

SPECIAL CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: WEDNESDAY, APRIL 10, 2013

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

I. CALL TO ORDER [7:00PM or thereafter]

Mayor Spear called the meeting to order at 7:40 p.m.

II. ROLL CALL

Present: Mayor Spear, Assistant Mayor Lister, Councilors Kennedy, Novelline Clayburgh, Lown, Dwyer, Smith and Thorsen

Absent: Councilor Coviello

III. PUBLIC HEARING

A. PROPOSED FY JULY 1, 2013 THROUGH JUNE 30, 2014 BUDGET

Mayor Spear announced that City Manager Bohenko will provide a presentation on the budget then he would open the public hearing for speakers.

IV. PRESENTATION – JOHN P. BOHENKO, CITY MANAGER

City Manager Bohenko provided a presentation on the FY14 Budget. He spoke to the work session held this past Saturday with the various departments making their budget presentations. He addressed the challenges with this budget and the down shifting of costs from the State and their elimination of various revenues. He stated that Portsmouth continues to have a stable and predictable tax rate with a high quality of services to the public.

The FY14 Proportion of Operating & Non-Operating Proposed Budget is as follows:

- Operating \$73,216,323.00 which equates to 79 % of the budget
- Non-Operating \$20,006,814.00 which equates to 21% of the budget
- This represents a \$2,764,884.00 increase over FY13 or 3.92%

City Manager Bohenko stated that the average rate of increase for FY10-FY14 was 1.76%, the retirement rates will increase by \$1,256,903.00 for FY14, health insurance by \$106,673.00, and the County Tax is estimated at \$4,540,274.00. He reported that the proposed tax rate for FY14 is \$18.00 which represents a \$.45 increase. The tax rate three-year average was \$.20 annually, or 1.1% each year.

City Manager Bohenko thanked the School Board, Police & Fire Commissions and all department heads for their hard work on the budget. He thanked Finance Director Belanger and Finance Department staff for their continued hard work and congratulated them on receiving the 7th Annual Financing Budget Award for the City of Portsmouth.

V. PUBLIC COMMENT/INPUT

Mayor Spear read the legal notice, declared the public hearing open and called for speakers.

Rick Horowitz thanked City Manager Bohenko for his presentation and stated that we cannot continue to increase our spending. He spoke to the capital spending for the High School and Middle School projects and the new Fire Station 2. He stated that the budget increase is unreasonably large and addressed the pension costs and its effect on the budget. Mr. Horowitz recommended a 0% increase for the FY14 Budget.

Mark Brighton urged the City Council to do the right thing when it comes to approving the budget. He stated a 3.9% increase in the budget is still above the cost of inflation. He spoke to the tax calculator the Association of Portsmouth Taxpayers have on their website for residents to calculate the tax rate, and what it would have been if the City did not increase budgets over the cost of inflation.

Kathy Baker said in order to maintain a status quo budget means an increase higher than the rate of inflation. She stated that spending starts with priorities and contracts. She asked why the City owns so many buildings which should be placed on the tax rolls to generate tax revenue. Ms. Baker said big differences could be made through contracts and benefits if they were aligned with the public sector. She stated that the City is becoming unaffordable and the Council needs to start recognizing this.

Diane Giese inquired about the \$10,000.00 for senior services in the budget and what would it be used for. She expressed concern with transportation issues and asked if the changes to the City Hall entrance would affect the Seybolt side of the building.

William St. Laurent spoke opposed to the 4% increase in the budget and urged a 0% increase to the FY14 Budget. He also stated that the cost of the middle school project is too high. He said the average middle income person will no longer be able to live in the City and the Council needs to listen to the taxpayers and decrease the budget.

Rick Horowitz spoke about his family relocating from California to Portsmouth 9 years ago because of the financial state California was in at that time. He expressed his concern with New Hampshire heading in this same direction. He asked for more fiscal responsibility.

William St. Laurent asked the Council to work towards reducing union contracts.

Norm Olsen stated across America communities are cutting back and asking city employees to be creative with their budget requests. He said the retirement and pension costs are unsustainable and is deeply disappointed with the proposed 4% increase to the budget. Mr. Olsen said Portsmouth is one of the highest in the state for employees per capita. He asked the Council and departments to be more innovative.

Mark Brighton said the 4% budget does not offer a challenge to the department heads. He spoke opposed to the increase in cost from contracts.

With no further speakers, Mayor Spear declared the public hearing closed. He thanked department heads for their work and asked the City Manager to address some of the questions made during the public comment.

City Manager stated that the senior transportation costs are \$143,000.00. The \$10,000.00 in the Recreation Department is for various programs for the senior citizens. He also reported new growth equals \$50,000,000.00 and the tax rate would have been \$.25 higher if not for the new growth.

VI. ADJOURNMENT

At 8:00 p.m., Mayor Spear closed the meeting.

A handwritten signature in black ink that reads "Kelli L. Barnaby". The signature is written in a cursive, flowing style.

Kelli L. Barnaby, CMC/CNHMC
City Clerk