

CITY COUNCIL WORK SESSION

Performance/Operational Audits

September 19, 2005 – 6:30 p.m.

Conference Room A

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

City Council Absent: Councilor St. Laurent

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; David Moore, Community Development; Police Commissioners Howe and Kelley; and Dianne Kirby, Deputy City Clerk

I. Call to Order

At 6:40 p.m., Mayor Sirrell called the work session to order and turn the meeting over to City Manager Bohenko.

II. Review of Purpose of Meeting

City Manager Bohenko stated that this meeting was scheduled in response to a request by some of the Council members, including Councilor Pantelakos, to look into the feasibility of performance audits within city departments. He stated that this work session was designed to give the Council an understanding on the history of performance audits within the City of Portsmouth and to set some parameters on how the Council wishes to proceed.

III. Review History of Performance/Operational Audits in the City of Portsmouth

City Manager Bohenko stated that the idea of performance/operational audits is not something new to Portsmouth. He stated that back in the 90's there was an audit done with the Water & Sewer department, which had a very positive outcome relative to a management review of how work was going forward. There were also some audits that looked at the combination of services in the City, such as School and Municipal in the area of custodial and maintenance. City Manager Bohenko stated that he did not feel that these were very helpful. He stated that the City also had a standard review set up to do an annual review of various things within the departments, such as, school lunch program or Trustees of the Trust Fund. He stated that these types of audits are not unusual and are very good, but they must be done with consistency and you have to have an annual program that you are reviewing.

IV. Presentation Re: Example Request for Proposals for Performance/Operational Audits

City Manager Bohenko handed each Councilor, a list of some examples of operational audit topics. He stated that before a specific department is targeted, it is important for the City Council to determine the scope of the audit. He stated that the handout was broken down into two areas, efficiency and effectiveness of operations. City Manager Bohenko stated that the Council should look at these areas from an organizational and workload and staff prospective.

City Manager Bohenko explained each item listed under the two headings and requested that the Councilors rate each item using, either high, medium or low importance and return them to him. He stated that he will review this information to see what areas the Council feels are most important to target at this time.

V. Discussion on Frequency and Types of Audits.

Councilor Hynes asked if there was a possibility that mail to the Council could be sent electronically to all Councilors who have e-mail and mail those that do not have e-mail, thereby saving postage.

City Manager Bohenko stated that at this time that would be creating more workload by having to do both e-mail and mail. He also stated that in the future it might be beneficial to have all the Councilors on line.

Councilor Raynolds stated that he spoke up early in the budget process requesting an output based program. He stated that he would like to see an audit that looks at outputs or the overall results of our performance. Councilor Raynolds said he would like to see how much we are spending per student and what we are getting back for our dollars such as SAT scores. What are our public safety numbers compared to some cities like ours? What are we paying per resident for public safety and what is our crime rate and what is our residents perception of our public safety? Councilor Raynolds said he has noticed that Portsmouth does not publish an annual report.

City Manager Bohenko stated that all the information that is usually in an annual report is posted on the City's website and people might ask why we are spending the money to publish this information when it is available on line. He stated that we can possibly look into a supplemental type of report.

Councilor Ferrini stated that we need to know how much a benchmark analysis or whatever type of analysis is done is going to cost. He said that due to money constraints, an analysis of all departments is out of the question. He stated that the Councilors are only elected for two years and therefore we could analyze Department X one year and Department Y the next.

City Manager Bohenko stated that is the reason why we need to know what the Councilors main concerns are so we can develop a scope of services to be analyzed.

Councilor Marchand stated that he feels that more focus should be in the areas of the workload and staff and the benchmark and performance measures in the organizational area. He stated that it is very important to do each of the four main budget departments individually. Councilor Marchand stated that the first four years would cost a little more because it will be a more substantial study. Councilor Marchand stated that in order to do these audits we need to know what the communities priorities are, what their top goals are, what is the most efficient way to reach those goals and how can we measure if we are making progress towards those goals.

City Manager Bohenko stated that the City is doing some research on a nationally recognized survey tool, which will be used annually to get an actual view of how the constituents are viewing the job we are doing.

Mayor Sirrell stated that she is mainly looking at cost. She said we need to know where we are going, but cost is the main factor.

Councilor Pantelakos stated that she wants everyone to understand that these audits are to find efficient and effective ways to run the City and that in no way are they being done to pick on any one department or individual. She stated that she doesn't want this to turn into a horror story with all the departments saying that the Council is picking on them.

Councilor Whitehouse asked if it was possible to get a graduate student to do his thesis by doing our audit.

City Manager Bohenko stated that we are trying to get some students to do some audits on the South Meetinghouse and the costs on that, but to do this audit we should have someone with a background in this area.

Mayor Sirrell stated that in the past they had an on board auditor who did audits on the schools and the Trustees of the Trust Fund. She requested what his costs were.

City Manager Bohenko stated that they did have an auditor come in and do some audits on these isolated areas and they did a good job.

Councilor Hynes stated that he was bewildered in the process of spending money to save money. He said he is against having someone from the outside telling our elected officials how to run their department. Councilor Hynes stated that he does not think we should hire people to challenge the judgment of the various Commissions. He stated that he could not comprehend hiring somebody to come in and tell all of these people who have dedicated their time for very little to no pay that they don't know how to do their job.

Councilor Reynolds stated that we are not hiring someone to come in and second guess our Commissioners and boards, but hiring professional experts to do a detailed analysis for information that will be helpful in future budget years to make better decisions.

Mayor Sirrell stated that the most important factor is the cost. We have to find out the cost first.

Councilor Ferrini stated that he does not want these audits to be used to cut services or personnel. He stated that if we do decide to do an audit of Department X, that we make sure that we get some input from Department X and that it becomes an open process so that it does not get manipulated for any ones particular end.

Mayor Sirrell stated that we can not pinpoint any one person. She further stated that as far as she is concerned, they are all doing a great job.

Councilor Marchand stated that one of the things an audit will do is interview the employees and in most cases, the employees are the ones that know what can be done easier and less expensive.

Assistant Mayor Grasso stated that she thinks the Council should pursue an audit, rotating all the departments at least once. Hopefully we would be able to save some money. She stated that an audit would be able to find our weak points and our strong points and be able to make our departments more efficient.

Councilor Whitehouse stated that in the military they have a program of suggestions where individuals submit suggestions to a board. The board reviews the suggestion and if the suggestion is adopted, the individual gets a monetary reward. Councilor Whitehouse said who knows better where the savings are then the employees who do the work.

Councilor Pantelakos stated that she really would like to see a performance audit done, but it doesn't have to be done. She stated that there are eight other people at the table and before any other work sessions are called she would like a vote of how many want to go through with this.

VI. Discussion Re: Annual Funding for Performance/Operational Audits

Councilor Whitehouse ask what it is going to cost.

Mayor Sirrell agreed that she was not willing to put her hand up until she knew what the cost was.

Councilor Pantelakos stated that you don't know what the figures will be because you have to sit down and decide what the scope of the audit will be. She stated that she just wanted to know if the Council wants to pursue this avenue or not.

Mayor Sirrell stated that in going through a few in the past she would vote no.

Councilor Marchand stated that what he understands Councilor Pantelakos to be saying is that the Councilors would not be making a commitment to doing the audit, but taking it to the next level which would be to pick a department, pick the scope, find out the ball park figure it would cost and then, at that point make the decision to continue or not.

City Manager Bohenko stated that what he has heard is that there is a consensus to move forward. He stated that the next step would be to define a scope and pick a department. City Manager Bohenko asked if we want to bring together all the department heads to the next meeting or come back with a department in mind and do a little story boarding to select the scope of the audit. He stated that if the Councilors come back with a department in mind, they should invite that department to the meeting.

Mayor Sirrell stated that one issue that has always concerned her is a City vehicle being taken home.

City Manager Bohenko stated that there are other areas to look at with this issue, such as response time for on call personnel.

City Manager Bohenko requested that the Councilors complete the handout and pick out a department with their first, second and third choices and turn them in to him so he has some direction. He stated that when they meet again they should meet with a department in mind and then focus on the scope of the audit for that department.

Councilor Pantelakos asked when we would have the next meeting.

Councilor Whitehouse suggested a Friday night.

City Manager Bohenko stated that the next meeting would be tentatively set for 6:30 p.m. on October 31, 2005.

VII. Adjournment

At 8:08 p.m., Mayor Sirrell closed the meeting.

Respectfully submitted by:

Dianne M. Kirby, Deputy City Clerk