

## **CITY COUNCIL MEETING**

MUNICIPAL COMPLEX  
DATE: MONDAY, FEBRUARY 16, 2016

PORTSMOUTH, NH  
TIME: 6:30PM [or thereafter]

At 6:30 p.m., a Work Session was held regarding Pease Tradeport Community Advisory Panel (CAP).

### **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.

### **IV. PLEDGE OF ALLEGIANCE**

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

**Councilor Lown moved to suspend the rules in order to take up Item VII. C. - Public Hearing regarding Proposed Capital Improvement Plan (CIP) FY2017-2022. Seconded by Councilor Pearson and voted.**

#### **C. PROPOSED CAPITAL IMPROVEMENT PLAN (CIP) FY2017-2022**

City Manager Bohenko said the CIP is a 6 year plan and covers 2017-2022. He said the process of developing the plan was changed to provide more citizen involvement. He reported the layout of the plan has changed with there now being 6 new appendix and new elements sheets were made. He advised the City Council in January a plan of \$2.3 million was submitted to the Planning Board and the plan being submitted this evening has been reduced to \$2 million. City Manager Bohenko explained the process of bonding projects which require 2 separate meetings with a public hearing. He said the City Council is required to adopt the capital plan before submittal of the budget to the City Council.

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

Charlie Seefried of Portsmouth Athletic Complex Enhancement (PACE) which is a collection of residents, kids and supporters to address the need for athletic fields in the City. He addressed the need for future fields and having the stump dump completed for an additional field. He said there are currently funds available in the CIP and there is a need to allocate additional funds for the completion of the project.

Scott Osgood spoke to the stump dump and the need for additional athletic fields. He said the City needs an athletic multi-field complex. He said access to sports can save kids and be the key to keeping kids out of trouble. He said we need to do something to involve as many kids in City sports as possible.

Eric Weinreib said the City needs to identify and construct multi-fields with lighting, parking and artificial turf. He said now is the time to create the fields.

John Ragonese, PACE, said we have a value on developing opportunities for our youth. He said the City needs to invest in the young and bring the access of sports to them. He requests to push the funding up in the CIP for the creation of multi-fields.

Luke Osgood spoke on behalf of youth athletes stating our fields do not compete with other communities. He said other communities have more fields and multi-complex of fields for their athletes. He urged the City Council to allocate additional funding for the creation of new fields.

Dan Anatola spoke regarding the need for additional playing fields in the City. He said the City needs to advance the stump dump into a field and install artificial turf. He addressed the issue of obesity in the United States and said 13% of all children are obese and athletics can help bring that number down. He urged the City Council to allocate additional funding in this CIP for the installation of additional playing fields.

Troy Coughlin said he plays many sports and there is a strong need for additional playing fields but it is important to have the fields located in one area. He said having the fields in one area will assist parents and coaches from carpooling to different locations in the City for their children to play sports.

Jack Ragonese said he plays soccer and having new fields and artificial turf with a multi-complex will bring kids together. He spoke in support of artificial turf and said it is better and easier to manage.

Mary Squire spoke in favor of athletic fields and the need for a multi-complex. She said a multi-complex will bring the community together and the City could hold tournaments here which would bring additional money to the City and businesses in the downtown. She urged the City Council to allocate additional funding now for the creation of fields.

Tony Coviello spoke in support of additional playing fields and the need for a completed stump dump. He spoke to the beautiful fields in other communities and the regret coming back to the City after playing on away fields with the lack of and condition of our fields. He said everyone here feels how important it is to get these fields and a multi-complex in place.

Tara Schoff spoke in support of PACE and the recommendation for an athletic complex with multi-fields. She said there is a need for more athletic facilities and urged the City Council to allocate funding now.

Kelly Shaw spoke on the need for improvements to Banfield Road. She said the traffic study was removed from the budget which surprised her. She said it is important to get the traffic back on Route 1 again and off of Banfield Road. She spoke regarding a plan the neighborhood is bringing to the Parking & Traffic Safety Committee meeting that Water Country is willing to pay 50% of the improvements to the road.

Charlie Seefried spoke in support of having the stump dump completed and made into an athletic field. He said they want to see a multi-complex and suggested that the Council discuss this matter further at their scheduled retreat on March 12<sup>th</sup>.

Peter Corn spoke in support of more athletic fields and that now is the time for the creation of these fields. He said it can no longer wait and the need is obvious.

Nicole LaPierre spoke to the need of sidewalks in the Islington Street area. She stated the sidewalks are crumbling and are in desperate need of repair and that this is a safety issue that requires immediate attention.

Esther Kennedy spoke on the Wastewater Treatment Plant figures and questioned the \$70 million dollars. She asked where is the repair costs, where are the potential revenue loss, where are figures for the use of the outdoor pool. She believes the costs in the CIP are not correct and the figures are lower than what is actually needed. She stated there will be costs for repairing people's foundations and she would like to see the plan for these items.

With no further speakers, Mayor Blalock closed the Public Hearing.

## **PRESENTATIONS**

### 1. Comprehensive Annual Financial Report (CAFR) – Scott McIntire

Scott McIntire provided a Presentation regarding the City's Comprehensive Annual Financial Report. He indicated that a review of the books show that they are in good working order. The annual Financial Report meets the needs in accordance with general practices of accounting. He discussed the GASB Report which lists pension liability for the first time. He said this liability has always existed and credit agencies look at that because it is a significant liability to the City. He addressed financial statements, general fund balance sheet, and unassigned fund balance. He briefly spoke to the Management Letter which is asking for improvement to internal controls of the Trustees of the Trust Funds for payroll. He said this would be a structural change. City Manager Bohenko announced that he has been working with Finance Director Belanger and presently the Trustees of the Trust Funds has there own bookkeeper and we will bring in the Trustees of the Trust Funds here at City Hall and they will have their own accountant.

Councilor Lown asked if GASB 68 would have an effect on the City's bond rating. Mr. McIntire said not immediately, credit rates have known that this has been in the report but wish to just have a footnote disclosure.

City Manager Bohenko said they look at our practice not just the balance sheet. He said our financial statement is in a good position. He said we should remain an AAA community.

Councilor Dwyer asked if it extends to oversight investment for the Trustees of the Trust Funds. Scott McIntire stated that there are changes to recordkeeping and requirements for tracking of accounting.

## 2. Update Re: Acceptance of Over the Counter Credit Card Payments

Finance Director Belanger reported that we will be able to accept credit cards on or before March 1, 2016. She stated we currently accept credit card payments on-line only for the following:

- Motor Vehicle Renewals
- Property Tax Bills
- Parking Violations
- Utility Payment – Water and Sewer
- Auto Debit to Checking or Savings Account

She spoke to the ATM machine that has been installed on the second floor. She stated that they worked with banks and third party processing companies to get this in place. She indicated there is a service fee of 2.95% which is a minimum of \$1.95 that will be added to the transaction. She outlined the requirement for a service fee and spoke to the State statute for the service fee and said this is designed to be a convenience fee with no cost to the City. Each individual will swipe their own card and the clerk would then relay the service fee to the customer. Finance Director Belanger said there will be a need to sign a service fee acknowledgement. She spoke to VISA credit cards and that we cannot accept VISA for water/sewer fees and we hope that changes down the road. She further addressed next steps coming forward are on-line billing payment services and credit card payments over the phone.

Councilor Denton asked about the reading for chips on the credit cards. Finance Director Belanger said the readers can read chips. She said we feel it is very secure.

## V. ACCEPTANCE OF MINUTES – JANUARY 25, 2016

**Councilor Spear moved to approve and accept the minutes of the January 25, 2016 City Council meeting. Second by Councilor Perkins and voted.**

## VI. PUBLIC COMMENT SESSION

Kate Mallen spoke in support of the elderly exemption increase. She stated this increase is needed and the value of homes has increased and people are in danger of losing their homes. She feels there needs to always be reason in the City for the elderly exemption.

Mark Brighton said location is the biggest want in real estate. It is unfathomable how City officials still insist that the value of the property on Deer Street has increased. He said we need to look at the data and then spoke to the contamination of the site and how that affects the value of the land. He said there needs to be another appraisal that is done by someone that deals with contamination on properties.

**VII. PUBLIC HEARINGS**

**A. RESOLUTION AMENDING ELDERLY EXEMPTION**

**OPTION A**

**PROPOSED INCREASE OF ELDERLY EXEMPTION**

SINGLE	\$40,000.00 INCREASE OF \$3,689.00
MARRIED	\$55,000.00 INCREASE OF \$10,207.00
ASSET LIMIT OF	\$175,000.00 INCREASE OF \$53,961.00

**OPTION B**

**PROPOSED INCREASE OF ELDERLY EXEMPTION**

SINGLE	\$40,000.00 INCREASE OF \$3,689.00
MARRIED	\$55,000.00 INCREASE OF \$10,207.00
ASSET LIMIT OF	\$175,000.00 INCREASE OF \$53,961.00

IF THE CITY COUNCIL WISHES TO ADJUST THE EXEMPTION AMOUNTS FOR ELDERLY TAXPAYERS IN COMPARISON TO NEIGHBORING COMMUNITIES, THIS WOULD DECREASE THE LIMIT AS FOLLOWS:

AGES 65-74	\$120,000.00 DECREASE OF \$5,000.00
AGES 75-79	\$160,000.00 DECREASE OF \$15,000.00
AGES 80+	\$200,000.00 DECREASE OF \$20,000.00

Mayor Blalock read the legal notice, opened the public hearing and called for speakers.

Harold Whitehouse compared our exemption with other surrounding communities. He spoke to the single person exemption and said it is time to bring a homestead exemption in the State of New Hampshire. He said a homestead exemption can be done through enabling legislation.

Esther Kennedy said we need to keep a diverse population in the City. She asked that the City Council keep in mind the exemptions at budget time and that the budget should not increase beyond what an elderly person is entitled to for an increase this year.

Mark Brighton said he agrees with comments made by Ms. Kennedy and Mr. Whitehouse and that these exemptions become meaningless with budget increases. He said we need balance at both ends and asked to give more if you can.

With no further speakers, Mayor Blalock closed the public hearing.

B. RESOLUTION AMENDING DISABLED EXEMPTION

SINGLE	\$40,000.00 INCREASE OF \$3,689.00
MARRIED	\$55,000.00 INCREASE OF \$10,207.00
ASSET LIMIT OF	\$175,000.00 INCREASE OF \$53,961.00

IF QUALIFIED FOR DISABLED TAXPAYERS THE CURRENT EXEMPTION OFF THE ASSESSED VALUE OF THE PROPERTY WOULD REMAIN THE SAME AT \$100,000.00

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

City Manager Bohenko said the assessed value would remain the same at \$100,000.00.

With no speakers, Mayor Blalock closed the public hearing.

**VIII. APPROVAL OF GRANTS/DONATIONS**

A. Electric Charging Stations Grant - \$10,000.00

**Councilor Lown moved to authorize the City Manager to enter into an agreement between the State of New Hampshire and the City of Portsmouth pertaining to the NH Department of Environmental Services Electrical Vehicle Supply Equipment Rebate Program. Seconded by Councilor Spear.**

Public Works Director Rice said the charging station are operating from what we presently have in place and it is 2 separate systems.

Councilor Spear asked about the current system in the garage. Public Works Director Rice said we are having trouble with the current system. He said we are working to address the systems. City Manager Bohenko stated the systems were donated through the Nissan dealership. Director Rice said the systems need to be replaced.

Councilor Dwyer asked how many vehicles registered in Portsmouth would be eligible to use the charging system. City Manager Bohenko said we can take a look at that and get back to you.

Councilor Cyr said the care would be compatible with all vehicles. Director Rice said the charging system will not change from here but the batteries will get better.

**Motion passed.**

## IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First Reading of Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State 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 *(Roll Call Vote Required)*

Deputy Public Works Director Goetz provided a brief presentation on the first reading of the bonding Resolution. He provided an overview of wastewater treatment upgrades. He spoke to the project schedule and said we are at 100% design and are at prequalification stage for contractors, with a completion date in 2020. He said the total cost for the facility will be \$83.8 million.

Finance Director Belanger said in 2011-2012 a comprehensive rate study was done in the City. She said we established a rate stabilization policy in FY14 and began to reserve funds. She stated we would have \$5.8 million in reserve at the end of FY16. She said the Resolution is up to \$75,000,000.00 and has some flexibility of how we fund this. She said this is a 4 year project we won't pay anything until 2021 and will receive a principal forgiveness of 5% (Up to \$3.75 M) and we will also have a locked in interest rate of 2.55% for a 20-Year Term. She spoke to the debt schedule with new payments for the first 4 years with the payment and rate increases staying consistent. City Manager Bohenko said the City Council supported the SRF program 4 years ago and if we did nothing we would see a 40% increase in water/sewer rates. He stated that we are at the top of the list currently for receipt of a SRF.

Councilor Perkins asked about more information and a budget. City Manager Bohenko said that we will provide more of a presentation at the public hearing and adoption. He said in FY14 we planned for this event and we are going to try and keep the increase at 4% per year. He said we would get more in depth at the public hearing on March 7<sup>th</sup> and we will also bring in David Hyder to make a presentation and answer questions of the Council.

**Councilor Lown moved to pass first reading and bring back for public hearing and adoption a Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Seventy-Five Million (\$75,000,000.00) Dollars for Costs Related for the Construction of the Peirce island Wastewater Treatment Facility, as presented, at the City Council meeting of March 7, 2016. Seconded by Councilor Spear.**

Councilor Lown said there are a small group of people that feel this could have been built at Pease. He said the PDA controls the land and the PDA should not approve any substantial increase to treatment out at Pease. He said we are under a consent decree with the EPA. He said in order to reroute the system we would need to disrupt the City and the outflow of a facility at Pease would be bad for the environment.

Councilor Denton said he was a strong supporter to building out at Pease. He said now he feels Peirce Island is the best route to follow and it is time to take action.

Assistant Mayor Splaine said he would vote no. He said the right time to do the right thing is before us and we are days into this project. He said he does not want to put the City toilet in our front yard at Peirce Island and he would like to see a regionalization of the project. He stated he looks forward to the public hearing and does not feel we should ever imply that just a few people should not be listened to.

Councilor Dwyer said she was eager to explore if we could build the plant at Pease at the time. She said we will never be able to reclaim Peirce Island because of storm water management. She said we have tests and explored a great deal of technology.

**On a roll call vote 8-1, motion passed. Councilor Perkins, Dwyer, Lown, Pearson, Spear, Cyr, Denton and Mayor Blalock voted in favor. Assistant Mayor Splaine voted opposed.**

- B. First Reading of 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

City Manager Bohenko said in accordance with the Charter a Public Hearing and two-thirds vote is required by the City Council.

**Councilor Dwyer moved to pass first reading and bring back for public hearing and adoption a Resolution authorizing a supplemental appropriation for Unassigned Fund Balance the sum of up to Six Hundred Fifty Thousand (\$650,000.00) Dollars for Necessary Expenditures Related to the Middle School Construction, as presented, at the City Council meeting of March 7, 2016. Seconded by Councilor Spear.**

Councilor Dwyer said this is a request for an advance of up to \$650,000.00 and spoke to the needs for the funding. She said this is from settlement of the building and we need to seek resolution. The JBC contracted soil experts to get an in depth review of what is happening. We are monitoring the building and it has made the point of final settlement. The fix is a steel reinforcement under the building and the work would be done this summer. She said we have been attempting through mediation to come to terms but we were not successful but we are prepared to go to court.

Councilor Lown said he will support the motion.

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

At 9:30 p.m. Mayor Blalock called for a brief recess. At 9:35 p.m., Mayor Blalock called the meeting back to order.



C. Adoption of Resolution Amending Elderly Exemption

*On Tuesday evening, the City Manager is requesting that the City Council act on adoption of either Option A or B of the following Resolutions for the elderly exemption.*

OPTION A

**Proposed increase of Elderly Exemption**

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

OPTION B

**Proposed increase of Elderly Exemption**

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

Ages 65-74	\$120,000.00 decrease of \$5,000.00
Ages 75-79	\$160,000.00 decrease of \$15,000.00
Ages 80+	\$200,000.00 decrease of \$20,000.00

City Manager Bohenko said you have two options before you the only difference Option B adjusts the assessment amounts.

Councilor Spear said the single is \$40,000.00 which is income limit.

Councilor Dwyer asked the process for the other options. She said she does not understand why the age changes the amount you would receive for an exemption. She said the bulk of the tax dollars we exempt is for a person 80 and above. She said the \$40,000.00 which is an 11% increase is substantial.

Councilor Lown said he does not feel strongly between Option A and Option B. He said the dollar figures are required by State Statute.

Assessor Lentz said minimum requirement you can increase the amounts the levels could be the same.

Councilor Spear asked what other dollars are available to help the elderly. Assessor Lentz spoke to the hardship exemption where she could defer up to 80% of the home value but there would need to be a lien on the property.

Councilor Dwyer said she would like to work on this and said that this will be a large issue for the City. She stated there is a shortage of modest homes for our aging population.

City Manager said we will look to see if any community is using the hardship exemption.

**Councilor Spear moved to adopt Option B, as presented. Seconded by Councilor Dwyer and voted.**

D. Adoption of Resolution Amending Disabled Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

If qualified for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.00

**Councilor Spear moved to adopt the Disabled Exemption, as presented. Seconded by Assistant Mayor Splaine and voted.**

**X. CONSENT AGENDA**

A. Request for License to install Projecting Sign:

- Richard Kahler owner of Kahler Chiropractic, for property located at 100 Market Street(***Anticipated action – move to approve the aforementioned Projecting Sign License as recommended by the Planning Director, and further, authorize the City Manager to execute the License Agreement for this request***)

***Planning Director's Stipulations:***

- ***The license shall be approved by the Legal Department as to content and form;***
- ***Any removal or relocation of the projecting sign, for any reason, shall be done at no cost to the City; and***

- ***Any disturbance of a sidewalk, street or other public infrastructure resulting from the installation, relocation or removal of the projecting sign, for any reason, shall be restored at no cost to the City and shall be subject to review and acceptance by the Department of Public Works***

**Councilor Lown moved to adopt the Consent Agenda, as presented. Seconded by Councilor Spear and voted.**

## **XI. PRESENTATION & CONSIDERATION OF WRITTEN COMMUNICATIONS & PETITIONS**

*(There are no items on under this section of the Agenda)*

## **XII. REPORTS AND COMMUNICATIONS FROM CITY OFFICIALS**

### **A. CITY MANAGER**

1. Report Back Re: License Requests for 40 Bridge Street

Planning Director Taintor spoke to the three licenses associated with the request.

**Councilor Spear moved to accept the recommendation of the Planning Board, as presented, that the licenses be granted, subject to DPW approval of the final design of the electrical bank. Seconded by Councilor Pearson and voted.**

2. Report Back Re: Request of Stewgood, LLC to restore the lots at 268 and 276 Dennett Street to their premerger status pursuant to NH RSA 674:39-aa

Councilor Lown recused himself from this matter and left the chambers.

Planning Director Taintor said there are 2 buildings and 2 separate lots and the owner is looking to restore their lot lines but there is no increase in density and result from any action taken.

**Councilor Spear moved to approve the Planning Board's recommendation, as presented, that there has not been any overt action or conduct that indicates the owner regarded the lots as merged, and therefore the request to restore the lots to their premerger status may be granted. Seconded by Councilor Dwyer and voted.**

Following the vote Councilor Lown returned to the Chambers.

3. Request for Equitable Waiver for Building Fees Re: Lonza

City Manager Bohenko said that this has been reviewed by the Fee Committee which recommends action.

Deputy City Manager Allen said this came forward from the Building Inspector and the project is of the magnitude of nothing we have ever seen in the City. He indicated the parts to the building are incredibly expensive and this would bring the fee in line with a large Industrial project. City Manager Bohenko said Lonza will still pay \$1,000,000.00 for the permit.

Michael Pelletier, Lonza spoke to the growth of Lonza that has over 800 employees on site. He said there is an increase in demand and there are two projects in front of Lonza currently looking at bringing the two structures in line.

**Councilor Spear move to authorize an equitable waiver of the building fee from \$10/\$1000 to \$7/1000 for the five projects, Mono 1, Mono 2, Mono 3, Cell Therapy 1 and Cell Therapy 2 as described in the letter of February 8, 2016 to Chief Building Inspector Robert Marsilia for the City of Portsmouth. Seconded by Councilor Lown.**

Assistant Mayor Splaine said he wants to make sure we are covering the cost of work involved in issuing this permit. Deputy City Manager Allen said that this will take more time and is a complex project but we are comfortable that this will cover the costs.

Councilor Denton said the pharmaceutical agencies are regulated for good reason. He does not feel that we should reduce the fee.

City Manager Bohenko said there is an important line where fees become a tax and you need to be cognizant of when that happens. He said if we were to charge the entire fee we could be challenged.

**Motion passed.**

### **XIII. MISCELLANEOUS/UNFINISHED BUSINESS**

- Report of Legislative Subcommittee as written:
  - RE: HB1216 Re: Creation of Documents under Right-to-Know

City Manager Bohenko said the bill was voted Inexpedient to Legislate.

- Single Use Plastic Grocery Bags (Not on Agenda)

**Assistant Mayor Splaine moved to support the concept of enabling legislation which would allow municipalities to vote in favor of such an ordinance. Seconded by Councilor Spear and voted.**

**XIV. ADJOURNMENT**

**At 10:10 p.m., Councilor Lown moved to adjourn. Seconded by Councilor Spear and voted.**

A handwritten signature in black ink that reads "Kelli L. Barnaby". The signature is written in a cursive, flowing style.

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