

CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: MONDAY, MARCH 7, 2016

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

I. CALL TO ORDER

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

II. ROLL CALL

Present: Mayor Blalock, Assistant Mayor Splaine, Councilors Perkins, Dwyer, Lown, Pearson, Spear, Cyr and Denton

III. INVOCATION

Mayor Blalock asked everyone to join in a moment of silent prayer in memory of the former Mayor Eileen Foley who recently passed away.

IV. PLEDGE OF ALLEGIANCE

Councilor Pearson led in the Pledge of Allegiance to the Flag.

PRESENTATIONS

1. Seacoast Family Food Pantry, Deb Anthony, Executive Director

Ms. Anthony announced that this is the Seacoast Family Food Pantry 200th Anniversary of serving the community. She stated their mission is to end hunger. She reviewed the various plans the Pantry offers to the community and that they will be moving from their present location in the Seybolt Building to a new facility in 2018. She informed the City Council they serve 1,049 individuals per month with 23,583 meals a month. In addition they receive and process 22,692 lbs of in-kind donations monthly.

2. Trees and Public Greenery Committee Annual Report, Peter Loughlin, Chair

Chair Loughlin reported that the Committee was appointed by former Mayor Evelyn Sirrell in March, 2003 and it is a 9 member Committee. The Committee meets the second Wednesday of each month in the City Manager's Conference Room at 7:30 a.m. He reported the work of the Committee is selecting sights for new public plantings and along with the Public Works Department, overseeing the plantings. He said they are responsible for the maintenance of public trees and hold public hearings on removal of trees in the public way. He reported that last year the Committee planted 74 new trees, 25 were removed and 316 were pruned. Chair Loughlin said the City has been recognized for the 16th consecutive year as a Tree City USA.

V. ACCEPTANCE OF MINUTES *(There are no minutes on for acceptance this evening)*

VI. PUBLIC COMMENT SESSION

Cathy Baker said she recently attended the Parking Traffic & Safety Committee meeting and urged the City Council to pick up the packet from their meeting. She spoke to the need for more quality information on the truck traffic that would be created from the Waste Water Treatment Facility construction. She spoke to the many traffic concerns and how the Fire Station is on the truck route.

Jane Kilcoyne spoke regarding the Waste Water Treatment Facility at Peirce Island and its impacts on the neighborhood. She asked what the budget would look like when you close all the roads that would need repair from the constant truck traffic. She said public input from residents is important.

Roy Helse said we should not be paying \$5.1 million for the Deer Street property for a new parking garage. He also addressed the high pay the temporary Police Chief is receiving and feels there should be a ceiling especially all employees received more than \$100,000.00 in pay. He spoke to the high pay and benefits that employees receive.

Richard Smith said it is best for the City to include Pease and other locations for the wastewater treatment facility. He said we need to stop the expansion at Peirce Island for the wastewater treatment facility. He said downtown needs to be kept for the residents. Peirce Island should not be closed for 4 years and said Pease is the place for the wastewater treatment facility.

Mark Brighton said there needs to be another appraiser for the Deer Street property. He said now that you find out the land is contaminated you need another appraisal for residents.

Bill St. Laurent asked the City Council to work hard on the budget. He said many people who live in the City are struggling to pay their taxes to live here. He said this is a retirement community and they are living on fixed incomes and receive no cost of living adjustments but their health care costs are increasing and the City Council needs to consider these matters when adopting a new budget.

Brendan DuBois, Exeter, NH said it has been 5 months since your Police Chief retired and the Police Commission has done nothing to begin the process of looking for a new permanent chief. He said the Police Commission at their meeting tomorrow morning at 10:00 a.m. are just looking at ways to find a new chief when there should already be a new permanent chief in place.

Cliff Lazenby spoke on the Capital Improvement Plan there have been awards made to improve the plan and multiple improvements to the plan. He spoke to the data improvements to the plan and setting priorities for the plan. He said the CIP is a great tool but spoke to the funding for sidewalks and road improvements in Elwyn Park for Dondero School are needed and needed now and not so far out into the future funding. He said these items should be an A priority and the projects started and completed soon.

VII. PUBLIC HEARINGS

- A. RESOLUTION AUTHORIZIING A BOND ISSUE AND/OR NOTES OF THE CITY UNDER THE MUNICIPAL FINANCE ACT AND/OR PARTICIPATION IN TH ESTATE REVOLVING FUND (SRF) LOAN OF UP TO SEVENTY FIVE MILLION DOLLARS (\$75,000,000.00) FOR COSTS RELATED FOR THE CONSTRUCTION OF THE PEIRCE ISLAND WASTEWATER TREATMENT FACILITY

Mayor Blalock read the legal notice, declared the public hearing open and called for speakers to follow the staff presentations.

City Engineer Desmarais provided an in depth presentation along with John Pearson of AECOM. They reported of Council votes back on June 5, 1961 and conditions that existed pre 1985 and the 301 (h) waiver. Engineer Desmarais showed a slide of the 1980 Secondary Peirce Island WWTF Design of the Plant. He reported in 2010 the City was required to move forward and expedite secondary upgrade at Peirce Island. He reported on the City Council vote of November 8, 2010 **Voted to authorize the City Manager to submit its final Wastewater Master Plan to the EPA which included upgrading Peirce Island to a Secondary Treatment Facility as outlined in the memorandum dated November 2, 2010.** He reported on conditions in 2013 when we completed Wastewater Technology Piloting at a cost of \$1.8 million. He also reported on the City Council vote of April 8, 2013 **Move to comply with EPA mandate to meet secondary treatment at the Peirce Island Wastewater Treatment Plan with the ability to treat a total nitrogen limit 8 milligrams per liter on a seasonal rolling average basis, stay within the current fence line, and to support of the Biological Aerate Filter (BAF) technology.**

Jon Pearson, AECOM spoke to the BAF Technology and reported the small footprint fits within the fence line. He said this is State of the Art Technology initially developed in Europe but is being used in this part of the county. He stated piloting demonstrated ability to meet BAF effluent total nitrogen of 8 mg/l and 3 mg/l with no additional capital costs to achieve BAF effluent of 3 mg/l total nitrogen. Mr. Pearson reported on the NE area using the BAF technology as West Warwick, RI; Cheshire, CT; Southington, CT; Syracuse, NY and New Rochelle, NY.

City Engineer Desmarais reviewed the City Council vote of August 5, 2013 – **Public Hearing – Resolution for bond authorization of up to \$10,000,000 for the Peirce Island Wastewater Treatment Plant Upgrades – Held a public hearing. Voted to adopt a Bond Resolution for Peirce Island Wastewater Treatment Plan Upgrades in the amount of \$10,000,000.00.** He also reported on a City Council Vote of October 20, 2014: **Voted to authorize the City Manager to proceed with expending up to \$300,000.00 from the Pease bond proceeds for the Pease Wastewater Treatment alternative as described in the City Manager’s memorandum dated October 16, 2014 and that a report back be made to the City Council following Phase I.** He reported on conditions in 2015 whereas the design of Peirce Island WWTF Ongoing but slowed, completion of Pease Wastewater Option Evaluation (\$290k),

Option 1: Peirce Upgrade BAF and Pease Upgrade for TN

Option 2: Pease Upgrade (all sanitary Flow) for TN and Peirce Conversion of Wet Weather

City Council vote: May 18, 2015 **Voted to reaffirm the City Council's vote of April 8, 2013 to move forward with the Peirce Island Wastewater Treatment Facility Upgrade.** City Engineer Desmarais spoke to conditions now:

- Final Design of WWTF Complete (\$5.0M)
- Phase One Construction Complete (\$1.7M)
- Five Contractors Prequalified
- Joint Work Session Regarding Traffic Impacts to be Scheduled
- Peirce Island Road Bridge Maintenance
- Consent Decree Second Modification Drafted
 - Defined Nitrogen Treatment level
 - Minimize second shift work
 - Defined implementation timeframe
 - Concessions for delay
- Sewer User Rate Stabilization Reserve Policy to Minimize Rate Impact
- SRF Low Interest Loan

Project Cost Estimate:

Items	Cost
Primary Clarifier Project (Eng, const, etc.)	\$1.7 M
Treatment Upgrade Design Phase	\$5.0M
Construction & Contingency	\$70.4M
Construction Admin & Oversight	\$6.7M
Total Project Cost	\$83.8M

Next Steps:

- Council Bond Authorization
- Bid Period (March 10 to May 2016)
- Contract Award/NTP (July 1, 2016)
- Public Meetings
- Public Outreach
- Peirce Island Road Bridge Maintenance

Public Works Director Peter Rice spoke to the Proposed SRF/Bond Authorization. He spoke to the Clean Water SRF benefits as follows:

- Draw down funds as the City needs them to pay invoices
- Loan payments begin one year following substantial completion (FY21)
- Principal Forgiveness of 5% (up to \$3.75M)
- Lock in interest rate 2.55% for a 20-Year loan term

David Hyder reviewed the utility rate model which serves as the key tool to assist in long-term planning:

- Allowing for prudent financial planning which results in predictable rate increases
- Allowing for funding of significant capital projects
- Allowing for proactive management of the systems which results in lowest rates over time

Mr. Hyder reported the City has been using the rate model since 2012. He stated it is updated annually to include budget and actual operating expenses and the detailed 6-year capital improvements plan. The model forecasts system expenditures and revenues over a ten-year period and the model has allowed for prudent financial planning within the Water and Sewer Enterprise Fund. He reported the established rate stabilization policy in FY14 as part of ongoing rate modeling. The increase net position or utilize net position to stabilize user rates from year to year. He said the goal of the policy has been to establish a glide path of predictable and stable rate adjustments. He reported that the City has a net position for FY16 of \$5,779,826.00. Mr. Hyder said the City's approach to funding the WWTP can be considered an industry best practice for several reasons:

- Use of proactive long-term planning
- Establishment of a rate stabilization policy – Allowing glide path of predictable and stable rate increases
- Use of low interest rate SRF Program
 - Minimizes borrowing costs
 - Locks in interest

He addressed the national perspective that water and sewer utilities are facing significant financial challenges:

- Tremendous reinvestment needs due to aging infrastructure
- Increasing regulatory requirements / associated capital investments
- Economic downturn
- More efficient water use
- Disappearance of grant funds

He said to meet these financial challenges rates have increased substantially.

Roy Helse said that the bonding resolution should not be specific to Peirce Island. He spoke to the damages that would be created by the trucks travelling in the south end for the construction of the plant at Peirce Island and asked who would be paying for the damages to the homes.

Rick Horowitz said the biggest issue is there was never a public hearing on the site for the new treatment plant. He also addressed the large number of trucks going through the neighborhood during construction and the damage that would be created from the truck rambling through the streets. He also spoke to the hours the trucks would be travelling from 12:00 a.m. to 8:00 a.m. which is unacceptable as that is when individuals are sleeping and this will disrupt everyone's sleep.

Charles Lessen said he and a group of abutters have no problem with the location of plant but there problem is with the method of transporting materials out to Peirce Island. He would like to see the construction materials to come in by barges.

Eric Landis expressed concern with the lack of a public hearing on the site of the plant. He feels there should be a citywide vote on this matter.

Ralph DiBernardo spoke in support of the bonding for the facility. He said the EPA has provided a final extension for completion of the project. He said Pease has never been a site that could be for the location of the wastewater treatment facility (WWTF). He stated all projects improve the community and that is what needs to be remembered in this process.

Dan Sparkey said everything is around the nitrogen issue. He said the plant should be transferred to Pease versus Peirce Island. He said the City has had a number of outlining communities tied into our system if you put a plant out at Pease you would create a better way for people to tie into the new system.

Martin Hausman said there is still a great deal of conflicting information out in the community regarding the WWTF at Peirce Island. He asked what the impact is from moving from 8 mg/l to 3 mg/l. He stated he does not believe that the plant can be built within the fence line. He said there are costs that are not clear and transparent.

Lawrence Cataldo said he is opposed to a bonding motion. He said the WWTF should be located at another location other than Peirce Island. He said in 20 years there is no proof that the plant could meet the higher rates and Peirce Island is too small to handle the additional growth.

Alan Gordon said there is much complexity to this matter. He said the City needs to consider if this is the wrong route. He said the Council must think about what people are saying if there is a small shadow of doubt slow this down and take time for the community.

Karen Bouffard in 50 years people will be asking how the City allowed the WWTF at Peirce Island. She said there are other options available. She said we need a new treatment plant but not at this location.

Jeffrey Cook said the plant is right in front of his house. He said the plant should be located outside of downtown at Pease. He said people will not come here any more if we do not do something soon. He said the tourists will disappear.

Ann Hett said we should not bond with the location specific to Peirce Island. She said what happens to the people that use Peirce Island during the construction period. She said she opposes the location of the plant at Peirce Island.

Joe Galley asked that the location be removed from the bonding. He said the cost to build at Peirce Island has been clearly understood but the plant should not be located at Peirce Island.

Joanna Brode spoke opposed to the location of Peirce Island being part of the bond resolution. She said the public should be placed first in this matter over the government. She expressed concerns regarding the PCB's at Peirce Island and if there they are also at the Mechanic Street Station and that the City needs to explore that matter immediately for the safety of residents.

Bill St. Laurent said we should save our recreational land at Peirce Island. He said losing the land for 4 years is going to hurt. He also requested that the bond resolution not be site specific to Peirce Island. He said Pease would be a better location for the WWTF because you solve the problem now.

Emma Reed Nelson said trying to force the plant onto Peirce Island is trying to put a square peg in a round hole. She said we are running over our history with the trucks that will be providing materials to the Island.

Thiesel Jones said the south end is the home to many businesses and a walkable island. She said there has been no formal analysis on the economic impact to the business for this area. She said that the project will alter the landscape of the area.

Mark Brighton provided a petition with 188 signatures requesting that the WWTF be placed out at Pease. He said he would support the bonding if Peirce Island was removed from the resolution. He also indicated he does not believe that future costs have been considered in the amount of the bonding. Mr. Brighton questioned where the Chamber of Commerce is on this issue as it will affect many businesses and yet we have not heard from them at all.

Catherine DiPentima spoke on the legacy and vision of Peirce Island. She said we need to protect and preserve our riverfront properties. She said that this is reminiscent of the urban renewal and she urged the Council to not make the same mistakes with Peirce Island.

Beth Margeson said the plant should not be located at Peirce Island and she requested to bond the action not the location. She said the beauty of the Island should be preserved. She said the construction will have a tremendous impact on the south end and tourists will leave and find other places to visit.

Mary Krempels spoke against the bonding for the WWTF at Peirce Island. She spoke to removing Peirce Island from the bond resolution. She also indicated that this is the first public hearing on the location of the plant. She said the best place for the plant is at Pease.

Jill Capobianco brought a fairy House that is built at Peirce Island during the Fairy House Tour and said events like this will be prevented from taking place at the Island due to the construction of the WWTF. She said the Council should take a pause and think about what is best for the community in this matter.

Claire Kittredge said when you have a long presentation like this evening people will lose focus. She said putting the WWTF at Peirce Island will turn it into artificial landscape which is not economically smart. She said Pease is a better financial choice. She said she feels the agenda is to not put the plant at Pease.

Jane Zill said vote no to bond Peirce Island for the WWTF as it is not the right choice. She said Peirce Island does not offer flexibility for future growth. She said the better location for the plant is at Pease.

Cathy Baker asked not to vote for a bond that is at Peirce Island. She said you should reopen the discussion on locating the plant at Pease. She said a public hearing was never held on the site of the plant and should have been to allow for input from residents. She said that the Pease Development Authority (PDA) has never been asked if the WWTF could be built at Pease.

Marylou McElwain requested that the Council remove the cost related for Peirce Island for the construction of the WWTF. She said that the Portsmouth Herald should do an insert on the impact of vehicles for the WWTF at Peirce Island. She spoke about the events that will not take place at Peirce Island during the construction of the WWTF.

Pat Bagley spoke to minutes of a PDA meeting held regarding the WWTF and asked if we would be storing methanol at the site and if abutters have been reached out to regarding this matter. She asked if methanol would be stored at Peirce Island.

Francesca Marconi Fernald asked the City Council to vote opposed to bonding the WWTF at Peirce Island and said there is a long list why the plant should not be located at Peirce Island. She said that locating the WWTF will have a negative effect on the businesses in the south end.

John Bordon, Kittery Point, ME, said he is a fisherman and has fished from the pier since 1978. He said he is opposed to a WWTF located at Peirce Island and should be out at Pease. He said it is a difficult area to work out of the fish pier. He said locating the WWTF at Peirce Island will directly affect families.

Page Trace said she believes that the plant would need to go outside the fence line for the BAF system. She also indicated that the BAF system has limited use in New England. She said she would like to see something done that is not like kicking the can down the road.

Erik Anderson said he operates as a fisherman at the fish pier near Peirce Island and expressed opposition to locating the WWTF at Peirce Island. He said the plant could be located out at Pease.

Paul Mannle spoke opposed to the WWTF being constructed at Peirce Island. He said Peirce Island should be removed from the bonding resolution. He stated that the EPA does not mandate locations for the facilities.

Clyde Logue said people don't want this in their back yard but the project is necessary. He said this has been a topic in the City for a long time and urged the City Council to support the resolution.

Louise Richardson said the Peirce Island is not the right location for a new WWTF. She said in 20 years the EPA will come out and say the WWTF will no longer meet the standards and Peirce Island does not have the space to expand the plant.

Dick Bagley spoke against approval of the bond and suggested not taking a vote this evening. He said the Council owes the public a chance to hear what you heard this evening. He said the City Council needs to be thoughtfully understanding at this type. He said this is a decision that could impact the next 50 years.

Jim Huett spoke to urban renewal 50 years ago. He said the City Council has a once and a lifetime opportunity to correct the mistake of location and have the WWTF at Pease.

Peter Loughlin said there are no other responsible locations for the WWTF but at Peirce Island. He said that the recreational uses and Peirce Island WWTF have coexisted over the years. He said the water runs the fastest at Peirce Island and much less effect on the river.

Rick Becksted asked the City Council to wait 2 weeks before casting this decision in stone. If we were going to building the plant at Pease we could create a regional plant and save the City money. He said the biggest concern for the south end and for 200 year old homes in the area. He said the trucks travelling on those roads will have a negative impact on the homes in the area. He urged the City Council to listen to what has been said this evening.

Mike Convoy said he is concerned with the transportation issues of the closure of the Peirce Island Bridge for the WWTF.

Judy Nerbonne asked the City Council to vote against the WWTF bonding at Peirce Island. She said that this is about the future of the City and this vote will have lasting affects. She said the City should vote against the bonding resolution.

Gail Sanders said most of the residents want the City Council to remove Peirce Island from the bonding resolution. She said we are opposed to making a bad decision worse and Peirce Island will not be able to handle the future needs. She urged the Council to do the right thing not the easy thing.

Lee Roberts asked to remove Peirce Island from the bonding resolution. She said you need to give great consideration to all that has been said this evening. She also spoke to the traffic impacts that will take place to the south end.

David Noard said more information needs to be made available to the public. He asked where the Chamber of Commerce is on this matter and why they have not spoken. He also spoke to the fragileness of Strawberry Banke and the affects that this would have on them. Mr. Noard asked that the City Council debate the question more and listen to what the public has said this evening.

David Adams asked the City Council to remove the site from the bonding resolution.

Esther Kennedy said that it will cost more than the bonding resolution for the construction of the plant and she does not feel that the construction would remain in the fence line. She has life safety concerns and will there be trucks around the site. She said we have not heard about the blasting and its affects on historic homes in the area. She urged the City Council to continue the public hearing and hold a work session on this matter.

Bill Southworth said the Council cannot ignore the residents that have come out to speak this evening on this bonding resolution. He urged the Council to make the right decision.

Basil Richardson spoke on the WWTF and his opposition for a plant at Peirce Island. He addressed the traffic impacts and said he has more questions now than before the meeting.

Hilary O'Neil spoke on the BAF technology and urged the City Council to delay the vote and remove Peirce Island from the bonding resolution.

With no further speakers Mayor Blalock closed the public hearing.

Assistant Mayor Splaine moved to recess the meeting until Monday, March 14th at 7:00p.m. and to have staff answer as many questions that have been asked this evening and that the agenda will begin at the point we left off which is the Public Hearing on a Resolution Authorizing a Supplemental Appropriation from Unassigned Fund Balance for Necessary Expenditures Related to Middle School Construction of up to Six Hundred Fifty Thousand (\$650,000.00) Dollars. Seconded by Councilor Denton.

Councilor Lown said that time is of the essence for voting on the bonding resolution.

Councilor Spear said he would not be present for the meeting next week due to a previous commitment. He said no one wants the plant on Peirce Island and there will be many questions answered next week. He spoke on trusting relations and treating people with respect. He said the decision to building the plant has been a 15 year decision. He said staff and the City Council are not lying on this matter.

Councilor Dwyer requested to remove Items XII. A.1. – Peirce Island Consent Decree Second Modification with Environmental Protection Agency (EPA) et al. and A. 2. – Adoption of the Capital Improvement Plan (CIP) FY 2017-2022 from the Consent Agenda under the City Manager's Action Item.

Councilor Dwyer moved to adopt under the Consent Agenda portion of the City Manager's Items to approve the use of city-owned property off Lang Road for the tapping of maple trees, and further, authorize the City Manager to negotiate and execute an agreement. Seconded by Councilor Spear and voted.

At 12:00 a.m. motion to recess passed, as presented.



Kelli L. Barnaby, MMC, CMC, CNHMC
City Clerk