

## CITY COUNCIL WORK SESSION

### FY 14 FINAL BUDGET REVIEW

April 29, 2013 – 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

Staff Present: City Manager Bohenko, Finance Director Judie Belanger, Assistant Finance Director Andrew Purgiel; Deputy City Manager Allen; Library Director List; Public Works Director Steve Parkinson; Deputy Public Works Director Peter Rice; Police Chief Dubois; Fire Chief Achilles; Recreation Director Wilson; Supt. Of Schools McDonough; Human Services Director Fogarty;

Also Present: Police Commissions Howe, Golumb and Russo, Fire Commissioner Gamester

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

Mayor Spear stated that he would like to have all of the Council's questions answered regarding this issue and have a clear direction for the May 6<sup>th</sup> Council meeting and budget adoption.

City Manager Bohenko reviewed the draft budget resolutions stating that this would be the time to make any changes and explained that every \$40,000 reduction equals 10 cents off of the tax rate.

Next, discussion ensued regarding the proposed FY2014 Capital Improvements Plan which has a proposed \$1.5 million increase with the following items:

Restoration – 1870 Amoskeag Steam Engine #3	\$ 25,000.00
SCBA Replacement Program	\$100,000.00
Radio System Improvements	\$ 35,000.00
Police Space Needs Study	\$ 25,000.00
Land Acquisition	\$ 25,000.00
Implementation of Peirce Island Master Plan Project	\$ 25,000.00
Middle Street Bicycle Lanes	\$ 25,000.00
Hampton Branch Rail Trail	\$ 72,000.00
Park and Playground Improvements	\$ 75,000.00
City Hall Entry Way Accessibility Improvements	\$100,000.00
Master Plan Planning Process	\$ 75,000.00
Historic Cemetery Improvements	\$ 10,000.00
Banfield Road Drainage Improvements	\$ 50,000.00
Elwyn Park Drainage Improvements	\$ 75,000.00
Leslie Drive Drainage Improvements	\$100,000.00
Downtown Signage and Pedestrian Wayfinding System	\$100,000.00
Spinney Road New Sidewalk Construction	\$100,000.00
Citywide Traffic Signal Upgrade Program	\$100,000.00
Citywide Intersection Improvements	\$100,000.00
Longmeadow Road Extension	\$100,000.00
Citywide Tree Replacement Program	\$ 20,000.00
Capital Contingency	\$163,000.00

City Manager Bohenko stated that we have received a \$15,000 donation for the Amoskeag Steam Engine #3 restoration which will be on the May 6, 2013 Council Agenda.

Councilor Novelline Clayburgh asked if the amount listed will be reduced due to this donation. City Manager Bohenko stated no because the estimated cost is \$50,000.00

Councilor Dwyer inquired about the costs for the additional Parking Garage stating this is not for the planning and design of the parking garage and would like to know where that money will come from. City Manager Bohenko explained that there is money set aside in the Parking fund and if this garage doesn't go forward it can be used for other parking related items.

Councilor Dwyer asked about identifying the funding for the design of the Police Department and should it be included in the CIP in another year. City Manager Bohenko stated this hasn't taken the usual path and various scenarios have been done with the architects. He stated that we can identify the estimated amount in the CIP.

Councilor Kennedy asked about the Banfield Road Drainage Improvements and if there will be any separation work or paving projects included in this amount. City Manager Bohenko stated that the paving is listed in the paving projects portion.

Councilor Lister asked about the weed control stating that \$20,000 was cut and the city took heat when this was cut in the past. City Manager Bohenko stated that this is now in the Public Works budget.

Discussion ensued regarding the various park improvements, bicycle routes, Hampton rail trail and the availability of matching grants etc.

Councilor Lister asked what happens if the Cemetery Improvements funding were cut. City Manager Bohenko stated that the idea is to keep up with repairs as opposed to having to do major restoration work if they are not kept up with.

Councilor Smith asked about the contingency fund and if there is a rationale of how much is set aside. City Manager Bohenko stated that typically it is 100,000 – 150,000 and if it is not used for that year, it goes into the fund balance.

Councilor Thorsen stated that he would like to take the view from above and that the tax rate should never go up and should actually go down as there should be a balance with the values of the property rates. He stated there should be a lean approach taken with the budget and there should be an effort made to save money and not spend it. He stated he will support reductions to this proposed budget and CIP.

Mayor Spear stated that that the rate could stay consistent only if land values increase at the same rate as the costs such as medical expenses etc. He stated we also have to absorb reduction in revenues such as from the State and that has to be made up somewhere.

Councilor Lown asked if the City Manager had any recommendations of reducing the CIP. City Manager Bohenko stated that the Planning Board authorized this CIP which has been reduced year after year by the City Council but they are looking to get back to this \$1.5 million Plan.

Councilor Thorsen asked if the City Hall Entry Way Accessibility Improvements could be reduced or put off to another year. Councilors Kennedy and Novelline Clayburgh both expressed concern with putting this off as the current accessibility into the City Hall is not good.

City Manager Bohenko stated that 60% of the funding will be coming from CDBG funding.

Discussion ensued regarding personnel costs and the affect the Affordable Care Act will have in the future. City Manager Bohenko stated that Human Resources Director Fogarty will be working with the Unions to address these issues.

Councilor Kennedy stated that the Council is responsible for the bottom line and would like to know what the bottom line if the sewer rate increase is going to be. She continue that we keep increasing the small fees on households as well as the tax rate and people on fixed incomes cannot keep absorbing these increases.

City Manager Bohenko stated that we have been trying to get ready for the upcoming sewer treatment plant replacement by stabilizing the rate of several years in anticipation of the project so there will not be a major spike that people would not be able to absorb.

Discussion ensued regarding delaying and reducing items such as contingency and overlay as it becomes a ledger trick and catches up eventually if not addressed.

Mayor Spear stated that all of the Department heads worked hard to come in at 4% or lower as they were instructed.

Next, discussion was held regarding the Police and Fire Department overtime which total over \$1 million a year. Councilor Lown stated that the Council brings this up every year and are told that hiring extra officers and firefighters will not help the issue because of contractual requirements. He stated that this issue need to be addressed.

Chief Dubois stated he addressed this issue during his recent budget presentation and that there have been changes made to the structure of the department with the elimination and consolidation of middle management positions. He stated that overtime is contractual so any further cuts would be to programs and personnel.

Councilor Lister stated that this issue is not going to be resolved tonight but should be kept in mind in the future. He stated that these positions are becoming more specialized and we want to be able to attract the most qualified people.

Discussion ensued regarding requesting a report back from both the Fire and Police Commissions on effects of bringing back a 2% increase budget.

Mayor Spear called for a recess at 8:40 p.m. Meeting reconvened at 8:50 p.m.

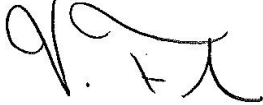
Discussion ensued regarding the School Department budget with Supt. Ed McDonough who also stated that personnel is the bulk of the budget and is contractual. He stated that Business Administrator Bartlett worked hard to trim all areas of the budget.

Next, discussion ensued regarding parking revenue funds including the pros and cons of raising rates or having free parking in certain areas and the effects on downtown businesses and employees. City Manager Bohenko stated he wanted to get a good year's worth of history and figures from the new parking rates and then look at it again for any possible tweaks that may be needed.

Next, discussion ensued regarding the bond rating and the efforts of the staff to achieve the AAA bond rating. City Manager Bohenko explained that it was at the direction of the City Council to improve the City's Bond rating and the policies that have been put in place to ensure continuation. Councilor Thorsen questioned why we are underspending our budget when it ends up being like another contingency fund when we already have one in place. City Manager Bohenko stated the goal is stabilization.

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

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'V. French', written in a cursive style.

Valerie A. French,  
Deputy City Clerk