

CITY COUNCIL WORK SESSION

FY 14 Budget Discussion

November 13, 2012 – 6:15 p.m.

Eileen Dondero Foley Council Chambers

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

Staff Present: City Manager Bohenko, Finance Director Judie Belanger and Controller Andrew Purgiel.

I. Call to Order – Mayor Spear

Mayor Spear called the Work Session to order at 6:15 p.m.

City Manager Bohenko began by stating that at the Council Retreat held on October 27, 2012 the Council asked him to bring back a budget schedule and pro forma numbers for the budget. He reviewed the proposed schedule which includes an all day budget work session to be held on Saturday, April 6, 2013. He thanked the School Department, Police Commission and Fire Commission for agreeing to move up their budget public hearings which will give the Council more time to make decisions.

Councilor Kennedy asked if the Fire Commission public hearing will be televised. City Manager Bohenko stated it will if they want it to be televised. Councilor Kennedy stated she would like all of the meetings to be televised.

City Manager Bohenko continued with the pro forma budget numbers which he stated are very preliminary and are the operating side of the budget only. He stated he is using the 10 year rolling average for the COLA figures, except for the Fire Department which is still negotiating.

Councilor Dwyer asked if the health insurance increase includes the rebate “holiday” from LGC. City Manager Bohenko stated not yet stating we know the total amount but doesn’t know how this will be dispersed yet.

Councilor Smith asked why the City operating budget is at 1% but the School operating budget is at 1.4% increase. City Manager Bohenko stated the School Department had already done their own pro forma at 1.4%.

Next, City Manager Bohenko reviewed the Retirement Rate History from FY09 through FY14 which included an explanation of the Legislative changes resulting in State contributions decreasing over the years to their current 0%. He stated the Council can control this cost by the wages and overtime of employees.

Finally, City Manager Bohenko gave a summary of the general fund budget stating that these figures are very, very preliminary and are for discussion purposes only.

Mayor Spear stated that he is looking for consensus as to what guidance the Council wants to provide to the City Manager to give to the Department Heads. He stated his feeling is that the City has internally maximized efficiencies and cut back so now will have to start making cuts that will affect services that people expect to be provided. He stated that they need to have a starting point and feels that 4% is that starting point that can be whittled down over the next few months.

Assistant Mayor Lister stated that other communities are also dealing with this and unfortunately we may have to look at cutting services or consolidation of services for efficiencies. He stated it will be important for the community to understand we are working on this together and that crucial services will need to be prioritized by the Department Heads.

Councilor Dwyer asked about the higher assumption for the County tax increase. City Manager Bohenko stated that there is a double whammy due to the assessed valuation increase.

Councilor Smith stated that the changes in Concord is what is causing these issues at the City level as they have taken away our share of revenues for rooms and meals tax and now are discontinuing retirement funding.

Councilor Novelline Clayburgh asked if we can ask the other unions who are not using School Care for insurance to look into that because it will save the city a lot of money. The City Manager stated that we can reach out to them on this issue.

Councilor Thorsen stated that these numbers are just the starting point and wants people to understand that and feels that property tax rates should never go up and that at the point the base should be increasing and then the rates will level out. City Manager Bohenko stated he doubts that will ever happen but feels that we have held it down. He stated that other external factors i.e., county tax and downshifting from that state are what we cannot control.

Councilor Kennedy stated she does not agree with a 4% increase and feels that we are trying to keep a diverse population in the City and are losing people that can't afford to stay here. She stated she would like to know what the Social Security COLA will be and feels that we shouldn't have any increase more than that. She stated she also wants to know what the Water/Sewer rate increase will be because that is another tax. She stated that the Department Heads need to look hard and find extras and there should be no new positions added. She concluded by stating that she feels that we need to take action to get what the State owes us.

Councilor Dwyer stated she is not comfortable with blanket statements such as “no new hires” as we recently hired a Senior Citizen Services Coordinator which was endorsed by Councilor Kennedy. She continued that the 4% figure is deceiving and each department’s budget need to be looked at on a case by case basis. She stated we also need to be looking at the structure of the State funding as little towns benefit equally with cities. She stated she also feels that regionalization should be explored. She stated that setting a 4% figure is the wrong way to start the process.

Assistant Mayor Lister stated he agrees with Councilor Dwyer and will not consider a 4% increase as he feels we need to keep the taxpayer in mind and be more flexible.

Councilor Novelline Clayburgh stated she agrees with not supporting the 4% increase but because she has participated in 5 budget processes, she feels that the department heads need direction from the Council earlier in the process.

The consensus was to vote at the December 3, 2012 City Council meeting to give further direction.

VIII. Adjournment

Mayor Spear closed the Work Session at 7:10 p.m.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'V. French', written over a light blue horizontal line.

Valerie A. French,
Deputy City Clerk