

CITY OF BERLIN
New Hampshire

Minutes of Council Work Session of 5/8/2023
City Council Chambers
6:30 pm

Members:

Mayor Grenier
Councilor Robert Theberge
Councilor Remillard
Councilor Higbee
Councilor Eastman
Councilor Morency
Councilor Berthiaume
Councilor Roland Theberge

City Staff:

Phillip Warren, Jr., City Manager
Pamela Laflamme, Director of Strategic Initiatives
Holly Larsen, Finance Director/Tax Collector
Julie King, Superintendent of Schools
Shelli Fortin, City Clerk

Public: Lisa Connell, Berlin Daily Sun
Lori Korzen

At 6:33 p.m. Mayor Grenier opened the meeting.

1. Decision for Publishing the FY24 Budget

City Manager Warren passed out copies of the list of salaries for department heads, the budget report, and the estimated tax rate. Mr. Warren noted that the department heads are no longer in the Teamsters union, and salaries will be negotiated on an individual basis. Mr. Warren advised that the proposed salaries represent an adjusted salary for July of 2023, and a 3.5% increase in 2024 and 2025. Mr. Warren advised that this is based on a salary survey of other communities and that he wholeheartedly supports the wage adjustments. The list also includes a \$30,000 stipend for Mr. Warren to cover the duties of the Public Works Director, which he proposed doing for at least two years to formalize processes and procedures for the public works department before a new director is hired. Councilor Morency asked how much was budgeted for a Public Works Director and Mr. Warren advised \$60,000.

Mr. Warren advised that the budget report includes some adjustments where necessary, for a total appropriation adjustment of \$16,421.

The FY2024 estimated tax rate includes the same revenues as last year, and \$489,079 less in expenses due to a decrease in the school department budget. The amount to be raised is \$21,677,078. Mr. Warren suggested using \$2,030,000 from the fund balance, which includes \$520,000 from the school. Councilor Theberge asked what changes were made to the school budget, and Superintendent Julie King advised that the increase in insurance was less than expected, along with a decrease in fuel costs. No services were cut from the school budget. Mr. Warren advised that he is estimating a 1% increase in the MS-1 valuation. The estimated FY2024 tax rate is \$27.26, which is the same as the current tax rate. Mayor Grenier noted that the NH House passed HB1 and HB2, which included an additional \$900,000 for Berlin for education, but this has not passed the Senate. Mayor Grenier advised he called Senator Gendreau, who advised she would support the bills. If the city were to receive the additional funds, it could be added to the fund balance, or used to reduce the tax rate. Councilor Berthiaume asked what the amount was in the fund balance, and Mr. Warren advised they have not closed out for the year yet so he does not have the current balance, but is confident that they will have what is required. Councilor Robert Theberge asked about the Outside Agency funding for the United Way, which is in the budget as \$1,000 although they requested \$10,000. Mr. Warren advised this could be adjusted after the public hearing. Mayor Grenier advised that this budget is a draft for the public hearing.

Councilor Higbee moved, with a second from Councilor Robert Theberge, to approve the salary adjustments for the department heads as presented. So moved, the motion passed by roll call vote.

Councilor Higbee moved, with a second by Councilor Robert Theberge, to approve the appropriation adjustment in the budget in the amount of \$16,421. So moved, the motion passed by roll call vote.

Councilor Berthiaume moved, with a second by Councilor Higbee, to publish the FY2024 budget as presented for the Public Hearing.

It was noted that the budget for the School Department, Airport, and Capital Appropriations were not listed on the draft tonight, but will be included in the published budget for the public hearing.

So moved, the motion passed.

Mayor Grenier thanked Finance Director Holly Larsen for her work on the budget with City Manager Warren, and noted that with the increase in taxes last year it was imperative that the tax rate come in with no increase.

Councilor Robert Theberge asked about tablets for the Council, and City Manager Warren advised that it is still on the list of things to do. Councilor Robert Theberge also asked how the new finance software was working and Ms. Larsen advised it is working well.

2. Sewer Rate Setting

City Manager Warren advised that with the current financial conditions, he would like to keep the sewer rate as stable as possible. Mr. Warren proposed using \$1.3 million in unexpended fund balance to do this. Mr. Warren advised that the only thing that has changed in the budget is the cost of doing business, as the budget is stable. Mr. Warren stated that Superintendent Jon Goodreau has done a good job. Usage has not increased or decreased exponentially. Mr. Warren recommended that the rate be kept at the current rate of \$9.05. Mr. Warren advised that although the rate appears to be higher than other communities, Berlin only charges for 75% of the water usage. Mr. Warren suggested that at some point, they will want to assign policies to the use of the fund balance, as they will have costs in the future due to changes in the law and PFAS. Mr. Warren advised he will not recommend using the fund balance in the future due to these needs. Mr. Warren noted that there is money available in segregated funds if there was to be a catastrophic failure.

Councilor Remillard moved, with a second by Councilor Morency, to set the FY2024 sewer rate at \$9.05 per 100 cubic feet. So moved, the motion carried.

Mr. Warren noted that he has added a sentence on the sewer abatement form letting people know that abatements will not be issued for the filling of pools and watering of lawns, only calculation errors will be considered. They already only collect 80%, allowing for 20% of the usage for things such as washing cars and watering lawns. Mr. Warren advised this is beneficial for the customers, however most communities collect at 90-95%.

Mayor Grenier advised that he met with Superintendent King last week and is very comfortable with what they are doing and proud of the school department and the great job they do. Mayor Grenier stated that their heart is in it.

Councilor Morency noted that the meeting at the school last week about school funding was enlightening, and noted that cutting small amounts here and there in the budget is insignificant compared to state funding. Councilor Morency stated that he is happy to see the tax rate stay flat. Mayor Grenier stated that last year the school tax rate was between \$14-\$15 and that they are still spending more than many communities.

Councilor Roland Theberge asked if any funds would be available for the damage done by the last rain storm. City Manager Warren advised that they have not heard back as to whether there will be a disaster declaration. There would need to be a declaration before they could file for any funds. Mr. Warren advised they do keep track of expenses for personnel, materials, and equipment in case they are able to apply for reimbursement. Director of Strategic Initiatives Pamela Laflamme advised that they are still waiting on money from FEMA for the storm in 2017.

Councilor Roland Theberge noted that the area that they filled cracks in the pavement by Success has held up well. Councilor Robert Theberge asked about the square footage the new machine could fill at once time, and City Manager Warren advised it tows behind a truck and is a mobile process.

There was no other business.

Motion to adjourn by Councilor Berthiaume and seconded by Councilor Morency. So moved, the motion passed.

Meeting adjourned at 7:03 p.m.

Respectfully Submitted by Shelli Fortin