CIP proposed budget for the Community Center to Replace Gym Soundboards by reducing the proposed \$50,000 amount by \$25,000 to a new amount of \$25,000. Councilor Varney seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean **MOVED** to amend the City Manager's Proposed Operating and Management budget for General Fund Revenue under Fire (account #400417 - RERP) to reduce the amount of \$52,800 by \$26,400 to the total of \$26,400. Councilor Walker asked for the definition of RERP. Deputy City Manager Cox said it is Radiological Emergency Response Plan. Councilor Walker seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean **MOVED** to amend the City Manager's Proposed Operating and Management budget for General Fund Revenue under Tax Collector (account #400406 - Motor Vehicle Permits) from \$3,550,000 by increasing the revenue by \$26,400 to \$3,576,400. Councilor Walker seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean **MOVED** to amend the City Manager's Proposed Operating and Management budget for General Fund Revenue under Property Services (account #542101 - Rubbish Collection) by reducing the amount of \$558,157 by \$16,500 to \$541,657. Councilor Walker seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean said that health care costs have gone down by \$87,456; however the short-term disability and long-term disability part of that increased by \$10,735. There remains a savings of \$76,721. Councilor Varney **MOVED** to adjust the short-term and long-term disability lines by \$10,735. Councilor Walker seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean said that a decision is being made at the administrative level to switch the City's property and liability insurance from the Property and Liability Trust over to Primex. This will result in savings across several funds in all departments as they relate to property and liability insurance, as well as worker's compensation

coverage. The net savings is approximately \$56,000. Councilor Walker **MOVED** to allow this to go through and to make the appropriate changes. Councilor Keans seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Mayor Jean **MOVED** to remove project #FY16-PWD-47, the repair of the Rochester Neck Road bridge. Councilor Walker seconded the motion. The Committee of the Whole **ADOPTED** the **MOTION** by unanimous voice vote.

Councilor Gray asked the City Manager if he could check with the Department of Public Works regarding a number of streets (mostly in Ward 6) and what it will take and cost to repair, shim, and patch to keep them in adequate condition until they are on the schedule for paving. He said that Winter Street, for example, is in terrible shape and needs attention right away.

Councilor Gates questioned the location of the computer servers in various locations. He asked if the sprinkler systems in the server rooms are water-based and if they should go off it could be a catastrophic condition. He wondered if it was time for the Council to discuss a different type of system that is not water-based. Councilor Walker said that the system in the server room in City Hall has that type of system (not water-based) and that is why it cost so much when it was renovated last year. City Manager Fitzpatrick added that the servers are backed up daily.

Councilor Varney commented on the e-mail sent to them from Deputy City Manager Cox regarding host fees and the E.D. (Economic Development) fund. There was a brief discussion on the revenue generated and the possibility of cutting the E.D. fund if there are not enough funds coming from the host fees. Money would have to either be taken from the General Fund for the E.D. budget, or the E.D. budget would have to be cut.

6. Other

Councilor Collins discussed perambulation of the City's boundaries. He passed out a copy of a newspaper article regarding perambulation in some of New Hampshire's towns. The councilors discussed how this is done and when.

7. Adjournment

Councilor Walker **MOVED** to adjourn at 8:50 PM. Councilor Gates seconded the motion. The **MOTION CARRIED** by unanimous voice vote.

Respectfully submitted

Marcia H. Roddy

Deputy City Clerk