

CITY COUNCIL WORK SESSION
FY05 Budget Process

Monday, September 27, 2004 - 6:30 p.m.

Conference Room A

City Council Present: Mayor Sirrell, Councilors Grasso, Ferrini, Marchand, Pantelakos, Hynes, and Whitehouse

City Council Absent: Assistant Mayor Hanson and Councilor Raynolds participated through a conference call

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Dianna Fogarty, Human Resources Director; David Moore, Community Development Department; Andrew Purgiel, City Auditor; Gail Cunningham, Water and Sewer Accountant; and Michael Magnant, Police Chief

I. Call to Order

Mayor Sirrell called the meeting to order at 6:35 p.m.

II. Introduction and Purpose of Meeting – John P. Bohenko, City Manager

City Manager Bohenko said that the City Council requested in July to hold a work session regarding the process and format of the FY06 budget.

III. Presentation – John P. Bohenko, City Manager

- **Charter Provisions Re: Budget**
- **Budget Schedule FY06**
- **Budget Format**

City Manager Bohenko said that the budget is two fold, one what is required under the Charter and two the policy decisions of the City Council. He said that seven years ago the City Council established an Ad-Hoc Joint Budget Committee to understand areas of concerns within departments and other areas. He provided the City Council with a draft of the FY06 budget schedule. He said he is recommending holding the public hearing on the budget before work sessions are held with departments. The public hearing would be held on a separate night from a regular City Council meeting and he suggested Tuesday, May 3, 2005. He reviewed areas that have been added to the budget such as a budget message, organizational charts, Capital Improvement Plan summary, fee schedule, School Department budget, rolling stock and account structure.

Finance Director Belanger discussed the guidelines for Government Finance Officers Association (GFOA). The budget provides a clear explanation of the financial structure for all major funds, a summary of revenues and expenditures, and a fund balance summary schedule. There will also be more statistical information provided under this format.

City Manager Bohenko said that this is a process that will take place over several years. He said we need to add value to what we are getting when adding items and statistics to the budget. He said that the City Council needs to allow time to make this document better and useful. He suggested a period of two to three years to restructure the budget. He discussed the operating and non-operating expenses as well as the money sent to the State because of the Statewide Property tax.

IV. General Discussion / Questions and Input

City Manager Bohenko asked the City Council if they were in favor of holding the public hearing on the budget prior to the work sessions with departments.

Councilor Whitehouse said he wants to better educate the public on the budget and its process. He said the budget presentation should be brief to not lose the interest of the public. City Manager Bohenko said he would like to assign time slots for the presentations.

Councilor Ferrini said he would like to have the presentation available on the web site prior to the meeting. City Manager Bohenko said he would caution that because providing partial information on a budget can be a problem.

Councilor Pantelakos agreed to hold the public hearing prior to the departmental work sessions.

Councilor Grasso said each department should be given 30 minutes for their presentation followed by public input. She said she would have no problem holding the public hearing over two nights to allow for public input. City Manager Bohenko said that Mayor Sirrell would need to recess the public hearing to continue it to another evening.

Councilor Marchand said that all public comment should follow the presentations. He said he would like to get a handle on how much we spend relative to our population and reach out to the public to find out what their priorities are for the budget.

Councilor Reynolds said he agrees with the other Councilors on the timing of the public hearing. He said substance of information provided in the budget is important.

Mayor Sirrell said she would like to see two budgets this year, one with no increase in expenditures and one with just fixed costs with no new programs or positions. She said we need to look at every program to make sure we are spending the taxpayers money efficiently.

Councilor Reynolds said we need more summary information in the budget such as, what a department is proposing to spend, what you get for that money, and what it costs to provide that item in the budget.

Councilor Ferrini said he is interested in the cost per service ratio and a comparison over years. He said he would like to know how we stack up against other major NH and tourist communities. He said he would support a no increase budget.

City Manager Bohenko said a great deal of input was provided this evening and he and the staff will sort through it and decide what would add value to the City Council. He suggested scheduling another work session. He said that we need to be patient and take a couple of items and add them to the budget document.

Councilor Pantelakos said the Council needs to stand together united on the budget process and have no increase to the tax rate even if it means making cuts.

City Manager Bohenko said that we are going to build the budget using the traditional model, working with the GFOA model and try to incorporate some of the changes suggested here this evening.

V. Conclusion

- **Next Budget Work Session to Finalize Budget Format**

City Manager Bohenko said that he would ask the City Council to set a date for another work session at the next City Council meeting.

VI. Adjournment

At 8:30 p.m., Mayor Sirrell closed the meeting.

Respectfully submitted by:

Kelli L. Barnaby, City Clerk