

Joint City Council / School Board Committee
May 29, 2015

City Council Committee members present: *Mayor* Jim Bouley, Gail Matson, Dan St. Hilaire, Fred Keach

City Administrators present: *City Manager* Tom Aspell; *Deputy City Manager Finance* Brian LeBrun; *Deputy City Manager Development* Carlos Baia

School Board members present: *School Board President* Clint Cogswell, Kass Arding, Tom Croteau, Jim Richards

School District Administrators present: *Superintendent* Chris Rath, *Business Administrator* Jack Dunn, *Director of Facilities & Planning* Matt Cashman

School Board President Clint Cogswell called the meeting to order at 7:30 a.m.

Beginning the discussion of budgets, he noted that the School District budget currently represents a 4.97% increase. He emphasized that the School District's year-to-year budget has increased by 1.25% per year. Much of the increase in the budget is due to loss of revenue and cost downshifting from the State of New Hampshire since 2010.

City Agenda Items

Overview of FY 2016 Proposed City Budget

Mr. Aspell said he expects all six City unions to be under contract. He indicated that the City budget represents shifting of health insurance costs partially to employees, who will have greater say in decisions about health insurance programs. The City has seen a 10% increase in health insurance this year; average increases in the last few years were 0%-3%.

Mr. Cogswell noted that with the new collective bargaining agreements, the School District has now converted all employees to a Consumer-Driven Health insurance plan (CDHP). The District has a total of eight bargaining units plus unaffiliated employees. This year's health insurance billing rate has increased to 5.5%.

Mr. Aspell presented an executive summary of the City's budget, and noted that the City Council will start its public process on May 30 with a total of 13 meetings and public hearings.

He described major initiatives in this budget proposal supporting six overarching City objectives:

1. Safe City:
"Problem Oriented Policing Program (POP); replacement of Engine No. 5 and digital emergency radios; and creation of a part-time victim witness advocate position
2. Vibrant City:

Debt service funding for the Route 3 North and Main Street projects; replacement of seven neighborhood pools at approximately \$350,000 each; repair of the Heights Community Center (replacement would cost over \$11 million); dredging river ramp near the Everett Arena

3. Interconnected City:

Annual neighborhood road paving program will be paid for with \$1.3 million of general fund dollars and a \$4 million bond; \$3.3 million in paving will be done each year; creation of a roundabout at Exit 16/Shawmut Street (Mr. Aspell noted that there is money in the City budget for this work, but state and federal funds are unresolved.). Concord Hospital will place a signal at its east driveway in July. Concord Hospital will have all the construction work done at their cost; then will come to City for acceptance of the light as City infrastructure. The work will improve the sight line just east of the Concord Hospital driveway. Airport improvements (the 10% City portion is in the "airport fund"; the state will pay 10%, and federal dollars will cover the remaining 80%). Replace one Capital Area Transit bus per year for next three years with smaller, more efficient buses

4. Innovative City:

Add Information Technology Assistant Administrator position starting in September; the IT department will move to renovated space over Green Street Community Center and add air conditioning for the computer systems will be added. Add a City-wide payroll system for employee scheduling that is integrated with the new financial system. Add technology related to handicapped-accessible election process. Change in credit card system ("Mag-Tek" chip reader system at a cost of \$10,000)

5. Communications and Customer-Focused City:

Add additional hours to the City Clerk Office; internet-based dog licensing system; replace current outsourced permit tracking system

6. Well-Maintained City:

Move toward natural gas vs. steam (current costs for steam \$219,000; natural gas would cost \$75,000). This is a \$600,000 project that will pay for itself in four to five years. Improvements at COMF including a new rooftop HVAC system; Library roof replacement (\$230,000); drainage replacement on Portsmouth Street (\$400,000); replacement/upsizing of water main, which does not now currently support fire department efforts; upgrade the water line under the Sewalls Falls Bridge from Manor Road to the Concord Monitor building (\$850,000); parking system improvements (\$50-\$60,000); urban chemical weed control

Under this budget, the City's tax rate increase would be 3.59%, which will primarily support Workers compensation (\$53,000); retirement (\$390,000); health insurance (\$665,000); utility costs (\$52,000); debt service costs (\$57,000); the new IT position (\$43,000), additional clerk position (\$40,000); all other costs (\$90,000).

The percentage of the City's budget used for debt service is around 9.5%.

Mr. Aspell noted that property taxes pay for police, fire, debt service and general services.

Deputy City Manager Development Carlos Baia noted that the City expects no significant “real growth” in the next few years. The current tax base growth is \$16 million.

The main legislative issues that impact the City budget include social program cuts, which impact the City’s welfare and public safety departments, including increased calls to police that would otherwise be addressed through mental health services, etc. Mr. Bouley noted that the proposed increased motor vehicle registration fee would double the administrative fee for the City.

Mayor Bouley noted that transportation is a significant issue, as there is a good possibility that the state will not allocate money to maintain some of its secondary highways, so, for example, housing developments may have to plow their own roads. Route 106 is a good example. The cost to replace the Sewalls Falls bridge is an 80/20 split with the State; the City has already appropriated its percentage. The City came to an agreement that Concord is third in line in the state for this bridge replacement, after replacement of the Portsmouth Bridge and I-93 improvements. He noted that Meals on Wheels and ServiceLink are back in the state budget, but that the legislature is pulling back on funding for CAP, homeless and other programs, which will impact city services.

There was some discussion about whether the state plans to sever its agreement with Concord Steam for steam heating of its downtown buildings. It was noted that Concord Steam is a regulated utility.

Mr. Aspell noted that the Main Street project will be completed in a two-year timeframe: North Main will be done by November, and South Main will be done by next July.

The City is completely restructuring its Parking Fund.

PAYT (recycling bags) pricing will increase.

School District Agenda Items

Community Marketing Plan – promotional materials for City

Mr. Baia indicated that specific indicators of quality of Concord schools would be helpful for the City’s promotional materials.

Steam to Natural Gas Conversion

This was discussed earlier in the meeting.

Additional Revenue Sources

The City plans to increase fees for the PAYT trash bags; increase water fee by 3% and wastewater fee by 4.25%. Mr. Aspell noted that these are relatively low rates compared to other municipalities

Mr. Lebrun indicated building rental fee information can be obtained from the City Parks & Recreation Department.

Mr. Aspell will send Mr. Dunn a complete listing of all fee changes.

Comcast/Concord TV Agreements

Mr. Aspell noted that the City is currently in negotiations with Comcast and hopes to have a contract completed by the end of June. The City Council will then need to approve the contract. The City has asked for a 5- or 10-year contract and a cash infusion of \$525,000 in improvements related to replacing ConcordTV equipment. The improvements would allow live broadcast of School Board meetings on a high-definition TV channel. Once the Comcast contract is finalized, the City will meet with ConcordTV and the School Board for a revised agreement among the three parties.

Mr. Aspell noted that Comcast has a low-cost Internet program for low-income families, as well as a discounted program for the elderly (60 and over).

Mr. Baia noted that a company preparing a promotional video for the City will be filming on June 17.

The meeting adjourned at 8:40 a.m.

Linden Jackett and Christine Rath, *Recorders*