

**CITY COUNCIL WORK SESSION**  
Review of FY05 Municipal Budget

Wednesday, May 12, 2004 - 6:30 p.m.

Conference Room A

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City Council Present: Assistant Mayor Hanson, Councilors Grasso, Ferrini, Marchand (6:35 p.m.), Hynes, Reynolds (6:37 p.m.), and Whitehouse

City Council Absent: Mayor Sirrell and Councilor Pantelakos

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Acting Finance Director; Andrew Purgiel, City Auditor; Robert Sullivan, City Attorney; Dianna Fogarty, Human Resources Director; David Holden, Planning Director; Gail Cunningham, Enterprise Accountant; Mary Ann List, Library Director; Keith Bates, Welfare Director; Steve Parkinson, Public Works Director; Rick Hopley, Building Inspector; Rus Wilson, Recreation Director; David Allen, Deputy Public Works Director; John Burke, Parking and Transportation Director; Odysias Athanasiou, Health Officer; and Cindy Hayden, Deputy City Manager.

**I. Call to Order**

Assistant Mayor Hanson called the meeting to order at 6:30 p.m.

**II. Introduction**

City Manager Bohenko said that the municipal budget makes up 24% of the entire budget. He said that the five-year average for the consumer price index has increase 3.42% and the municipal budget has stayed below that average.

**III. Presentations – General Government**

- Public Works – Steve Parkinson

Steve provided the City Council with a one-page summary of the Public Works Department budget, which represents a 4.2% increase over last years budget. He advised the City Council that salaries make up 57% of the total budget. He discussed the major budget increases and reported that the department has 57 employees with no increase from last year.

- Recreation – Rus Wilson

Rus provided the Council with a one-page summary of the budget and program review as well as the summer and fall brochures. He advised the City Council that the department is looking to expand the outdoor pool hours two nights per week if the budget is approved. He said the total budget increase is 6.5% and the result of cost of living and utility increases that make up 90% of the budget.

- Welfare/Outside Agencies – Keith Bates

Keith provided a summary sheet of the budget and the outside social service agencies. He discussed the breakdown of the general assistance provided in the last four years. The major portion of the budget is comprised of salaries and benefits.

Assistant Mayor Hanson expressed concern with only allocating \$2,000 for fuel in this budget. Keith said that over the last four years the department has not spent \$2,000 for fuel and feels that \$2,000 will be sufficient for this year.

Keith advised the City Council that the city assists 21 outside agencies and this budget represents a 5.2% increase.

- Library – Mary Ann List

Mary Ann provided a one page summary of the department that reflects a 3.9% increase. She said that personnel represents 71% of the budget and the growth area in the budget is based on information technology.

- Other General Government – John Bohenko

City Manager Bohenko addressed the general government portion of the budget. He said that all departments meet the guidelines. He advised the City Council that he has eliminated the Deputy Finance Director position and half of the Deputy City Manager's position is being funded from the Community Development Department as Cindy is the director of the department.

- Revenues – Judie Belanger

Judie reviewed the various revenues of the budget. She said that 76% of the revenues are derived from property taxes. She said we are estimating a \$100,000 increase in motor vehicle fees as well as a \$600,000 increase in the fees collected at the Tradeport.

#### **IV. Presentation – Sewer Department**

Dave Allen, Deputy Public Works Director, provided the City Council with a one-page summary of the Sewer budget. He advised the City Council that there would be a 2.2% increase in the sewer rate, which is below the consumer price index of 2.9%. He reported that personnel costs represent 14% of the total budget. This budget includes funding for a sewer rate study, the last study was completed in 1995. He called the City Council attention to the comparison chart of Portsmouth's sewer rate with Kittery and Portland, Maine and Chatham, Massachusetts, which are all coastal communities. He discussed the various projects that are part of this budget.

**V. Presentation – Water Department**

David Allen, Deputy Public Works Director, provided the Council with a summary of the Water budget. He advised the Council that there would be a 1.2% increase in the water rate, which is below the consumer price index of 2.9%. He reported that personnel represent 20% of the total budget. This budget also includes funding for a water rate study, the last study was completed in 1995. He discussed the comparison chart of Portsmouth's water rate with Exeter, Dover and Rochester, New Hampshire other regional cities. He reviewed some of the various projects that are represented in the budget.

**VI. Presentation – Parking & Transportation**

John Burke, Parking & Transportation Director, provided a summary sheet of the departments budget. He said that the department comprises of 9 full time and 19 part time employees. He reported that 69,000 parking violations were issued in 2003 with only 845 appeals. The parking and transportation services have now been consolidated into a single office at City Hall. These services include parking garage pass sales, contractor meter bags, sale of COAST transit passes, merchant parking validation program and valet parking pilot program. Parking revenue from all divisions' result in approximately \$2.7 million annually. He discussed the budget objectives, which are to implement new parking and payment technologies and maximize federal funding through municipally managed transportation improvemove projects to offset salary costs.

City Manager Bohenko said that we would be looking to create an enterprise fund for parking and transportation over the next several years. He said it is a goal to have the fund in place by 2007.

**VII. Presentation – Fee Schedule**

Andrew Purgiel, City Auditor, reviewed the fee schedule with the City Council. He reported that all fees were reviewed in January with the Fee Committee, which Councilor Raynold's is the Council Representative. He advised the City Council that there are 332 fees listed in the schedule, which account for \$700,000 in revenue. He said that there are over 50 fees that are being raised for this fiscal year.

City Manager Bohenko said parking fees or rate changes would need to be changed through the ordinance process.

**VIII. Adjournment**

At 8:10 p.m., Assistant Mayor Hanson closed the meeting.

Respectfully submitted by:  
Kelli L. Barnaby, City Clerk