

## **SPECIAL CITY COUNCIL MEETING**

MUNICIPAL COMPLEX  
DATE: MONDAY, JUNE 9, 2014

PORTSMOUTH, NH  
TIME: 6:30 PM [or thereafter]

### **I. CALL TO ORDER**

Mayor Lister called the meeting to order at 6:35 p.m.

### **II. ROLL CALL**

Present: Mayor Lister, Assistant Mayor Splaine, Councilors Shaheen, Kennedy, Lown, Dwyer, Morgan, Spear and Thorsen

### **III. INVOCATION**

Mayor Lister asked everyone to join in a moment of silent prayer.

### **IV. PLEDGE OF ALLEGIANCE**

Councilor Thorsen led the Pledge of Allegiance to the Flag.

### **V. PUBLIC COMMENT SESSION**

Joe Caldarola spoke regarding the need to control the budget.

Norm Olsen spoke to staffing levels in the City in comparison to our population and other communities. He addressed the increase in costs for the Fire and Police Departments.

Paul Mannle spoke to the rate of inflation and how it relates to the budget. He addressed the discounts provided to parking garage pass holders and said if he could receive a discount on his taxes he would pay 10 years of taxes in advance.

### **VI. CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- A. Adoption of Budget Resolutions for Fiscal Year July 1, 2014 through June 30, 2015 (FY2015)

City Manager Bohenko said this evening the City Council will be asked to act on the Resolutions before you in order to adopt the budget. He stated each Resolution will be voted on separately and he would be recommending 4 projects to be removed or reduced from the Capital Improvement Plan:

- Fire Station 3 Space Needs Study
- Park and Playground Improvements
- Longmeadow Road Extension
- Capital Contingency

City Manager Bohenko said the increase for the budget would be \$.21 or 1.17% from FY14 rate. He said if the budget is adopted residents will see an increase of \$66.48 over FY14.

- Resolution #6-2014 - Municipal Fees

**Councilor Spear moved to adopt Resolution #6 – Municipal Fees. Seconded by Councilor Lown.**

Councilor Kennedy stated she is having a problem with some of the Planning Department fees and also feels the parking rate payers should be increased and the monthly payer's fees should be higher.

Councilor Thorsen would like to increase the monthly parking rate to \$200.00.

City Manager Bohenko said there was discussion on this matter. He stated it has not been increased in some time and the Economic Development Commission felt it should be increase and they will look at it again next year.

Councilor Spear said people are paying the entitlement for parking in the garage. He stated it is inappropriate to compare the 24 hour pass to someone parking in the garage for 24 hours. He said residents live downtown are using those passes to park in the garage and feels we need to be careful on this as well.

Councilor Dwyer said working on the Fee Committee we evaluated those that hold leases and often people living downtown or working downtown in retail. She said we should increase them again and probably should have in the past.

Councilor Lown as a member of the Fee Committee said a great deal of time was spent looking at all fees. He said this is a way for the City to double charge for the spaces and earn extra revenues.

Councilor Shaheen said asking people that signed a contract with the City and receive an increase more than 33% would be unfair. She also indicated that the fees are likely to increase next year.

Discussion followed on how the parking permits work in the City.

Councilor Thorsen said he feels that parking fees are a tax and parking permits should be eliminated.

City Manager Bohenko said if the parking permits were eliminated the City would lose money. He said there is a fine line to competition with surround towns that have free surface lots. The Fee Committee is raising the rates 33% this year and we will take a look at the fee again next year.

Councilor Dwyer said it is good to look at the economics of it and view the big picture and bring things into balance.

Assistant Mayor Splaine said we need to look at the value of not having leased spots at High Hanover Parking Garage and he would support the Resolution, as presented.

**On a roll call 8-1, voted to adopt the Resolution #6 – Municipal Fees. Assistant Mayor Splaine, Councilors Shaheen, Lown, Dwyer, Morgan, Spear, Thorsen and Mayor Lister voted in favor. Councilor Kennedy voted opposed.**

- Resolution #7-2014 - General Fund Expenditures

**Councilor Spear moved to adopt Resolution #7 – General Fund Expenditures. Seconded by Councilor Lown.**

Councilor Thorsen said the expenditures are too high and we need to reduce expenses rather than using fees. He recommended reducing expenditures by \$1.2 million. He said last week we shifted things around by \$300,000.00. He stated he would not support the Resolution, as presented.

Councilor Kennedy said she is not comfortable going above the cost of living increase. She said the budget has increased substantial each year. She stated if the revenues went away the budget has increased by 3.4% and we need to look at all residents and their ability to pay.

Assistant Mayor Splaine said Councilors Thorsen and Kennedy have made good points. He said over the last few weeks everyone has made good points. He would vote in favor of the budget and said the staff and City Manager Bohenko have done some great work with this budget. He spoke to a document he prepared back in 1989 that he would provide to the City Council which is a year round budget approach. Assistant Mayor Splaine spoke about the City Council setting budget goals and having them set at least by September for FY16. He said we need to do a better job for next year.

Councilor Dwyer said we need to keep bonding in mind. There is a fear that the increase in revenues is what has allowed us to reduce the tax increase but a portion is the increase in valuation. City Manager Bohenko reported it is \$.27 on the rate for growth which amounts to \$1.1 million in new growth. Councilor Dwyer asked what percentage of the increase represents the operating budget. City Manager Bohenko stated about half of that.

Councilor Shaheen said she will support the Resolution. She said we need to do due diligence and deliberate and pass the budget. Councilor Shaheen added that the budget is an award winning document and she is grateful for the hard work that went into preparing it. She also stated that she has heard that people want the rate lowered but she has not heard where they want to make those cuts.

Councilor Thorsen said he agrees with Assistant Mayor Splaine that the budget process should start earlier and suggested starting in September as well.

**Councilor Thorsen moved to reduce the Collective Bargaining line item from \$500,000.00 to \$200,000.00. Seconded by Councilor Kennedy for point of discussion.**

Councilor Dwyer said she is concern that the \$500,000.00 might not be enough.

City Manager Bohenko stated if you do not have the money in the line item you would need to appropriate the funds and have a public hearing and find the funds which are normally from unassigned fund balance.

Councilor Shaheen spoke in opposition to the amendment and expressed concern for what that would mean for the process.

Councilor Thorsen said he is concerned with the \$500,000.00 and finds that contract negotiations take longer than you think and we will not settle them all this year. He said the issue is we are putting something in the budget that might not happen and will affect the tax rate.

**On a roll call vote 2-7, motion to amend the Collective Bargaining line item from \$500,000.00 to \$200,000.00 *failed* to pass. Councilors Morgan and Thorsen voted in favor. Assistant Mayor Splaine, Councilors Shaheen, Kennedy, Lown, Dwyer, Spear and Mayor Lister voted opposed.**

Councilor Lown said he supports the motion and that the Police Department has the same number of staff as they did back in 1985. He said the increase of \$5.00 more a month people receive great services and students receive a great education. He stated if the City Council thinks the budget is extravagant then the Council needs to say what the City can do without.

Councilor Shaheen said she echoes the comments of Councilor Lown. She stated it is not fair after asking the department heads to outline their priorities to go back and asked them to make cuts.

Councilor Spear said the budget for any City Council is looking at the value and what we can approve to pay. He stated that the budget went down 3 years ago and does not feel that the Council is lacking compassion. He said this is the first City Council to have a program for relief for water and sewer bills. Councilor Spear spoke to the increase programming and service for seniors. He stated the Council made moves that were hard choices and postpone costs and this year we settled contracts with the Fire Department.

Councilor Thorsen said he respects every City Councilors point on this but he feels we can make cuts without reducing services.

Councilor Dwyer said the average household will see a \$5.00 a month tax increase and a \$2.50 increase on their sewer bill and that can be rebated if you can't afford the sewer increase.

Councilor Shaheen said we are talking about a 1.27% increase. She said no one here wants to increase taxes it is protecting services and education for students.

Councilor Kennedy questioned the amount of the increase. City Manager Bohenko stated last week we were at \$.29, this week we are at \$.21 which is \$66.00 for the median home. Councilor Kennedy said it is a little higher than \$5.00.

Councilor Morgan thanked the staff for all the time and work on the document and thanked residents that have sent in emails or called on the budget. She said the City had the opportunity years ago to address upgrades to the water and sewer plants before City Manager Bohenko arrived and we did not take advantage of the federal funds. Councilor Morgan said she feels we have a very large sewer department budget.

Mayor Lister passed the gavel to Assistant Mayor Splaine.

Mayor Lister said he would support the Resolution and we need to support all the departments. He said we need to recruit and train quality employees and support the Fire Department keeping up safe response times.

Assistant Mayor Splaine returned the gavel to Mayor Lister.

**On a roll call 7-2, voted to adopt Resolution #7 – General Fund Expenditures. Assistant Mayor Splaine, Councilors Shaheen, Lown, Dwyer, Morgan, Spear and Mayor Lister voted in favor. Councilors Kennedy and Thorsen voted opposed.**

Department	Appropriation
General Government	\$17,010,942.00
Police	\$ 9,343,994.00
Fire	\$ 7,757,108.00
School	\$40,975,396.00
Collective Bargaining	\$ 500,000.00
Transfer to Indoor Pool	\$ 150,000.00
Non-Operating	\$20,904,322.00
<b>Total</b>	<b>\$96,641,762.00</b>

- Resolution #8-2014 - Sewer Fund Expenditures

City Manager Bohenko explained the Resolution and spoke to the pilot program for assistance which represents \$50,000.00.

**Councilor Spear moved to adopt Resolution #8 – Sewer Fund Expenditures. Seconded by Councilor Lown.**

Councilor Thorsen spoke to the assistance program and said some people are embarrassed to seek assistance and we need to be sensitive to that.

**On a unanimous roll call 9-0, voted to adopt Resolution #8 – Sewer Fund Expenditures.**

**An appropriated sum of \$9,960,619.00 based on full accrual basis of accounting to defray expenses for the operation of the sewer system.**

**Cash requirements of \$14,933,716.00 for the purpose of principal debt repayment, purchase of assets, funding of the rate stabilization reserve to increase net position, and to defray expenses for the operation of the sewer system.**

**The sewer user rate effective July 1, 2014 is \$11.21 per unit (1 unit equals 100 cubic feet or 748 gallons of water consumed) for the first 10 units of consumption per month, and \$12.34 per unit for all units used thereafter to yield a portion of revenue to meet the cash requirements for the operation of the sewer system.**

- Resolution #9-2014 - Water Fund Expenditures

City Manager Bohenko reported that water rates have not increased in the last 5 years.

**Councilor Lown moved to adopt Resolution #9 – Water Fund Expenditures. Seconded by Councilor Spear.**

**On a unanimous roll call 9-0, voted to adopt Resolution #9 – Water Fund Expenditures.**

**An appropriated sum of \$7,421,302.00 based on full accrual basis of accounting to defray expenses for the operations of the water system.**

**Cash requirements of \$9,007,763.00 for the purpose of principal debt repayment, the purchase of assets and to defray expenses for the operations of the water system.**

**The water user rate effective July 1, 2014, is \$4.15 per unit (1 unit equals 100 cubic feet or 748 gallons) for the first 10 units of water consumed per month, and \$5.00 per unit for all units consumed thereafter to yield a portion of revenue to meet the cash requirements for the operation of the water system.**

- Resolution #10-2014 - Special Revenues, Debt Service Fund and Committed Fund Balance for Necessary Expenditures

City Manager Bohenko explained that this is for Special Revenues, Grants, etc.

**Councilor Spear moved to adopt Resolution #10 – Special Revenues and Committee Fund Balances for Necessary Expenditures. Seconded by Assistant Mayor Splaine.**

Councilor Kennedy asked about the Chamber of Commerce and who they service. She said there is \$40,000.00 of dedicated funds to the entity and would like to get information on the services the Chamber provides and numbers. She said many small businesses are not being supported and have another similar association they use.

Economic Development Manager Carmer came forward to speak on the services provided by the Chamber of Commerce. She spoke to some of their initiatives such as retail week, arts and culture, and history.

Councilor Kennedy said she would like to know the number of City of Portsmouth businesses the Chamber assists. Ms. Carmer said we could ask for the numbers and how many businesses are in the City and how many businesses that our outside of the City that they work with.

Assistant Mayor Splaine liaison for the City Council to the Chamber of Commerce stated they meet once a month at 7:30 a.m. and work with other Chambers. He said when businesses do well the City does well and the Chamber does enormous work on promoting the City of Portsmouth. He also indicated that the Chamber has a great deal of information available on their website and urged Councilor Kennedy to view the site.

Councilor Shaheen said there is miss information on the Chamber of Commerce. She said we are not directing \$40,000.00 from the general fund we want them to support the City of Portsmouth as a destination to visit.

Discussion followed on the various information contained on the Chamber of Commerce's website.

**On a unanimous roll call 9-0, voted to adopt Resolution #10 – Special Revenues and Committee Fund Balances for Necessary Expenditures.**

- Resolution #11-2014 - Investment Policy

**Councilor Spear moved to adopt Resolution #11 – Investment Policy. Seconded by Councilor Shaheen.**

**On a unanimous roll call 9-0, voted to adopt Resolution #11 – Investment Police.**

City Manager Bohenko said that the City Council has adopted the budget and he would like to start the budget process in late September.

Councilor Spear said on the Police Needs Study we have a work session on what they would like to do.

City Manager Bohenko said the Police Commission will come before the City Council in a work session before funds are expended.

Councilor Morgan thanked the City Manager for his comments. She asked what would take place in late September. City Manager Bohenko said he would bring in the City Council to discuss the budget process and suggested having a facilitator for a round table discussion.

Mayor Lister thanked all staff and commissioners for the work on this budget especially Finance Director Belanger and Deputy Finance Director Purgiel and City Manager Bohenko.

**VII. MISCELLANEOUS/UNFINISHED BUSINESS**

**VIII. ADJOURNMENT [AT 10:00PM OR EARLIER]**

**At 8:45 p.m., Councilor Spear moved to adjourn. Seconded by Councilor Shaheen 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