

## **City Council Work Session**

### **May 8, 2017**

Present were: Mayor Grenier, Councilors Otis, Remillard, Gentili, Morgan Allain, Higbee, Rozek, Nelson and Theberge

Others present: City Manager Jim Wheeler, Community Development Director Pamela Laflamme, Finance Director Patty Chase, City Clerk Elaine Riendeau, School Superintendent Corinne Cascadden, SAU 20 Superintendent Paul Bousquet, School Business Administrator Bryan Lamirande, Firefighters Viens, Hallgren, John Lacasse and Ray Dube, School Board Chair Nicole Plourde (6:45 p.m.), Barbara Tetreault, *Berlin Daily Sun*

Mayor Grenier opened the meeting at 6:30 p.m. He proposed changes to the agenda including removing Item 2 in non-public session which is no longer needed and removing Item 4. Additions include item 4a - Budget Discussion with the Schools and Item 4b Non Meeting for consultation with legal counsel.

Councilor Rozek moved with a second from Councilor Remillard to add and delete as addressed. So moved, the motion carried.

### **Tuition Agreement**

Ms. Cascadden explained that historically Berlin has had an Area Agreement with Milan where all their students attended Berlin schools. Milan was looking for choice to send students to other public schools and a committee was formed. The three year tuition agreement, beginning in 2018, is the result of the committee's work. By October 1 parents must make the request for a student to attend school in another district. In the tuition agreement, the "cost of special education" has become a billable service to the town above and beyond the cost of education.

In the tuition agreement all legal fees will be split and if legal fees are attributed to a discipline problem, then Milan will pay all legal fees. The Milan and Berlin school boards will hear a discipline issue for a Milan student at a joint meeting for a decision. Milan will share their minutes with the Berlin School Board. Milan will provide transportation to Berlin only; transportation to other districts will be the responsibility of the parent.

Mayor Grenier made the point that the tuition rates charged by Berlin are set two years prior. He questioned whether we should be charging what it costs to educate a student. If Milan is willing to pay more to other districts, then why are we shortchanging ourselves? Ms. Cascadden noted that is why legal fees and special education costs were added in the agreement. Mr. Bousquet commented that 98% of students will go to Berlin. Mayor Grenier added that if the townspeople are willing to spend more, then it is time they pay the actual costs, where we are now charging the two year old costs. School Board Chair Nicole Plourde entered the meeting at this time.

Mr. Bousquet noted that Milan voters were adamant that Berlin is the district where they want their children educated. There is no disrespect to the district, or to the Council.

Councilor Rozek asked if the tuition agreement, in the future, could state that the cost will be the going rate as opposed to the two year old rates we now charge. Mr. Bousquet noted that there is a clause to

open the contract for amendment if necessary. Mayor Grenier signed the tuition agreement however he stated that he would not agree again under these terms and he noted that he would be willing to participate as a member of a future committee. Mr. Bousquet left the meeting at this time. (7:00 p.m.)

### **Non-Meeting**

Councilor Rozek moved to go into non-meeting per RSA 91-A:2, I(c) legal consultation; Councilor Remillard seconded and the motion carried unanimously by roll call.

### **Tax Deed List**

Ms. Chase provided an updated list of properties that will go to tax deed May 19. There are three who have come in to pay in the last week. She asked to be informed if there are properties to exclude. Mayor Grenier asked if there are any with environmental issues. Ms. Chase noted that 21,22, 23 (640 Hillside Avenue, Ramsey Street and Flint Street) should be looked at. 14 and 51 (215 Glen Avenue, 325 Main Street) were operating vehicle repair shops. Ms. Chase added that, 4 (lot on North Road) has some notification issues that she is not comfortable with. She will hold the tax deed on 4. Council members acknowledged that there are many who come in at the eleventh hour to pay.

### **School Budget**

Mr. Lamirande reported that based on the Council's directive on March 8 to reduce the budget, the schools have surpassed the goal and come up with revenue, reductions or surplus of \$964,548. The schools are returning \$380,563 to the General Fund which is 1.75% of this year's budget. Mayor Grenier stated that the Schools have done an admirable job and he is thoroughly impressed by the work done.

Ms. Cascadden said that funding from federal projects is still not certain. Berlin's after school program that services 185 students and serves dinner Monday through Thursday is questionable. Funding for full day kindergarten is proposed for any district that has all day kindergarten. Berlin provides the service and its costs could now be State funded.

### **City Council Decision on Publishing the Budget**

Mayor Grenier stated that there is still six weeks before a new budget is adopted and this latest version brings a tax increase of .78 cents to the Public Hearing.

Mr. Wheeler distributed a memo that outlined the major cuts to the budget.

1. Consolidation of code/housing with an open clerical position at the fire station will save \$13,020. Councilor Nelson asked if payroll at the Fire Department could be absorbed into city hall payroll. Ms. Chase noted that payroll is summarized at the department level and the compiled data is sent to Finance where the checks are issued. Mr. Wheeler justified combining the positions because there is not a lot going on in housing at this time. Councilor Nelson reasoned that a lot could be absorbed by the working captains
2. There is \$104,110 in CIP funds in this year that will not be spent. Mayor Grenier stated that, because the Council appropriated the capital funds, there will have to have be a 2/3 majority to move those funds into the budget.
3. In segregated funds, there is \$262,960 that would go to the UFB. Ms. Wheeler noted that he retained funds where he thought the project was necessary. Councilor Remillard asked to see the breakdown of what will be cut. She asked that the list be e-mailed.

4. Additional reductions totaling \$135,000 including \$90,000 of pwd equipment replacement will be cut from this year's budget request. The PWD equipment would have been a 6 wheel all-wheel drive truck with plow and wing. Councilor Rozek asked for an update on the loaders to include the year purchased and hours that are on the machine.
5. Mr. Wheeler proposed to eliminate the general fund subsidy to the airport which amounts to about \$28,500. In every budget, in order to make the airport budget balance, funds were brought in from the general fund. The Airport Authority met and they are determined to reduce personnel costs and they plan to run the airport with the money that is generated from fuel sales and other income. The potential for a timber harvest has also been considered.
6. The sewer user administration fee to the general fund has been increased from \$99,000 to \$212,000. The increase is justified since the City bills and collects sewer fees and there is some administration provided by the Public Works Director and City Manager.
7. Reductions were made to the fire department budget in the amount of \$94,569.
8. There is \$60,000 of projected surplus in the Police Dept budget
9. The School Department has come in with \$964,548 of cuts and surplus

Using just over \$1 million of UFB to offset the tax rate will result in a tax increase of .78. Councilor Nelson referred to a directive from Mayor Grenier given to the Council at a prior meeting about finding \$100,000 in the budget. She questioned whether the exercise is still going to happen. Mayor Grenier noted that there is a reasonable budget to present to the public hearing. Councilor Rozek noted that there is still the opportunity to make changes up to the meeting that the budget will be passed June 19.

Councilor Nelson asked if creating more revenue is still in the plan and Mr. Wheeler indicated that Public Works will be coming in with a plan for additional revenues.

Mr. Wheeler went through the expense budget and referred the highlighted items as those reduced.

Councilor Nelson asked if there are duties that were assigned to the Health & Welfare Director since the salary remained the same and there is no longer a Health Department. Mr. Wheeler noted that the Director has been assigned additional duties in code.

The Assessment contract has been cut which reflects the expenses experienced in the last few years. City Hall janitorial services are reduced based on moving the Code Department to the Fire Department which would leave most of the basement level unoccupied. If we find use for the space, the services could be put back in.

In the fire department budget there is a variety of cuts that add up to \$94,569. Mayor Grenier noted that the proposed budget does not lay anyone off at the bottom. How we manage replacement of the chief will be a discussion for the future.

Councilor Nelson asked about the SAFER grant and how far into the budget the funding will take us. Mr. Wheeler stated that with October 1 as the deadline, we will need to file an amendment to carry over the funding. We should be able to estimate based on when each firefighter was hired.

In Public Works (430) the seasonal supervisor was taken out because the summer crew of inmates will work with a current supervisor.

In Solid Waste (436) there is a \$25,000 decrease in tipping fees to reflect reducing yard waste and bulky waste. If we don't pick it up off the curb, it will reduce tipping fees.

The Health Department has a WC reduction from Primex. The annual audit for the Health Department still needs to be done.

Councilor Nelson confirmed that the Parks Department still has four people. Mr. Wheeler noted that there is a foreman, operator and laborer; one person was moved to public works.

Capital Improvements (480) were cut from \$558,786.00 to \$204,000.00

Councilor Nelson stated that renovations at the Police Department could wait in favor of adding some of the necessary PWD equipment. Mayor Grenier noted that any item can be added back in by a 2/3 majority vote. Councilor Rozek clarified that the dump truck and sander would be operated on long straight runs which could quicken snow plowing.

In the Sewer Fund, the administrative fee was raised so that sewer fees will pay for actual costs.

The airport changes are significant and part time personnel will replace full time so that there are no health benefits and no retirement costs.

Councilor Remillard asked if BIDPA would take on more administrative fees and Mr. Wheeler stated they are actively talking with BIDPA.

## REVENUES

Mr. Wheeler explained the increase in account 01-362-603-0002 saying that Mike Perreault has developed a list of non-profits and commercials that we pick up waste for. The plan is to create a fee for these commercial and non-profit entities. The Council will be asked to approve a fee structure at a later meeting.

Misc Revenue shows a known amount that the City will receive from health insurers.

The National Forest pays the City a PILT of \$20,000 and councilors agreed that, considering it encompasses 48% of the City's land mass, the payment is minor.

Councilor Nelson mentioned dog licenses that have been at \$6.50 for a long time. Ms. Riendeau reported that there were 858 dogs registered last year, and 658 so far this year. Mayor Grenier was not in favor of increasing license fees fearing that the cost would discourage some from licensing their dogs.

Mr. Wheeler added that code fees will also be reviewed and a proposal for increased fees will come to the Council.

Moving Downtown Forward funds will be cut with the exception of projects that are already started such as a Welcome to Berlin sign and updated signage in the downtown area.

Councilor Rozek confirmed that changes can be made to this budget until June 19 which is the day of final passage. Mayor Grenier reminded everyone that reducing the budget takes a majority vote and adding takes a super majority (2/3).

Councilor Nelson moved to offer the [budget](#) as presented tonight for public hearing on Wednesday, May 24, 2017 at 6:30 p.m.; Councilor Rozek seconded and the motion carried unanimously.

Councilor Rozek moved with a second from Councilor Theberge to adjourn the meeting. It ended at 8:50 p.m.

Respectfully Submitted,  
Susan Tremblay  
Administrative Assistant