

## **CITY COUNCIL MEETING**

MUNICIPAL COMPLEX  
DATE: TUESDAY, JANUARY 21, 2025

PORTSMOUTH, NH  
TIME: 7:00PM

**Assistant Mayor Kelley moved to close the Non-Public Session and seal the minutes. Seconded by Councilor Moreau and voted.**

### **III. CALL TO ORDER**

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

### **IV. ROLL CALL**

**PRESENT:** Mayor McEachern, Assistant Mayor Kelley, Councilors Tabor, Cook (via Zoom for a portion of the meeting), Denton, Blalock, Bagley, Moreau, Lombardi

### **V. INVOCATION**

Mayor McEachern asked everyone to join in a moment of silent prayer.

### **VI. PLEDGE OF ALLEGIANCE**

Mayor McEachern led in the Pledge of Allegiance to the Flag.

### **PRESENTATION**

#### **1. Fiscal Year 2024 Audit Summary – Matt Hunt, CLG**

Matt Hunt stated that the scope of the audit is to express an opinion on whether the financial statements are presented in accordance with GAAP. He provided a report on internal controls over financial reporting and compliance with laws, regulations, contracts, and grants. He indicated that the audit was positive, and the financial statements contain unmodified opinions. He stated that this is the best opinion that can be issued in a financial statement audit. Matt also expressed that no material misstatements were identified. Matt advised the City Council that there were no internal control findings, no compliance findings and no findings or issues. Phil Hwang presented long-term liabilities and indicated that long term debt increased slightly over the prior year. Matt concluded that significant issues discussed with management prior to engagement were all within the normal course of our professional relationship. He again stated that this was a very positive audit.

### **VII. ACCEPTANCE OF MINUTES – DECEMBER 2, 2024 AND DECEMBER 9, 2024**

**Councilor Moreau moved to accept and approve the minutes of the December 2, 2024, and December 9, 2024 City Council meetings. Seconded by Councilor Lombardi and voted.**

### **VIII. RECOGNITIONS AND VOLUNTEER COMMITTEE REPORTS**

*(There are no items under this section of the agenda this evening)*

## **IX. PUBLIC COMMENT SESSION**

Petra Huda said the Management Letter addressed some deficiencies and wanted to make sure that those have been taken care of. She said internal controls are important to make sure things are in place for accounts. She said when preparing the budget departments should start with actual numbers from last year when producing percentage increases.

Sue Sterry spoke on restoration projects at North Cemetery. She said that there are twenty-two patriot leaders in the North Cemetery. She spoke to the donation the city would be accepting for \$10,000.00 for the North Cemetery. She suggested a committee be appointed for the 250<sup>th</sup> Celebration for the Signing of the Declaration of Independence.

**Assistant Mayor Kelley moved to suspend the rules to bring forward Item XV. A.1. – Guidance to the City Manager regarding the FY26 Budget. Seconded by Councilor Bagley.**

**On a unanimous roll call 9-0 vote, motion passed.**

## **XV. CITY COUNCIL MEMBERS**

### **A. COUNCILOR TABOR**

1. Guidance to the City Manager regarding the FY26 Budget

**Councilor Tabor moved that the City Council adopt the following guidance for the City Manager for FY26 Budget:**

- **Target 3.5% as the increase in total expenditure**
- **No increase in headcount unless the position is self-funding; and,**
- **If the target will result in a loss of the current level of services, provide details and explanation from affected departments to the City Council**

**Seconded by Councilor Denton.**

Councilor Tabor said more than ½ of the taxpayer have seen an increase of 10% in their taxes. He stated that this is important that we do not impact the increase any more than 3.5% and he is aware that it will take work to get to that number.

Councilor Bagley said the Cost-of-Living Adjustment (COLA) increase for Social Security is 2.5%. He said he would like to see the percentage to be 2.5% - 2.9%.

**Councilor Blalock moved to amend for a target of 0% increase for the FY26 Budget. Seconded by Assistant Mayor Kelley for discussion purposes.**

Councilor Blalock said it is the City Council's job to hold the line for a 0% increase. He said he understands COLA and step increases are part of the budget and trusts departments to look out for the taxpayers.

Councilor Cook said she agrees with Councilor Bagley that we need to pay attention to the Social Security number and depend on that number. She said the 2.5% Social Security number should be the limit. She said she is concerned with a 0% budget and what that would mean for the cutting of significant staff.

Councilor Bagley said he agrees with Councilor Cook statements and a 0% increase would be devastating to the budget.

Mayor McEachern said 2.9% would not be unreasonable. He stated we need to look at what decisions need to be made to get to the 0% and we would look at 0% based budget as an exercise.

Assistant Mayor Kelley said she would be supportive of a 2.9% increase. She said we need to switch that way we come forward with guidance and come forward earlier. She said guidance should go to the City Manager and Charter Commissions. She stated that the Council does not control the line items in the Charter Commissions budgets. She said she is trying to find a way to go forward and have a broader discussion with the Charter Commissions before guidance is presented to leadership.

Councilor Blalock said we are giving guidance this evening if 0% cannot be met we need to see the impact. He urged the Council guidance to be frugal.

Councilor Moreau said she would like to see something under 3%, 2.5% - 2.9%. She said clearly some things will need to go.

Mayor McEachern asked what the existing contracts would mean for step increases and COLA's and what percentage is that for the budget next year.

City Manager Conard said we could work with 24 actual numbers.

Deputy City Manager/Finance Administration Lunney said COLA is 2.84% and steps are between 1% - 5%. He said when an employee reaches the top of the step they would only have COLA's and steps impacts added to COLA would be between 4% - 4.5%.

Mayor McEachern said if we gave 0% as guidance the concern among residents would be what is lost. He said 2.9% is slightly above the rate of inflation.

Councilor Cook said she could not come in higher than the Social Security 2.5%. She suggested looking at positions that are close to retirement as well for savings.

Councilor Lombardi said that a 2.9% would be appropriate. He said we need to look at the number of positions unfilled over the last few years and if they need to be filled.

Councilor Tabor said he would not support 0% because we tried that in 2019/2020. He said wage increases to offset that would mean we would have less staff. He said we would probably freeze hiring. He said that if you cut and replace people then you lose services that residents are used to. He likes the mayor's idea of knowing where it will impact us. He said it may take time, but people will feel that loss in services. Councilor Tabor said let's challenge the department's heads but not set it as a target.

Mayor McEachern said the issue we are facing is impacting on competitive services. He said he would like to see a 2.5% and what 0% would look like.

**On a roll call vote 3-6, motion to amend for a target of 0% increase for the FY26 Budget failed to pass. Councilors Denton, Blalock and Mayor McEachern voted in favor. Assistant Mayor Kelley, Councilors Tabor, Cook, Bagley, Moreau and Lombardi voted opposed.**

**Councilor Tabor moved to amend the original motion for a budget target of 2.9% as the increase in total expenditure and the City Manager provide details on what a 0% increase would mean for loss in services. Seconded by Councilor Denton.**

Councilor Bagley said to come below 2.8% is unrealistic.

Councilor Denton said if the City Council does not pass the budget it would default to the City Manager's budget.

Councilor Cook said she would not support 2.9% and would like to see 2.5%.

Mayor McEachern said he supported the amendment because it is a guidance. He said the vote we make in June will be the most important vote.

**On a roll call 8-1, voted to pass the main motion as modified. Assistant Mayor Kelley, Councilors Tabor, Denton, Blalock, Bagley, Moreau, Lombardi and Mayor McEachern voted in favor. Councilor Cook voted opposed.**

*Adopt the following guidance for the City Manager for FY26 Budget:*

- *Target 2.9% as the increase in total expenditure*
- *No increase in headcount unless the position is self-funding; and,*
- *If the target will result in a loss of the current level of service, provide details and explanation for affected departments to the City Council*

*Councilor Cook left the remainder of the meeting which she was attending via zoom.*

## **X. PUBLIC HEARINGS AND VOTE ON ORDINANCES AND/OR RESOLUTIONS**

### **First Reading of Ordinance:**

- A. First Reading of Ordinance amendment to Chapter 10 – Zoning Ordinance – Zoning Map, Article 4, Zoning District and Use Regulations, Section 10.421 – District Location and Boundaries, Section 10.421.10, be amended to remove 185 Orchard Street, Tax Map 152, Lot 2-1 from the Historic District Overlay

**Councilor Blalock moved that the City Council pass first reading and schedule a public hearing and second reading of the proposed Zoning Map amendment at the February 18, 2025, City Council meeting. Seconded by Councilor Bagley and voted.**

## XI. CITY MANAGER'S ITEMS WHICH REQUIRE ACTION

### A. CITY MANAGER CONARD

1. City Appointment to Seacoast Commission on Long-Term Goals and Requirements for Drinking Water

City Manager Conard said we would be replacing Brian Goetz with Al Pratt.

**Councilor Denton moved to appoint Albert Pratt, Water Resources Manager, as the City of Portsmouth's representative to the Seacoast Commission on Long-Term Goals and Requirements for Drinking Water. Seconded by Councilor Blalock and voted.**

2. Parking Agreement for Strawberry Banke Museum

City Manager Conard said this agreement would be renewed.

**Councilor Tabor moved that the City Manager be authorized to negotiate and enter into a Parking Agreement with Strawberry Banke in a form like the attachment in the City Council packet of January 21, 2025. Seconded by Councilor Moreau and voted.**

3. Request for Public Hearing on Elderly Exemptions

City Manager Conard spoke to the Elderly Exemption to bring the conversation before the application deadline in April. She said the assessor will be here at the next meeting.

**Assistant Mayor Kelley moved to schedule a public hearing on February 3, 2025, City Council meeting. Seconded by Councilor Denton and voted.**

4. Request for Public Hearing on Disabled Exemptions

City Manager Conard said this would be similar but for the disabled exemption.

**Councilor Lombardi moved to schedule a public hearing on February 3, 2025, City Council meeting. Seconded by Councilor Denton and voted.**

5. Request for Public Hearing on the Drinking Water State Revolving Fund Loan

City Manager Conard said a presentation will be held at the next meeting on this matter. She said the city is being proactive for those with private connections.

**Assistant Mayor Kelley moved to schedule a public hearing at the February 3, 2025, City council meeting to authorize the borrowing of up to \$3,500,000.00 from the New Hampshire Drinking Water State Revolving Fund to assist customers and galvanized service line replacements and fund service line inventory compliance efforts. Seconded by Councilor Moreau and voted.**

## XII. CONSENT AGENDA

**Councilor Denton moved to adopt the Consent Agenda as presented. Seconded by Councilor Bagley and voted.**

- A. Letter from Latrice Smith, National Multiple Sclerosis Society, requesting permission to hold the 2025 Walk for MS on Saturday, May 31, 2025 (***Anticipated action – move to refer to the City Manager with Authority to Act***)
- B. Letter from Jenna Raizes, Portsmouth Little League, requesting to add signage at three City fields: Central Field, Plains Field, and Hislop Field (***Anticipated action – move to refer to the City Manager with Authority to Act***)

## XIII. PRESENTATIONS AND WRITTEN COMMUNICATIONS

- A. Email Correspondence

**Councilor Lombardi moved to accept and place on file. Seconded by Councilor Denton and voted.**

## XIV. MAYOR McEACHERN

- 1. Appointments to be Voted:
  - Reappointment of Jeff Stern to the Board of Library Trustees until October 1, 2027
  - Appointment of Bill Bowen as Regular member to the Planning Board until December 31, 2027
  - Reappointment of Anthony Coviello to the Planning Board until December 31, 2027
  - Appointment of Ryann Wolf to the Planning Board until December 31, 2027
  - Appointment of Frank Perier as an Alternate to the Planning Board until December 31, 2027
  - Appointment of Frederick Calcinari to the Sustainability Committee until January 1, 2027
  - Appointment of Rhianne Tallarico to the Sustainability Committee until January 1, 2027
  - Reappointment of Thomas Watson to the Trustees of the Trust Fund until January 1, 2028

**Councilor Moreau moved to reappoint Jeff Stern to the Board of Library Trustees and Bill Bowen, Anthony Coviello, Ryann Wolf and Frank Peier (Alternate) to the Planning Board; Frederick Calcinari and Rhianne Tallarico appointment to the Sustainability Committee and reappointment of Thomas Watson to the Trustees of the Trust Funds. Seconded by Councilor Lombardi and voted.**

## XV. CITY COUNCIL MEMBERS

### B. COUNCILOR COOK

1. Request for First Reading regarding Adoption of Fees Ordinance

**Councilor Tabor moved to bring forward Adoption of Fees Ordinance for First Reading at the February 3, 2025 City Council meeting. Seconded by Councilor Moreau and voted.**

### C. COUNCILOR BLALOCK

1. Student Government Day

Councilor Blalock announced the dates for Student Government Day 2025:

- Saturday, February 1<sup>st</sup> at 9:00 a.m. – Student Senate meeting to promote participation
- Thursday, March 13<sup>th</sup> at 2:45 p.m. – Organizational Meeting with students at Portsmouth High School Library
- Monday, March 17<sup>th</sup> at 7:00 p.m. – Students will shadow City Council during regular meeting
- Tuesday, March 25<sup>th</sup> at 7:00 p.m. – Students will Shadow School Board during regular meeting
- Friday, March 28<sup>th</sup> – Student Government Day followed by mock City Council meeting

## XVI. APPROVAL OF GRANTS/DONATIONS

- A. Acceptance of Overwatch .Gov Grant Award - \$10,000.00

**Assistant Mayor Kelley moved to approve and accept the Grant as presented. Seconded by Councilor Lombardi and voted.**

- B. Acceptance of Donation for the Restoration of Old North Cemetery from the David and Jacqueline Mahoney Fund - \$10,000.00

**Councilor Denton moved to approve and accept the Donation as presented. Seconded by Councilor Tabor and voted.**

## XVII. CITY MANAGER'S INFORMATIONAL ITEMS

*Pease Development Authority Board Meeting Update – City Manager Conard reported that Port City Air will be making significant improvements to their hanger beginning July 1, 2025. She announced that Boston Med Flight is coming to the Tradeport and will be providing services to northern New England beginning March 1, 2025. She advised the City Council that Eversource is increasing their capacity and infrastructure at the Tradeport. In addition, she reported that the Air National Guard Tower is the 9<sup>th</sup> busiest tower in the world. In closing, she advised the City Council that the Portsmouth Commercial Fish Pier building is constructing a new 6,000 square foot building and that there will be no PDA meeting in February.*

*New Procurement Platform Update – City Manager Conard announced that the new on-line procurement platform has gone live.*

*Report Back on Sweetser Request* – City Manager Conard advised the City Council that the recent Sweetser Request was not seeking reimbursement for services provided but a fundraiser request and the Welfare Director will work with them to see if they qualify for our Social Services Program.

**XVIII. MISCELLANEOUS BUSINESS INCLUDING BUSINESS REMAINING UNFINISHED AT PREVIOUS MEETING**

Councilor Tabor announced that the city won the Housing Champion Award which included \$64,000.00 that will be used to audit and review all of our zoning to find ways we can create more housing. He advised the Council that there will be a public process component for the changes.

**XIX. ADJOURNMENT**

**At 8:20 p.m., Councilor Moreau moved to adjourn the meeting. Seconded by Councilor Blalock and voted.**



KELLI L. BARNABY, MMC/NHCMC  
CITY CLERK