

COMMITTEE OF THE WHOLE BUDGET WORKSHOP
May 22, 2018
CITY COUNCIL CHAMBERS
7:00 PM

COUNCILORS PRESENT

Councilor Abbott
Councilor Bogan
Councilor Gates
Councilor Gray
Councilor Hamann
Councilor Hutchinson
Councilor Keans
Councilor Lachapelle
Councilor Lauterborn
Councilor Torr
Councilor Walker
Councilor Varney
Mayor McCarley

OTHERS PRESENT

Daniel Fitzpatrick, City Manager
Blaine Cox, Deputy City Manager
Terence O'Rourke, City Attorney
Tom Kaczynski, resident
Paul Lynch, School Board
Robert Skinner, Lyft Driver
Doreen Jones, Tax Collector
Kelly Walters, City Clerk
Samantha Rodgerson, Executive Secretary
Chris Bowlen, Recreation & Arena
Jonathan Rice, Chief Assessor

MINUTES

1. Call to Order

Mayor McCarley called the meeting to order at 7:00 PM. Deputy City Clerk Cassie Givara took as silent roll call. All Councilors were present.

2. Public Input

Mayor McCarley invited members of the public to come forward and address the Council.

Thomas Kaczynski, resident and State Representative, spoke about the tax cap and the increasing City budget.

Paul Lynch, resident and school board member, talked about the lack of revenue coming from the State and how it impacts the local school budget.

Robert Skinner, Lyft driver, spoke about the trouble he has been having operating his business in the City. He has been told that he is considered a taxi service and needs to have a permit to operate. Mr. Skinner maintains that Lyft is a ride share service and a permit is not required. He has the proper licensing and insurance through the State.

Mayor McCarley addressed Mr. Skinner and said that the issue is being addressed by the Codes and Ordinances Committee and the Committee will then discuss it with the Police Department.

3. Budget Presentations

3.1. Tax Collector

3.1.1. Operating Budget

Doreen Jones, Tax Collector, addressed Council and indicated that the Tax Collector's Department had no CIP requests or Issues & Options. She inquired if there were any questions on the Tax department O&M budget.

Councilor Varney asked where the revenue from the tax sale would go. Blaine Cox stated that he thought it would go to unanticipated revenue or a sale of City Property revenue line.

Councilor Keans inquired if the Tax Collector and Finance Director were aware of the bill that will likely pass regarding dropping delinquent taxes and lowering the interest rate on taxes. Councilor Keans asked if the City would need to reconfigure their revenues based on the new legislation.

Blaine Cox, Finance Director, indicated the City has not done a specific analysis on the change.

Councilor Keans asked why "E-Registration" is under both the Tax Collector's budget and the City Clerk's Budget. Ms. Jones clarified

that the City Clerk's office does dog licensing online using the same system.

3.2. City Clerk

3.2.1. Operating Budget

Councilor Keans inquired if the City Clerk's office would be doing anything with voting machines. Ms. Walters said they would most likely not be doing anything with them this year, but they would review that after the elections portion of the budget presentation.

3.2.2. Issues & Options

Ms. Walters detailed the Issues & Options request regarding zoning amendment petitions. Currently the fee for external candidates to apply for a zoning amendment is \$100. When a public hearing notice needs to be placed in the paper or abutters need to be notified, the cost for these additional services significantly exceeds the \$100 fee.

Councilor Lauterborn asked who has the authority to set these fees. Ms. Walters indicated that the State law appears to say that the fees can be covered, but the RSA is geared towards towns as opposed to cities, so there isn't a clear answer. Ms. Walters indicated what she was looking for is a way to track the charges in the budget so they can review them next year and have a better idea of what fees should be charged.

Councilor Varney asked if there was a way that a line item could be added into the City Clerk's budget to track how much money is spent. Mayor McCarley inquired if the finance department could take care of this request. It was confirmed that a line item could be added to the budget to track the charges throughout the year.

Councilor Varney asked for confirmation from Attorney O'Rourke that the City Clerk could charge a set fee for advertising but believed there was a set limit on what the City could charge for staff and their own labor.

Attorney O'Rourke said that the City is able to charge their actual costs for advertising, they just do not do this currently in the Ordinances. The ordinance can be changed, there will just need to be a way to track the fees in the meantime.

Councilor Varney asked if the Ordinance could be changed this summer. Attorney O'Rourke said it would have to be a zoning ordinance amendment, but they could get started on the process right away.

3.3. Elections

3.3.2 Capital Budget

Ms. Walters discussed the department's CIP request for new voting machines. She reported that the Clerks had attended a Spring Conference with the Secretary of State and had inquired about the status of the new voting machines in the state. It was reported that there has been no movement at all at the state level. Ms. Walters' recommendation is to delete this item from budget and review the CIP project next year. She indicated that the money included in this line item is important to retain to take care of the voting machines the City currently uses.

Councilor Varney suggested deauthorizing the funds being requested for the voting machines and then increasing the line item for maintenance in the O&M budget.

Councilor Gray agreed that the funds should be deauthorized and reallocated to the maintenance and repair line item in the O&M budget. Councilor Gray explained that before any voting machines can be authorized by the State, the Secretary of State has to investigate and send them before ballot law commission. This process has not even started yet. There is adequate stock of repair and replacement parts for the existing machines throughout the state.

Councilor Walker inquired if there were currently any voting machines in the City that were in ill repair. Ms. Walters indicated that there are currently no machines which are non-operational, but there

is no way of planning when a machine will break down on Election Day. The City does have a back-up machine in the case of a machine failure.

FY19 Budget Adjustment [5]

Councilor Walker **MOVED** to remove \$7000 from the Capital CIP. Councilor Lachapelle seconded the motion. **MOTION CARRIED** by a unanimous voice vote.

Councilor Gray asked if there would be a subsequent motion to move money into the O&M maintenance line item.

FY19 Budget Adjustment [6]

Councilor Walker **MOVED** to transfer \$17,500 from the City Clerk's Capital CIP to the maintenance of machines line item of the O&M budget. Councilor Varney indicated that he thought the amount of money motioned to be transferred was excessive and would add expense to the budget which hadn't been counted on. He suggested adding a lesser amount of \$4000-\$5000, since it will expire at the end of the year. Councilor Walker **RESCINDED** the motion to transfer \$17,500 and **MOVED** to transfer \$5000 cash to the maintenance of machines line item of the O&M budget. Councilor Varney seconded the motion. Blaine Cox asked for clarification if this was a straight addition to the budget, not tied to previous CIPs. It was confirmed that this would be a \$5000 increase to the City Clerk's election budget.

MOTION CARRIED by a unanimous voice vote.

3.4. Legal Department

3.4.1. Operating Budget

City Attorney Terence O'Rourke gave an overview of the budget for the legal department and the expected expenses and costs for the upcoming fiscal year.

3.5 Government Channel

Mayor McCarley suggested adjusting the agenda to discuss the Government Channel budget earlier since some of the other department's budgets would be lengthier and the Government Channel should be a short presentation.

3.5.1 Operating Budget

Samantha Rodgerson, Executive Secretary to the City Manager, presented the Government Channel budget which is a single line item contained in the City Manager's budget. This budget has increased by \$3000 for the annual subscription service used for the live streaming of council meetings.

Councilor Varney inquired if the Government Channel was ready to live stream the Public Safety Committee meetings? Ms. Rodgerson indicated that they were ready to start streaming as soon as they are notified and can have a camera operator ready.

3.6 Recreation and Arena

3.6.1 Operating Budget

Chris Bowlen, Director of Recreation and Arena, went over the budget for his department. He discussed the recent action taken by Council to make the Arena a special revenue fund and explained the impact this has made on the budget.

Councilor Walker asked about \$8,381 increase on the contingency. Mr. Bowlen indicated he normally carried \$5000 in the contingency as a starting point to help with unexpected costs. Mark Sullivan, Finance Department, explained how they adjusted the budget, accounting for these changes.

Mr. Bowlen explained that the CIP requests from the Rec & Arena department were not intended to be included this year, but rather for fiscal year 2020. He indicated that he felt there needed to be more fine tuning on the needs for the facility and they needed to

finish the projects for which there had already been appropriations.

FY19 Budget Adjustment [7]

Councilor Varney **MOVED** to change the capital item on page 158, "Arena Front Renovation," zero fund it in fiscal year and move the \$500,000 to fiscal year 2020. Council Lachapelle seconded the motion. **MOTION CARRIED** by a unanimous voice vote.

FY19 Budget Adjustment [8]

Councilor Varney **MOVED** to change the arena sprinkler system project on Page 159 by moving the \$225,000 out of fiscal Year 2019 and into Fiscal Year 2020. Councilor Walker seconded the motion. **MOTION CARRIED** by a unanimous voice vote.

FY19 Budget Adjustment [9]

Councilor Varney **MOVED** to change the parking lot renovation project funding totaling \$350,000 from fiscal year 2019 to fiscal year 2020. Councilor Walker seconded the motion. **MOTION CARRIED** by a unanimous voice vote.

Mr. Bowlen spoke about the original idea, spelled out in the Master plan, for the recreation department to move from the Community Center. Part of the plan was that Recreation needed to acquire land from the YMCA at the Lowell Street property where the Arena is located. This land acquisition has not gone as they had hoped, so they decided to work with the properties they already had and make enhancements to the Community Center. Mr. Bowlen said that the front of the Arena had been renovated into office space. He intends to spend much of his time in these offices going forward.

3.6.2 Issues & Options

Mr. Bowlen asked for consideration from Council for funding to develop an annual community festival. The CIP request is for \$7500 which he believes will be enough to get the process

rolling, get the Commission involved and develop a plan for this proposed annual event.

Councilor Keans expressed support for an annual festival and suggested winter would be the best time for it to take place due to the lack of other regional events for long stretches of time.

Councilor Varney asked if there was still \$20,000 in City Manager's budget which had been allocated for patriotic services and could cover this CIP request. Blaine Cox indicated the patriotic services allocation was an operating budget item which does not renew yearly, and while it is still in the budget for this year, it is only \$2500. Councilor Varney located the funding under "Special Events" in the General Overhead where there was a second entry for "Patriotic Services" budgeted for \$30,000. Councilor Varney indicated it could be discussed with finance to determine if the funding for the annual community event could come out of this budget.

Mr. Bowlen detailed the CIP request for a part-time Recreation employee to handle a main desk for directing and helping patrons. He discussed the role of the recreation department as it relates to the Community center and the types of programs and events the recreation department helps facilitate in the Community Center.

3.7 Assessing

3.7.1 Operating Budget

Jonathan Rice, Chief Assessor, summarized the increase in the budget line item for "admin equipment" for aging office equipment which is failing or missing parts.

Councilor Varney asked for clarification on what "admin equipment" covered. Mr. Rice stated that there was furniture in the office that needed to be replaced to meet the needs of the growing department.

Councilor Walker asked Blaine Cox when the Finance Committee canvas system discussion would be taking place. Mr. Cox indicated that the discussion would occur July 10, 2018.

3.7.2 Capital Budget

Mr. Rice detailed the CIP request for Vehicle replacement. The Assessor's Department currently has 2 aging vehicles which have both failed state inspections this past year. The department is requesting 4 new vehicles. Mr. Rice explained the option of a 3-5 year lease program for the 4 vehicles at a fee of \$25,000 annually or a one-time purchase price of \$100,000.

A lengthy discussion was held regarding the vehicle needs of the department and the drawbacks of leasing with the general consensus of those councilors contributing that the Assessing Department was in dire need of new vehicles, but it would likely be better for the City to purchase several vehicles outright. Several alternatives were discussed: Buying 2-3 later model used cars or small pickup trucks, buying 3-4 cars of varying ages to start a rotation, and looking into buying smaller more economical vehicles costing less than \$25,000 each.

Councilor Varney said he believed the police were having success with the small Ford Focuses they had been purchasing which are less than \$25,000. Deputy Chief Gary Boudreau, who was present in the audience, stated that Ford would no longer be producing the Focus after 2019 so unfortunately this would not be a good alternative.

Councilor Walker suggested that the City needed a better maintenance tracking schedule for vehicles in smaller departments such as BZLS and Assessing. There is a good process for taking care of Fire and Police vehicles, but the smaller departments whose vehicles receive less use tend to fall through the cracks.

3.8 Debt Service

3.8.1 Operating Budget

Mark Sullivan, finance Department, gave a presentation detailing the City's Debt Service including how an item becomes a bonded debt.

Councilor Varney recalled that the previous fiscal year, they had put some items in what he referred to as the "off sheet parking lot" to cut down on the amount of debt in the 6 year plan. They were taken out of the plan because they were so large. Mr. Sullivan confirmed this was true, and some of these projects found their way back into the plan and some did not. He said that the grand total is right around the same amount as it was when they were at that point last fiscal year where those projects were postponed.

Mr. Sullivan indicated that for the short term, debt is elevated but manageable and it is being managed. The General fund debt limit is adequate. Long term, Mr. Sullivan said the future bond appropriations require balancing, looking out to make sure they aren't bringing in more than what is being retired in bonds.

Mayor McCarley asked how projects which had been taken out of the 6-year plan made their way back into the plan. Mr. Sullivan said that one of the issues with larger projects from DPW was that there was action taken to postpone projects but not to deauthorize or cut them out completely. There was then some misinterpretation about how to "bring back" projects which had been postponed. Councilor Varney indicated it would be best for Council to know about all these projects so they can determine which ones to authorize and when, making sure they are not all stacked in the same fiscal year.

Councilor Varney asked about the tax cap valuations: Were the assessed valuation based on the previous year's City Wide valuation. Mr. Sullivan confirmed this was based on the final December DRA. It was determined that this amount could be reevaluated at this time with the revised May numbers.

Councilor Varney discussed upgrades to the Emergency

Services radio system which are set to be funded over 2 years, but the work will only take 10 – 12 months to complete. It's a bonded project, and he stated it would make more sense to fund it all in one fiscal year.

FY19 Budget Adjustment [10]

Councilor Varney **MOVED** to change the funding for the dispatch center on page 52, totaling \$1,315,160, and move it all into fiscal year 2019. Councilor Lachapelle seconded the motion. **MOTION CARRIED** by a unanimous voice vote.

4 Committee of the Whole Budget Adjustments

5 Other

Councilor Walker **MOVED** to consider the change to downtown area zoning which failed by a 6 to 6 vote last month. Mayor McCarley stated that action cannot be taken at a workshop meeting. Only actions regarding the budget process can be considered at this meeting.

6 Adjournment

Councilor Lachapelle **MOVED** to adjourn the meeting at 8:43 PM. Councilor Walker seconded the motion. **MOTION CARRIED** by a unanimous voice vote.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk