

CITY COUNCIL BUDGET WORK SESSION PRESENTATIONS

PUBLIC LIBRARY, LEVENSON ROOM
DATE: SATURDAY, MAY 9, 2015

PORTSMOUTH, NH
TIME: 8:00AM

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

Staff Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Stephen DuBois, Police Chief; Steven Achilles, Fire Chief; Peter Rice, Public Works Director; Eric Eby, Parking & Transportation Engineer; Rus Wilson, Recreation Director; Brinn Chute, Senior Services Coordinator; David Allen, Deputy City Manager; Ellen Tully, Welfare Administrator; Dianna Fogarty, Human Resources Director; Steven Butzel, Library Director; Edward McDonough; Robert Sullivan, City Attorney and Kelli L. Barnaby, City Clerk

Mayor Lister called the Work Session to order at 8:00 a.m. and thanked everyone for attending the session today.

- Budget Summary – John P. Bohenko, City Manager

City Manager Bohenko said the Work Session will adjourn today at 2:30 p.m. He announced the public hearing on the budget will be held at 7:00 p.m. on Monday, May 11th at City Hall in the Eileen Dondero Foley Council Chambers. He addressed the downshifting of State obligations. He said Portsmouth receives only 1.6% of the \$63.8 million in meals and rooms tax distributed to cities and towns statewide. He also stated prior to FY10 State contributed 35% of the employer's share to NH Retirement System for Teachers, Police, and Fire personnel. He said the State reduced that contribution in FY10, FY11, and FY12 from 30%, 25% and 0% respectively. City Manager Bohenko said this obligation to Portsmouth equates to \$8.3 million in the past seven fiscal years. He said Portsmouth has the lowest equalized tax rate out of the 13 cities in NH. He addressed salaries, benefits and other operating expenses and 15 collective bargaining agreements. He said although nine contracts have expired, departments included step increases for employees who have not reached top step in accordance with current contracts. He discussed the major impacts on the Non-Operating Budget being debt service, Rockingham County tax, and capital outlay. City Manager Bohenko said the FY16 Operating and Non-Operating Proposed Budget is \$101,433,702.00 with a tax rate increase of \$.48.

- Police Department – Stephen Dubois, Police Chief

Chief Dubois spoke to various projects in the department and the PSSG Study. He explained the major scheduling shift, patrol officers work 5 – 8 hour days on with 2-days off and now they work 4 – 10 hour days on with 3-days off. He spoke to the many challenges the department and officers face – growth of the city and crimes with 50% of those arrested are not residents. He said they continue to monitor staffing levels. He noted that the individuals hired in November will not be on-line with the department until August due to training and the Police Academy work.

Chief Dubois spoke to the facility and the monies approved for a space needs study in May, 2013. He informed the City Council the budget is reflecting a 2.55% increase for a total budget of \$238,334.00. He also indicated they are restoring the 11th dispatcher at a cost of \$51,570.00.00. In addition, he spoke to reviewing cold cases and the process that would be followed at a cost of \$45,775.00. Discussion followed regarding the cold case matter and the request for additional funding.

Councilor Shaheen said she wants to see an approach beyond helping people that are addicted to heroin to address this matter. Chief Dubois said he is working locally with groups as well as looking to place Narcan into the cruisers for officers to administer to individuals that have overdosed.

Councilor Kennedy asked if there would be an increase in residential policing. Chief Dubois said he would say 50% of those arrested are not residents of the city.

Councilor Dwyer and Chief Dubois spoke regarding the shift change and how that has had a positive impact on overtime.

- Fire Department – Steven Achilles, Fire Chief and Commissioner Gamester

Fire Chief Achilles reported the request for the FY15 budget is a 3.9% increase for the department. He stated there will be no new personnel added and addressed the various goals and objectives of the department. He spoke to the impact of construction throughout the city and how that affects the department. Chief Achilles spoke to the department's twitter account and said it is a one way communication but allows them to put out emergency information, as needed. Chief Achilles addressed the Assessment Needs Report that was conducted. He said it meets the needs of the Fire Department going forward.

Councilor Lown said the overtime is up \$28,000.00 and finds that it is lacking in any concrete recommendation for change in the Fire Department Study. He said that is something the Committee was looking for. Chief Achilles said overtime was increased with the earned time and training because the department under funded that line and now we are trying to get that in-line. He said in the last 3 years the amount of overtime hours have decreased and the department is managing that.

Councilor Kennedy asked if due to the growth in the city will there be a need in the future to increase staffing. Chief Achilles said the staffing has remained stable for the last 17 years and now the needs are changing with occupancy. He said changes we are looking at moving forward, there are 4,000 more employees at Pease and we are tracking the demand of services through occupancy.

Councilor Dwyer said we need to have some progress on regionalization which was not addressed in the Study. She feels it is time to move the Fire Inspector into the Inspection Department as is done in other municipalities. Chief Achilles said he does not recommend that for our Deputy Fire Inspector because the laws governing the department report to the Fire Marshall.

- Public Works Department, Peter Rice, Public Works Director

Public Works Director Rice said the Public Works Department is comprised of 4 divisions, the highway, water, wastewater and parking & transportation. There are 54.15 employees on the highway side, 25.8 on water, 28.8 on wastewater and 13.4 on parking & transportation for a total of 122.15 full time employees. He outlined what each division is responsible for and stated that the proposed FY16 budget is \$6,237,275.00 which equates to a 1.84% increase. He stated that 55% of the budget is salaries and benefits. Director Rice addressed the Highway Division initiatives as follows:

- Additional Outreach to Better Communicate On-going Program to Residents
- Facilities Maintenance – Addition of Lead Night Custodian
- Cemetery and Parks Maintenance
- Bicycle and Pedestrian
- Vehicle Maintenance – Work Order Inventory Control Program
- Solid Waste Operational Review
- Energy Conservation

He reviewed the highway budget breakdown with the City Council and the average annual increase for FY08 through FY16.

Councilor Dwyer asked what we need to do to move forward with the LED's for the stop lights. Public Works Director Rice said they're working on that now and any new lights installed will be LED.

Eric Eby, Engineer, reviewed the Parking & Transportation Division with the City Council. He stated the overall principles of parking are: "A balanced mix of retail/restaurant, office and residential uses is significant to downtown vitality, a downtown parking supply that is convenient, viable, and central to downtown destinations is important to the short-term and long-term health of the City's retail, restaurant and office economy." He reviewed the services provided by the division and reported the recommendations of the Transportation Policy Report are as follows:

- Public Transportation
- Bike/Pedestrian
- Wayfinding
- On-Street Parking
- Off-Street Parking (public and private)
- Garage Parking

Engineer Eby reported that the division has 43.4 employees with 13.4 full-time and 30 part-time. He addressed the various parking assets and reported that we have sold 1,139 easy park devices and that there are 1,011 easy accounts. He spoke to the major budget increases being parking lot paving, wayfinding, full-time salaries, part-time salaries and benefits. He reported that the budget request is \$3,995,663.00 which equates to a 31% increase.

- Recreation/Senior Services

Recreation Director Wilson and Senior Services Coordinator Chute reported on the Recreation Department budget and the Senior Services budget. Director Wilson reported that the 3.2% increase in the Recreation Department budget is due to utility increases. He said that the department is looking at being open 365 days to accommodate individuals. Coordinator Chute said that the budget for Senior Services has increased 50%. She reported the increase is due to moving the facilities from the Seacoast Foundation to the Doble Center.

Councilor Spear said the Recreation Department should be renamed to the Parks and Recreation Department and feels it may benefit us when looking towards outside open space. Director Wilson said that Parks and Recreation is a term from the Recreation Board and they would like to see the name of the department changed as well.

Councilor Kennedy said she has heard nothing but great things about Coordinator Chute and expressed concern surrounding transportation access. Coordinator Chute reported that we gave away 80 free passes for transportation and stated discussions continues with Wentworth on this matter. She reported some priorities have shifted from recreation to doctor appointments. Councilor Kennedy said she would like to see services for transportation provided during the weekend.

Councilor Thorsen inquired about the use of the Portsmouth Middle School gym. Director Wilson said the Connie Bean was not used until after school. He said now it is used all week all day and it has worked as we thought it would. Councilor Thorsen said it is not available for community use. Director Wilson said that is correct. He referred back to the 2010 Recreation Study and said we need one general generational center for everyone under one facility.

At Noon, Mayor Lister declared a recess for lunch. At 12:25 p.m., Mayor Lister called the meeting back to order.

- Planning, Inspection, Health Departments

Deputy City Manager Allen reported on the new Land Use Compliance Agent and stated that land use applications continue to increase and explained what Mr. Hayes will be doing in this position.

Deputy City Manager Allen reviewed Planning Department projects and said the Master Plan is the focus this year. He said there is a 3.8% increase on the Planning side for an increase of \$28,102.00. He said minutes are no longer being taken by administrative personnel but a part time person has been hired to take and prepare the minutes.

Planning Director Taintor spoke to allowing administrative approvals for some items to take the pressure off of the land use boards.

Councilor Thorsen said we should look at adding alternates to the board and get away from the attendance idea.

Councilor Kennedy said HDC has been a recipient of improvements with administrative approvals. She asked if there could be a Planner that could tell the person when they do not have all the components needed before the person appears before a land use board. Deputy City Manager Allen said that Planner Cracknell does that for the HDC but the level of detail in applications has increased in the last 5 years. He said ultimately the design person needs to do that. Planning Director Taintor said this was discussed to try and limit the number of work sessions. Councilor Kennedy said we need more requirements for the HDC. Planning Director Taintor said there are more work sessions now than in the past and now we also have public comment which we did not in the past. He said we need to find a way to handle the agenda.

Councilor Morgan asked Deputy City Manager Allen for a report to quantify where the change has been made in the project. Deputy City Manager Allen reported Mr. Hayes tracks all his work and looks at all land use boards that approve a project and once the project starts he goes out to find things that may need to be corrected before the project moves too far along.

Councilor Dwyer said there have been a great many changes in the department over the last 3-4 years. The laws and the processes have changed. She feels there have been many improvements made to deal with the number of changes facing the land use boards. She said we need a comprehensive check of the department and boards. Councilor Shaheen said she agrees with Councilor Dwyer on that matter and would like to know what we could put in place to be helpful to the Planning Department. She said maybe additional resources are required. City Manager Bohenko said we will go back and discuss taking a higher view of things. He said we can talk with other communities and see what kind of processes we can put in place and look at this internally.

- Health Department

Deputy City Manager Allen said this is a 2 person department and reported there are 319 food service permits and 26,000 plus seats. He said liquor permits continue to increase as well. He stated at some point we may need to look at additional support for the Health Department. He said the budget is increasing by 5% which is due to salary and benefits. Councilor Spear said other communities display the grade issued by the Health Department to an establishment following inspection for the public to be made aware of. Deputy City Manager Allen said that was looked at but the department recommended not doing that.

- Inspection Department

Deputy City Manager Allen said there have been many changes in the department due to retirements and with any change there will be bumps in the road. He said we are looking on streamlining the process and making the applications available on-line. He said we are finding that building officials are spending too much time on administrative work. He reported that the budget reflects an increase of 4.33% or \$20,115.00.

- Finance Department
 - Tax/Revenue Collections
 - Assessing
 - Information Technology
 - Accounting

Finance Director Belanger provided an overview of services provided by the Finance Department and provided an update on over the counter credit card use. She spoke to the 4 divisions that make up the Finance Department and their responsibilities. She addressed Channel 22 being expanded to YouTube for the viewing of meetings. Finance Director Belanger reviewed the bonding process, auditing process and the preparation of the various documents from the budget to the CAFR. She said the proposed FY16 budget is \$2,029,369.00 which represents an increase of \$83,913.00 from FY15. She indicated the increase is primarily due to salaries and benefits and 1 part-time to full time position in the Assessing Office and 1 part-time position in the Tax Collection Office as well as an increase in software and maintenance and a decrease in contracted services. Director Belanger spoke to the increase in motor vehicle registrations. She reported that the Assessing Division does an annual assessment of 8,500 properties. She stated the Information Technology Division has 439,008 users and have had 3,892,844 views of the webpage. She also indicated that the Information Technology Division expects to broadcast 198 meetings with 10,395 viewers. In addition, she spoke to the Accounting Division which handles all purchases for the City, does the accounts payable, payroll for employees, is the central billing office and keeps the general ledger and all bank reconciliations.

- Welfare

Ellen Tully, Welfare Administrator explained the department runs under State laws which require assistance to be given to anyone that seeks aide. She reported that the department is requesting a 6% increase because of the general assist. She said there is a 1% increase in Outside Social Service Grants that have been at a level funding since FY11.

Councilor Kennedy asked Administrator Tully why the 10% decrease in the Welfare budget. Administrator Tully said one item is due to the reduced number of people requesting medications because of the NH prescription program. She said this would be reversed if the programs are taken away.

Mayor Lister acknowledged Administrator Tully and her work on taking care of residents in the City.

Councilor Shaheen asked if we should leave the funding at the same level as last year. Administrator Tully said she feels the 10% decrease is fine for this year and should remain. She also indicated the amount may need to increase next year.

- Human Resources

Director Fogarty said the proposed budget for FY16 is \$2,576,447.00 with the majority of this increase due to the Health Insurance rise of \$45,054.00. She stated without the health insurance rise the budget would have increased by \$12,530.00 or .49%. She addressed the statistics of the department with 1,571 resumes received, 186 employees hired and 211 criminal background checks have been conducted. She addressed the process in the administration of benefits for employees. Director Fogarty informed the City Council that 171 step increases were processed over the fiscal year with 18 job descriptions developed and 6 salary surveys were participated in. She addressed risk management and announced that 97 property & liability claims were processed, 58 workers compensation claims, she attended 3 unemployment hearings and conducted 12 ergonomic evaluations. Director Fogarty reviewed the status of negotiations for the bargaining units and those that have already expired as well as contracts that will expire on June 30, 2015. She reviewed the challenges facing the department in FY16 as follows:

- Affordable Care Act
- Recruitment
- Succession Planning
- Contract negotiations (11 contracts expired or will expire)
- Looking at Health Insurance Alternatives
- Continued Increase of Human Resources Services to the School Department
- Legal Department

City Attorney Sullivan said the changes to the Legal Department from last year are Suzanne Woodland was promoted to Deputy City Attorney as part of succession planning and Jane Ferrini's hours were increased from 25 hours to 30 hours.

- City Clerk

City Clerk Barnaby reported the proposed City Clerk budget for FY16 is \$242,455.00 which represents an increase of \$6,422.00 or 2.72% from FY15. She reviewed the Election budget stating it is \$67,013.00 which equates to a net increase of \$14,133.00 or 26.73% from FY15. City Clerk Barnaby reviewed the staffing of the department and announced that she became a Master Municipal Clerk on January 12, 2015 which is the highest educational level of achievement for a City Clerk. She reviewed election information with the Council as follows:

- The City currently has 16,060 registered voters
- There will be 2 Elections in FY16
- The November Municipal Election will be held on Tuesday, November 3, 2015 and the filing period will be announced in the summer
- The Presidential Primary date has not been determined by the Secretary of State

City Clerk Barnaby reviewed various statistical data from the City Clerk's office for Calendar Year 2014:

- √ Vital Records Issued 4,977
- √ Marriage Licenses Issued 373
- √ Ordinances Adopted 10
- √ Resolutions Adopted 17
- √ Attended 36 City Council meetings and Work Sessions
- √ Prepared 25 City Council Binders for Regular City Council meetings
- √ Issued Dog Licenses 2,674
- √ Issued Event, Tag Day and Raffle Permits 77

Election Information:

- √ 1st Congressional District
- √ Senate District 21 (Durham, Lee, Madbury, Newfields, Newington, Newmarket & Portsmouth)
- √ The City of Portsmouth has 7 State Representatives that make up Districts 25-31
- √ District 31 is a Floterial District in Ward 3 that is shared with Greenland, Newington and North Hampton
- √ The number of Election Workers that participated in the September 2014 Primary were 74; November 2014 General were 85.

Councilor Shaheen asked City Clerk Barnaby about extending polling hours either earlier or later to accommodate voters. City Clerk Barnaby explained that individuals that are not able to make it to the polls are allowed to complete an absentee ballot as long as they fit the 4 criteria. She also indicated that the many election workers are elderly and it is already a very long day and difficult to get individuals to work because of the length of the day and the added responsibilities placed on election workers through the election laws. Councilor Shaheen asked if a survey could be conducted by City Clerk Barnaby of other communities and what their polling hours are. City Manager Bohenko said he would work with City Clerk Barnaby on this matter and see what they can recommend to the City Council. Councilor Shaheen said it would not be effective for this election year but for 2016.

- Portsmouth Public Library

Library Director Butzel said the Library is a center for learning. He spoke to the areas of growth for programs where 24,000 adults, children and young people have participated this year. He said there are 20,000+ eBooks, 10,000+ downloadable audio books and 100+ databases. He spoke to the program which provided individual assistance with 390 individuals receiving help with their electronic devices and over 35,000 informational and genealogical assistance sessions. He reported that the door count is exceeding 1,000 per day for FY15. He said for FY2014 there were 329,821 visits to the Library, 426,907 items checked out or downloaded, 2,581 study room usage, 219,621 database logins, 39,507 (average users/month=705) for wireless network use, and 1,072 museum passes borrowed. Director Butzel reported that the Library Budget Request for FY16 is \$1,698,208 which represents a 3.10% increase over FY15 of \$50,994.00.

- School Department

Superintendent McDonough stated that Portsmouth is the Top District in New Hampshire and received the highest levels of academic achievement. He said the Vision and Mission of the school is as follows:

“School experience characterized by Personalized Learning with rich exposure to Arts and Athletics and where every student graduates Career and College and Citizenship Ready”

He reviewed various achievements of the School with New Franklin, Little Harbour School and Dondero being ranked in the Top 10 of Elementary Schools. The Middle School ranked 12th and the High School ranked 9th. He spoke of student and staff achievements throughout the year. He spoke to enrollment figures from now and projected into the future. He said that Steve Bartlett has been recognized as top Business Manager of the State of NH.

Superintendent McDonough reviewed FY16 Recommended Budget as follows:

Budget at 3.42%

Salaries – increase \$446,435 (1.07%)

Benefits (NHRS/Health) – increase \$600,277 (1.43%)

Operating (Energy, Tuition) – increase \$382,702 (0.92%)

Total – increase \$1,429,414 (3.42%)

Adjustments

3 Retirements – Reduce 1 FTE teacher at elementary school

3 Title 1 Elementary Reading Tutors sustained in GF – 2 at New Franklin School; 1 at Dondero

1 Special Ed Teacher in IDEA grant sustain in GF

.5 FTE Automotive in CTE

Tuition increased at Lister Academy by \$102,227.00

Assistant Mayor Splaine said he is sad we are losing Superintendent McDonough in September.

Councilor Kennedy asked why the Title 1 has decreased so greatly. She asked if we have taken the 1 time waiver that is allowed every 3 years. Superintendent McDonough said these are the correct numbers but he would get back to her on that matter and the waiver.

Councilor Shaheen congratulated Superintendent McDonough and thanked him for his work here in Portsmouth. She said there has been much transition and he has made it seamless for the students.

Councilor Morgan thanked Superintendent McDonough for his years of service and wished him luck on his new endeavor. She spoke regarding the new common core courses and the assessments. Superintendent McDonough said some students do well and others do not. He feels that May is the worse time to hold these assessments.

Assistant Superintendent Zdravec spoke regarding technology in the schools and said it is moving seamlessly.

Mayor Lister thanked the School Department and wished Superintendent McDonough well in his new position. He congratulated Assistant Superintendent Zdravec on the promotion of Superintendent and Steve Bartlett for being the top Business Manager in the State of New Hampshire.

At 3:10 p.m., Mayor Lister closed the work session.

Respectfully submitted by:

Kelli L. Barnaby, MMC, CMC, CNHMC
City Clerk