

CITY COUNCIL WORK SESSION

Legislative Delegation

January 26, 2009 – 5:30 p.m.

Eileen Dondero Foley Council Chambers

City Council Present: Mayor Ferrini, Councilors Novelline Clayburgh, Dwyer, Smith, Kennedy (arrived at 5:55 p.m.), Hejtmanek, Pantelakos (arrived at 6:00 p.m.) and Spear

City Council Absent: Assistant Mayor Blalock

Officials Present: John P. Bohenko, City Manager; Terie Norelli, Speaker of the House, State Representatives Jacqueline Cali-Pitts, Richard DiPentima, Paul McEachern, James Splaine, and Robert Read; Dianna Fogerty, Director, Human Resources, Rosann Maurice-Lentz, Assessor, Kristin Shaw, Health Officer, Patricia Remick, Coalition Communities Coordinator, and Dianne Kirby, Deputy City Clerk

I. Call to Order

At 5:30 p.m., Mayor Ferrini called the work session to order and turned the meeting over to City Manager Bohenko.

II. The New Hampshire Retirement System

City Manager Bohenko stated that he passed out an agenda and copies of bills that the we would like to discuss as well as a bill that came in today concerning the Retirement System. He asked if any of the delegates have seen House Bill 641 yet. He stated that the City of Portsmouth was very interested in this bill. He turned the meeting over to Dianna Fogerty, Director of Human Resources.

Dianna Fogerty, Director of Human Resources stated that House Bill 641 appears to try to reconcile the problem with the Retirement System by:

- Calculating the average base pay of a member during his or her highest 3 years of creditable service, or during all of the years in his or her creditable service if less than 3 years
- Multiplying the average base pay determined in above by 125 percent;
- Subtracting the result from above from the member's average final compensation.

She said that her concerns with this are:

- having to go back through all an employees records from date of hire and that there could be a huge cost associated with this
- because of the above, we do not know how much this will cost the City
- the fact that they may no longer have all the required records

City Manager Bohenko stated that a better way to would be to link it to a number of earnable compensations of retirement that can't exceed 150% of base so you will be dealing with it on that end or anything in excess of 125% of previous year's compensation. He said there are a couple of ways of doing this. He stated that this bill is very complicated. He requested that the delegation keep an eye on this bill and let the City know whenever any retirement bills are set for hearing.

He stated that the other bills that have been passed out are of interest to the City as well.

Speaker of the House Norelli stated that this bill was put in as a starting point. State Representative McEachern suggested that Portsmouth draft an amendment using the recommendations that City Manager Bohenko has stated. Councilor Dwyer asked if Dianna Forgarty could calculate out some sample figures using the formula as it relates to the different bill so the Council can see what the effects would be. City Manager Bohenko stated that we do not have the actuarial data that is outline in HB 641 in order to do this. He stated that State Representative McEachern's suggestion is very good and he suggested that we put together what we believe are the type of elements we would like to see in the bill rather than crafting our own bill. Councilor Dwyer suggested having a sub committee of our Council or some other group. She said that as a Councilor she would like to know what is in the testimony. City Manager Bohenko stated that we are very careful about doing this. He said the only one that we have gone forward with is HB 246 and that was because it had such a potential impact to the City that we had to explain the facts. He stated that he would welcome a three member committee to help.

State Representative DiPentima suggested that Mayor Ferrini coordinate testimony with other cities and towns that would have the same problems. Mayor Ferrini stated that he would like a three person committee that would be able to go to the State House to testify. He stated that we need to come up with a Committee for this. State Representative Cali-Pitts asked if these were all early reporting bills. She stated that if they are they will move quickly.

City Manager Bohenko stated that he wanted to let the Delegation know of the City's concerns.

III. Costing an Adequate Education & Constitutional Amendments

Patricia Remick, Coalition Communities Coordinator reviewed House Bill 521. She stated that the changes made to the education funding formula has the potential of returning Portsmouth to the status of a "donor community" in Fiscal Year 2012. She stated that there is a Constitutional Amendment that has been put in. She said that CACR2 would institute targeting aid which is something the City of Portsmouth has supported in the past. She stated that CACR2 is scheduled for a February 5, 2009 hearing. She said there have also been several bills that have been put in that would do various kinds of abatements and exemptions.

IV. HB 246 Relative to Encouraging Discretionary Preservation Easements for Historic Structures

Rosann Maurice-Lentz, Assessor stated while we understand the intent of this proposed legislation is to preserve historic structures in our state, we have a number of concerns about the bill.

- 1,900 of our 7,000 residential and 1,300 commercial taxable properties are over 100 years old
- this proposed legislation could shift the tax burden to mostly lower income and elderly owners of non-historic structures
- there will be a tax-reduction incentive for all property owners within the Historic District to place their buildings under a preservation easement since the easement would not be any stricter than the current Historic District regulations
- assuming a 50% reduction in the “full value assessment” of the 287 residential properties over 100 years old, it would increase the City’s tax rate by approximately thirty cents
- the decision of who qualifies for the easement would be made by the governing body – not the Assessor or Board of Assessors
- the proposed legislation is not a true local option
- this proposal does not clearly define how to assess a property that has been granted this easement.
- this proposal give an unfair tax break to owners of historic properties

City Manager Bohenko stated that this will cause a major shift to newer homes. He said it will have huge ramifications. State Representative McEachern stated that this bill is not going anywhere. City Manager Bohenko stated that the City of Portsmouth opposes this bill.

V. HB42 to add a meat inspector, which could lead to local poultry sales

Kristin Shaw, Health Officer, stated that HB42 allows for State meat inspection. She said that presently our small poultry farmers are prevented from selling their poultry in retail stores, markets or restaurants across the State because they don’t meet the definition of food source per the FDA. She said with the reinstatement of meat and special program we would be able to provide services that would allow them to expand their sales. She stated that we support this bill.

VI. SB 59 by Senator Fuller Clark Regarding Renovation and Replacement of School Buildings

Patricia Remick, Coalition Communities Coordinator, stated that she spoke to Senator Fuller Clark. She stated that this bill will not be brought for hearing for a few weeks. She said the bill will put renovation on the same par as new buildings when it comes to school building aid. She said this issue is a problem with all communities. She said this bill also requires a district to investigate all possible options in deciding whether to renovate or replace a school as a sustainable measure as well.

VII. Concerns Regarding Revenues from State, Including Gas Tax, Rooms and Meals Tax, Retirement Share

City Manager Bohenko stated that this is for informational purposes. He stated that the Local Government Center will be talking about this on Friday, January 30, 2009. He said we will advise the Council as to whom we will be sending and if there is any input we will need from the Council.

VIII. Other Legislation

City Manager Bohenko asked the Delegation if they knew what is happening with the stimulus conversation at the State level. He said we have sent the Federal Delegation a letter as it relates to what we believe would be in the State's best interest for the stimulus program as well as sending a letter to the Governor. He asked the Delegation if they have heard anything as to how money will be redistributed. Speaker of the House Norelli stated that they will not really know until the President signs something. She stated that she also heard that there will not be much flexibility and would come through existing funding sources. She stated that they would like to see a waiver for matching funds which currently is not in the latest draft version for the House.

City Manager Bohenko stated that he would like to see some money come through for our water treatment plant as that is the City's top priority. He stated that our sewer separation projects are also ready to go. He said he would like to move on those projects. Mayor Ferrini stated that he would like to see cities and towns get some of this money and not have it all go to state programs.

Mayor Ferrini stated that he will keep the Delegation advised of what we are hearing.

IX. Adjournment

At 6:10 p.m., Mayor Ferrini closed the meeting.

Respectfully submitted by:

Dianne M. Kirby, Deputy City Clerk