

CITY COUNCIL GENERAL GOVERNMENT BUDGET WORK/LISTENING SESSION

MUNICIPAL COMPLEX
DATE: MONDAY, MAY 14, 2018

PORTSMOUTH, NH
TIME: 6:30 PM

PRESENT: Mayor Blalock, Assistant Mayor Lazenby, Councilors Roberts, Pearson, Dwyer, Denton, Perkins, Raynolds and Becksted

STAFF: John P. Bohenko, City Manager; Nancy Colbert Puff, Deputy City Manager; Judie Belanger, Finance Director; Andrew Purgiel, Deputy Finance Director; and Kelli L. Barnaby, City Clerk

I. Call to Order

Mayor Blalock called the Work Session to order at 6:30 p.m.

II. Introduction

City Manager Bohenko said he will be presenting some proposed operating and non-operating adjustments to the budget with reductions. He asked Finance Director Belanger to provide an overview of the budget.

III. Presentation of FY19 General Government Budget

Finance Director Belanger spoke to the General Government side of the budget which makes up 22% of the budget and funds day to day services. She reviewed the allocations of General Government departments and that there is an increase request of \$226,823.00 which reflects a 3.97% change. She addressed contractual obligations proposed budget of \$13,502,100.00 or a 2.94% increase. Finance Director Belanger reported on a reduction in electricity and welfare direct assistance that has reduced the Welfare Department budget by \$48,500.00.

General Government Supplemental Request

The Health Department - \$28,525.00

- Increase of a Health Inspector position from 25 hours/week to full time;

The Public Works Department - \$250,000.00

- Curbside composting subsidy;
- Aid in winter roadway damage repair;
- Additional public space recycling/trash bins;
- Offset the change in tipping fees for recycling;
- Fund an additional position for road maintenance crew

Mayor Blalock said that the public can ask questions by completing an index card at the end of the presentations.

Public Works Department

Public Works Director Rice provided an overview of the Public Works Department which is made up of four divisions. He spoke to public outreach meetings that have been held which require additional resources. He reported that streetscapes and additional sidewalks are part of additional expectations. He spoke to the 187 residents that are served by curbside collections. Public Works Director Rice addressed Prescott Park now being under the Public Works Department and reported the budget reflects a 3.15% increase whereby 54% make up salaries and benefits.

Operational Changes in FY2019

- A net reduction from the General Fund of 2.75 full time equivalent staff
- Creation of Parks and Greenery Group
- Organic Weed & Turf Program
- Creation of a New Stormwater Division

Public Works Director Rice reported on the decreased market value of recycled materials which equals increased cost. He reported a 437% increase in the tip fee per ton has occurred in the last year. He spoke to the long-term policy considerations being:

- Upgrade Transfer Station
- Change to Multi-Stream Curbside Collection
- Eliminate Curbside Collection

He addressed the organic weed and turf program and reported that bids received increased the cost for weed control by \$160,000.00 and \$100,000.00 for turf management.

Policy Considerations:

- Adjust Weed and Turf Management Programs to meet available funds
- Provide Funding Necessary to Fully Implement an Organic Weed and Turf Management Program
- Pursue A More Traditional Integrated Pest Management Program

Public Works Director Rice spoke to the City purchasing an electric vehicle for the Assessing Department. He indicated Public Works needs to study and evaluate their fleet. He spoke to implementing a comprehensive plan to transition to electric vehicles when appropriate and research leasing options.

Explore Additional Initiatives:

- Light Green
 - Efficiency upgrades such as insulation are hidden from sight yet significantly reduce natural resource consumption

- Dark Green
 - Renewable energy such as solar are visually appealing and produce clean energy to consume

Councilor Becksted asked about the organic feed programing and if we have done anything with a steam machine. Public Works Director Rice said we need to make sure the machine works effectively and that we would look at leasing a machine.

Councilor Denton said he is very happy with the electrical charging station and would like to see a comprehensive plan for the next fiscal year. He said he agrees with light green initiatives for the future. He stated he would like to know what it would cost to provide electrical stations through renewal credits. He said he would like to see if we can do multi-curbside collections and do a pay as you throw program.

City Manager Bohenko said that is one of the items he is recommending.

Councilor Reynolds asked about the organic feed control bids. Public Works Director Rice reported that the turf had four bids and the weed program had one bid and they were from the same firms.

Councilor Dwyer asked if there is value in partial stream recycling. Director Rice said there is a market but it has taken a hit.

Councilor Denton asked about prohibiting plastic shopping bags and if that would help with recycling. Director Rice said yes. He informed the Council that they will be doing an insert in the water bills regarding what is recyclable and what is not as a way to educate residents.

Councilor Perkins spoke to the multi-stream collection and the increasing costs. City Manager Bohenko said we are watching the market to see what it does.

Public Library:

Library Director Butzel said the Library is a center for learning and a community space. He addressed areas of growth:

- All programs
- Lectures
- Community Gatherings
- Electronic Resources
- Individual Assistance
- Literacy
- Outreach

Performance / statistics:

Visits to Library	378,351
Circulation of Materials	411,840
Number of Downloads	44,506

Study room Usage	2,901
Wireless network use	38,251
Museum passes borrowed	1,446

He reported the budget request for FY19 is an increase \$1,921,013.00 or a 3.25% increase over FY18.

Recreation Department:

Recreation Director Wilson reported on the five facilities run by the department as well as their role in special events. He also addressed the opening of the Doble Center. He also spoke to the departments operation of High School and Middle School athletics.

Councilor Dwyer asked if moving to the Doble Center would increase staff. Recreation Director Wilson responded more than likely staff would need to increase.

Planning Department:

Deputy City Manager Colbert Puff spoke to the regulatory services of the Planning Department. She said the department is made up of nine staff members' and five different boards/commissions:

- Planning Board
- Historic District Commission
- Zoning Board of Adjustment
- Conservation Commission
- Site Review Technical Advisory Committee

Planning Highlights:

- Ongoing support of city-wide goals for Sustainability, Bikeable & Walkable City, Complete Streets
- Implementation of the City's 2025 Master Plan
 - Revisions to the Zoning Ordinance and Site Plan and Subdivision regulations to support Master Plan goals
 - Open Space Plan
 - Climate Resiliency
- Development reviews and management

Deputy City Manager Colbert Puff reported on building permits reviewed by the department and advised the City Council that the department is requesting a \$26,922.00 increase which equals to 3.27%.

Inspection Department:

Deputy City Manager Colbert Puff reported that the department continues to make advances with the on-line permitting system and the department expects to issue 3,400 permits. She stated that cost increases are for back-up electrical and plumbing/mechanical inspectors. She indicated that the on-line permitting has reduced visits to City Hall and waiting times. She informed the Council that the FY18 estimates for total permit fees is \$1,025,000.00.

Deputy City Manager Colbert Puff said the department increase request is \$18,445.00 which equals an increase of 3.83%.

Health Department:

Deputy City Manager Colbert Puff reported that department is made up of 2 ½ staff members and their mission is to protect, promote and enhance the health and well-being of Portsmouth residents, visitors and environment.

Health Highlights:

- Agency for Toxic Substances and Disease Registry (STSDR)'s Community Assistance Panel
- United States Air Force's Restoration Advisory Board
- Commission on Seacoast Cancer Cluster Investigation
- Assessment and Advocacy of Vulnerable Populations
- Climate change, emerging pathogens and emerging contaminants
- Community recovery planning and response
- Regional sheltering and plan for local sheltering

Deputy City Manager Colbert Puff reported we have 28,465+ restaurant seats with 23,095 indoor and 5,361 outdoor. She informed the Council that the department handles an average of 35 – 40 temporary events a year. She said the department is looking for an increase of \$28,525.00 which equals a 3.25% increase.

Health Officer McNamara spoke regarding risk based foods and the criteria for assessing establishments that serve those types of items. Councilor Dwyer suggested that someone needs to escort the Health Officer on risk based inspections.

Councilor Roberts spoke regarding Phase 3 of the Wayfinding Program. Planning Director Walker said Phase 3 is pedestrian oriented, signage and function in compact areas.

Councilor Pearson inquired regarding signs having walking times from one location to another. Planning Director Walker said that was not part of the program.

Councilor Becksted said the wayfinding almost comes to sign pollution. He said signs are overtaking the downtown. Planning Director Walker stated signage is not the only focus. She said changes will also be made to the Parking Portsmouth Signs and reported when a sign is installed, a sign is also removed.

Discussion took place regarding recommended reductions for Operating and Non-Operating costs. City Manager Bohenko recommended putting off a year for the organic weed and turf management costs which are \$260,000.00. He spoke regarding non-operating and said some capital projects could be put off into other fiscal years and we could save \$695,200.00 ongoing toward projected new bond payments. He stated he would like to use some money from fund balance for the recreation fields which would be a reduction of \$250,000.00.

Recommended Reductions:

- Recycling & Solid Waste Totes - \$100,000.00
- Recycling & Solid Waste Transfer Station - \$150,000.00
- Elwyn Park Sidewalks Phase I - \$20,000.00
- Rolling Stock - \$166,000.00
- IT Upgrades/Replacements / Fire & Police Software - \$125,500.00

Total estimated reductions = \$1,616,700.00.

City Manager Bohenko informed the Council the changes would reflect a 2% increase with an estimated tax rate of \$0.59 versus a \$0.88 increase with a percentage change of 5.73% to 3.83%. City Manager Bohenko said the \$0.88 does not include supplemental requests.

Councilor Dwyer asked about one-time expenses. City Manager Bohenko said we could take a look at that and he would like to see the fields have a supplemental appropriation next year.

Councilor Perkins asked about the reduction of the debt service and if it fits in the \$1,616,700.00. City Manager Bohenko said they are projects for FY19 and are part of the reduction. He said he is not putting off projects, the idea is we don't want to bond something and have the funds sit.

Councilor Becksted said he would like to have this information put on-line. City Manager Bohenko stated over estimating revenues can cause you to get in trouble. He stated we are conservative on revenues and that is fair. He said you could use unassigned fund balance but you need to be careful with that as well.

Mayor Blalock said we can bring revenues up for discussion and weigh in on them next Wednesday.

Councilor Pearson thanked City Manager Bohenko and Department Heads for going back over the budget with the City Council.

City Manager Bohenko said he would like the City Council to hone in on the budget next Wednesday evening.

IV. Question & Answers

Petra Houda, 280 South Street – asked when we start new initiatives why do we start them at the taxpayers' expense.

City Manager Bohenko said the Zagster Program and charging stations have come out of Parking and Transportation. He said we have set the parking fund as a Special Revenue Fund and anticipated \$2.4 million from the General Fund. He said we utilize a lot of parking and transportation activities and it does not hit the tax rate.

Ms. Houda asked if we are still going to allow Zagster to have 2 hours free. Planning Director Walker said it is a membership service and you pay a membership fee. Ms. Houda asked about electrical charges and if we expect other than residents to use the stations. Mayor Blalock said there would be a charge for use of the charging station. City Manager Bohenko said that was a policy decision by the City Council. He said we have four charging stations in the City and people would be paying for using the parking garage.

Marylou McElwain spoke regarding the high tax rate.

V. Adjournment

At 8:30 p.m., Mayor Blalock closed the meeting.

Respectfully submitted by:

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