

MINUTES

City of Concord Finance Committee Meeting
May 24, 2021 @ 5:30 PM
City Council Chambers

Present: Mayor James Bouley, City Councilors Brent Todd, Jennifer Kretovic, Erle Pierce, Rob Werner, Byron Champlin, Fred Keach (late), Nathan Fennessy, Gail Matson, Amanda Grady Sexton, Keith Nyhan, Linda Kenison, Candace White Bouchard, and Zandra Rice Hawkins.

The Mayor opened the meeting at 5:32 PM and indicated the committee was meeting electronically due to the Covid-19 pandemic, in accordance with Governor Sununu's Emergency Order #12, pursuant to Executive Order 2020-04.

Deputy City Manager LeBrun took the roll and asked committee members when stating their presence to please also state whether there was anyone else in the room with them, which is required under the Right to Know Law. Councilors Kretovic, Grady Sexton, and Werner indicated they were at home with family. All other committee members indicated they were alone.

The Mayor noted that tonight's FY 2022 proposed budget review would cover the General Government, Police, Fire, and General Services budgets.

Manager Aspell began with review of the General Government section of the budget, which includes the City Manager's Office, Legal, Assessing, Human Resources, Finance, Information Technology, City Council, City Clerk, and General Overhead.

GENERAL GOVERNMENT:

City Manager's Office: No revenues were budgeted in FY 2021 or FY 2022. Budget to budget, expenses are up \$107,500, mainly due to the addition of an ICMA Management Fellow, as well as wage and benefit increases.

Mayor Bouley took this opportunity to ask Manager Aspell when he anticipated reopening City Hall to the way it was prior to the pandemic. Manager Aspell indicated that he was waiting on Council's decision about the mask ordinance, which they are meeting to discuss on May 27th.

Councilor Bouchard asked what the \$30,000 in training funds in the City Manager's budget are for. Manager Aspell indicated that the funds come from surplus and are available for approved training for any City employee. Training could be college courses, courses for employees to maintain certifications, etc. Training funds have been cut from most Department budgets and having this money in the City Manager's budget allows for City Administration to have better control of what the funds are used for.

Legal Department: Budget to budget, revenue is up \$1,400 due to a 2% increase in fees charged to other communities (Bow, Dunbarton and Loudon) for prosecutorial services. Budget to budget, expenses are down \$80,100 or 5.9%. While wages and benefits are up for current employees, funding was reduced for one of the Assistant Prosecutor positions, which saves \$131,000. Manager Aspell will review the need for this position again in FY 2023.

Assessing: Budget to budget, revenue is down \$99,000 or 12.2%, due to a reduction in several PILOT agreements. Expenses, budget to budget, are up \$47,000 or 7%, due to regular wage and benefit increases and the substantial increase by the NH Retirement System.

Human Resources: Budget to budget, revenue is flat. Expenses, budget to budget, are up \$36,700 or 6.3%, due to regular wage and benefit increases and the substantial increase by the NH Retirement System

Councilor Kretovic indicated she was glad to see that the City is finally able to utilize its ERP system for HR activities, as it has been a long-term goal for the HR Department.

Finance: Budget to budget, revenue is up \$1.2 million or 2.2%. Property tax revenue is the main driver, which is up due to an increase in property tax revenue of \$1.5 million compared to revised budget. This is due to the 2.5% tax rate increase and the new tax revenue to be raised on the real growth in assessed valuation. Use of fund balance is up \$250,000. State revenue sharing is down \$749,727. Investment income is down \$345,000 and Highway Block Grant funding is down \$50,200. We have budgeted both Rooms and Meals Tax and Highway Block Grant revenue the same as what we actually received in FY 2021. We generally don't find out the actual amounts to be received until late summer or early fall. Expenses, budget to budget, are up \$132,100 or 5.7% due to regular wage and benefit increases and the substantial increase by the NH Retirement System.

Councilor Fennessy asked for clarification and there was a brief discussion about property taxes, property valuations, and how the tax rate is determined.

Councilor Kretovic noted the large increase in fringe benefits for the Department. She asked for confirmation that the increase in compensation is actually quite small, and the increase in fringe benefits is large due to the NH Retirement System (NHRS) increase. Manager Aspell confirmed that to be the case, as the NHRS increase amounts to 20%, and those monies are not seen by the employees, as it goes into the NHRS fund.

Mayor Bouley noted that the City is nearing the end of its contract with its current auditor. He asked if the City would be going out to bid for a new auditor. Deputy Manager LeBrun indicated that, yes, the City would be putting it out to bid when the time comes.

Information Technology: No revenue is budgeted for FY 2022. Expenses, budget to budget, are up \$128,300 or 12.5%. Of this increase, \$75,000 is for a new Help Desk Technician. The remaining increase is due to regular wage and benefit increases and the substantial increase by the NH Retirement System.

Councilor Fennessy asked how the Department has been handling things in the absence of having this new Help Desk Technician, and if they have had to utilize outside services. Manager Aspell indicated that they had not used outside services. He noted, however, that without the new position, things get delayed and shuffled around based on priority, and it results in lots of inefficiency. He reminded the committee that technical assistance must be available 24/7, as our Police and Fire Departments rely on technology.

Councilor Champlin asked if enough funds were allocated to secure our systems. Manager Aspell indicated that there are never any guarantees against a security breach, but the funding is sufficient. Councilor Champlin then asked if training was provided to staff regarding the safe use of the internet. Manager Aspell indicated that training is provided.

Mayor Bouley asked for a status update on the progress of converting the legacy permitting system to Engov. Deputy City Manager Carlos Baia indicated that the conversion is moving along and that they are currently in the testing phase. The plan is to go live by the end of this year.

Mayor Bouley also took this time to mention that he has received much positive feedback on See-Click-Fix, the new Citizen Request Tracker system the City has implemented.

City Council: Expenses, budget to budget, are up \$3,000 or 7.7% due to an increase in Council orientation expenses and includes \$600 for dues for the International Council for Local Environmental Initiatives.

City Clerk: Budget to budget, revenue is down \$3,000 or 3.3%, mainly due to a decrease in School District payments. Expenses, budget to budget, are down \$10,000 or 2%. This is due to a reduction in wage and benefit expenses due to reduction in part-time election wages.

General Overhead: Budget to budget, revenue is up \$188,000 or 4.5%, due to an increase in the use of impact fees towards cost of debt service for the Regional Drive debt; transfers-in from the Water Wastewater funds; revenue from the Cable TV franchise fee; and an increase in Trust transfers.

Expenses, budget to budget, are down \$844,200 or 6.1%.

Under the Transfers section, there is a \$612,400 reduction in transfer out to trust, which is due to a \$486,000 reduction in "Additional Highway Funds" not to be received in FY 2022; a \$106,000 reduction in the City's programmed trust transfer for paving; and a \$20,000 reduction due to reduced budget for Annual Highway Block Grant allocation.

Under the Special Programs section, all items remain funded at the same level as FY 2021, except Concord TV, which is up due to a projected increase in cable revenue; and Intown Concord, which is down \$10,000, consistent with the Council's decision for FY 2021.

Debt Service principal and interest is down \$98,000 due to the decisions the City Council made last year in approving fewer General Fund supported bonded capital projects.

Retiree Health Insurance is down \$30,700.

Comp Adjustment is up \$151,000.

Street lighting electricity costs are up \$4,900. Manager Aspell noted that this line is actually up about \$18,000, but he allocated \$13,000 in projected savings due to the LED street light project. This is a half year savings.

Funding for social service agencies is down \$38,000, due to reduced funding for the Edna McKenna House, the Friends Program, and the Penacook Community Center. Funding for all other social service agencies remains the same as FY 2021.

Councilor Kretovic asked for and Manager Aspell provided an explanation on impact fees.

Councilor Champlin asked why reductions were being made to the social service agencies named above. Manager Aspell indicated that the City has been able to place very few people/families through these agencies. For instance, of the 30 families in the Friends Program in 2020, only four were referrals from the City, most years it is much less. The City has only been able to place one person at the McKenna House this past year. He went on to say that Concord is the only local government to provide funding to the Friends Program. In addition, the City secured a grant for the Friends Program in the amount of \$83,599 this year. The Penacook Community Center (PCC) serves 12 communities and the City of Concord. In addition, the PCC was closed for a good part of the year due to the pandemic and he feels they should have been able to experience some savings

Councilor Rice Hawkins asked if the application process for City funding had changed this year. Manager Aspell indicated that the process had not changed and that any organization that requested a funding application was sent one.

PCC Executive Director Elizabeth Dever was in attendance and the committee invited her to speak. Ms. Dever thanked the City Councilors for their continued support. She explained the multitude of services the PCC provides to the community and indicated that the PCC is in the process of writing a 5-Year Master Plan, which should be complete by the end of the year. Councilor Bouchard asked Ms. Dever how many of the people the PCC served are from Concord/Penacook. Ms. Dever indicated that 20-25% of those served are from the Penacook/Boscawen area. Ms. Dever indicated that the Town of Webster contributes \$500 to the PCC, and that a request has been made to the Town of Boscawen for \$5,700. Executive Director Dever thanked the City Council for their continued contributions.

Representing the Friends Program, Connor Sperrn was also in attendance and given the opportunity to speak. Ms. Sperrn thanked the City Councilors for their continued support. She indicated that they served 8 families during the pandemic and that they are the only family shelter in Merrimack County. She indicated that their State funding had been cut by \$100,000, and that a reduction in funding from the City would severely impact their ability to provide services. Councilor Grady Sexton asked Ms. Sperrn how many of the 8 families served were from Concord. Ms. Sperrn did not know and said she would find out and get back to the Committee with the answer. Mayor Bouley asked what the average stay was for a family. Ms. Sperrn indicated that it is generally a few months. Ms. Sperrn indicated that of the 27 communities in Merrimack County, Concord is the only municipality that provides funding to the Friends Program. Councilor Kenison asked if the County contributed. Ms. Sperrn indicated that they received \$36,000 from Merrimack County. City Manager Aspell provided numbers for Friends clients from Concord.

With there being no further questions, the Manager moved on to the Public Safety budget.

PUBLIC SAFETY:

Police Department: Budget to budget, revenue is down \$72,200 or 10.2%, due to a reduction in parking penalties, special duty services, cruiser rental fees, and police witness fees. School District payments are up \$17,000.

Expenses, budget to budget, are up \$516,000 or 3.8%. The main drivers are increases in wages and benefits associated with the collective bargaining agreements. There is also an additional \$10,000 budgeted for training of sworn personnel to maintain certification and for certain staff to become trainers themselves. Funding in the amount of \$10,000 is proposed for fitness room improvements to better equip officers to be able to pass physical fitness requirements and certification through the NH Police Standards and Training. In addition, \$2,500 is included for two replacement mountain bikes, and \$7,000 for training and firearm qualification work.

Councilor Keach asked for and Police Chief Brad Osgood provided an update on recruitment activities for police officers. Chief Osgood indicated that they've made tremendous progress, hiring 16 new officers in 2020. They currently have 3 vacancies being recruited for and are hoping to be fully staffed by mid-July.

Councilor Champlin expressed his pleasure that the POP Unit was being reactivated. Chief Osgood indicated that the unit is scheduled to roll out on June 14th.

Councilor Bouchard asked about the Police Department's goal to expand training and asked if the training funds in the City Manager's budget would be used for that. Manager Aspell indicated that the Police budget has funds for advanced training, which would be used first. If there is a need, they could use funds from the City Manager's budget.

Councilor Rice Hawkins asked about the Police Department's activities in the community to educate about mental illness and substance use. Chief Osgood indicated that the Department works with Riverbend Community Mental Health and also educates people on how to obtain services in the community. Most is done at the first responder level, but they have done some proactively.

Councilor Rice Hawkins noted the active shooter trainings that have been held and asked if the Department has been involved in supporting any legislation pertaining to gun control. Chief Osgood indicated that the Department has not.

Fire Department: Revenue, budget to budget, is up \$6,500 or less than 0.5%, mainly due to an increase in fire prevention permits. Expenses, budget to budget, are up \$827,000 or less than 5.8%, mainly due to regular wage and benefit increases and the substantial increase by the NH Retirement System.

Also included in the FY 2022 Fire Department budget are:

- \$3,750 for ESRI training for lead dispatchers and supervisor on ARCGIS knowledge for map data and address validation;
- \$1,000 for UTV maintenance and repairs;
- \$4,800 for operating funds for the new training grounds facility;
- \$2,400 for cell phone stipends for Battalion Chiefs; and
- \$1,400 for membership to the American Ambulance Association.

Councilor Kretovic asked how its determined, when a call comes in to 9-1-1, which first responders to send to the call (i.e., ambulance only, police only, fire engine, etc.). Fire Chief Sean Brown indicated that all 9-1-1 calls go to the State's advanced 9-1-1 system. They start the triage process based on a series of questions they ask the caller. There are various levels of calls which determine who responds.

Councilor Fennessy asked if the number of calls responded to is a count of the number of calls or does it include the number of vehicles that respond. Chief Brown indicated that each call is one incident.

There was a brief discussion about mutual aid. Chief Brown indicated that there are 23 communities in the mutual aid compact. Councilor Keach wondered if mutual aid is equitable to Concord and suggested it be looked into. Chief Brown indicated that in 2020, the number of times Concord provided mutual aid was just about equal to the number of times Concord needed it.

Mayor Bouley thanked the Fire Department for working with the City's Public Information Officer to inform the community about all the events that have been happening of late that has had the Fire Department stretched thin. Mayor Bouley commended the Fire Department and noted that they have had no increase in staff in many years.

GENERAL SERVICES: Revenue, budget to budget, is up \$37,400 or 4.2%, which is mainly due to transfers in from other funds.

Expenses, budget to budget, are up \$222,000 or 2.3% and are mainly related to wages and benefits increases.

Outside services are down \$69,900 due to a supplemental resolution that was approved by City Council in FY 2020 to remove trees in conjunction with the State of NH project along I-93, and a reduction of \$12,400 for conferences and seminars. Supplies are up \$28,000 and includes an increase of \$45,900 for additional auto parts along with a reduction in other supply items.

Also included under General Services are two supplemental reports – one on Downtown Services and one on Snow and Ice Control. For Downtown Services, expenses, budget to budget, are up \$26,400, mainly due to wage and benefit increases. For Snow and Ice Control, expenses, budget to budget, are up \$13,400. This increase is due to wage and benefit increases.

Councilor Todd indicated that he had received lots of positive feedback on the new citizen request tracker system and commended the General Services Department for their fast response times to requests.

Councilor Matson asked if there is a priority system by which roads are plowed. General Services Director Chip Chesley noted that the Department's winter operations policy is on the City web site and indicated that the more heavily traveled roads and the hospital routes get first priority. Less busy streets are lower priority.

Councilor Matson also asked about the prioritization of streets for paving. She noted that she had received many calls from constituents and that some residents' streets haven't been paved in 40 years. Director Chesley explained that the City streets are ranked every two years based on a

number of criteria. Those rankings are used to prioritize. Councilor Kretovic indicated that she had also received a number of calls from constituents about paving.

Mayor Bouley asked about road striping and whether GSD does it or if it is contracted out. Director Chesley indicated that GSD does the crosswalks, arrows, stop bars, and parking spaces. The yellow lines and fog lines are contracted out. Mayor Bouley asked about the cycle for road striping. Director Chesley indicated that crosswalks and stop bars are first priority. Mayor Bouley noted that the crosswalk lines on Main Street have faded considerably and hoped that would be addressed soon for the sake of safety.

Mayor Bouley also expressed that he thought every two years seems like a long time between ranking the roads, and asked if it would be more efficient and beneficial for GSD to use technology to conduct these assessments. Director Chesley indicated that GSD uses technology a great deal, but it also requires eyes and boots on the ground.

Councilor Bouchard expressed her hope that restriping of the Loudon Road crosswalks could be made a priority.

Mayor Bouley mentioned that a street light at Shawmut Street was removed within the last few years and wanted to know why and what it will take to put it back there. Director Chesley indicated that he could not answer the question, as the Engineering Services Division oversees the street lights.

In response to Councilor Fennessy's recent request, Manager Aspell provided the committee with Concord's COVID-19 vaccination rates.

With there being no further discussion, Mayor Bouley noted that the next Finance Committee would be held on Thursday, May 27th, at 5:30 PM, followed by a City Council meeting at 7:00 PM to discuss the Mask ordinance.

With no other discussion, the meeting was adjourned at 7:58 PM.

Respectfully submitted,
Sue Stevens, Executive Assistant