

ROCHESTER CITY COUNCIL BUDGET WORKSHOP
May 20, 2014
CITY COUNCIL CHAMBERS
7:20 PM

COUNCILORS PRESENT

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

OTHERS PRESENT

City Manager Fitzpatrick
Deputy City Manager Cox
Jennifer Warren
Rochester Middle School
Dominic Lynch
Rochester Middle School
Sadie Burns
Rochester Middle School

MINUTES

1. Call to Order

Mayor Jean called the City Council Budget Workshop to order at 7:20 PM. Kelly Walters, City Clerk, took a silent roll call. All Councilors were present.

2. Public Input

Mayor Jean invited the public to come forward to address the City Council about budgetary issues at 7:20 PM.

Gregg DeNobile, resident, addressed the City Council. He questioned if there would be any cost to the City of Rochester associated with the recently adopted Skyhaven Airport Easement. Mayor Jean replied "no."

Mr. DeNobile questioned the "need" and "spending" of \$3,000,000 on renovating the City Hall Annex. He requested reviewing the employment growth over the last ten years and what it would be moving forward, in order to see where this need comes from. He felt this information should be readily available to the public without the need of a right-to-know request.

Kenn Ortmann, City of Rochester representative to the Skyhaven Airport Advisory Committee, addressed the City Council. He thanked the City Council for adopting the Skyhaven Airport Easement, which would allow the airport to be more business friendly. He spoke about the importance of economic growth in the City.

Mr. Ortmann announced that the Third Annual Wings and Wheels Event would take place on June 14, 2014, from 10:00 AM until 2:00 PM. He said this is a great community event and he encouraged participation.

Jeff Winders, resident, addressed the City Council about the Granite Ridge Development TIF District. He questioned why the TIF District would include such a large portion of residential areas. He would have drawn the specific district line from the Toyota Dealership to the Farmington Town Line; however, this district encompasses a lot of residential properties.

Mr. Winders reiterated that a commercial TIF district should not include residential properties. He stated that more information should be provided to the public and it should be reviewed prior to the final decision made about creating this TIF District.

Mayor Jean closed public input at 7:28 PM.

3. Communications from the City Manager

City Manager Fitzpatrick stated that a request had been made to the City of Rochester, by a citizen, to purchase a piece of property located on Copeland Drive [Map 128 Lot 265]. Subsequently, the City Council instructed the City Assessor to put that particular piece of property out-to-bid using the proper bidding process. City Manager Fitzpatrick stated that one bid has been received. The State Law mandates that each property bid must be opened in a public forum. City Manager Fitzpatrick stated he would now open the bid and he read the envelope addressed to the City Assessor's office in reference to property Map 128 Lot 265. He publicly announced that the bid is in the amount of \$28,000 by Donald Lesperance. He informed the City Council that he would report back to them about the outcome of the bid opening.

City Manager Fitzpatrick stated that the following information can be found in the City Manager's Report for further review:

- Management Team Meeting Minutes:
 - April 28, 2014
 - May 5, 2014
- Department Head Meeting Minutes:
 - May 1, 2014
- Contracts and Documents executed since the last report:
 - 2014 Metrocast Annual Report
 - Service Agreement with consulting for Green Infrastructure Grant
 - Certification for CDBG Action Plan FY 14-15
 - Insulated Bleachers Project

4. Communications from the Mayor

4.1 Rochester Middle School Students [3D Printer Presentation]

Mayor Jean invited Jennifer Warren, CAD Teacher for the Rochester Middle School, and two Middle School students, Dominic Lynch and Sadie Burns, to address the City Council.

Councilor Keans stated that Ms. Warren and her students were conducting some fundraising events in order to purchase a 3D Printer; however, since that time, a company has donated a 3D Printer to the Rochester Middle School. She said this is a unique piece of machinery.

Dominic Lynch, 7th Grade Student, gave a brief overview of what he has experienced with this new kind of printer at the Middle School. He disclosed that he is considering seeking a career in this field of work.

Sadie Burns, 6th Grade Student, addressed the City Council about the 3D Printer. She shared her own experience about the opportunity to use this printer and provided the City Council with a sample of her work.

Councilor Varney asked if there were any of these types of printers located at Spaulding High School. Ms. Warren recalled there were three of these printers located at the high school.

Councilor Keans recalled that a team of Spaulding High School students attended a competition and were awarded the three top awards.

Mayor Jean thanked Ms. Warren and the students for the presentation.

5. Communications from the Deputy City Manager

No discussion.

6. Budget Presentations

Deputy City Manager Cox informed the public that the public hearing is scheduled for May 27, 2014.

Deputy City Manager Cox informed the City Council that a total of 27 budgetary action items have been taken as a "Committee of the Whole" since the start of the budget process this year.

Deputy City Manager Cox stated that the School Department had trimmed their budget to meet the tax cap. He noted that with the 27 action items of the City Council, the proposed budget is now \$150,000 under the tax cap level.

6.1 Building, Zoning, & Licensing Services Department

Jim Grant, Director of the Building, Zoning, & Licensing Services Department [BZLS], addressed the City Council.

Mr. Grant stated that the BZLS Department budget has increased about 1% since last year.

Mr. Grant explained that the Planning Department has always been responsible for the handling of the Zoning Ordinance and Zoning Board of Adjustment meetings; however, with the re-organization process of the City, the BZLS Department is now responsible for all Zoning issues, including

preparing the packet materials and transcribing the meeting minutes. He stated that this has had a significant impact on the operations of the BZLS Department. He gave details about the new line items and the line items which have increased due to this additional responsibility. He reviewed the overtime hours, legal assistance, and advertizing line items. He noted that due to this additional responsibility that the revenues for the BZLS Department have increased, too.

Councilor Varney said Mr. Grant stated that the overtime line item has increased by \$1,000 due to the additional responsibility of the Zoning Board meetings and packets; however, there has not been the same amount of decrease out of the Planning Department budget for this purpose. Mr. Grant understood that the former employees taking responsibility for the Zoning Board meetings were only taking "comp" time and not receiving the overtime pay.

The City Council discussed the legal line items found in most of the individual department budgets. It was determined that the legal fees associated with the BZLS Department are mainly for prosecution; however, many departments could have similar legal lines associated with cost for labor fees as well.

Councilor Varney asked what is the purpose of the line item named "Consulting Other". Mr. Grant stated this is intended to allocate money for the purpose of allowing the City to pay a consultant, if necessary, in order to keep up with compliance matters. He added that this year some of the money was not needed and subsequently transferred to the legal account line item.

Councilor Varney asked about one of the BZLS Issues and Options requests to increase the Compliance Officer's hours from 35 hours per week to 40 hours per week. Mr. Grant replied this position could be increased to 40 hours per week for an estimated cost of \$7,000. He added that the complaints have increased significantly over the years. He gave reasons why this request would be justified, including collecting more fees associated from violation fines, which is the result of the work of this one specific employee.

Mr. Grant stated that one of the CIP items, listed both under the CIP projects and under the Issues and Options, which is the Permit and Inspections Software. He gave a brief overview of reasons why the City would benefit from purchasing this product. It would minimize the time currently associated with seeking other departments to sign off on permits. It would also be a more efficient way of issuing permits. This product would lessen the foot traffic from the public by allowing contractors and citizens to apply for permits and to check for permit status on line. He felt strongly there would be a return on the investment.

Councilor Lauterborn questioned if this software is included with the figures associated with the City Manager's proposed budget. Deputy City Manager Cox clarified that the software package is listed in the CIP Budget as "bonding," but it is not included in the calculation of debt service as of yet.

Councilor Kittredge asked if the new software would include the need for purchasing new hardware. Mr. Grant replied that the purchase of three or four "tablets" would be included in the initial proposal; however, no other new hardware devices would be needed. He talked about the use of tablets and staying connected on-line while being out of the office, as an important benefit of this entire package. He added that the existing software maintenance fees cost about \$3,000 and the proposed software maintenance fee would cost up to \$10,000. He spoke about the quality and success of this product. The City Council briefly talked about how large this company is and how long it has been in business. Mayor Jean recalled that this company "Tyler" is produced by the same company that produces the "Munis" product, which the City has been using since 2001 for all financial software. The City Council briefly discussed how many other communities in the area are using the product. Mr. Grant stated that Lewiston, Maine, and Auburn, Maine purchased the product at the same time and were able to obtain a reduced price. Mr. Grant stated that it would be beneficial if the County or State purchased the product as a whole and would result in being more consistent and efficient.

Councilor Kittredge asked if this product would result in more efficient communication with the Planning and Development Department. Mr. Grant replied yes, and gave specific details of the process and accountability

involved with the implementation of the software. He added that it would expedite the entire process of issuing permits.

Councilor Hamann asked if all departments involved with the process would have access to the system to avoid time involved with duplicating information. He asked if the yearly maintenance fee would include "upgrades" to the service. Mr. Grant replied yes, the specific departments would have access and upgrades as part of the yearly maintenance fees.

Councilor Hamann asked if any consideration had been given to a cloud-based system. Mr. Grant stated no, not at this point in time. He noted that other companies do offer cloud-based system, but do not compare to what this system is capable of doing.

Councilor Gray argued that listening to Mr. Grant's proposal, it is not clear that there would be a financial return on investment any time soon. He said this is basically a yearly commitment of \$34,000 per year for the next five years. He added that Mr. Grant is also requesting to increase the Code Compliance Officer's hours. He reiterated that there is no visible return on investment. He spoke briefly about how the last "permit" software upgrade was sold to the City Council by indicating that a tablet/laptop would be used to upload information on-site and would make the job more efficient, which has not happened. Mr. Grant reviewed the process used to obtain the last software upgrade and basically a product was purchased using only a third of the price originally requested, and the product was not as good as the one originally requested at that time.

Councilor Gray asked where the money is going to come from. What changes to the operations of the BZLS Department would be made in order to have a visible return on investment. Mr. Grant explained that the office is currently overloaded with paper work and, in fact, missed an important permit fee in the past week. This program would ensure this type of mistake could not happen, thus equating to more efficient operations of the office, which would have a financial return on investment.

Councilor Gray said the software product would, in fact, improve accuracy and save the staff time, which is not the same as a visible financial return on investment.

The City Council briefly discussed the pricing of the software and hardware costs. Mr. Grant stated that the current hardware should be suitable for the upgrade; however, it would be important to purchase a few "tablets" with the software package for off-site work.

Councilor Walker felt the return on investment had been clearly outlined and he supported the purchase of this product. He mentioned that if this product was purchased then maybe the increase to hours for the Compliance Officer would not be necessary. The price is steep; however, it is a one time initial investment.

Councilor Kittredge and Councilor Gates agreed that an increase of efficiency is also seen as a benefit to the developers and contractors, which would have a positive effect on the City. Councilor Kittredge asked if there would be another increase to the need of permits due to the implementation of the Granite Ridge Development TIF District. Mr. Grant replied yes and gave a brief overview of what to expect moving forward.

Councilor Varney asked who would lead the implementation of this project. He cautioned that a timeline of implementation and accountability must be one of the most important parts of this project. He recalled the last time a similar program was installed there was no accountability in place. Mr. Grant agreed and would provide the City Council with a schedule of implementation, which could be fully online by March 2015.

Mr. Grant reviewed the second CIP request to replace the sixteen year old vehicle for BZLS department. The City Council discussed if this purchase was necessary this year and if it was possible for inspectors to share vehicles. Mr. Grant replied that it is not practical to have different inspections done at the same time. He could continue to use the vehicle for another year if the City Council saw fit.

Mr. Grant spoke briefly about the upturn in the new building applications.

Mr. Grant reviewed the Issues and Options request for the Secretary 1 Position. Mayor Jean stated that the large increase with this option is due to bringing the employee to the point of eligibility for benefits. Mr. Grant reiterated that the BZLS Department has taken on the additional

responsibility of all Zoning matters and done so without additional personnel. He felt this request is justified.

Mayor Jean stated that the BZLS Department has done a great job transitioning with a new name to the department and taking on the additional responsibilities.

Mayor Jean mentioned that the City Manager's daughter Laura Fitzpatrick, is in attendance this evening. He added that Ms. Fitzpatrick is the Assistant City Manager for Rio Rancho, New Mexico.

6.2 Planning Department

Jim Campbell, Chief Planner, presented the operating budget of the Planning Department. He reviewed the budget savings due to the reorganization of the department, mainly the transfer of the Zoning responsibilities to the ZBLS Department.

Chief Planner Campbell reviewed some of the expenditures expected for the upcoming year, including staff development, communications, office equipment, and travel expenses.

Councilor Larochelle asked what impact the purchase of the proposed permit software package would have on the Planning and Development Department. Mr. Campbell stated that it would have a positive impact on the department, which would save time and improve communication. Councilor Larochelle asked if this software product would be beneficial to the Planning Board as well. Councilor Walker stated that this would have a positive impact on the Planning Board and improve communication.

Councilor Varney asked about the increase to the legal line item. Mr. Campbell explained that that was due to implementing the new zoning ordinance, as well as some of the surety issues. Deputy City Manager Cox recalled that this is the same type of legal line item that is used for the BZLS Department. City Manager Fitzpatrick agreed to review the legal lines over the next few weeks to see if they could be reduced as part of the implementation of a City Legal Department. Councilor Gates asked if the establishment of the legal department would cost less money than what is currently being spent on legal issues. City Manager Fitzpatrick replied that it

should not cost any more money than what is currently being spent; however, the benefit is to establish a full time legal department, with the current spending amount, which is not what the City currently has on staff. There could be a cost savings realized over a period of years.

Councilor Gates asked if the Police Department's legal services could be incorporated into the City's legal department. City Manager Fitzpatrick did not see that happening at this point; however, it could be reviewed at another point in time.

Councilor Torr publicly thanked Mr. Campbell for the tremendous amount of work and time he spent on properly implementing Chapter 42. He added that Mr. Campbell was well prepared at the meetings.

Mr. Campbell reviewed the CIP request for the City's Master Plan. He stated that the Land Use Chapter had been reviewed this year and that next year, the focus would be on either the Downtown Chapter or the Transportation Chapter. He gave a brief overview of this process.

Councilor Varney stated that the request is for an additional \$20,000 and that there is \$5,000 remaining in this fund from the current fiscal year. Mr. Campbell replied that the money would be spent rather quickly dependent upon which chapter would be worked upon this year. He noted that the transportation chapter review could be expensive.

Mayor Jean thanked Mr. Campbell for the presentation.

6.3 Recreation Department

Chris Bowlen, Director of the Recreation and Arena Department, addressed the City Council. Mr. Bowlen introduced Lauren Colanto, Assistant Director of the Recreation and Arena Department.

Ms. Colanto stated that the focus has been on using the Master Plan as a direction for the department to be taking. She gave details of the growth of the senior citizen programs. She gave details of the implementation of many new programs over the last few years, including outdoor activities.

Ms. Colanto gave a brief overview of the Squanamagonic disc golf program, nature trails, fitness programs, community programs, and improving communications.

Mr. Bowlen stated that Ms. Colanto has been a great asset to the department.

Mr. Bowlen distributed a "disc" to Council members to be used at the Squanamagonic Disc Golf Grand Opening on June 23, 2014. He spoke about the community effort in making this event special.

Mr. Bowlen distributed a diagram of the Rochester Common to show the need for three more picnic tables. The City Council briefly discussed the pricey cost for the aluminum picnic tables. Mr. Bowlen agreed to provide more information to the City Council about the size of the tables.

Mr. Bowlen introduced Dave Anctil, Arena Commission [Chairperson] and Kevin Barry, Arena Commission Member, who are in attendance this evening.

Mr. Bowlen reviewed some specific items located in the operating budget and stated that the overall budget meets the directive of the City Manager.

Mr. Bowlen reviewed the Issues and Options request for a new vehicle. He listed the duties involved with using the truck on a regular basis, including the need to snow plow the Arena parking lot in the winter. Sometimes the Arena needs to be plowed prior to 6:00 AM. He added that he did check with the Department of Public Works to find another used vehicle; however, he has not received a response as of yet.

The City Council discussed the cost of a plow truck. Councilor Varney stated that there is another Issues and Options request to purchase air conditioners. He asked which is more important to the department, the truck or air conditioners. Mr. Bowlen stated at this point, it would be the truck. Mayor Jean **MOVED** to cut the CIP Project #117 Air Conditioners, in the amount of \$35,000 [cash]. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote by the Committee of the Whole.

Mayor Jean **MOVED** to create a new CIP item for a new plow vehicle for the Recreation Department, in the amount of \$35,000 [cash]. Councilor Lachapelle seconded the motion. Councilor Varney requested that the Commissioner of Public Works provide information to the City Council about the cost of an adequate plow vehicle. The **MOTION CARRIED** by a unanimous voice vote by the Committee of the Whole.

Mr. Bowlen asked the City Council to take a consensus regarding funding the summer programs, which is not a binding vote; however, it allows the department to move forward with the hiring process for the summer programs. The **Sense of Council** is to allow the department to proceed with the hiring process for the purpose of providing the summer programs.

6.4 Arena

Mr. Bowlen reviewed the Arena Operating Budget, which is sustainable at this point; however, the department's debt has increased significantly over the years.

Mr. Bowlen review the Technical and Professional Services, which is a contingency account. This had been used up due to the amount of snow storms in the past winter, which included snow shoveling.

Mr. Bowlen reviewed the Repair and Maintenance Services increase due to the failing restrooms.

Mr. Bowlen briefed the City Council about purchasing an Ice Edger. This is an important piece of equipment to ensure the safety for ice skaters. He reviewed the equipment depreciation schedule. Councilor Laroche asked for more information about the depreciation accounting. Mr. Sullivan gave a detailed overview of the bookkeeping methodology to track depreciation. Deputy City Manager Cox added that it is a mandated requirement.

The City Council talked about the amount of maintenance needed over the years for the Arena building, which has impacted the Arena's budget.

Mr. Bowlen stated that the proposed delivery date for the bleachers is July 15, 2014.

Councilor Collins asked about the increase/decrease amounts of money from department to department relative to electricity costs. Mr. Bowlen explained that for his department it is dependent upon the variable of usage and not so much an increase/decrease in the cost. Deputy City Manager Cox explained that the City participates in a bidding process for electricity and received a rate of \$0.06 per kilowatt hour about a year and half ago. He added that rate has recently expired and the new short term rate is \$0.08 per kilowatt hour; however, the City will participate in another bidding process in December, 2014.

Mr. Bowlen reviewed the revenues for the Arena Department. He gave reasons not to adjust/increase the hockey ice fees this year.

Mr. Bowlen spoke about the transfer of some of the offices from the Community Center to the Arena facility and the miscellaneous expenditure to sustain this old facility.

Mr. Bowlen stated that Mr. Sullivan had suggested delaying some of the bonding for the Arena Department until FY 17. Mayor Jean thanked Mr. Bowlen for working with the Finance Committee about this issue and stated that it seems that the City is going to have to discuss more creative options for dealing with how this particular debt service is handled.

Councilor Varney asked if the Arena Department would be in a deficit at the end of this fiscal year. Mr. Bowlen replied that from the operating stand point it should be fine; however, there is an accumulative deficit of \$23,000. Councilor Varney stated that no department can keep operating with such a deficit. Mayor Jean invited Mr. Bowlen to attend the City Council Workshop Committee meeting in August to discuss the deficit. Mayor Jean applauded the efforts of the Arena Department and Commission to keep this Arena operating.

6.5 School Department

Mayor Jean stated that Michael Hopkins, Superintendent, Linda Casey, and Daniel Harkinson, School Board Chairperson, were in attendance at the meeting.

Superintendent Hopkins gave a PowerPoint presentation of the Operating Budget, including the adjustment made to keep it in line with the Tax Cap.

Superintendent Hopkins gave an overview of the employee positions which were eliminated in order to meet the Tax Cap.

Councilor Varney asked if the School Department provided transportation to extracurricular activities that are not currently funded, such as the newest baseball team at the Middle School. Superintendent Hopkins replied no. The City Council discussed the transportation to such sporting events.

Superintendent Hopkins gave an overview of the CIP items and invited the City Council to ask questions.

Councilor Walker stated that there is a CIP Project for HVAC Upgrades listed at \$598,000 [bond] and another CIP Project for HVAC Upgrades listed at \$20,000 [cash]. He asked what is the difference between the two projects. Superintendent Hopkins stated that the cash items are smaller repair items and it is important to build up the cash fund so small repairs can be completed when they become problematic. Councilor Varney asked how many years this CIP request is intended to cover. Superintendent Hopkins replied three years and the City Council could break the amounts up over that period of time.

Councilor Lachapelle asked if the Gonic School Gym is also used for a cafeteria. Superintendent Hopkins replied yes, and it has become a hazardous situation.

Councilor Varney questioned the need for the 72" Zero Turn Mower. He recalled that it seems one was purchased in fiscal year 2012, which was much cheaper. Superintendent Hopkins stated that Mr. Bickford, Buildings and Grounds, was not available to answer that question.

Councilor Varney questioned the Alarm Panel Upgrades and if these are intended for specific projects. Superintendent Hopkins agreed to provide the City Council with a list, if necessary; however, the goal is to keep up on these types of upgrades so they do not become problematic as they have in the past. Councilor Varney did not agree with listing regular maintenance repairs under the CIP Projects [bonded]. The City Council discussed the fire alarm panels.

Councilor Varney asked about the CIP Project for Door Hardware. He questioned why this project would not be included with the large CIP Project for Security Upgrades. He believed this line item could be cut this year. Superintendent Hopkins hoped that the City Council would allow the School Board to keep this cash CIP line item, reiterating the fact that the School Board met the Tax Cap and might need that money available for other related projects.

Councilor Varney asked why it is important to purchase a new floor machine each year. Superintendent Hopkins replied that some of the summer custodial positions have been cut from the budget and the floor machine helps to get the job done.

Councilor Varney spoke against using bond vs. cash for pavement projects as listed by the School Department in the CIP Budget. He said the City Council has made it a practice against bonding for paving projects.

Councilor Varney asked if the CIP Project listed for the Spaulding High School Track is intended to be a full replacement. Superintendent Hopkins stated that this is for a complete rehab of the track, which is necessary at this point.

Councilor Varney asked if the Fire Department is requiring that the sprinkler system be upgraded this year or not. Superintendent Hopkins stated that the Fire Department is requiring a plan be in place for the upgrades to sprinkler systems and next year another request would be made for installation of the sprinkler systems.

The City Council discussed the increased debt service for the next few years.

Councilor Gates expressed concern about the tax payers' money being spent unnecessarily on legal fees and asked how much money is spent on legal fees associated with facilitating IEP meetings. Superintendent Hopkins replied about \$20,000, which has not increased over last year's budget at this point.

Mayor Jean thanked the School Department/School Board for working diligently to meet the Tax Cap.

Councilor Varney **MOVED** to reduce the proposed School Department Operating Budget by \$71,961,000, which reduces the proposed budget to \$57,345,083, and was approved by the School Board. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a majority voice vote of the Committee of the whole.

Councilor Varney **MOVED** to postpone the CIP Project #1 Way Finding until Fiscal Year 2016. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote of the Committee of the Whole.

Councilor Varney **MOVED** to change the fund source from Fund Balance to Cash for CIP Project #19 Truck/Public Buildings. Councilor Lachapelle seconded the motion. The City Council discussed the effect this would have on the Operating Budget of the City. Councilor Varney stated that this is an effort to stop using the General Fund Balance each year to offset the tax rate. Mayor Jean stated that currently the City is about \$150,000 below the Tax Cap and this vote would result in bringing that figure to about \$100,000 below the Tax Cap. The **MOTION CARRIED** by a majority voice of the Committee of the Whole.

Councilor Torr asked if the School Department purchased a new Chevy Truck with a City seal. Superintendent Hopkins replied no. It was determined that it must be a Public Buildings truck.

Councilor Varney **MOVED** to postpone CIP Project #22 to Fiscal Year 2016. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Varney questioned if the figure associated with CIP Project #23 is a place holder and if the figure is actually correct. Mayor Jean

believed that it was a place holder and agreed to have the Economic Development Manager ensure the figure is correct.

Councilor Varney spoke briefly about CIP Project #80, which had been cut from the CIP Projects. It was determined if grant money was obtained then a supplemental appropriation could be requested at that time and there was no need to place it back in the CIP Budget at this point.

6.1 Business Office

6.2 City Council Budget

6.3 City Manager Budget

Deputy City Manager Cox presented the budgets for the City Council to review and asked the City Manager to review the Issues and Options portions of the City Manager's budget.

City Manager Fitzpatrick said he did not feel that the local media has been adequately reporting the City's good news and it is important for the City Council to be proactive on this matter. He spoke briefly about Issues and Options #1 and other options for getting good news out to the public. He recommended not including the media Issues and Options request with this year's budget at this time; however, he stated that the matter should be revisited soon. The City Council briefly discussed the matter and other options for distribution of good news for the City.

City Manager Fitzpatrick stated that the City Council directed him to receive proper training and to develop a corporate compliance program. He received training in this area last year and is now expanding the training to the City employees. He recommended hiring a consultant to create a webpage portal on the City's website, which would be a hotline in order for employees to report ethical concerns. He briefed the City Council about the cost associated with implementing the program.

Councilor Lauterborn expressed concern about the reporting part of the program. City Manager Fitzpatrick stated that the reporting part is an essential part of sustaining a corporate compliance program. Councilor Kittredge asked if an employee would be able to report good behavior, as well. City Manager Fitzpatrick replied that it is not part of a corporate compliance program, and there are other venues for such reporting. Council

discussed the current procedure for filing a complaint. Councilor Keans talked about the difference between a corporation and a municipality using the corporate compliance program.

Councilor Lauterborn understood that current staff may be able to achieve enhancing the news reporting as outlined in Issues and Options #1 or the matter could be visited again at some point in the next fiscal year, but agreed to cut the line for now. She **MOVED** to cut the \$18,000 out of the City Manager's budget. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

City Manager Fitzpatrick spoke about the Issues and Options relative to the Employee Suggestion Program and Bonus Program. He talked about the cost of the individual programs. Councilor Walker talked about other similar programs. Councilor Keans stated that a visible savings should be noted prior to distributing funds from the program.

Deputy City Manager Cox gave a brief overview of the Issues and Options request to increase the Payroll Specialist from 35 hours per week to 40 hours per week. He explained that this cost can be found in four different budgets including the City Manager's office, Human Resources Department, Business Office, and the Water and Sewer Department. The justification for the increase is due to the increase of reporting requirements involved with the New Hampshire retirement system and new requirements relative to the Affordable Care Act. The position's responsibilities have also increased due to the recent reclassification of the position. Councilor Walker asked if this request has been included with the budget. Deputy City Manager Cox replied no.

Deputy City Manager Cox gave an overview of the creation of the City's Legal Department. He provided the City Council with a large spreadsheet outlining the current cost associated with obtaining legal counsel and the creation of a Legal Department. City Manager Fitzpatrick stated that these are estimated costs at this time.

Councilor Varney pointed out that it appears that some of the line items are double budgeted for legal purposes. City Manager Fitzpatrick stated that adjustments would still need to be made, but the estimation is fairly close. Councilor Varney requested that all line items relative to legal

issues be transferred from other parts of the budget to the legal department, in this way it would be a clear understanding of what is going to be needed. This would exclude labor attorney fees. Deputy City Manager Cox replied that some of the consulting fees for labor issues could potentially be handled with the legal attorney as well.

Deputy City Manager Cox gave a brief overview of the cost associated with salaries of the legal attorney and the support staff [one employee] as well as creating the department. City Manager Fitzpatrick stated that more information could be provided as it becomes available. He clarified that some of the cost associated with developing this department is uncertain at this time.

Deputy City Manager Cox reviewed the rest of the line items.

6.4 General Overhead Budget

Deputy City Manager Cox reviewed the General Overhead Budget. He noted that the General Overhead, Other Goods and Services Line Item for contingency has increased significantly due to the anticipated cost associated with negotiating 6 Bargaining Agreements soon.

Deputy City Manager Cox explained that in previous years the Host Community Fees came to the City through the CIP Budget; however, that process has changed and the Host Community Fees come to the City through the General Fund and there is a transfer of \$100,000 to the Economic Development Fund, per the General Ordinances.

6.5 Dept Service Analysis

Mr. Sullivan gave a PowerPoint Presentation about the Debt Service Analysis. This can be found as an Addendum to the City Council packet.

Councilor Varney asked if the details about the School Department are included in the slides. Mr. Sullivan replied no, the exact details were not available at the time the slides were made; however, the School Department did include the details of the debt service with their presentation earlier in the evening.

Councilor Larochelle asked if any projections were made with continued bonding projects. Mr. Sullivan replied no. The City Council briefly discussed the debt service in future years. Councilor Varney expressed concern about the School Department's debt service. Mr. Sullivan provided more information about the School Department's debt payments over the years to come. Mayor Jean stated that these slides are useful for working on the budget and approving CIP Projects.

7. Department Reports

No discussion.

8. Other

Councilor Varney stated that the Zoning Board of Adjustment approved a sign, which seems to be a billboard sign, on Route 11, at the last Zoning Board of Adjustment meeting. He gave reasons that more information should be provided to the City Council and the possibility of reconsideration should be discussed. The City Council discussed the matter and it was determined that an Agenda Item should be placed on the May 27, 2014, Special City Council meeting, and advice from the City Solicitor would be sought.

9. Adjournment

Councilor Walker **MOVED** to **ADJOURN** the Budget Workshop at 10:53 PM. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Respectfully submitted,

Kelly Walters
City Clerk