

CITY COUNCIL WORK SESSION

Municipal Budget

May 23, 2005 – 6:30 p.m.

Conference Room A

City Council Present: Mayor Sirrell, Assistant Mayor Grasso, Councilors Ferrini, Marchand, Hynes, Whitehouse and St. Laurent

City Council Absent: Councilors Pantelakos and Reynolds

Officials Present: John P. Bohenko, City Manager; Cindy Hayden, Deputy City Manager; Judie Belanger, Finance Director; Andrew Purgiel, Auditor; Judy Renaud, Accountant; Gail Cunningham, Accountant; Steve Parkinson, Public Works Director; David Allen, Deputy Public Works Director; Peter Rice, Engineer; Brian Goetz, Water Resources Manager; David Holden, Planning Director; Rick Hopley, Building Inspector; David Moore, Community Development; Maryann List, Library Director; Sue McCann, Assistant Library Director; Alan Brady, Webmaster; Dianna Fogarty, Human Resources Director; Keith Bates, Welfare Director; Lauren Elliott, Assessor; Rus Wilson, Recreation Director; Odyssias Athanasiou, Health Inspector; Dianne Kirby, Deputy City Clerk; and Kelli L. Barnaby, City Clerk

I. Call to order

At 6:35 p.m., Mayor Sirrell called the meeting to order.

II. Introduction

City Manager Bohenko said the Municipal Departments are here to present their budgets to the City Council this evening. He discussed the change in process and format for this budget and advised the City Council that 79% of the budget is based on operating expenses with 21% for non-operating expenses. He reported that the Municipal side makes up 24% of the total budget with 68% for salaries and benefits. He advised the City Council that over the last 7 years the Municipal Budget has averaged an increase of 3.52%, which met the guidelines established by the Council.

III. Presentations

Public Works Director Parkinson presented the Public Works Department budget, which is made up of 57 employees. He discussed the various responsibilities of the department and advised the City Council that 58% of the budget encompass salaries and benefits. He provided a breakdown of the department and its services. He discussed the major budget increases, which are salaries, benefits, energy and recycling contracts, electricity, natural gas and other miscellaneous items.

Recreation Director Wilson advised the City Council that the Recreation Department has 8 full time employees with 40 – 60 part time seasonal employees. He discussed the various programs and recreational facilities offered by the department. He advised the City Council that 93% of the budget is based on fixed costs with 63% for salaries and benefits.

Welfare Director Bates presented the Welfare Department and Social Service Agencies budgets. He advised the City Council that the City provides emergency assistance to individuals and families who are poor and unable to support themselves are required by NH RSA 165. He said that the City provides grants to 21 local agencies that provide services to Portsmouth residents. He advised the City Council that the work of these agencies serve to directly reduce the costs for the Welfare Department. He discussed the process for an agency to request funding from the city. He reported that the City Manager reduced the social service agencies budget by \$48,053.00 in order to meet the 4% budget directive of the City Council.

Library Director List discussed the needs of the Library and its mission. She advised the City Council that the Library has a high demand for service. She discussed the programs offered by the Library and that the number of items checked out of the Library averages 1,175 a day. She addressed the added reading groups, writers' group and teen reads programs offered for adults and teens. She reported that her budget represents a 4.17% increase over last year.

Human Resources Director Fogarty addressed the Human Resources Department budget and their responsibilities. She advised the City Council that the department administers all human resource functions for the Police, Fire and Municipal departments. She discussed the process used in the classification and compensation studies and reviewed the various programs offered through the department for employees.

Deputy City Manager Hayden presented the Planning Department, Inspection Department, Health Department and Community Development budgets. She discussed the functions of each department and their responsibilities. She addressed the grant process used through CDBG and the programs offered by the Department.

City Manager Bohenko discussed the impacts of the 4% guideline established by the City Council and what they represent.

- Legal Department
 - Reduce ½ prosecutor (\$45,000)
- Finance Department
 - Eliminate the IT Manager (6 months) (\$35,202)
- Welfare
 - Reduce Welfare Shelter (\$30,000)
- Social Services
 - Reduce Social Services by 25% (\$48,055)
- General Administration
 - Reduce Leave at Termination (\$44,500)

City Manager Bohenko advised the City Council if they were to allow for additional funding above the 4% he would restore the funding as follows: Welfare Department, Social Services, Leave at Termination Fund, Legal Department ½ prosecutor and the Finance Department IT Manager.

Finance Director Belanger discussed the estimated revenues for the general fund. She advised the City Council that property taxes make up 75% of the revenues received by the City. She reported that there would be no updates made to the assessments for commercial and residential properties this year.

IV. Questions and Discussion

Councilor Whitehouse spoke to the reductions in the Welfare Department and Social Services budgets. He addressed the importance of the funding for social services and the assistance provided to the residents through these various agencies. He asked City Manager Bohenko how the City Council could restore the funding for the Welfare Department and Social Services budgets.

City Manager Bohenko advised the City Council that tomorrow evening at the Budget Review Work Session options would be provided for their review and discussion.

Councilor Marchand also spoke to the importance of the Social Services budget and their needs for funding. He advised the City Council that he would urged other members to look at the needs and funding for the Welfare and Social Services budgets.

City Manager Bohenko advised the City Council that through the Social Services budget we put \$264,170.00 back into the community.

Councilor St. Laurent commended the various departments and their efforts in preparing this budget. He said that the Public Works Department has done a tremendous job at holding the line for their budget. He also spoke to the importance of restoring the funding for the Social Services budget.

Councilor Hynes addressed the need to restore funding for the Social Services budget. He said it is important that we meet the needs of the people of our community.

Councilor Ferrini said he looks forward to seeing the options presented by the City Manager to ensure we don't lose any important services in various budgets. He asked if in the future the transfer station could be open on both Saturday and Sunday. City Manager Bohenko said it is more than a staffing issue, there is a lack of space for materials.

Assistant Mayor Grasso and Mayor Sirrell also spoke in support of restoring funding for the Social Services budget.

V. Sewer Department

City Manager Bohenko advised the City Council that there would be no increase in the sewer rate this year.

Deputy Public Works Director Allen presented the Sewer Department budget and reviewed the number of employees and treatment plants covered under this budget. He addressed the budget changes that include the loan repayment for sewer phase 2, \$500,000.00 in non-eligible capital projects, repairs to various equipment, the increase cost of utilities, fuel, chemicals and laboratory and river testing. He spoke to the importance of the renewal of our 301(h) waiver. He said that science, regulatory policy and economics supports the 301(h) waiver. He advised the City Council that a new secondary plant would cost approximately \$30 million dollars, which would increase operating costs, approximately \$1 million dollars per year. He discussed the ongoing sewer projects, which consist of upgrades, maintenance and improvements.

VI. Water Department

City Manager Bohenko advised the City Council that there would be a \$.10 increase in the water rate this year.

Deputy Public Works Director Allen presented the Water Department budget and reviewed the number of employees and wells covered under this budget. He advised the City Council that the rate has not increased measurably over the years. He discussed a survey conducted by the NHDES in 2004 on water rates for public water systems that reveal the state average household of 4 pays \$356.00 per year and Portsmouth averages \$165.00 per year. He addressed the budget changes that include a new water conservation program, increase in utilities, fuel and chemical costs, increase in state required testing, increase in outside legal services and an increase of \$600,000.00 of non-eligible SRF projects. He reviewed the list of ongoing projects, which include the water treatment plant replacement, system upgrades and various improvements.

Councilor Whitehouse asked when the City would be advised if we are granted the 301(h) waiver. City Manager Bohenko said we don't know and that it is out of our control. He also advised the City Council that we would be evaluating our entire rate structure for water and sewer.

VII. Parking & Transportation

Public Works Director Parkinson reviewed the Parking and Transportation budget with the City Council. He reported that the City has 840 electronic parking meters and 915 parking spaces at the High Hanover Parking Garage. He discussed the various programs and services offered through the Parking and Transportation Department.

VIII. Fee Schedule

City Auditor Purgiel advised the City Council that there are 345 fees represented in the Fee Schedule. He reported since the establishment of the Fee Schedule in FY 2002, 50% of the fees have been adjusted. He said an estimated general fund revenue from FY 2006 recommended adjustments of 28 fees represent less than \$5,000.00.

City Manager Bohenko said this concludes the presentation of the Municipal Budget which represents a status quo budget and maintained the directive of the City Council for no more than a 4% increase.

IX. Adjournment

At 8:15 p.m., Mayor Sirrell closed the work session.

Respectfully submitted by:

Kelli L. Barnaby, City Clerk