

MINUTES

City of Concord Finance Committee Meeting
May 20, 2024 @ 5:30 PM
City Council Chambers

Present: Mayor Byron Champlin, City Councilors Nathan Fennessy, Fred Keach, Judith Kurtz, Brent Todd, Michele Horne, Stacey Brown, Jennifer Kretovic, Karen McNamara, Amanda Grady Sexton, Paula McLaughlin, Jim Schlosser, and Ali Sekou.

Excused: Councilors Kris Schultz and Jeff Foote.

The Mayor opened the meeting at 5:30 PM and turned the meeting over to the City Manager for his presentation.

Manager Aspell indicated that tonight's FY 2025 proposed budget review will cover General Government, Police, Fire, and General Services. He 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 2025. The revised FY 2024 budget and projected revenue amounts are for the opioid litigation settlement that the City receives periodically, which is then transferred to the Opioid Reserve. Budget to budget, expenses are down \$86,000, or 12%. The difference is due to wage, benefit, and other operational changes. The \$150,000 for Event Funding in FY 2024 was not continued in FY 2025.

Legal Department: City Manager Aspell pointed out that the revenue reflected in the proposed budget of \$148,905 should actually be \$78,550. This is a typographical error in the detail and it will be corrected in the adopted budget document. The corrected revenues of \$78,550 are up \$3,700, or 5%, and reflect fees collected from the Towns of Bow, Dunbarton, and Loudon for prosecutorial services provided by the City. Expenses, budget to budget, are up \$159,000 or 10%. This is due to wage and benefit increases.

Assessing: Budget to budget, revenue is up \$50,000, or 6.7%. This is due to a combination of the following: Briar Hydro PILOT revenue is budgeted lower in FY 2025 by \$45,000; the City is adding \$75,000 for New Hampshire Higher Learning; and the remaining difference is due to additional changes in other PILOT agreements. Expenses, budget to budget, are up by \$57,000 or 7.1%, due to regular wage and benefit changes, as well as licenses and training.

Human Resources: Budget to budget, revenue is up 41,500 or 4.2%; and expenses are down \$26,000 or 2.9%. This is primarily due to a decrease of \$80,000 for the class and compensation study that was funded in FY 2024. There is no funding for this in FY 2025. Other changes include regular annual wage and benefit increases; funding in the amount of \$3,200 for the language bank; funding in the amount of \$10,000 for employee recognition awards; increased HR recertification costs; and increased costs for mailings to retirees.

Councilor Todd asked about the new Human Resources Coordinator position that is being proposed, and why the City needs this position. Manager Aspell indicated that this position will be shared

between Human Resources, the Community Development Department, and City Administration. Manager Aspell also noted that the Human Resources Department currently has a staff of four; with three of the four staff members on the same career timeline. This position will help with succession planning in the HR Department.

Finance: Budget to budget, revenue is up \$4.4 million or 6.9%. The main drivers of this increase are property tax revenues being up \$2.7 million; motor vehicle registrations are up \$225,000; investment income is up \$940,000; use of Fund Balance is up \$266,000; and Rooms and Meals Tax revenue is up \$314,000. Expenses, budget to budget, are up \$164,000, or 6.2%, due to wage and benefit increases, which includes a labor grade change for the Management & Budget Analyst position equating to \$5,900.

Information Technology: No revenue is budgeted for FY 2025. Expenses, budget to budget, are up \$105,000 or 7.5%. This is mostly due to wage and benefit increases. This budget also includes \$16,000 for security system software assurance; \$12,000 for a phone system upgrade in conjunction with a new phone capital program; \$5,000 for an e-mail archiving system for the Police Department; and \$9,000 for IT security awareness training.

Councilor Brown asked why the average number of website visitors dropped substantially. Manager Aspell indicated that, previously, the City tracked hits on its social media pages, in addition to hits on its website. We are now just tracking website hits only.

Councilor Keach asked if Right-to-Know requests are submitted through the IT Department. Manager Aspell indicated that Right-to-Know requests are usually sent directly to the applicable City Department, who then passes it on to the Legal Department, who will then work with IT if needed. Councilor Fennessy asked if the City spends a substantial amount of time on Right-to-Know requests, which Manager Aspell confirmed.

City Council: Expenses, budget to budget, are down \$141,000, or 76.8%, due to one-time funding in FY 2024 for City Council Diversity, Equity, Inclusion, Justice and Belonging (DEIJB) training; and a reduction of \$2,500 for the City Council Orientation and Priority Setting meetings that were held in FY 2024.

Councilor Kurtz asked if any of the FY 2024 DEIJB funds have been spent. Manager Aspell indicated that none has been spent. He noted that any funds left over at the end of the fiscal year will be transferred to surplus, and, should we need it in the future, City Council can add it back to the budget at that time if they so desire.

City Clerk: Budget to budget, revenue is up \$5,700, or 5.8%, due to an increase in sundry services and a \$3,000 increase for State Checklist revenue. Expenses, budget to budget, are up \$4,000, or less than 1%. This is due to reductions in election workers (part-time) and temporary employees. Rent is up \$5,600, as it is costing the City more to rent spaces for elections in Wards 2 and 8.

Mayor Champlin asked where the polling locations are in Wards 2 and 8. Manager Aspell indicated that Ward 2 is at the Barn at Bull Meadow, and Ward 8 is at the Bektash Temple.

Councilor McNamara asked if voter registration fairs were something new. Deputy City Clerk Elisabeth Harrington indicated that voter registration fairs are not new. She indicated that voter registration fairs are held annually at high schools, colleges, assisted living facilities and nursing homes within the city.

General Overhead: Budget to budget, revenue is down \$1 million or 17.8%. This is due to a decrease of \$96,000 in Cable TV franchise revenue; an increase of \$43,000 in retiree health insurance reimbursements; a \$150,000 decrease in transfer-in from trust for the one-time grants for events funded by City Council in FY 2024; a \$900,000 decrease in transfer-in from grants and donations for ARPA (FY 2024 was the last year of funding); and other changes in transfers from Enterprise and Special Revenue Funds.

Expenses, budget to budget, are up \$1.3 million or 8.9%. This is due to an increase of \$261,000 in full-time compensation, which includes funds for Cost of Living Adjustments (COLAs), year-end wage accruals, retirement, severances, and an increase in funding for health insurance opt outs; a \$147,000 increase in retiree health costs, which is partially offset by the retiree health revenue increase of \$43,000; a \$598,000 increase in principle and interest costs; a \$53,000 increase in transfer-out to Technology Reserve; and a \$152,000 increase in transfer-out for paving.

Special Program revenue, specifically the Cable TV Franchise revenue, budget to budget, is expected to be down by \$96,000; however, City Administration is proposing to keep the amount the City pays to Concord TV level at \$314,000. The transfer-in to Trust is down \$150,000, which was the one-time funding by City Council last year for grants and events.

Special Program expenses, budget to budget, are as follows: Concord TV is level funded; Holiday Celebrations is down \$2,000; and Intown Concord and the Pope Memorial SPCA are level funded.

Social Service agency revenues are down by \$14,000. These are the funds that we previously received from the Episcopal Church that we no longer anticipate receiving.

Social Service agency expenses are level funded for the Community Action Program, Concord Area Transit, the Concord Coalition to End Homelessness, the Edna McKenna House, and the Friends Program. City Administration is also recommending that City Council approve funding in the amount of \$12,500 for the Crisis Center of Central New Hampshire, which is the same amount of funding the agency received in FY 2023.

There was considerable discussion about the funding for Concord Area Transit (CAT), with Councilor Brown noting that CAT requested more funding than what is being granted. Manager Aspell indicated that CAT asked for more than was funded last year as well; and that the additional funding requested is for an expansion route to take riders from Concord to Laconia/Franklin and vice versa. Manager Aspell asked CAT if these other communities are providing any funding for this service, to which the response was no. He feels that Concord should not be the only community providing funding for this service; therefore, he did not fund it again this year. Councilor Sekou suggested that CAT consider extending their operating hours and potentially adding Saturdays. The Mayor asked Manager Aspell if CAT has proposed extending their service hours, to which the response was no.

Councilor Keach asked if any General Funds were used to fund Concord TV. Manager Aspell indicated that the funding that goes to Concord TV is from franchise fee revenue. With the anticipated decrease in franchise fees as more and more people drop cable and stream through the internet, Councilor Keach suggested an increase in funding might be warranted. Councilor Sekou asked if Concord TV raises money through other avenues, and agreed with Councilor Keach that a funding increase may be warranted.

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

Concord resident Roy Schweiker testified as follows: 1) He doesn't feel the City Manager should be given a computer stipend; and 2) He doesn't feel the Crisis Center of Central NH should be funded because it is always full and people who need immediate help are not able to get in.

Councilor Kretovic countered Mr. Schweiker's testimony by noting that the Crisis Center holds 24 people and, yes, it is always full, which reflects how badly it is needed. The people the Crisis Center is helping cannot just be thrown out to allow others in, especially with the housing shortage we are dealing with. The Crisis Center may not be able to help people immediately, but they are doing the best they can. Councilor McNamara added that if the Crisis Center is not able to house someone who needs shelter right away, they make every effort to place the individual in a local hotel or in a neighboring domestic violence shelter.

Josh Hardy, Executive Director of Concord TV, thanked the City Council for its funding and explained their fundraising efforts. He noted that there is legislation in the works to charge streaming companies a fee that will be passed on to support public access television providers.

Terri Paige, CAT Director of Transportation, thanked the Council for their ongoing support. She talked about the expansion route that ran last summer and noted that, in addition to bringing people from Laconia/Franklin south to Concord, they also brought a substantial amount of people north from Concord. Most of the ridership was to bring people to medical appointments and to work. However, this route does have a price tag. She noted that local ridership is up 37%, which has allowed CAT to receive more State aid. She was also proud to report that their most recent annual survey resulted in the third year in a row of a rating of 4.5 out of 5; and most recently they received a rating of 4.9 out of 5. Councilor Kurtz asked if CAT has a communications budget, to which Ms. Paige indicated they do, and noted that they do a lot of public outreach. Ms. Paige indicated that she is also working on a fundraising plan. Councilor Todd thanked CAT for their service and reminded the public that the City has a Transportation Subcommittee that is always open to input.

Jessica Livingston, Concord resident and domestic violence survivor, spoke in support of the Crisis Center of Central NH. She said she received assistance from an advocate of the Crisis Center who helped her tremendously. She said the City needs more services like this, and she noted that the Crisis Center isn't just for people in imminent danger, but it is also there to help people come up with solutions to escape their situation. Ms. Livingston asked how the Crisis Center utilizes the City funding. Manager Aspell indicated that City funding is determined by the agency's need to provide shelter and help children. The City doesn't restrict the agency as to how they spend the funds, however. Councilor Champlin mentioned the new social worker within the Police Department, which he hopes will be able to help with domestic violence situations.

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

PUBLIC SAFETY:

Police Department: Revenue, budget to budget, is up \$7,000, or 1.1%, due to increases in other revenue and school district payments.

Expenses, budget to budget, are up \$298,000, or 1.9%, due to \$262,000 in wage and benefit increases, which includes a reduction of \$200,000 for attrition. Also included in this budget are increases in the amount of \$10,000 for training overtime; \$5,000 for police officer equipment and supplies; \$5,000 for a peer support team; \$600 for a Power DMS Accreditation Module; \$5,900 for a labor grade upgrade for the Police Social Worker position; and \$2,500 for utility upgrades.

This budget continues the emphasis on public safety and support resources for working with the City's most vulnerable populations, continued support for non-lethal options when dealing with offenders, and police officer support for traumatic situations.

There was a brief discussion amongst committee members about special duty revenue and costs, as well as overtime costs.

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

Concord resident Roy Schweiker said he would like to see the Police budget detail broken out and made available. He indicated that the City has lost control of its streets and that parking is out of control. He suggested that police officers do some parking enforcement at night and on weekends. He spoke about homelessness and doesn't feel the City should be spending money to put homeless people in hotels. He suggested an official City campground for the homeless, which the City could charge a fee to use.

With there being 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 \$891,000, or 25%, mainly due to an increase of \$700,000 in ambulance charges, and an increase of \$200,000 in Other Revenue for Hazmat wage reimbursements from other Compact members. The Other Gov Agencies line, budget to budget, is down \$28,000. This is the line that reflects the City's reimbursement from other Compact members for the dispatch center and other expenses. This reduction is due to reduced expenses last year due to staffing levels.

Expenses, budget to budget, are up \$1.3 million or 7%. The main increase is due to wages and benefits in the amount of \$1.2 million. Of note is that the CFOA and COLA increases are not included in this budget line, since a successor agreement has not been reached. Their collective bargaining agreement expires on June 30, 2024.

Also included in the FY 2025 Fire Department budget are:

- Sprinkler System repairs: \$9,100 at the Fire Administration building, \$1,300 at the Heights Station, and \$1,400 at the Manor Station;
- Increase in Repairs and Maintenance: \$1,200 each at Central Station, Heights Station, and Broadway Station; and \$1,000 at Manor Station;
- Increase in Departmental Supplies: \$250 each at Central Station, Heights Station, and Broadway Station; \$500 for technical rescue supplies; \$375 for the Prevention Officer; and \$2,600 for emergency medical services;
- Increase in Building Supplies: \$500 at Central Station, \$450 at Heights Station, and \$1,000 at Manor Station;
- AES Radio Receiver Service Contract increase, \$3,500;
- Micro Key Solution License/Maintenance, \$2,800;
- Radio Box Installation for Manor, Broadway, and Heights Stations, \$3,900;
- Increases for SCBA: \$3,200 for Compressor Service; \$225 for Posicheck Calibration; and \$1,100 for Quantifit Calibration;
- Boat Professional Services, \$500;
- Increase in Small Tools Program, \$1,000;
- Increase in the Extinguisher Program, \$500;
- Replacement of Carpet at Heights Station, \$1,000;
- Replacement of mini-split HVAC at Broadway Station, \$1,400;
- Increase Professional Services at Broadway Station, \$200;
- Increase for Forestry Tools, \$500;
- New Automatic External Defibrillator at the Communications Center, \$1,300;
- Nitronox Unit Purchase, \$7,500;
- Cyanokits Purchase, \$1,800;
- Increase Paramedic Refresher Program, \$1,200;
- Establish funding for peer support group, \$2,000;
- Operations Professional Development Training Overtime, \$10,000;
- Pressure Vessel Replacement, Manor Station, \$3,500;
- HVAC Preventive Maintenance and Cleaning, Central Station, \$5,200;
- Mandatory Department Committees, \$4,900;
- Outside Traffic Vendor, \$10,000;
- Full Off Duty EMS Recertification, \$10,000;
- Reclassification of Fire Marshal position, \$6,300; and
- Consolidated Fiber at the Dispatch Center, \$25,000.

Councilor Horne asked for more information about the Mutual Aid Compact. Manager Aspell indicated that the Compact is made up of 24 communities, and the cost for the Compact is split up amongst the 24 communities based on population size. The City of Concord pays approximately 33%.

There was considerable discussion about ambulance charges; how fees are determined; and who is charged for services. Fire Chief John Chisholm indicated that everyone who is transferred by ambulance is charged. How much the City charges and collects is based on mileage, the level of

service provided, and whether the patient has Medicaid or Medicare. Councilor Keach asked if the State is charged when an ambulance responds to the State Prison. Chief Chisholm indicated that the inmate is billed if transferred by ambulance, not the State.

Councilor Fennessy asked if the Concord Fire Department has received calls from nursing homes to respond when residents fall. Chief Chisholm indicated that they have responded to calls from facilities that have “no lift” policies. Councilor Fennessy suggested a fee be assessed for these calls. Councilor Grady Sexton said that most nursing homes use private ambulances to transfer residents to the hospital. However, due to staffing shortages, it is often difficult to get a private ambulance; thus, the calls to CFD.

There was a brief discussion about training and its importance in relation to recruitment and retention of Fire Department first responders.

Councilor Todd asked about the need for the proposed Assistant Fire Marshal position in the budget. Chief Chisholm indicated that this position is sorely needed, as it is responsible for inspections, investigating fires, permitting, plan reviews, and public education; all of which have been put on the back burner due to staffing levels.

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

Concord resident Roy Schweiker testified as follows: 1) He shared his concern that the life of a new fire truck is only 8 years, as opposed to 10 years, as in the past; 2) He suggested that the City not send a Fire Engine to every ambulance call; 3) he suggested that making changes to shift options might help solve recruitment problems; and 4) He would like the City to provide data that shows how much we charge vs. how much it costs for ambulance service.

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

GENERAL SERVICES: Revenue, budget to budget, is up \$71,000 or 7% due to transfers-in from other funds.

Expenses, budget to budget, are up \$793,000 or 7%. The majority of the increase in the General Services budget is for wages and benefits (\$307,000) and transfer to Solid Waste Fund to support expenses for the new contracts that start on July 1, 2024 (\$306,000).

This budget also supports increased funds for:

- Public Properties Division: Supervisor Labor Grade Upgrade, \$12,000; Building Management Control System Training, \$5,000; two Pool Chemical Orp Probes, \$1,200; Card Access Maintenance, \$1,500; GSP MC Emergency Diesel Generator Permit, \$1,500; Cell Phone Stipend, \$600; Radio Boxes, \$15,750; Backflow Preventer Repair Parts, \$4,000; and Cleaning Contract for the Penacook Community Center, \$23,000.
- Fleet Division: Software and Hardware cost increases, \$12,000; cost increase for Uniforms, \$8,000; and increases for repairs and maintenance, \$18,000.

- Highways Division: increase for Tuition reimbursement, \$2,000; and reorganization savings, \$4,700.

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 \$13,000, due to wage and benefit increases; and for Snow and Ice Control, expenses are up \$61,000, due to wage and benefit increases and winter treatment supplies.

There was a brief discussion about increased solid waste costs, a portion of which, \$306,000, is budgeted this year. Manager Aspell confirmed that solid waste costs have increased drastically and that in order to keep the tax rate down, payments will be split up and paid in phases. He indicated that the plateau is around \$2 million and will take about 3 years to pay.

There was a brief discussion about CDL driver training and recruitment, and the extreme difficulty the General Services Department has in recruiting people who have a CDL license.

Discussion also ensued about pavement markings in the city, many of which are faded and make it difficult to enforce parking. General Services Director Chip Chesley indicated that pavement painting is usually done in the spring and that weather often poses a challenge. He indicated that the crosswalks are done by City staff, and that there are only a couple of staff members who do this.

The Mayor opened up a public hearing on the General Services Department.

Concord resident Roy Schweiker testified as follows: 1) Pavement markings are dangerous and slippery when wet; 2) he suggested that CDL drivers be trained by current City staff using the vehicles they will be using; 3) with all the new development, there will be more sidewalks to plow. He feels that the new developments should not get their sidewalks plowed before other sidewalks are plowed; and 4) he would like GSD to stop plowing snow onto the sidewalks.

With no further public testimony, the Mayor closed the public hearing.

With there being no further discussion, Mayor Champlin noted that the next Finance Committee meeting would be held on Thursday, May 23rd, 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 8:27 PM with a unanimous voice vote.

Respectfully submitted,

Sue Stevens, Executive Assistant