

COMMITTEE OF THE WHOLE BUDGET WORKSHOP
June 12, 2018
CITY COUNCIL CHAMBERS
7:00 PM

COUNCILORS PRESENT

Councilor Abbott
Councilor Bogan
Councilor Gates
Councilor Gray
Councilor Hamann
Councilor Hutchinson
Councilor Keans
Councilor Lachapelle
Councilor Lauterborn
Councilor Torr
Councilor Walker
Councilor Varney
Mayor McCarley

OTHERS PRESENT

Daniel Fitzpatrick, City Manager
Blaine Cox, Deputy City Manager
Terence O'Rourke, City Attorney
Sarah Harington, School Board
Jay Manzi, Resident
Gregg DeNobile, Resident
Amy Shaw, Resident
Shannon Theriault, Resident
Karen Encoe, Resident
Miranda Shortly, Resident
Lewis Goodwin IV, Resident
Savanah Brochu, Resident
Lauren Jerr, Resident
Sam Oliver III, Resident
Sam Dunton, Resident
Matthew Couture, Resident
Amy Cann, Resident
Al Spader, Resident
Alex Cann, Resident
Erin Watt Resident
Isabella Verbicky, Resident
Joelle Boumel, Resident
Kate Brown, Resident
Ray Barnett, Resident
Laura Schmalzl, Resident
Karen Walter, Resident
Tom Kaczynski, Resident
Paul Lynch, School Board
Danielle Veno, Resident

MINUTES

1. Call to Order

Mayor McCarley called the meeting to order at 7:00 PM. Kelly Walters, City Clerk, took a silent roll call. All Councilors were present.

2. Public Input

Mayor McCarley invited members of the public to come forward and address the Council at 7:01 PM.

Sarah Harrington, 50 Woodland Green, Rochester School Board Member, listed the reduction in State funding and said the taxpayers need to know the impact that Special Education, lack of building aide, and other decreases in the State's reimbursements to the local city and towns have had upon the local school budget. She explained how the structure of the tax cap has on the continuing service budget.

Jay Manzi, 3 Farrington Street, student of Spaulding High School, spoke briefly about the impact of the budget has upon the individual students. He shared his own struggle at the local school due to a decrease in school budgets. He requested that teacher positions would be kept and not cut from the budget this year.

Gregg DeNobile, 146 Chelsey Hill Road, questioned where the money would come from if the City Council were to over-ride the Tax Cap this year. He spoke about class room sizes. He questioned if the School Department has ever received less money than the previous year. He requested more information about possible reductions on the school-side of the budget. He did not see a reason to over-ride this year's City budget.

Amy Shaw, 21 Punch Brook Way, said even if only one teacher position being cut this year is too many. The School Department must keep the children safe.

Shannon Theriault, 15 Franklin Street, shared that her own story about the need to translate information for her brother, as a child. She said students who cannot care for themselves need advocates to speak for them.

Karen Enscoe, 16 Balsam Lane, spoke about the impact the tax cap has had on the school department's budget, even though she voted for the tax cap. She spoke about the importance of education and has been re-thinking her vote on the tax cap.

Miranda Shortly, 656 Salmon Falls Road, shared that her students have requested that she be their advocate at this evening's meeting. These children have submitted letters to the City Council.

Lewis Goodwin IV, 5 Second Street, spoke about the class sizes. There are currently 25 students per teacher and it is difficult for teachers to reach each student.

Savanah Brochu, D'Amours Ave, and student at the Alternative School (Pathways), spoke about large class room sizes (students per teacher). Attending the alternative school "Pathways" has been a better fit for her and she is now succeeding in her studies.

Lauren Jerr, 11 Sunset Drive, spoke about choosing a community to raise their children in and they believed they had found that community here in Rochester. It is important to fund education to reduce the risk based students in all communities. It is time to re-set the tax cap and support the schools.

Sam Oliver III, 2 Berry Street, spoke about re-setting the Tax Cap or the City would end up paying more in future years. He said even his 13 Year-old daughter understood the importance of funding the school budget.

Sam Dunton, 52 Old Dover Road, student, spoke about the importance of small class sizes in order to prevent individual students from falling behind.

Matthew Couture, 1C Weeping Willow Drive, spoke about the importance of providing a quality school system for homeowners seeking to

find a location to raise their families. This is an important investment. He spoke about his wife's work with struggling students.

Amy Cann, 1 Quaker Avenue, spoke about a community focused on supporting education and fighting crime. Investing in education is part of the solution.

Al Spader, 64 Chapman Drive, spoke positively about all the changes in education that have occurred in the last few years at the Rochester Middle School. He noted that the Middle School is the 1st district in the Project Based Assessments. Funding education is important now and in future years.

Alex Cann, 1 Quaker Lane, spoke about the impact of poor education. It seems Dover, NH has been offering higher education.

Erin Watt, 19 Stillwater Circle, spoke about struggles in being accepted into classes needed for her career goals. She spoke about school being the only safe zone in some student's lives.

Isabella Verbicky, 4 Roberts Road, spoke about the opportunities she has had with the alternative school Pathways where her mother is currently employed. She spoke about the importance of voting in local elections.

Joelle Boumel, has five children in the local schools. Spoke about the importance of funding the school budget and how some students will fall through the cracks.

Kate Brown, 470 Pickering Road, spoke about her own interest as a child with the arts and sports. She said the Rochester School District is known for their competitive sports teams, band, music & drama, and more. She said it is time to re-set the tax cap and place a schools as a first priority and see what happens next.

Ray Barnett, 14 Crimson Lane, spoke about not over-riding the City's tax cap. He spoke about the State's down shifting of costs; however, not all of the funding issues can be blamed at the State level. The School Department has continued to increase lines in salary and benefits for many

years. It is not fair to the elderly (fixed income) to keep increasing the taxes.

Lori Eddie, Park Street, spoke about the State Senators and representative for voting on a State budget that negatively impacts the local city and town budgets. It is time to re-set the tax cap. She spoke briefly about the Gonic School Roofing project.

Laura Schmalzl, 14 Unity Street, spoke about the old East Rochester School Library and the need for a replacement to an old oil tank. She requested the City Council consider funding the project in an amount of \$2,500. She explained that this old oil tank is setting on a dirt floor.

Karen Walter, 30 Dodge Street, shared that her oldest son is in college and that her younger son is a Junior at Spaulding High School. It seems that her younger son is not receiving the same opportunities that her older son had received in education from Spaulding High School. She has seen many positive changes over the years. After ten years of having the tax cap in place it is now time to re-set the tax cap.

Thomas Kaczynski, State Representative and resident at 12 Whitehall Road, requested that the City Council set decorum about not clapping or allowing emotional testimony at the Council Workshops. He questioned where the City and School Budget has been cut and trimmed. At no time has he noticed that the school or city budget received less funding than any prior year. He did not see a reason to over-ride the tax cap. He said it is the quality of the teacher that impacts students and not the quantity of money that improves education.

Paul Lynch, Chairman of the Rochester School Board and resident at 200 Chestnut Hill Road, spoke about budget cuts in the past. There have been cuts to teacher positions and paraprofessional positions. He requested to re-set the tax cap.

Daniel Veno, 16 Hawaii Lane, spoke in support of re-setting the tax cap for educational and safety reasons. The Middle School would be negatively impacted if any teacher positions were to be cut.

Heather Young, resident, of Rochester, spoke about the importance of not cutting any teacher or paraprofessional positions. Without the positions there could be expensive litigations to be paid for students with special needs not being met. Our children are valuable members of the community and their education should be supported.

Mayor McCarley closed public input at 8:20 PM.

Councilor Walker requested to clarify comments made by Mr. Lynch, Chairman of the School Board. Mr. Lynch clarified that the City Council cannot cut salary positions out of the school budget and that only the School Board is allowed to make decisions of how to meet the spending limit each year. Superintendent Hopkins said the School Department has done its best not to cut occupied positions; however, once a retirement has occurred the vacated seat is not filled.

3. Budget Adjustments

FY 19 Budget Adjustment [18]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as follows:

1. On page 14 of the O&M book, to **increase** School Revenues by \$175,000 from \$60,292,493 for a new amount of **\$60,467,493**.
2. On page 2 of the O&M book, to **increase** School Appropriations by \$175,000 from \$60,292,493 for a new amount of **\$60,467,493**.
3. The City Council hereby authorizes the City Finance Director to **transfer \$175,000** from the School Building Capital Reserve Fund held by the Trustees of the Trust Funds to the School Department revenue account 2000001-406109 on or about **June 15, 2019**.

Councilor Varney noted: "This transfer is from the City's capital reserve fund known as the School Building Fund to the City's General Fund specifically to offset a portion of the FY19 bonded debt payment(s) associated with the completed East Rochester School renovation project. These funds shall be transferred from the Trustees of the Trust Funds to the custody of the City's

Finance Office upon notice from the City's Finance Director who is hereby named the 'agent to expend' those funds as contemplated herein."

Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [19]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Economic Development Department** as shown on page 12 of the CIP book **Signs Project** from the proposed current cost of \$125,000 (bond) to be **reduced** by \$125,000 for a new amount of **\$0.00**. Councilor Torr seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [20]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Fire Department** as shown on page 50 of the CIP book **Station 3 Project** in an amount of \$4,075,000 (bond) and **MOVE** the entire project to **FY 23**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [21]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Fire Department** as shown on page 51 of the CIP book **Station 4 Project** in an amount of \$4,075,000 (bond) and **cut** the entire project from the CIP budget (bond) for a new amount of \$0.00. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [22]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Department of Public Works** as shown on page 57 of the CIP book **Columbus Avenue/Summer Street Intersection Project** from the proposed cost of \$860,000 (bond) to **cut** the entire project from the CIP budget for a new amount of **\$0.00**. Councilor Torr seconded the motion. Councilor Walker asked for justification for the cut. Councilor Varney explained that the project is still on hold and it is not as a priority as some of the other

projects. It can be added again later.. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [23]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the Department of Public Works as shown on page 67 of the CIP book **Twombly Street Improvements Project** from the proposed cost of \$350,000 (bond) and **MOVE** the entire project to FY 22. Councilor Lachapelle seconded the motion. Councilor Varney explained that this project is supposed to happen after or along with the Strafford Square roundabout in the sense that a traffic light might be needed at the end of Twombly Street. Mayor McCarley added that it is best to pull projects from the CIP list if you have knowledge that are uncertain as when such projects can be completed. Councilor Torr **MOVED** to **AMEND** the motion to **MOVE** the entire project to **FY 23**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote. Mayor McCarley called for a vote on the motion as amended. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [24]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Water Works Department** as shown on page 106 of the CIP book **WTP Residuals Disposal Project** for a proposed cost of \$4,500,000, **construction funding only** (bond) to be **MOVED** to FY 21, which leaves **\$400,000** for engineer work in the FY 19 CIP budget. Councilor Bogan seconded the motion. The **MOTION CARRIED** Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Water Works Department** as shown on page 106 of the CIP book **WTP Residuals Disposal Project** for a proposed cost of \$4,500,000, **construction funding only** (bond) to be **MOVED** to FY 21, which leaves **\$400,000** for engineer work in the FY 19 CIP budget. Councilor Torr seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [25]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Water Works Department** as shown on page 121 of the CIP book **Groundwater Development Project (Surface Water)**. To cut the entire project from the CIP in an amount of \$7,400,000 (bond) for a new

amount of **\$0.00**. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [26]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Sewer Works Department** as shown on page 143 of the CIP book **WWTP Septage Receiving Facility Project**. To **MOVE** the entire project in an amount of \$2,600,000 (Bond) to **FY 24**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [27]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Community Center** as shown on page 162 of the CIP book **DHHS Space Renovation**. To **CUT** the entire project in an amount of \$300,000 (Bond) for a new amount of **\$0.00**. Councilor Abbott seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [28]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Economic and Community Development Department** as shown on page 13 of the CIP book **Riverwalk Project**. To **CUT** the FY 19 project in an amount of \$15,000 (Cash) for a new amount of **\$0.00**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a 9 to 4 show-of-hands vote.

FY 19 Budget Adjustment [29]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Public Buildings Department** as shown on page 26 of the CIP book **Opera House Lift Project**. To **CUT** the FY 19 project in an amount of \$23,000 (Cash) for a new amount of **\$0.00**. Councilor Lachapelle seconded the motion. Councilor Keans asked if this Lift Project had been included with CDBG projects. Councilor Lauterborn replied that it has not yet; however, it could be considered later. The **MOTION CARRIED** by a majority voice vote.

FY 19 Budget Adjustment [30]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Public Buildings Department** as shown on page 28 of the

CIP book **City Hall Lighting Project**. To **CUT** the FY 19 project in an amount of \$25,000 (Cash) for a new amount of **\$0.00**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a majority voice vote.

FY 19 Budget Adjustment [31]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Public Buildings Department** as shown on page 29 of the CIP book **City Hall Sound Proofing**. To **CUT** the FY 19 project in an amount of \$75,000 (Cash) for a new amount of **\$0.00**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [32]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Public Buildings Department** as shown on page 31 of the CIP book **Hanson Pines Resurface Courts**. To **CUT** the FY 19 project in an amount of \$75,000 (Cash) for a new amount of **\$0.00**. Councilor Lachapelle seconded the motion. The City Council debated cutting this project. The **MOTION FAILED** by a 3 to 10 show-of-hands vote.

FY 19 Budget Adjustment [33]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Planning Department** as shown on page 38 of the CIP book **Master Plan**. To **REDUCE** the FY 19 project amount of \$50,000 (Cash) by \$30,000 for a new amount of **\$20,000**. Councilor Hamann seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [34]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Fire Department** as shown on page 46 of the CIP book **SUV**. To **CUT** the FY 19 project in an amount of \$60,000 (Cash) for a new amount of **\$0.00**. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [35]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Fire Department** as shown on page 49 of the CIP book **SUV**. To **CUT** the FY 19 project in an amount of \$25,000 (Cash) for a new amount

of **\$0.00**. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [36]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Building, Zoning, and Licensing Services** as shown on page 53 of the CIP book **Prius Battery**. To **CUT** the FY 19 project in an amount of \$6,000 (Cash) for a new amount of **\$0.00**. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [37]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Department of Public Works** as shown on page 60 of the CIP book **Pavement Rehab Project**. To **REDUCE** the FY 19 project amount of \$1,400,000 (Cash) by \$200,000 (cash) for a new amount of **\$1,200,000**. Councilor Walker seconded the motion. Councilor Varney explained why this reduction would not impact the projects for this coming year. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [38]

Councilor Varney **MOVED** to **AMEND** the City Manager's CIP proposed budget for the **Department of Public Works** as shown on page 61 of the CIP book **Sidewalks**. To **CUT** the FY 19 project amount of \$200,000 (Cash) for a new amount of **\$0.00**. Councilor Walker seconded the motion. Councilor Varney explained that there is a \$301,000 carry-over from the previous year, which is more than enough funds to justify this cut this evening. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [39]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 161 Community Center AC for Recreation Department. To **REDUCE** the amount of funding from \$35,000 (Cash) for a new amount of \$0.00. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [40]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 83 **Tax Collector FT Salaries and Benefits**. To **REDUCE** the amount of funding from **\$5,862** (Cash) for a new amount of \$0.00. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [41]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 83 **Tax Collector PT Salaries and Benefits**. To **REDUCE** the amount of funding from \$927 (Cash) for a new amount of \$0.00. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [42]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 86 General Overhead for Health/Social Services. To **REDUCE** the amount of funding from \$124,098 (Cash) by \$75,000 (Cash) for a new amount of \$49,098. Councilor Varney stated that the additional \$75,000 had been requested to be used for the recovery center; however, until more information is provided for exactly what such are being used for this amount should be cut. There is still money in this fund for the recovery center and other expenses. Mayor McCarley agreed that further conversation with SOS is needed. Councilor Walker seconded the motion. The **MOTION CARRIED** by a majority voice vote. *(Councilor Torr wished to note that he did not support giving the Recovery Center any more money, other than the original amount of \$14,000.)*

FY 19 Budget Adjustment [43]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 86 **General Overhead** for the **Homemakers**. To **REDUCE** the amount of funding from \$11,272 (Cash) for a new amount of \$0.00. Councilor Walker seconded the motion. Councilor Varney stated that more information about their financial status prior to allocating further funds. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [44]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 86 **General Overhead for Special events**. To **REDUCE** the amount of funding from \$40,000 (Cash) by \$17,793 for a new amount of \$22,556.30. Councilor Walker seconded the motion. Councilor Varney confirmed that two events would be cut which were intended for the fairgrounds. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [45]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 106 Police Department for an Additional Patrolman (6-months of funding – starting in January, 2019). To **REDUCE** the amount of funding from \$78,427 (Cash) by \$39,214. Councilor Walker seconded the motion. The City Council debated the matter. Councilor Lauterborn **MOVED** to **AMEND** the motion to increase funds with the intention of adding the second patrolman as requested in the Issues & Options booklet. Councilor Bogan seconded the motion. Chief Toussaint advised that January would be the soonest any patrolman would be able to start work because of training qualifications. Councilor Lauterborn **MOVED** to change her motion as follows: to leave the amount at \$78,427 which would be enough funding for two patrolman, which is one additional patrolman from the original motion made by Councilor Varney, both patrolman's salaries would be in January as recommended by Chief Toussaint. Councilor Bogan confirmed her second to the motion as clarified. The **MOTION CARRIED** by a 12 to 1 show-of-hands vote. Mayor McCarley called for a motion for the original vote as amended. The **MOTION CARRIED** by a majority voice vote.

FY 19 Budget Adjustment [46]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 116 Fire Department. To **REDUCE** the amount of funding by \$34,507 (Cash) to fund only six months of a new firefighter. Councilor Walker seconded the motion. Councilor Keans wished to confirm that this position would be filled as an additional firefighter and not as an additional deputy position. Mayor McCarley replied yes. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [47]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 116 for the Fire Department for a Secretary Position. To **CUT** the amount of funding by \$20,032 (Cash). Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [48]

129 156 162 Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on pages 129; 156; and 162, which includes the Department of Public Works, the Water Works Department, and the Sewer Works Department for the one Assistant Engineer position (funded by a 1/3 of each department). To **REDUCE** the amount of funding by \$16,500 (Cash), which would reduce the amount from funding a 12-month position to holding off on hiring for the first six months of FY 19. Councilor Walker seconded the motion. Councilor Keans questioned if the Construction Engineer/GIS position had been filled. Deputy City Manager Cox replied yes. The **MOTION CARRIED** by a majority voice vote.

FY 19 Budget Adjustment [49]

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 137 Welfare Department for the FT Salaries and Benefits. To **REDUCE** the amount of funding by \$8,817 (Cash) which would fund a part-time position and make that position a full-time position (salaries and benefits) starting in January rather than July as requested. Councilor Walker seconded the motion. Councilor Varney and Mayor McCarley spoke against the motion. The **MOTION FAILED** by a 4 to 9 show-of-hands vote as the voice vote had been unclear.

FY 19 Budget Adjustment [50]

Library page Councilor Varney **MOVED** to **AMEND** the City Manager's O&M proposed budget as shown on page 145 for the Library for the hiring of one additional Page for a full year and **REDUCE** that that amount by \$4,095 (Cash), which would fund the position on half year. Councilor Walker seconded the motion. Councilor Varney spoke against the motion. The **MOTION FAILED** by a majority voice vote.

Councilor Hutchinson informed the City Council that he recently visited the East Rochester Public Library, which was built in 1886. He **MOVED** that

the City Manager's O&M budget for General Overhead for the East Rochester Public Library be increased in order to supply the funds needed to replace the oil burner, which is on the dirt basement floor in an amount of \$2,500. Councilor Lauterborn seconded the motion. It was determined that this is not a City owned building. Councilor Keans said this becomes a legal matter because of the fact that this is a private facility owned by the Library Trustees and no funding should be given unless a legal contract is agreed upon. After much discussion by the City Council it was noted by Councilor Gray that if this is an Oil Tank that is leaking then this project would be eligible for funding by the Department of Environmental Services. He added that this becomes a more urgent matter and someone from the City or the State should be sent to at least look at this tank soon. Councilor Hutchinson shared that he spoke to the Library Trustees about fundraising and possible having a Go Fund Me projects; however, this is more of an urgent need that he felt should be supported by the City Council. Mayor McCarley called for the motion on the floor. The **MOTION FAILED** by a majority voice vote.

A discussion ensued about the leased vehicles verses the purchase of vehicles. Councilor Walker stated that leasing vehicles for a municipality is bad business. He noted that the City currently leases the police motorcycles. Councilor Gray gave details about the actual cost of leasing a vehicles with low millage and make sense to purchase rather than release. Councilor Gray stated that he did not support the purchase or leasing 4 vehicles. Councilor Keans and Lauterborn both agreed that it makes no good sense to these vehicles. Councilor Walker **MOVED** to increase the Assessors line-item by **\$38,000** for vehicles from an amount of \$25,000 in order to lease 4 vehicles to a new amount of \$63,000 in order to purchase the three vehicles. Councilor Torr seconded the motion. Councilor Lauterborn questioned how many cars are in service currently. The Chief Assessor said the two current cars have failed inspection.

Councilor Lauterborn **MOVED** to **AMEND** the motion to **REDUCE** the amount of \$63,000 for the purchase of three cars to \$42,000 for the purchase of two cars. Councilor Bogan seconded the motion. Councilor Walker spoke against the motion. It was noted that these car should not be used to travel home without approval by the City Manager. Councilor Lauterborn **WITHDREW** her motion and Councilor Bogan **WITHDREW** her second to the motion. The **MOTION CARRIED** by a majority voice vote.

Councilor Walker asked if the Building, Zoning, and Licensing Services requested to lease a vehicle using the CIP budget or to purchase. The Finance Department confirmed that it was a Cash purchase and not a Lease purchase. No adjustment was made to the budget.

Mayor McCarley requested a short recess to allow the Finance Department to finalize the budget adjustments made this evening.

Mayor McCarley reconvened the Special Meeting at 9:47 PM.

Mayor McCarley requested a status update for the City-side of the budget adjustments.

Councilor Varney MOVED to AMEND the City Manager's O&M budget as follows:

1. To **CUT** the City Host Fee Revenues found on page 10 of the book by \$878,127.
2. To take the \$878,127 and **INCREASE** the School Department's Revenue budget found on page 14 by \$878,127.
3. To **INCREASE** the School Department's budget found on page 28 an Appropriation of \$878,127.

Councilor Lachapelle seconded the motion. It was determined that this has not impact on the Tax Cap or Tax Rate. City Manager Fitzpatrick explained that these are non-tax revenue that is being shifted. Councilor Lauterborn stated that this is the first time in the history of the implementation of the City's Tax Cap that the City-side of the budget has been significantly cut in order to support the School-side of the budget. Councilor Keans asked why the motion taken early on this evening (\$175,000) is not included with the final number going over to the School side of the budget. Mayor McCarley replied because it was out of a different funding source. The **MOTION CARRIED** by a unanimous voice vote.

Councilor Varney **MOVED** to **AMEND** the City Manager's O&M budget by INCREASING the School Departments Appropriations budget found on page 28 by \$2,700,218. Councilor Bogan seconded the motion.

Mayor McCarley clarified that this is the final adjustment needed to fund the School Department's budget and a "Yes" vote is to over-ride the Tax Cap.

Councilor Varney stated that if this motion is approved than the result would be an increase to the Tax Rate of \$1.37, which equates to the average \$178,300 home value taxes to be increased by approximately \$243 a year. Councilor Lachapelle requested a roll call. Councilor Torr seconded the request.

Councilor Gray MOVED to AMEND the motion by changing the source of funds to be used by the Fund Balance. Councilor Gates seconded the motion. Mayor McCarley asked if the motion is in order. Deputy City Manager Cox said this is not an inappropriate motion if the thought is about the restrictions made about utilizing Fund Balance. City Manager advised that this motion is made in order to approve an amendment to the City Manager's proposed budget and it is not a final budget approval. The City Council debated the use of Fund Balance. Councilor Lauterborn said the main motion is to enact an over-ride and the amendment is to fund it without an over-ride, which would not re-set the ceiling of the Tax Cap and the problem would be back in the next fiscal year. Several Councilors did not support the amendment to the main motion.

Deputy City Manager Cox indicated that there were not enough funds in the Fund Balance to make the appropriation. Councilor Gray agreed to adjust the amount coming from Fund Balance to be **\$1,400,000**. Councilor Gates confirmed his second to the motion. The City Manager informed the City Council that by avoiding the Tax Cap override only pushes the problem out for another year and/or increases the problem greatly. It would have a great impact on funds available to deal with emergencies for the City and School Department. Councilor Keans asked if the bond rating would be effected. City Manager Fitzpatrick replied yes, that may be impacted as well.

Councilor Gray gave reasons why an over-ride would not solve the problem either. He suggested the correct resolution for this problem is to bring a Charter Amendment back to the voters. He believed that the City does have funds and the over-ride should not happen this year. Councilor Keans said this is a Tax Cap (city) problem and the lack of revenue coming in from the State.

The **MOTION FAILED** by a majority voice vote. Mayor McCarley called for the motion to adjust the City Manager's proposed budget through a Tax

Cap over-ride (this is not the final vote for the FY 19 Budget Adoption.) The **MOTION FAILED** to receive the required two-thirds vote (9 votes) by an 8 to 5 roll call vote. Councilors Abbott, Varney, Hutchinson, Lachapelle, Bogan, Keans, Lauterborn, and Mayor McCarley voted in favor of the motion. Councilors Walker, Gray, Torr, Hamann, and Gates voted against the motion.

Mayor McCarley asked if the City Council had any other adjustments to be made this evening. Councilor Lauterborn stated that it is really up to the councilors who voted no to come up with some sort of compromise. She questioned if less of an override would have a better chance of passing.

Councilor Gray informed Council that he would make the exact same motion to use as much Fund Balance as possible at the next meeting.

Mayor McCarley stated that the School Board sent their budget and their inability to come into line with the Tax Cap and requested the Tax Cap over-ride in order to re-set the Tax Cap ceiling for this year and years to follow. Mayor McCarley added that after 10 years of abiding the Tax Cap it is not unreasonable to re-set the Tax Cap ceiling. This is a growing City. If this problem is not resolved this year it would ultimately decimating the school department.

Councilor Gray took offense to the Mayor's remarks and said not all Councilors who voted against the motion to over-ride the Tax Cap are in fact not willing to fund the School Department's budget. Mayor McCarley apologized if her remarks were misunderstood.

Councilor Varney agreed that it is difficult to over-ride the Tax Cap; however, by moving funds around for the last several years and avoiding a Tax Cap over-ride has not helped the situation. He gave reasons why it is time to re-set the Tax Cap.

Mayor McCarley gave closing remarks about what is happening across the Country with school budgets. She noted that public education has been taking a lot of hits and a school department's budget is commonly the largest department budget in a city or town. It is a civic duty to fund the local school departments' budget. She hoped the City Council would take another look at this over-ride next week.

Councilor Gates questioned if the City Council could add a Tax Cap question to an upcoming election. City Manager Fitzpatrick stated that the City Council is able to place a question on the ballot for voters. The City Council debated the matter.

Councilor Lauterborn stated that the City Council has made cuts in almost every department this evening, except for the School Department. She questioned if the School had any other areas that could be considered to be reduced in the amount of increase which is being requested, as the City has done for every other department in the City. Mayor McCarley replied that is true because the School Department has been dealing with the decrease in revenues whereas the City has not.

3 Adjournment

Councilor Walker **MOVED** to Adjourn the Special City Council meeting at 10:10 PM. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Respectfully Submitted,

Kelly Walters, CMC
City Clerk