

**CITY OF LACONIA - CITY COUNCIL SUBCOMMITTEE MEETING
FINANCE COMMITTEE
CITY HALL ROOM 200B
6:30 P.M.**

12/19/2022 - Minutes

1. CALL TO ORDER

Chairman Lipman called the meeting to order at 6:36 PM

2. SALUTE TO THE FLAG

Councilor Cheney led the salute to the flag

3. RECORDING SECRETARY

Katie Gargano, City Clerk

4. ROLL CALL

City Clerk Gargano called the roll of the following members Councilor Cheney, Chairman Lipman

Absent: Councilor Hamel

Chairman Lipman confirmed 2 members were present and a quorum was established.

5. STAFF IN ATTENDANCE

City Manager Kirk Beattie, Finance Director Glenn Smith, DPW Director Wes Anderson, Assistant DPW Director Nate Jurta

6. ACCEPTANCE OF MINUTES FROM PREVIOUS MEETINGS

6.A. City Council Finance Subcommittee Minutes of November 28, 2022

Minutes of the November 28, 2022 Finance Committee meeting were distributed to members of the City Council Finance Subcommittee on December 1, 2022

With no corrections or changes submitted to the Clerk, the minutes of November 28, 2022 were accepted as distributed.

7. FINANCE (Lipman (Chair), Hamel, Cheney)

7.A. Request to increase Sanitary Sewer rates beginning February 1, 2023

Chairman Lipman began the meeting by discussing the need to the increase in the fees for the Sewer and at the last City Council they left off with sending it to this committee to look at further options.

Manager Beattie stated he, the DPW director and the Assistant DPW Director worked on the percentages needed to keep the fund from going in the red. The increase percentages changed each year over a 5-year period.

Chairman Lipman doesn't want to disagree that there is no need for these items that are causing the increases, but he wants to discuss a different way of funding these.

Chairman Lipman asked if we were to finance the capital, what would be the rate increase we'd have to have? What is left over after you remove capital? And what would that rate increase would be?

Director Anderson explained the SSF fund is for undesignated to cover in case of an emergency.

Chairman Lipman gave an example that the Council has created noncapital reserve fund, we could borrow to create the reserve fund to help offset the rate increase.

Director Smith is understanding he is asking for us to bond money to put in the bank. The reason for the increases is because there was a long time with no rate increases, and now they are trying to play catch up on top of inflation.

Assistant Director Jurta said that a 9% increase is the lowest DPW can impose as an increase that would not build the SSF or go towards any capital items, it would keep them from going into the red. There are several items that can be inventoried to a longer life span as a capital item. The new customer fees for the sewer connections is something that can be looked at, compare to other communities, 100-150 new connections at most by year. Based off all the new construction permits.

There was a discussion about sewer inspections of the private systems. There would be over 100 private sewer systems in Laconia to be managed. They would need to hire a new employee to manage the project.

Director Anderson needs an affirmation that he is getting the OK that he will have the 118k payment for the northern lakeport project.

The committee would like to see different scenarios on what increases of 6, 7, or 8% instead of the proposed 9%. The goal is to effectively match a capital expenditure with matching tenure financing streams because of the current inflation rates.

The group is going to continue to work on further numbers and they will schedule another meeting.

8. **Any other business that may come before the Committee**

9. **ADJOURNMENT**

Chairman Lipman adjourned the meeting at 7:35 PM

Respectfully Submitted,

Katie Gargano, City Clerk