

CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: TUESDAY, FEBRUARY 21, 2012

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

At 6:00 p.m. an anticipated "Non-Meeting" with Counsel was held regarding Litigation RSA 91-A:2, I (c).

I. CALL TO ORDER [7:00PM or thereafter]

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

II. ROLL CALL

Present: Mayor Spear, Assistant Mayor Lister, Councilors Coviello, Kennedy, Novelline Clayburgh, Lown, Dwyer, Smith and Thorsen

III. INVOCATION

Mayor Spear asked everyone to join in a moment of Silent Prayer.

IV. PLEDGE OF ALLEGIANCE

Councilor Lown led the Pledge of Allegiance.

PRESENTATION

1. Greater Portsmouth Chamber of Commerce – UDAG Loan Request

City Manager Bohenko spoke to the letter from the Economic Development Commission recommending approval of the UDAG Loan request of the Greater Portsmouth Chamber of Commerce.

Doug Bates, Chamber President thanked Councilor Novelline Clayburgh for having served as the City Council Liaison and welcomed Councilor Thorsen who will serve as the new Council Liaison.

Valerie Rouchon, Tourism Manager provided a brief presentation regarding the development of a dedicated tourism website. She spoke to the importance of a destination website and the goals that they are seeking to achieve.

Councilor Lown moved to suspend the rules in order to take up Item XII. A.1. for action – Greater Portsmouth Chamber of Commerce – UDAG Loan Request. Seconded by Assistant Mayor Lister and voted.

Councilor Novelline Clayburgh moved 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. Seconded by Councilor Coviello.

Councilor Smith asked if the businesses on the website will need to have a membership with the Chamber. Ms. Rouchon said that more than 90% of their members are businesses and feels this is a non-issue. She did indicate that they would be looking at members versus non-members.

Councilor Thorsen said that the Chamber site would promote businesses and asked how that is determined and is there a revenue stream. Ms. Rouchon said if they want a live link from the website to the businesses there is a small fee. She further stated that they would negotiate on commissions.

Mr. Bates said that this website will require maintenance and upkeep on a regular basis and this is a guarantee to finish the website which is the purpose of the loan.

Ms. Rouchon advised the City Council that the Chamber is speaking with their members presently on this website.

Councilor Coviello said if a hotel is not a member of the Chamber will they be listed on the website. Ms. Rouchon said they are still evaluating and discussing that question. She stated that the Chamber is leaning in the direction of charging two separate rates.

Councilor Coviello asked who is on the Committee for the development of the website. Ms. Rouchon said the Committee is made up of people experienced in design, social media, and computer techs.

Assistant Mayor Lister said it is important to consider all businesses in the community. He further stated it is a destination for the City and all small businesses need to be considered.

Councilor Kennedy said that the City Council would give specific funds and feels all businesses should be listed because they all make up the downtown. She said perhaps the Chamber should look at it as a separate issue. She inquired if other technology is being considered such as tweeting. Ms. Rouchon said they have a social media person on the committee and that is being considered.

Councilor Smith said the businesses on the front page had Portsmouth and Southern Maine. He inquired how many outside members would be allowed. Ms. Rouchon said all members will be listed, it is a regional experience.

Councilor Coviello asked if Mr. Levenson would like to speak as the representative of the Economic Development Commission as to whether a discussion took place on businesses versus non-businesses. Mr. Levenson said a destination website is less about a specific business that is or is not listed. He stated that the Seacoast and Portsmouth specifically would be promoted and all businesses would benefit and we need to consider cultural and historical destinations. He also indicated that access would be available and the Economic Development Commission was assured of that by the Chamber.

Councilor Novelline Clayburgh asked if there would be a link to the City of Portsmouth website. Ms. Rouchon said there would be 2 links, one to the Chamber and one from the City.

Motion passed with Councilor Smith voting opposed.

Councilor Smith said he supports the Chamber but has a difficult time with some businesses being alienated and supported with public dollars. He stated if it was specific to downtown and Portsmouth only he would have supported the motion but it is promoting other areas as well. He further stated we still don't know how businesses that are not members would be treated.

V. ACCEPTANCE OF MINUTES – FEBURARY 6, 2012

Councilor Coviello moved to approve and accept the minutes of the February 6, 2012 City Council meeting. Seconded by Assistant Mayor Lister and voted.

VI. PUBLIC COMMENT SESSION

Ralph DiBernardo spoke opposed to the proposed zoning amendment for Office Research Districts. He said it appears to relate to properties that have been discussed over the last 4 years. He stated he would like the City Council to be very clear on what this zoning change would be. Mr. DiBernardo said we need to know what parcels are being affected.

Attorney Paul McEachern spoke in favor of the proposed zoning amendment and sending it forward to a public hearing. He said his client owns property on the west side of Lafayette Road and it has been for sale for many years and the owners feel that the current zoning is effecting the sale. He further stated that this proposed amendment has been unanimously approved by the Planning Board.

Rick Horowitz spoke about the Police Contract and that there appears to be nothing unreasonable with it but he is opposed because the benefits have been going up over the years at a much higher rate than the publics. He stated that this contract was only available for review by the public for one week and the public should be given more time and would like to see a delay in voting on the contract. He further discussed the issue of an investigation into identity theft which involves a member of the Association of Portsmouth Taxpayers. He indicated that there have been several members of the Association of Portsmouth Taxpayers that feel intimidated by the police officers and intimidation cannot be tolerated. Mr. Horowitz said the person being investigated is also a member of WAVE and Portsmouth Listens and feels those organizations should be investigated as well.

Tim Black, President of Local 11, said he is here to comment on the e-mail received by the City Council on delaying the contract that was presented in the newspaper. He said both sides have worked tirelessly on this contract. He stated the contract carries no more terms than the contract brought forward last September to the City Council. Mr. Black said that the contract meets the parameters of the Council and asked that they move forward and vote on the contract this evening.

Paul Mannle requested the City Council to oppose the proposed zoning change. He said the changes are not minor or housekeeping in nature. He stated that this is not what the residents of Lafayette Road want. Mr. Mannle asked why the residents have to keep coming forward to speak opposed to such zoning changes. He said the proposed changes do not protect the neighborhoods on Lafayette Road, it allows changes to impact the neighborhood.

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

Mayor Spear read the legal notice, declared the Public Hearing open and called for speakers. Seeing no speakers, Mayor Spear declared the Public Hearing closed.

- 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

Mayor Spear read the legal notice, declared the Public Hearing open and called for speakers. Seeing no speakers, Mayor Spear declared the Public Hearing closed.

VIII. APPROVAL OF GRANTS/DONATIONS

- A. Acceptance of Donation/Lloyd M. Horlick Revocable Trust to the Portsmouth Fire Department - \$211,000.00

Councilor Kennedy moved to accept this donation under the terms described in the Trust. Seconded by Assistant Mayor Lister.

Councilor Novelline Clayburgh asked who will decide how the money is spent. City Attorney Sullivan said it would be the Fire Chief or the Deputy as designated in the Trust.

Councilor Thorsen said that this is wonderful but asked if this is an open ended decision. City Attorney Sullivan said that Mr. Horlick did not require the Fire Chief to discuss it with any one.

City Manager Bohenko said he thinks that the Fire Chief would speak with the Fire Commission but does not need to. He further stated he would like to see this as a non reoccurring expense but the Chief has the right to spend it how he wants.

Motion passed.

IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First reading of Proposed Zoning Ordinance Amendments – Office Research District

Councilor Lown moved 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. Seconded by Councilor Coviello.

Councilor Smith said he has not made a decision on this matter. He stated by letting a second reading and public hearing it allows for discussion and the public to come forward and speak.

Mayor Spear asked City Manager Bohenko if there would be a presentation at second reading on this proposed Ordinance. City Manager Bohenko confirmed that there would be a presentation at the Public Hearing and second reading.

Assistant Mayor Lister said he would like to know if this is specific to one property.

Planning Director Taintor provided a brief synopsis of the Ordinance. He stated that the amendment applies to all Office Research Districts in the City and not just one location. He added that the request that came to the City Council was to look at 7 or 8 parcels on Lafayette Road. He said the Planning Board heard from the neighbors to not have the parcels changed to Gateway. He further stated that they are looking at changing zoning in the Bartlett Street area and the Table of Use Regulations were reviewed as well. Planning Director Taintor said two issues are recommended for changes with Assisted Living and Fraternal Organizations. He said this does not allow for Continued Care Retirement Communities, those uses are not allowed in an Office Research District.

Councilor Kennedy said she is against changing all Office Research Districts in the City. She said that if rezoning for one parcel is being considered then they should be going before the Board of Adjustment for a special exception. She stated that she sees zoning changes as life changes.

Councilor Dwyer responded from her experience in serving on the Planning Board. She said the last Master Plan voted to look at the Office Research Districts as it is a long standing issue. She further stated that the parcels do not meet the current uses of the zoning. Councilor Dwyer said this is part of an on-going issue of districts in the City.

Councilor Coviello asked Planning Director Taintor to correct anything that is not correct in his comments. He said the Board of Adjustment and Planning Board are two different paths. The Board of Adjustment provides leeway for use and dimensional leeway. He stated that is one meeting, then you have policy decisions. Policy should not occur with the Board of Adjustment. Councilor Coviello said the Planning Board and City Council make policy decisions and are more thorough and therefore, he feels it is a more appropriate process. He stated he received calls in support of the changes being recommended and feels the public hearing process is good.

Motion passed with Councilor Kennedy voting opposed.

- 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

Councilor Coviello moved to adopt the Resolution for Elderly Exemptions, as submitted. Seconded by Assistant Mayor Lister and voted.

- 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

Councilor Kennedy moved to adopt the Resolution for the Disabled Exemptions, as submitted. Seconded by Assistant Mayor Lister and voted.

- 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

City Attorney Sullivan requested a minor amendment to the Ordinance which would require the City Council to suspend the rules in order to make a motion for the amendment.

Councilor Coviello moved to suspend the rules to amend Section 7A.406 – Horse Drawn Carriages from reading – In addition to any other parking prohibiting law, to read as follows: *In addition to any other penalty provided by law.* Seconded by Councilor Dwyer and voted.

Councilor Smith moved to pass third and final reading of the proposed ordinance, as amended. Seconded by Councilor Coviello and voted.

- E. Third and final reading of Amendment to Chapter 7, Article III, Section 7.330 – No Parking – Junkins Avenue both sides

Councilor Smith moved to pass third and final reading. Seconded by Councilor Dwyer.

Councilor Lown said he understands the reason but will vote against the ordinance. He does not see this as a problem and does not want to see signs placed.

Councilor Coviello said he agrees with Councilor Lown and Councilor Kennedy expressed the same views.

Councilor Dwyer said with the last City Council, Mayor Spear asked for this to be looked at and was brought forward by the Traffic & Safety Committee for control signage on existent poles.

Councilor Smith stated for the record that the causeway is no parking. He also said that the Traffic & Safety Committee has endorsed the ordinance amendment and would only require two new signs which would be affixed to poles.

On a 6-3 roll call vote, motion passed. Assistant Mayor Lister, Councilors Coviello, Novelline Clayburgh, Dwyer, Smith and Mayor Spear voted in favor. Councilors Kennedy, Lown and Thorsen voted opposed.

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***)

Councilor Smith moved to adopt the Consent Agenda. Seconded by Councilor Dwyer and voted.

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

2. Request for Approval of Teacher's Early Retirement

City Manager Bohenko asked Superintendent McDonough to speak on this matter.

Superintendent McDonough said in order to achieve budget guidelines without compromising education, the School Board approved a one-time retirement incentive package, subject to Council approval. The purpose of this program was to provide a lump sum payment as an incentive to long term employees who are eligible to retire. He spoke to the details of the program as outlined:

Eligible members who have 15 years or more service in the district by the end of the 2011-2012 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 retired under the NHRS at the end of the 2011-2012 school year can receive a one-time payment of \$12,000.00

Eligible members who have more than 5 years and less than 15 years or more service in the district by the end of the 2011-2012 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 2011-2012 school year can receive a one-time payment of \$1,000.00 for every year of service in the district not to exceed \$10,000.00

He reported that 5 teachers have submitted their intent to retire as a result of this program with estimated savings of \$80,615.00.

Councilor Lown moved to approve the request from the Portsmouth School Board to offer a retirement incentive to teachers, as presented. Seconded by Councilor Dwyer.

Councilor Novelline Clayburgh thanked Superintendent McDonough and staff for this creativity and meeting the budget guideline.

Assistant Mayor Lister echoed Councilor Novelline Clayburgh's comments.

Motion passed.

3. Request for Approval of Tentative Agreement between the Portsmouth Police Commission and NEPBA Local #11, Portsmouth Patrolman's Association

Negotiator Tom Closson reviewed the highlights for the contract with the City Council.

- 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 \$34,725.00
- This Tentative Agreement does not include educational incentives and shift differentials which would have cost \$65,997.00
- In addition, it does not include the step after 8 years of service resulting in a reduction of \$10,035.00

Assistant Mayor Lister moved to approve the Tentative Agreement between the Portsmouth Police Commission and NEPBA Local #11 Portsmouth Patrolman's Association. Seconded by Councilor Smith.

Assistant Mayor Lister said this agreement falls within the guidelines of the City Council and will assist in the preparation of the FY13 budget.

Councilor Lown said he would support the agreement. He feels the morale in the department would suffer if not approved. He said the union has made significant concessions and savings for the City. Councilor Lown stated it would allow for recruitment of new officers and puts the contract in sync with other contracts in the City. He would like to see further changes in health insurance in the future. In addition, he said that Tom Flygare was on the front lines negotiating this contract and we should honor his hard work and support this.

Councilor Dwyer said that this contract takes away an unknown liability regarding the flagger issue. It also allows the Police Commission to move forward with items in the recent Police Study.

Councilor Smith spoke in support of the contract, and stated it has significant cost savings for the City. He also stated it would allow for a Health Insurance Task Force Committee and have police officers as representatives.

Councilor Thorsen said he wants to approve the contract if not for a couple of items, he will vote opposed. He expressed concern with the pensions and overtime and there needs to be rules to mitigate these matters.

Councilor Coviello said he would not support the contract. He stated that no one wants to oppose the contract. He spoke to the increase in health care costs and the need for further concessions.

Councilor Kennedy spoke in support of the contract because it is only for two years. She said that health insurance costs with federal changes are bigger than we think. She stated that the Police Department needs to start looking at overtime and sick time and we all need to give and look for more cuts.

Councilor Novelline Clayburgh said she would support the contract. She stated that negotiations require concessions and compromise and a two year contract makes it more attractive for the City Council. She further stated that changes should be made for new hires.

Mayor Spear asked the Police Commission if they felt confident with meeting the 2.9% budget guideline with the adoption of this contract. Commissioner Golumb said they will meet the 2.9% increase guideline. Mayor Spear said the increase cost is 7% with the contract and asked how the Commission will manage the cost increases. Commissioner Golumb said that the Commission will take advantage of the organizational study.

Councilor Lown said he would like the Commission to state that they are committed to making the changes based on the Police Study. Commissioner Golumb said they are committed but it will take time to put the changes in place.

On a roll call vote 7-2, motion passed. Assistant Mayor Lister, Councilors Kennedy, Novelline Clayburgh, Lown, Dwyer, Smith and Mayor Spear voted in favor. Councilors Coviello and Thorsen voted opposed.

4. Proposed Memorandum of Agreement between the Portsmouth School Board and the Association of Portsmouth Teachers

Superintendent McDonough advised the Council that the Association of Portsmouth Teachers' have agreed to freeze their STEP and COLA increases for six months next school year (2012-2013), and would again freeze their STEP and COLA, for six months, during the 2013-2014 school year in exchange for an added year on their contract. The contract would extend to June 30, 2014 bringing them in line with the other nine collective bargaining agreements. He further stated that if approved, next year's savings would be roughly \$364,000.00 and similar savings would be achieved in FY'14.

Assistant Mayor Lister moved to approve the Memorandum of Agreement between the Portsmouth School Board and the Association of Portsmouth Teachers, as presented. Seconded by Councilor Dwyer.

Negotiator Tom Closson addressed the language and its complexity regarding some teachers receiving 26 paychecks and some receiving 21.

City Manager Bohenko requested some leeway with the language in accepting the agreement. Assistant Mayor Lister as maker of the motion and Councilor Dwyer as second to the motion agreed to the changes.

Councilor Lown commended the School Board and teachers for doing this and said the City Council appreciates their sacrifice.

Motion passed.

5. Report Back Re: Policy Regarding Appointments to City Boards and Commissions

City Manager Bohenko reviewed the policy and said if adopted the policy would only allow those persons who have resided in the City for a cumulative total of at least two years to serve on a City Board or Commission.

Councilor Lown said he does not see the need for a policy. He stated that the City Council can vote an applicant up or down on its merits.

Councilor Thorsen said he does not see a purpose for this policy. He stated that the City Council is the top deliberative body and we do not need a rule to curb our decision. He further stated that each City Council would have a different way of evaluating applications. Councilor Thorsen said he is opposed to the policy based on the need for flexibility to have good people serve.

Councilor Dwyer said she normally would agree with Councilors Smith and Novelline Clayburgh, and in the spirit of fairness the City Council needs a rule and feels that two years is too long. She stated she would like to amend the policy to a one year residency requirement.

Councilor Dwyer moved to amend the Policy to allow for the appointment of those persons who have resided in the City of Portsmouth for at least 1 year. Seconded by Assistant Mayor Lister.

Assistant Mayor Lister said he feels that we should have less than a two year requirement.

Councilor Kennedy said she feels in any community you live in takes time, and many people are in agreement that two years is appropriate.

Councilor Coviello said he would be fine with the one year requirement for a full member position but a different requirement for alternate members.

Councilor Novelline Clayburgh said she supports the amendment for the reasons stated. She said some Councilors feel that there needs to be a rule, and it is a good policy.

Councilor Smith said he supports the amendment to a one year requirement and feels it is important to have a policy in place. He said that this has been an issue for many years with the Council. He further stated that it takes time to become part of a specific community.

On a roll call 6-3, voted to amend the Policy to allow for the appointment of those persons who have resided in the City of Portsmouth for at least 1 year. Assistant Mayor Lister, Councilors Kennedy, Novelline Clayburgh, Dwyer, Smith and Mayor Spear voted in favor. Councilors Coviello, Lown and Thorsen voted opposed.

On a roll call vote 5-4, main motion passed as amended. Assistant Mayor Lister, Kennedy, Novelline Clayburgh, Dwyer and Smith voted in favor. Councilors Coviello, Lown, Thorsen and Mayor Spear voted opposed.

6. Request to Renew Seacoast Growers' Association (Farmers' Market) Proposed 2012 License Agreement

Councilor Smith moved to authorize the City Manager to enter into a License Agreement with the Seacoast Growers' Association for 2012, as presented. Seconded by Councilor Lown and voted.

7. Proposed Amendment Re: Fund Balance Ordinance

City Manager explained the terminology change for the Fund Balance Ordinance. He said the term Undesignated has been changed to Unassigned.

Councilor Smith moved to authorize the City Manager to bring back for first reading the proposed Fund Balance Ordinance, at the March 5, 2012 City Council meeting. Seconded by Assistant Mayor Lister and voted.

8. Proposed Bond Refunding Resolution

City Manager Bohenko said this is regarding a bond issued on September 15, 2002 with the majority of the proceeds financing the construction/renovation of the High School. He stated that 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. City Manager Bohenko reported that 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 \$200,000.00 per year, net of all issuance costs, over the remaining life of the bond.

Councilor Smith moved to bring back for first reading a proposed Refunding Resolution of up to Twenty Million Dollars (\$20,000,000.00) 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. Seconded by Councilor Coviello.

Councilor Lown said this is one illustration of why you should have a high bond rating.

Motion passed.

9. Proposed Funding Authorization for Long-Term Control Plan Projects

Deputy Public Works Director Allen reported that for the past 2 ½ 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. He stated that plan 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). Deputy Public Works Director Allen also reported that 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. He said the first phase of the Lincoln projects will be completed this spring. The other three projects need to be constructed over the next 2 ½ years. Those projects are Lincoln 3B and Cass Street, followed by Lincoln 3C.

Councilor Novelline Clayburgh moved 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. Seconded by Councilor Smith and voted.

City Manager's Informational Items

- Peter Rice – New England Water Environment Association Alfred E. Peloquin Award

City Manager Bohenko announced at the New England Water Environment Association annual meeting, Peter Rice, 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. He stated that 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.

- Events Listing

Councilor Coviello said during the campaign last year he received complaints from individuals regarding the number of events occurring at the Little Harbour School and the noise created from the amplification systems. City Manager Bohenko stated that he advises each event coordinator to curtail amplification.

Mayor Spear advised the City Council that the City Manager is working with him on establishing dates for Work Sessions on matters discussed at the Council Retreat held in January. He requested the Council provide feed back in the next few days relative to the tentative dates.

- March 12th – Parking Guiding Principles & Disposal of Connie Bean Center at 6:30 p.m. in the Eileen Dondero Foley Council Chambers
- March 26th – Quarterly Meeting with Planning Board, Historic District Commission and the Economic Development Commission at 6:30 p.m. in the Eileen Dondero Foley Council Chambers
- April 9th – Quarterly Wastewater Update at 6:30 p.m. in the Eileen Dondero Foley Council Chambers

Mayor Spear requested that the City Council advise City Manager Bohenko of any conflicts with the above referenced dates.

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

The above referenced appointment recommendations will be brought back for Council vote on March 5, 2012.

Councilor Novelline Clayburgh said the matrix that was developed by City Attorney Sullivan states that the appointment authority for the Historic District Commission would be by the City Council and does not see that the Mayor would make that appointment. Mayor Spear stated that he spoke with Councilor Thorsen on this appointment to the Historic District Commission and he had no issues with bringing the application forward.

Councilor Thorsen said that he spoke with Mayor Spear on the appointment of Daniel Rawling to the Historic District Commission as well as the Chair of the Commission.

Councilor Kennedy stated that she will be contacting each applicant to find out if they would like to be appointed and if they have not been contacted she will vote opposed to the applicant.

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

Mayor Spear withdrew the application for Sherry-Lea Bloodworth Botop for appointment as an Alternate to the Planning Board due to the recently adopted Council Policy which indicates that a person must be a resident for 1 year before appointment to a Board or Commission.

Councilor Dwyer said that Ms. Botop has been a resident in the City for 10 months at this point and would make a good appointment to the Planning Board. She stated that Ms. Botop's application could be voted on by the Council with an effective date of April. Mayor Spear said he still would like to withdraw the application at this point and Ms. Botop could reapply at a later date if she chooses.

Councilor Coviello moved to reappoint Phyllis Eldridge to the Trustee of the Trust Funds until January 1, 2015. Seconded by Councilor Novelline Clayburgh and voted.

3. Appointment of School Board Member to the Board of Library Trustees

Mayor Spear advised the City Council that the School Board is recommending the appointment of Mary Olea as the School Board Representative to the Board of Library Trustees.

Councilor Coviello moved to approve the selection of Mary Olea to serve as the School Board's liaison to the Portsmouth Library Board of Trustees. Seconded by Assistant Mayor Lister and voted.

4. Current Boards and Commissions Vacancies

Mayor Spear provided the City Council with a list of current vacancies of various Boards and Commissions and requested that each Councilor try to bring two names forward for the available vacancies.

C. COUNCILOR KENNEDY

1. *Senior Services Update

Councilor Kennedy stated that there are still issues involving the senior services program. She indicated that the cost of these services is prohibitive for some, and she is fearful that there will be no funding available for this program. Councilor Kennedy said that this is a quality of life issue.

City Manager Bohenko reported that there is a Senior Services Retreat tomorrow. He stated that information gathering is ongoing and we will hear from a national consultant at the retreat relative to senior services. City Manager Bohenko also stated that he could provide more information on this matter in a month.

Councilor Novelline Clayburgh said last week there was an all day retreat which was an active group of people. She said at the retreat a need for a senior center, transportation issues, and funding sources were discussed.

D. COUNCILOR THORSEN

1. Non-Binding Resolution – Flat Budget

Councilor Thorsen read the Non-Binding Resolution which calls for a flat budget.

Councilor Thorsen moved to adopt this Non-Binding Resolution requesting a flat budget. Seconded by Councilor Kennedy.

Councilor Thorsen said this is a Non-Binding Resolution for the purpose of vision and guidance. He stated that the City Council has discussed their positions on where the budget ought to be. He felt it was important to bring this Resolution forward to discuss what we expect in the budget.

City Manager Bohenko reviewed the various ways we have approached the budget. He stated it is the City Council's duty to bring a budget that fits the community. He said he would try to bring in a budget below the 2.9%. If this Resolution passes this evening, he does not want the Council to feel he is not following their wishes. He indicated we could work towards a flat budget in the future and indicated that the Council may want to ask Department Heads what effect a flat budget would have on them.

Councilor Thorsen said he does not want to postpone it any further. He said when is a decision like this needed.

City Manager Bohenko stated over the last three fiscal years we have held to a flat line budget and reduced our work force by 9%.

Councilor Kennedy said she seconded the motion because she agrees. She stated it always seems like it is not an appropriate time to discuss a flat budget and she feels the target should have been a 0% increase this year.

City Manager Bohenko said we can't ignore the past. The last three years we have kept the budget flat; at some point you will affect quality of life.

Assistant Mayor Lister said he agrees with some points made by Councilor Thorsen but he will not agree with the Resolution. He said for the last three years we have had a flat budget and to go to a flat budget now is what creates mistrust between the City Council and employees. He further stated that departments have done a great job at coming in at a 2.9% increase.

Councilor Novelline Clayburgh said she would not support the Resolution. She said our City Manager explained that this is his budget and once the City Manager provides the Council with the budget it becomes their budget.

Councilor Coviello stated that the Council has done what the goal of the Non-Binding Resolution is. He understands the concerns, and the Council will receive a great deal of information from departments at the Work Sessions. Councilor Coviello said he would not support the Resolution.

Councilor Lown said he respects what Councilor Thorsen is looking for and does not feel a Non-Binding Resolution would hurt, but he said he feels it is important to keep an open mind.

Councilor Smith said he would not support the Resolution but does like the meaning. He said he feels that this should come forward in August. He suggested that the Council hold a mini-retreat in August to discuss budget guidelines.

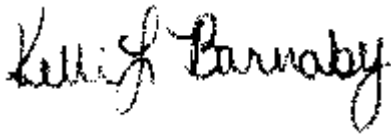
On a roll call vote 2-7, motion to adopt this Non-Binding Resolution requesting a Flat Budget failed to pass. Councilors Kennedy and Thorsen voted in favor. Assistant Mayor Lister, Councilors Coviello, Novelline Clayburgh, Lown, Dwyer, Smith and Mayor Spear voted opposed.

Mayor Spear recommended if the Council has questions for departments they should submit them in writing to the City Manager for answers.

XIII. MISCELLANEOUS/UNFINISHED BUSINESS

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

At 9:55 p.m., Councilor Smith moved to adjourn. Seconded by Councilor Novelline Clayburgh and voted.

A handwritten signature in black ink that reads "Kelli L. Barnaby". The signature is written in a cursive, flowing style.

Kelli L. Barnaby, CMC/CNHMC
City Clerk