

Minutes were approved on June 12, 2023, by the City Council.

**CITY OF LACONIA - CITY COUNCIL BUDGET MEETING  
CITY HALL- ARMAND A. BOLDUC CITY COUNCIL CHAMBER  
6:00 P.M.**

5/22/2023 - Minutes

**1. CALL TO ORDER**

Mayor Hosmer called the meeting to order at 6:01 PM

**2. SALUTE TO THE FLAG**

Councilor Felch led the salute to the flag

**3. RECORDING SECRETARY**

Katie Gargano, City Clerk

**4. ROLL CALL**

Clerk Gargano called the roll of the following Councilors: Councilor Cheney, Councilor Soucy, Councilor Haynes, Councilor Felch, Mayor Hosmer.

Absent: Councilor Lipman and Councilor Hamel

**5. STAFF IN ATTENDANCE**

Kirk Beattie, City Manager; Glenn Smith, Finance Director

**6. PRESENTATIONS**

**6.A. Department Budget Presentation**

Water Department - Ben Crawford, Superintendent

Went over page 91 revenue page of the proposed budget. This is based off of the rate increase that went into effect January first of this year. The rate went from \$21.00 to \$25.00 per unit. It was about a 19% increase but only about a 4% increase per quarter per year. The consumption went from \$2.35 to \$2.55. No large pushback has been received. They are not planning another rate increase but the one that occurred at the beginning of the year is factored into this budget.

The water billing revenue for residential and commercial went up about 13%. The backflow prevention test rate has changed to \$40.00. The funds transferred from savings is included in the budget because the water department has had budget in the red about 7 times in the last 10 years. The water department total income is about 6.7% over from last year. Councilor Felch asked when was he last time there was a rate increase. The last time was 2018. Councilor Soucy said they are seeing a reduction in consumption even though the City has grown and has more users.

Expenses are shown on page 92. Some expenses that the water department has are the following: salaries up 8% and a 3% COLA with added steps, production expenses (maintenance of water treatment plants, cost of chemicals, etc.), and power. Distribution expenses are based on things

that could go wrong like water main breaks, services and hydrants. Billing expenses includes postage and a potential contract for electronic billing. Other expenses include a contingency fund which has been zeroed out to cover expenses across places they thought would be hit harder. Mayor Hosmer asked if zeroing out the reserve fund is a practice that has been recommended and if so by whom? Mr. Crawford said they did talk to Heath Melanson about it. They have absolutely no problem with it because of where the funds are going. This gives them a better look at where they are under and where they are over. Finance director Glenn Smith confirmed this for the council.

Mayor Hosmer referred to Page 91, labor sold, testing, income for meters, spike in chemicals, how are we going to adequately continue to bring in enough revenue. For labor sold, how is it factored? They bill based off of a 39% increase of the base price. The price for a truck to go to a site is \$20.00 per trip. It is a truck full of the required equipment. Mayor Hosmer gave an idea of increasing the fee to \$50 plus an hourly rate. Councilor Cheney asked if it is \$20.00 and that's it or if its \$20.00 per hour. Mr. Crawford explained that each time the truck has to go out it is \$20.00. So if they make 2 trips its \$40.00. Also if a truck goes out and sits at one site for two and half hours total and doesn't go back it is still only 20.00. The Council agrees that this is too low. Mayor Hosmer would like to see what the anticipated budget is going to be. Show what the budget request is, what we anticipate revenues being and anticipated expenses all on one sheet. Another question from Mayor Hosmer was if salary increases are based off of longevity alone or if there is a performance aspect as well. It is generally looked at as having been here for a year and you get the step increase. They have been including performance and have held a few employees from getting a step increase because of this. Councilor Felch mentioned that they have had a few openings and was curious if there are any incentives for new hires and for keeping them long term. Mr. Crawford explained the openings over the last 4 months were due to a higher up employee leaving a position and current employees transitioning upward. As for the incentives there is nothing more than the standard municipal rates for sick and vacation. There has been a call time rate added in for employees on call. The only trainings not paid for by the water department is the CDL course. Councilor Haynes asked if there is anything showing up in the water that should be cause for concern. There is not. They have actually been told that their raw water is actually cleaner than some they send out in the distribution systems. Mayor Hosmer also stated that every time they look as a water cooler it makes him wonder why the water department doesn't do their own water coolers. The water department has looked into the possibility of bottling water or even trucking water to residents for their pool as a way to increase revenue. Councilor Cheney asked if years of service for individual employees could be added.

Page 95 refers to the capital budget. Year and year there are meter and pumps replaced. Treatment plant exterior upgrades have been postponed until they really know they need to do something. The truck is not going to be replaced yet. Its older but has low miles. The wet well rehab is the main tank down on the water on Paugus Bay. It's the one pumping well basically to go up to the treatment plant. Mixers for the trucks to mix the water. Projects on Appleton, New Salem, Opechee and Belvidere Street. All of those were put in there because of DPW potentially working on those roads. These projects may not happen if the budget doesn't allow and focus the money on any pressing issues. Councilor Soucy asked if there is a going to be a new pump station out by Briar Crest Estates. There is currently a pump station that serves that area that is roughly 30 years old. The water department has been talking with DOT (owner of the land) to install an above ground pump station. This is not happening immediately as they are looking for all types of funding as it is easily a million dollar project. Councilor Cheney asked if they have looked at he state school property to find out what their needs might be. They met recently and their gallons per minute or gallons per day was still similar to having a 750,000 or 1,000,000 gallon tanker. There was a flow test on the hydrants in that area and they do have the capacity based on what is currently there to supply what they need.

Mayor Hosmer thanked Superintendent Crawford for his presentation.

## 6.B. Department Budget Presentation

Laconia Public Library - Deann Hunter, Library Director; John Moriarty, Library Board Chair.

Director Hunter spoke of some highlights in the library, the children's program attendance and visits have increased tremendously.

The salary line is a huge part of the libraries budget. Because of the top few employees with longevity, the retirement of the prior director and the promotion of the current, there is a .06% overall. The supply lines are not an ask for more supplies but rather to cover the increases in what the supplies cost. Materials such as books and non-print budget does have a slight increase but a decrease in the periodicals budget. They found a subscription to value line was not useful. It's an investment resource. There is a request for an increase of 10.7% in programs. They do 4 exhibits annually and there is a need for some supplemental purchases.

Preventative maintenance is increasing because there is a need for repairs along with the preventative maintenance of the 18-year-old HVAC. Mayor Hosmer asked if the \$12,000 is not enough. She said this is based off of what was needed over this past year as they are \$7,500 over on the HVAC line. She thinks \$19,500 is a much more accurate number. Mayor Hosmer suggests looking at the county to see if there is any money through the ARPA fund. Mr. Moriarty stated that this has not been looked at as capital items and asks for guidance on this.

The largest increase they are seeing is the maintenance of their building. The Gail Memorial Library is 120 years old, the addition is now 18 years old. They are trying to keep the building the same as it was originally built. This year alone they have had to replace 7 glass panels on the upper level in the addition because the seals had failed. They will be separating out the janitorial costs with the maintenance fees. The combined cost for FY23 is \$62,000. For FY24 the budget request for janitorial cost is \$35,400 and an additional \$66,400 for maintenance and improvements. Councilor Soucy asked if this should part of capital items to get some kind of bond. Mr. Moriarty said they are trying to collect those number and see what the immediate stabilizing projects are that we need to look at but on the other end of that they are scheduled to have a meeting with the original project architect to hopefully help sort through what are real capital projects. Councilor Haynes hopes these improvements can get done ASAP. Councilor Cheney agrees with Mayor Hosmer to look into ARPA money as well as any fund for historical preservation and any other possible grants and agrees with Councilor Haynes.

She went over a list of projects, they have received some work on the proposals, the exterior painting including the tower, resealing the parking lot, repairing the skylight, and replacing the seal of the stained-glass window. This comes out to roughly \$27,000 when added up together.

Mayor Hosmer thanked both Director Hunter and Mr. Moriarty for their dedication and hard work.

**7. Any other business that may come before the Council**

**8. ADJOURNMENT**

Mayor Hosmer adjourned the meeting at 7:03 PM.

Respectfully submitted,

Katie Gargano, City Clerk