

City Council Work Session Budget Planning

October 28, 2004 – 6:30 p.m.

Conference Room A

City Council Present: Mayor Evelyn Sirrell, Assistant Mayor Alex Hanson, Councilors Joanne Grasso, Tom Ferrini, Steve Marchand, Laura Pantelakos, John Hynes, Ned Raynolds and Harold Whitehouse

Officials Present: City Manager John P. Bohenko, Finance Director Judie Belanger, City Auditor Andrew Purgiel, Enterprise Accountant Gail Cunningham

I. Call to Order

Mayor Sirrell called the work session to order at 6:34 p.m.

II. Introduction and Purpose of Meeting

Mayor Sirrell then turned the work session over to City Manager John Bohenko who stated that the purpose of the meeting was to continue the discussion about a new budget format and to address comments and ideas from the September 27th work session.

III. Revised Budget Schedule

City Manager Bohenko said the schedule has changed and additional changes may be made to the revised budget schedule. He said the Council and the public need to be aware that there are several versions of the schedule. He said each version is dated, to help determine which is the most recent.

City Manager Bohenko also asked for clarification on the Council's preference for their first public hearing on the budget, which will take place on a Tuesday May 3rd. He confirmed that the Council wished to open the public hearing on May 3rd and recess the meeting to a date certain after the work sessions with the several departments had been held. City Manager Bohenko expected that on June 8th, the Mayor would reconvene the public hearing to allow for continued public input. Councilor Pantelakos and other members of the Council agreed. City Manager Bohenko reiterated that dates set in the budget schedule have not been finalized.

The City Manager then completed his review of the budget schedule, which also included the Capital Improvement Plan schedule, Fee Committee schedule, and School Department schedule.

IV. Review of September 27th Budget Work Session Notes

City Manager Bohenko then discussed the memo to the City Council on the September 27th Work Session (attached). The City Manager discussed how he had incorporated the Council's comments from the work session on the 27th into a new budget format. City Manager Bohenko said that literature from various sources had been reviewed in order to incorporate performance measures in the budget document.

V. Examples of Budget Evaluation Measures

City Manager Bohenko then discussed a one-page handout distributed to the Councilors on Performance Measures (attached). City Manager Bohenko stressed several criteria that would be used to develop performance measures for the budget document. According to City Manager Bohenko, the measures should add value to council deliberations and to the public reading the budget. City Manager Bohenko said, measures need to be feasible and utilize data, which is able to be collected and analyzed given the amount of resources available, especially staff time. City Manager Bohenko said that 5-10 measures for each department would be incorporated in the budget for each department. City Manager Bohenko cautioned against the use of benchmarks and comparing Portsmouth with other cities, because of the numerous factors, which can vary from town to town and department to department.

The Councilors discussed the work completed in response to the September 27th work session. City Manager Bohenko stressed that improving the budget is a building process.

City Manager Bohenko then recognized Judie Belanger to introduce a sample of the new budget format (attached). Ms. Belanger provided the Council with a handout, which will act as a template for the several departments in the City's budget. The document provides information on each department's mission, budget comments for the fiscal year, summary of expenditures, goals, objectives, descriptions of programs and services, performance measures, and a summary schedule of full-time positions.

Ms. Belanger said that this format has been developed in response to City Council comments from the work session on the 27th and the overall effort to improve the budget so that it meets the Government Finance Officers Association (GFOA) standard.

VI. General Discussion/Questions

The Councilors then discussed the new format as presented by Ms. Belanger. Councilors asked specific questions about the volume of work involved to provide certain data and made requests of added information.

The Councilors discussed possible additions to the format and expressed their approval of the proposed format. The Council also discussed how input on the new budget process and format would proceed. City Manager Bohenko invited input, and said that at some point the budget process needs to begin internally. City Manager Bohenko invited councilors to suggest performance measures and they would be evaluated by staff. He suggested a formal meeting in September where feedback on the budget process would be discussed.

Councilor Whitehouse was then recognized by the Mayor to discuss a new revenue stream for the City. He noted that several hundred properties in the City were tax-exempt and stated his desire to look at establishing payments-in-lieu of taxes for many of the properties he identified. General discussion about this concept ensued. City Manager Bohenko said that he would look into this issue further.

VII. Adjournment

Mayor Sirrell adjourned the meeting at 7:37 p.m.

Respectfully submitted by:
David Moore

CITY OF PORTSMOUTH

PORTSMOUTH, NH 03801

Office of the City Manager

DATE: October 20, 2004
TO: Honorable Mayor Evelyn Sirrell and City Council Members
FROM: John P. Bohenko, City Manager
RE: Budget Work Session, September 27, 2004

Just a reminder that the City Council will be conducting a Work Session on Thursday, October 28, 2004 at 6:30 p.m. in Conference Room A. This work session is a follow up to the work session conducted on September 27, 2004 regarding FY06 Budget Format/Process. Based on that discussion, I believe I have an understanding of the Council's perspective regarding making changes to the budget process.

As I stated at that work session, we need to be prudent with the changes to the budget process. These changes should not be enacted all at once or we may risk creating a cumbersome process that is not manageable for all of us.

I have divided the Council's suggestions into three categories for easier identification and discussion.

I. Suggestions for a Public Hearing

- Set a Public Hearing schedule and agenda. Publicize the Public Hearing schedule and provide educational information to residents regarding the budget process.
- Schedule the Public Hearing for earlier in the budget process (prior to City Council work sessions with each department), such as in May. This will include a presentation by Police, Fire, School and Municipal. Also extend the public hearing time to allow for more Public input. If necessary, hold open the public hearing to a second meeting date.

- Public Hearing format: following each City Department's presentation, invite questions from the City Council and then open the Public Hearing for comments rather than waiting until all presentations are complete.

II. Suggestions for Public Hearing Presentations

- City Department to present their budget based on their desired outcome. Presentations limit to only the new budget items, projects or programs. Avoid reviewing each line of their budgets.
- Simplify the budget presentation to totals. Present salaries and benefits as a total rather than by each employee.
- Submission of two budgets: first budget with no operating increase; the second, the department's request with only fixed cost increases. No increase in taxes.

III. Suggestions to Evaluate Budget Requests

- Poll residents for their priorities. Encourage public debate; budget vs. outcome.
- Set City goals with outcome measurements.
- Cost per service bases/ratios/measures analysis. Internal analysis and comparative to other communities. Other communities: Dover, Rochester, Concord, Laconia, Ipswich, and Newburyport.
- Ratios by resident income to taxes and then compare to other communities.

The purpose of the October 28th work session will be to finalize our discussions on this matter and start working on the actual budget for FY06. Attached is a copy of the agenda.

If you have any questions, please do not hesitate to call me.

CITY COUNCIL WORK SESSION

OCTOBER 28, 2004

What are Budget Evaluation Measures?

Budget Evaluation Measures (Performance Measures) are statistical and analytical information about departmental performance, which describe relationships between resources and outputs. Such measures are most useful when compared across fiscal years, relaying information about trends and changes in service levels and needs.

Budget Evaluation Measures (Performance Measures) are quantitative in nature. Often they are ratios, percentages, averages, or simple quantifiable outputs, which provide information about a level of service.

Examples of Budget Evaluation Measures (Performance Measures)

IV. Public Works Department

- Annual cost per mile of street maintenance (including snow removal, repair, pavement management)
- Cost per ton of recyclable materials per cycle (collection and disposal)
- Cost per ton of yard waste per cycle (collection and disposal)
- Cost per ton of refuse per cycle (collection and disposal)
- Cost per ton of household hazardous waste per cycle (collection and disposal)

Library Services

- Operational costs per hour of service
- Materials (audio-visual, books, microfilm) in circulation per thousand population
- Computer users per computer per day

Police Department

- Ratio of patrol officers to calls for service
- Average number of cases per full-time investigator
- Response time

Fire Department

- Minimum staffing duty (days and nights)

- Net cost per EMS call
- Response time

Questions to Consider

What is cost effective to measure? What isn't?

Does the information produced help in policymaking and/or budget making?

DEPARTMENT OF PUBLIC WORKS

MISSION:

Our mission is to provide municipal Public Works functions for the benefit of our citizens, businesses and visitors in an efficient and cost-effective manner within budgetary appropriations.

BUDGET COMMENTS:

Overall, the Department of Public Works budget has increased \$XXXX or X.X% for FYXX. Of the total budget of \$XXXXX, salary and benefits make up more than \$XX or XX%. Some of the major increases effecting this year's budget include; recycling, gasoline, natural gas, and mosquito control.

BUDGET SUMMARY OF EXPENDITURES:

	FY03 BUDGET	FY03 ACTUAL	FY04 BUDGET	FY05 DEPARTMENT REQUEST	FY05 CITY COUNCIL APPROVED
FULL TIME SALARIES	2,042,460	1,929,162	2,062,162	2,029,395	2,029,395
PART TIME SALARIES	70,000	54,847	61,800	65,300	65,300
OVERTIME	189,000	270,447	195,700	221,240	209,240
LONGEVITY	12,420	11,880	12,360	14,780	14,780
SS/MEDICARE	181,199	173,467	184,364	184,768	183,316
RETIREMENT	90,600	88,351	129,255	128,392	128,218
OTHER OPERATING	1,575,033	1,550,690	1,582,185	1,758,215	1,758,215
ELECTRICITY	140,000	119,018	140,000	150,000	150,000
NATURAL GAS	70,000	108,997	80,000	82,000	82,000
WATER/SEWER	18,000	19,365	18,000	23,000	23,000
	4,388,712	4,326,225	4,465,826	4,657,090	4,643,464

GOALS:

To maintain and improve the city's infrastructure and meet Local, State and Federal regulations.

To provide a high level of service in a cost effective and efficient manner for municipal operations.

OBJECTIVES:

- Improve efficiency of janitorial services to extend the useful life of facilities and improve building esthetics.

- Provide training and instruction for the most efficient use of equipment and tools to improve overall departmental efficiency and optimize operational costs.
- Refine the operations of the solid waste program to minimize collection and disposal costs.
- Continue to provide funding and enhance educational component for the recycling program including the Downtown Central Business District.
- Replace traffic signalization equipment on intersection each year to improve intersection traffic flow and safety of both vehicles and pedestrians.

PROGRAMS AND SERVICES:

Administration-Responsibilities include overall guidance and direction of work tasks and division resources, supervision of outside consultant/contractor work, and development of special projects.

- Supervision required for all public works functions.
- Issues excavation, and encumbrance permits

Engineering-*Supplies engineering services for the design, contract documents and construction inspection of all city public works projects, which includes water, sewer, highway, public facilities and transportation.*

Building Administration-*responsible for cleaning, providing utilities, and maintaining municipal buildings and facilities including Municipal Complex, Library, Spinnaker Point, Greenleaf Recreation Center, Connie Bean Center, and the indoor and outdoor pool.*

- *Custodial services*
- Carpentry
- Plumbing
- Electrical

Rubbish Removal and Disposal- *Provide Solid Waste services to 8,100 households that generate approximately 14,000 tons of material on an annual basis that is recycled or disposed of both curbside and at the recycling center.*

- Bulky Waste Collection
- Yard Waste Collection
- Household Hazardous Waste
- Curbside rubbish collection
- Recycling
- Appliances and CFC Removal
- Tire Disposal
- Motor Oil Removal

Highway and Street Maintenance- *responsible for maintenance of approximately 120 miles of city roadways.*

- *Storm drains maintenance*
- Traffic line markings
- Traffic sign maintenance
- Traffic signal maintenance
- Weed Control
- Pavement Patching

Snow Removal-*responsible for clearing and removal of snow and ice from city roadways and sidewalks.*

Sidewalks-*responsible for maintaining 49 miles of city sidewalks.*

- Repair and maintenance of sidewalks (brick, concrete, asphalt and stone sidewalks).

Bridge Repairs-*Responsible for maintaining 16 city owned bridges including implementing the recommendations of the Bridge evaluation program.*

Equipment Maintenance Facility-*Responsible for maintenance and repair of the city's equipment fleet which includes lawnmowers, automobiles, pick-up trucks, small and large dump trucks, heavy equipment and specialized equipment.*

Tree Program-*Responsible for maintenance, trimming or removal/replacement of public trees in coordination with the Committee for trees and greenery.*

Mosquito Control-*The city contracts out mosquito control which includes a biological monitoring of pest and disease vector mosquito species; Hydrological parameters of wetland mosquito breeding habitats; and monitoring the effectiveness of larviciding applications.*

- Larviciding program
- Adulticiding program
- Catch Basin program

Parks and Cemeteries-*Responsible for maintaining 9 playgrounds,10 parks/ball fields and 4 historic cemeteries.*

- Grass Cutting
- Leaf and debris removal
- Ball park turf spraying
- Turf growth retardant
- Field setups for seasonal sporting events.
- Cemeteries restorations in coordination with the cemetery committee.
- Playground equipment repair and maintenance.

Street Cleaning- *Labor equipment and materials to maintain cleanliness of the city streets.*

- *Annual street sweeping for all city owned streets.*
- *Daily sweeping of streets in the central business district.*
- *Litter control and disposal in the central business district.*

PERFORMANCE MEASURES:

	<u>FY 02/03</u>	<u>FY 03/04</u>
Annual cost per mile of street maintenance activities (Including snow removal, repair, pavement management)	\$XXXX	\$XXXX
Cost per ton of recyclable material per cycle (collection and disposal).	\$XXXX	\$XXXX
Cost per ton of household solid waste per cycle (collection and disposal)	\$XXXX	\$XXXX
Cost per ton of refuse per cycle (collection and disposal).	\$XXXX	\$XXXX
Cost per ton of yard waste per cycle (collection and disposal).	\$XXXX	\$XXXX

V. SUMMARY OF FULL TIME POSITION SCHEDULE

	FY 02-03	FY 03-04	FY04-05
PUBLIC WORKS DIRECTOR	1	1	1
DEPUTY PW DIRECTOR	1	0	0
GENERAL FOREMAN	1	1	1
DISPATCHER	1	1	1
CLERK TYPIST	1	1	1
ENGINEER TECHNICIAN	2	2	2
FACILITY FOREMAN	1	1	1
ELECTRICIAN	1	1	1
UTILITY MECHANIC	4	4	4
POOL TECHNICIAN	1	1	1
OFFICE MANAGER	1	0	0
CUSTODIAN 1	8	8	8
CUSTODIAN LEADMAN	1	1	1
TRUCK DRIVER 1	7	8	8
TRUCK DRIVER 2	2	2	2
SOLID WASTE FOREMAN	1	0	0
SOLID WASTE COORDINATOR	0	1	1
SANITATION LABORER	2	2	2
LABORER	13	14	14
EQUIPMENT MAINTENANCE FOREMAN	1	1	1
EQUIPMENT MECHANIC	3	4	4
EQUIPMENT OPERATOR 1	2	2	2
HIGHWAY FOREMAN	1	1	1
PARKING AND TRANSPORTATION SUPR	1	0	0
PARKING FACILITY SUPERVISOR	1	0	0
PARKING GARAGE ATTENDENT	2	0	0
	60	57	57