

SPECIAL CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: WEDNESDAY, APRIL 18, 2007

PORTSMOUTH, NH
TIME: 7:00PM [or thereafter]

I. CALL TO ORDER

Mayor Marchand called the meeting to order at 7:05 p.m.

II. ROLL CALL

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

Absent: Councilor Smith

III. PUBLIC HEARING

A. PROPOSED FY JULY 1, 2007 THROUGH JUNE 30, 2008 BUDGET

Mayor Marchand announced that presentations will be held on various sections of the budget this evening.

IV. PRESENTATIONS

- Budget Summary – City Manager Bohenko

City Manager Bohenko had Finance Department staff members provide the audience with copies of the powerpoint presentation relative to the budget. He announced that the budget was submitted to the City Council for their review on April 6th. City Manager Bohenko advised that following the public hearing, Mayor Marchand will recess the budget public hearing to be reconvened on May 14, 2007. He said that this budget provides a quality of life and services the residents have come to expect.

City Manager Bohenko addressed the financial policies the City has in place as follows:

- Fund Balance Ordinance
- Leave at Termination Stabilization Fund
- Health Insurance Stabilization Fund
- Capital Improvement Plan
- Rolling Stock Replacement Program

City Manager Bohenko reported on the three major accomplishments in the City over last year, the dedication of the new Public Library, FGOA Budget Presentation Award, and the Peirce Island Waste Water Treatment Plant being named "Plant of the Year."

City Manager Bohenko said the FY08 Proposed Budget represents a 5.45% increase over the last fiscal year. He said that salaries and benefits represent 83% of the operating budget. Major impacts to the budget are salaries, retirement and health insurance. Retirement costs are increased by 32% for Municipal, 28% Police, 16% Fire and 50% for the School Department. He advised the City Council that the 10 year average increase for health insurance is 11.7%. The 5 year average salary increase based on the CPI Nov-Nov represents a 2.98% increase. City Manager Bohenko advised the City Council that our workers compensation rates have been reduced by 5%. He also addressed the rising increase in natural gas, electricity and gasoline.

- School Department – Superintendent of Schools Lister

Dr. Lister and Business Administrator Bartlett provided the presentation on the School Department budget. Dr. Lister advised the City Council that the School Department is not seeking any new positions or programs with this budget. He reviewed the Mission Statement of the School Department which reads as follows:

It is the purpose of the Portsmouth School Department to educate all students by challenging them to become thinking, responsible, contributing citizens who continue to learn throughout their lives.

Dr. Lister reported on the Administrative Goals:

- Provide a Personalized Education for Every Student
- Focus on Literacy in Grades Pre-K – 12 through Curriculum, Instruction, Assessment, Professional Development and Community Engagement
- Maintain High Community Educational Standards
- Focus on Direct Classroom Instruction to Children While Maintaining Appropriate Class Size
- Focus on Early Education through Full Day Kindergarten
- Continue to Recruit, Train & Retain Quality Teachers, Administrators & Support Staff
- Properly Fund Building, Grounds & Maintenance Budgets
- Balance Responsibility to Taxpayers With Educational Needs

Dr. Lister reported that the Portsmouth School Department student population as of October 2, 2006 was 2,634.

Business Administrator Bartlett addressed the projected consolidated revenues and expenditures for the School Department.

Dr. Lister reported that the School Department is seeking a 5.89% increase over last fiscal year. He advised the City Council that 57% of the budget is represented by salaries and 28% by benefits. He also reported that the cost per pupil with local tax dollars is \$10,764.00.

- Police Department – Police Chief Magnant

Police Chief Magnant provided a presentation on the Police Department budget. He reported that the Police Department continues to evaluate the programs and polices they have in place. He spoke to new ideas and their meaning in the context of policing. He said it means trying out new ways to do our job better. It means recognizing and adopting other good ideas. It means serving a community that encourages new thinking. It means learning from our mistakes. It means deploying new technologies and realizing that old problems can have new solutions. It means listening to a citizen or an employee who has a great idea. He advised the City Council that the Police Department is proactive in all aspects rather than reactive.

He addressed performance measures in the department relative to traffic safety. Chief Magnant reported there were 159 DWI arrest in 2006; 1,609 traffic enforcement calls (up 75%); 1,706 citations issued; 9,960 motor vehicle stops (up 5%); 1,830 park and walk calls (up 50%); and 620 noise complaints (up 17%).

He discussed the new Jake Brake Ordinance and the enforcement of it by the department. He also addressed crime analysis and their initiative to focus on the chronic homeless. Chief Magnant advised the City Council that the department is working with social service agencies on this matter. He spoke to the revamping of the training program offered at the department. He reported that 33% of all arrests made in 2006 involved alcohol. He also reported on the redundant dispatch center which was created. He said there are increase demands on the Police Department and the proposed increase in the Police Department budget this year reflects a 6.86% increase. He reported that 88% of the budget represents salaries and benefits. In closing, Chief Magnant reported that the Portsmouth Police Department continues to keep the city one of the safest in New Hampshire, if not the country.

- Fire Department – Fire Chief LeClaire

Chief LeClaire reported on the Fire Departments FY07 accomplishments:

- New Fire Boat in service
- New Engine in serve at Station 3
- New Ambulance for Station 3 on order
- Structural Fire Fighting Gear Maintenance Program including commercial extractor

He advised the City Council that the goals of the Fire Department this year are as follows:

- Enhance community fire prevention services
- Maintain minimum shift staffing of 13/14
- Construct new station in district 2
- Continue infrastructure improvements

- Maintain appropriate staffing levels to cover the city's three coverage districts
- Establish lead role in regional response to special hazards and maritime operations
- Maintain modern apparatus fleet, including technical heavy rescue unit
- Continue efforts toward International Accredited Agency status

The Fire Department budget reflects a 6.234% increase over FY 07. This budget includes funding for a Fire Inspector, minimum staffing levels of 13/14 as well as contractual obligations consisting of step increases, health insurance and retirement costs.

City Manager Bohenko spoke to estimated revenues for FY 08 and advised the City Council that property taxes make up 75% of the revenues collected by the City. He reported to the City Council that the budget as presented would increase the tax rate by \$.78. City Manager Bohenko said in order to reduce the tax rate we would need to reduce expenditures or increase revenues. He advised the City Council that he looks forward to working with them on the budget and further discussions during the upcoming budget work sessions. City Manager Bohenko thanked all the departments, School Board and the Police and Fire Commissions for their work on the budget.

V. PUBLIC COMMENT/INPUT

Mayor Marchand read the legal notice, declared the public hearing open and called for speakers.

Martin Cameron, Portsmouth resident, addressed his concerns with the retirement system and the continued increase in costs. He said the NH Retirement System deficit continues to be a concern for taxpayers. He spoke to the employees ability to purchase 5 years of service credit and the impact that has on the retirement system. Mr. Cameron said that he supports the City Council and the Legislative Delegation meeting to discuss this issue. He reported that there is an unfunded liability in the NH Retirement System that represents \$2 billion dollars. Mr. Cameron spoke in support of repealing HB 568 which allows employees to purchase 5 years of service credit. He advised the City Council that the Association of Portsmouth Taxpayers feels that the increase in retirement costs is a very serious issue, and they wish to be in communication with the City Council and the Legislature regarding this matter. He urged the City Council to consider the increase in retirement costs and their affect on the tax rate.

Bill St. Laurent, President of the Association of Portsmouth Taxpayers (APTP), urged the City Council to keep the increase low and said that the APTP would request no more than a 3% or 4% increase. He said that the City Council should not allow increases to the budget over the CPI. Mr. St. Laurent spoke to the increase in the tax rate and the need to control the budget.

Kent LaPage, Chair of School Board, said that last year during the budget public hearing the Council Chambers was full. This year it is not, which indicates to him that the departments have done a good job and have presented a real budget. He urged the City Council to pass the budgets as presented. He said the School Board looks forward to the upcoming budget work sessions and said that this is a sensible and reliable budget.

Eric Anderson, Portsmouth resident, expressed concerns with the increase in the budget. He said that there is a problem with chronic increases in taxes. He spoke to the bonding debt and expressed his concerns. Mr. Anderson advised the City Council that the tax rate will continue to increase based on increases to the capital budget. He urged the City Council to consider the taxpayer and their ability to pay when adopting the budget and increasing the tax rate. He advised the City Council that he does not support the proposed budget and feels there could be additional cuts made.

Mark Brighton, Portsmouth resident, said the increase in the budget is over the rate of inflation. He reported a 3.5% increase will be a 126% increase over inflation. He asked that the City Council consider budget sustainability. Mr. Brighton urged the City Council to not increase the budget over the rate of inflation.

VI. RECESS PUBLIC HEARING UNTIL MAY 14, 2007 AT 7:00 PM

After three calls and no further speakers, Mayor Marchand recessed the public hearing until May 14, 2007 at 7:00 p.m.

Mayor Marchand announced the upcoming meeting dates relative to the budget:

Tuesday, May 1st at 6:30 p.m. Work Session regarding Police and Fire Department Budgets

Thursday, May 3rd at 6:30 p.m. Work Session regarding School Department Budget

Wednesday, May 9th at 6:30 p.m. Work Session regarding Municipal Budget

Monday, May 14th at 7:00 p.m. Reconvened Public Hearing on the Budget

Mayor Marchand reported that all of the budget meetings will be televised and held in the Eileen Dondero Foley Council Chambers.

VII. ADJOURNMENT

At 8:15 p.m., Councilor Pantelakos moved to adjourn the meeting. Seconded by Assistant Mayor Ferrini and voted.



Kelli L. Barnaby, CMC
City Clerk