



MEMORANDUM

To: Honorable Mayor Becksted and City Council Members
From: Karen S. Conard, City Manager
Date: June 15, 2020
Re: FY21 Budget – Review of Items from Mayor Becksted

At the end of the June 1, 2020 meeting, Mayor Becksted listed a number of reduction requests by individual line items totaling \$94,613 from the FY21 proposed budget document. In addition, other line items were identified consideration for further reductions. The following is a report back on the description of each of these line items. While a few of these recommendations can be achieved, others are either a legal obligation or will impact the necessary functions of the department.

It should be noted that that budgets are approved on a bottom line basis. Department Heads are authorized to over-expend a line item as long as a corresponding under-expenditures can be reflected in another line item within the particular budget. This will assure that the department bottom line budget in not over-expended.

The following is the initial list from the Mayor of recommended reductions. Reductions that can be achieved without services being affected (highlighted in red) total \$35,525.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
268	Public Works	039075	Traffic Line Marking	\$32,397	\$80,000	\$130,000	\$100,000	(\$30,000)

This line item is for sidewalk and road line markings for safety purposes. This recommendation can be accomplished by scheduling and prioritizing line markings while keeping within the \$100,000 budget.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
202	Finance Accounting	062001	Office Supplies	\$17,129	\$14,800	\$17,525	\$15,000	(\$2,525)

The major cost for supplies in the Finance Department is toner for the printers. Although we continually do price comparisons, the cost of toner has risen. The Finance Department has specialized printers for payroll check, vendor checks, and bill printing for water/sewer and tax bills. The remaining costs for supplies is primarily paper and envelopes. The actual cost of these supplies in FY19 was \$17,129 and the FY20 budget is already overspent by \$2,346 to date

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
203	Finance Assessing	075001	Furniture and Fixtures	\$630	\$0	\$3,000	\$0	(\$3,000)

The items planned for this line item can wait until next fiscal year.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
170	Human Resources	054051	Education	\$11,339	\$12,000	\$17,000	\$12,000	(\$5,000)

This line item represents education contractual obligations outlined in each municipal collective bargaining agreement. We currently have five employees throughout the City who have been previously approved to receive reimbursement for higher education classes pertaining to their current position to help further their knowledge and help their career within the City of Portsmouth. In order to fund this increase of \$5,000 four other line items [pages 170 - retirement benefit, books & periodicals, printing, and professional dues] within the HR department were reduced by \$4,750 from FY20.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
191	Gen Admin	019002	Unanticipated Expenses	\$34,173	\$9,822	\$75,000	\$34,000	(\$41,000)

This line item has traditionally been funded at \$75,000 a year for position/salary obligations unanticipated. For example, if during the year a position has been changed from part-time to full-time or a promotion is granted, the City Manager has the ability to transfer funds from this line item to another department per the City Charter.

For FY21, This line item is specifically to fund the contractual obligation made to the prior City Manager for consulting work. The obligation is for a total of \$112,500 of which a portion of this obligation is currently being paid for in the FY20 budget. The remaining obligation is budgeted in this line for FY21.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
203	Finance Assessing	067001	Books and periodicals & Subscriptions	\$9,733	\$10,766	\$16,488	\$10,000	(\$6,488)

This line item represents the cost of resources which are essential to the operations of the Assessing Department in order to fulfill statutory requirements, tax appeal research and to conduct revaluations and updates to assessments throughout the City. These are not new resource subscriptions. As you can see from the itemized list below, they are databases that require an annual fee in order to subscribe to. The total cost for FY21 is \$16,488 and are as follows:

NEREN – Northern New England Real Estate Network - Multiple Listing Service – Required for sales verification as part of the sales analysis for revaluation and update purposes and state verification requirements. Also used for tax appeal research and defense of value, essential for the valuation of residential properties.

CIBOR - NH Commercial Real Estate Association – Multiple Listing Service – Required for sales verification as part of the sales analysis for revaluation and update purposes and state verification requirements. Also used for tax appeal research and defense of value, essential for the valuation of commercial properties.

Co-Star – Required for commercial sales verification, lease rates, capitalization rates, vacancy rates and various information relative to the commercial valuation of properties throughout the City. Essential for the valuation of commercial properties and a resource to aide in the defense of value before the Board of Tax and Land Appeals (BTLA).

First American Mortgage ACI – Appraisal Software utilized for Board of Tax and Land Appeal (BTLA) Cases.

The Warren Group – Mortgage Research Service utilized for BTLA and Superior Court appeals.

Marshall & Swift – Real Estate Cost Service utilized to update cost tables with the Computer Automated Mass Appraisal System (CAMA) within the office. Essential to revalue properties throughout the City.

Matthew Bender – NH Revised Statute Annotated Book – Required for statutory research and provides annual updates related to legislative changes.

Lexis Nexis – Required for exemption verification.

RELX – Required for court decision research – Also utilized by other departments upon request.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
265	Public Works	039001	Professional Services	\$0	\$5,200	\$7,800	\$5,200	\$2,600

This line item funds Stephanie Secord with whom the City contracted with to replace the previous full-time position of Public Information Officer. The appropriation of \$7,800 is a fraction of what the salary cost to the City was in previous years. Stephanie has been instrumental with preparing press releases, newsletters, and more recently with daily outreach to the public during the COVID-19 pandemic. By reducing this line item will only reduce our ability to utilize her services and impact the well received and appreciated public outreach.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	Mayor's Request	Potential Reduction
265	Public Works	053001	Advertising	\$6,161	\$3,000	\$7,000	\$3,000	\$4,000

The Public Works department must pay for the legally required advertising of various bids and request for proposals.

The following line items were identified by the Mayor to “take a look at”. Please see the following explanations of these items. Reductions that can be achieved (highlighted in red) total \$35,000.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed
170	Human Resources	039001	Professional Services	\$95,579	\$76,000	\$76,000

This line item represents the agreement we have with Attorney Tom Closson from Jackson Lewis. Mr. Closson is one of the top Labor Law Attorney’s in the state of New Hampshire. He has worked with The City of Portsmouth for over

17 years handling the negotiations for the City and School, as well as lawsuits, grievances and controversial investigations. Our department works closely with Mr. Closson on a daily basis. If this agreement were to be terminated, it would cost the City greatly to hire outside representation to handle the items discussed above on an hourly basis. We would also lose the institutional knowledge of Mr. Closson, which is invaluable.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed
183	Legal	012001	Part-Time Salary	\$28,907	\$25,116	\$77,646

The increase in this line item is to continue the funding for the current part-time Assistant Prosecutor John Goodlander who was previously funded from district court fees which has diminished. Recently, Chief Merner had discussion with the City Attorney regarding the desire to increase the duties of this position to include juvenile prosecution which would require this position to become full time. This position provides essential work to the Police Department. As district court fees builds back up over time, these funds can be allocated to support this position. The City typically receives on average about \$5,000 to \$10,000 per year.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed	FY21 Reduction
265	Public Works	012001	Part-Time Salary	\$0	\$70,000	\$70,000	(\$35,000)

This line item funds two part-time employees David Allen and Dan Hartrey who were full time employees in the past worked. After their retirement, the City hired this individuals on a part-time basis (no benefits) to be Clerk of the Works for specialized capital projects. Efficiencies and cost savings are realized by employing these two individuals who have a full understanding and institutional knowledge of the City. For FY21, one of these positions was to oversee the athletic field project, the other for the Recreation Center upgrades and the Electrical project at City Hall. Based on City Council input the Clerk of the Works position for the athletic fields will be done by existing full-time staff. Work-load will have to be adjusted and some work rescheduled to accommodate this change.

Page #	Department	Account #	Description	FY19 Actual	FY20 Budget	FY21 Proposed
269	Public Works	063501	Gasoline	\$155,897	\$160,000	\$160,000

Gasoline and diesel fuel is funded within the public works, police, fire, and school departments for a total proposed appropriation of \$300,700. As you know, the cost of this commodity is dictated by the industry and can fluctuate both up or down at any given time and is very difficult to predict. The City bids out this commodity to receive the best price possible to keep the cost down. If the City Council wants to reduce this line item we would recommend the reduction should be across the board between all departments.