

SPECIAL CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: MONDAY, MAY 12, 2008

PORTSMOUTH, NH
TIME: 7:00PM [or thereafter]

I. CALL TO ORDER

Mayor Ferrini called the meeting to order at 7:00 p.m.

II. ROLL CALL

Present: Mayor Ferrini, Assistant Mayor Blalock, Councilors Novelline Clayburgh, Dwyer, Smith, Kennedy, Spear, Raynolds and Pantelakos

III. RECESSED PUBLIC HEARING (*Recessed from April 16, 2008*)

A. PROPOSED FY JULY 1, 2008 THROUGH JUNE 30, 2009 BUDGET

Mayor Ferrini reopened the public hearing which was recessed on April 16, 2008 and spoke to the many work sessions held regarding the budget.

IV. PRESENTATION

City Manager Bohenko announced that he would be providing a brief presentation regarding the budget, and the public was provided with copies of his presentation to review. He outlined the various meetings that have been held regarding the budget and informed the public that the City Council will hold a final budget review work session on May 14, 2008. He said that the Council anticipates approving the budget at the June 2, 2008 City Council meeting. He spoke to the proposed budget of \$83,168,360.00 provided to the City Council as of April 11, 2008 with a proposed tax rate increase of \$.88 or 5.39%.

City Manager Bohenko reviewed the expenditure reductions as follows:

- Police Department - \$43,159.00
(Police Commission proposed reduction)
 - School Department - \$55,000.00
(Reduction in Property and Liability Insurance)
 - Capital Improvement - \$150,000.00
(Reduction)
- Total \$248,159.00

City Manager Bohenko further reported that as of April 25, 2008 the rate increase of health insurance will be 2.4% with a total savings of \$216,963.00 from what we were expecting. He said the revised FY 2009 proposed budget is \$82,703,238.00 or a 3.56% increase which reflects a total reduction of \$465,122.00. He said the goal of the City Council was 3.5% increase and there would be an additional reduction of \$50,000.00 needed to reach that goal.

City Manager Bohenko informed the City Council that there is a reduction in the Parking Fund for parking meters with an increase in general fund revenues of \$150,000.00. Based on the foregoing with a \$465,122.00 reduction in expenditures and \$150,000.00 increase in revenues there is a net difference of \$615,122.00 which would result in a \$.17 reduction from the proposed tax rate. He advised the City Council that the revised tax rate would be \$17.05 with a \$.71 difference over FY08 for a 4.35% tax increase.

V. PUBLIC COMMENT/INPUT

Mayor Ferrini asked individuals to come forward to speak on the budget,

Harold Ecker, expressed concern regarding the lack of residents' presence this evening to speak relative to the budget. He said the City Council should review all the numbers provided to be thorough and responsible.

At 7:15 p.m., Mayor Ferrini declared a brief recess following the collapse of Mr. Ecker. At 7:23 p.m., Mayor Ferrini called the meeting back to order.

Martin Cameron, Portsmouth resident, representing Association of Portsmouth Taxpayers (APT) read a letter from Bill St. Laurent who was unable to here this evening.

The letter read as follows: "Good evening Mayor and City Councilors, I am not able to attend this public hearing as I am away on family matters, so I am addressing you with this letter as read by APT member Mr. Martin Cameron.

I am addressing you, as representative of the Association of Portsmouth Taxpayers, this evening with the encouragement of knowing you are trying vigorously to do what you can to keep our FY 2009 budget at a rate that will benefit both the city departments and the economically pressured taxpayer. This is an economically tough year for all concerned but you must remember that city departments can return to the council for supplemental requests when their budget runs in the red but the taxpayer has no where to turn to come up with money to pay for tax rates from inflated and unnecessary budget spending. This year's budget should have been a zero budget because of the economic times, and I did address this with a few councilors who stated it was not possible because of the county and state increase budget requests. The zero budget I was addressing was the city budget only, as this is the budget you have fiscal control over.

Recently this organization was approached by a group, Coalition for a Tax Cap, looking for representatives in several cities and towns to start working on tax caps in these cities and towns. We, at the APT, have not addressed this organization and feel that if a city or town work with the residents and city departments to control spending and keep tax rates at a reasonable amount, tax caps should not be necessary. On the other hand if the city or town cannot control their spending habits, a tax cap may be the only solution, as it has been in some towns.

The APT addressed the FY 2009 budget at their meetings and several areas's of concern were discussed and voted on to bring to this hearing.

- Extend upcoming city contracts for one year with no provision for retroactive payments, and take the \$1,000,000.00 projected need for the contracts out of the budget. (Let's tell them how much they can have before we even start the contract negotiations).
- Has anyone questioned the need for 11 dispatchers for the combined Fire and Police departments, in a city the size of Portsmouth.
- Look to increase parking garage fees in the summertime due to the increased volume of tourists, other larger cities do it.
- Since we will be experiencing increase cost for city services, snow plowing, infrastructure maintenance, police and fire protection we should be looking for other forms of revenue from those who do not pay taxes such as non-profits, a fee for services rendered.
- Oppose new parking meters which are rejected by 90% of those who use them.
- Control our bonding habits and do not start new bonding projects, unless mandated by law, until one of the present bonds have matured.
- Do we have an overabundance of substitute teachers?
- And lastly, we at the APT would like to compliment the Department of Public Works for fiscally controlling their budgets, year after year, and the hard work and professionalism of this department.

There will be other APT representatives here tonight to address other concerns in the FY 2009 budget.

We at the APT are not organized to oppose taxes, as we know taxes help make our city work, we want to represent those taxpayers and residents who feel the need to have a voice in the every day activities of our wonderful city, and also feel they have some say in the way our taxes are being used. The cooperation of the elected officials and their recognition of taxpayers and residents concerns go a long way in making a city great.

Submitted by Bill St. Laurent, President of Association of Portsmouth Taxpayers

Ann Wheeler, Portsmouth resident, President of Little Harbour School PTA expressed concern with the school budget and the impact reductions would have on the students and parents. She advised the City Council that she choose to live in the City of Portsmouth because of the high quality of life and education provided to the children of the community. She urged the City Council to fund the proposed budget presented by the School Department.

Rick Condo, Portsmouth resident, representing Local 1313 spoke in support of the Fire Department budget and said it is needed to maintain 13 firefighters on day and night shifts 7 days a week. He said if the Fire Department budget is reduced there will be a need to reduce the apparatus used and the number of personnel. He urged the City Council to support the Fire Department budget as presented.

Erika Taylor, Portsmouth resident, spoke in support of the School Department budget as presented. She said it is essential to keep small classes for a quality education for our children. She said a good school system encourages people to want to live in the community.

Helen Steele, Portsmouth resident, thanked the city departments for preparing the budget, but she is against the budget as presented. She said it is as though the budget is rubber stamped year to year and does not call for accountability in any of the departments. She said that the Fire and Police Departments to a great job but there are other ways to provide services such as cross training.

Erik Anderson, Portsmouth resident, said the City Council has worked diligently to achieve their stated goal for the 2009 budget. He said currently the budget includes \$1,000,000.00 in contingency funds for contending with any contract renewals that might take place in the fiscal year. Although that might be a safe and respectable approach it does raise a question by tipping your hat and putting that taxpayer money on the table to see who tries to grab it first. He said it may be beneficial to the Council and taxpayers to extend the current contracts for 1 year with no retroactive consequence when agreement is achieved. He urged the City Council to take a hard look at programs that were sold under one set of funding source and now change to a taxpayer obligation. He said he does not know if any special circumstances were made with developing businesses at the Pease Tradeport that allowed for tax breaks to potential city revenue. It would be an interesting exercise for the City Council to review any circumstances of this nature, if they exist, and explore the possibilities of increasing revenue for the City where applicable. In reviewing the School Budget, the PASS program is not specifically isolated for expenses as with the other schools. He said locating the program at the Sherburne School might not be the best cost alternative. Mr. Anderson recommended a review of sewer entrance impact fees for any new entrants to the existing or potential new system. He reported that overtime makes up 4.78% or \$1,643,128.00 and it is projected to increase by \$225,288.00 in 2009. He informed the City Council that the Police and Fire Departments make up \$1,290,649.00 or 78% of all overtime. He urged the City Council to consider reducing the overtime.

Mr. Anderson addressed capital improvement issues and suggested to eliminate the New Police Station Feasibility Study for \$25,000.00; and eliminate the \$25,000.00 for Land Acquisition. Further, he said the Council should consider using some portion of the land acquisition fund for the new fire station 2 location to reduce the final bonding figure. He said \$50,000.00 for Market Square Sidewalk Handicap Ramp Reconstruction should be moved into the bond for \$500,000.00 for Citywide Sidewalk Reconstruction Program and specifically not as a \$50,000.00 additive to the \$500,000.00. He also suggested reducing the \$100,000.00 capital contingency contribution. He also addressed the Portwalk Parking Facility and Middle School improvement projects and taking a closer look at these in terms of reducing some projects in scope or size to achieve additional reductions. Mr. Anderson suggested using a portion of the Undesignated Fund balance to provide a greater reduction to taxpayers. In closing, he thanked the City Council for the thoroughness of the proposed 2008-2009 annual budget.

Christopher LeClaire, Fire Chief, spoke to response time of the department to be on scene within 1 minute of Mr. Ecker collapsing. He said all departments work together in this City and have fiscal responsibility in preparing their budget. Chief LeClaire said he is proud of the City Staff, Commissions and City Manager for the way this City is run.

Rob McDowell, Portsmouth resident, spoke to various areas of the budget and expressed concern that one-third of students in the school system are coded. In addition, he spoke opposed to providing EMS service to other communities because in turn we lose coverage for our city if there is an incident. Mr. McDowell spoke opposed to the large number of ranking officers in the departments.

Erik Anderson, Portsmouth resident, suggested that the City Council consider adopting a no new hire policy with this budget.

Martin Cameron, Portsmouth resident, spoke to the \$1,000,000.00 in the contingency fund for contract negotiations and urged the City Council to consider extending the contracts one year. He thanked Mayor Ferrini for going to Concord, NH and trying to get a handle on the retirement system. Mr. Cameron advised the City Council that times are tough right now and residents are dealing with rising costs in every area. He asked that the City Council, consider the cost to the taxpayers and those on fixed incomes.

Christine Wade, Portsmouth resident, spoke in support of the School Department budget as presented.

After three calls and no further speakers, Mayor Ferrini declared the public hearing closed.

Mayor Ferrini announced that the City Council will hold a final budget review work session on Wednesday, May 14, 2008 at 6:30 p.m. here in the Eileen Dondero Foley Council Chambers.

VI. ADJOURNMENT

At 8:00 p.m., Councilor Smith moved to adjourn. Seconded and voted.



Kelli L. Barnaby, CMC/CNHMC
City Clerk