

CITY COUNCIL WORK SESSION

FIRE STATION 3

June 27, 2011 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

City Council Present: Mayor Ferrini, Assistant Mayor Novelline Clayburgh Councilors Lister, Hejtmanek, Spear, Dwyer, Coviello, Kennedy and Smith

Staff Present: City Manager John Bohenko, City Attorney Robert Sullivan, Fire Chief Chris LeClaire, and Valerie French, Deputy City Clerk I

Also Present: Fire Commissioners Richard Gamester, Chair, Paul Wentworth and Michael Hughes

I. Call to Order – Mayor Ferrini

Following a Non-Meeting with Counsel, Mayor Ferrini called the Work Session to order at 7:35 p.m.

II. Introduction

Mayor Ferrini stated that Chief LeClaire has done some work to answer the questions asked by the Council regarding understanding the implications of some retirements and other numbers regarding keeping Fire Station 3 open.

Fire Chief Chris LeClaire gave an opening statement explaining that in the last month they have had 3 firefighters and 2 fire officers retire which resulted in a savings of \$110,000.00. He further explained that subtracting that along with some other administrative adjustments from the \$344,321.00 shortage in the FY12 budget year, they are left with a \$158,586.00 deficit to fully fund Fire Station 3 for FY12.

Mayor Ferrini stated that it should be clear that Fire Station 3 will close on July 1st as there is no time to present any resolutions to supplement the FY12 budget amount as it requires proper notice and public hearing before adoption.

III. Discussion/Questions

Councilor Hejtmanek asked how the closing of Station 3 will affect response time and public safety. Chief LeClaire explained that the response times from Stations 1 or 2 to the area covered by Station 3 would be 9-11 minutes compared to 6 minutes. He gave another example of response time to the health care facilities such as Martins Point, which would be 12 minutes from Stations 1 or 2 and only 3 minutes from Station 3.

Councilor Spear stated that the Governor is not going to veto the State budget and asked what the impact of that will be on our budget. City Manager Bohenko explained he received information from the NHRS today indicating that there will be an adjustment from a 35% to 25% subsidy and other adjustments which they are certifying in the next 1-3 months, but the city must start collecting the new contributions from the employees as of July 1st. He stated

that we won't have an actual number until the numbers are certified. He stated we have done an estimated adjustment city-wide to see why we have a \$457,000.00 shortfall which would be \$127,000.00 for the Fire Department. Chief LeClaire stated the employee contribution is also going up 2.5% as well which also goes into effect July 1st. City Manager Bohenko stated that this will hypothetically make up the amount that they had shortfall in the budget but any further shortfall will have to be made up by the municipalities once the numbers are certified.

Councilor Dwyer stated this is incredibly confusing as previously the State was suggesting their changes were going to essentially make it level for municipalities, but she now hears that the \$457,000.00 is the minimum and there is more in play. City Manager Bohenko replied it is a matter of seeing what all of the increase in contributions will make up in the shortfall once the numbers are certified by the State.

Assistant Mayor Novelline Clayburgh stated the Council recently adopted the School Care insurance for the PMA and non-union employees and asked how much of a savings that is per year for the City. City Manager Bohenko stated it is \$146,000.00.

Commissioner Gamester stated he remembers hearing about this insurance but wonders why this is all of a sudden an option. City Manager Bohenko stated that the city has been working since 1999 to go to this insurance and once the insurance premium co-pay went up to 18% for the employees, they are now looking for alternatives to the current choices. He stated that there is a significant individual savings but these need to be collectively bargained and since the contracts are 5 years and there hasn't been any settlement for another 3 years, it hasn't been offered to the other unions yet.

Councilor Coviello stated that currently the City only offers Blue Choice and Matthew Thornton which is through the LGC and wonders if we make the move to the School Care and not offer Blue Choice, would we hypothetically be able to leave the LGC all together. City Manager Bohenko stated yes except we would keep our property liability with them.

Councilor Dwyer stated that the Fire Department has come up with a new, lower number to be able to keep Fire Station 3 open and feels that with bargaining this could easily be achieved, but we are not in a position to assume. She stated that the figure is somewhere between \$12,000 and \$156,000 for the short-term amount but would not be solving the long-term problem. She stated that we need to decide if we believe there is a long-term solution and if we can work towards that while keeping the station open, or if there is no hope, then we should not keep it open. She stated that she believes there is hope and feels that options such as regionalization could be looked at in the meantime. She stated we have kept the money discussion going as long as possible and now there should be discussion on the timing and transitioning.

Mayor Ferrini clarified that procedurally the Council is not in the position to appropriate any funds after the 1st of July and must do it according to the rules with a properly noticed meeting, public hearing, etc. He stated that the Chief has stated that Station 3 will close on July 1st and just wants it clear that the Council can take no action prior to that.

Councilor Smith stated there are 2 issues. First it is a policy issue which the Council sets the services in place that the citizens want, e.g. 3 Fire Stations for better response times, etc. He continued that Pease has 7,000 employees and some of the businesses are open 24 hours a day, not to mention the outlying neighborhoods that are also served by Station 3 and so we need to decide if we keep it open or not. He continued that the second issue is how to fund it; do we put money up front while the negotiations continue, or do we decide not to fund it at all and shut it down.

Councilor Spear stated he understands the uniqueness of the fire department as to how the staffing levels have to be a certain amount for safety concerns etc and asked what line item is changing. Commissioner Gamester stated that it is shift staffing, also known as overtime. Councilor Spear stated he would like to hear again how the staffing works. Chief LeClaire explained that there are 4 shifts with 14 people per shift with some overlapping occurring. He continued to explain the vacation and sick time coverage stating that time is accumulated and earned and the employees are entitled to take them which then requires other people to cover the shifts. He stated that this is a complex issue and is contractual which has to be negotiated.

Councilor Kennedy stated she finds this decision a difficult one because we don't have all of the answers. She stated she understands the concern with response time, but doesn't understand the total affect on businesses in relation to insurance premiums, etc. She stated she would like to know if the PDA is concerned with this at all and are they willing to contribute anything or perhaps Newington who we help cover their area as well. She stated that \$158,000.00 is a better figure than what was previously given, but she doesn't want to engage in open/close/open situation. She stated she would like to have the conversation with the PDA. City Manager Bohenko stated that we can have a conversation and we have had a conversation and they do want Station 3 open for optimum coverage of their area. Councilor Kennedy asked if they indicated that there are increased insurance premiums being incurred. City Manager Bohenko stated he has heard both yes and no and it is a question of adequate response time versus optimal response time.

Mayor Ferrini stated he doesn't recall receiving a letter from the PDA asking for Station 3 to remain open. City Manager Bohenko stated that in fairness, the PDA knows that this is a decision to be made by the City and knows that the most urgent issue for them is an ambulance at Station 3. Mayor Ferrini stated that if we are focusing more toward keeping the Station open, then we should be discussing funding options.

Councilor Coviello stated that with the amount now down to \$158,000.00, how long will this keep Station 3 open. Chief LeClaire replied that the \$158,000.00 is a projected amount to keep the station open, although there are many variables that come into play such as injuries etc. He stated he cannot spend money on what may happen and unless the money is appropriated before July 1st, then it will close. Mayor Ferrini reiterated that nothing can happen before July 1st.

Councilor Lister stated that this is a discussion that is occurring in thousands of communities and although Chief LeClaire has already explained this many times, asked if he would explain again what equipment is out there, etc. Chief LeClaire explained what engines and vehicles were out there and the ratio of fire fighters necessary to properly man the engines.

Assistant Mayor Novelline Clayburgh stated that she heard from firefighter Rick Condon that the union was willing to change insurances and she is disappointed that the Commission didn't jump on that for a savings of \$146,000.00. She stated she also wonders why we can't just put the one ambulance and necessary staff out at Station 3 and not the other vehicles as well as closing it at night. She stated she doesn't understand how this wouldn't save money. Finally, she asked why the new firefighters coming in can't be told that they will have limited overtime so it is not like a guaranteed part of their annual salary. Commissioner Gamester responded stating that these are collective bargaining issues and none of them at the table will be able to answer these questions.

Councilor Coviello stated that the potential cost savings of switching insurances and the savings on retirement costs is a good start but won't help with the long-term problem of keeping the Station open for more than a year. He stated we need to push regionalization.

Councilor Dwyer agrees with Councilor Coviello, but wonders how there isn't enough money right now to keep the Station 3 open more than a couple of months into FY12 when her calculations show that it would only be short by one month of funding. She stated she feels that there are nuances to the scheduling that could help this issue.

Councilor Hejtmanek stated that we can squeeze out another year, but we will have the same problem, if not worse, again next year.

Councilor Kennedy asked if we have funding available for some time into the next fiscal year, why close July 1st. Commissioner Wentworth stated that it is the Commission's fiduciary responsibility not to continue running the Station when they can't predict what type of events may occur and therefore, a best guess is all they can give. He stated that the City Manager wouldn't spend money he didn't have either and he and the Commissioners take their financial responsibility very seriously and won't vote to spend what they don't have.

Councilor Kennedy stated that they do have it and the Council is asking for more time to see what the State figures come back as and some other potential items that could save some money. She stated if they are saying they will close it July 1st, then there isn't anything the Council can do about it, but if they give some more time, they can work on it more. She stated she doesn't want to make a drastic decision, but if Station 3 closes July 1st, then it is the Commission's decision.

Councilor Smith stated that his original point was that the Council sets the policy to keep the Station open or not and if we say yes keep it open, the Commission will have to try to keep it open and then we will have to find the money. He stated the Fire Department has turned back money to the city year after year and we need to decide if we are willing to give them a commitment. Chief LeClaire stated that we have been having this discussion for a year about money and about closing Station 3 specifically, since December. He stated that all of the fixed costs i.e., gas, electricity, etc. are also all going up and there is nothing more he can do. He stated he has whittled the figure down to \$158,000.00 from the original \$364,000.00 which is the result of the retirement of several qualified people.

Commissioner Gamester stated that we need to remember that we are talking about the funding for the next fiscal year, but we will be discussing the budget for the following fiscal year again soon. He stated that the negotiations have been going on for 4 years and therefore, it is unrealistic to expect that things will change in that regard in the next 3 months and that is why they will only spend the money that they know they have, not what they might have.

Councilor Spear stated he agrees with that statement and there will not be anything magical that happens in the next few months so he would rather not fund it and stay with the budget already appropriated.

Councilor Dwyer stated if that is the case, then shouldn't the city be getting some money back for the amount of time they were going to fund Station 3. Commissioner Hughes stated that it isn't as easy as dividing the money by 3 for each of the 3 stations. He stated we are not laying off personnel even though Station 3 will be closed, they will be reassigned to the other stations.

Discussion again ensued regarding staffing levels, overtime costs and funding.

Mayor Ferrini stated that if the Council wants to continue this discussion at a future meeting then we can do so, but regardless, Station 3 will close July 1st as there will be no opportunity for a supplemental appropriation vote until after that date.

Councilor Smith stated he feels that everyone should state their intentions right now. Mayor Ferrini stated that the Council already went through the process and voted on the budget knowing what the repercussions would be, but if further discussion is wanted, then it will continue.

Councilor Coviello stated that he feels everyone wants to keep it open, but can we do it financially, the answer is no.

IV. Adjournment

Mayor Ferrini adjourned the meeting at 8:45 p.m.

Respectfully submitted by:

Valerie A. French,
Deputy City Clerk