

Proposed FY 2019 City of Berlin Budget Public Hearing – May 23, 2018

Mayor Grenier opened the duly scheduled and advertised public hearing in the City Hall Auditorium at approximately 6:30 p.m. Present were Councilors Otis, Morgan Allain, Gentili, Remillard, Higbee, Nelson and Theberge. Also present: City Manager James Wheeler, Finance Director Patty Chase, Police Chief Peter Morency, Assistant Police Chief Daniel Buteau, Fire Chief John Lacasse, Superintendent of Schools Corrine Cascadden, School Board Members, City Department Heads, Outside Agencies, citizens and Barbara Tetreault, Berlin Sun.

Mayor Grenier welcomed everyone and explained this budget is a working document. This is an opportunity for the Council to hear comments about the budget from the public. There will not be any rebuttal from the Council. He asked that when asking questions, people please state their name and address and direct the questions to him. If he cannot answer the questions, he will pass the question to either Mr. Wheeler or Ms. Cascadden for the answer.

Mayor Grenier took a moment to review the highlights of the proposed budget as presented. The budget as presented will require a \$2.69 tax increase, bringing the tax rate to \$41.88. As noted by the story reported in the Berlin Sun, there are a number of council members that are not interested in allowing the tax rate to climb over \$40.00. To date, the proposed presented budget does not affect city positions, but the school's budget has been affected. Retirees' positions have not been filled.

The Mayor explained that when the budget was handed to the City Council in March, the request coming from Departments was for \$17,162,255 and that was reduced by the City Manager to \$13,302,438. The original school budget request was \$19,089,345 and the number is now reduced to \$18,190,437. The Mayor and City Manager have also been able to reduce the amount of the county tax to \$1,760,000. Even with the decreases that have taken place, it still places the tax rate at \$41.88. In order to keep the tax rate level the budget as presented would need to be reduced by \$800,000. Mayor Grenier stated that the figures presented are conservative and are based off of the current working budget through May 1st. With that being said, there are six weeks left before the final budget is voted on and further surplus and revenues may be available.

The budget line items are as follows:

01-401 Mayor and City Council: last year's budget \$66,382; proposed FY2019 \$71,658. The increase is in the cost of the City audit. The City is being required to audit the state retirement and liabilities accounts. There were no comments.

01-402 Administration: last year's budget \$1,032,253; proposed FY2019 \$1,023,959. There were no comments

01-403 Elections: last year's budget \$9,831 proposed FY2019 \$16,386. The change is due to there being two elections this year. There were no comments.

01-404 City Hall and Other Buildings: last year's budget \$51,240; proposed FY2019 \$52,847. The increase is due to the increase in price per gallon for heating oil. There were no comments.

01-405 Special Funds: last year's budget \$275; proposed FY2019 \$275. There were no comments

01-406 Property/Liability Insurance: last year's budget \$90,157; proposed FY2019 \$79,605. Mayor Grenier attributed the reduction to a better experience rating. There were no comments

01-408 Central Services: last year's budget \$25,000; proposed FY2019 \$25,000. There were no comments.

01-409 Discounts/Abatements/Deeded Property Total: last year's budget \$0.00: proposed FY2019 \$0.00. There were no comments.

01-410 Personnel Benefits: last year's budget \$353,205; proposed FY2019 \$349,262. There were no comments

01-411 Contingency: last year's budget \$9,600; proposed FY2019 \$9,600. These funds are used for emergencies or special funding requests. There were no comments.

01-412 Outside Agencies: last year's budget \$69,397; proposed FY2019 \$62,619. All agencies provide services within the community. There were no comments.

01-413 Cemetery: last year's budget \$17,961; proposed FY2019 \$17,961. This is for maintenance of all city owned cemeteries. There were no comments

01-416 IT Department: last year's budget \$150,950; proposed FY2019 \$147,900 for this year. These monies are for the maintenance and upkeep of all computers within the city exclusive of the Water Department. There were no comments.

General Government went from \$1,876,252 last year to \$1,857,072 proposed for the upcoming year. This is currently a proposed reduction in the amount of approximately \$19,000.

01-420 Police Department: last year's budget \$3,203,000; proposed FY2019 \$3,229,510. There were no comments.

01-421 Fire Department: last year's budget \$2,180,658; proposed FY2019 \$2,272,544. The increase is due to two employees that had previously been funded by the SAFER grant, are now being paid solely by the city. The remaining nine months will come out of the city budget. There were no comments.

01-422 Street Lighting; last year's budget \$156,200; proposed FY2019 \$109,000. The city is converting street lights to LED, as such, the electricity costs should be lower. There were no comments.

01-423 Ambulance Service: last year's budget \$335,000; proposed FY2019 \$341,000. Mayor Grenier stated that the feasibility contract that has been recently spoken about will take a look at whether or not the city should incorporate an EMS department with the fire department. The study will look at whether or not the city can save money and offer a better service to the community.

Rod Bengston, 329 Hillside Avenue asked what the money covers. Mayor Grenier stated that the ambulance operates with a budget and needs money to assist in subsidizing its operation. Mr. Bengston stated that he has heard that when a resident uses the ambulance service, there is a fee associated with it. He expressed his concern that the taxpayers are paying fees and

taxes for this service. Mayor Grenier stated that is the reason why a feasibility study is being completed.

Nicole Plourde, 111 Washington Street asked when the feasibility study is expected to be completed. It is anticipated to be complete by mid-October.

Greg Auger, 431 Willard Street stated that the fire department has experienced an increase in calls assisting with Berlin EMS. In 2017, 19% of the calls received were for assistance with those types of calls. There have been 58-60 calls year to date, and it looks like the fire department is on tap to assist with 120-130 calls this year. While the SAFER grant has expired, those staff members that were hired are qualified EMT's and medics.

01-424 Special Public Safety: last year's budget \$163,600; proposed FY2019 \$164,700. These monies include crossing guards and special detail. There is a revenue source that offsets these expenses. There were no further comments.

Total Public Safety in the current budget is \$6,038,457; proposed FY2019 is \$6,116,754.

01-425 Housing last year's budget \$138,300; proposed FY2019 \$62,380.

Rod Bengston asked why this budget is cut in half, noting that it has changed over the last couple of years. Ms. Chase stated that the housing position is a half time position and code has been taken out and put into its own account.

01-426 Code Enforcement last year's budget \$0.00; proposed FY2019 \$118,716.

Rod Bengston questioned what this amount covered. Mr. Wheeler stated that this money is for the code enforcement officer along with a part time secretary.

Mark Ginnetty 11 North Road stated that when looking at the housing and code budgets, it appears between the 2 accounts the bottom line increased approximately \$40,000. Mr. Wheeler said that there is a part time position included in the code enforcement line.

01-430 Public Works: last year's budget \$1,924,929; proposed FY2019 \$2,041,056. The increase is due to an increase in the fuel and road salt lines. There were no comments

01-436 Solid Waste: last year's budget \$829,875; proposed FY2019 \$860,742. There were no comments.

Total Public Works in the last budget was \$2,754,804 and proposed for 2018 is \$2,901,798

01-440 Health Department: last year's budget \$1,901; proposed FY2019 \$0.00. There were no comments.

01-441 Welfare: last year's budget \$152,474; proposed FY2019 \$115,990. Mayor Grenier stated that our Welfare Director is doing a great job to keep our welfare numbers in line. Ms. Martin-Giroux stated that part of the reason that her line is down is due to the fact that half of her office clerk payroll is now in the City Clerk line, because this position is now shared. There were no comments.

01-449 Parks: last year's budget \$274,843; proposed FY2019 \$267,279. There were no comments.

01-450 Recreation: last year's budget \$150,086; proposed FY2019 \$154,601.

Mr. Bengston inquired about this budget's increase. Mayor Grenier said that it is due to the price increase of fuel.

01-451 Library: last year's budget \$198,020; proposed FY2019 \$200,293.

Total Community Service last year was \$777,324; this year's proposal is \$738,162

01-470 Debt Service: last year's budget \$762,491; proposed FY2019 \$765,770. There were no comments.

01-480 Capital Improvements: last year's budget \$203,996; proposed FY2019 \$533,410

Mr. Wheeler reviewed a breakdown of the proposed capital improvements for this coming year.

Mr. Bengston asked why there is not monies anticipated on being spent on the streets. He mentioned that while the city has completed work on the main streets, there are plenty of streets that are being travelled on daily that have several potholes that need repair. He feels that the council really needs to look into those repairs. Mr. Bengston did give a "kudos" to the public works department for their work over last winter.

Nicole Plourde asked if any of the capital reserve projects will be covered by grant funds. Mayor Grenier stated that these projects cannot be covered by grant monies and will be paid for out of the general fund.

There were no further comments

Total City General Fund last year was \$12,551,624 and proposed FY2019 is \$13,072,061

01-460 Schools: last year's budget \$18,143,437; proposed FY2019 \$18,143,437. Mayor Grenier stated that the proposed budget is set to be level funded.

Mr. Bengston asked for his benefit why it costs taxpayers over 5 million dollars more for our schools than to run the entire city. There are approximately 1,100 students in a city of about 9,000 people. The school year is only 200 days per year.

Superintendent Cascadden stated that it is expensive to teach children. This year the school gained approximately 30 special needs students. It costs approximately \$100,000 per student per year to educate them. This is something that the city needs to carry. K – 12 education per capita costs are the second lowest in the state. The school has been level funded for years.

There were no further comments.

01-461 Schools Capital Improvements; last year's budget \$47,000; proposed FY2019 \$47,000. Mayor Grenier stated that over the last 4 years the city has lost \$465,000 in state aid for education. While this is being fought about in Concord noting that it is being said the state is in violation, we need to live within our means.

There were no comments.

01-407 County Tax: last year's budget \$1,556,553; proposed FY2019 \$1,760,000. Mayor Grenier stated that this number will probably change. It has gone up slightly as it is based on due to the city's apportionment of property values. At this time, the state keeps reducing monies available to the county as it is staying in Washington. There were no comments.

Total General Fund budget was \$32,298,615 and it is proposed at \$32,075,860 in FY2019.

FUND 10 School Education Grants. These grants have no effect on the tax rate; there are revenues coming in and the expense is reported here. There were no comments

11-464 School Food Services. Mayor Grenier noted that food services also have no effect on the tax rate. There were no comments

19-438 Recreation Activity. Mayor Grenier stated that user fees offset this account. There were no comments.

21-402 BIDPA

Mark Ginnetty asked what BIDPA is. Mayor Grenier stated that approximately 35 years ago BIDPA was created to manage the industrial park. There are other properties under their care, 175 acre parcel of land and 121 Main Street. BIDPA works diligently to bring new industrial and commercial business to Berlin. They have done a great job with this. They were able to land Capone Iron for the industrial park and have been working with North Country Growers. There were no further comments

30 Fund: There were no comments

59 CDBG Fund: There were no comments

60-432 Sewer Fund. Mayor Grenier stated that the city is now starting to pay on the mandated improvements as well as the increase in the price of fuel. Much of this is offset from revenues from the prisons. There were no comments

63-437 Landfill: Mayor Grenier stated that there are monitory costs for the landfill. The city's portion of these fees equates to 60%. The remaining 40% will be paid by the surrounding communities. There were no comments

65-434 Berlin Airport Fund: Mayor Grenier noted that the airport almost breaks even, there is only \$30,000 or less that the city subsidizes. There were no comments

Total FY 2018 Proposed Budget – all funds \$40,758,466

Barb Tetreault, Berlin Sun asked what about the revenue line for the PILT payment for forest lands. Mayor Grenier said that approximately 70% of the city's property is National Forest land, noting that this is a new payment.

Mike Caron, Caron Building Center, Union Street said that a \$2.69 increase in taxes would be hard on the city and residents. It is getting hard to get people here.

Roland Berthiaume, 46 Franklin Street, Captain Berlin Fire Department said that he had been appointed to a task force committee previously. This committee looked at for more efficient and effective ways to run the department. This worked great. Attitudes changed and the department works well together. He suggested that maybe this would help. Also, he expressed concern over the fact that non-profits are 52% of the city's valuation. He suggested that a PILT program be created to get some of that money back to the city. He knows that it is not a simple process, but he feels there is a huge in balance of those non-profits not paying for their share and absorb a tremendous amount of services.

With no further questions, Mayor Grenier thanked all those that cared enough to come to the public hearing to take part in the process. It is not easy and we need to keep our community together. Mayor Grenier declared the public hearing closed at 7:34 p.m.

Respectfully Submitted,

Elaine Riendeau
City Clerk