

CITY COUNCIL WORK SESSION

Review of FY10 Municipal Budget

April 23, 2009 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

City Council Present: Mayor Ferrini, Assistant Mayor Blalock, Councilors Novelline Clayburgh, Dwyer, Smith, Kennedy, Spear and Pantelakos

City Council Absent: Councilor Hejtmanek

Staff Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Dianna Fogarty, Human Resources Director; Andrew Purgiel, Controller; Maryann List, Library Director; Steve Parkinson, Public Works Director; Rus Wilson, Recreation Director; Keith Bates, Welfare Director; Robert Sullivan, City Attorney; Gail Cunningham, Controller; Dave Allen, Deputy Public Works Director; Kim McNamara, Health Officer; Peter Rice, Water & Sewer Engineer; Rick Hopley, Building Inspector; Cindy Hayden, Deputy City Manager; Rosann Maurice-Lentz, Assessor; Jon Frederick, Parking Manager; and Kelli L. Barnaby, City Clerk

I. Call to Order

Mayor Ferrini called the work session to order at 6:30 p.m.

II. Introduction

City Manager Bohenko said we are here this evening to review the FY10 Municipal Budget. He informed the City Council that at their instruction, the Municipal Budget has come in below the zero percent guideline and that the budget is below request of last year.

III. Presentations – General Government

- Public Works – Steve Parkinson, Public Works Director

Public Works Director Parkinson reviewed the organization chart for the department. He also said the mission of the department is to provide municipal Public Works functions for the benefit of our citizens, businesses and visitors in an efficient and cost-effective manner within budgetary appropriations. He reported that the department meets the zero percent guideline of the City Council and all services will continue at their current levels. He informed the City Council that solid waste services are provided to 8,100 households that generate approximately 13,000 tons of materials on an annual basis that is recycled or disposed of both from curbside and at the recycling center. Public Works Director Parkinson discussed the 136 miles of city roadways that are maintained throughout the City and the 75 miles of sidewalks.

The City Council thanked Public Works Director Parkinson for meeting the guideline of the Council and coming forth with a zero percent increase in the budget.

- Library – Mary Ann List, Library Director

Library Director List reviewed the organizational chart for the department and services provided with the Council. She said the Library is a gateway to reading, information, culture, community activities, and self-directed learning. It serves those who want to read, to learn, or to connect with our community and our cultural heritage. The Library Department's budget is a slight decrease from the F09 budget. She reported that the demand for services is high in the City, with Saturday and Sunday being the busiest days of the week. She discussed the various efficiencies instituted to make it possible to deliver longer hours of service to a greater number of people.

Councilor Spear said with the demand for longer hours on Saturday and Sunday has the Library given any thought to reducing hours during the weekday to accommodate expanding the weekend hours.

Councilor Novelline Clayburgh asked if people complain about the lack of parking. Library Director List replied yes.

- Welfare/Social Service Agencies – Keith Bates, Welfare Director

Welfare Director Bates spoke to the services provided by the department. He said it is the mission of the Welfare Department to provide appropriate and timely assistance to qualified individuals, promoting independence through guidance and referrals while recognizing the need to balance the City's financial interests with the needs of welfare applicants; and to maintain an active role in the community of organizations, businesses, and agencies that provide services to Portsmouth residents. He reported that the budget reflects an overall increase of \$6,422.00 or 1.8% over FY09. He spoke to the increase in applicants needing assistance.

Councilor Kennedy said she is surprised the budget is not higher due to the economic times. She asked what the first step would be for someone seeking assistance. Welfare Director Bates said people should call to schedule an appointment with his office in order to review their needs.

Councilor Pantelakos asked about the food stamp program that is available to individuals. Welfare Director Bates reported that the benefit has just been increased and emergency food stamps are available to an individual in 5 days.

Councilor Dwyer said the information the department has provided is critical to see what is happening in the community. She recommended tracking the number of new cases, the dollars spent per case and the number of funding agencies that can meet the needs of individuals. City Manager said we could have that information available on a quarterly basis.

Mayor Ferrini thanked Welfare Director Bates for his hard work in these difficult times.

Welfare Director Bates reported that we assist 22 social service agencies. He reviewed the process followed by the agencies seeking assistance.

- Recreation – Rus Wilson, Recreation Director

Recreation Director Wilson reported that the FY10 budget represents a decrease of 1.8% from FY09 which is a result of not filling the vacant head lifeguard position. He spoke to the various programs and services provided by the department for the community.

Councilor Kennedy said that the Peirce Island Committee does not feel they are getting shared hours with the Recreation Department for the Park Ranger position. Recreation Director Wilson said the department continues to review services.

Assistant Mayor Blalock said we received a great deal for little costs to the City. He said it is the most efficient staff that provides many programs and services for our community.

Mayor Ferrini said he has significant involvement with the Recreation Department and it is a pleasure to interact with the department and its staff.

- Planning, Inspection, Health – Cindy Hayden, Deputy City Manager

Deputy City Manager Hayden reported that there are no new programs for any of the regulatory departments referenced. She outlined the various services provided for the boards that are served by the departments. She also informed the City Council that the Inspection and Health Departments budgets remain the same as FY09. Deputy City Manager Hayden informed the City Council that there are 2 staff members that serve the health needs in the City.

Councilor Kennedy asked why the Inspection Department anticipates an increase in total construct permit fees collected. Deputy City Manager Hayden reported that we are seeing a great deal of economic activity in the City. She said that people are investing and re-investing in their property and presently there are large investment projects going on.

Councilor Kennedy asked if the Health Department inspections will continue to increase. Deputy City Manager Hayden said inspections take place on a more regular basis with the increase in staff.

Assistant Mayor Blalock said there are a great deal of restaurants in the City and food vending as well.

City Manager Bohenko reported that when the new staff came in there were new programs put in place and there was a backlog of inspections required.

- Finance – Judie Belanger, Finance Director

Finance Director Belanger reviewed the organizational chart for the department. She informed the City Council that the department is comprised of four major divisions: Accounting, Assessing, Tax Collection and Information Technology. The budget represents an overall decrease of .4% from FY09. The budget decrease is primarily to a reduction of one part time position in the Tax Collection Office. Finance Director Belanger spoke to the Tax Collection Office being linked with the State of New Hampshire and being able to see license plates. She informed the City Council that the City's website receives over 8,000 visitors per day. In terms, of purchasing, all RFP's and bids are now on the web and this has reduced our costs in the purchasing department. In addition, she reviewed the various services provided by the Accounting Department.

Councilor Spear asked if there has been any consideration of e-mailing bills. Finance Director Belanger said that it has been discussed and was part of the review of payments by credit cards.

Councilor Smith said in the past he has inquired as to putting an RFP out for our banking services. Finance Director Belanger said she continues to evaluate that and we do not deal with only one financial institution. She also informed the Council that she meets with banking facilities on a quarterly basis.

IV. Presentation – Sewer & Water Departments – David Allen, Deputy Public Works Director

Deputy Public Works Director Allen said the Sewer Division mission is to provide cost-effective, reliable and high-quality wastewater collection and treatment services to its customers. We are committed to operate and maintain our facilities economically and safely while protecting the public health and the environment. He informed the Council that the Sewer Division's proposed FY10 budget represents a decrease of 4.5% from FY09. The Sewer Division continues to focus on meeting regulatory requirements through the Wastewater master plan, implementation of the long term control plan, operations at two wastewater treatment plants and 20 pump stations and inspecting and maintaining over 100 miles of sewer lines.

Deputy Public Works Director Allen spoke to the challenges with the increase in chemical costs. In addition, he reported the Sewer Division is recommending no changes to the current rate.

Councilor Dwyer requested an explanation on this enterprise fund. Finance Director Belanger reviewed the procedures followed with an enterprise fund.

Councilor Kennedy asked how the monthly billing was progressing. Deputy Public Works Director reported that we are half way done and the jury is out revenue wise.

Deputy Public Works Director Allen reviewed the organizational chart for the Water Division and reported there are no new positions. He reported the mission is the Water Division strives to provide quality drinking water and an adequate supply of water for fire protection. Through professionalism, expertise, and efficient work practices, the division seeks to maintain and develop a sound infrastructure using the latest available cost effective treatment technology and production, storage, and distribution methods. The division is committed to high environmental standards and controls through respect for natural resources and adaptation to the built environment. He informed the City Council that the FY10 budget represents a 9.7% increase. The increase in the overall budget is attributable to capital asset activity and the debt-related interest associated with the Madbury Treatment Plant and the Raw Water Management project. He said estimates to build the facility are \$22,000,000.00 and he further discussed SRF funds. In addition, he addressed regulatory requirements continue to change and the increase in chemical costs. The proposed water rate will raise the average residential customer's water bill by approximately \$9.00 per month.

Councilor Kennedy said she understands the rate increase but it will equal out to \$108.00 per year for the residents and individuals are struggling to pay their bills now.

City Manager Bohenko said we are trying to time things but you need to remember that we are replacing a 51 year old facility. He reported that our rates are on the lower end of other communities.

Councilor Pantelakos said we are talking about the age of the plant but she would like to see the City set aside funds in the future for such needs.

Assistant Mayor Blalock spoke to the presentation conducted by the Water & Sewer Departments on what the future would look like balancing rates over a period of time.

City Manager Bohenko spoke to the possibility of adding a third tier to the rates which would encourage people to conserve.

V. Presentation – Parking & Transportation – Jon Frederick, Parking Manager

Parking Manager Frederick reviewed the budget and capital projects with the City Council. He spoke to the mission of the department which is to coordinate the delivery of parking and transportation services in a professional and responsive manner by recognizing that a safe, reliable and efficient transportation system is essential to our economic well-being and quality of life. He reported that the proposed operating budget reflects a 2.3% increase over FY09. He spoke to the efficiencies with lighting replacements at the High Hanover Parking Garage.

Councilor Dwyer asked what it means to move toward an enterprise fund. Finance Director Belanger informed the City Council that we have been moving in that direction over the last several years. She reported if we were to move right towards the enterprise fund this year we would need to increase the tax rate by \$.35. City Manager Bohenko reported that it takes 2 to 3 years to turn into an enterprise fund.

Councilor Kennedy would like to see more done to move individuals into using the mass transit systems available. Parking Manager Frederick reported that COAST handles that aspect. He said he would bring the issue forward to the COAST Board and discussions would be held regarding marketing campaigns.

VI. Fee Schedule Update – Andrew Purgiel, Controller

Controller Purgiel informed the City Council that fees represent approximately 1% of the General Fund Revenues. He advised the City Council that there are over 410 fees listed and 300 raise revenues for the General Fund. He further informed the Council that with the annual review of fees, revenues have increased over \$361,000.00.

VII. Questions and Discussion

Councilor Spear provided the City Council with a copy of a graph regarding growth for the Police and Fire Departments as he will not be in attendance at that work session. It is important that people can afford the services they received.

Mayor Ferrini thanked the department heads and employees for their continued excellence.

City Manager Bohenko said he has a graph to provide the Council which outlines the stability of the tax rate. He reported that the tax rate has been stable over the years.

Councilor Dwyer spoke to the tough economic times facing communities. City Manager Bohenko said the budget for FY11 will be a great deal of work.

Councilor Novelline Clayburgh spoke opposed to the chart provided by Councilor Spear. She said it is important to remember that 85% of the costs are fixed. Mayor Ferrini said that Councilor Spear is trying to show major costs that are out of control.

VIII. Adjournment

At 9:00 p.m., Mayor Ferrini closed the meeting.

Respectfully submitted by:

Kelli L. Barnaby, CMC/CNHMC
City Clerk