

CITY OF LACONIA - CITY COUNCIL SUBCOMMITTEE MEETING
FINANCE COMMITTEE
City Hall - Armand A. Bolduc Council Chambers
4:00 P.M.

6/4/2025 - Minutes

1. CALL TO ORDER

Chairman Soucy called the meeting to order at 4:02 PM

2. SALUTE TO THE FLAG

Chairman Soucy led the salute to the flag.

3. RECORDING SECRETARY

Katie Gargano, City Clerk

4. ROLL CALL

Clerk Gargano called the roll of the ~~following~~ committee members: Councilor Cheney, Councilor Soucy and Councilor Hoffman.

Chairman Soucy noted that all the committee members ~~were~~ in attendance and a quorum was established.

5. STAFF IN ATTENDANCE

Kirk Beattie, City Manager; Glenn Smith, Finance Director

6. APPROVAL OF MINUTES

6.A. Approval of Finance Subcommittee meeting minutes of April 22, 2025

Councilor Hoffman made a motion to accept the minutes as distributed. Seconded by Councilor Cheney **Discussion:** None.

The *motion passed with all in favor.*

7. FINANCE SUBCOMMITTEE (Soucy, Cheney and Hoffman)

7.A. FY26 Budget Discussion

Manager Beattie stated that on Monday there will be the 1st reading of the budget. The public hearing will be held on June 9th with no action being taken that evening. On June 23rd during the regular City Council meeting, there will be the 2nd reading of the budget, they will have the option to vote on the budget at that point, but he doesn't recommend that. Manager Beattie suggests that they will most likely vote on the budget at the July 14th meeting. There was a discussion about the status of the state budget and how they could see a couple of things impacting us, but not major impacts.

Manager Beattie went over some upcoming changes, revenues came in slightly higher than expected. There is some land that has been sold by the Concord Co-Op and the city gets a share of

the profits, so that was added to the revenue line for next year and that is going to help us. In the internal service fund, there was a shortfall undetected that was under DPW, they were able to fix that by moving some money around in the budget. It could effect us next year but he is not too worried about it at this point. Manager Beattie explained to the committee what the Internal Service Fund is and how it works. The shortfall that was undetected was in DPW, it didn't affect the money that Director Anderson showed the other night at his budget presentation for purchasing replacement vehicles, but it did affect the money that they pay to repair some of their vehicles. Manager Beattie also noted that Director Anderson does a lot of his purchases through lease purchase programs, and he does a great job with getting creative with his purchases. Manager Beattie went over the different purchase options that the city has. The revenues will not show an increase now that the money has been moved into the ISF.

Manager Beattie continued for transparency purposes in revenue it shows some of the money that we are receiving from the airport bond, part of that money that we are bringing in is going to pay for part of the bond, but we are going to save some of the money and hope it will earn some interest. We still have 2 or 3 payments coming. We are showing it as revenue to meet our tax cap compliancy. We try to be 100% fiscally responsible but we do have to get creative sometimes to make things work.

Councilor Hoffman asked about the tax increase for this year. Manager Beattie stated if they go to Page 4 in the proposed budget book. There is a 2.8% increase from the city side, 3.8 % from the school side, total 4.9% to be raised by taxes. The tax rate estimate is \$13.54/ 1,000. Director Smith noted that the valuations are as of April 1st but they are not reported to the State of NH until September 1st so the amount may change, these are just estimates of what the tax rate may be. Councilor Soucy asked if there was a chance of it decreasing. Manager Beattie stated that there is a chance it could go down, they did estimate on the conservative side.

Manager Beattie stated he fixed a licensing item that was \$1,000 and that doesn't really affect them. He removed some money from Health First, Community Wellness Center was cut in half, they removed some capital stuff that doesn't need to be addressed right now, planning had money taken from one line that was overfunded and moved to another line. Money was moved out of solid waste into ISF, there is some money from the sale talked about earlier into ISF.

The health insurance adjustment was \$165k more than expected. In this budget there is money for the Chaplin at the Fire Department, the pumpkin fest budget will also be added to the resolution.

At this point Manager Beattie is \$157k short, options are removing from the City Manager contingency line for \$125k (page 10 in the budget book) that was put aside to fund half year for project manager in the Planning Department and half year for crime analyst at the Police Department. And if he takes away the \$45k for a Chaplin at the fire department, then we are done. But the other option is, and he has spoken with the Police Chief about this, If he removes the Chaplin, he knows the police department has some vacant positions that we previously filled by a grant and we know they may not be filled right away and would provide some funds and the Police Department and then if he removed 1 of the 2 half year positions it put them right on the money on what they need.

Manager Beattie is looking for opinions from the committee on where to get the funds. Councilor Soucy thought that Manager Beattie had already found the money by taking it from someplace else so they could keep those new positions. Manager Beattie stated the only way we would be able to keep the positions is to increase revenues by charging more money for items through the Department of Public Works or Planning, that is something he would have to look into and he doesn't know how easy that would be. Manager Beattie stated that he fully supports these two new positions, but something to think about next year is going to be a tight year and these two half year positions will become full positions. Councilor Hoffman feels the position in Planning is more important rather than police at this time since the equipment is not ordered yet and it is unknown when the equipment will be installed, and when they will be ready to hire for the position. Councilor Cheney agreed. Councilor Hoffman stated that it is important to get someone in there, so we are not

playing catch up. There was a discussion about the police department positions and the options of not filling the 2 new positions that were added that were previously funded by a grant. Manager Beattie reiterated that it is real money that they will need to find next year as full positions and it will be challenging.

Councilor Soucy would like to see impact fees getting properly charged, Manager Beattie stated that impact fees cannot be used for personnel. There was a discussion about how the tax cap works and what happens each year.

All committee members feel it is time to look into the tax cap, not getting rid of it all together but to look at changing some of its parameters. Councilor Hoffman noted the County tax bill that the city receives and has to pay, but it continues to increase and it is out of our control but it takes away from our cap allotment. It should not include things that we cannot control.

Councilor Hoffman would like to know how much the city was paying to the county at the time the tax cap was passed, compared to what we are paying today. Director Smith is going to look into that and get the information out to the committee.

The consensus from the committee is for Manager Beattie to keep the planning position in, and if he can keep the other 2 as half year positions he will. Councilor Cheney and Councilor Soucy expressed some concern. Councilor Cheney stated that the police department has his full support 100% but he isn't sure that they are truly going to need that position this year since they don't have all the equipment yet. Councilor Cheney stated he was going to be going to watch a demo of it soon. Councilor Hoffman stated he was not in favor of such a large item in the budget just for the software licensing. Councilor Cheney understands the chief's concern about getting someone on board but the system hasn't even been ordered yet and it may take time to get it up and running. Manager Beattie noted that it hasn't been funded yet, it is in their approvals for this year's budget. The committee wonders if they will be able to find a grant to help pay for it, since the police department has been so lucky with obtaining grants over the years. Councilor Soucy also questions the \$45k for a Chaplin, he grew up in a city with 120k people and there was a priest who worked as a department Chaplin at no cost. Councilor Cheney thinks in today's world there is no such thing as free anymore. Councilor Hoffman doesn't want to tell Chief Joubert how he should spend his money for training and mental health. If he wants to use the money allotted for a Chaplin, that is fine but he doesn't think it should be a position in the budget. The Manager stated he does not have the 45k in the budget now. The committee agreed that the project manager is the priority. Manager Beattie will tighten this up for Monday's meeting and it will go to the full Council for their approval and he will let them know what was discussed at this meeting.

7.B. Discussion of property valuations

Steve Hamilton, Contracted Assessor and Tara Baker, Assistant Assessor

Chairman Soucy asked Mr. Hamilton if there is an option to spread out the value increase over the 5 years versus a property owner getting hit harder every 5 years. Assessor Hamilton stated that is not an option, they need to take a snap shot as how the parcel appears in the market at the given time. They conduct an update of the whole city every year to ensure values are in line with the market. It is the buyers and sellers that establish the value. They don't have a way to take and apply increases over a period of time.

Manager Beattie says he recalls speaking with Councilor Cheney and Councilor Soucy about this in the past.

Chairman Soucy stated that we as a city, have no influence of what a value of a home is, it is all based on supply and demand and what people are willing to pay.

Assessor Hamilton stated yes that is correct, they use mass appraisal technique, they have tables that lay out different home types, home features, neighborhood types, water access, mountain

views, etc. there are classes of property that change at different rates, the rate that the whole city changes are reflected in the tax rate. The tax rate has gone down over the past several years because of the large growth in value in the city. Some taxpayers may experience an increase or decrease in their taxes based on the type of property they own and how the value of their property has changed.

Councilor Cheney brought up a complaint he received from someone stating their taxes went up \$10,000 in one year. Assessor Hamilton stated that he believed that parcel was due to it being under construction one year and only receiving a partial value and then when it was completed and the tax year changed, the value was increased to the full value of the new home.

Chairman Soucy explained the issues in the area that we are struggling with involving the prices of homes, the availability of affordable homes, the rates of rent and how it is very tough for so many in our area and the city has no say and cannot create rent control. That is why he brought up the question about spreading out the value increases to try to even things out.

Any person who has a question about their taxes should come to the Assessing Department for an explanation.

Manager Beattie confirmed that over the past few years the city has not seen an increase in abatement requests. He feels there is an understanding amongst taxpayers.

Councilor Hoffman asked how often all the parcels were re-evaluated. Assessor Hamilton stated-they are inspected every 5 years; they look at 20% of the city each year to rotate through the whole city over the 5-year period. The sales are updated every year in the whole city, and they adjust the tables that are used to determine the value.

Councilor Soucy asked about view tax, Assessor Hamilton stated that the best way to look at this is it is not property tax, it is property value tax. Every element of a property that creates value for the property needs to be assessed and included in the total value. Some may include a view that will be reflected in your value because that is something you paid for and something you would expect your buyer to pay for.

Councilor Soucy asked if we still assess the tax-exempt properties in the city. Assessor Hamilton confirmed that they all get valued. There was a discussion about various charitable and exempt parcels in the city. Assistant Baker stated that some pay a PILOT (payment in lieu of taxes).

Chairman Soucy thanked Assessor Hamilton and Assistant Baker for coming to the meeting for the discussion.

8. Any other business that may come before the Committee

Chairman Soucy stated there were presentations that were distributed to the city councilors on the state school property. He'd like to hold another meeting in a couple of weeks to discuss the presentation and to discuss what Bonds are coming off in 2028 and 2030. Councilor Soucy would like to look at the bonding now and what we are looking for in the future.

Manager Beattie would like to see a combined meeting with the committee and the department heads. He also stated that Pillsbury will be at the city council meeting on Monday night. The MOU is for the council; the plans are for the TRC.

9. ADJOURNMENT

Chairman Soucy adjourned the meeting at 4:55 PM

Respectfully submitted,

Katie Gargano, City Clerk

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