

Proposed FY 2018 City of Berlin Budget Public Hearing – May 24, 2017

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, Rozek, Higbee, Nelson and Theberge. Also present: City Manager James Wheeler, Finance Director Patty Chase, Police Chief Peter Morency, Assistant Police Chief Daniel Buteau, Assistant Fire Chief Thad Soltys, School Business Administrator Bryan Lamirande, School Board Members, City Department Heads, Outside Agencies, citizens and Barbara Tetreault, Berlin Daily 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.

Mayor Grenier explained that when the budget was handed to the City Council in March, the request coming from Departments was for \$17,889,800 and that was reduced by the City Manager to \$13,342,000 and the Council reduced it further to \$12,610,000. The City Manager's budget would have increased taxes by \$4.59 per thousand and the Council pared that to an increase of .78. The current tax rate is \$39.19; \$39.97 is proposed. Mayor Grenier went on to say that this is a working document and will not be adopted until the third week of June.

The Mayor stated that he will go over each account or department line item and will ask for public comments as well as offer an opportunity for public input at the end of the hearing. He reported that the handout mistakenly has a date of FY 17 expenses as of 12/15/2017 when it should indicate 12/15/2016; he thanked Mr. Bengston for catching the misprint. He asked that anyone making a comment state their name and address for the record.

There was a reduction in part time personnel. Mr. Wheeler stated that a part time position in the fire department is consolidated with Code and a half time position in the City Clerk's Office is consolidated with Welfare.

The budget line items are as follows:

01-401 Mayor and City Council: last year's budget \$59,820; proposed FY2018 \$66,382. The increase is in the cost of the City audit. There were no comments.

01-402 Administration: last year's budget \$1,138,570; proposed FY2018 \$1,034,753. There were no comments

01-403 Elections: last year's budget \$16,712 proposed FY2018 \$9,831. The change is due to there being only one election this year. There were no comments.

01-404 City Hall and Other Buildings: last year's budget \$56,136; proposed FY2018 \$54,799. There were no comments

01-405 Special Funds: last year's budget \$260; proposed FY2018 \$275. There were no comments

01-406 Property/Liability Insurance: last year's budget \$93,489; proposed FY2018 \$90,157. Mayor Grenier attributed the reduction to working safely resulting in a drop in WC insurance. There were no comments

01-408 Central Services: last year's budget \$265,000; proposed FY2018 \$25,000. This was an accounting for fuel purchases by city departments. Fuel will now be purchased from local vendors using a WEX card. There were no comments.

01-410 Personnel Benefits: last year's budget \$322,640; proposed FY2018 \$353,205. The increase is attributed to insurance costs for retirees who are not yet on Medicare. There were no comments

01-411 Contingency: last year's budget \$9,600; proposed FY2018 \$9,600. These funds are used for emergencies or special funding requests. Funding in the amount of \$2,000 was approved for Summit Salute, a North Country veteran's event that will take place at the Mt. Washington Auto Road.

01-412 Outside Agencies: last year's budget \$74,517; proposed FY2018 \$67,397. There were no comments

01-413 Cemetery: last year's budget \$12,961; proposed FY2018 \$17,961. There were no comments

01-416 IT Department: last year's budget \$132,750; proposed FY2018 \$150,950 for this year. There were no comments.

General Government went from \$2,289,558 last year to \$1,880,311 proposed for the upcoming year.

01-420 Police Department: last year's budget \$3,093,790; proposed FY2018 \$3,218,880. The primary increase is due to increases in the cost of the NH Retirement System. There were no comments.

01-421 Fire Department: last year's budget \$1,920,966; proposed FY2018 \$2,219,658. The increase is due to four employees being funded by the SAFER grant for three months. The remaining nine months will come out of the city budget. There were no comments.

01-422 Street Lighting; last year's budget \$145,200; proposed FY2018 \$156,200. The city will work with Eversource to improve street lights to LED and rather than funding through capital, the savings in electricity will pay for the new fixtures. There will be brighter street lights and in 24 months it will be paid for. There were no comments.

01-423 Ambulance Service: last year's budget \$329,000; proposed FY2018 \$335,000. The city has begun some discussion on how to deliver ambulance service differently. We are wanting to see if it would be more cost effective to provide the service in house.

Angela Martin Giroux, Promenade Street, Gorham asked if there is a reason we are subsidizing ambulance more this year. Mayor Grenier replied that there is an increase built in to our contract with the ambulance service company. There were no further comments.

01-424 Special Public Safety: last year's budget \$90,800; proposed FY2018 \$163,600. The increase is reflected in revenues as well.

Michael Laflamme 197 Willard Street asked for further clarification and Mayor Grenier noted that the expense is for police department special detail such as traffic control. The expense will have a corresponding revenue. There were no further comments.

Total Public Safety in the current budget is \$5,579,756; proposed FY2018 is \$6,093,337.

01-425 Housing last year's budget \$43,100; proposed FY2018 \$138,300. The building inspector position is now funded in this account. There were no comments.

01-430 Public Works: last year's budget \$1,904,305; proposed FY2018 \$1,924,929. The slight increase is primarily due to benefits and group 1 retirement. There were no comments.

01-436 Solid Waste: last year's budget \$814,985; proposed FY2018 \$829,875. Tipping fees at the transfer station are \$67 per ton. The City is looking at having tax exempt properties pay a fee for garbage pickup since they don't pay taxes. Revenue in the amount of \$30,000 has been proposed.

Janet Tremblay, 812 Second Avenue asked how the money will be collected. Mr. Wheeler replied that we will put a program together to charge nonprofits and commercial property owners for garbage pickup.

Pauline Tibbets, 300 High Street asked how much will be charged. Mr. Wheeler noted that everyone will be allowed a few cans; however those who put out large amounts of garbage will be charged.

Total Public Works in the last budget was \$2,719,291 and proposed for 2018 is \$2,754,804

01-440 Health Department: last year's budget \$571,756; proposed FY2018 \$1,901. Mayor Grenier stated that the City exited the home visiting nurse business in the current year. Medicare made it impossible for the city to break even for the service and in recent years, it had operated at a loss. There were no comments from the public.

01-441 Welfare: last year's budget \$112,207; proposed FY2018 \$152,474. The increase is because the welfare director is entirely funded in the welfare department whereas the position had been split between health and welfare. There were no comments.

01-449 Parks: last year's budget \$264,239; proposed FY2018 \$274,843. This is for maintenance of parks. There were no comments.

01-450 Recreation: last year's budget \$136,970; proposed FY2018 \$150,086. There were no comments.

01-451 Library: last year's budget \$193,145; proposed FY2018 \$198,020.

Michael Laflamme, 197 Willard Street asked, "Where is that kind of money going?" Denise Jensen, Library Director replied that the major portion is benefits and salaries; there are also books and audio books as well as books on line, funded through the State Library. There is also a small amount for building maintenance. Mr. Laflamme stated that with the technology available today, that amount is outrageous. There were no further comments.

Total Community Service last year was \$1,278,316; this year's proposal is \$777,324

01-470 Debt Service: last year's budget \$557,891; proposed FY2018 \$762,491. There were no comments.

01-480 Capital Improvements: last year's budget \$495,343; proposed FY2018 \$203,996

Mr. Laflamme asked, "What capital improvements?" Mr. Wheeler went through the capital items that would be funded in this budget: structural improvements for floor at the Fire Station \$12,000; protective clothing for firefighters \$37,500; Police cruisers \$34,200; Rifles \$10,000; PD Radios \$5,000; Ballistic Vests \$10,000; Replacement windows at police station \$5,000; In house monitoring system for the PD \$15,000; Radar Units for the PD \$5,026; AED's for PD \$5,660; Police Building Repairs \$20,000; Drain Line Replacement \$20,000; and Heritage Park \$5,760

Mr. Laflamme asked why these projects don't come from the department's budget. Mr. Wheeler explained that it is conventional accounting practice to keep capital items and operational budgets separate. There were no further comments

Total City General Fund last year was \$12,963,254 and proposed FY2018 is \$12,610,564

01-460 Schools: last year's budget \$17,984,343; proposed FY2018 \$18,154,357.

Rod Bengston of 329 Hillside Avenue asked how many students are in local schools. Bryan Lamirande replied that there are about 1,200 and the average cost per student is about \$14,000 to \$15,000. Mr. Bengston confirmed that the amount is consistent with State average. He then asked about tuition students and Mr. Lamirande explained the method that is used to come up with tuition rates.

Mr. Bengston commented that buses go back and forth with only a few kids on the bus. He asked if there is a way to cut travel time for the buses and associated expenses. Mr. Lamirande noted that the schools have software that configures the best routes. Mr. Bengston said that more could be done. There were no further comments.

01-461 Schools Capital Improvements; last year's budget \$211,000; proposed FY2018 \$47,000. There were no comments

01-407 County Tax: last year's budget \$1,647,881; proposed FY2018 \$1,730,000. There were no comments

Total General Fund budget was \$32,820,847 and it is proposed at \$32,541,921 in FY2018. Mayor Grenier stated that this includes a reduction in state aid from this year and another reduction that would be set to go into effect for next year. There is a bill in the Legislature that proposes to freeze school funding at its current level.

10-483 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

21-400 BIDPA There were no comments

30 Fund: There were no comments

59 CDBG Fund: There were no comments

60-432 Sewer Fund. There were no comments

63-437 Landfill: There were no comments

65-434 Berlin Airport Fund: There were no comments

Total FY 2018 Proposed Budget – all funds \$39,870,920

Mayor Grenier reported that there is another month to work on this. We hope to receive additional revenue and if that does not happen, the Council is prepared to pare expenses even more. This is a frugal budget and the Council is sensitive to put forward a budget people can live with.

Mr. Laflamme stated that as a whole, this is pretty good. Overall, the Council does a great job and he commended them.

Mr. Bengston questioned why the final budget amount is less than last year and yet, why will taxes go up? He asked what the breakdown is on tax paying and exempt properties. Mr. Wheeler replied that 52% pay and 48% are tax exempt. Mr. Bengsten said the Council does a great job though he thinks the city is getting shafted on administration in every department. There are too many supervisors. Mr. Wheeler noted that there are three supervisors in public works and the overtime supervisor's line item pays for overtime work by those three foremen.

Noah Halgren, 1829 Riverside Drive representing IAFF stated that on behalf of the firefighters, he extends gratitude to the Council for the tools and manpower to accomplish their job.

There being no further comments from the public Mayor Grenier thanked all for attending and declared the public hearing closed at 7:28 p.m.

Respectfully Submitted,

Susan Tremblay
Administrative Assistant