

CITY COUNCIL BUDGET WORKSHOP MEETING
April 28, 2015
COUNCIL CHAMBERS
7:01 PM

MEMBERS PRESENT

Councilor Bogan
Councilor Collins
Councilor Gates
Councilor Hamann
Councilor Keans
Councilor Lachapelle
Councilor Larochele
Councilor Lauterborn
Councilor Varney
Mayor Jean

MEMBERS ABSENT

Councilor Gray
Councilor Torr
Councilor Walker

OTHERS PRESENT

City Manager Dan Fitzpatrick
Deputy City Manager Blaine Cox
Roland Connors, Assistant Finance
Director
Mark Sullivan, Sr. Staff Accountant
Chief Norman Sanborn, Fire Department
Assistant Chief Mark Dupuis, Fire
Department
Michael Hopkins, Superintendent of
Schools
Linda Casey, School Department
Business Administrator
Daniel Harkinson, School Board Chair

MINUTES

1. Call to Order

Mayor Jean called the City Council Budget Workshop Meeting to order at 7:01 PM. Assistant City Clerk Nancy Carignan took a silent roll call. Councilors present were: Bogan, Collins, Gates, Hamann, Keans, Lachapelle, Larochele, Lauterborn, and Varney. Councilors absent were: Gray, Torr, and Walker

2. Public Input

There was no public input. Mayor Jean closed public input at 7:02 PM.

3. Communications from the City Manager.

There were no communications at this time.

4. Communications from the Mayor

Mayor Jean explained to the City Council that the Tri City Mayor Commission is looking to form a committee to do a cost analysis study. This committee would be looking for saving opportunities for the communities. He explained that they have asked

to have two representative from each community. If any council member was interested he would like them to contact him for further information.

Councilor Larochelle mentioned that Waste Management was having their annual household hazardous waste collection day on Saturday, May 2, 2015, from 8:30 AM to 12:30 PM.

5. Budget Presentations

5.1 School Department

Michael Hopkins, Superintendent of Schools, provided the City Council members with a handout regarding a new pilot program for testing. He briefly discussed his thoughts about this new testing.

Mr. Hopkins informed the Council that the East Rochester School was going to open Monday and that the solar project was on target.

Mr. Hopkins presented the City Council with a detailed PowerPoint presentation for his FY16 school budget.

Councilor Gates asked Mr. Hopkins if the sprinkler alarm at the Maple Street school had been taken care of. Mr. Hopkins said that it had not been done and they need to put a plan together to get that done. Councilor Gates stated that the school is not ADA compliant then. Mr. Hopkins said that was correct and that they have a number of schools that need to be looked at.

Councilor Gates asked Mr. Hopkins about the asbestos abatement in the budget. Mr. Hopkins explained that this is primarily floor tile. He said it is most likely not harmful, but if they need to remove it you have to do the mitigation. Mr. Hopkins discussed this further with the Council members as it pertained to the East Rochester School. They have also documented other schools that have this situation.

Councilor Lachapelle asked about the fire alarm panel upgrades in the CIP budget. Mr. Hopkins explained that they used this dollar amount because it was about the same amount that it cost to have the Gonic School done last year. Councilor Lachapelle asked if the \$20,000 needed to be bonded or could they do it as cash. Mr. Hopkins explained why they are doing this via CIP. He said that sometimes the budget gets tight.

Councilor Gates asked Mr. Hopkins about the fence repairing. Mr. Hopkins explained that most of the repairs needed were due to the winter plowing.

Councilor Varney mentioned that they used their rebate from Health Trust, which was for \$500,000, to fund a reading program. He asked if they expected that again this year. Mr. Hopkins explained how said that this was built into the budget.

Councilor Varney wanted to know about the zero turn lawn mowers. He asked why is the school not buying diesel mowers, which would last longer. Mr. Hopkins said that they would propose that option when they go out to bid.

Councilor Varney asked about the use of an aerator for the high school fields. Mr. Hopkins explained that it would possibly be used at the middle school as well. Councilor Varney said that they should look into using an outside company where it only needs to be done once a year instead of buying one. Mr. Hopkins will check into that option.

Councilor Varney asked about the \$1.2 million for door hardware. Mr. Hopkins said that this is for the push bars and panic bars. He said that with the amount of traffic at the schools and use that these doors get they get worn out.

Councilor Varney questioned the electric upgrades. He mentioned that for the past four years it seems to be between Thirty and Thirty-five Thousand dollars a year. Mr. Hopkins stated that these upgrades seem to be winding down.

Councilor Varney asked about the floor machines. He mentioned that he was under the impression that they were in the previous budgets. Mr. Hopkins said that these machines have about a ten-year life and they need to be replaced. He explained that they are listed under the cash portion and not bonded.

Councilor Varney asked about the HVAC units where they spent \$114,000 in FY13 for them and asked if they are almost finished with this project. Mr. Hopkins stated that some of these units are from the 1990's and it is a life span issue for these units.

Councilor Varney stated that the paving should be under cash and not bonding. Mr. Hopkins agreed and would have that error corrected

Councilor Varney asked about the monthly budget report for bonded CIP projects where he sees a lot of transfers out of the fund for bonding. He would like to know where they are being transferred to. Linda Casey, Rochester Schools Business Administrator, explained that this is regarding re-appropriating funds to different capital projects within the CIP budget. Councilor Varney stated that it appears to be about twenty to twenty-five items. Ms. Casey stated that they would not have transferred without the appropriate approval. Mark Sullivan, Sr. Staff Accountant, explained that the report that they are looking at is life to date, meaning there are prior fiscal years in the report. That is the way this report works, and these were council de-authorization.

Councilor Varney asked about the software upgrades, which come to \$100,000. Mr. Hopkins said this was for de-authorization and it will be going to the Board next month for approval.

Councilor Lachapelle asked Mr. Hopkins about the playground equipment upgrades. He asked which schools need the upgrades and what type of equipment is needed. Mr. Hopkins explained that this is spread out over various schools and this is a safety issue.

Councilor Varney asked about the truck that they are looking to replace. Mr. Hopkins explained that this is an old truck that probably will not pass inspection the next time around and it just passed inspection this year.

Councilor Lauterborn was not clear on the bonding projects such as the HVAC and asbestos abatement. She asked if these recommendations are preparing for issues down the road if something should fail. Mr. Hopkins said that the HVAC does need to be replaced and the electrical panels are in various stages, but they would not spend money unless they have to.

Mayor Jean asked Mr. Hopkins about the flooring specifically in regards to the East Rochester School. This is a quartz flooring; are they looking to use this material at other schools. Mr. Hopkins said there was interest in doing this and it could be done; however, it is expensive, but would wear well and be easier to clean. Councilor Keans explained that Joint Building Committee's sub-committee liked the flooring and it was a quality product.

Mayor Jean thanked Mr. Hopkins for his budget presentation.

Councilor Varney asked how did the asbestos abatement fall under bonding, where it is not a tangible item. Blaine Cox, Deputy City Manager, explained it is still part of a capital asset as it is part of the building.

5.2 Fire Department

Chief Norman Sanborn, along with Assistant Chief Marc Dupuis, gave a PowerPoint presentation of the CIP and operating budget for the Fire Department.

Councilor Lauterborn asked about the four eight-man shifts, why they are asking for two more firefighters, and how would they be deployed. Assistant Chief Dupuis explained that they would increase two shifts to nine firefighters and the bottom tier would be at eight. The shifts with eight would have the most experience level. He went on to explain the newer less experienced firefighters would be on the nine man shifts and this would balance by experience. The City Council discussed this further with Assistant Chief Dupuis. Councilor Lauterborn stated that maybe just one more firefighter could work. Councilor Lauterborn wanted to know why a shift could fall to seven firefighters working. Assistant Chief Dupuis explained that this is for various reasons. He cited sick time, vacations, injuries, and sometimes there are contract issues, because there are only so many hours in a row a firefighter can work. He explained further.

Councilor Lachapelle asked about overtime training being up \$17,600 for the fiscal year. Chief Sanborn explained that \$10,000 from this line is set aside for shift training and that a majority of the cost is due to the reception center for Seabrook drills, whatever goes out comes back. He explained this further.

Councilor Lauterborn asked about the equipment that they are looking to replace. Chief Sanborn stated that they have not done upgrades with equipment and training in a while; this is a one time increase for upgrades. He explained that this is for training manuals and training manikin. They have not replaced the rescue manikin in years.

Councilor Gates asked them if they had the specific call volume for when they respond to just fire calls. Assistant Chief Dupuis said that this is hard to determine. He explained this is under IMC programming and how it is categorized. He gave examples of calls that they respond to, such as CO₂, gas leaks, and smoke. They are grouped together

Councilor Gates asked if they had a percentage of automobile accidents that they respond to. Assistant Chief Dupuis said it is approximately four to five hundred accidents and these numbers are in the call totals. He stated that only non-emergency calls and inspections are not listed. Chief Sanborn stated that their numbers are for emergencies only. Assistant Chief Dupuis said they have approximately twelve to fifteen thousand non-emergency calls.

Councilor Collins wanted to comment on the Fire Department, which was not budget related. He stated that all the levels of training pay off. He explained that a worker at the East Rochester School suffered a heart attack and officials administered first aid, saving his life. Life saving training is essential. Chief Sanborn cited that Rochester is above average in the state when it comes to life saving situations. He went on to explain that this is a team effort with the paramedics and their training.

Councilor Keans wanted to follow up on the reasons as to why a shift would be down a man. Assistant Chief Dupuis reiterated the reasons. He also explained that when it comes to vacation time, the firefighter has to give a seventy-two hour notice and he discussed this further with the Council. Councilor Keans stated that this does not run like private industry. He said they cannot work like private industry because it is not that simple; however, they can make some adjustments on shifts when needed.

The City Council discussed the different types of shifts with Chief Sanborn and Assistant Chief Dupuis. Assistant Chief Dupuis said that they try to save the taxpayers' money by limiting the overtime. Chief Sanborn explained that in other communities they go man-for-man and overtime goes up.

Councilor Varney asked if a shift drops to seven firefighters will one man drive a truck alone to a fire. Assistant Chief Dupuis agreed that this happens every now and then. Councilor Varney asked if they had an eight-man shift would this not happen? Assistant Chief Dupuis explained that it would be less likely to happen.

Councilor Keans questioned the radios that they are asking for. She was under the impression that they received county grants for them. Assistant Chief Dupuis explained that it is their plan to look for grants. Chief Sanborn explained that they have not had to replace them in approximately ten years. He said at that time Homeland Security helped with the radios.

Councilor Gates questioned the communications administrative cost as to what it is for. Chief Sanborn explained that this is for all their phones. They have multi lines, digital lines, and phone lines. He explained some of this is for data cost, as well. He discussed this further with the Council members.

Councilor Gates asked why the postage fees went from \$326 to \$700. Chief Sanborn explained that it usually is \$700, but last fiscal year they transferred money out, dropping it to \$326. He explained that their postage fees are for mailings and such.

Councilor Gates questioned their advertizing line and why they have it. Chief Sanborn stated that this line has been carried over for years, same as the postage line. Sometimes they use it, sometimes they do not, but they transfer it out if needed elsewhere. He explained some of the reasons for this line item.

Councilor Gates asked about the printing and binding line and what are they doing that requires this. Chief Sanborn explained that most of this is for application forms that are multi part forms, as well as business cards. They also print fire prevention forms.

Councilor Lauterborn stated that the retirement line item shows a huge increase in the rate. Mr. Cox explained that this is due to the two-year cycle and the rate increases every two years.

Councilor Lauterborn questioned a salary for one of the firefighters. She felt that there might be an error, because it did not seem to compute. Chief Sanborn said that it was not an error and it was due to a medical opt out and that is why it looks off. Mr. Cox explained that with HIPA they are prevented from showing this.

Mayor Jean thanked the Fire Department for their presentation. He explained that any changes that are suggested would be discussed and would be made as a committee as a whole. Mr. Cox will track the changes during the budget process and they would make one motion as a Council.

5.3 Debt Service Analysis

Blaine Cox, Deputy City Manager, gave a PowerPoint presentation on the Debt Service Analysis.

Councilor Varney asked why they approve any additional projects before they look at the impact for future years. He explained that they cannot see what they are committing future councils too. Mr. Cox is looking to have this updated for the next budget workshop meeting on May 12, 2015. He hopes to provide the City Council with that information.

Councilor Varney questioned the East Rochester School. He was under the impression that the City got bonding for this with a \$60,000 anticipation note which he thought was in FY15 and now he is looking at service payments through FY17. Mr. Cox explained. Councilor Varney reiterated that he thought it was for one year and now it looks like it is for two years.

Councilor Varney questioned the Crossroads EDA Grant Project. Mr. Cox wanted to inform them of this project and there is no timing on it yet. He explained that it is listed on the authorized but unissued list.

Councilor Lauterborn questioned budget implications in regards to debt capacity in the millions. She wanted a better understanding. Mr. Cox explained that this figure comes from taking the reduction in principle and interest and dividing it by seventy-five percent. Councilor Lauterborn explained that she needed more time to look at this.

Councilor Varney commented that the way it looks, the DPW facility will not fit in. Mr. Cox agreed that not with the timing. Councilor Varney suggested that it should be shown differently on the chart.

Mayor Jean thought the illustration was a helpful tool to use. He mentioned that it was a lot to digest.

Councilor Varney asked if the TIF's were in the presentation. Mr. Cox stated that they were not and that they are separated where they are outside the tax cap.

6. Other

Councilor Varney questioned the City assessment. The DRA (Department of Revenue Administration) evaluation from last year is the same as what is showing for this evaluation. Mr. Cox talked to Tom Mullin, City Assessor, and he will be addressing this during his budget presentation.

Councilor Varney asked about the Thirty-three Million in new construction. He does not see where it is generating any revenue for the upcoming year and he would like to know if this is correct. Mr. Cox and Mr. Sullivan explained that it is about timing of the construction completion and how it falls into play. Councilor Varney discussed the revenue further. Councilor Keans asked if the completion could be determined by occupancy. Mr. Cox stated that the assessors review will determine the completion.

7. Non-Meeting

7.1 Non-Meeting, Consultation with Legal Counsel, RSA 91-A:2 I(b)

Councilor Lachapelle **MOVED** to enter Non-Meeting [Consultation with Legal Counsel, RSA 91-A:2 I(b)] at 8:37 PM. Councilor Gates seconded the motion. The **MOTION CARRIED** by a unanimous roll call vote. Councilors Bogan, Collins, Varney, Lachapelle, Larochelle, Hamann, Gates, Keans, Lauterborn, and Mayor Jean all voted yes.

Councilor Lachapelle **MOVED** to exit Non-Meeting at 9:04 PM. Councilor Gates seconded the motion. The **MOTION CARRIED** by unanimous voice vote.

8. Adjournment

Councilor Lachapelle **MOVED** to **ADJOURN** the Budget Workshop Meeting at 9:05 PM. Councilor Gates seconded the motion. The **MOTION CARRIED** by unanimous voice vote.

Respectfully submitted,

Nancy Carignan
Assistant City Clerk