

CITY COUNCIL MEETING

MUNICIPAL COMPLEX, EILEEN DONDERO FOLEY COUNCIL CHAMBERS, PORTSMOUTH, NH
DATE: MONDAY, FEBRUARY 4, 2013 TIME: 6:00PM

AGENDA

- 5:30PM - ANTICIPATED "NON-MEETING WITH COUNSEL RE: LITIGATION – RSA 91-A:2 I (c)
- 6:00PM – WORK SESSION REPORT BACK ON LETTER AND PETITION OF ISLINGTON CREEK NEIGHBORHOOD ASSOCIATION RE: BOARDING HOUSE

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

V. ACCEPTANCE OF MINUTES – JANUARY 22, 2013

VI. PUBLIC COMMENT SESSION

VII. PUBLIC HEARINGS

- A. CAPITAL IMPROVEMENT PLAN (CIP) FY2014-2019 (*Action on this matter will be taken at the February 19, 2013 City Council meeting*)
- B. ORDINANCE AMENDING CHAPTER 1, ARTICLE XIV, SECTION 1.14 – MUNICIPAL FUND BALANCE
- C. CONCERNING THE PUBLIC NECESSITY FOR OBTAINING PERMANENT AND TEMPORARY EASEMENTS AND TO PROCEED AS MAY BE NECESSARY WITH AN EMINENT DOMAIN ACTION. THE PROPERTY INVOLVED IS OWNED BY PAN AM RAILWAYS/BOSTON & MAINE RAILROAD OFF OF BARTLETT STREET, MAP 164, AND LOT 004

VIII. APPROVAL OF GRANTS/DONATIONS

- A. Acceptance of Police Department Grants and Donations:
 - Grant from the State of New Hampshire Department of Safety for the Part II Local Law Enforcement Radio Interoperability Initiative - \$25,332.88
 - Grant from the State of New Hampshire Department of Justice in support of the DV/SA Victim Advocate for the Police Department - \$50,000.00
 - Donations to the Police Cadet Explorer Post:
 - Mr. J. Page - \$135.00
 - Ms. J. Spear - \$35.00
 - Mr. F. Mastan - \$50.00

(Sample motion – move to approve and accept the grants and donations to the Portsmouth Police Department, as listed)

IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First reading of Resolution Increasing the Maximum Income Limit for Individuals Qualifying for the Elderly Real Estate Tax Exemption:

Elderly Exemption at 2%

Single	\$35,176.00 increase of \$690.00
Married	\$43,393.00 increase of \$851.00
Asset Limit of	\$117,257.00 increase of \$2,299.00

(Sample motion – move to pass first reading and authorize the City Manager to bring back for public hearing and adoption the proposed Resolution at the February 19, 2013 City Council meeting)

- B. First reading of Resolution Increasing the Maximum Income Limit for Individuals Qualifying for the Disabled Real Estate Tax Exemption:

Disabled Exemption at 2%

Single	\$35,176.00 increase of \$690.00
Married	\$43,393.00 increase of \$851.00
Asset Limit of	\$117,257.00 increase of \$2,299.00

(Sample motion – move to pass first reading and authorize the City Manager to bring back for public hearing and adoption the proposed Resolution at the February 19, 2013 City Council meeting)

- C. Second Reading of Proposed Ordinance Amendment to Chapter 1, Article XIV, Section 1.14 – Municipal Fund Balance ***(Sample motion – move to pass second reading and hold third and final reading on the proposed Fund Balance Ordinance, at the February 22, 2013 City Council meeting)***

- D. Adoption of Resolution concerning the Public Necessity for obtaining Permanent and Temporary Easement sand to proceed as may be necessary with an Eminent Domain Action. The Property Involved is owned by Pan Am Railways/Boston & Maine Railroad off of Bartlett Street, Map 164, and Lot 004 ***(Sample motion – move to adopt the Resolution attached)***

X. CONSENT AGENDA

A MOTION WOULD BE IN ORDER TO ADOPT THE CONSENT AGENDA

- A. Request for Approval of Pole License to install 3 poles located on Sagamore Road ***(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)***

- B. *Acceptance of Donations to Recreation Department in the amount of \$180.00 in memory of Thomas Leary:
- PHS Class of 1958 Club Girls - \$30.00
 - Priscilla Syphers - \$50.00
 - Appzero Software, Inc. - \$100.00

(Anticipated action – move to approve and accept the donations to the Recreation Department, as listed)

- C. Letter from David Hallowell, Portsmouth Maritime Folk Festival, requesting permission to hold the Annual Portsmouth Maritime Folk Festival on Saturday, September 28, 2013 and Sunday, September 29, 2013 ***(Anticipated action – move to refer to the City Manager with power)***
- D. Letter from Kelly Sicard, Breathe New Hampshire, requesting permission to hold the 28th Annual Seacoast Bike Tour on Saturday, May 18, 2013 and Sunday, May 19, 2013 ***(Anticipated action – move to refer to the City Manager with power)***
- E. Letter from Gale Auclair, American Lung Association, requesting permission to hold the 4th Annual Cycle the Seacoast Ride on Sunday, May 5, 2013 ***(Anticipated action – move to refer to the City Manager with power)***
- F. Letter from Thomas Martin, The Portsmouth Criterium, requesting permission to hold the Portsmouth Criterium Bike Race on Sunday, September 8, 2013 ***(Anticipated action – move to refer to the City Manager with power)***
- G. Letter from Kristen Lyons, Sexual Assault Support Services, requesting permission to hold the 5th Annual 5k to Keep Kids SAFE on Sunday, May 19, 2013 at 11:00 a.m. ***(Anticipated action – move to refer to the City Manager with power)***

XI. PRESENTATION & CONSIDERATION OF WRITTEN COMMUNICATIONS & PETITIONS

- A. Letter from Attorney Bernard Pelech regarding Rezoning request for property located at 678-680 Maplewood Avenue ***(Sample motion – move to refer to the Planning Board for report back)***

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 Resolutions Amending Elderly & Disabled Exemptions Income Asset Limits ***(Action on this item should take place under Section IX of the Agenda)***

2. Public Hearing:
 - 2.1 Public Hearing Re: Proposed Capital Improvement Plan (CIP) FY2014-2019
(Action on this matter will be taken at the February 19, 2013 City Council meeting)
3. Public Hearing/Second Reading of Proposed Ordinance Amendments:
 - 3.1 Public Hearing/Second Reading of Proposed Ordinance Amendment to Chapter 1, Article XIV, Section 1.14 – Municipal Fund Balance **(Action on this item should take place under Section IX of the Agenda)**
4. Public Necessity Hearing and Adoption of Resolution:
 - 4.1 Public Necessity Hearing and Adoption of Resolution to acquire Easements from Pan Am Railways through the Eminent Domain Process **(Action on this item should take place under Section IX of the Agenda)**

City Manager’s Items Which Require Action

1. Report Back Re: Former U.S. Army Reserve Center on Cottage Street
2. Request for Approval on Teacher’s Retirement Incentive

Informational Items

1. Events Listing
2. City Council Work Session Re: Sewer/Water Rate Study
3. Report Back Re: Change of “Trick or Treat” Date
4. Update Senior Transportation Program

B. MAYOR SPEAR

1. Appointments to be Considered:
 - Kelly Weinstein – Citywide Neighborhood Steering Committee
 - Lisa Louttit – Peirce Island Committee
 - J. Robert Shouse - Blue Ribbon Committee on Sustainable Practices
2. Resignation – Paul S. Ford as the Taxi Industry Liaison to the Taxi Commission
3. Status of the proceeds from the Sale of 127 Parrott Avenue formerly the Senior Center

C. COUNCILOR SMITH

1. *Report Back and Update Status of Parking Traffic & Safety Committee Parking Garage Site Selection

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 Zoning Board of Adjustment Minutes of the December 18, 2012 meeting are available on the City's website for your review
2. Notification that the Planning Board Minutes of the September 13, 2012 and September 20, 2012 meetings 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: January 31, 2013
To: Honorable Mayor Eric Spear and City Council Members
From: John P. Bohenko, City Manager 
Re: City Manager's Comments on February 4, 2013 City Council Agenda

5:30 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.

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Work Session:

1. **Report Back on Letter and Petition of Islington Creek Neighborhood Association Re: Boarding House at 21 Brewster Street.** On Monday evening at 6:00 p.m., the City Council will be meeting in a work session prior to the regular meeting to receive a report back from City staff as it relates to the petition and letter from the Islington Creek Neighborhood Association regarding the boarding house at 21 Brewster Street.

David Allen, Deputy City Manager, will be leading this presentation along with other City staff.

Acceptance of Grants and Donations:

1. **Acceptance of Police Department Grants and Donations.** Attached under Section VIII of the Agenda is a memorandum, dated January 23, 2013, from John F. Golumb, Chairman of the Portsmouth Police Commissioners, and Police Chief Stephen J. DuBois, requesting that the City Council approve the following grants:
 1. A grant allocation in the amount of \$25,332.88 for the purchase of seven additional radios as part of the Part II Local Law Enforcement Radio Interoperability initiative. The department will also be allowed to deduct the cost of programming the radios under the terms of the grant.

2. A grant in the amount of \$50,000 from the State of New Hampshire Department of Justice in support of a DV / SA Victim Advocate for the Portsmouth Police Department.
3. Donations as follows in support of the Portsmouth Police Cadet Explorer Post:
 - a. A donation in the amount of \$135.00 from Mr. J. Page
 - b. A donation in the amount of \$35.00 from Ms. J. Spear
 - c. A donation in the amount of \$50.00 from Mr. F. Mastan

The Police Commission is submitting this information pursuant to City Policy Memorandum #94-36 for City Council approval and acceptance.

I would recommend that the City Council move to approve and accept the grants to the Portsmouth Police Department, as listed. Action on this matter 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 Resolutions Amending Elderly & Disabled Exemptions Income Asset Limits.** As requested by the City Council at the January 22nd City Council meeting, under Section IX of the Agenda, I am bringing back for first reading 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 (**see attached State Statute**) and RSA 72:37-b and makes recommendations as to these levels.

Last year, the City Council adopted resolutions #1-2012 and #2-2012 which increased the income and asset levels for both the elderly and disabled exemptions by 2.9% from the previous year. The current elderly and disabled exemption income levels are \$34,486 for a single taxpayer, \$42,542 for married taxpayers, and an asset limit of \$114,958.

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 to 79 \$175,000
- Age 80 + \$225,000

If qualified, for disabled taxpayers, the exemption off the assessed value of the property is \$100,000.

As requested, the **Resolutions attached** adjust the income and asset levels for both the elderly and disabled taxpayers by the November to November CPI of 2.0 %. This would increase the limits (rounded up) as follows:

- Single \$ 35,176 increase of \$690
- Married \$ 43,393 increase of \$851
- Asset Limit of \$117,257 increase of \$2,299

Any adjustment if approved would be for assessments as of April 1, 2013 for the 2013 tax year or FY14.

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.

If the City Council wishes to make the proposed adjustments, it would require a public hearing and a majority vote of the City Council to adopt the **attached proposed Resolutions**. I have **attached for your information the tax impact of the elderly and disabled exemptions for FY13**.

As requested by the City Council at your January 22, 2013 meeting, the City Assessor has reported back concerning the elderly and disabled exemptions.

The State of New Hampshire per RSA 72:39-a, provides for Conditions for the Elderly Exemption. Minimum amounts that a town or city can offer for the exemption are as follows:

- Income Limits - \$13,400 for single applicants and \$20,400 for married applicants.
- Asset limit - \$35,000
- Exemption Amount - \$5,000 off the assessed value for all age categories.

RSA 72:39-b allows a town or city to modify the elderly exemptions limits by the procedure in RSA 72:27-a; which the City of Portsmouth has adopted to do in prior years.

Unlike the elderly exemption, the disabled exemption is not a mandatory exemption but a local option. Each town or city within the state may adopt this exemption per RSA 73:27-b and if adopted, minimum amounts are similar as the elderly exemption except there is no minimum on the exemption amount. These amounts may be modified following the same procedures as the elderly exemption but do not have to be the same.

The [attached spreadsheets](#) are the results of a survey taken which includes all 13 cities within the State of New Hampshire and neighboring communities of the City of Portsmouth. This survey shows the income, asset and exemption amounts offered and include a comparison of the median household income for each community and median household income of those 65 years and over as reported by the U.S. Census Bureau 2007-2011 American Community Survey 5-Year estimates.

The City Assessor has also included within her report a comparison since fiscal year 2000 of the income, asset, and exemption amounts offered by the City of Portsmouth for both the elderly and disabled exemptions.

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

1) Move to pass first reading and authorize the City Manager to bring back for public hearing and adoption the Resolution for Elderly Exemptions at the February 19, 2013 City Council meeting, as submitted. (Resolution requires two readings and a majority vote.)

2) Move to pass first reading and authorize the City Manager to bring back for public hearing and adoption the Resolution for Disabled Exemptions at the February 19, 2013 City Council meeting, as submitted. (Resolution requires two readings and a majority vote.)

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

2. **Public Hearing:**

2.1 **Public Hearing Re: Proposed Capital Improvement Plan (CIP) FY2014-2019.**

In accordance with Section 7.7 of the City Charter, a Public Hearing on the proposed Capital Improvement Plan for FY2014-2019 will take place on Monday evening at 7:00 p.m. At that time, I have requested that staff make a PowerPoint presentation giving the public an overview of the proposed Capital Plan for the aforementioned years. In addition, I will have copies available of the summary pages for the public, as well as the capital expenditures that will be proposed in the FY2014 budget. Also, a copy of the Capital Plan is on our web page (www.cityofportsmouth.com).

The City Council is required, in accordance with Section 7.8 of the City Charter, to adopt the Capital Plan subsequent to the Public Hearing and before the City Manager submits the budget to the City Council. I anticipate that I will be transmitting my proposed FY2014 budget to you on or about March 28, 2013. Given that projected date, I am suggesting the City Council adopt the proposed Capital Improvement Plan at your February 19th City Council meeting. **Please**

bring your Capital Improvement Plan with you. If you need another copy, please let me know.

I would suggest that action on this matter be taken at the February 19th City Council meeting, at which time I will recommend adoption of the CIP with any appropriate amendments.

3. **Public Hearing/Second Reading of Proposed Ordinance.**

- 3.1 **Public Hearing/Second Reading of Proposed Ordinance Amendment to Chapter 1, Article XIV, Section 1.14 – Municipal Fund Balance.** As a result of the January 22nd City Council meeting, under Section VII of the Agenda, I am bringing back for public hearing and second reading the **attached proposed Ordinance amendment** to Chapter 1, Article XIV, Section 1.14 – Municipal Fund Balance, which would maintain an unassigned fund balance of not less than 10% with a goal of 17%. Please note further that use of unassigned fund balance typically should be used for appropriations that are nonrecurring in nature.

As you will recall, at the October 27, 2012 City Council Retreat, there was a request to review the existing Fund Balance Ordinance to determine if it needed any revisions that would place the City in a better position to obtain a AAA bond rating. As you are aware, the City presently has a bond rating of AA+ which is one step below AAA.

Since 1997, the City has received four bond upgrades which have been attributed directly to financial policies that the City has enacted (stable tax rate, health insurance stabilization fund, leave at termination fund, capital improvement plan and fund balance ordinance).

In reviewing AAA ratings in other communities, it appears that the one thing they have in common is a fund balance policy and/or an ordinance that strives to maintain an unassigned fund balance between 10% and 17% of general fund appropriations.

As part of the discussion at the January 7, 2013 meeting regarding this matter, there were two inquiries which required a report back as follows:

Question 1:

Councilor Thorsen - What is the marginal benefit between an AA+ and AAA rating?

The following chart is an estimate of the interest savings the City would realize on a \$20 million bond issue, issued for 20 years, if the City's bond rating was upgraded to AAA from AA+. These interest rates are compiled by Municipal Market Data (MMD), which collects interest rate information on bonds in the market and reports the rates daily by rating category and by maturity dates. The

analysis shows, under current market conditions, the City would expect to save approximately \$236,000 in interest over the life of a \$20 million, 20 year bond issue as a result of the upgrade.

Estimated current benefit of an upgrade from AA+ to AAA on \$20 million Bond Issue

Year	AAA	AA+	AA	Interest Rate Difference Between AA+ and AAA	Assumed Principal	Interest
1 2014	0.20	0.23	0.25	0.03%	1,000,000	19,950
2 2015	0.34	0.39	0.43	0.05%	1,000,000	19,700
3 2016	0.47	0.52	0.57	0.05%	1,000,000	19,250
4 2017	0.61	0.69	0.77	0.08%	1,000,000	18,750
5 2018	0.76	0.85	0.93	0.09%	1,000,000	17,950
6 2019	0.88	0.98	1.07	0.10%	1,000,000	17,100
7 2020	1.09	1.19	1.29	0.10%	1,000,000	16,150
8 2021	1.31	1.42	1.52	0.11%	1,000,000	15,150
9 2022	1.51	1.62	1.73	0.11%	1,000,000	14,100
10 2023	1.70	1.81	1.92	0.11%	1,000,000	13,000
11 2024	1.82	1.94	2.05	0.12%	1,000,000	11,900
12 2025	1.90	2.02	2.13	0.12%	1,000,000	10,750
13 2026	1.98	2.10	2.22	0.12%	1,000,000	9,600
14 2027	2.06	2.18	2.30	0.12%	1,000,000	8,400
15 2028	2.13	2.25	2.37	0.12%	1,000,000	7,200
16 2029	2.20	2.32	2.44	0.12%	1,000,000	6,000
17 2030	2.26	2.38	2.50	0.12%	1,000,000	4,800
18 2031	2.32	2.44	2.56	0.12%	1,000,000	3,600
19 2032	2.38	2.50	2.62	0.12%	1,000,000	2,400
20 2033	2.44	2.56	2.68	0.12%	1,000,000	1,200
Total					20,000,000	236,950

It is important to note that the difference in interest rates between different rating categories, referred to as the quality spread, is not fixed. When interest rates are high, the quality spread expands. So, although the interest cost difference between a AAA rated credit and a AA+ rated credit is relatively small right now, as rates rise, the quality spread will expand and the City can expect the impact to be greater.

Question 2:

Councilor Kennedy - What other types of criteria do the rating agencies use to assign a bond rating?

The City uses both Standard and Poor’s and Moody’s Investors Services to assign a credit rating before issuing bonds. Publications from both agencies use similar evaluation criteria for management to utilize and better position their governments for maximum stability in the short and long-term.

When reviewing an entity, Standard and Poor’s states *“Proactive budget and liability planning, strong liquidity management, and the establishment of reserves are among the factors the strongest issuers share.”* Moody’s Investor’s Services

states “A strong governmental management team prepares well for economic downturns, maintains strong controls during boom times, and manages well during all economic cycles”.

The following are key focus areas for rating agencies:

- **Focus on Structural Balance - Conservative Budgeting Techniques**
Preparing a balanced budget where recurring revenues match recurring expenditures. Not relying on one-time measures without the appropriate re-alignment of revenues and expenditures.
 - Recurring revenues match recurring expenditures
 - Conservative revenue forecasting
- **Fund Balance Policies**
A formalized policy for Fund Balance which identifies target level and the instances in which reserves may be used.
 - Unassigned Fund Balance Ordinance
 - Total Fund Balance
- **Established Stabilization Reserves**
A formalized financial reserve policy to provide financial flexibility and stability.
 - Health Insurance Stabilization Fund
 - Leave at Termination Fund
 - Reserve for Debt
- **Debt Management Policy**
A formalized debt plan that includes target and maximum debt levels, target for pay-as-you-go funding of capital work, and incorporation of these debt policies into a multi-year capital plan.
 - Pay-as-you-go financing Capital Outlay
 - City Policy is to use no more than 10% of annual appropriations toward net debt service payments
 - Remain below the allowable debt limit

- **Strong Liquidity Management**
 - Ability to manage Cash Flow
 - Strong reserves

- **Succession and Contingency Planning**
Ability to identify mid-year changes in revenues and expenditures and respond quickly.
 - Fund balance policies for contingency planning
 - Government's Management organizational structure

- **Other Factors**
 - Economic Development plans that suit the particular strengths and needs of the community
 - Demographics- Median Household Income
 - Tax Base
 - Economic Growth

The City has implemented most of the aforementioned criteria and is working on those areas that we feel can be strengthened.

Prior to the public hearing, Judie Belanger, Finance Director, will make a presentation regarding this matter.

I would recommend the City Council move to pass second reading and schedule third and final reading of the proposed Fund Balance Ordinance at the February 19, 2013 City Council meeting. Action on this matter should take place under Section IX of the Agenda.

4. **Public Necessity Hearing and Adoption of Resolution.**

- 4.1 **Public Necessity Hearing and Adoption of Resolution to acquire Easements from Pan Am Railways through the Eminent Domain Process.** Director of Public Works Steve Parkinson and Assistant City Attorney Suzanne Woodland will make a brief presentation as part of the public hearing relative to the McDonough-Brewster Street Drainage Improvements. The purpose of the hearing is to demonstrate the public necessity for drainage improvements in the area and to authorize condemnation proceedings as may be necessary to obtain easements over property owned by Pan Am Railways. During significant rain

events, flooding occurs at the end of Brewster Street and in the adjacent low areas north of McDonough Street.

The City proposes to install new drain lines and infrastructure over property owned by Pan Am railways to reduce flooding. Proposed Permanent Utility Easement 1 is 20 feet in width which would allow for the installation and maintenance of two new drain lines under existing rail lines and allow for the construction of an outfall at the North Mill Pond. A temporary 100 foot wide construction easement will also be part of the project to install the two drain lines. Proposed Permanent Utility Easement 2 consists of an approximately 500 foot corridor of approximately 25 feet in variable width. This corridor runs south of, and parallel to, the existing rail lines. This corridor will allow for the installation of a new drain line and encompass an existing public sewer line. See Exhibit A. These land acquisitions were referred to the Planning Board which recommended on October 18, 2012, that the City Council acquire the easements necessary for the project.

Although the City has proposed to negotiate with Pan Am Railways for the acquisition of the easement rights needed for this project, it is anticipated that these rights will need to be taken by eminent domain as has occurred with two other recent projects.

I would recommend the City Council move to adopt the Resolution attached hereto. Action on this item should take place under Section IX of the Agenda.

Consent Agenda:

1. **Acceptance of Donations to Recreation Department.** The City of Portsmouth Recreation Department has received the following donations in the amount of \$180.00 in memory of Thomas Leary:

➤	PHS Class of 1958 Club Girls	\$ 30.00
➤	Priscilla Syphers	\$ 50.00
➤	Appzero Software, Inc.	\$100.00

I would recommend the City Council move to approve and accept the donations to the Portsmouth Recreation Department, as listed. Action on this matter should take place under Section X of the Agenda.

City Manager's Items Which Require Action:

1. **Report Back Re: Former U.S. Army Reserve Center on Cottage Street.** Attached is a report back regarding the request of the Veterans of Foreign Wars for tenancy of the former U.S. Army Reserve Center on Cottage Street (see memorandum from David Moore, Community Development Director). As noted in the memo, Gary Puryear, who is the Department of the Army representative responsible for the disposal of the Center, confirmed that there are no Public Benefit Conveyance (PBC) programs that would result in a VFW receiving the Doble property. Additionally, Mr. Puryear advised that the Army considers VFW's private organizations and therefore, are not eligible to be considered as "other public benefits" in any Negotiated Sale between the City and the Army. He summarized that the only way a VFW organization could receive a BRAC property would be through the Public Sale option. Public sale by the Army would only take place if the City said it didn't want the property.

We will have a follow-up presentation on the Doble status at the February 19th City Council meeting, but we wanted to get this report back to the City Council so that we can advise the VFW that their request is not feasible.

In addition, we also received a letter dated January 23, 2013 from the American Legion Frank E. Booma Post 6 regarding consideration of the acquisition of the U.S. Army Reserve Center (see attached letter). As noted above, we will advise the American Legion that their request is not feasible, as well.

I would recommend the City Council move to send a letter advising the Veterans of Foreign Wars and the American Legion that their requests are not feasible due to the Base Realignment and Closure Act.

2. **Request for Approval on Teacher's Retirement Incentive.** The School Board has requested that the City Council consider approving a teacher's one-time retirement incentive. Attached is a memorandum from Edward McDonough, Superintendent of Schools regarding this matter. As you will recall, the City Council approved a similar request last year.

I am recommending that the City Council approve the request from the Portsmouth School Board to offer a retirement incentive to teachers, 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 January 22, 2013. In addition, this now can be found on the City's website.

2. **City Council Work Session Re: Sewer/Water Rate Study.** This is a reminder that the City Council Work Session regarding the Sewer/Water Rate Study is scheduled for Monday, February 11, 2013 at 6:30 p.m., in the Eileen Dondero Foley Council Chambers.
3. **Report Back Re: Change of “Trick or Treat” Date.** Attached is a report back from **Carl Diemer, Chairman of the Portsmouth Recreation Board,** regarding a request from Mayor Spear to change the date of “trick or treat” from October 30th to October 31st.
4. **Update Senior Transportation Program.** As requested by the City Council, we will give an update on Tuesday, February 19, 2013, regarding the senior transportation program. At that time, we will have Brinn Chute, Senior Services Coordinator, give an update as to her progress and activities.