

## **CITY COUNCIL WORK SESSION**

### **Review of FY09 Municipal Budget**

April 22, 2008 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

---

City Council Present: Mayor Ferrini, Assistant Mayor Blalock, Councilors Novelline Clayburgh, Smith (left meeting at 7:45 p.m.) Kennedy, Spear and Pantelakos

City Council Absent: Councilors Dwyer and Raynolds

Staff Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Dianna Fogarty, Human Resources Director; Robert Sullivan, City Attorney; Andrew Purgiel, Controller; Alan Brady, Communications Supervisor; Dawn Leveille, Revenue Administrator; Rosann Maurice, Assessor; Rus Wilson, Recreation Director; Barry Foley, Assistant Recreation Director; David Holden, Planning Director; Keith Bates, Welfare Director; Maryann List, Library Director; Jon Frederick, Parking Manager; Cindy Hayden, Deputy City Manager; Richard Hopley, Building Inspector; Sue McCann, Assistant Library Director; Steve Parkinson, Public Works Director; David Allen, Deputy Public Works Director; Peter Rice, Water and Sewer Engineer; Gail Cunningham, Controller; Kim McNamara, Health Officer; and Kelli L. Barnaby, City Clerk

---

#### **I. Call to Order**

Mayor Ferrini called the work session to order at 6:30 p.m.

#### **II. Introduction**

City Manager Bohenko said we will review a number of Municipal Departments this evening. He reported that the budget is coming in at a 2.1% increase over last year and with an estimated COLA we will be below the 3.5% goal set by the City Council. He said that the Municipal Budget has achieved the goal set by the City Council over the last 10 years.

City Manager Bohenko spoke to the agreement the City has with Packard Development which indicates that the funding for the traffic calming project on Ocean Road must be submitted within 30-days of issuance of a building permit. Therefore, the CIP budget can be reduced by \$150,000.00 for the Ocean Road project.

### III. Presentations – General Government

- Public Works

Public Works Director Parkinson reviewed the organizational chart for the Public Works Department. He said the mission of the department 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. He reported that this budget reflects an increase of 3.1% over FY08 and provides all the existing services and programs with no additional personnel.

Public Works Director Parkinson advised the City Council that the following areas are being increased:

- Repairs to vehicles and equipment
- Repairs and maintenance of facilities
- Materials such as gravel, asphalt, concrete, ball field mix, traffic signs and recycling bins
- Gasoline and diesel fuel
- Utilities, supplies and materials

Councilor Kennedy asked about the Matrix Overtime Report and the recommendation to expand collection hours. Public Works Director Parkinson said that is a collective bargaining issue and would need to be addressed during negotiations.

City Manager Bohenko advised the City Council that Mayor Ferrini has requested an update on collective bargaining issues which will take place prior to the May 5, 2008 City Council meeting in a Non-Meeting with Counsel.

Human Resource Director Fogarty reported that there is some flex time in the Public Works Department as well as some employees' hours being adjusted in the summer.

Councilor Novelline Clayburgh asked about recyclable items. Public Works Director Parkinson said 50% of the items are recycled. Councilor Novelline Clayburgh asked if discussion has occurred regarding the combination of school custodial services. City Manager Bohenko said that we are starting to look at how we can combine services with the School Department and we continue to work with them. He said that we need to proceed slowly and start with the outside and work towards the other aspects.

Councilor Smith asked if the line item for part-time salaries could be reduced where we have come in below the \$65,000.00 in the past. Public Works Director Parkinson spoke to the process used in hiring college students for these summer positions. He advised the City Council what we spend depends upon when the individuals start working. City Manager Bohenko said that this program is a great value to the City.

Councilor Spear inquired as to the costs involved to provide utilities to the recreation buildings. Public Works Director Parkinson said that we are working to change out some old systems for more efficiency. He also informed the City Council that costs are higher for the buildings which have more square footage and are utilized more by the public. Councilor Spear also spoke to the difference in costs for water and sewer fees between the indoor pool and the Spinnaker Point pool. City Manager Bohenko said that there is a difference in efficiencies with the age of the pools as well as the size.

Councilor Kennedy asked why there is a large increase in contracted services. Public Works Director Parkinson said it is probably related to snow removal services.

- Library

Library Director List provided the City Council with a handout outlining areas of the Library budget. She said the mission of the library is a gateway to reading, information, culture, community activities, and self-directed learning. It serves those who want to read, to learn, or to connect with our community and our cultural heritage. She spoke to the major initiative of the Library was increasing the number of hours open to the public with the addition of Sunday afternoon however, during the months of June, July and August the Library will be open 6-days a week. The impact to personnel costs for the increase service plus steps for those employees due step increases equal 2.23%. Library Director List reported that there is a 33% increase in general program attendance at the Library. She advised the City Council that the community rooms at the Library have been used over 700 times this year. She addressed energy costs and said that the building is performing as expected. She spoke to areas of savings in the budget for copying and printing and reported that as many as 60% of all notices are delivered via email. Library Director List reviewed performance which is measured against other libraries. She said that we do about twice the business that other libraries do.

Councilor Spear said that the outline provided by Library Director List is a great document and recommended that it be added to the budget in the future. He asked if the attendance is measured by a door counter. Library Director Lists said that they do use an automated door counter. Councilor Spear asked if information could be gathered for the use of the Library on Sunday's. Library Director List said it is information they are working to gather and reported that there are about 350 individuals that utilize the Library on Sunday.

Councilor Kennedy inquired as to the revenue collected at the Library. Library Director List said that it is a small amount, approximately \$40,000.00 and the funds go towards purchasing books and are controlled by the Library Trustees per State requirements. Councilor Kennedy recommended that the funds be listed in the comments of the budget next year.

- Welfare/Social Service Agencies

Welfare Director Bates reviewed the mission of the department which is to provide appropriate and timely assistance to qualified individuals, promoting independence through guidance and referrals while recognizing the need to balance the City's financial interests with the needs of welfare applicants; and to maintain an active role in the community of organizations, businesses, and agencies that provide services to Portsmouth residents.

He advised the City Council that this budget represents an overall increase of \$10,497.00 or 3% over FY08. The Direct Assistance portion of the budget increases \$6,000.00 or 2.7% over FY08. He reported that shelter costs and prescription costs are expected to be down this year because individuals continue to benefit from programs and services available to them. He said that the department must provide assistance in accordance with State requirements.

Welfare Director Bates spoke to the Outside Social Services budget which is proposing a 2% increase for FY09. He informed the City Council that the agencies serve to help reduce the welfare budget.

- Recreation

Recreation Director Wilson provided a brief overview of the Recreation Department budget. He spoke to the increase in personnel during the summer. He addressed the three recreational centers in the City with Connie Bean offering youth programs, Spinnaker Point offers adult programs and the Greenleaf Recreation Center is a multipurpose facility. He spoke to the various programs offered at each of the three facilities. Recreation Director Wilson advised the City Council that the Recreation Department budget reflects a 1.74% increase over the FY08 budget.

Councilor Spear asked about the high cost associated with the water and sewer for the indoor pool. Recreation Director Wilson said the indoor pool is very inefficient because of its age. Councilor Spear inquired as to the cost for the student intern on Peirce Island and how much it would cost for 7 days a week. Recreation Director Wilson said the approximate cost would be \$2,000.00 - \$3,000.00 for the summer.

- Planning, Inspection, Health

Deputy City Manager Hayden provided a brief review of the three regulatory departments. She said the mission of the Planning Department is to effectively manage the City's land use planning program. The Planning Department budget represents an increase of 1.55% from FY08.

Councilor Spear spoke to the volume of work added to the Planning Department over the last couple of years and inquired as to whether the department is adequately staffed or is there a need for additional staff. Deputy City Manager Hayden said there is a certain amount of triage to keep up with the work load but feels that they are handling things well and they do contract out services for special projects when needed.

Deputy City Manager Hayden spoke to the mission of the Inspection Department is to seek to insure the integrity of the City's existing and future built environment through the implementation and enforcement of the City's construction codes relating to structural integrity, safe wiring, sound plumbing, safe mechanical systems and properly installed fire protection systems. This budget represents a 0.30% increase from FY08. In addition, she reported that in FY07, fees from all construction permits were \$612,426.00.

Deputy City Manager Hayden reviewed the Health Department and said their mission is to provide environmental health services for the protection of Portsmouth residents and visitors. She reported that the department is responsible for inspecting over 250 food establishments. Due to newly emerging and re-emerging environmental health threats, the Health Department is also taking on an increasing role in Emergency Response and outbreak investigations. Deputy City Manager Hayden informed the City Council that this budget includes an increase allocation of her position from 5% to 10% in FY09.

- Finance

Finance Director Belanger reviewed the organizational chart of the Finance Department and spoke to the major functions of the department. She advised the City Council that the Finance Department is comprised of the Accounting, Assessing, Tax Collection, Information Technology, and Purchasing Divisions. She said this budget represents an overall increase of less than 1% over FY08. She reviewed the centralized billing system used and the departments it serves.

Finance Director Belanger reported that the IT Division serves all City departments offering consulting, technical support, maintenance services, programming and application training. She said the website has over 7,000 hits on a daily basis. She discussed the savings in placing RFP's and bids on the website. In addition, she spoke to the addition of credit card payments for water and sewer billing.

She reported that the Assessing Department ensures the valuation of approximately 86,000 residential and commercial properties in the City. She informed the City Council that the next revaluation of property is scheduled for 2011.

The Revenue Collecting ensures the secure and service-oriented billing and collection of municipal and state taxes, automobile registrations, boat registrations, utilities, and miscellaneous revenues. The Tax Collector also serves as the municipal agent for the NH Department of Safety. Finance Director Belanger reported that the Tax Collector will be going on-line with State for registrations some time in September or October.

She reviewed the accounting functions of the department and said they prepare all payroll checks for personnel. She also addressed the comprehensive review of financial records.

Councilor Spear spoke to the recommendation of our outside auditor for the creation of an internal auditor. City Manager Bohenko said we are exploring that recommendation and advised the City Council that our internal controls are in place and we need to document them more completely. He said an internal auditor would be a contract position.

#### **IV. Presentation – Sewer & Water Departments**

Deputy Public Works Director Allen said the Water Division strives to provide quality drinking water and an adequate supply of water for fire protection. The Water Division is proposing an increase of 10.2% over FY08. The major factor that contributes to this net increase is debt related interest and fees associated with the Madbury Treatment Plant, the Raw Water Management project and Greenland Well improvements. He reported on the implementation of the Automated Meter Reading system scheduled to be completed in FY09. The new system will facilitate the transition to billing all water and sewer customers on a monthly basis instead of every four months. He reported that the proposed water rate for the first 10 units per month will increase from \$1.90 to \$2.40 per unit. The rate for consumption over 10 units per month will be increased from \$2.20 to \$2.85 per unit. One unit of water equals 100 cubic feet or 748 gallons. He advised the City Council that the proposed water rate will raise the average residential customer's water bill by approximately \$5.00 per month. He said it is important to note that, 80% of all the residential customers fall into the 10 units or less tier.

Deputy Public Works Director Allen said the Sewer Department provides cost-effective, reliable and high-quality wastewater collection and treatment services to its customers. The Sewer Division budget represents a decrease of 11.9% from FY08. The major factors attributed to the reduction are:

- Change reducing the appropriation for Non-SRF capital projects
- Savings in energy costs and repairs to equipment expenses, due to the completion in the improvements in the Deer Street Pump Station
- Reduced costs for river testing as a result of a new permit for the Peirce Island Wastewater Treatment Plant

He reported that the proposed sewer rate for the first 10 units of water consumed per month will increase from \$4.89 to \$5.00 per unit. The rate for consumption over 10 units per month will increase from \$5.33 to \$5.50 per unit. One unit of water consumed equals 100 cubic feet or 748 gallons. The proposed rate will raise the average residential customer's sewer bill by approximately \$1.10 per month. He also reported that 80% of all the residential customers fall into the 10 units or less tier.

Councilor Kennedy asked why there is a reduction in overtime. Deputy Public Works Director Allen informed the City Council that the Chief Plant Operator has restructured the operations at the plant.

#### **V. Presentation – Parking & Transportation**

City Manager Bohenko said we are looking at moving our parking revenues into an enterprise fund. He reported that debt services for the High Hanover Parking Garage have been moved to the Parking//Transportation Fund.

Parking Manager Frederick said the mission of the department is to coordinate the delivery of parking and transportation services in a professional and responsive manner by recognizing that a safe, reliable and efficient transportation system is essential to our economic well being and quality of life.

He outlined the various projects contain in the Capital Budget:

- \$200,000.00 for the continue replacement of the current parking meters with new technology and payment features.
- \$115,000.00 for continuing improvements to the High/Hanover Parking Facility including structural steel repainting, concrete repairs and parking control equipment replacement.
- \$5,000.00 for the Greater Portsmouth Transportation Management Association which is a cooperative organization of employers, whose purpose is to develop employee commuter service programs to promote commuting alternatives.
- \$4,000.00 for bus stop shelters.

Councilor Kennedy asked what is the cost for the traditional parking meter. Parking Manager Frederick said the cost is \$600.00 per meter. Mayor Ferrini asked if there is a difference in cost between the pay and display meters versus traditional meters. Parking Manager Frederick said that the cost is the same. City Manager Bohenko said that we have discussed this issue internally and we may want to slow down in changing out meters. He said that we are reviewing a more phased in approach, therefore reducing the meter replacement costs by \$150,000.00 and installing 6 to 7 new pay and display units. City Manager Bohenko advised the City Council that there are a number of meters that have reached there useful life. He expressed the need for further education on the pay and display units and suggested holding a work session in the future on the units.

Assistant Mayor Blalock asked if Market Street would be receiving the new units. City Manager Bohenko confirmed that Market Street would receive the pay and display units in connection with the reconstruction of the street.

Councilor Spear spoke in support of the parking garage improvements. He spoke to some facilities having lights above each space and the creation of a pass card system similar to the EZPass program. Parking Manager Frederick said he is researching new technology but, that can be expensive. Councilor Spear recommended the installation of additional lighting at the Parking Garage. Parking Manager Frederick advised the City Council that a lighting study was recently completed and we exceeded the standards for lighting in our facility.

## **VI. Fee Schedule Update**

Controller Purgiel reviewed the Fee Schedule contained in Appendix III of the budget. He reported that there are 380 fees listed and 300 raise revenues for the general fund. He said fees represent 1% of the total general fund revenues. He advised the City Council that the Recreation Department has requested an increase to Indoor Pool membership fees for non-residents by 20%. In addition, there is a requested 5% increase in Spinnaker Point Recreation Center rates as well as an increase of \$5.00 per boat launch at Peirce Island for non-residents and commercial launches.

## **VII. Questions and Discussion**

Councilor Kennedy requested that the City not install any new pay and display units but replace the meters with traditional units. City Manager Bohenko said he does not feel that it is advisable and recommended conducting a work session in the future to have a full discussion. He advised the City Council that we will proceed to install the pay and display units on Market Street, as the units have been purchased.

Mayor Ferrini said the issue of parking meters may require some public input. City Manager Bohenko advised the City Council that no other pay and display units would be installed before public input is received. He reported that \$150,000.00 will be moved from revenues and \$50,000.00 will remain in parking.

Councilor Kennedy recommended that the City Council reviews the Matrix Study on overtime. She spoke to the recommendation for additional firefighters to lower overtime costs. City Manager Bohenko said you save funds the first 2 years but you see a loss in the next 3 to 4 years. He said that Fire Chief LeClaire has indicated that he does not feel that this would be in the best interest of the budget.

Mayor Ferrini recommended if City Councilors want to address particular items during the May 14, 2008 Budget Review Work Session that they compose a list of questions and concerns to assist in the process.

City Manager Bohenko announced that prior to the May 5, 2008 City Council meeting a Non-Meeting with Counsel will be held to discuss labor negotiations. In terms of the hiring of additional firefighters as recommended by the Matrix Report he will request Human Resources Director Fogarty prepare a report outlining the costs and its affects 3 to 4 years out.

## **VIII. Adjournment**

At 8:30 p.m., Mayor Ferrini closed the meeting.

Respectfully submitted by:

Kelli L. Barnaby, CMC/CNHMC  
City Clerk