



Minutes of City Council Workshop
Budget Presentation – Fiscal Year 2024-2025
Monday, April 1, 2024 6:00 p.m.

COUNCIL MEMBERS IN ATTENDANCE

The City Council Workshop was called to order at 6:00 p.m. Mayor Matt Gerding and the following Council members were present: Pepin, Vincent (arrived at 6:13pm), Gibson, Paradis-Catanzaro, Michaud, Goodwin, Cameron and Messier.

CITY COUNCIL WORKSHOP – Budget Presentation Fiscal Year 2024-2025

City Manager Belmore welcomed all and thanked the City Departments, Department Heads and Staff for all of their efforts throughout the entire budget process. He also thanked Finance Director Scott Smith for his assistance in developing the City's Proposed Budget in accordance with the City Charter.

Manager Belmore continued his presentation by sharing the focus of the budget presentation and to provide an overview of the proposed budget City and School Department Budget. He noted that the City is in a revaluation year, and per 7.4.1 (B) of the City Charter, Budget Limitation in a Revaluation Year, the City is not able to include net construction increases and shall be subject to the National Consumer Price Index (CPI) – Urban only which is 4.12% for the calendar year 2023. Manager Belmore stated that the amount raised in taxes for fiscal year 2024 was \$33,544,439 and with the CPI increase 4.12% or \$1,382,031, the amount allowed to be raised in taxes for Fiscal Year 2025 is 34,926,470 which is \$0 under the tax cap.

Manager Belmore shared that the gross General Fund Budget reflects an increase of 3.64% or \$592,744, he listed the increase to salaries and associated payroll driven costs and other operating expenses, as well as the decreases to Debt Services, Capital Leases, and Capital Outlay budgets. Manager Belmore noted that he is proposing two staffing changes which include a full-time Mechanic for the Department of Public Works effective December 1, 2024, who would also have a CDL to assist with winter storm maintenance and a part-time Patrol Officer effective January 1, 2025. He added that the proposed Mechanic position would also assist with winter maintenance.

Manager Belmore summarized the City's proposed budget revenue estimates which shows an increase of \$976,763 in comparison to last year's budget. He shared that the City's General Fund Revenue of \$17,254,041 continues to be primarily supported by property tax revenue which covers about 62% of the support.

Manager Belmore presented the City's budget structure and appropriations pertaining to the General Fund and the Proprietary Fund. He noted the General Funds proposed expenditures as follows: City 33%, School 61%, and County 6%.

Manager Belmore summarized the City's Departments and its major program areas. He shared proposed increases and decreases for Fiscal Year 2025 appropriations for each of the departments and

major program areas within the City's General Fund. Manager Belmore shared that the City's General Fund proposed budget includes 93 full-time employees and 10 part-time employees which does not include elected officials or seasonal employees. He noted that separate from the General Fund, the Water Division has 7 full-time employees, the Wastewater Division has 6 full-time employees and both Divisions share one (1) full-time Utility Clerk.

Manager Belmore shared proposed Capital Improvement/Capital Outlay funds, he noted that \$20,000 for downpayments on City vehicle lease - purchases on several new vehicles has been included in the budget this year as has been done for a number of years on the City's rolling stock. He also included \$25,000 in funds to update one chapter this year and then moving forward for four years adding additional chapters within the City's Master Plan and he shared that the City has been working with the Strafford Regional Planning Commission to complete new land-use and housing chapters.

Manager Belmore reviewed the City's 2024-2025 proposed budget which would result in overall increase in the tax rate of \$1.09 if the budget were to be approved by the City Council as proposed; he underscored this estimate was for comparison purposes only as we were in the process of completing a city-wide property revaluation. He stated that the proposed estimated tax rate, if approved as is, would cost \$30.39 per \$1,000. He also provided an example for comparison purposes only that showed a residential assessment equaling \$300,000 would have a net increase of \$327 in their taxes.

Manager Belmore presented the Wastewater Fund proposed budget of \$3,619,635 which is a decrease of 13.49% or \$564,360. He noted the Capital items included in the Wastewater proposed budget which are a portable vacuum and HVAC improvements associated with the Wastewater Treatment Facility Lab totaling \$245,000. Manager Belmore presented the Water Fund proposed budget of \$2,873,558 which is a decrease of 11.21% or \$362,947. He shared Capital Improvement Program projects that include engineering and design to replace the water main on Indigo Hill Road from Main Street to Rita Road, and for a section of water main on Old Rochester Road. Manager Belmore presented the Solid Waste (pay-per-bag) Fund proposed budget of \$676,169 which is an increase of \$28,909 or 4.47%. He shared that the Council had approved to increase the cost of the City's blue bags to \$2.65 for 30-gallon bags and \$2.10 for 15-gallon bags effective July 1, 2024.

Manager Belmore shared that the City has a Budget Workshop scheduled on Saturday, April 6th at 8:30 a.m. in Council Chambers.

Interim Superintendent Lou Goscinski thanked the City Council for holding the Joint City Council and Somersworth School Board Budget Workshop in February 2024. He introduced the School Districts Business Administrator Katie Krauss to present the proposed Somersworth School District 2024-2025 Budget.

Ms. Krauss shared that during the School District's budget process, they came up with two (2) different scenarios; the first scenario being the Superintendent's recommended budget which includes meeting contractual obligations to keep all services and programs in place, and the second scenario being a tax compliant budget which included reductions to the Superintendent's recommended budget in order to meet the City's tax cap per City Charter.

Ms. Krauss first presented the Superintendent's recommended budget that would allow the School District to meet contractual obligation for salaries and benefits to staff, meet legal obligations pertaining to special education, and to keep current programs available to students. She also shared that the recommended budget includes staff for their preschool program that was previously funded through ESSER Funds, staff for ground maintenance, and two school-to-home coordinators that will help to increase the District's attendance rates as well as other duties.

Ms. Krauss reviewed the School's projected 2024-2025 Fiscal Year estimated revenue of \$10,381,308, this is a decrease of approximately \$388,716. She shared reductions in revenue including State Adequacy Education Aid of \$318,345, Building Aid of \$17,383, Indirect Cost \$5,400, and Use of Fund Balance \$100,000. Ms. Krauss also shared revenue increases including Rollinsford SAU Fee-for-Services of \$34,413, Building Use Fees of \$500, and Other State Aid of \$17,499.

Mr. Krauss shared that the School's Proposed Budget for Fiscal Year 2024-2024 is \$32,685,977. She presented the proposed expenditure change is an increase of \$1,623,561 compared to last year's approved budget. She shared the contractual increases pertaining to custodial, teacher, SACA, and Administrator contracts. She also noted that about 84% of the total increase is salary related. Ms. Krauss continued to share the increase of expenditures relating to Special Education, New Staff, Transportation, as well as other budget changes.

Mr. Krauss explained that the Superintendent's recommended budget creates a total budget impact of \$1.75 and reflects a total net budget increase of \$2,012,277.

Ms. Krauss shared the Tax Cap Compliant Budget which would cause reductions totaling \$1,176,230. These reductions would decrease the current number of programs offered to students, reduce 9.7 total staff positions throughout the District, decrease supplies to each of the schools, and eliminate the Somersworth Youth Connection (SYC) program providing before and after school programs. Ms. Krauss continued to share proposed budget reductions in a series of three (3) tiers which they created by priority. She shared the first-tier reductions that totals \$267,207 and include computer hardware, building level increases to a number of facilities, the late bus, half of staffing to a Maplewood School aid, a data position, and the reduction of one (1) of the two (2) proposed school-to-home coordinators.

Ms. Krauss then shared the second-tier budget reductions that totals \$428,451 and includes the SYC program, grounds maintenance position, part-time foreign language position, two (2) special education paraprofessional positions, a part-time custodian, and a middle school classroom teacher. Lastly, Ms. Krauss shared the third-tier budget reduction that totals \$512,296 and includes the CTC program, a high school classroom teacher, a library position (causing the middle and high school libraries to share a position), a building aid at Maplewood, the remaining school-to-home coordinator position, and a middle school case manager for special education.

Ms. Krauss stated that if the School District were to be funded under the City's tax cap, the estimated tax impact would be \$0.73. She noted that the change in revenue would also see a decrease due to the reduction of SYC program and it no longer collecting fees from families utilizing the program and the City's \$50,000 commitment.

Ms. Krauss thanked the City for providing her with the opportunity to present the Fiscal Year 2024-2025 School District Budget and she looks forward to collaborating with the City Council through the budget process to explore opportunities for preserving the District's current programs and services that are offered to the students of the Somersworth School District. Superintendent Goscinski thanked Ms. Krauss and all of the other individuals that have been involved in the budgeting process, he noted the amount of team effort that is necessary in creating the proposed budgets.

City Manager Belmore concluded the meeting by informing the public of the City Council meeting beginning at 7:00 p.m. which has a public hearing scheduled regarding the City's Fiscal Year 2024-2025 Budget and the Budget Workshop scheduled at 8:30 a.m. on Saturday, April 6th in Council Chambers.

The workshop adjourned at 6:40 p.m.

Respectfully Submitted,

Kristen LaPanne, City Clerk