

CITY COUNCIL WORK SESSION

Budget Review

Tuesday, June 22, 2004 - 6:30 p.m.

Conference Room

A

City Council Present: Mayor Sirrell, Assistant Mayor Hanson, Councilors Grasso, Ferrini, Marchand, Pantelakos, Hynes, Raynolds, and Whitehouse

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Acting Finance Director; Dianna Fogarty, Human Resources Director; Andrew Purgiel, City Auditor; Steve Parkinson & David Allen, John Burke, Public Works Department; Robert Sullivan, City Attorney; Lyonel Tracy, Peter Torrey, Robert Lister, School Department; Michael Magnant, David Young, Police Department; Christopher LeClaire, Steve Achilles, Fire Department; Police Commissioners Kelley, Howe, and Devine; School Board Members Walker, Bowles, Craig, Clayburgh, and Hayward; Fire Commissioners Wentworth, Gamester, and Hughes.

I. Call to Order

Mayor Sirrell called the meeting to order at 6:40 p.m.

City Manager Bohenko said he has provided the City Council with copies of Option A and B with revisions based on the proposed revenue enhancements. He advised the Council that Option A provides a .14 cent reduction and Option B with a .24 cent reduction. He said the departments would provide information on the impact each option would have of their budgets.

II. Proposed Budget Adjustment Impacts

School Department: Superintendent Tracy said the School Department wants to supply quality service at a responsible cost. He said that he used a system approach to reduce the budget and his focus was to protect the class sizes, especially on the elementary level. He said a .5% reduction would be difficult but a 1% reduction would effect the level of service to the students. He outlined the cuts that would be necessary with both options.

Councilor Pantelakos said we need to find ways to reduce the cost per pupil. She said that Portsmouth has one of the highest costs per pupil in the state. Councilor Marchand echoed the concerns of Councilor Pantelakos. Superintendent Tracy and Business Administrator Torrey discussed the contributing factors of the cost per pupil.

Councilor Ferrini said he would like to see our gross cost numbers in comparison with other communities in next years budget process. Councilor Ferrini asked if we would be looking at another 8 to 9% increase in the School budget for next year. Superintendent Tracy said that the figure would be based on the cost to provide the same level of education for this fiscal year to next year. He said that it is important not to compare this year's request with last year, because of the zero-based budget from last year. Business Administrator Torrey advised the City Council that the School Department has always complied with the budget guideline established by the Joint Budget Committee and City Manager.

Assistant Mayor Hanson asked Superintendent Tracy to discuss the issue of class size with the Council. Superintendent Tracy said we tried to keep the class size to 15 or below for the lower elementary students and not more than 18 for all other grades. Assistant Mayor Hanson asked what the effect would be if you increase class size by 20%. Superintendent Tracy said that it would effect the quality of education.

Councilor Reynolds requested that the School Department provide statistics during the budget next year in order for the Council to understand the implications of cuts to the budget. He said that those statistics should be published for the public to review.

Councilors Hynes, Grasso, Whitehouse and Mayor Sirrell spoke in favor of Option A.

Police Department: Commissioner Kelley advised the City Council that public safety was the priority for the department in recommending further cuts to the budget. Chief Magnant provided the City Council with a letter that outlines the history of the budget process. He discussed the impacts of both Option A and Option B.

Councilor Grasso asked if this is the last year that the City must comply with the 69 officers based on the Cops Grant received. Chief Magnant advised the City Council that we need to remain at 69 officers for one full budget cycle to stay in compliance with grant. The expiration for the full budget cycle would be June 30, 2005. Chief Magnant informed the City Council that Option B would make the City in non-compliance with the grant, which could require us to pay the funds back, a fine or no grant funds for three years.

Councilor Reynolds said that the Police Department has done a careful job with the budget analysis based on Option A and Option B. He advised the Council that he would be voting for Option A. He suggested looking at the amount of money budgeted for overtime.

Fire Department: Commissioner Hughes provided a summary of the impacts to the Fire Department with Option A and Option B. He said Option A would require the department to reduce the part time personnel in the Mechanic and Fire Alarms Divisions. He said that the personnel would be on an as-needed basis for emergency repairs only.

Assistant Mayor Hanson said that the \$27,000 reduction with Option A will cost us \$54,000. He said that the department cannot cut the mechanic position, this is a safety issue.

Councilor Marchand concurred with Assistant Mayor Hanson. He said in the beginning he was leaning towards Option B but now after the departments have discussed the impacts of both options he will be voting for Option A.

Mayor Sirrell asked Chief LeClaire if they would find the \$27,000 in other areas than what has been proposed. Chief LeClaire said that they would find the funds in order to keep the mechanic position at status quo.

Municipal Departments: City Manager Bohenko provided the City Council with a summary outlining the two options and there impacts on the departments. He advised the Council that the Municipal Departments have only increased by 3.9% over the last six years, which is below the cost of living increase.

III. Questions and Discussion

City Manager Bohenko discussed the logistics for the City Council meeting on Monday, June 28, 2004 and provided a draft agenda along with the budget resolutions. He said because of the revenue enhancements in the parking area he would suggest voting on third and final reading of the ordinance first. Then he would like the City Council to act on the Municipal Fees Resolution prior to the remaining budget resolutions. He advised the City Council that the city would continue the parking validation program and take it down 80%, which is 60 cents. He said that the parking lease fees would not be amended. He said that the Parking Committee would hold a special meeting to act on these issues and the minutes would need to be accepted by the Council at the July 12, 2004 City Council meeting.

Councilor Whitehouse asked City Manager Bohenko to report back to the City Council on the concept of a forgiveness parking ticket. City Manager Bohenko said he would provide a full report to the City Council in January or February that would include a comprehensive review of all parking policies and the city would look at like communities in the United States as part of the report. He said that the report could be carried over to the next budget year.

Assistant Mayor Hanson suggested that the City Council consider increasing the fees for Sidewalk Obstruction Licenses.

Councilor Whitehouse asked City Manager Bohenko if we have plugged in a number for spot reassessments from the Assessor. He said that he does not want to see another increase in tax assessments. He suggested that the city delay any reassessments for one year.

City Manager Bohenko spoke regarding the Legislature adoption of House Bill 426 dealing with reassessments. He said that the bill would require the City Council to hold two public hearings on the issue of reassessments. The Legislature has ejected the local governing body in the assessment process. He said that we are currently trying to determine from the Department of Revenue Administration if the bill effects fiscal year 2005 or fiscal year 2004. He said it is our determination that the bill would become effective at the date of passage. He said that it might be impossible for us to hold two public hearings prior to the year-end. He said as he receives more information he would provide it to the City Council. City Manager Bohenko advised the City Council that they would not have the authority to deny the reassessment of properties for fiscal year 2006 because that is our certification year as required by law every five years.

Mayor Sirrell asked the City Council to indicate which option they would be voting for and if they are in favor of the garage proposal as outlined by City Manager Bohenko. The City Council agreed unanimously to go forward with Option A. All Councilors except Councilor Whitehouse agreed with the garage proposal, as he would like to gather more information.

IV. Adjournment

At 9:05 p.m., Mayor Sirrell closed the meeting.

Respectfully submitted by:
Kelli L. Barnaby, City Clerk