

CITY COUNCIL WORK SESSION

Municipal Departments Budget

May 23, 2006 - 6:30 p.m.

Council Chambers

City Council Present: Mayor Marchand, Assistant Mayor Ferrini, Councilors Grasso, Dwyer, Reynolds (6:50 p.m.) Whitehouse, Smith and Hynes

City Council Absent: Councilor Pantelakos

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Steve Parkinson, Public Works Director; Barry Foley, Assistant Recreation Director; Robert Sullivan, City Attorney; Alan Brady, Communications Supervisor/Webmaster; Keith Bates, Welfare Director; Rick Hopley, Building Inspector; Gail Cunningham, Controller; Andrew Purgiel, Controller; David Allen, Deputy Public Works Director; Cindy Hayden, Deputy City Manager; Maryann List, Library Director; Peter Rice, Water & Sewer Engineer; Lauren Elliott, Assessor; David Holden, Planning Director; David Moore, Community Development Program Manager; Dianna Fogarty, Human Resource Director; and Kelli L. Barnaby, City Clerk

I. Call to Order

Mayor Marchand called the meeting to order at 6:35 p.m.

II. Introduction

City Manager Bohenko advised the City Council that the municipal budget is 23% of the entire budget. He reported that the proposed increase on the municipal side is 5.5% over last year. He said it is important to note that over the last 9 years the municipal budget has always come in at or below the recommendation of the Joint Budget Committee. City Manager Bohenko also advised the City Council if you remove the increase cost for utilities and health insurance the municipal budget would have only increased by 2.24%. He reported that the City has saved \$120,332.00 by not contracting out recycling services. He reviewed a position summary with the City Council, which indicates that there are 128.60 proposed positions in the municipal budget for 2006/2007. City Manager Bohenko advised the City Council that there is one additional staff person being recommended under this budget, the position of a custodian for the library. He also reported that he is recommending leaving the position for the Information Technology Department vacant for 6 months that will create a saving of \$36,350.00. City Manager Bohenko reported that leaving the Information Technology position vacant for 6 months the municipal budget increase will be reduced to 5.25% and the total positions under the municipal budget will be 127.60. He advised the City Council under his recommendations the average assessed home of \$300,000 family of four would see the following increases:

- Property Tax Rate - \$18.36 which equals a \$.76 increase over last year or a \$228.00 increase in their tax bill
- Water Services Rate - \$1.85 which equates to a \$15.00 increase per year in the water bill
- Sewer Services Rate - \$4.80 which equates to a \$12.00 increase per year in the sewer bill

City Manager Bohenko reported that the above-cited increases would equate to a \$255.00 per year increase for the taxpayer.

Councilor Dwyer stated that the Information Technology position is currently vacant. City Manager Bohenko said that is correct and we feel comfortable leaving that vacant because of our outside contract with Seacoast Computers.

Councilor Whitehouse expressed concern with the potential increase in residents' assessments through the revaluation. City Manager Bohenko reminded Councilor Whitehouse that we have been updating values to keep them proportionate. He advised the City Council that the City is currently at 82% of value and unless there are major improvements in homes we do not feel there will be a large shift in values through the revaluation. City Manager Bohenko said that there might be some changes but the revaluation keeps things equal and fair for all taxpayers.

Councilor Grasso said it is important to remember when assessments increase the tax rate is lowered.

III. Presentations

- Public Works – Steve Parkinson, Public Works Director

Public Works Director Parkinson reviewed his budget with the City Council. He advised the City Council that the total increase to the Public Works Department is 5.5%. He reported that without the increase in utilities and fuel the budget would have only increased by 2.6%. He also advised the City Council that the City saved a significant amount of money by bringing the recycling program in-house. Public Works Director Parkinson addressed the various aspects of the budget, programs and services offered by the department. He informed the City Council that salt prices have increased 35% to 40% over the last several years. He also reported that 60% of the budget consists of salaries and benefits.

City Manager Bohenko advised the City Council that the savings from the recycling program being brought in-house helped off set the increase in utility costs. Public Works Director Parkinson reported that the department over the last several years has saved an estimated \$500,000.00 with energy saving projects.

Assistant Mayor Ferrini thanked Public Works Director Parkinson for his presentation and spoke of his desire to have the recycling center open all weekend. Public Works Director Parkinson advised Assistant Mayor Ferrini that it is an overtime spot, which would cost approximately \$500.00 - \$600.00 per day. He also reported to the City Council that during the last contract new employees hired would not be limited to specific days or hours.

- Library – Mary Ann List

Mary Ann said that the major cost increase in the Library budget this year is energy costs. She reported that 70% of the budget is salaries and benefits. She advised the City Council that the Public Works Department is asking for one additional custodian to be assigned to the new Library. Mary Ann spoke to the reorganization of the staff and education and training. She said that increases in the budget equates to a 3.4% increase over last year. She announced that the staff should be moving into the new building in November.

Councilor Dwyer spoke regarding energy costs going forward for the Library.

Councilor Raynolds spoke in support of the savings and green building concepts of the new Library. He asked Library Director List if the department has considered emailing late notices to save on postage. Library Director List advised Councilor Raynolds that they currently email late notices to those that request this service in an effort to save on mailing and postage costs.

- Welfare/Social Service Agencies – Keith Bates

Welfare Director Bates briefly reviewed the budget and the increase in shelter costs. He advised the City Council that there would be an over expenditure in this line item due to the increase in costs for providing this service. City Manager Bohenko advised the City Council that by State law this is the only budget that can be over expended.

Welfare Director Bates addressed the 21 social service agencies that receive funding. Councilor Dwyer asked what procedure if any is used in choosing which social service agencies receive funding. She also requested to know how many of the agencies that receive funding provide similar services and what percentage of the population in Portsmouth is being served by the funding provided. City Manager Bohenko advised Councilor Dwyer that these issues could be discussed at a future work session.

- Recreation – Barry Foley, Assistant Recreation Director

Assistant Recreation Director Foley spoke to the various facilities and programs offered by the Recreation Department. He advised the City Council that the Greenleaf Facility is an on need facility.

- Planning, Inspection, Health – Cindy Hayden, Deputy City Manager

Deputy City Manager Hayden reviewed the Planning, Inspection and Health Department budgets with the City Council. She advised the City Council that these are regulatory departments, which are driven by development. She spoke to 80% of the funding for the Deputy City Manager position coming from the Planning Department. She discussed the various positions in each department and the responsibilities. She reported that there were 2,100 permits issued this year through the Inspection Department and it is anticipated that the City will receive approximately \$500,000.00 in revenue this coming fiscal year from the issuance of permits by the department. She also advised the City Council that there are 277 food establishments in the City with two employees making up the Health Department.

Councilor Grasso inquired about 40% of one of the employees salary in the Health Department coming from the Water and Sewer Department. Deputy City Manager Hayden advised Councilor Grasso that the employee also deals with grease issues at establishments and works with the Water and Sewer Department to resolve these matters. City Manager Bohenko advised the City Council that this is a new endeavor and we are working with the food establishments to educate them on this matter.

- Finance – Judie Belanger, Finance Director

Finance Director Belanger addressed the 6 major functions of the Finance Department with the City Council. She spoke to the services provided by the department and advised the City Council that the Finance Department will be leaving the Information Technology position vacant for 6 months for additional savings to the City. She reported that there are 375 computer users in the City with approximately 400 – 500 service calls for assistance to departments. She spoke to the website and its importance to the City. She also spoke to the services provided by Seacoast Computer and the diverse group of knowledge they furnish to the City and its staff. Finance Director Belanger provided an update to the City Council regarding the revaluation. She advised the City Council that the Assessor would perform an analysis of values and information would be provided on the website for the public to review in August. She informed the City Council that the City is saving approximately \$400,000,00 by conducting this revaluation in-house.

Councilor Reynolds said it is amazing that we are able to do what we do with such a small Information Technology staff.

IV. Presentation – Sewer & Water Departments

Finance Director Belanger informed the City Council that in the past budgets, the City had prepared its budget partially on the accrual method and partially on the modified accrual basis of accounting. In FY07, the water and sewer division is presenting a budget strictly on an accrual basis of accounting as a recommendation from the City's independent auditors. She spoke to the summary provided to the City Council based on an accrual basis of accounting and a rate model, which represents the cash requirements for FY07 and used to calculate the user rate. She informed the City Council that the sewer rate will be \$4.80 and the water rate would be \$1.85 per 100 cubic feet.

Deputy Public Works Director Allen discussed the various services and facilities provided in the sewer and water departments. He also reviewed the capital projects pending for each department. He advised the City Council that the water increase would equate to an additional \$15.00 a year per household with a sewer increase of \$12.00 a year per household.

Councilor Whitehouse requested an updated on the Tolend landfill in Dover, NH. Deputy Public Works Director Allen reported that the City of Dover has a study with the EPA to identify the area of the plume, which is the area of concern for the City of Portsmouth. He said that currently it does not show that the Bellamy River will be impacted and staff will continue to review information and data received relative to this issue.

Deputy Public Works Director Allen also discussed the regulation of grease coming from restaurants into the City sewer. He said that he is working with the Health Department on educating restaurants.

VI. Presentation – Parking & Transportation

Public Works Director Parkinson addressed the Parking & Transportation budget and the various programs and services offered by the department. He spoke to the reorganization of the department since John Burke vacated the position of Parking & Transportation Director. He said that the department is proposing a Parking Business Manager to review and address parking issues in the department. He said attention that is deserved will be met with this position and outreach provided to businesses.

City Manager Bohenko said that we looked at creating this position prior to John Burke leaving the City. He said that we need the coordination of efforts for parking issues and address the concerns of businesses and this position will do that.

Assistant Mayor Ferrini said that it is an outstanding idea from a public standpoint.

Councilor Whitehouse asked if the new position would be posted in-house first. City Manager Bohenko advised Councilor Whitehouse that we consider in-house employees if they have the skill level for the position first.

Mayor Marchand spoke to the program of digital parking kiosk's being implemented in the City of Manchester and whether the City of Portsmouth has considered this. City Manager Bohenko said we looked at a pilot program on Market Street and stressed that it would be a learning curve project. He said that the City would need to be careful about educating the public if we were to institute such a program.

Councilor Dwyer asked about the increase in the trolley match. Public Works Director Parkinson advised Councilor Dwyer that the increase in funding is for the Pease loop. He also informed the City Council that the program started with 100% federal funding and this will get us up to the 50/50 match required.

VII. Questions and Discussion

City Manager Bohenko announced that the budget public hearing would be reconvened on June 7, 2006 at 7:00 p.m. in the City Council Chambers. He also informed the City Council that the final budget review work session is scheduled for June 13, 2006 at 6:30 p.m. in the City Council Chambers. He advised the City Council that copies of the budget resolutions would be provided for review and discussion at the June 13, 2006 City Council Work Session. He also spoke to a list of proposed capital projects being provided to the City Council as well.

City Manager Bohenko informed the City Council that he has provided summaries of all departments for the study circle meeting. He advised the City Council that the study circles have asked four questions relative to the budget and he has provided the City Council with copies of his answers to those questions.

VIII. Adjournment

At 9:00 p.m., Mayor Marchand closed the meeting.

Respectfully submitted by:

Kelli L. Barnaby, CMC
City Clerk