

CITY COUNCIL RETREAT WORK SESSION

October 4, 2014 – 9:00 a.m.

Portsmouth Public Library, Levenson Room

City Council Present: Mayor Lister, Assistant Mayor Splaine, Councilors Shaheen, Kennedy, Lown, Dwyer, Morgan, Spear and Thorsen

Staff Present: John P. Bohenko, City Manager; Dave Allen, Deputy City Manager; Judie Belanger, Finance Director; Andrew Purgiel, Deputy Finance Director; Peter Rice, Public Works Director; Adam Cannon, Special Projects; Brian Goetz, Deputy Public Works Director; Robert Sullivan, City Attorney; Stephen Dubois, Police Chief; Steven Achilles, Fire Chief; Rosann Lentz, Assessor; Becky Benvenuti, Revenue Administrator; Dianna Fogarty, Human Resources Director; Karen Senecal, Police Budget Coordinator; Stephen Zadravec, Assistant Superintendent School; Rick Taintor, Planning Director; Jessa Berna, Planning Department; Juliet Walker, Planning Department; Peter Brtiz, Environmental and Sustainable Practices Planner; and Nicholas Cracknell, Planner I

Others Present: John Ricci, Planning Board Chair; and Richard Gamester, Fire Commissioner

Call to Order

Mayor Lister called the Work Session to order at 9:15 a.m. He said we will be staying on track today and following the schedule. He said we will discuss the budget and the Master Plan.

Introduction

City Manager Bohenko said as requested by the City Council the Presentations are limited in nature. He said this will be a full day and reviewed the Charter and addressed the time line and schedule for the CIP. City Manager Bohenko said the Planning Board will review all the projects and the Subcommittee will make recommendations with the Planning Board holding a public hearing on the plan. He outlined the entire budget process and informed the City Council that Mayor Lister will be establishing the Joint Budget Committee and the budget would need to be adopted by June 30, 2015.

FY 2016 Budget Process

- Charter Requirements & Budget Process

Finance Director Belanger reviewed the various items in the budget and spoke to the current process and tools that have been put in place over the years for putting together the budget. She addressed GFOA guidelines, which is how we make our budget document and spoke to the City being a triple A bond rated community. She stated having a triple A bond rating saves the City millions of dollars. Finance Director Belanger said the budget process starts with what the citizens really want for City services. She said we have great financial tools in place in the City and she spoke to the operating and non-operating budget. She reported the FY15 operating budget is \$75.7 million, which 84% is made up of salaries and benefits. She reviewed the financial policies, which has kept the budget stable and predictable.

Discussion followed on the health insurance rates, NH retirement rates, COLA, and leave at termination. She also addressed the unassigned fund balances, which we maintain an amount of not less than 10% of the actual total general fund appropriated for the fiscal year. She said this policy and these policies were established over the last 10 to 15 years and has lead to our triple A fund bond rating.

Human Resource Director Fogarty said employee's compensation is set by legislation. City Manager Bohenko reported for every \$1.00 we must put in \$.29 for retirement costs. He said that the legislature should be out of it now.

Councilor Shaheen asked about the 10% debt service policy and if that is a standard number. City Manager Bohenko said there are other ratios that bond rating agencies use. Councilor Shaheen said on the CIP it is a 6 year plan and we review each year. City Manager Bohenko said that is correct. She asked if there is a way for people to weigh in on the budget before it comes out. City Manager Bohenko said when he turns the budget over to the City Council the budget brought forward is what we feel is needed to run the City.

Councilor Dwyer asked if the public hearing on the CIP could have a joint public hearing with the Planning Board and City Council and we still may want to hold a separate Council public hearing on the CIP. She said doing the public hearing jointly would provide more attention to the CIP. She would like to put items into the CIP that the City Council would like to see. City Manager Bohenko said we would need to review the State Statute but there would still need to be a separate public hearing by the Planning Board and the City Council. He suggested holding it in January.

Councilor Kennedy said there is public input for the budget with Police, Fire Commissions and School Board with there separate public hearings. She is concerned whether we could still have a public hearing without it being the City Manager's budget for the general government budget outside of that. She said it would allow for the public to have a small portion to review the budget with the Police, Fire, and School Departments. City Manager said he thinks it is possible but it would need to be called a public input session.

Assistant Mayor Splaine said he would like the entire City Council not just 3 City Councilors on the Joint Budget Committee.

Councilor Shaheen asked if we have benchmarks for other communities for debt service. City Manager Bohenko said the State provides the City with a ceiling. Finance Director Belanger said the calculation is in the budget document on page 104 for the Council to review.

Discussion followed regarding the leave at termination fund, collective bargaining items and our infrastructure needs.

- Property Revaluation

City Manager Bohenko said we should start looking at the tax levy. Assessor Lentz spoke to the revaluation and said all data entry is in. She said they are using inside staff and contractors but staff will monitor the revaluation. She further stated that they will be hiring 3 contractors to determine values. She stated that the hearings will be held in June and the tax rate will be set in October, 2015. Assessor Lentz reported that abatement application are due by March 1, 2016 and appeals to BTLA or Supreme Court by September 1, 2016.

Councilor Kennedy said she wants to make sure that property owners are aware of their rights and that they do not need to let a valuator into their home.

Assessor Lentz said individuals have the ability to appeal their taxes whether they have someone into their home or not.

Councilor Dwyer asked what the perimeters are for determining residential values. Assessor Lentz said location, age, condition, size, and adequate necessities of the home.

Councilor Shaheen asked how often revaluations are done on properties. Assessor Lentz said every 5 years. She said on average 5% of the values are over valued/assessed. She said certain areas of the City will see increases with the revaluation from other areas of the City. She stated letters have been sent informing residents that a revaluation will take place in 2015. She said that presentations can be made with neighborhoods through the contractors.

Councilor Kennedy stated that people in the south end did not feel they were notified properly during the last revaluation.

- Recommendation for Joint Budget Committee

Mayor Lister recommended bringing back the Joint Budget Committee (JBC) everyone will have input. He spoke to the manning of the JBC which will have 7 members, Mayor as Chair, 2 City Councilors appointed by the Mayor, 2 School Board members appointed by School Board, 1 Fire Commissioner appointed by the Commission and 1 Police Commissioner appointed by the Commission. He said the JBC would be efficient and keep things on schedule with the process.

Assistant Mayor Splaine said he respects the effort but feels the entire City Council should be involved in the budget process.

City Manager Bohenko said going back to 1997 with the JBC there was a Fire Commissioner, Police Commissioner, Police Chief, Fire Chief, School Board member, Superintendent of Schools and the City Manager. He said the City Council still makes the policy and they are more involved now in the budget process.

Councilor Kennedy expressed her concerns with the creation of a JBC. She said all the City Council should be provided with all the information that the JBC will receive. She said the City is at a crucial point and asked why the JBC went away before. City Manager Bohenko said the JBC went away when Steve Marchand was elected Mayor and he wanted to look at a new format. He said it has returned at the request of Mayor Lister and he does not feel it takes away the City Council's ability to make policy decisions.

Councilor Dwyer said the City Council as a whole needs to pay attention where we are with the budget. She said the budget is very precise and moves along.

Councilor Spear said many people will not engage in the budget process, all the meetings are posted and everyone is welcomed to attend. He does not feel all 9 City Councilors should be on the JBC because they have other priorities as well. He would like to try it and if it doesn't work we can make changes.

Councilor Thorsen said there needs to be guidance on the budget process and having a committee is a better process than having nothing, which is what we have had the last few years. He said the City Council needs to be directly involved and asked if Mayor Lister has selected the City Council members who will serve on the JBC. Mayor Lister said no one has been chosen because he wanted to bring it forward and have a discussion on it.

Councilor Morgan said she does not agree with creating the JBC and feels information belongs to everyone not just the City Council but the public as well.

Councilor Shaheen said she looks forward to more discussion on this and is impressed with the budget tools we have. She said when we look at tracking throughout the year on the budget she asked if there are other budget planning tools that are missing and does the Mayor and City Manager see the JBC as a budget tool.

City Manager Bohenko said he would like to create quarterly reports to the City Council on the budget and he has staff developing what would be useful to the City Council.

Councilor Lown said he is skeptical that this would work the way the Mayor and City Manager want it to. He feels the JBC would come forward with recommendations and would be shot down. He said the City Council will do whatever they think they should do and what is needed politically. He is not dissatisfied with the budget process as some City Councilors are.

Councilor Discussion: FY 2016 Budget Process

Councilor Spear said the City Manager will look to the City Council to provide guidance. Mayor Lister said the JBC came forward for public input and to make sure that the City Council are all on the same page to building a process for the budget. He said it will involve the staff and department heads.

Councilor Dwyer said the JBC allows individuals to come together on something that affects everyone and there will be a dialogue on the matters of the budget.

Assistant Mayor Splaine feels that a JBC is Plan B and Plan A would be all 9 members of the City Council. He said he would support what Mayor Lister wants because it could turn into something else such as budget assembly, discussions and a hearing process as well as a year round budget approach.

Mayor Lister said we provide more opportunity than other communities to provide input on the budget.

Councilor Kennedy said if the JBC is created the meetings should be televised. She said the City Council should start giving criteria to departments now for creating their budgets and would like to come forward with the criteria in the next month.

Councilor Dwyer spoke to the study circles used in the past for budgeting. She said it was not beneficial for them to say what the departments should be receiving for increases. She said there was some that did not want to learn about the budget process and some people said they did not have time for the budget. She said some of the dialogue was asking questions like why does it cost so much for a sidewalk and people became better informed.

Councilor Shaheen said she appreciates the give and take of this discussion. She has heard three areas of discussion, which are on-going tracking, the budget planning process and the arbitrary nature of it. She would like the City Council to agree on what questions need to be answered to create a multi-faceted budget.

Councilor Spear said we should look at it more holistically and get more City Councilors to back the idea of creating a JBC. He asked if you could offer as ex-officios the rest of the City Council because all City Councilors should not be obligated to attend all the meetings. He said the JBC would involve the public early in the process. He said we should try this for one year and if it doesn't work we can make changes.

Councilor Thorsen said he divided the frontend work into 2 processes with the budget. He said we do need more details and we need to look at policy and what do the residents want as final goals for services and a tax rate.

Councilor Morgan said she agrees with Councilor Thorsen comments and asked what the voting scope of the JBC would be. She would like to know what the guidance for the JBC is as it grows with the process. She said each department should look at their budget with an analysis and the realization of operating more efficiently.

Mayor Lister said the voting would be to look at items and move items forward. The JBC would be the front line and then move items forward to the City Council as a whole.

Councilor Spear left for the remainder of the meeting.

Master Plan Update

City Manager Bohenko said staff comments will be limited to 45 minutes.

Deputy City Manager Allen said the City last completed its Master Plan in 2005. He spoke to the status update provided to the City Council in July on the Master Plan. He said the Planning Department is not where they would like to be in terms of progress on the Master Plan at this point but that is due to the amount of work load in the department.

Planning Director Taintor provided an overview of the Master Plan and moving forward it would be helpful for the City Council to provide input to the Planning Board. He reviewed what a Master Plan is as outlined:

- Physical Plan to guide the development of the community and how, why, when and where to build, rebuild or preserve
- Long Range plan of five years or more
- Comprehensive that covers the entire municipality geographically and encompasses all municipal functions such as land use, transportation, housing, utilities and recreation
- Guide to Decision-Making for the Planning Board, City Council and other municipal officials

Planning Director Taintor said a Master Plan anticipates future challenges, shapes areas with potential for change, and identifies ways to improve the community. He outlined the legal context for Master Plans in NH and their purpose. He said a plan includes vision, goals and policies. It is an inventory and analysis for making decisions and issues identified as well as implement strategies and actions to reach goals. He outlined the timeline as follows:

October – December 2014	Consultant Selection
January – March 2015	Existing Conditions
March – May 2015	Visioning, Goals & Priorities
June – August 2015	Draft Master Plan
September – October 2015	Plan Review
November – December 2015	Final Master Plan
January – February 2016	Plan Review
March 2016	Adoption by Planning Board
April 2016	Presentation to City Council

Councilor Shaheen asked about finding ways outside of meetings to allow for public input. She has learned of a social media platform for providing input. Planning Director Taintor said he has heard of social media outreach but there are a variety of ways to do it. He said we need to make the time to be up to date. Councilor Shaheen said we could catalog people's actions and remarks. Councilor Dwyer said we are tracking data for community involvement in New England. She said we need to try to make this community based and not political.

Councilor Morgan said it is important to have full interaction with the new Master Plan. She would like to see the Planning Department reach out to Portsmouth Listens because they brought the best of the City together for a goal and vision. She would like us to reach out to our educators as well. She spoke to creating a vision statement on education and how it places a role in the community.

Planning Director Taintor said Portsmouth Listens was great in the first phase but it was less with the second and third process.

Assistant Mayor Splaine said we our really well focused on the Master Plan and need younger people involved in the process. He would like the process to get high school, middle school and elementary school children involved. He said we need more housing in the downtown that is affordable. Planning Director Taintor said we had high school student's involved in the last master plan.

Councilor Morgan said she would like to see daytime sessions for people to attend because it will be accommodating to residents.

Councilor Thorsen suggested the creation of a drop box for ideas and for a central way of dealing with documents.

Councilor Dwyer said economic and work force development is important for the master plan looking to the future. She said there are economic development challenges we need to look at as well as what we aspire to and what is important for us.

Planning Director Taintor spoke to the Planning Board changing the design review process which has created changes and slowed things down. Councilor Shaheen asked what resources the City Council could provide to the Planning Department to deal with the demands the department is facing. Deputy City Manager Allen said we have had great Council support and they are advertising for someone on the land use side. He reported interviews are moving forward and any other resources needed the Council will see as part of the budget process.

Mayor Lister called for a brief recess. Mayor Lister called the meeting back to order.

Mayor Lister said he appreciates everyone being here today for the retreat. He thanked the staff for taking time on a Saturday to meet with the City Council. He said he would like to discuss City Council meetings because we have meetings going until 12:30 a.m. and 12:45 a.m. Mayor Lister stated it is unhealthy for the Council and staff and we need to be more efficient. He proposed that the agenda items have one topic per person and when the topic comes up we spend 5 minutes to discuss and then it goes on to the next City Council meeting. He would like to limit the agenda to focus on action items and making policy decisions. Mayor Lister said after 10:00 p.m. is not the right time to be taking action on items. He is not trying to be disrespectful, we need to limit discussion and he is asking for everyone's support on this matter. Mayor Lister said he is not recommending holding more meetings and he would like to discuss holding another retreat in January.

Councilor Shaheen commended Mayor Lister for taking this issue up and bringing it forward. She feels the City Council needs to respect Mayor Lister. She said we need to be respectful of having staff at City Council meetings for hours. Councilor Shaheen said having our City Clerk taking minutes at a City Council meeting for 8 hours is not fair. She has wrestled with bringing items forward for a City Council agenda because she has looked at the agendas and felt that she couldn't bring an issue forward because of the length of the agendas.

Councilor Thorsen said maybe we need to spilt the meetings and come back on Tuesday's to finish the agenda.

Councilor Dwyer said she feels similar to Councilor Shaheen on bring items forward. She said the City Council could provide Mayor Lister with a list of topics and he could prioritize them to bring them forward for a City Council agenda. She said we passed a \$10 million bond and did so in minutes but we spent an hour on less important items.

Councilor Morgan said the time spent on presentations should be limited and the City Council should receive detailed information ahead of time. She said the staff should be given 5 minutes only and bringing one topic forward makes sense, but the Council must be careful not to regulate too much.

Discussion followed regarding the length of meetings and various ideas on handling matters in a more efficient manner.

Mayor Lister closed the meeting.

Respectfully submitted by:

Kelli L. Barnaby, CMC/CNHMC
City Clerk