

Proposed City Budget Public Hearing
May 25, 2011

Mayor Grenier opened the duly scheduled and advertised public hearing in the City Hall Auditorium at approximately 6:30 p.m. Present were Councilors Remillard, Otis, McCue, Evans, Rozek, Nelson and Theberge. Also present: City Manager MacQueen, Elizabeth Domino, Police Department personnel, Fire Department personnel, Corinne Cascadden, School Board Members, Angela Martin-Giroux, Denise Jensen, Mike Perreault, Terry Letarte, Outside Agencies, several citizens and members of the press.

Mayor Grenier opened the meeting with the Pledge of Allegiance. For the record, the Mayor explained that Councilor Ducharme had a previous engagement in Washington, DC so she could not make tonight's meeting. The Mayor explained that rather than just go over a general overview he would also give a report on the existing delinquent taxes which is a serious problem. He will also go over the methodology in formulating the budget which is an annual exercise. This won't be a final product but just a proposed budget. The actual budget won't be passed until generally the third week of June. They will check to see what is left in unspent appropriations and if a majority of Council feel it is appropriate to supplement budgets. They will have no hard figure until the night the budget is passed. The Mayor advised people to look at page 2 of the proposed budget under general fund and pointed out that they have revenue associated with expenditures so it has no effect on the tax rate. The City Manager proposed to Council an appropriation of \$31,855,670.91 and Council is proposing \$31,319,727.91 for a reduction of \$540,000. Increased county tax and increased revenues are understated. The end product is on page four to see the totals of the current tax rate which is \$31.70; the FY'2012 department request left unadjusted brings it up to \$33.87, the City Manager worked to reduce it to \$33.19 and Council worked hard for seven weeks to reduce it down to \$32.38 which would be a 68 cent tax increase.

The Mayor then referenced the Tax Delinquency Report which is 55 pages long and represents \$1,311,783.98 in property taxes currently not paid. This presents a unique challenge to the City Council on how to balance the budget and how to maintain services and a proper education for our kids. The community is struggling and that is the dilemma Council is undertaking. Some people may not know but the Council makes \$700 per year. If you decipher the per hour rate it is less than \$1.00 per hour. There is a disagreement where the budget currently stands but people have to understand that the Council is here not for themselves but for the community. They are hearing it from both sides for more appropriations and that people are struggling to make ends meet.

The Mayor presented the budget first by department appropriation. He stated if a person has a question in that department they should raise their hand to speak to Council, go to the podium and state their name and address for the record. This is a public hearing not open for Council to debate. If you are happy say it and if you are not happy, this is your opportunity to say it.

M&CC: Pays benefits, worker comp and municipal audit. No questions.

Administration: Encompasses management employees, OPEIU and benefits, operations of the building and the Comptroller Office. No questions.

Elections: Increased due to the mandated ten year purge of the municipal voter checklist. No questions.

Ch&OB: Has a \$4,200 reduction this year. This line item includes upkeep, heat and maintenance of the building. No questions.

Property/Liability Insurance: A slight reduction since the vehicle fleet is older except for the Police Department, there are no new vehicles. No questions.

County Tax: Significant increase due to a decrease to the state cutting back on their appropriations to the county. The Mayor commented that if you are going to be in the nursing home business, you have to properly take care of old folks. No questions.

Central Services: In/out account for all departments in the City if we need gas or budget operations. It also generates revenue in this expenditure and is tax rate neutral. This is how the auditors want us to track purchases. No questions.

Personnel Benefits: For retirees and folks drawing retirement benefits.

Andy Langlois, 382 Church Street, asked if the money is also set aside for them in the General Fund or is that just for city employees. The Mayor replied it is for municipal employees only.

Contingency: This line item is unappropriated money used for any special community event like the Sergeant Durant parade. The City tries not to spend the money unless there is a need. No questions.

Outside Agencies: Includes NHMA, Chamber of Commerce and other agencies that do lots of work in the community that would be thrust on other departments in Berlin if these agencies were not here. We are able to leverage agencies like the AV Home Care and Northern Human Services. Without these agencies welfare would be a much higher appropriation. The appropriation for the Main Street Program and Heritage Park has been reduced in size. No questions.

Cemetery: For the care and maintenance of cemeteries which includes mowing. No questions.

Transfer out: This is a new line item created at the request of the auditors due to new Federal Accounting Practices. No questions.

Police Department: Increase in line item but also an increase of revenues to offset the numbers. The Police Department has yet to receive word about the grant to add a police officer that was eliminated. They got creative with the COPS Grant and were able to add an officer with grant funds for that position.

Joe LaPuma, 71 Wood Street, asked if no grant is received, does it come out of the budget. The Mayor replied that yes it does.

Andy Langlois, 382 Church Street, thanked the Mayor and Council for raising the Police Department budget. He has recently dealt with them and they are very courteous and professional and he appreciated a good job done.

Fire Department: From the Mayor's own personal view, he does not want to eliminate manpower in the City. They are trying to find funds to keep manpower level and to make sure we have a safe community. We have the only full time Fire Department in Coos County. He keeps reverting back to delinquent taxes and the effect on the budget.

Chief Trull, 46 Franklin Street, resides and pays taxes here. He is in opposition to the budget due to the fact that his department is facing two layoffs. We have an aging community infrastructure which is dangerous. The Chief thanked the Mayor and Council for their effort to support his department and he understands. That said, the issue they face is response times and the reduction in staff jeopardizes the safety of men and morale of the department. They have a good department and are making progressive steps like implementing scheduled fees. They are not perfect but are the best and will continue to be the best and need people in order to be the best. He had an opportunity to teach a class in southern New Hampshire and heard a true story about an incident about a chimney fire that went from one request to two requests and no one showed up. It went to three requests and no one showed up and it went to four alarms and went to mutual aid. That department had just laid off staff and no one showed up for a chimney fire. With an aging infrastructure we will have that risk and the greatest need is in the first five minutes. Chief Trull encouraged the Mayor and Council to view a web site www.greatamericanheroes.com which is a true story about history repeating itself. He thanked the Mayor and Council for their time and efforts.

Pat Tremblay, Firefighter, owns and pays taxes for three homes in Berlin. He said what the Mayor and Council have to think about is his safety as a taxpayer and for his safety as an officer.

Noah Hallgren, High Street, is one of the Firefighters slated to be laid off due to the budget cuts. He thinks the crew's safety is worth more than a few cents on the tax rate. He appreciated keeping the tax rate down and maintaining at some point that taxes do have to go up. He thanked Council for the time they put in the budget.

Rodney Bengston, Hillside Avenue, is glad that everyone came out to the meeting tonight. The delinquent tax problem should inform the Council that people are having a hard time. The Town of Littleton went through the same process and had to lay off personnel and they are closer to an interstate that brings people in for a tax base. He doesn't mind paying taxes for services but he doesn't want to increase taxes to increase someone's pay due to a contract signed two years ago or health benefits. He has worked four years and can't afford health insurance for his wife and himself and does not want to pay taxes to help someone else pay theirs. He would rather see more firefighters than pay increases or health insurance for employees. People are having a hard time to pay their taxes.

Justin Jacques, 440 Norway Street, is one of the firefighters being laid off. The Fire Department has serious injuries sustained due to lack of manpower. You have a pump operator trying to run three things at once and accidents can happen, heart attacks, broken bones while trying to do what they have to do with what they have. He has lived here twenty-seven years and gave time back to the school by coaching. He lives in the community by choice and said Council does a great job and thanks for listening.

Street Lighting: No changes. No questions

Ambulance Service: They split the difference. The BEMS is facing the same issues as the City with reduced Medicaid. It is a vicious cycle with the Federal Government. No questions.

Housing Coordinator: This is for the salary of Andre Caron who will be leaving at the end of the year. He will stay on to help train the new person. This position is reimbursed in grants and the effectiveness in a small expenditure of money has significant impacts. Eight - Ten buildings have been demolished and in terms of fire safety and police calls we save money. In two or three years they hope to be able to bring supply and demand of non-housing to drive out undesirables who move from community to community.

Rodney Bengston, commented that with all these buildings the lots are not big enough to rebuild on so what is being done? Mayor Grenier replied that they are offering the lots to abutters to join existing lots which puts it back on the tax rolls so it becomes a small tax revenue. At some of the blocks the landlord was behind on taxes, the police were there all day, they had special needs kids in schools, so they had expenses that exceeded taxes.

Public Works: Getting rid of 2 positions as well. No questions.

Engineering: Public Works Director will be adding responsibilities for Laura Viger's job which will be split between 3 people saving the city \$40,000. The Public Works Director will now be responsible for the fields/parks. No questions.

Solid Waste: The city needs two representatives. Councilor McCue is for the city and Mayor Grenier represents unincorporated places in Coos County. The Mayor reminded all that we must recycle to reduce fees. No questions

Health Department: They did not replace Laura but assuming responsibilities of the Health Department is Angela Giroux the Welfare Director who does a great job and will run that department. Angela knows all the rules and regulations and has saved the city money by keeping the welfare budget flat for 8 or 9 years. Strides have been made in the city. No questions.

Recreation/Parks: Reduced due to Laura Viger leaving and increased the secretary line item to fund Terry who has been with that department thirty-one years and will be taking on additional responsibilities. Her talents are unsung but she does great job. No questions.

Library: This reduction is painful because it eliminates lots of per-diem help. There may also be a reduction in services and hours to the city. They need to fund this properly to make sure service is not affected. No questions.

School: \$500,000 increase in operations. Last year the schools took the biggest hit in layoffs with fourteen full time staff. Most departments did not suffer loss of head count but the school department was crushed. This year there is lots going in increased cost Council increased money since the schools did lots to reduce operating costs.

Corinne Cascadden, Hutchins Street, School Superintendent said it has been a long budget season. She commended the Council for their due diligence because it has been time consuming and all challenging. She enjoyed the dialogue and it is a good thing when Council asks questions for transparency reasons. Berlin has educated many throughout the years but the community is in dire straits. Since 2009 the schools have decreased \$155,000 in administrative salaries alone and have restructured and downsized. They have been under microscopes for school accreditation and have passed for the next five years and have been the top three for many years. State aid for state education continues to be cut. The schools had a two day visit by state consultants and the principals had to identify twelve competencies for adequate education. When the team left from Berlin they could not believe how well we make things happen to provide the appropriate education requirements. One thing Ms Cascadden wanted to point out was that the School Board did not lay off any of their 108 teachers and the result was teachers with a two year contract and no raises. They also took a cut in health insurance since 80% was negotiated for all employees who will now be on an HMO and the third item is the health waiver that went from \$5,000 for twenty-four employees who all agreed to decrease to that amount to \$2,000 and if the couple both work for the schools, they will not get a waiver. This has saved the schools over \$200,000. The schools listed carefully and worked with their heating and ventilation contracts and tried to provide services downsized with Honeywell in half and are going to train their own people on software to make their own repairs. She cannot guarantee no layoffs for the eighty-five education assistants since some are dependent on state mandates. There are at least twenty employees that fall in this category and she can't promise jobs in the fall. The School Board is dedicated to provide quality education to our kids.

Debt Services: For the school department. They did their roofs with that money. No questions.

City Debt Service Total: The Mayor and City Council pride themselves that the city is not highly indebted. They are in good shape and are careful how they spend money and what they do with capital improvements. It helps when departments go for equipment on a lease purchase such as the Fire truck and PWD truck. No questions.

Capital Improvement: May be able to increase since the school department was crafty on how to spend their money. They had \$60,000 to replace doors/windows and hired a man out of this years' operating budget. Sometimes you have to think out of the box and maximize people's skills. No questions.

General Fund: Other items like grants and they have revenues to offset them. These are in and out items. No questions.

The Mayor completed the budget presentation and opened the floor at this time to take general comments from the public.

Andy Langlois, 382 Church Street, moved here from Vermont and southern NH. You just have to look to the west and see what other people pay and there is not a lot to whine and cry about here.

Walter Hansen, 57 Sweden Street, encouraged the Mayor and Council and Berlin to take a look out there to see that our country is in the toilet. He travels lots for business and everything is for sale. People drop keys off and go on welfare and old people in the country are discouraged. We're a family here and we have to look at priorities. The Fire Department has spoken and they have concerns. Critical issues need to be put in a category. We are in a transitional phase in our culture. Our parents lived during the in depression and lived in under-acceptable conditions, Berlin's taxpayers and employees need to take care of ourselves. It's a tremendous opportunity to have intelligent and creative thinking. Our forefathers did what they had to do but we have to get down and dirty and negotiate and make a settlement. The fire and police department are a priority. We have got issues but need to step forward and take less for a short time. The fat days are over and this is the opportunity to increase taxes and we have to pull together.

Mike Perreault, 48 12th Street, Public Works Director heard tonight how the school got crushed in their budget. This is his fourth budget and every year the size of his department has shrunk. It will be a challenge to provide the same services. He only has \$200,000 for paving and \$365,000 for asphalt which is not enough. They will do the best they can but it is not only the school that got crushed. He does not want Council to lose sight of that.

Joe LaPuma, Wood Street, agrees with Mr. Hansen that they don't mind paying more but would rather pay more than lose a fireman. He would rather lose a garbage man than a fireman.

Mayor Grenier thanked all for attending tonight's meeting and commented this is not a finished document. Council is looking at every way not to lose employees or positions. They will do everything in their power to work on that.

There being no further comments or questions on the floor, Mayor Grenier declared the proposed budget public hearing closed at approximately 7:41 P.M.

A TRUE RECORD, ATTEST:

Debra A. Patrick, CMC

City Clerk