

MINUTES

City of Concord Finance Committee Meeting
May 26, 2022 @ 5:30 PM
City Council Chambers

Present: Mayor James Bouley, City Councilors Brent Todd, Jennifer Kretovic, Erle Pierce, Stacey Brown, Byron Champlin, Fred Keach, Nathan Fennessy (late), Gail Matson, Paula McLaughlin, Karen McNamara, Candace White Bouchard, and Zandra Rice Hawkins.

Excused: City Councilors Amanda Grady Sexton and Keith Nyhan.

The Mayor opened the meeting at 5:32 PM, noted that tonight's FY 2023 proposed budget review would cover the General Government, Police, Fire, and General Services budgets; and explained the public hearing process.

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 2022 or FY 2023; however, there is \$10,000 in the FY 2022 revised budget, which is from surplus for education and training purposes that were not budgeted for in FY 2022. Budget to budget, expenses are up \$30,500, due to wage and benefit increases. Manager Aspell noted that he kept \$90,000 in the FY 2023 budget which was for last year's ICMA Management Fellow and is described as an Economic Development position. The position is currently vacant, and, thus, will provide the City Council with the flexibility to add a position for similar purposes after City Administration returns to City Council with a proposal.

Legal Department: Budget to budget, revenue is flat. The "Other Gov Agencies" line calls for a 2% increase in fees charged to other communities (Bow, Dunbarton and Loudon) for which we provide prosecutorial services. Budget to budget, expenses are up \$153,000 or 11.9%. Of this amount, \$127,000 was added to reinstate an Assistant Prosecutor position; the remaining amount is for regular wage and benefit increases.

Councilor Pierce asked why the Legal Department is requesting to add a Prosecutor position. City Solicitor Jim Kennedy indicated that it is due to an increased caseload, and that the City of Concord has the highest caseload in the state, due, in large part, to the good work of our police department.

Mayor Bouley asked if the Felonies First program had anything to do with the increased caseload. City Solicitor Jim Kennedy indicated that due to Felonies First, we thought the City Prosecutors' office caseload would decrease; however, this did not occur and there has been an uptick in work. Solicitor Kennedy also noted that Felonies First is ending and we need to be ready. Solicitor Kennedy indicated that the pandemic caused a backlog in cases as well.

Mayor Bouley asked Solicitor Kennedy to update the committee on the two Victim/Witness Advocate positions that were approved last year. Solicitor Kennedy indicated that, in the past, the Victim/Witness Advocate positions were provided through Americorp. With the positions now

being in-house City positions, the advocates are familiar with all the cases and are always available. The positions have a huge responsibility and they have been very helpful to the Prosecutor's Office.

Mayor Bouley asked how the Solicitor's Office was handling the increase in Right to Know requests, and how much time it takes to respond to them. Solicitor Kennedy responded that it depends on the request – some are easy to respond to and some require timely analysis. The Solicitor's Office has been able to stay on top of them and continues to train City Departments on how to handle Right to Know requests.

Assessing: Budget to budget, revenue is down \$20,000 or 2.9%, due to a reduction in several PILOT agreements. Expenses, budget to budget, are up \$58,000 or 8.2%, due to regular wage and benefit increases and a reinstatement of \$6,000 for training.

Mayor Bouley mentioned the recommendation that has been made by the Board of Assessors that the City conduct an overall property revaluation. Manager Aspell indicated that it will be expensive and he didn't think this was a good year to burden the taxpayers with the expense. In addition, with the housing market being at peak, he feels now is not the best time to do it.

Councilor Champlin asked what the benefit is of doing a revaluation. Manager Aspell indicated that it ensures equity for property owners; and also captures improvements, especially interior ones, that property owners have made since the last valuation, which may have increased the value of their property.

Councilor Todd asked when the last valuation was done. City Assessor Kathy Temchack indicated that the last valuation was done in 1989.

Mayor Bouley noted that tax payers are seeing increases in the values of their property and asked Ms. Temchack if she anticipated a revaluation to result in a shift of the tax burden off the residential properties and more to the commercial properties. Ms. Temchack indicated that there will be some increase to the commercial properties, but it won't be very large due to the housing market and high values of residential properties.

Human Resources: Budget to budget, revenue is flat. Expenses, budget to budget, are up \$55,000 or 8.9%, due to an increase of \$20,000 for a Benefits Consultant; an increase of \$5,000 for Circa Diversity Posting; and regular wage and benefit increases.

Councilor Champlin asked how the City's diversity training is going. Manager Aspell indicated that it is going very well. He also noted that the Human Resources Department has begun using a new platform aimed at diverse populations (women, minorities, LGBTQ, etc.) to advertise City positions.

Finance: Budget to budget, revenue is up \$3.3 million or 5.8%. Property tax revenue is the main driver, which is up due to an increase in property tax revenue of \$2.5 million. In addition, motor vehicle registrations are up \$350,000; investment income is up \$755,000; use of Fund Balance is down \$1.4 million; and rooms and meals tax is up \$1 million. Manager Aspell also noted that \$30,000 is budgeted in Other Revenue for the Briar Hydro Net Metering Agreement that we are

anticipating to be finalized early in the fiscal year. Expenses, budget to budget, are up \$73,000 or 3%, due to \$2,800 being reinstated for training, as well as regular wage and benefit increases.

Councilor Fennessy noted that, in this current fiscal year, there has been an increase in revenue due to property owners paying overdue taxes and asked if we expect this again this year. Deputy City Manager Brian LeBrun responded that last year was an anomaly and that we do not expect it again in this upcoming fiscal year.

Mayor Bouley asked Deputy City Manager LeBrun to provide an update on the City's Enterprise Resource Planning (ERP) project. Deputy City Manager LeBrun indicated that this was the first year of using the ERP for open enrollment and that we are working out some quirks. He noted that on June 1st, the Utility Billing module would be going live, which will result in the utility bills looking a little different but containing the same information as the current bills. He indicated that as of July 1, 2022, three of the four modules will have gone live and also stated we have just started working on the tax module, which is expected to go live on May 1, 2023.

There was a brief discussion about the \$800,000 budgeted for investment income in FY 2023. Deputy City Manager LeBrun explained that with the increases in interest rates by the federal reserve, we expect an increase in investment income. He noted that \$800,000 is a conservative estimate. Councilor Matson asked if City Administration has a plan, should the investment income fall short of budget. Deputy City Manager LeBrun noted that there is always a risk when budgeting for this revenue, and that we watch it very closely. If rates start to fall short, we will make appropriate reductions in expenditures.

Mayor Bouley asked about cooperative purchasing and if the City works with the school districts. Deputy City Manager LeBrun responded that the City purchases fuel cooperatively with the Concord School District.

Information Technology: No revenue is budgeted for FY 2023. Expenses, budget to budget, are up \$230,000 or 19.9%. Of this increase, \$3,000 is for training; \$21,800 is for security related efforts; \$131,000 is for the Network Security Engineer position; and the remainder is due to regular wage and benefit increases.

City Council: Expenses, budget to budget, are down \$2,000 or 4.3%, due to a decrease in Council Orientation expenses.

City Clerk: Budget to budget, revenue is up \$6,000 or 7%, mainly due to an increase in recording fees, sundry services, and School District payments. Expenses, budget to budget, are up \$73,000 or 14.6%. This is due to an increase in election costs for the State Primary in FY 2023, the cost of renting space for the elections, and regular wage and benefit costs.

Councilor Kretovic asked about the increase in the budget for building rentals related to elections in various wards. Manager Aspell indicated that there is an increase in Ward 3 for heaters and lights; in Ward 6 for general liability insurance that is required by the church; and in Ward 8 there is an increase to use more space at the Bektash Temple (we used to use only half the space, we will now use the entire space).

Manager Aspell also noted that there is an increase in postage so that the Clerk's office can send out post cards to those residents whose polling locations have changed due to redistricting.

Mayor Bouley noted that there is no funding in the City Clerk's budget for signage at the polling locations and that there was some confusion during the last election. He asked if Manager Aspell felt the mailing would be sufficient or if signage would be helpful. Manager Aspell indicated that signage is always helpful, but that he was trying to keep costs down.

General Overhead: Budget to budget, revenue is up \$1.2 million or 28.8%. This is due to an increase of a \$60,000 transfer-in from the Parking Fund; a \$40,000 Transfer-In from impact fees to support debt service costs; a \$945,000 transfer-in for ARPA funds; a \$111,000 transfer-in from the Golf Fund; a \$40,000 transfer-in increase from the Wastewater Fund; and a \$75,000 increase in retiree health insurance.

Expenses, budget to budget, are up \$771,000 or 5.9%. This is due to a \$111,000 transfer-out to trust for the paving reserve; a \$260,000 transfer-out for capital projects; a \$136,000 decrease in debt service costs; a \$210,000 increase in retiree health costs; a \$331,000 increase in comp adjustment; an \$8,000 decrease to Concord TV; a \$10,000 increase to Intown Concord; a \$6,000 increase to Concord Area Transit; a \$10,000 increase to the Concord Coalition to End Homelessness; a \$10,000 decrease to the Friends Program; and a \$20,000 decrease to the Penacook Community Center.

The Mayor opened up a public hearing on the General Government portion of the budget.

Concord resident Roy Schweiker expressed his concern with structural racism in the City. He also suggested that before doing a citywide revaluation, an audit be done of the Assessing Department, as he feels they are not following regulations. He also feels his property is not assessed correctly.

Jessica Martin, Executive Director of Intown Concord, thanked the City Council for its continued support and reported on some of its past and upcoming events. Councilor Kretovic congratulated Ms. Martin on all the new connections Intown Concord has been making.

Ellen Groh, Executive Director of the Concord Coalition to End Homelessness, thanked the City Council for its continued support and expressed her appreciation for the partnership the Coalition has with the City to end homelessness. Councilor Todd noted that he was impressed with the way the Coalition has been handling the push for permanent housing and congratulated Ms. Groh on her upcoming retirement.

Terri Paige, Transportation Director at Concord Area Transit (CAT), thanked the City Council for its continued support. The Mayor noted that funding from the City leverages CAT's federal funding. Ms. Paige confirmed this, indicating that they can't draw down federal funds without a local match.

With there being no further public testimony, the Mayor closed the public hearing and the City Manager moved on to review of the Public Safety budget.

PUBLIC SAFETY:

Police Department: Budget to budget, revenue is down \$22,000 or 3.5%, due to an \$80,000 decrease for parking penalties; a \$40,000 increase for special duty services; a \$5,000 increase for cruiser rental fees; and a \$7,000 increase for School District payments.

Expenses, budget to budget, are up \$646,000 or 4.5%, due to \$16,600 for Computer Crimes Software Licensing; \$15,000 for Computer Crimes Training; \$6,000 for the Police Academy; \$6,200 for Motorcycle Instructor training; \$2,500 for motorcycle radar; \$16,000 for a Motorola Service Agreement increase; \$2,400 for de-escalation equipment; \$7,700 for a Dispatch stipend and position upgrade; \$33,000 for a Taser program; increased costs for general supplies and equipment; as well as regular wage and benefit increases.

Manager Aspell noted that this budget puts additional emphasis on public safety and support for resources; especially investigations of crimes against the City's most vulnerable populations; and continued support for non-lethal options when dealing with offenders.

Councilor Kretovic commented on the Program Change Request (PCR) the Police Department submitted for four additional police officers and asked why the City Manager didn't recommend it for funding. Manager Aspell indicated that it was because we are adding funding for four new firefighters.

Mayor Bouley expressed concern that calls for service are up and the population has increased, but we still have the same number of police officers that we've had for years. He asked if we need to add officers and what would the addition of those officers mean to the community.

Police Chief Brad Osgood confirmed that calls for service are increasing, and that the complexity of those calls have increased. He indicated that additional officers would allow the Department to put more officers on the street and would also help with succession planning. Chief Osgood noted that the Department has been cross training officers in various things, like computer crimes, property room management, etc.

Councilor Fennessy commented that the big focus two years ago was on filling vacant positions and asked if that was still a challenge the Department is facing. Chief Osgood indicated that due to a number of retirements, they will be down five positions. However, a new certified Police Officer has been hired and will start in June; and they are looking to get 2-3 officers into the Police Academy.

Councilor Kretovic mentioned officer fatigue resulting from the types of cases police are facing. She noted that she was pleased to see the Department pulling patrolmen off the street to learn other things, thus, giving them a bit of a break.

Councilor Champlin asked if Chief Osgood felt we would be able to fill the new positions if they were funded. Chief Osgood responded that, although hiring police officers is a challenge being faced across the country, he feels confident that we'd be able to fill them.

Mayor Bouley asked Chief Osgood how often we have to triage officers who aren't able to respond to calls. Chief Osgood indicated that this happens on a daily basis. Mayor Bouley also commented on the expectations of residents and the length of time it often takes for officers to respond to quality of life issues due to not enough staffing.

Councilor Fennessy mentioned the parking forums that were held, and the frustration expressed at those forums by residents about response times by the Police Department to calls about parking, such as driveways being blocked, etc.; and that residents are not getting the quality of service they expect. Chief Osgood responded that parking issues are not considered a priority over other more serious calls. Manager Aspell noted that all of the Parking Enforcement Officer positions are funded.

The Mayor opened up a public hearing on the Police Department budget.

Pat Peick, Penacook resident, spoke in support of funding the four requested police officer positions.

With no further public testimony, the Mayor closed the public hearing and the City Manager moved on to review of the Fire Department budget.

Fire Department: Revenue, budget to budget, is up \$154,000 or 5%, mainly due to an increase in ambulance charges. Expenses, budget to budget, are up \$1.3 million or 8.4%, mainly due to wages and benefits for the addition of four paramedics to staff the new ambulance, overtime, and AEMT position upgrades.

Also included in the FY 2023 Fire Department budget are:

- \$17,000 for Fire Records Management software;
- \$25,000 for facility maintenance at Headquarters and Fire Stations;
- \$4,000 for AEMT tuition;
- \$3,000 for a ventilator service contract; and
- \$9,700 for temporary Fire Alarm and Traffic Light labor support.

Councilor Pierce asked what the timeline would look like if we purchase a new ambulance. Manager Aspell indicated that we have two ambulances currently in reserve. Once the new positions to staff the ambulance are filled, we will bring one of the reserve ambulances into service until a new ambulance comes in. Manager Aspell noted that it takes about 12-18 months to get a new ambulance.

Councilor Todd asked if we would use the reserve ambulance for the entire time that we wait for a new ambulance to arrive. Manager Aspell confirmed that to be the case. In follow-up, Councilor Todd asked what the plan would be should we need that second back-up ambulance. Manager Aspell indicated that we have ambulance parts in stock and mechanics that are capable of making any necessary repairs if an ambulance were to break down.

Councilor Todd asked when residents can expect to have an ambulance back at the Manor Station. Manager Aspell indicated that it will occur once we fill the four new positions. Interim Fire Chief John Chisholm indicated that he expects it to take about 10-12 weeks. He also stated that the Fire Department is actively recruiting for the positions and conducting interviews now, and once hired, there is some training that needs to take place.

Councilor Kretovic reiterated that we're cresting 10,000 calls, approximately 27 per day, and that is the reason we need these new positions and a new ambulance. She wants to see an ambulance back at Manor Station as soon as possible.

Councilor Keach brought up mutual aid and how the City justifies overtime when we go out to help another town. Interim Chief Chisholm noted that those outside towns help us too. In follow-up, Councilor Keach asked if mutual aid is equitable. Interim Chief Chisholm indicated that, overall, he feels it is.

Councilor Champlin asked what is considered to be the ideal response time for an ambulance. Interim Chief Chisholm responded that the industry standard is 5 minutes for basic life support and 9 minutes for advanced life support. He noted that we are mostly meeting that standard, except for Manor Station. In follow-up, Councilor Champlin asked how often responders are actually in the station. Interim Chief Chisholm responded that responders are often out on calls, at the hospital, or at trainings.

Councilor Matson asked how many reserve ambulances the Department has, to which Interim Chief Chisholm stated we have two. In follow-up, she asked if having two reserve ambulances is enough, once we receive the new ones. Interim Chief Chisholm indicated that the Department has ordered two replacement ambulances and we may be able to keep the old ones to put in reserve instead of trading them in.

Mayor Bouley commented that, in years past, the Fire Department used to provide more service indicators in its budget narrative. The Mayor noted that the Department is now only reporting on six and he would like to see the old indicators reported on in future budget narratives.

The Mayor commented on the low number of hours (12-15) listed for Public Education for Fire Safety. Interim Chief Chisholm indicated that they provide education during Fire Prevention Week and do many car seat inspections. He indicated that the number of hours is low due to not having enough staffing.

The Mayor mentioned and there was some discussion about the role the Fire Department plays in Community Development. Deputy City Manager Carlos Baia indicated that the Fire Marshal attends every Development Team Meeting and often works with developers in the field.

The Mayor asked about the Department's interactions with the homeless. Interim Chief Chisholm noted that the Department is reactionary and no longer goes out and provides education to the homeless.

The Mayor opened up a public hearing on the Fire Department budget.

Justin Kantar, Concord Firefighter and President of the International Association of Firefighters (IAFF), spoke on behalf of the union. He indicated that the firefighters are pleased that new positions are being added which will provide much needed relief and will allow them to respond faster. Councilor Kretovic thanked Mr. Kantar for his ongoing education of the City Council on firefighting matters. Councilor Matson asked Mr. Kantar how long our responders/ambulances spend waiting at the hospital. Mr. Kantar responded that it depends on the acuity of the patient. If the ER is packed, they could be waiting in the hallway with the patient for a while, thus, they can't be in service. The pandemic has also required increased cleaning measures between patients, time which also takes away from the responders' availability. Councilor Bouchard asked Mr. Kantar to touch on the complexities of firefighting when it comes to fighting fires in old buildings versus new buildings, due to the materials that are used when building newer homes. Mr. Kantar confirmed this and said that newer homes go up quicker due to the poly carbons that are used. He also mentioned that there is a higher prevalence of cancer among firefighters, likely due to the many poly carbons and chemicals they are exposed to.

Concord resident Roy Schweiker said he agrees with the Mayor that the Fire Department should go back to reporting on more service indicators. He said he is in favor of purchasing a new ambulance but suggested it be of the highest quality. He also expressed his opinion that City Councilors who were endorsed by the IAFF should not vote on the Fire Department budget or other matters concerning the Fire Department.

Penacook resident Christine Miller spoke in support of hiring four new firefighters and putting the reserve ambulance into service until a new one arrives.

Concord resident Mark Cheever spoke in support of hiring four new firefighters and the purchase of a new ambulance.

Penacook resident Sandra Polleys-Bunch spoke in support of hiring four new firefighters and the purchase of a new ambulance. She wants to see an ambulance back at Manor Station. She took this time to also mention that she is not in favor of Langley Parkway.

Penacook resident Al Herschlag, who lives close to Manor Station, expressed his disappointment that the ambulance was moved. He urged City Council to fund the four new positions and the purchase of a new ambulance. He is concerned that the Penacook area is the only area in the City not meeting industry standard response times.

Resident Pat Peick spoke in support of adding four new firefighter positions and bringing an ambulance back to Manor Station.

With no further public testimony, the Mayor closed the public hearing and the City Manager moved on to review of the General Services Department budget.

GENERAL SERVICES: Revenue, budget to budget, is up \$14,000 or 1.5%.

Expenses, budget to budget, are up \$424,000 or 4.1%.

This budget increase supports increased costs or additional funds for:

- Building materials (\$9,000);
- Chemicals (\$3,120);
- Fleet Outside Services (\$4,000);
- Fleet Auto Parts (\$17,000);
- Diesel Exhaust Fluid (\$3,400); and
- Highway Division wage and labor grade adjustments (\$17,000).

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 \$3,000; and for Snow and Ice Control, expenses are up \$51,000, both due to wage and benefit increases.

Manager Aspell noted that budgeting for winter maintenance can be difficult because it's difficult to predict what the following winter will bring. When preparing this budget, salt prices were estimated to increase in the neighborhood of 7%-10%, along the lines of projected inflation. The pricing that we formalized will produce a salt price increase of between 26% and 30%.

If we have an average winter next year, the budget for salt will likely be short by \$75,000-\$90,000. If it is a snowy and icy winter, it will be a bit worse. If it is a mild winter, we may not be short. City Administration will watch and report on this expense as we progress through the fiscal year, and will work with the Fiscal Policy Advisory Committee and City Council when/where adjustments are needed.

Diesel and gasoline prices will also be closely monitored. The City's contracts for fuel prices end in early FY 2023.

Councilor Rice Hawkins and Councilor Pierce each expressed their pleasure with See Click Fix.

Mayor Bouley asked if the General Services Department coordinates utility billing with the Finance Department. General Services Director Chip Chesley indicated that coordination does happen and cross training amongst staff takes place.

Mayor Bouley gave kudos to the depth of knowledge and staffing of our General Services Department.

The Mayor opened up a public hearing on the General Services Department. As there was no public testimony, the Mayor closed the public hearing.

With there being no further discussion, Mayor Bouley noted that the next Finance Committee meeting would be held on Thursday, June 2nd, at 5:30 PM, at which time Community Development, Leisure Services, Human Services, and the Capital Improvement Program budgets will be discussed.

A motion was made and seconded, and the meeting adjourned at 8:18 PM with a unanimous voice vote.

Respectfully submitted,
Sue Stevens, Executive Assistant