

MINUTES

City of Concord Finance Committee Meeting
May 20, 2019 @ 5:30 PM
City Council Chambers

Present: Mayor James Bouley, City Councilors Brent Todd, Allan Herschlag, Jennifer Kretovic, Rob Werner, Byron Champlin, Fred Keach, Mark Coen, Amanda Grady Sexton, Keith Nyhan, Linda Kenison, Candace White Bouchard, and Zandra Rice Hawkins.

Excused: City Councilor Gail Matson.

The Mayor opened the meeting at 5:41 PM and turned the meeting over to City Manager Tom Aspell for his presentation of the FY 2020 proposed budget.

City Manager Aspell delivered his [Fiscal Year 2020 Budget Presentation](#), which provided a broad overview of the proposed budget.

Following the presentation, the Manager proposed the structure for the public hearings going forward and there was consensus from the Mayor and the City Council. The Manager then went on to discuss the Budget Summaries and the General Fund Revenue.

Manager Aspell noted that the total proposed FY 2020 budget for all funds, including Capital, is \$108,313,498.

Manager Aspell indicated that the FY 2020 budget proposes a total of 474.92 full-time equivalent (FTE) employees, which is up from 474.07 FTE's in FY 2019. He noted that this is a net increase of 0.85 FTE's.

Manager Aspell noted that the total General Fund budget is \$66.5 million, an increase of 2.1% or \$1.4 million over the adopted FY 2019 budget.

War service credits and overlay remain the same for FY 2020, for a total of \$67.1 million. Besides property taxes, all other revenues total \$24.6 million.

The proposed amount to raise in taxes is \$42.4 million, an increase of \$1.1 million over FY 2019.

The anticipated assessed value before any market changes is \$4.2 billion. This includes an estimated \$25 million in new assessed value or real growth. This results in an estimated City portion of the tax rate of \$10.09, an increase of \$.19 per \$1,000 of assessed value or 1.92%.

FY 2020 fringe benefit costs decreased by 2.1% or \$380,000, due to a 2% decrease in health insurance rates for active employees and a decrease of 1.5% in retirement costs. Property, liability and auto insurance costs also decreased by 5.3% or \$27,000. Unemployment insurance costs remained the same and workers compensation costs increased by 7.1% or \$37,000.

General Fund revenues total \$66,502,857. Manager Aspell gave a brief overview of the major revenue drivers.

Property taxes account for \$41,869,229 or 63% of all General Fund revenues.

This concluded the City Manager's presentation and the Mayor opened the meeting up for questions.

Councilor Keach asked for some clarification as to how the purchase of new General Services' equipment is funded. City Manager Aspell indicated that there are three funds that pay for new General Services equipment – the General Fund, the Water Fund, and the Wastewater Fund. If the piece of equipment will be used solely by Water, then only the Water Fund will pay for it. If the equipment is solely for snow removal, the General Fund pays for it. If the equipment is to be shared by all three, a combination of the three funds will pay for it.

Councilor Coen asked if the City Manager had changed his philosophy about repairing GSD equipment versus purchasing new equipment. In the past, the City replaced its equipment on a regular scheduled basis, so as to keep down repair costs. City Manager Aspell explained that is still the case, although because equipment is getting more expensive we have tended to keep equipment a bit longer. Going forward, it may make more sense to replace a vehicle after 8 years, for example, instead of 10 or 12. He explained that it is something the City Council should keep in mind going forward.

Councilor Kenison asked how many miles of streets could be paved with the additional funds allotted for the Enhanced Neighborhood Paving Program. City Manager Aspell indicated that the additional funds would only allow the City to pave one small street. He explained that paving costs are up, and, therefore, we are able to pave less streets with the amount of money budgeted each year.

Councilor Herschlag asked why the proposed FY 2020 CIP budget is lower than the FY 2019 CIP budget for FY 2020. In order to determine this, one would have to go through each project. City Manager Aspell will provide Councilor Herschlag and the other Finance Committee members with the FY 2019 and FY 2020 CIP Project by Category report.

Mayor Bouley asked City Manager Aspell to explain the reasoning behind the reduction in Cable TV revenue, as well as its impact on the funding for Concord TV. City Manager Aspell indicated that the City receives quarterly payments from Comcast. A portion of those funds go to the General Fund and a portion goes to Concord TV. Comcast revenue is decreasing, probably because less and less people are using cable TV service. As a result, the City will receive less money from Comcast, and Concord TV will receive less money from the City. This loss of revenue will impact Concord TV's programming and staffing.

At Councilor Keach's request, Deputy City Manager Brian LeBrun provided clarification on Workers Compensation costs.

With no other discussion, the Mayor noted that the next meeting would be on Thursday, May 23rd, at 5:30 PM, at which time the General Government, Police, Fire, and General Services budgets would be discussed.

At 7:10 PM, a motion was made and seconded to go into non-public session for the purpose of discussing compensation adjustment. The motion passed with a unanimous voice vote.

At 7:35 PM, a motion was made by Councilor Keach and seconded by Councilor Kenison to close the non-public session and seal the minutes. The motion passed with a unanimous voice vote.

With no further discussion, a motion was made and seconded to adjourn the meeting. The motion passed with a unanimous voice vote and the meeting adjourned at 7:37 PM.

Respectfully submitted,

Sue Stevens, Executive Assistant