

SPECIAL CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: MONDAY, JUNE 28, 2004

PORTSMOUTH, NH
TIME: 7:00PM

I. CALL TO ORDER

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

II. ROLL CALL

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

III. INVOCATION

Mayor Sirrell asked for a moment of silent prayer in memory of Juanita Hanson, Assistant Mayor Hanson's mother who recently passed away.

IV. PLEDGE OF ALLEGIANCE

Councilor Marchand led in the Pledge of Allegiance to the Flag.

Mayor Sirrell addressed the City Council on the need to vote on the budget this evening. She discussed the straw vote taken in favor of Option A and the increase in the garage rates during the June 22, 2004 City Council Work Session. She said that Councilor Whitehouse indicated that he was unable to vote for or against the garage rates during the work session. She said that the budget would provide a fourteen-cent reduction in the tax rate. She advised the Council that if the budget is not passed by the end of the month the City Manager's proposed budget goes into effect.

City Attorney Sullivan addressed the process outlined in the Charter for adoption of the budget. He said Section 7.13 of the Charter reads that the budget must be adopted no later than the last day of the fiscal year. If no action were taken by the City Council the City Manager's budget would become effective. He said at the time the City Manager prepared his budget he could not have known that there would be a change in the education funding plan.

V. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. Third and final reading of Ordinance amending Chapter 7, Articles I, IV, & IX, Section 7.102 – Parking Meter Zones, Section 7.105 – Parking, Section 7.405 Authority Given to Regulate Areas, and Section 7.901 Penalties - Proposed Adjustments to the Parking Meter Rates and Fines

Assistant Mayor Hanson moved to pass third and final reading of the Ordinance. Seconded by Councilor Pantelakos. On a unanimous roll call vote 9-0, motion passed.

B. Adoption of Budget Resolutions for Fiscal Year July 1, 2004 - June 30, 2005 (FY2005)

1. Resolution #1 – Municipal Fees (Includes Parking Garage Fees)

Councilor Whitehouse moved to separate the parking garage fees from the resolution. No second received to the motion.

Assistant Mayor Hanson moved to adopt Resolution #1 – Municipal Fees. Seconded by Councilor Grasso. On a unanimous roll call vote 9-0, motion passed.

2. Resolution #2 – General Fund Expenditures

Municipal	\$27,114,263.00
Police	\$ 7,033,455.00
Fire	\$ 5,486,248.00
School	\$29,038,236.00
Total	\$68,672,202.00

Councilor Grasso moved to adopt Resolution #2 – General Fund Expenditures. Seconded by Assistant Mayor Hanson. On a unanimous roll call vote 9-0, motion passed.

3. Resolution #3 – Sewer Fund Expenditures

Total Budget Sum \$11,209,079.00

Sewer user charge effective July 1, 2004 is \$4.70

Councilor Whitehouse moved to adopt Resolution #3 – Sewer Fund Expenditures. Seconded by Councilor Raynolds.

City Manager Bohenko advised the City Council that there is a sewer rate increase of ten cents per unit or a 2% increase.

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

4. Resolution #4 – Water Fund Expenditures

Total Budget Sum \$8,371,818.00

Water user charge effective July 1, 2004 is \$1.57

Councilor Marchand moved to adopt Resolution #4 – Water Fund Expenditures. Seconded by Councilor Pantelakos.

City Manager Bohenko advised the City Council that there is a water rate increase of two cents per unit or a 1.3% increase.

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

5. Resolution #5 – Special Revenues for Necessary Expenditures

Assistant Mayor Hanson moved to adopt Resolution #5 – Special Revenues for Necessary Expenditures. Seconded by Councilor Grasso. On a unanimous roll call vote 9-0, motion passed.

6. Resolution #6 – Investment Policy

Councilor Reynolds moved to adopt Resolution #6 – Investment Policy. Seconded by Assistant Mayor Hanson.

City Manager Bohenko advised the City Council that this Resolution has been effect for a number of years and State law requires the annual adoption of such a policy by every city and town.

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

Mayor Sirrell thanked the City Council and City Manager Bohenko for their efforts in preparing this budget.

VII. REPORTS AND COMMUNICATIONS FROM CITY OFFICIALS

Mayor Sirrell advised the City Council that she and the City Manager have no items to report on at this time.

VIII. MISCELLANEOUS/UNFINISHED BUSINESS

Councilor Ferrini moved to establish a work session prior to the July 12, 2004 or August 2, 2004 City Council meeting regarding next year's budget process. Seconded by Councilor Pantelakos.

Councilor Ferrini said it is important for the City Council to start planning next year's budget right away.

City Manager Bohenko requested to hold the work session in September or October because we will be closing out our books for the end of the fiscal year and our auditors will be in during the summer for several weeks.

Councilor Ferrini moved to amend the motion to establish a work session in September to discuss next year's budget process. Seconded by Councilor Grasso and voted.

Assistant Mayor Hanson advised the City Council that the Joint Budget Committee would be meeting after Labor Day to discuss the process for next year's budget.

Main motion passed as amended.

Councilor Whitehouse requested that the City hold off on any reassessments to properties this year with the exception of building permits and new construction. He asked that the City Manager provide a report back on the reassessment process and if we are required to perform yearly updates to assessments.

City Manager Bohenko discussed the passage of House Bill 426 regarding annual updates on assessments. He advised the City Council that the City Attorney has written a letter to the Department of Revenue Administration asking when the law becomes effective. He said under the law the City Council would be required to hold two public hearings and vote to determine if they will hold a reassessment of properties. He said that it is important to remember that we need to keep properties proportional. He also informed the City Council that our certification year is in 2006 and the city must hold a reassessment of properties during that year as required by law.

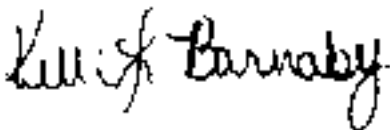
Councilor Pantelakos requested that the City Attorney provide a report back on whether or not the City Council would have the authority to request a performance audit of departments. She also requested the City Manager to report back with the cost to perform such an audit.

City Manager Bohenko said that you would need to also do a scope of services. He said that the Council would need to determine what department and what you would like to have looked at. He advised the City Council that an outside firm would need to be hired to perform the review.

Councilor Pantelakos said she feels that the City of Portsmouth has a large budget for a city this size. City Manager Bohenko said that the Council needs to remember that this budget also includes the county tax as well as fixed costs.

IX. ADJOURNMENT

At 7:35 p.m., Councilor Grasso moved to adjourn. Seconded 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, City Clerk