



COMMITTEE OF THE WHOLE BUDGET WORKSHOP

April 24, 2018

CITY COUNCIL CHAMBERS

7:00 PM

AGENDA

1. Call to Order

Mayor McCarley called the Budget Workshop to order at 7:00 PM. Kelly Walters, City Clerk, took a roll call. All Councilors were present except for Councilor Keans who arrived shortly after the meeting opened.

2. Public Input

Ray Barnett, resident, addressed the City Council about the proposed City-side of the budget, which is in compliant with the City's Tax Cap. He added that the School Department is submitting a proposed budget which is over the Tax Cap. He spoke about being in compliance with the Tax Cap and what happens to the tax payers if the Tax Cap is exceeded. He spoke about the School Board salary contracts and benefits (including the longevity).

Amy Cann, resident, addressed the City Council about School Department's budget and the future (students) of our City. She spoke about not taking away funding from the students. She added that a certain percentage of students are in need of other supplies that are not offered at the schools.

Mayor McCarley closed the public input portion of the meeting at 7:06 PM.

3. Budget Presentations:

Paul Lynch, Chairman of the Rochester School Board, addressed the City Council about the School Department's budget. The School Department takes pride in networking with Great Bay Community College. All students currently enrolled in this pilot program are likely to begin working for Safron or other similar jobs after graduation.

Mr. Lynch explained in detail the structure of the Tax Cap and the impact that it has on the School Department's budget. He spoke about the reduction of State aid and especially the reduction to the retirement funds, which impacts both

the City and School Department's budgets.

Mr. Lynch listed many areas of the School Department's budget that suffers from lack of funds. The schools are lacking in school supplies. The School Department has accepted school supply donations.

Mr. Lynch said that 54% of the School Department's budget is covered by local tax dollars. The School Department's budget is not mis-managed. The problem is that there is a great reduction in revenue on a portion (46%) of the budget, which the School Department has no control over.

3.1. School Department

a. Operating Budget (O&M Book pages: Summary 28, Detail 198-208)

Michael Hopkins, Superintendent of Rochester Schools, addressed the City Council. He thanked the City Council for approving an upgrade to the Security System of the Rochester Schools a few years ago. He gave details of the upgrade, which creates a safer environment for the students.

Mr. Hopkins thanked the City Council for approving the recent Supplemental Appropriation to the School Department's Budget. He said much of those funds are due to be returned to the General Fund by end of this fiscal year.

Mr. Hopkins began his presentation by explaining the difference between a town school budget and a city school budget. The impact to a city's school budget is greatly impacted, when revenues are down and a Tax Cap is in place. He gave details of how default budgets are in place if a school budget is not passed for a town or a city.

Mr. Hopkins reviewed a list of potential budget cuts. These cuts would greatly affect the teacher/student ratio.

Mr. Hopkins said that salary contracts have decreased from 453 in 2013 down to 429 in 2017.

Mr. Hopkins said the NH State Retirement system had been artificially low for almost twenty years. He gave details of how this has affected both the City and the School Department budgets. He gave more details about the reduction of State funding in State Adequacy Aid and Building Aid. There is continued loss of revenue and at the same time there are required expenditures impacting the school budget.

Mr. Hopkins said the Rochester School Department spends 20% below the State average for "cost per pupil".

Mr. Hopkins said by not spending to the Tax Cap each year, the School Department's budget has been greatly impacted. He gave details about how future budgets are being impacted by the structure of the Tax Cap and ensured the City

Council that efforts are being made at the State level to resolve some of these issues.

Mr. Hopkins said some students who require special services are qualified to receive Medicaid. In such cases the School Department submits request for reimbursement from Medicaid. There is a potential threat that reimbursements may not happen. If that is true than the Special Education budget must match what the actual expenditures will be.

Mr. Hopkins said that by the end of next year's calendar school year at least a dozen students will earn a Composite Certification, which would qualify them to interview with Albany or Safron.

Mr. Hopkins gave reasons why it makes good economic sense to approve the School Department's proposed budget. He reiterated that the structure of the Tax Cap is the real issue. He added that other cities in the surrounding area have had to override their Tax Cap or re-structure the Tax Cap.

Councilor Lauterborn asked about the difference between what the Tax Cap Yield is compared to what is the Tax Cap Applied. City Manager Fitzpatrick explained what happened at the start of implementing the Tax Cap. The first year of the Tax Cap the City Council approved a budget which was under the Tax Cap. There is now a cumulative figure which has carried forward ever since. Councilor Lauterborn said that is important information for the taxpayers to hear why the City Council spends to the Tax Cap each year.

Councilor Varney asked what figure was assumed by determining what the long-term projection would be for the CPI rate. Mr. Hopkins replied 2%.

Councilor Gray asked if the figures associated for School Department's Retirement Costs from FY 11 through FY 19 are based on increases due to wages and not based on a reduction in State retirement funds. Mr. Hopkins replied that the wages are shown as they should be shown; however, the bottom portion is showing what the total retirement cost would be with the 35% State portion, which is slowing diminishing.

b. Capital Budget (CIP Book pages: 84-99)

Mr. Hopkins gave details about the "cash" CIP projects.

Councilor Keans asked if the Auditorium lift would be considered for a CDBG project. Mr. Hopkins said the project was considered for a CDBG project. It is hoped that if there is money left over this project would be funded.

Councilor Varney questioned some of the work completed on Maple Street, which were paid for by some of the line-items under the maintenance. Is asked if those line-items replenished in this year's budget. Mr. Hopkins believed that had been taken care of with this year's budget. He said the project is moving forward.

Councilor Varney asked how does the Honeywell Project, which had been funded a few year's ago fit into any of the "cash" CIP projects for electrical needs.

David Totty, Building & Grounds, replied that some of the electrical panels were replaced as part of the Honeywell project and the entire Honeywell project is now complete.

Mr. Hopkins gave details about the two “bond” CIP projects.

Councilor Varney asked about the \$440,000 in Eversource rebates for the District Wide Lighting Project. Does the City have to expend that amount to receive the rebate? Mr. Hopkins replied no.

Councilor Varney said that last year the School Department provided the City Council with a “Debt Service Projection.” He requested that the School Department provide the City Council with an updated projection for this year. Mr. Hopkins agreed to provide the spreadsheet to the City Council.

3.2. Police Department

a. Operating Budget (O&M Book pages: (Summary 26, Detail 106-108)

Chief Toussaint gave an overview of the Operating Budget. He pointed out that the priority-1 and priority-2 calls have rapidly increased during the last few years. This has had an impact on the amount of Police Officers available for proactive related activity.

Councilor Keans asked about the “Case per Average Officer” chart. Chief Toussaint explained most times when an Officer is called out for an incident a report must be filed. These case files have increased since 2016.

Chief Toussaint gave an overview of the “Opioid” crisis and the impact that it has had on the community and the budget.

Chief Toussaint summarized the Police Department’s Operation Budget by stating the over-all increase is about \$74,000, which includes one new police officer position, previously included by the City Manager. This increase also includes a slight increase to the overtime line-item.

Councilor Lauterborn asked why there is an officer included in the Issues & Options. Chief Toussaint replied that he originally proposed to add two new police officers to the fiscal year 2019 Operating Budget; however, the City Manager only included one position into the City Manager’s proposed budget.

Councilor Walker asked why the Communications line-item increased by \$4,000. Chief Toussaint replied that the increase was primarily due to place smart phones in all cruisers.

Councilor Keans said former Officer Burke provided assistance when special services required to handle mental health related incidents and the Crisis Intervention Team. Chief Toussaint replied yes, there is still an active Crisis

Intervention Team and it has been used recently. There are many Rochester Police Officers who are now trained as well. Chief Toussaint briefly spoke about the difference between the CIT and SWATT Teams. Currently, the CIT Team is not called out; however, an officer trained (CIT) would be called out for assistance if needed. There are 8 to 10 officers with such training and another class is starting in June, 2018, which the Rochester Police Department is hosting this year.

Councilor Gates asked which Team would likely receive more publicity if called out for an incident. Chief Toussaint replied that it would be the SWATT Team.

Councilor Keans asked if the Rochester Police Department follows the protocol for CIT for incidents that occur in Rochester, which was created by Memphis TN. Chief Toussaint replied yes; however, the training is also tailored to each State in order to ensure the protocol in question is backed up with available resources. He added that all CIT training is expensive.

b. Capital Budget (CIP Book pages: 39-42)

Chief Toussaint gave a brief overview of all CIP requests. Councilor Walker wished to know how many times the "Tasers" were utilized last year. Chief Toussaint said that he could provide the City Council with that information; however, it seems the word is out that the use of a "Taser" is effective and the tool is not needed as often as in the past.

c. Issues & Options (I&O Book pages: 8-10)

Chief Toussaint reviewed the Issues and Options. The City Council discussed the matter. No adjustments were made to the budget.

3.3. Communications

a. **Operating Budget (O&M Book pages: Summary 26, Detail 110-111)**

Chief Toussaint said there were two omissions from the proposed Communications budget. The first is a request to increase the PT Salaries line by \$2,000 and the other is to increase the Staff Development line by inadvertently left a request for a budget increase out of the Communications line-item for part-time salaries.

b. **Capital Budget (CIP Book page:52)**

Chief Toussaint gave a brief overview of the CIP request for the Radio Communications systems upgrade. He explained that the current radio components are twenty years old. Motorola stopped manufacturing this system back in 2011. This is a critical system utilized every day in the Police Department. Councilor Varney questioned if this bonded CIP project is listed in the City's Debt Service projection. Deputy City Manager Cox replied no. Councilor Varney said this would have a significant impact on the budget and the City Council will need to figure out how this can be paid for in the budget. Council Varney argued that it did not make sense to split this project up between two or more years. It should be budgeted all

at once. Councilor Varney suggested that the project be pushed back by one year and to fund the entire project in next year's fiscal year budget.

Councilor Varney said at one point in the past another entity proposed to absorb our Communications Department. Is there any opportunities for the City of Rochester to pick-up Communication responsibilities for any of the surrounding smaller towns? Chief Toussaint replied that has not yet been researched; however, he believed that all the smaller towns already contract the Communications service through Strafford County.

Councilor Lauterborn questioned how the police officers are paid for outside detail. She understood that another entity would pay for the police officers time; however, how does that impact the Rochester Police Department's overtime budget. Chief Toussaint said the overtime is paid by the entity hiring the Police Department's officers.

FY 19 Budget Adjustment [1]

Councilor Walker **MOVED** to **AMEND** the City Manager's proposed budget by increasing the Communications Part-time line item by \$2,000. Councilor Abbott seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

FY 19 Budget Adjustment [2]

Councilor Walker **MOVED** to **AMEND** the City Manager's proposed budget by increasing the Communications Social Security Roll-up by \$153. Councilor Abbott seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

c. Issues & Options (I&O Book pages: None)

3.4. Fire Department

Mark Klose, Fire Chief, wished to thank the Finance Department for assisting with the Fire Department's Fiscal Year 2019 budget issues. He thanked Jessica Gray, Secretary for the Fire Department and the entire command staff.

a. Operating Budget (O&M Book)

Chief Klose gave an overview of the Fire Department's budget. He noted that the Emergency Management budget has been separated from the rest of the Fire Department's budget this year. This is similar to the Police Department's separate Communications Department. This change is for clarity purposes.

Chief Klose said there is one error to a line item entitled Emergency Management, which indicates an increase due to retirements and promotions. This shall be corrected soon.

Chief Klose said the City Manager moved some of the proposed CIP request into the Operating Budget, which is more feasible to do so.

Councilor Varney asked if the salary of one new fire fighter, which was approved last year, is included with this budget along with another request for another new fire fighter. Chief Klose replied yes. Councilor Varney increase to salaries in the operating budget includes a proposed request to add one firefighter. Chief Klose replied yes, the City Manager placed the request to add one firefighter into the City's proposed budget.

Councilor Varney asked about the upgrade for the Secretary position to an Administrative Assistant. Is this a new request? Chief Klose replied yes, this request was approved by the City Manager to be included with this year's proposed budget.

b. Capital Budget (CIP Book pages:43-51)

Chief Klose gave a brief overview of the CIP projects. Councilor Keans asked about Engine 4. An error in the descriptions was discovered. Chief Klose said that Engine 4 is a 1992 Engine.

Councilor Walker requested the last two years of maintenance records for the proposed Fire Engine to be replaced this year. Chief Klose agreed to provide that information to the City Council.

Chief Klose continued to review the CIP projects. Councilor Varney asked about the \$8,000 requested for fire gear in the last fiscal year's budget and that request has been increased to \$50,000 now and for the next several years. Chief Klose said the original request of \$8,000 included "other" equipment and not specifically for gear. That money has already been spent on the new firefighters hired in this past year. It was noted that this is a lot more money being requested than the previous year.

Chief Klose gave an overview of the request to purchase an SUV. Councilor Varney asked for specific costs relative to purchasing the vehicle and outfitting the vehicle. It was determined that it can cost as much as \$32,000 and another \$28,000 for the lights, sirens, etc. Chief Klose said the technology costs a lot more money; however, they are continuing to seek other options for some of the equipment. Councilor Keans asked if this would be the second or third vehicle purchase. Chief Klose replied yes, this vehicle would be for the third Chief Officer.

Chief Klose gave an overview for the proposed CIP Project entitled "Swiftwater Rescue Equipment." This is intended to replace the 36 year old boat, which is no longer able to be utilized for rescues. There are three major rivers running through the City and the purchase of a new boat is necessary in order to respond to any swiftwater emergencies. The Department is also seeking to apply for a grant. Councilor Varney asked why this request is split between two fiscal years. Chief Klose replied there are two boats being requested, one for each fiscal year. There would be a primary boat and a secondary boat. Councilor Torr asked where there would be a need for such a boat in Rochester. Chief Klose replied the existing boat had been used during the "mother day floods" in order to rescue stranded residents to dry land. Mayor McCarley reiterated that the request is for the purchase a total of two boats.

c. Issues & Options (I&O Book pages:11-22)

Chief Klose gave an overview of the Issues and Options and the current Command Staff.

Councilor Varney asked about the \$30,000 requested for the Fire Department's Organizational Analysis and Strategic Plan. He wished to know why the Chief is re-arranging "ranks" prior to awaiting the results of this strategic plan. Chief Klose stated that the Department could hold-off until the results of the study; however, this study is based on the Fire Department as a whole unit and to give a strategic plan moving forward. He gave a brief overview of the study being requested.

Chief Klose spoke about the Fire Department's overtime line item. He addressed the Finance Committee a few weeks ago about the matter. He gave details of the Fire Department's overtime and call volume.

Chief Klose introduced Tim Wilder, Fire Marshall, who gave an overview of the proposed request for the Life Safety Compliance Officer positions. He said last year the Fire Department began the Apartment Inspection Program. This is an effort to focus on the largest risk areas in the community, which are the apartments in the City. There have been three fatalities due to fires in the City and all three have been inside of bedroom units.

Mr. Wilder shared that as a part of this new prevention program one apartment on River Street had been inspected on January 9, 2018. This particular landlord has been proactive in having these deficiencies resolved. In this case, the list of deficiencies were taken care of fairly quickly. On February 11th a fire started in the bathroom of the second floor. As a direct result of the Apartment Inspection Program a hard-wired smoke detector had been installed. All residents, including an infant on the third floor, escaped the fire because of the recently installed detectors. This is only one example of what kind of impact this program has on the City.

Mr. Wilder gave details of the 98 apartment inspections completed. He noted that there are over 4,000 rental units in the City.

Councilor Keans said no one indicated there would be a need for additional personnel when this program had been implemented. Mr. Wilder said at that point in time, he did not have full knowledge of what a project such as this would entail. The only certainty is that a program such as this could take up to ten or twenty years.

Councilor Keans asked if a "Life Safety Compliance Officer" needs any State training or certification. Mr. Wilder replied yes, the basic requirements would be Fire Inspector II from the State Fire Academy.

Councilor Varney asked if this could be a contractor position. Mr. Wilder agreed to search what cost would be involved with contracting out such work.

Mr. Wilder said the goal is to resolve safety issues; however, fines must be imposed for non-compliance and such fines collected would be deposited into the General Fund.

Chief Klose said the Fire Department currently only has one secretary position. There is an Issues & Options request to have one additional secretary. He gave reasons why it time to hire another secretary.

Councilor Varney asked if there were currently any part-time secretaries working in the Building, Zoning, and Licensing Services Department. Deputy City Manager recalled that both secretaries in BZLS are now full-time employees.

Councilor Keans asked about the Fire Departments request for new radios. Chief Klose explained that the Fire Department is in the same situation as the Police Department with the radios. Motorola is not servicing some of the current radios the Department has any longer. Chief Dube said 41 portable radios were purchased last year, which was just enough for the full-time staff at the Fire Department; however, this did not include the twenty-five slots for Call Firefighters. It is important for all members to have a portable radio to better communication during a fire. There is also a need to have additional radios on-hand for firefighters assisting from out of the City to utilize during the emergencies, who are not issued portable radios. He informed the City Council about the difference between the portable radios vs. the mobile radios.

Councilor Varney asked if these radios are included with the Police Department's upgrade system. Chief Klose replied yes.

Council briefly discussed the impact of hiring a new firefighter may have on the over-time budget.

4. Other

No discussion.

5. Adjournment

Councilor Walker **MOVED** to **ADJOURN** the City Council Budget Workshop at 10:15 PM. Councilor Lachapelle seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

Respectfully submitted,

Kelly Walters, CMC
City Clerk