

CITY COUNCIL BUDGET WORK SESSION PRESENTATIONS

MUNICIPAL COMPLEX
DATE: MONDAY, MAY 23, 2016

PORTSMOUTH, NH
TIME: 6:30PM

City Council Present: Mayor Blalock, Councilors Perkins, Dwyer (6:55 p.m.); Lown, Pearson, and Cyr

City Council Absent: Assistant Mayor Splaine, Councilors Spears and Denton

Staff Present: John P. Bohenko, City Manager; Nancy Colbert Puff, Deputy City Manager; Judie Belanger, Finance Director; Andrew Purgiel, Deputy Finance Director; Emily Hamilton, Deputy Assessor; Peter Rice, Public Works Director; Richard Marsilia, Building Inspector; Alan Brady, Information Technology Coordinator; Steve Achilles, Fire Chief; James Heinz, Deputy Fire Chief; Dianna Fogarty, Human Resources Director; Brian Goetz, Deputy Public Works Director; Rick Taintor, Planning Director; David Moore, Assistant City Manager; Roberta Orsini, Business Administrator; Ellen Tully, Welfare Administrator; Rus Wilson, Recreation Director; David Mara, Police Chief; Karen Senecal, Police Department and Kelli L. Barnaby, City Clerk

Others Present: Commissioner Plaia

I. Call to Order

Mayor Blalock called the Work Session to order at 6:38 p.m.

II. Introduction

City Manager Bohenko said we are here to review the Pro-forma Resolutions for the adoption of the Budget on June 6, 2016.

III. Review of Pro-forma Resolutions for Budget Adoption

City Manager Bohenko asked Finance Director Belanger to review the Budget Resolutions with the City Council.

Finance Director Belanger said there are six Resolutions that are part of the annual budget adoption process.

First resolution adopts Municipal Fees with total revenue generated from these fees estimated at \$1,127,000.00 or 1% of the total FY17 General Fund Revenues.

Second resolution is pertinent to General Fund expenditures the proposed appropriations for the General Government, Police, Fire, School, Collective Bargaining, Indoor Pool as well as non-operating appropriations are listed separately.

Third resolution establishes the annual appropriation, cash requirements and user rates for the Sewer fund. She stated sewer charges are based on water consumption and adoption of this resolution includes a two step, inclining block rate structure.

Fourth resolution establishes the annual appropriation, cash requirements and user rates for the Water fund. She said similar to sewer, the adoption of this resolution will include a two step, inclining block rate structure for water usage. She also included that there is a three step inclining block rate structure for metered irrigation water usage. She stated the irrigation water usage is not subject to sewer charges.

Fifth resolution allows for the expenditure of Special Revenues, Debt Service Fund, and Committed Fund Balance. She said this allows the City to expend from donations, Federal and State Grants as they are accepted and received, pay principal and interest associated with Betterment Assessments, from a Debt Service Fund, and expend from committed fund balance.

Sixth resolution deals with the adoption of an annual investment policy. She stated that State law requires the annual adoption of such a policy by every city and town.

IV. Discussion of Proposed FY17 Operating Budgets

City Manager Bohenko said there are representatives from various departments for the operating budget to answer any questions the Council may have.

Councilor Lown said he would be asking for a reduction in overtime costs.

V. Discussion of Proposed FY17 Non-Operating Budget

City Manager reviewed the various projects in the Capital Improvement Plan (CIP) with the City Council.

Councilor Dwyer said the Prescott Park plan will not be voted on until December and asked if it was necessary to fund the project now. City Manager Bohenko said that we will be setting aside the funds now so you will not see a spike in one year. Councilor Dwyer asked about the funding coming out of fund balance. City Manager Bohenko said he feels it would be better to bond the project.

Councilor Cyr asked about records preservation and if the records would be digitized. City Clerk Barnaby said the law does not allow for certain records to be digitized but they may be microfilmed.

Councilor Pearson asked how long we have had the existing voting booths and their life cycle. City Clerk Barnaby stated we have had the booths over 25 years and they are coming to the end of their life cycle. She did indicate they would be keeping the booths that are still functioning as back up or for additional booths that may be required.

Public Works Director Rice spoke on the Peverly Hill Road project and announced the State has approved the first designated portion for the project and public input will take place on June 2, 2016. Councilor Dwyer said she would like to see a quarter of this to come from fund balance which would lower the tax rate. City Manager Bohenko said this would be an appropriate use of fund balance. Councilor Dwyer asked if we have an idea of how much surplus we are looking at with fund balance. Finance Director Belanger said approximately 1% and feels confident that the \$250,000.00 will not affect the fund balance.

City Manager Bohenko spoke to debt service and said we have stayed under the 10% number.

Judie Belanger spoke to overlay and reported we budgeted approximately \$1,000,000.00 and that is less than the State allows.

City Manager Bohenko spoke to rolling stock and our needs and the replacement schedule. He said we have tried to stay within the schedule but we fell behind in the Police Department and will need to make that up.

Public Works Director Rice spoke to the rolling stock items within the Public Works Department. City Manager Bohenko spoke to us looking at changing out our current equipment used for picking up trash to side model collection trucks.

Councilor Dwyer asked about the maintenance line item and work being done in-house. Public Works Director Rice said some items are outsourced and they are starting to bill items to the department which allows for a better management tool. He also indicated that more preventive maintenance is being done.

Police Chief Mara spoke to the change of vehicles from crown victoria to explorers. He said the crown victoria is no longer cost effective to keep and repair and now they're looking at life cycle costs. City Manager Bohenko said the explorers are better during inclement weather and are better for storage.

Fire Chief Achilles spoke to the ambulance replacement and the costs.

Superintendent of Schools Zadavec spoke to the replacement of a sedan at the High School and a truck for the School Department.

Councilor Dwyer asked if replacement of the message board would be appropriate under parking and transportation rather than the general fund which would reduce the tax rate further and be an adjustment of \$20,000.00. City Manager Bohenko said we could take the funds from parking and transportation.

Councilor Cyr asked how the fees relate to prior years and how the process works. City Manager Bohenko said the Fee Committee was put in place to look at fees each year.

Councilor Perkins asked about grants and donations. Finance Director Belanger said they are part of the Special Revenues Resolution.

Councilor Perkins asked about the 40% reduction in lease property at City Hall. City Manager Bohenko said many of the non-profits have moved out of the building.

City Manager Bohenko said the adjustments discussed this evening will be made to the resolutions and tax rate accordingly.

The City Council agreed to cancel the June 1st Work Session because it is not necessary with all the work the Council has done on the budget thus far.

At 7:55 p.m., Mayor Blalock closed the work session.

Respectfully submitted by:

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