

## **CITY COUNCIL WORK SESSION**

### **FY 13 Budget Discussion**

February 6, 2012 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

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

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#### **I. Call to Order – Mayor Spear**

Mayor Spear called the Work Session to order at 6:30 p.m.

City Manager Bohenko reviewed the budget process which began when he requested the Department Heads to come back with a budget of not more than a 2.9% increase. He continued that there has been a 9% reduction of work force over the last 3 years through attrition and reduction in service. He stated he is looking for direction from the Council regarding the insurance stabilization fund and whether they want to hold the increase to 0% then they can decide to use \$700,000.00 from the insurance stabilization fund which is currently at \$1,700,000.00, but he would be cautious going forward. He stated this shouldn't prevent studies for alternatives from continuing.

Mayor Spear asked if the City Manager has any input on the health savings account for this year. City Manager Bohenko stated that the department heads are bringing forward a budget with the medical funding held flat so he would like to see that decision made.

Councilor Coviello stated that the City Manager has laid out a good cause to do so.

Councilor Novelline Clayburgh agrees but also feels that the Council should give a direction as to whether or not they will accept the 2.9% increase so the Department Heads don't do a lot of work and have to redo it.

Mayor Spear asked to get a consensus on the health savings account issue first. The Council expressed they are comfortable with the current proposal and appreciate the City Manager and staff work on the issue.

Next, Mayor Spear asked the City Manager to update the Council on the timeline of the budget process. City Manager Bohenko reviewed the timeline stating that the timeline is directed via the City Charter which he presents his budget to the Council in April. The budget then becomes the Councils' budget and must be adopted no later than June 30<sup>th</sup>. He stated he arrived at the 2.9% increase based on the Boston/Nashua C.P.I. 10 year rolling average. He further stated that the budget he presents tries to balance the department needs with the community's ability to pay and it is then the Council who will make the policy decisions at that point.

Councilor Lown stated it is hard to believe that the C.P.I. is 2.9% but feels if that is the case, then it is a rational place to begin.

Councilor Kennedy stated we also need to look beyond just the 2.9% increase as the water and sewer fees are also increasing, vehicle registration fees, etc. which also comes out of the taxpayer's pockets.

Councilor Thorsen agrees with Councilor Kennedy and stated there are other things out of the Council's control i.e. the County tax, loss of revenue from the State etc. He stated he would still like to see a 0% increase budget if possible.

Councilor Smith stated every year he gets frustrated with looking at past tax increases because so much is out of the Council's control. He stated he would like to see the County budget process more open with more involvement. He stated the City is who absorbs these increases with loss of employees, loss of quality services, etc.

### **VIII. Adjournment**

Mayor Spear closed the Work Session at 7:05 p.m.

Respectfully submitted by:

Valerie A. French,  
Deputy City Clerk