

CITY COUNCIL MEETING

MUNICIPAL COMPLEX, EILEEN DONDERO FOLEY COUNCIL CHAMBERS, PORTSMOUTH, NH
DATE: TUESDAY, FEBRUARY 21, 2012 TIME: 7:00PM

AGENDA

- 6:00PM – ANTICIPATED “NON-MEETING” WITH COUNSEL RE: LITIGATION - RSA: RSA 91-A:2 I (c)

- I. CALL TO ORDER [7:00PM or thereafter]
- II. ROLL CALL
- III. INVOCATION
- IV. PLEDGE OF ALLEGIANCE

PRESENTATION

1. Greater Portsmouth Chamber of Commerce – UDAG Loan Request (*Sample motion – move to suspend the rules in order to take up Item XII A.1. for action*) (*Sample motion – move to approve the request from the Greater Portsmouth Chamber of Commerce for an Urban Development Action Grant loan to develop a dedicated tourism website, and further, authorize the City Manager to enter into all necessary agreements to execute this loan request*)

- V. ACCEPTANCE OF MINUTES – FEBURARY 6, 2012

- VI. PUBLIC COMMENT SESSION

- VII. PUBLIC HEARINGS

- A. RESOLUTION INCREASING THE MAXIMUM INCOME LIMIT FOR INDIVIDUALS QUALIFYING FOR THE ELDERLY REAL ESTATE TAX EXEMPTION:

ELDERLY EXEMPTION AT 2.9%

SINGLE	\$34,486.00 INCREASE OF \$972.00
MARRIED	\$42,542.00 INCREASE OF \$1,199.00
ASSET LIMIT OF	\$114,958.00 INCREASE OF \$3,240.00

- B. RESOLUTION INCREASING THE MAXIMUM INCOME LIMIT FOR INDIVIDUALS QUALIFYING FOR THE DISABLED REAL ESTATE TAX EXEMPTION:

DISABLED EXEMPTION AT 2.9%

SINGLE	\$34,486.00 INCREASE OF \$972.00
MARRIED	\$42,542.00 INCREASE OF \$1,199.00
ASSET LIMIT OF	\$114,958.00 INCREASE OF \$3,240.00

VIII. APPROVAL OF GRANTS/DONATIONS

- A. *Acceptance of Donation/Lloyd M. Horlick Revocable Trust to the Portsmouth Fire Department - \$211,000.00 ***(Sample motion – move to accept this donation under the terms described in the Trust)***

IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First reading of Proposed Zoning Ordinance Amendments – Office Research District ***(Sample motion – move to pass first reading and schedule a public hearing and second reading on the proposed ordinance amendment, as presented, at the March 19, 2012 City Council meeting)***
- B. Adoption of Resolution Increasing the Maximum Income Limit for Individuals Qualifying for the Elderly Real Estate Tax Exemption:

Elderly Exemption at 2.9%

Single	\$34,486.00 increase of \$972.00
Married	\$42,542.00 increase of \$1,199.00
Asset Limit of	\$114,958.00 increase of \$3,240.00

(Sample motion – move to adopt the Resolution for Elderly Exemptions, as submitted)

- C. Adoption of Resolution Increasing the Maximum Income Limit for Individuals Qualifying for the Disabled Real Estate Tax Exemption:

Disabled Exemption at 2.9%

Single	\$34,486.00 increase of \$972.00
Married	\$42,542.00 increase of \$1,199.00
Asset Limit of	\$114,958.00 increase of \$3,240.00

(Sample motion – move to adopt the Resolution for the Disabled Exemptions, as submitted)

- D. Third and final reading of Amendments to Chapter 7 – Vehicles, Traffic Parking Omnibus Ordinances, Section 7A.406 – Horse Drawn Carriages spaces on Pleasant Street and Section 7.330 – by eliminating the No Parking Area on State Street between Court Place and Church Street to install 4 new metered spaces and Ordinance cleanup measures ***(Sample motion – move to pass third and final reading of the proposed ordinance, as presented)***
- E. Third and final reading of Amendment to Chapter 7, Article III, Section 7.330 – No Parking – Junkins Avenue both sides ***(Sample motion – move to pass third and final reading of the proposed ordinance, as presented)***

X. CONSENT AGENDA

A MOTION WOULD BE IN ORDER TO ADOPT THE CONSENT AGENDA

- A. Letter from Karen Butz Webb, Project Safety Association, requesting permission to hold a 5K Road Race on Saturday, September 29, 2012 at 8:30 a.m. ***(Anticipated action – move to refer to the City Manager with power)***
- B. Letter from Kimberly McGlinchey and Deirdre Barrett, PHS Ecology Club Advisors, requesting permission to hold the 2nd Annual 5K Road Race on Saturday, May 12, 2012 from 1:00 p.m. – 3:00 p.m. ***(Anticipated action – move to refer to the City Manager with power)***
- C. Request for Approval of Pole License to install/replace 4 poles located on Richards Avenue, Miller Avenue, and Highland Street ***(Anticipated action – move to approve the aforementioned Pole License Agreement as recommended by the Public Works Department with the approval conditioned upon amendment of the license to allow for the collection of any lawfully assessed real estate taxes)***
- D. Request for a License from Angela Drew, owner of Wear House on Congress Street for property located at 74 Congress Street to install a projecting sign on an existing bracket ***(Anticipated action – move to accept the recommendation of the Planning Director with the aforementioned stipulations and approve the request of Angela Drew, owner of Wear House on Congress Street to install a projecting sign at 74 Congress Street and, further, authorize the City Manager to execute a License Agreement for this request)***

Planning Director's Stipulations:

- ***The license shall be approved by the Legal Department as to content and form;***
 - ***Any removal or relocation of the projecting sign, for any reason, will be done at no cost to the City; and***
 - ***Any disturbance of a sidewalk, street or other public infrastructure resulting from the installation, relocation or removal of the projecting sign, for any reason, shall be restored at no cost to the City and shall be subject to review and acceptance by the Department of Public Works***
- E. Letter from Kathie Lynch, Portsmouth Little League, requesting approval for temporary signage to be located at the Plains and Hislop Park baseball fields during the 2012 baseball season ***(Anticipated action – move to refer to the City Manager with power)***

XI. PRESENTATION & CONSIDERATION OF WRITTEN COMMUNICATIONS & PETITIONS

(There are no items under this section of the agenda)

XII. REPORTS AND COMMUNICATIONS FROM CITY OFFICIALS

A. CITY MANAGER

Items Which Require Action Under Other Sections of the Agenda

1. Consideration of First Reading of Proposed Resolution and Ordinance Amendments:
 - 1.1 First Reading of Proposed Zoning Ordinance Amendments – Office Research District (**Action on this matter should take place under Section IX of the Agenda**)
2. Public Hearing and Adoption of Proposed Resolutions:
 - 2.1 Public Hearing and Adoption of Resolutions Amending Elderly & Disabled Exemptions Income Asset Limits (**Action on this matter should take place under Section IX of the Agenda**)
3. Third and Final Reading of Proposed Ordinance Amendments:
 - 3.1 Third and Final Reading of Ordinance Amendments to Chapter 7 – Vehicles, Traffic Parking Omnibus Ordinances (**Action on this matter should take place under Section IX of the Agenda**)
 - 3.2 Third and Final Reading of Amendment to Chapter 7, Article III – Section 7.330 – No Parking – Junkins Avenue (**Action on this matter should take place under Section IX of the Agenda**)

City Manager's Items Which Require Action

1. Greater Portsmouth Chamber of Commerce – UDAG Loan Request
2. Request for Approval of Teacher's Early Retirement
3. Request for Approval of Tentative Agreement between the Portsmouth Police Commission and NEPBA Local #11, Portsmouth Patrolman's Association
4. Proposed Memorandum of Agreement between the Portsmouth School Board and the Association of Portsmouth Teachers
5. Report Back Re: Policy Regarding Appointments to City Boards and Commissions
6. Request to Renew Seacoast Growers' Association (Farmers' Market) Proposed 2012 License Agreement

7. Proposed Amendment Re: Fund Balance Ordinance
8. Proposed Bond Refunding Resolution
9. Proposed Funding Authorization for Long-Term Control Plan Projects

Informational Items

1. Events Listing
2. *Peter Rice – New England Water Environment Association Alfred E. Peloquin Award
3. Report Back Re: Parrott Avenue Place to Mark Wentworth Home Property Conveyance

B. MAYOR SPEAR

1. Appointments to be Considered:
 - Appointment of Daniel Rawling to the Historic District Commission
 - Reappointment of James Russ to the Peirce Island Committee
2. Appointments to be Voted:
 - Appointment of Sherry-Lea Bloodworth Botop as an Alternate to the Planning Board
 - Reappointment of Phyllis Eldridge to the Trustee of the Trust Funds
3. Appointment of School Board Member to the Board of Library Trustees
4. Current Boards and Commissions Vacancies

C. COUNCILOR KENNEDY

1. *Senior Services Update

D. COUNCILOR THORSEN

1. Non-Binding Resolution – Flat Budget

XIII. MISCELLANEOUS/UNFINISHED BUSINESS

XIV. ADJOURNMENT [AT 10:00PM OR EARLIER]

**KELLI L. BARNABY, CMC/CNHMC
CITY CLERK**

**Indicates Verbal Report*

INFORMATIONAL ITEMS

1. Notification that the Conservation Commission Minutes of January 11, 2012 meeting are available on the City's website for your review
2. Notification that the Historic District Commission Minutes of the December 7, 2011 meeting are available on the City's website for your review
3. Notification that the Planning Board Minutes of the October 20, 2011 meeting are available on the City's website for your review
4. Notification that the Site Review Technical Advisory Committee Minutes of the January 31, 2012 meeting are available on the City's website for your review

NOTICE TO THE PUBLIC WHO ARE HEARING IMPAIRED: Please contact Dianna Fogarty at 603-610-7270 one-week prior to the meeting for assistance.

**CITY OF PORTSMOUTH
PORTSMOUTH, NH 03801**

Office of the City Manager

Date: February 16, 2012
To: Honorable Mayor Eric Spear and City Council Members
From: John P. Bohenko, City Manager
Re: City Manager's Comments on February 21, 2012 City Council Agenda

6:00 p.m. – Non-meeting with counsel.

For details on this matter, please refer to the confidential envelope inserted in the inside pocket of your binder.

Presentation:

1. **Presentation Re: Greater Portsmouth Chamber of Commerce - UDAG Loan Request.** At the February 6, 2012 City Council meeting, the Council voted to bring back for action at the February 21st City Council meeting a letter from Economic Development Commission (EDC) Chair Everett Eaton regarding a request from the Greater Portsmouth Chamber of Commerce for an Urban Development Action Grant (UDAG) loan to develop a dedicated tourism website. The letter recommended that the City Council approve the request under the terms outlined in the correspondence ([see attached letter](#)). Chamber President Doug Bates and Tourism Manager Valerie Rouchon will make a short presentation regarding this request at Tuesday evening's meeting, which will highlight the features of the proposed destination website. The EDC will have representation at the meeting from the subcommittee that reviewed the request.

I would recommend the City Council suspend its rules and take this matter up for action immediately following the presentation.

Motion: Move to approve the request from the Greater Portsmouth Chamber of Commerce for a UDAG loan to develop a dedicated tourism website, and further, authorize the City Manager to enter into all necessary agreements to execute this loan request.

Acceptance of Grants and Donations:

1. **Acceptance of Donation/Lloyd M. Horlick Revocable Trust.** Former Portsmouth resident, Dr. Lloyd M. Horlick, passed away in February 2009. The beneficiary of a Trust that he created, Karen Horlick Von Sydow, passed away in Dover on December 12, 2011. Upon the death of Ms. Von Sydow, the Trust provides for a disposition of approximately \$211,000.00 as follows:

“...to the CITY OF PORTSMOUTH, solely for the benefit of the PORTSMOUTH FIRE DEPARTMENT, Portsmouth, New Hampshire, to be used for the benefit of said Fire Department in any manner the then serving Fire Chief and Deputy Fire Chief(s) shall unanimously determine”.

Pursuant to City Council policy, I am requesting that the City Council accept this donation from the Lloyd M. Horlick Revocable Trust of 2005 under the terms described in the Trust.

I would recommend the City Council move to accept the donation, as described in the Trust. Action on this item should take place under Section VIII of the Agenda.

Items Which Require Action Under Other Sections of the Agenda:

1. **Consideration of First Reading of Proposed Resolution and Ordinance Amendments:**
 - 1.1 **First Reading of Proposed Zoning Ordinance Amendments – Office Research District.** As a result of the February 6th City Council meeting, under Section IX of the Agenda, I am bringing back for first reading the [attached proposed Zoning Ordinance](#) amending Chapter 10 – Zoning Ordinance – Article 4 - Zoning Districts and Use Regulations, Section 10.440 – Table of Uses – Residential, Mixed Residential, Business and Industrial Districts and Article 5 – Dimensional and Intensity Standards, Section 10-531 Table of Dimensional Standards – Business and Industrial Districts. Also [attached is a memorandum from Rick Taintor, Planning Director, dated January 27, 2012](#), which was originally submitted to the City Council. Further, I have [attached a memorandum from Rick Taintor, dated February 15, 2012](#) which is supplemental information that the City Council requested at the last meeting regarding the subject matter. Please note the Planning Board voted unanimously on October 20, 2011 to recommend that the Zoning Ordinance be amended as requested.

I would recommend the City Council move to pass first reading and schedule a public hearing and second reading on the proposed ordinance amendment, as presented, at the March 19, 2012 City Council meeting. Action on this item should take place under Section IX of the Agenda.

2. **Public Hearing and Adoption of Proposed Resolutions:**

2.1 **Public Hearing and Adoption of Resolutions Amending Elderly & Disabled Exemptions Income and Asset Limits.** As a result of the February 6th City Council meeting, under Section IX of the Agenda, I am bringing back for public hearing and adoption the [attached proposed Resolutions amending Elderly and Disabled Exemption Income and Asset Limits](#). Annually, the City of Portsmouth reviews income and asset levels for both the Elderly and Disabled Exemptions pursuant to RSA 72:39-b and RSA 72.37-b and makes recommendations as to these levels.

Last year, the City Council adopted resolutions # 2-2011 and # 3-2011 which increased the income and asset levels for both the elderly and disabled exemptions by 1.00% from the previous year. The current elderly and disabled exemption income levels are \$33,514 for a single taxpayer, \$41,343 for married taxpayers, and an asset limit of \$111,718.

If qualified, for elderly taxpayers, the exemption off the assessed value of the property is as follows:

- Age 65 to 74 \$125,000
- Age 75-79 \$175,000
- Age 80 + \$225,000

If qualified, for disabled taxpayers, the exemption off the assessed value of the property is \$100,000. This year, the November to November CPI of the Boston-Brockton-Nashua November consumer price index (CPI) is 2.9%. If the City Council wishes to adjust the income and asset levels for both the elderly and disabled taxpayers by the November to November CPI of 2.9%, this would increase the limits (rounded up) as follows:

- Single \$34,486 increase of \$972
- Married \$42,542 increase of \$1,199
- Asset Limit of \$114,958 increase of \$3,240

Any adjustment if approved would be for assessments as of April 1, 2012 for the 2012 tax year or FY13.

The Assessor's Office mails a notification annually to all elderly and disabled persons who currently receive this exemption to update their applications. All new applicants must submit an application and required documentation by April 15th of each year.

I have [attached for your information the tax impact of the elderly and disabled exemptions for FY12](#).

I would recommend the City Council move to make the following two separate motions:

- 1) Move to adopt the Resolution for Elderly Exemptions, as submitted. (Resolution requires two readings and a majority vote.)*
- 2) Move to adopt the Resolution for Disabled Exemptions, as submitted. (Resolution requires two readings and a majority vote.)*

Action on this item should take place under Section IX of the Agenda.

3. **Third and Final Reading of Proposed Ordinance Amendments.**

- 3.1 **Third and Final Reading of Amendments to Chapter 7 – Vehicles, Traffic Parking Omnibus Ordinances.** As a result of the February 6th City Council meeting, [under Section IX of the Agenda, I am bringing back for third and final reading the proposed Omnibus Ordinance Amendment](#) to Chapter 7 – Vehicles, Traffic Parking Omnibus Ordinances, Section 7A.406 – Horse Drawn Carriages spaces on Pleasant Street and Section 7.330 – by eliminating the No Parking area on State Street, between Court Place and Church Street; installing four new metered spaces; and undertaking ordinance cleanup measures ([see attached aerial maps and explanation](#)). At its October 13, 2011 meeting, the Parking Committee recommended forwarding the aforementioned Chapter 7 Omnibus Ordinance Amendment to the City Council for approval. The City Council approved the minutes at the November 21, 2011 City Council meeting.

I would recommend the City Council move to pass third and final reading of the proposed ordinance, as presented. Action on this item should take place under Section IX of the Agenda.

- 3.2 **Third and Final Reading of Amendment to Chapter 7, Article III – Section 7.330: No Parking – Junkins Avenue.** As a result of the February 6th City Council meeting, [under Section IX of the Agenda, I am bringing back for third and final reading the proposed Ordinance Amendment](#) to Chapter 7, Article III, Section 7.330 ([see attached map](#)):

Section 7.330: No Parking

- A. Unless otherwise designated by ordinance, parking shall be prohibited at all times in the following described streets and locations:

61. Junkins Avenue: both sides, ~~from Pleasant Street to Parrott Avenue.~~

The [attached map](#) depicts the placement of “No Parking” signs on Junkins Avenue. Only two new sign poles will have to be erected, one adjacent to the Parrott Avenue parking lot and another south of Lincoln Avenue. Six other signs will be placed on existing utility poles or sign poles. This strategy will enable us to adequately post the entire street at all through-traffic access points while preventing sign clutter in the

vicinity of the South Mill Pond. We will try to limit the signs, and there will be no signs on the causeway.

At its October 13, 2011 meeting, the Parking Committee recommended forwarding the aforementioned proposed Ordinance Amendment to the City Council for approval. The City Council approved the minutes at the November 21, 2011 City Council meeting.

I would recommend the City Council move to pass third and final reading of the proposed ordinance, as presented. Action on this item should take place under Section IX of the Agenda.

Consent Agenda:

1. **Request for Approval of Pole License.** Attached under Section X of the Agenda is the following request for a PSNH Pole License Agreement 63-0527 (see attached memorandum from Tom Richter, Engineering Technician, Public Works Department):

- a) License for four poles located on Richards Avenue, Miller Avenue, and Highland Street.

I would recommend the City Council move to approve the aforementioned Pole License Agreement as recommended by the Public Works Department with the approval conditioned upon amendment of the license to allow for the collection of any lawfully assessed real estate taxes. Action on this matter should take place under Section X of the Agenda.

2. **Request for License to install a Projecting Sign Re: 74 Congress Street (Wear House).** Attached under Section X of the Agenda is the following request for a projecting sign license (see memorandum from Rick Taintor, Planning Director):

- Angela Drew, owner of Wear House located at 74 Congress Street.

I would recommend the City Council move to approve the aforementioned Projecting Sign License as recommended by the Planning Director and, further, authorize the City Manager to execute a License Agreement for this request. Action on this matter should take place under Section X of the Agenda.

City Manager's Items Which Require Action:

1. **Greater Portsmouth Chamber of Commerce - UDAG Loan Request.** If the City Council suspends the rules, action will be taken under presentations on the Agenda regarding the aforementioned request.

2. **Request for Approval on Teacher's Early Retirement.** The School Board has requested that the City Council consider approving a teacher's early retirement incentive. [Attached is a letter from Edward McDonough, Superintendent of Schools, along with the Memorandum of Understanding](#), outlining the following details:

- 1) Eligible members with fifteen (15) years or more service in the district by the end of 2011-12 school year, and who file an irrevocable commitment to retire from the district between the date of this agreement and on or before Friday, January 27, 2012 and who actually retire under the NHRS at the end of the 2011-12 school year receive a one-time payment of \$12,000.
- 2) Any eligible members who have more than five (5) years and less than fifteen (15) years or more service in the district by the end of the 2011-12 school year, and who file an irrevocable commitment to retire from the district between the date of this memorandum and on or before Friday, January 27, 2012 and who actually retire under the NHRS at the end of the 2011-12 school year can receive a one-time payment of \$1,000 for every year of service in the district not to exceed \$10,000.

As the letter states, five (5) teachers have submitted their intent to retire as a result of the program subject to City Council approval. The anticipated savings to the school district is \$80,615.

I am recommending that the City Council approve the request from the Portsmouth School Board to offer a retirement incentive to teachers, as presented.

3. **Request for Approval of Tentative Agreement between the Portsmouth Police Commission and NEPBA Local #11, Portsmouth Patrolman's Association.** The Police Commission has approved a Tentative Agreement with the Portsmouth Patrolman's Association to expire on June 30, 2014.

This Tentative Agreement represents the fifth agreement reached between the Portsmouth Police Commission and NEPBA Local #11, Portsmouth Patrolman's Association. The major differences between this Tentative Agreement and the Tentative Agreement that was submitted to the City Council in July 2011 are as follows:

- The COLA increase is effective January 1, 2012. The COLA was effective July 1, 2011 under the previous agreement. Deferring the COLA increase six (6) months results in a savings of \$34,725.
- This Tentative Agreement does not include educational incentives and shift differentials which would have cost \$65,997.
- In addition, it does not include the step after 8 years of service resulting in a reduction of \$10,035.

Although this Tentative Agreement does not have the overtime concessions (which achieved an estimated savings of \$27,372) that were included in the last Tentative Agreement, the overall cost of this Agreement is \$83,385 less expensive than the one presented in July.

I have [attached the following information](#) regarding the aforementioned subject matter:

- [Economic Impact Analysis;](#)
- [Letter from Thomas Closson, Interim City Negotiator, with the highlights of the contract; and,](#)
- [The proposed Collective Bargaining Agreement with Insertions and Deletions.](#)

Action is requested on this matter.

4. **Proposed Memorandum of Agreement between the Portsmouth School Board and the Association of Portsmouth Teachers.** On Tuesday evening, I am requesting that the City Council approve the aforementioned Memorandum of Agreement (MOA). The Association of Portsmouth Teachers agreed to freeze their STEP and COLA increases for six months next school year (2012-13), and would again freeze STEP and COLA for six months, during the 2013-14 school year in exchange for an added year on their contract. Their contract is scheduled to expire on June 30, 2013. Accepting their proposal would extend the contract to June 30, 2014, bringing them in line with the other nine (9) collective bargaining agreements.

The School Department has determined that the cost for STEPS and COLA's for FY'13 including benefits (FICA, retirement, etc) is \$727,974. If approved, next year's savings would be roughly \$364,000 and of course, similar savings would be achieved in FY'14.

[Attached please find the following documents:](#)

- [A letter from Edward McDonough, Superintendent of Schools, requesting the City Council approve the extension of the Association of Portsmouth Teacher's Collective Bargaining Agreement with the terms and conditions outlined in his letter.](#)
- [Memorandum of Agreement between the Portsmouth School Board and the Association of Portsmouth Teachers.](#)

I am recommending that the City Council approve the Memorandum of Agreement between the Portsmouth School Board and the Association of Portsmouth Teachers, as presented.

5. **Report Back Re: Policy Regarding Appointments to City Boards and Commissions.** [Attached as requested by City Councilors Clayburgh and Smith is a proposed City Council Policy regarding appointments to City Boards and Commissions.](#) If the policy is adopted it would require the City Council to appoint only those persons to Boards and Commissions that have resided in the City of Portsmouth for a cumulative total of 2 years.

The City Council can move the following actions:

- 1) *Vote to approve this policy,*
- 2) *Vote to amend this policy, or*
- 3) *Vote to reject the policy.*

6. **Request to Renew Seacoast Growers' Association (Farmers' Market) Proposed 2012 License Agreement.** The Seacoast Growers' Association has requested renewal of their License Agreement. [Attached is a draft of the proposed 2012 License Agreement](#) with the Seacoast Growers' Association to allow a Farmers' Market at the municipal complex. The Seacoast Growers' Association has been conducting their Farmers' Market at the municipal complex over the past ten years.

If this draft agreement meets with the approval of City Council, I would ask that you authorize me to enter into the proposed Agreement between the Seacoast Growers' Association and the City of Portsmouth for a License Agreement to conduct their Farmers' Market for 2012. I've requested that a representative of the Seacoast Growers' Association be in attendance on Tuesday evening to answer any questions you may have regarding this matter.

I would recommend the City Council move to authorize the City Manager to enter into a License Agreement with the Seacoast Growers' Association for 2012, as presented.

7. **Proposed Amendment Re: Fund Balance Ordinance.** As part of the budget presentation at the City Council retreat held on January 28, 2012, the Finance Director, Judie Belanger described the new fund balance model in conformity with Governmental Accounting Standards Board (GASB) Statement No. 54.

As you know, the City currently has a Municipal Fund Balance Ordinance Chapter 1, Article XIV, Section 1.14 – which addresses the use and maintenance of the Undesignated portion of the fund balance. The new fund balance model changes the terminology of Undesignated Fund Balance to Unassigned Fund Balance. Therefore, the terminology change makes it necessary for the City to amend the current City ordinance to reflect the new terminology. [Attached is a copy of the proposed Ordinance.](#)

I would recommend the City Council move to authorize the City Manager to bring back for first reading the proposed Fund Balance Ordinance, at the March 5, 2012 City Council meeting.

8. **Proposed Bond Refunding Resolution.** As part of the budget presentation at the City Council retreat held on January 28, 2012, a refunding (refinancing) opportunity was discussed which may result in substantial savings to the City.

The City issued a \$46,640,000 bond on September 15, 2002. The majority of the proceeds (\$38 Million) financed the construction/renovation of the High School.

The original bond terms included a call provision which allows the issuer the option to pay off bonds prior to the maturity date by issuing another bond at a lower interest rate.

The average coupon rate (interest) for the remaining life of the bond is 4.47%. The City, by opting to refinance this bond in the current market, could experience an average interest rate below 2% resulting in substantial savings of approximately \$2.2 Million in total debt service or in excess of \$200,000 per year, net of all issuance costs, over the remaining life of the bond.

Keeping in mind that interest rates are subject to change, the table below demonstrates the comparison of the existing debt service with the estimated new debt along with the projected savings for the remaining life of the bond.

<u>Fiscal Year</u>	<u>Existing Debt Service</u>	<u>New Debt Service</u>	<u>Savings</u>
2013	\$3,679,587.50	\$3,473,237.50	\$206,350.00
2014	\$2,728,875.00	\$2,521,175.00	\$207,700.00
2015	\$2,633,875.00	\$2,424,125.00	\$209,750.00
2016	\$2,538,875.00	\$2,333,125.00	\$205,750.00
2017	\$2,443,875.00	\$2,238,175.00	\$205,700.00
2018	\$2,348,875.00	\$2,139,375.00	\$209,500.00
2019	\$2,263,375.00	\$2,054,293.75	\$209,081.25
2020	\$2,186,187.50	\$1,977,725.00	\$208,462.50
2021	\$2,106,625.00	\$1,901,943.75	\$204,681.25
2022	\$2,024,687.50	\$1,819,812.50	\$204,875.00
2023	<u>\$1,941,562.50</u>	<u>\$1,736,437.50</u>	<u>\$205,125.00</u>
Total	\$ 26,896,400.00	\$ 24,619,425.00	\$ 2,276,975.00

[Attached is a copy of a proposed Refunding Resolution](#) that I am recommending the City Council authorize the City Manager to bring back for first reading at the March 5th City Council meeting.

I would recommend the City Council move to bring back for first reading a proposed Refunding Resolution of up to Twenty Million Dollars (\$20,000,000) to refinance the remaining portion of a callable bond issued September 15, 2002 and all related costs, at the March 5, 2012 City Council meeting. (The Refunding Resolution requires two readings and a public hearing with two-thirds vote of the City Council.)

9. **Proposed Funding Authorization for Long-Term Control Plan Projects.** As you are aware, for the past 2 1/2 years the City has been working under a Consent Decree that dictates schedules for various projects related to the wastewater collection and treatment system. The projects related to the collection system improvements are defined in the City's Long-Term Control Plan. That plan, which was updated during the Wastewater Master Plan process, outlines a series of sewer separation projects that are designed to reduce the occurrences of combined sewer overflows (CSO's).

The consent decree included 6 CSO projects; three of those are referred to as the Lincoln 3 planning area, two as the Islington planning area and one as the Court/State planning area. To date, State Street and the first Islington project have been completed. The first phase of the Lincoln projects (referred to as Lincoln 3A) will be completed this spring. The other three projects need to be constructed over the next 2 1/2 years. Those projects are Lincoln 3B and Cass Street, followed by Lincoln 3C. The three remaining project areas are shown on the [attached maps](#).

The estimated sewer related costs for the three projects is \$12.5 million. The sewer division will be requesting authorization to borrow up to \$12.5 million to fund these projects. The cost of these projects has been included in the current rate model.

I am recommending the City Council move to authorize the City Manager to bring back for first reading a Bond Resolution for the aforementioned long-term control plan projects for first reading at the March 5, 2012 City Council meeting, as presented.

Informational Items:

1. **Events Listing.** For your information, [attached is a copy of the Events Listing](#) updated after the last City Council meeting on February 6, 2012. In addition, this now can be found on the City's website.
2. **Peter Rice – New England Water Environment Association Alfred E. Peloquin Award.** At the New England Water Environment Association annual meeting, Peter Rice, the City Engineer for the Water and Sewer divisions of Public Works, received the Association's 2011 Alfred E. Peloquin Award for his work in wastewater operations.

Established in 1990 as the NEWEA Operations Award and renamed the Alfred E. Peloquin Award in 1992, the award is given annually to an individual who has shown a high level of interest and performance in wastewater operations in each of the six New England states, and who has made a significant contribution to the wastewater field in such areas as improvements to the environment, cost-effective plant operations, public relations, innovative process controls, industrial pretreatment, training, Association contributions and related activities. The award honors NEWEA's former Executive Director for his initiatives in training programs for wastewater treatment and his many years of dedicated service to the New England Water Environment Association.

The award recognizes an individual whose personal service has contributed to excellence in plant operations, either directly at a treatment plant or indirectly through assistance to plant operations personnel.

During Peter's 10 years with the City he has worked tirelessly in dealing both with regulatory and operational issues involving the Portsmouth Sewer Division. His technical knowledge and pragmatic approach to the myriad of issues associated with operating the wastewater collection and treatment systems have served the City well.

While all those in the City who have worked with Peter recognize his passion and talents in the wastewater field, it is fitting and gratifying that his efforts and achievements are being recognized on a regional stage by NEWEA.

3. **Report Back Re: Parrott Avenue Place to Mark Wentworth Home Property Conveyance.** [Attached is a memorandum from City Attorney Robert Sullivan](#) regarding the Parrott Avenue Place to Mark Wentworth Home property conveyance as requested by the City Council.