



MINUTES OF
THE SPECIAL CITY COUNCIL MEETING
Somersworth, NH
APRIL 29, 2019
7:00 P.M.

ROLL CALL OF MEMBERS

The meeting was called to order at 7:00pm by His Honor, the Mayor, Dana S. Hilliard, and upon roll call, the following Council members were present: Pepin, Vincent, Dumont, Austin, Michaud, Witham, Sprague, Cameron, and Levasseur.

PLEDGE OF ALLEGIANCE

Councilor Levasseur led the Pledge of Allegiance.

Update on the budget.

City Manager Belmore outlined the amendments to the budget up to this point:

- Increase of \$500 to Community Support Somersworth Farm to School
- Increase of \$5000 to COAST Bus Service
- Increase of \$4000 to Wages Election Workers
- Increase of \$400,000 to Educational Expenses

Which leaves the budget \$402,046 over the tax cap.

LAY ON THE TABLE

Councilor Witham, seconded by Councilor Austin, made a motion to remove Ordinance 17-19 from the table. The motion passed, 9-0.

Mayor Hilliard stated that he knows they will all have a variety of opinions and approaches when it comes to what we would like for the final product for the fiscal year 2019-2020 budget. We will do it based on the model that our local government has become known for throughout the state, with respect, civility and our team approach.

Councilor Witham made a motion to suspend rules for the duration of the budget discussion to allow for questions of City Staff and School Officials, seconded by Councilor Levasseur. The motion passed, 9-0.

Ordinance No. 17-19 – FY 2019-2020 Budget

C-8, Lydia's House of Hope, Motion made by Councilor Cameron, seconded by Councilor Vincent, to increase by \$500.

Councilor Cameron stated that she wanted to have this on the books for next year.
The motion passed, 9-0.

C-70, 44175, Hot Top and Patch, Motion made by Councilor Witham, seconded by Councilor Sprague to increase by \$10,000.

Councilor Vincent said he is on the Public Works and Environment Committee; he said we have a Public Works Director who put in this budget. Why do we have to increase it?

Councilor Witham said at a recent meeting, there was a discussion as to how they came to that number. They are looking to increase maintenance activity not remain status quo.

Councilor Vincent said, regarding the new planer, he'd like to see them walk instead of run with this. He said he would like to get a year into this to see if the hot top budget needs to be increased.

Councilor Pepin said he sat in on this meeting as well. Director Bobinsky said he would rather wait a year to see how far the hot top goes. Based on Bobinsky's recommendations, he'd like to stay where it is.

Councilor Cameron asked if Director Bobinsky could address this question.

Director Bobinsky said in regards to the question, this amount is consistent with the current mode of operation. This is patch material to fill pot holes and depressions. The issue is to what degree we change our operations.

Councilor Cameron said that an additional \$10,000 would increase the level of maintenance.

Director Bobinsky said that is correct.

Councilor Sprague said the planer makes the job quicker. And if so, we could accomplish more and need more material.

Director Bobinsky said for delaminated pavement, this will be quicker and more effective.

Councilor Sprague said we currently don't do repairs to delaminated areas. If we are now doing delamination, that will require more material.

Director Bobinsky said the intention is to maximize the budget.

Councilor Witham stated that if this doesn't pass, he will not lose sleep. The constant lament is we need to do more road work. There are delaminated sections of Drew Road. Mayor pointed out several delaminated sections in his neighborhood. On Rocky Hill Rd, there are countless delaminated sections. Lily pond Road is falling apart from end to end. If this amendment doesn't pass, we do some work just not as much.

Councilor Vincent said his point is that his is a new piece of equipment. It will take some time to understand and use. There will be trial and error. He wants to put \$50,000 into the budget, but it takes time.

Councilor Austin said this request is similar to building maintenance. We have spent a lot of money on road structure, and we need to maintain what we have.

Councilor Witham said this has nothing to do with the planer. His is about material. Roads are in need of repair even if we didn't have this equipment. This is a better application method.

Councilor Pepin said bottom line is, that we have a Department Head that put a line item into the budget and a City Manager that cuts and adjusts as he seen necessary. The Department Heads and City Manager don't always get what they want. He said he has a hard time when a department head suggests something and we think we know better. We aren't even sure if we have the manpower to do the work.

Councilor Sprague said the hands of the department heads are tied because of the tax cap. The City Manager cannot put a budget forward exceeding the tax cap. He believes that this is an area where we can use an increase; this is a need to exceed the tax cap. Overrides are put in place on purpose as a mechanism to do what is needed for the city. It is easy to cut things that don't speak. Pot holes don't call or email. He doesn't govern by wants, he governs by needs. The tax cap is a good starting point for staff.

Councilor Witham said there has been a lot of conversation about the tax cap. They have overridden the tax cap twice since it was put into place; once for roads and once for Schools.

They can override with a vote of 2/3 council vote. It is up to the individual Councilors preference how they vote. Constituents speak to him about road conditions more than the tax cap.

Councilor Vincent said he has respect for the other Councilors, but there is a difference of opinion. When they say we have needs, DPW needs more people, the Police Department needs more officers, the Fire Department needs more Firefighters, Schools need more staffing, but unfortunately, we are held to what the people wanted, and that is the tax cap. Financially, the increase on the tax rate won't affect him. But it will affect others in the community.

The motion passed, 6-3, by roll call vote.

C-70, 49104, Road Resurfacing, Motion made by Councilor Witham, seconded by Councilor Sprague to increase by \$50,000.

Councilor Witham said the CPI study was last completed 5 years ago. This line item needs to increase for a new study.

Councilor Dumont asked Finance Director Smith what the actual was for the road resurfacing budget over the past several years.

Director Smith replied:

2015 \$452,000

2016 \$13,000

2017 \$808,000

2018 \$690,000

2019 \$692,000

There is currently \$1.467m available with \$39,000 that is not allocated and will carry forward.

Councilor Dumont said we are not spending what is allocated now. He is not sure of the logic of increasing this budget item.

Councilor Witham, asked for clarification. Director Smith said the \$1.4m is being used in the current year budget.

The motion failed, 6-3, by roll call vote.

C-96, 2000, Educational Expenses.

Councilor Witham said looking at the additional considerations, the real number needed in order to fund the additional considerations was \$452,520. Part of these considerations was an Assistant Principal at the elementary school. We understand that these considerations were cuts to the budget, but this seems like a new position.

Superintendent Gadomski stated in the past they had one assistant principal, which was a combined position, and a stipend type position which fit because the guidance counselor position was combined with the assistant principal position. That person has retired and the position has gone away. So we currently have an assistant principal that is sharing time between the two elementary schools.

Councilor Witham asked, of all of these additional considerations, which of these are the lesser of importance.

Superintendent Gadomski said they all serve a need, but he would look at credit recovery and technology. They will get as much as they can with what they have.

Councilor Vincent asked what an assistant principal would do in an elementary school.

Superintendent Gadomski said the assistant principal shares the duties with the principal. They are involved with student and parent interactions, discipline, and assistance to parents.

Councilor Austin stated that there are 800 students between both elementary schools. When looking at structuring school personnel, a single school of 800 students there would be one assistant principal in that building. Is there a standard for the assistant principal.

Superintendent Gadomski said it varies, and if it is not one building and you are going between buildings, it makes more of a challenge. If a large issue occurs, and there is only one

administrator in the building, it would make it extremely difficult to manage that. It is a day to day issue. It would perhaps be more convenient if all were in one school but they would still need an assistant.

C-70, 49104, Road Resurfacing, Motion made by Councilor Vincent, seconded by Councilor Levasseur to decrease by \$125,000.

Councilor Vincent said at \$1.4m, there are approximately 29 roads on the list, so we are in good shape. To ease the pain of the override, he would like to see this line item reduced by \$125,000.

Councilor Witham said Councilor Vincent is correct; there is an array of roadwork that is out to bid. Many streets are small, and there are bid alternates based on, if we could increase the budget, these roads could be repaired as well.

Councilor Pepin said we would keep this budget line item where it is. We have hired this company, and they say we need \$1mil a year to maintain the roads in Somersworth. He will not be supporting decrease to Road Resurfacing at this time.

Councilor Dumont asked about the index rating for the bid alternate roads (Buffumsville Road and Lily Pond Road).

Councilor Sprague said the index rating from 5 years ago was around 40, and now they are probably at a 10, because since then the roads are blown apart. He stated that he is perplexed that in goal setting, they wanted to be over \$1mil for road resurfacing, but he guesses that was personal grandstanding and a Kumbaya moment of how we all want to do great things, but we are not going to pay for them. We will talk until the cows come home but we aren't going to do anything about it. Maybe we need to install more of the misting stations. The misting stations could create a rainbow with a pot of gold at the end of it. And we could get all of our needs done. He stated that he is befuddled by the way we are governing today.

Councilor Dumont said he is disappointed because the analogies just given are offensive to him personally because he was at that "Kumbaya Moment" with the rest of his fellow Councilors. He didn't see a Kumbaya moment, but he saw a real effort as a team to accomplish what was good for the City. They finally have a system in place that they can handle the million dollars for road resurfacing, but they haven't been able to prove that point. That is a learning curve. Quite frankly, the previous council was always kicking paving down the road. They were not allocating a whole lot at all. He complimented the Public Works crew and Councilor Sprague for his leadership of the Public Works and Environment Committee. We have a good amount of money going into roads and upgrades. Now, this year, we have an abundance of money to complete what we have proposed to do this year.

Councilor Witham said he wanted to be clear that the \$900,000 in the proposed budget is based on the bid list per unit pricing and the projected cost of hot top. At the Public Works and Environment Committee, they agreed to the list of roads to send for bid, and added alternates. This is all subject to bidding; the price of hot top and labor could increase or decrease and we may not be able to do all the roads we want to do.

Councilor Vincent stated that he wants to pave all roads in Somersworth, but it comes with a cost. He asked Finance Director Smith where they are with the budget.

Finance Director Smith said the current tax rate is at \$34.70, an increase of \$1.29.

Councilor Dumont asked Director Smith if they are projected to do \$1.4m of work.

Finance Director Smith said that is correct in the current budget.

Councilor Dumont asked if there was any commitment for the 2019-2020 road resurfacing budget.

Finance Director Smith said there is no commitment at this time.

The motion failed, 7-2, by roll call vote.

Councilor Witham, seconded by Councilor Pepin made a motion to adopt Ordinance 17-19 as amended.

Dumont, there are a lot of variables, that are not taken into consideration. The school has a difficult time when dealing with the budget because it is difficult when you are looking at negative revenue sources. It is nothing that they have control over. Can say it is not fair. Variables this year, if we were to pass this budget as amended currently, there is a potential with revenues that we don't know about, his thought is that the things that are in place that they abide by, are punitive in nature. Our State Legislative body doesn't have to make their decisions and work out their deals until the end of June.

If we don't come in with a budget that is approved, the school has to notify some employees that their contract may not be renewed. This is a trying time. There is still a list of additional requests that was not put into the school budget. We should not be looking at the positions and needs of the School district, just the end number. There are many things that they have no control over.

He is equally sympathetic over the homeowners in Somersworth. He has read a few articles. One named Somersworth as a poor property community. We do what we need to do to reach goals, but there are elderly people who own homes and their tax rates will increase. There are people in our community who have to make a decision to pay taxes or buy food.

Here we are at a \$1.29 increase. When we pass a tax cap override, the only ones who pay are the property owners. In our community, 40% are over 65. He avoided the topic, but not once did anyone mention elderly during the deliberation. He is one of them. It is difficult to support a tax override. He would support going into the general fund, because he can't see dumping on a resource that has limited time and low quality of life. He can't vote for a tax cap override.

Councilor Vincent said two weeks ago he tabled the budget session, and it was a good thing from him, because he had a chance to pull in some good information. It was educational. When they met with the school board at a joint meeting, the meeting was to review their budget proposal. He thinks there could have been some political things in the making. He understands why that was done. The school can't give a budget to the City Manager that is over the tax cap. He had some heartburn with giving the school more money. He went through a lot of push and pull, and didn't gain anything, but he still represents those people who couldn't be here or can't afford it. There are people at the top and people at the bottom. At some point in our lives, we will need these people. If people don't like it, they should see the City Clerk and get their name the ballot.

Councilor Austin said regarding a couple of items that have been said, he just wanted to add some clarity. In his roll as a member of the school board, they had identified an initial budget, which was \$1.2mil higher, but they had to submit a budget in line with the tax cap. In the past events where they have received additional funds from council they have been true to their requests. These are needs.

Councilor Witham said absent the increase to the school budget, we would still be over the tax cap. Back when they had the joint meeting with the school board, one of the things that surfaced at that meeting was the fact that even with the tax cap provision and the allowable increase in the school budget, that was offset and then some by a reduction from the state. So in essence, they were going backwards. It was then that he realized that \$400,000 is the number, if we were to get that back what would that do. He asked the Superintendent for a list of things that they would regain if they got the extra funds, hence the list of additional considerations. Pending an affirmative vote tonight, we will pass a budget, but it is not done. The DRA sets the tax rate sometime around October. Things can change before then; revenue projections, the

state budget will pass. History says the tax rate usually goes down. They are currently looking at a \$1.29 increase, but they are also going through a property assessment. Whatever we vote on will change before the tax bills go out in October. That puts an exclamation point on how poor the NH tax system is. Regarding the tax cap, it doesn't help or hurt us. It is neutral, and it is what it is. He is in support of the amended budget.

Councilor Sprague said he is ok with the budget as amended, but he not sure if he is ok with how they are funding it. There are not a lot of cuts. There is some money that will be turned over into the general fund. He asked Finance Director Smith where the fund balance is at currently.

Director Smith said fund balance is at \$3.7m, which is just over 8%.

Councilor Sprague asked where that money came from.

Director Smith said it is a cumulative result of excess revenue.

Councilor Sprague asked how much we would have to use from the fund balance to reduce the tax rate to \$1.

Finance Director Smith said approximately \$200,000. In the 2018-2019 Fiscal year, \$1.295mil was returned to fund balance. If we used \$400,000 from fund balance to offset the tax rate, would be just over 7%.

Councilor Levasseur thanked Councilor Witham for pointing out the reasoning behind this situation and explaining why we are in this situation right now. We are stuck having to bear the brunt of the shortfalls from the state and their lack of funding education. This is something that we are going to have to continue to deal with unless there is some change in Concord. If we fully fund this request and shift the burden over to the tax payer. That is not appropriate. He doesn't believe they should do that. We should use general fund to offset the tax rate. He will not vote for this at this point.

Councilor Pepin asked the City Manager how much has been used from the Fund Balance to offset the tax rate already (in the City Manager's proposed 2019-2020 Budget).

City Manager Belmore said \$800,000.

Council took a 10 minute recess.

Mayor Hilliard explained the parliamentary procedure if this vote was to fail. They need to stay below the \$1.29 tax rate by either cutting areas of the budget or by using general fund.

The motion to adopt Ordinance 17-19, as amended, failed 6-3, by roll call vote.

C-96, School Expenses, Motion made by Councilor Witham, seconded by Councilor Sprague to decrease by \$66,000.

Councilor Witham explained that this would reduce the previous increase to \$334,000, which would include all considerations minus the assistant principal.

The motion failed, 7-2, by roll call vote.

C-8, 45472, Coast, Motion made by Councilor Witham, seconded by Councilor Sprague, to decrease by \$80,280.

Councilor Witham said this would reduce tax rate about .10cents.

Councilor Dumont said, so much for the millennials and elderly in our community. He said he cannot support this unless they use the Transportation Fund to fund the \$80,280 this year.

Councilor Michaud stated that he cannot support this. Many people who live in his ward depend on Coast.

The motion failed, 9-0, by roll call vote.

Councilor Dumont made a motion to extract the funds for Coast Bus from the Transportation Fund.

Finance Director Smith said the Transportation Fund is a capital reserve fund that usually requires a resolution to utilize funds from a capital reserve fund.

Mayor Hilliard said that because a resolution has not been introduced, an amendment is not within order.

C-2, Fund Balance, Motion made by Councilor Sprague, seconded by Councilor Vincent increase the use of fund balance by \$250,000.

Councilor Levasseur said he doesn't support shifting the burden to the tax payers. He agrees that they should use what wasn't used last year.

Councilor Sprague asked what the tax rate would be if they used the \$250,000 to offset the tax rate.

Director Smith said it would drop the tax rate to exactly \$1.

Councilor Witham said this is a different approach; a hybrid of tax cap and additional use of fund balance. The concern with fund balance is it is a bit of a gamble (using poker chips to demonstrate). If we take some money out of fund balance, in order to maintain that, we need to put money back in. Historically, we have been able to do that. In order for that to continue to occur, we cannot use additional funds for, say, an elevator or veteran's park. To maintain the existing level of services, the City Manager will need to utilize \$1,050,000 from general fund in the budget again next year. Then if Council doesn't have an appetite for the budget next year and needs to increase it again with the use of fund balance... This is where the long term sustainability comes in. As long as we don't have to take money out, we are ok, but if we need to fund an elevator, veterans park or any other emergency. The money is available, and it is tax payer money. We have used it historically over the years, for roads and for other unanticipated things.

Councilor Levasseur said he is not quite following the logic of Councilor Witham. In FY15, \$1.4mil was utilized to offset the tax rate. Why wasn't that amount used again this year.

Councilor Witham said that amount in 2015 was used to offset the cost of roads.

Councilor Sprague stated that what we have to understand as councilors, our actions affect the taxes down the road. And it affects the fund balance. After the budget is passed, we will still have to be frugal on our thoughts. We can't just grandstand and say we want to do all these things and not be able to back up our words with actions. This is a need. It is tax payers' money and it is being used to offset the tax rate. This is the reason he asked in the winter, why we are putting out straight salt all the time and not a sand/salt mixture. Because nickels make dollars. We need to watch the budget all year long. We have to govern the rest of the year. So the decisions we make next month and the month after are going to affect us next year.

Councilor Pepin said he agrees with Councilor Witham's theory. There are things that pop up every year. We are looking at the Veteran's park, lights, and restrooms at the Pines. He will vote for this because the budget needs to pass, but we are heading for problems down the road. We pay people to give us guidance then shove it down the road. He will support it because it is a last ditch effort.

Councilor Vincent, asked in years past, the state has come through. He asked if that money goes into general fund.

Director Smith said extra revenue goes into the general fund.

Councilor Witham asked if the City Manager and Finance Director are comfortable with using the General Fund to decrease the tax rate.

City Manager stated he would make it work.

The motion passed, 8-0. Councilor Witham abstained.

Councilor Sprague, seconded by Councilor Cameron to adopt Ordinance 17-19, as amended.

The motion passed, 6-3, with Councilors Vincent, Dumont, and Witham opposed.

CLOSING COMMENTS BY COUNCIL MEMBERS

Councilor Pepin hates this time of the year. It brings out the best in them. Some say they don't care about comments from residents. They take items out, and put items in. How do we get to this point? Forget about looking at the tax cap; look at the tax payer and what they are paying and the needs of the city, school, roads, and employees. He likes to be responsible and make judgments that are wise.

Councilor Vincent thanked the staff and school for putting up with him. They have been very patient during some uncomfortable conversations.

Councilor Dumont reminded everyone about Franco American Day at the Fischer Cats.

Councilor Sprague made a motion to reconsider his vote on the budget, seconded by Councilor Witham.

It was explained that this is a tactic used in the legislature so there will not be a future motion of reconsideration.

The motion to reconsider failed 7-2.

Councilor Levasseur said he appreciated the motion to reconsider. This process over the past month or so has been insightful being a junior Councilor. The behavior from some of the more senior Councilors was troubling. As a body, we felt we needed more oversight. He asked that if other Councilors don't feel comfortable taking the time to take an extra look at things then, maybe don't run again.

Mayor Hilliard said this is now his 6th budget as Mayor. Having served 10 years in legislature, 6 years on this City Council, prior to being elected as Mayor. He stated that he can say with honor and pride that he has never served with a more dignified, respectful body, which institutes statesmanship, and an understanding of the issues before them. There are times when the body obviously digs in hard where members do not agree, where we do not see eye to eye. Yet at the end, there is not one of the nine people sitting within these seats that do not have a compassion and a love for the City of Somersworth. You sit here because of your desire to serve and improve and to keep our community on the move. You do it without an exorbitant rate of pay, with extreme sacrifice of your time and to your family, and at times, not being personally attacked by members within this chamber but by being personally attacked by members within this community, who believe that an assault on you simply because you are a Councilor, is in order on social media. But yet, you continue to serve because you believe what this community is all about and you believe in the proud past that we have and you believe in the bright future

that we hold. He stated that he could not be prouder to sit within this seat as Mayor, to serve with such a distinguished and dignified body and congratulate you on the hard work that you have done and keep up the tremendous job that all of you are doing. He is proud to be your Mayor and be part of this body.

ADJOURNMENT

Councilor Dumont, seconded by Councilor Sprague, made a motion to adjourn. The meeting adjourned at 9:22 pm. 8-1, Sprague opposed.

Trish Harris, City Clerk

Dana Hilliard, Mayor