

CITY COUNCIL WORK SESSION

FINAL FY10 BUDGET REVIEW

May 13, 2009 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

City Council Present: Mayor Ferrini, Councilors Novelline Clayburgh, Dwyer, Smith, Spear and Hejtmanek

City Council Absent: Assistant Mayor Blalock, Councilors Kennedy and Pantelakos

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Andrew Purgiel, Controller; Dianna Fogarty, Human Resources Director; Gail Cunningham, Controller; Dr. Robert Lister, Superintendent of Schools; Steve Bartlett, School Business Administrator; Steve Zadravec, Assistant Superintendent of Schools; Christopher LeClaire, Fire Chief; Michael Magnant, Police Chief; Karen Senecal, Police Department; and Kelli L. Barnaby, City Clerk

Other Officials Present: School Board members - Rebecca Emerson, Kent LaPage, Ann Walker, Leslie Stevens, Dr. Mitchell Shuldman, Sheri Ham Garrity, Patrick Ellis, and Dexter Legg; Police Commissioners – John Golumb and Jerry Howe; Fire Commissioners – Richard Gamester and Paul Wentworth.

I. Call to Order

At 6:30p.m., Mayor Ferrini called the work session to order. He advised the City Council that this is the final FY10 budget review work session. He thanked everyone for their hard work on this budget and its process.

II. Introduction

City Manager Bohenko spoke regarding the budget process and various work sessions that have been held by the Council. He said it is anticipated that the Council will vote on the budget at the June 22, 2009 City Council meeting. City Manager Bohenko said as part of this work session he would like to review with the Council the pro-forma budget resolutions that will require adoption at the June 22, 2009 meeting.

III. School Board Responses to Mayor Ferrini's Letter

Mayor Ferrini thanked Dr. Lister for the additional information provided relative to the data requested by the City Council. Dr. Lister said he would like to discuss the items requested in order to provide additional information. He reported that the \$381,000.00 returned in FY08 were funds for special education that were not used.

Mayor Ferrini requested information regarding performance indicators from the School Department be provided earlier in the budget process. Dr. Lister said the School Board is looking into creating an index for performance indicators. Dr. Lister advised the City Council that the School Department is at the point where they cannot make any further cuts without laying off teachers. He reported that they continue to visit requirements to meet the needs of the students and said a reduction of \$785,000.00 would devastate the School Department. He spoke to the School Department recommendations to reduce the budget by \$231,685.00 and how they reached that number (Referred to as Version A “Zero Increase”).

Version A “Zero Increase”

| <u>Location</u> | <u>Position</u> | <u>Savings</u> |
|-----------------------|---------------------------|--------------------|
| High School | Library Media Specialist | In original budget |
| High School | Guidance | In original budget |
| Middle School | Computer Integrator | In original budget |
| Dondero School | Special Education Teacher | In original budget |
| High School | Computer Teacher | \$28,985.00 |
| High School | Athletic Trainer | \$33,777.00 |
| High School | Spanish Teacher | \$13,455.00 |
| High School | Math Teacher | (\$4,404.00) |
| Little Harbour School | Teacher LOA | <u>\$10,274.00</u> |
| | | \$84,087.00 |

STAFF REDUCTIONS

| <u>Location</u> | <u>Position</u> | <u>Savings</u> |
|-----------------|--------------------------------------|--------------------|
| PEEP | Clerical | In original budget |
| High School | Para | In original budget |
| | • Health Insurance for two positions | \$39,598.00 |

OPERATING EXPENSE REDUCTIONS

| <u>Location</u> | <u>Position</u> | <u>Savings</u> |
|-----------------|-----------------|---------------------|
| ALL | Energy | \$110,000.00 |

Relation to ZERO

(\$3,263.00)

Subtotal Version A \$231,685.00

Councilor Dwyer asked if the first 4 positions will not be filled. Business Administrator Bartlett reported that the first 4 are a result of retirements or resignations. He reported that he takes the amount the person currently makes and averages the cost out to what the new person would make coming in. The next 5 items are the difference between the original school budget with what it would cost to replace a new person. Business Administrator Bartlett spoke to the energy savings in the School Department.

Dr. Shuldman, School Board Chair, said that these are recommendations and the School Board has not had an opportunity to speak to these items and they will meet the zero percent requested by the Council. However, they may not be through the items brought forward this evening.

Councilor Spear said that he would support Version A as presented by the School Department. He feels it places all budgets on equal ground. He said that everyone has done a great job and spoke to the additional external factors that have changed since the original budget guidelines were presented by the City Council. He spoke to the current economy and expressed concerns going forward.

Councilor Dwyer said during the budget process she provided information on class sizes. She said over the last 10 years the trend has been a decrease in sizes versus an increase according to information provided by the School Department to the State of New Hampshire.

Mayor Ferrini said he appreciates the hard work put into this budget and would support Version A by the School Department.

Kent LaPage, School Board member, spoke to concerns with future budgets and further reductions and potential impacts. He addressed the costs associated with special education and how it affects the budget.

Dr. Shuldman, School Board Chair, spoke to a previous letter from the School Board suggesting to meet with the Council through out the year to discuss various issues. He said he would like to send another letter to the Council for consideration.

City Manager Bohenko spoke relative to the State's deliberations on the budget and its affect on municipalities. He reported that there is a potential for the City to lose school aid from the State from our renovations to the High School.

Councilor Novelline Clayburgh thanked the Superintendent of Schools and School Board for working to provide this budget.

Patrick Ellis, School Board member, said that class sizes have increased over the last 5 years and he does not want to see the School Department go backwards because it could take away from the education provided to students and their future.

Mayor Ferrini called a brief recess at 7:30 p.m. Mayor Ferrini called the meeting back to order at 7:40 p.m.

IV. Review of Pro-forma Resolutions for Budget Adoption

City Manager Bohenko said he wanted to provide the City Council with the type of Resolutions that will need to be adopted at the June 22, 2009 meeting. He reported that fees only reflect 1% of our General Fund revenues.

V. Questions and Discussion

City Manager Bohenko spoke to the Professional Management Association contract and recommended that the City Council approve it at Monday evening's Council meeting. He informed the City Council that it would reduce the collective bargaining by \$107,000.00. He also advised the City Council at the recommendation of Assessor Maurice-Lentz, we could reduce the overlay line item by \$100,000.00.

Councilor Smith thanked the City Manager for providing this information to the City Council. He asked if we could reduce the Contingency Fund line item. City Manager Bohenko said he would not recommend reducing the Contingency Fund.

City Manager Bohenko advised the City Council that adjustments would be made to the budget based on the information provided this evening.

Councilor Novelline Clayburgh said that the Council has reduced the original budget presented by 50%.

VI. Adjournment

At 8:00 p.m., Mayor Ferrini closed the meeting.

Respectfully submitted by:

Kelli L. Barnaby, CMC/CNHMC
City Clerk