

CITY COUNCIL MEETING

MUNICIPAL COMPLEX, EILEEN DONDERO FOLEY COUNCIL CHAMBERS, PORTSMOUTH, NH
DATE: MONDAY, JANUARY 25, 2016 TIME: 6:00PM

AGENDA

- 6:00PM – WORK SESSION RE: PURCHASE AND SALES AGREEMENT FOR 165 DEER STREET RE: NEW MUNICIPAL PARKING GARAGE

- I. CALL TO ORDER
- II. ROLL CALL
- III. INVOCATION
- IV. PLEDGE OF ALLEGIANCE

PRESENTATION

1. Update Re: Doble Army Reserve Center

V. ACCEPTANCE OF MINUTES – JANUARY 11, 2016

VI. PUBLIC COMMENT SESSION

VII. PUBLIC HEARINGS

- A. ORDINANCE AMENDING CHAPTER 10 – ZONING ORDINANCE, ARTICLE 4, SECTION 10.440 TABLE OF USES – RESIDENTIAL, MIXED RESIDENTIAL AND INDUSTRIAL DISTRICTS – USE 170 MANUFACTURED HOUSING PARK, SUPPLEMENTAL REGULATIONS 10.814

AMEND CHAPTER 10 – ZONING ORDINANCE, ARTICLE 5, SECTION 10.521 – TABLE OF DIMENSIONAL STANDARDS – RESIDENTIAL AND MIXED RESIDENTIAL DISTRICTS AS FOLLOWS: MINIMUM YARD DIMENSION, MAXIMUM STRUCTURE DIMENSIONS,

AMEND CHAPTER 10 – ZONING ORDINANCE, ARTICLE 8 – SECTION 10.810 – RESIDENTIAL AND INSTITUTIONAL RESIDENCE OR CARE USES BY ADDING THE FOLLOWING – 10.814 – MANUFACTURED HOUSING PARK DIMENSIONAL STANDARDS

AMEND CHAPTER 13 – MOBILE HOME ORDINANCE BY DELETING IT IN ITS ENTIRETY

- B. ORDINANCE AMENDING CHAPTER 10 – ZONING ORDINANCE, ARTICLE 10, SECTION 10.1016 – PERMITTED USES BY ADDITION USES, ACTIVITIES AND ALTERATIONS ARE PERMITTED IN WETLANDS AND WETLANDS BUFFERS

AMEND ARTICLE 10, SECTION 10.1017 – CONDITIONAL USES BY ADDING THE FOLLOWING – WETLAND PROTECTION PLAN

AMEND ARTICLE 15, SECTION 10.1530 – TERMS OF GENERAL APPLICABILITY,
BY INSERTING THE FOLLOWING NEW TERMS AND DEFINITIONS – IMPERVIOUS
SURFACE

VIII. APPROVAL OF GRANTS/DONATIONS

- A. *Approval and Acceptance Re: Bench - \$2,000.00 from Amanda Donovan in memory of her mother Alda Irons ***(Sample motion – move to approve and accept a donation for a bench, as presented.)***
- B. Donations in support of the Explorer Cadets as follows:
- \$34.77 from Dr. David Ferland
 - \$129.00 from Dr. David Ferland
 - \$850.00 from the Friends of the South End
- (Sample motion – move to approve and accept the donations to the Police Explorer Cadets, as presented)***
- C. Donation from Newburyport Five Cents Savings Bank - \$500.00 ***(Sample motion – move to approve and accept the donation from Newburyport Five Cents Savings Bank, as presented)***
- D. Acceptance of Grant from New Hampshire Highway Safety for DWI patrols - \$13,798.00 ***(Sample motion – move to approve and accept the grant for DWI patrols, as presented)***

IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First reading of Proposed Resolution Amending Elderly Exemption

OPTION A

Proposed increase of Elderly Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of 53,961.00

(Sample motion – move to authorize the City Manager to proceed with the proposed increases to income and asset limits only for the elderly exemption, and further, pass first reading and hold public hearing and adoption at the February 16, 2016 City Council meeting, as presented) (This requires two readings and a public hearing)

OPTION B

Proposed increase of Elderly Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

Ages 65-74	\$120,000.00 decrease of \$5,000.00
Ages 75-79	\$160,000.00 decrease of \$15,000.00
Ages 80+	\$200,000.00 decrease of \$20,000.00

(Sample motion – move to authorize the City Manager to proceed with the proposed increases to income, asset and exemption limits only for the elderly exemption, and further, pass first reading and hold public hearing and adoption at the February 16, 2016 City Council meeting, as presented) (This requires two readings and a public hearing)

B. First reading of Proposed Resolution Amending Disabled Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

If qualified for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.00

(Sample motion – move to authorize the City Manager to proceed with the proposed increases to income and asset limits only for the disabled exemption, and further, pass first reading and hold public hearing and adoption at the February 16, 2016 City Council meeting, as presented) (This requires two readings and a public hearing)

C. Second reading of Ordinance amending Chapter 10 – Zoning Ordinance, Article 4, Section 10.440 Table of Uses – Residential, Mixed Residential and Industrial Districts – Use 170 Manufactured housing park, Supplemental Regulations 10.814

Amend Chapter 10 – Zoning Ordinance, Article 5, Section 10.521 – Table of Dimensional Standards – Residential and Mixed Residential Districts as follows: Minimum Yard Dimension, Maximum Structure Dimensions,

Amend Chapter 10 – Zoning Ordinance, Article 8 – Section 10.810 – Residential and Institutional Residence or Care Uses by adding the following – 10.814 – Manufactured Housing Park Dimensional Standards

Amend Chapter 13 – Mobile Home Ordinance by deleting it in its entirety

(Sample motion – move to pass second reading and hold third and final reading of the proposed Ordinance at the February 1, 2016 City Council meeting, as presented)

D. Second reading of Ordinance amending Chapter 10 – Zoning Ordinance, Article 10, Section 10.1016 – Permitted Uses by addition Uses, activities and alterations are permitted in wetlands and wetlands buffers

Amend Article 10, Section 10.1017 – Conditional Uses by adding the following – Wetland Protection Plan

Amend Article 15, Section 10.1530 – Terms of General Applicability, by inserting the following new terms and definitions – Impervious Surface

(Sample motion – move to pass first reading and third and final reading of the proposed Ordinance at the February 1, 2016 City Council meeting, as presented)

X. CONSENT AGENDA

A MOTION WOULD BE IN ORDER TO ADOPT THE CONSENT AGENDA

- A. Letter from Thomas Bringle, Arthritis Foundation, requesting permission to hold the annual Jingle Bell Run/Walk for Arthritis on Sunday, December 11, 2016 at 10:00 a.m. ***(Anticipated action – move to refer to the City Manager with power)***
- B. Letter from Jeanine Sylvester, Runner's Alley, requesting permission to hold the 19th Annual Runner's Alley/Redhook Brewery Memorial 5k on Sunday, May 29, 2016 at 11:00 a.m. ***(Anticipated action – move to refer to the City Manager with power)***
- C. Letter from Chris Vlangas, Cystic Fibrosis Foundation, requesting permission to hold the CF Cycle for Life on Saturday, July 16, 2016 ***(Anticipated action – move to refer to the City Manager with power)***
- D. Letter from Kathie Lynch, Portsmouth Little League, Inc., requesting permission for temporary signage to be located at the Plains and Hislop Park baseball fields during the 2016 baseball season ***(Anticipated action – move to refer to the City Manager with power)***
- E. Letter from Robert L. Sutherland, Jr, St. John's Lodge requesting permission to hold the annual St. John's Lodge 5k on Saturday, April 9, 2016 at 8:00 a.m. ***(Anticipated action – move to refer to the City Manager with power)***
- F. *Acceptance of Donations to the Coalition Legal Fund
- Town of Center Harbor - \$500.00
 - Town of Carroll - \$1,000.00
- (Anticipated action – move to approve and accept the donation, as listed to be placed in the Coalition Legal Fund)***
- G. Letter from Amanda Beaulieu, Greater Portsmouth Chamber of Commerce, requesting permission to hold the 3rd Annual Fire & Ice Festival on February 10-15, 2016 ***(Anticipated action – move to refer to the City Manager with power)***
- H. Letter from David Hallowell, Portsmouth Maritime Folk Festival, requesting permission to hold the 17th Annual Portsmouth Maritime Folk Festival on Saturday, September 24, 2016 and Sunday, September 25, 2016 ***(Anticipated action – move to refer to the City Manager with power)***

XI. PRESENTATION & CONSIDERATION OF WRITTEN COMMUNICATIONS & PETITIONS

(There are no items on under this section of the Agenda)

XII. REPORTS AND COMMUNICATIONS FROM CITY OFFICIALS

A. CITY MANAGER

City Manager's Items Which Require Action:

1. FY 2017 Budget Guidelines

Informational items

1. Events Listing
2. Channel 22 Studio Upgrade

B. MAYOR BLALOCK

1. Approve City Council Rules and Order
2. Appointments to be Considered:
 - Appointment of Nicholas Kirsch to the Cable Television Communication Commission as an regular member
 - Appointment of Clayton Emery to the Cable Television Communication Commission as an Alternate members
 - Appointment of Stefany Shaheen to the Economic Development Commission
 - Appointment of Lawrence Cataldo to the Citywide Neighborhood Steering Committee
 - Reappointment of Francesca Marconi Fernald to the Peirce Island Committee
 - Reappointment of Lisa Louttit to the Peirce Island Committee
 - Reappointment of Steven Marison to the Peirce Island Committee
 - Reappointment of John McVay to the Peirce Island Committee
 - Reappointment of Syliva Olson to the Peirce Island Committee
 - Reappointment of Stephen Philp to the Pierce Island Committee
 - Reappointment of John Simon to the Peirce Island Committee
 - Reappointment of Richard Smith to the Peirce Island Committee
 - Reappointment of Marc Stettner to the Peirce Island Committee
 - Reappointment of William Townsend to the Peirce Island Committee
 - Reappointment of Harold Whitehouse to the Peirce Island Committee
 - Appointment of Jody Record to the Planning Board as an Alternate member
 - Reappointment of Elizabeth Moreau to the Planning Board
 - Appointment of Thomas Ferrini to the Portsmouth Housing Authority
 - Reappointment of Peter Bresciano to the Transportation Services Commission
 - Appointment of Daniel Umbro to the Trees and Public Greenery Committee
 - Appointment of Joan Walker to the Trees and Public Greenery Committee
 - Reappointment of Thomas Watson to the Board of Trustees of the Trust Funds
 - Appointment of Peter McDonell to the Zoning Board of Adjustment as an Alternate member

3. City Council Ward Liaisons (*See attached*)
 - Ward One – Assistant Mayor James Splaine
 - Ward Two – Councilor Rebecca Perkins
 - Ward Three – Councilor Josh Denton
 - Ward Four – Councilor Eric Spear
 - Ward Five – Councilor Nancy Pearson

C. ASSISTANT MAYOR SPLAINE

1. City Council Policy for “Non-Meetings”

D. COUNCILOR DWYER

1. *Planning for Residential Parking Program

E. COUNCILOR LOWN

1. Parking & Traffic Safety Action Sheet and Minutes of the January 7, 2016 meeting (***Sample motion – move to approve and accept the action sheet and minutes of the January 7, 2016 Parking & Traffic Safety Committee meeting***)

XIII. MISCELLANEOUS/UNFINISHED BUSINESS

*Legislative Subcommittee Report

Members: Mayor Blalock, Assistant Mayor Splaine, Councilors Dwyer and Spear

1. Approval of Proposed Principles for Legislative Positions
 - 1) Advocate to maintain local authority
 - 2) Authorize local options
 - 3) Support revenue streams to aid municipalities, specifically those that name Portsmouth or will directly support Portsmouth
 - 4) Advocate for municipal representation on state committees
 - 5) Support incentives for regional cooperation
 - 6) Support plans to fund/support infrastructure
 - 7) Support incentives for sustainability
 - 8) Support directing revenues to the purposes for which they are raised
 - 9) Support measures that increase the efficiency of local government operations
 - 10) Maintain and improve life and safety issues

(Sample motion – move to accept the recommendation from the Legislative Subcommittee regarding the 10 guiding principles for legislative positions on behalf of the City Council)
2. Authority of Legislative Sub-committee (***Sample motion – move to authorize the City Council Legislative Sub-committee to take positions on legislation they believe to be in the best interest of the City of Portsmouth using the legislative principles on behalf of the City Council***)

The Legislative Sub-committee will meet on Monday’s one-half hour before regular City Council meetings and at 8:30 a.m. when the City Council is not meeting.

3. Mayor is authorized to act on behalf of City if time does not permit full discussion and vote by Legislative Sub-committee or Council (**Sample motion – move to authorize the Mayor to act on behalf of City Council to provide testimony regarding State legislation when time does not permit a full discussion and vote by the Legislative Sub-committee or whole Council**)
4. City staff members may submit testimony on behalf of State Association or Professional Boards (**Sample motion – move to authorize City staff members who are members of State Associations to testify on behalf of their Association or Professional Board. This testimony will specifically state that the testimony is not on behalf of the City but is submitted on behalf of the Association or Professional Board. All such testimony will be reviewed by City Manager before submission**)
5. Specific Legislation
 - A. Hotel Occupancy Surcharge
 - B. State Aid Grant Funding(**Sample motion – move to authorize the City Council to support the above mentioned legislation**)

XIV. ADJOURNMENT

KELLI L. BARNABY, MMC, CMC, CNHMC
CITY CLERK

**Indicates Verbal Report*

INFORMATIONAL ITEMS

1. Notification that the minutes of the December 9, 2015 meeting of the Conservation Commission are now available on the City's website


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 22, 2016

To: Honorable Mayor Jack Blalock and City Council Members

From: John P. Bohenko, City Manager 

Re: City Manager's Comments on January 25, 2016 City Council Agenda

Work Session:

6:00 p.m.

1. **Purchase and Sales Agreement for 165 Deer Street Re: New Municipal Parking Garage.** On Monday evening at 6:00 p.m., City Attorney Robert Sullivan and Deputy City Manager David Allen will be making a presentation regarding ongoing efforts for the purchase of property at 165 Deer Street for the purpose of constructing a new municipal parking garage. [Attached is a memorandum from the City Attorney and Deputy City Manager](#), regarding this matter.

Presentation:

1. **Update Re: Doble Army Reserve Center.** On Monday evening, I have asked Assistant City Manager for Special Projects David Moore to provide the City Council with an update on Paul A. Doble Army Reserve Center. Specifically, he will address the status of the disposal action being carried out by the Army Reserve. Below is a brief synopsis of the history on this issue.

The U.S. Army Reserve initiated the realignment of its units at the Doble Center and the disposal of its facility at 125 Cottage Street in 2005 as part of the Base Realignment and Closure (BRAC) Commission round of the same year. Almost immediately, the City of Portsmouth began the process of acquiring the 3.49 acre parcel in accordance with the processes outlined in the BRAC regulations. The Army's ability to locate and construct its new facility (begun in 2005 and completed in 2014) are key factors which have led to the delays in the City receiving the property. Meanwhile, the authority of the Army Reserve to dispose of the property under BRAC expired in 2011 and, as a result, special

conveyance legislation was enacted in 2013. The new disposal authority allows the Army Reserve to transfer the property directly to the City for “public parks and recreation purposes.” Environmental reviews, including a review of historic resources, are required prior to completion of the long planned transfer. The Army Reserve is in the process of completing its obligations for its environmental reviews and the City staff is awaiting a firm timeline for when we can bring this long process to a close for the benefit of the City’s parks and recreation programming, including its senior programs.

Acceptance of Grants and Donations:

1. **Approval and Acceptance of Donation Re: Bench.** The City of Portsmouth has received a donation from Amanda Donovan in the amount of \$2,000 for the purchase and installation of a bench down by the edge of the Mill Pond at the end of Livermore Street in memory of her mother, Alda Irons.

Therefore, I am recommending the City Council move to approve and accept the donation for a bench, as presented. Action on this matter should take place under Section VIII of the Agenda.

2. **Acceptance of Police Department Grants & Donations.** [Attached under Section VIII of the Agenda is a memorandum](#), dated January 12, 2016, from Brenna Cavanaugh, Chair of the Portsmouth Police Commissioners, and Police Chief David J. Mara, requesting that the City Council approve the following grants and donations:

- a) Donations in support of the Explorer Cadets as follows:
 1. \$34.77 from Dr. David Ferland
 2. \$129 from Dr. David Ferland
 3. \$850 from the Friends of the South End
- b) Donation in the amount of \$500 from the Newburyport Five Cents Savings Bank
- c) Grant – New Hampshire Highway Safety Grant in the amount of \$13,798 for DWI patrols.

I recommend the City Council move to approve and accept the grants and donations to the Portsmouth Police Department. Action of this matter should take place under Section VIII of the Agenda.

Items Which Require Action Under Other Sections of the Agenda:

1. **First Reading of Proposed Resolutions.**
 - 1.1 **First Reading of Proposed Resolutions Amending Elderly and Disabled Exemptions.** At the request of the City Council, two options are being brought forward for consideration for the Council to review both the income and asset levels for the Elderly and Disabled Exemptions along with a change in exemption levels

for the Elderly Exemption pursuant to RSA 72:39-b and RSA 72.37-b and makes recommendations as to these levels.

Option A: *(Changes to Income & Asset Limits Only)*

If the City Council wishes to adjust the income and asset levels for both the elderly and disabled taxpayers in comparison to neighboring communities, this would increase the limit as follows:

- Single \$ 40,000 increase of \$ 3,689
- Married \$ 55,000 increase of \$10,207
- Elderly Asset Limit of \$175,000 increase of \$53,961

Option B: *(Changes to Income, Asset and Exemption Limits)*

Adjust the income and asset limits for the elderly and disabled taxpayers the same as Option A as follows:

- Single \$ 40,000 increase of \$ 3,689
- Married \$ 55,000 increase of \$10,207
- Elderly Asset Limit of \$175,000 increase of \$53,961

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

- Age 65 to 74 \$120,000 decrease of \$ 5,000
- Age 75-79 \$160,000 decrease of \$15,000
- Age 80 + \$200,000 decrease of \$20,000

If qualified, for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.

I have included three different analysis for your review.

- 1) A two year analysis showing the median change in taxes for taxpayers receiving the elderly exemption between FY 2014 and FY 2015.
- 2) An analysis showing the estimated median tax impact if the proposed changes are made to the exemption limits.
- 3) A comparison of the elderly exemption limits of neighboring communities.

Any adjustment if approved would be for assessments as of April 1, 2016 for the 2016 tax year or FY17.

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.

On Monday evening, I am requesting that the City Council act on first reading of the following Resolutions:

Option A: (Changes to Income & Asset Limits Only)

a) Move to authorize the City Manager to proceed with the proposed increases to income and asset limits only for the elderly exemption, and further, move to authorize the City Manager to bring the Resolutions back for a public hearing and adoption at the February 16, 2016 City Council meeting, as presented. (This requires two readings and a public hearing.)

- Single \$ 40,000 increase of \$ 3,689*
- Married \$ 55,000 increase of \$10,207*
- Elderly Asset Limit of \$175,000 increase of \$53,961*

Option B: (Changes to Income, Asset and Exemption Limits)

or

b) Move to authorize the City Manager to proceed with the proposed increases to income, asset and exemption limits for the elderly and disabled exemptions, and further, move to authorize the City Manager to bring the Resolutions back for public hearing and adoption at the February 16, 2016 City Council meeting, as presented. (This requires two readings and a public hearing.)

Adjust the income and asset limits for the elderly and disabled taxpayers the same as Option A as follows:

- Single \$ 40,000 increase of \$ 3,689*
- Married \$ 55,000 increase of \$10,207*
- Elderly Asset Limit of \$175,000 increase of \$53,961*

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

- Age 65 to 74 \$120,000 decrease of \$ 5,000*
- Age 75-79 \$160,000 decrease of \$15,000*
- Age 80 + \$200,000 decrease of \$20,000*

If qualified, for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.

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

2. **Public Hearing/Second Reading of Proposed Ordinances.**

2.1 **Public Hearing/Second Reading of Ordinance amending Chapter 10 – Zoning Ordinance, Manufactured Housing Parks and Wetland Protection Plans.** As a

result of the January 11, 2015 City Council meeting, under Section VII of the Agenda, I am bringing back for public hearing and second reading the [attached proposed Ordinances](#) amending Chapter 10 – Zoning Ordinance - Manufactured Housing Parks and Wetland Protection Plans. This amendment has been drafted specifically to address zoning issues at the Hillcrest Estates manufactured housing park, but will also pertain to the other City park, Oriental Gardens. (A third park, Snug Harbor off Woodbury Avenue, is not zoned for the manufactured housing park use and does not contain a wetland buffer area.) [Attached is a memorandum from Rick Taintor, Planning Director](#), outlining the background and the Planning Board recommendation of December 17, 2015 that the proposed amendments be enacted.

- a) **Public Hearing/Second Reading of Ordinance amending Chapter 10 – Zoning Ordinance, Article 4 , Section 10.440 Table of Uses – Residential, Mixed Residential and Industrial Districts – Use 170 Manufactured housing park, Supplemental Regulations 10.814.** Under Section IX of the Agenda, the [attached proposed Ordinance](#) will amend the Chapter 10 – Zoning Ordinance as follows:

Amend Chapter 10 – Zoning Ordinance, Article 5, Section 10.521 – Table of Dimensional Standards – Residential and Mixed Residential Districts as follows: Minimum Yard Dimension, Maximum Structure Dimensions,

Amend Chapter 10 – Zoning Ordinance, Article 8 – Section 10.810 – Residential and Institutional Residence or Care Uses by adding the following – 10.814 – Manufactured Housing Park Dimensional Standards

Amend Chapter 13 – Mobile Home Ordinance by deleting it in its entirety

I recommend the City Council move to pass second reading and schedule a third and final reading of the proposed Ordinance at the February 1, 2016 City Council meeting, as presented. Action on this matter should take place under Section IX of the Agenda.

- b) **Public Hearing/Second Reading of Ordinance amending Chapter 10 – Zoning Ordinance, Article 10, Section 10.1016 – Permitted Uses by addition Uses, activities and alterations are permitted in wetlands and wetlands buffers.** Under Section VII of the Agenda, the [attached proposed Ordinance](#) will amend the Chapter 10 – Zoning Ordinance as follows:

Amend Article 10, Section 10.1017 – Conditional Uses by adding the following – Wetland Protection Plan

Amend Article 15, Section 10.1530 – Terms of General Applicability, by inserting the following new terms and definitions – Impervious Surface

I recommend the City Council move to pass second reading and schedule third and final reading the proposed Ordinance at the January 25, 2016 City Council meeting, as presented. Action on this matter should take place under Section IX of the Agenda.

Consent Agenda:

1. **Acceptance of Donations to the Coalition Legal Fund.** The City of Portsmouth has received the following donations to the Coalition Legal Fund, which will be utilized to continue our fight to eliminate the statewide property tax:

- Town of Center Harbor \$500.00
- Town of Carroll \$1,000.00

I would recommend the City Council move to approve and accept the donation, as listed, to be placed in the Coalition Legal Fund. Action on this matter should take place under Section X of the Agenda.

City Manager's Items Which Require Action:

1. **FY 2017 Budget Guidelines.** The Joint Budget Committee (JBC) was established and charged with recommending to the City Manager and the City Council guidelines for the preparation of the proposed FY17 budget. The voting members of the JBC were: Chair-Mayor Robert Lister, Councilors-Eric Spear and Brad Lown, School Board Members-Thomas Martin and Ann Walker, Fire Commission-Jennifer Matthes, and Police Commission-Joseph Onosko.

The JBC met twice; December 10, 2015, and December 17, 2015. At the December 17th meeting, a very preliminary FY17 proposed budget was presented for both the operating and the non-operating budget. The preliminary operating budget was prepared based on increases or changes in rates associated with COLA adjustments, Retirement, Health Insurance premium, Workers' Compensation, Electricity, Natural Gas, Gasoline, and other operating adjustments. The non-operating budget include adjustments primarily associated with Debt Service, County Tax, Property & Liability, Rolling Stock, and Capital Outlay.

The JBC recommendation focused on the Operating Budget only. With increases in rates such as COLA, Retirement, and Health Insurance, the preliminary operating budget was presented with an overall increase of approximately 3.16%. The JBC voted in favor of a recommendation to the City Council to set a goal for the Operating Budget of no more than a 3% increase inclusive of budgeting for collective bargaining contingency.

The budget process and JBC guidelines were presented to the City Council in a Work Session on January 11, 2016. The consensus of the City Council was in favor of the JBC recommendation.

Factors effecting the operating budget are:

Salaries:

Collective Bargaining Agreements state the COLA adjustment percentage shall be determined by the rolling ten (10) year average of the November-November Boston-Brockton-Nashua CPI. The November – November index is .84% making the 10 year rolling average 1.69%.

CONSUMER PRICE INDEX - CPI-U (NOV. TO NOV. BOSTON-BROCKTON-NASHUA)	
FY 08	2.06%
FY 09	3.40%
FY 10	0.72%
FY 11	1.82%
FY 12	0.64%
FY 13	2.90%
FY 14	2.00%
FY 15	0.92%
FY 16	1.60%
FY 17	0.84%
10 Year Average	1.69% FY 2017 salaries use 2%

There are 16 Collective Bargaining Units with expiration dates as follows:

General Government	Expires
Professional Management Association (PMA)	6/30/2016
Supervisory Management Alliance (SMA)	6/30/2016
AFSCME Local 1386B Library & Clericals	6/30/2017
AFSCME Local 1386 Public Works	6/30/2014

Police	Expires
Ranking Officers Association	6/30/2014
Portsmouth Patrolman Association	6/30/2014
Civilians	6/30/2014

Fire	Expires
Fire Officers Association	6/30/2014
Firefighter Association	6/30/2014

School	Expires
Principals/Directors	6/30/2018
Association of Portsmouth's Teachers	6/30/2018
Clerical Employees	6/30/2018
Custodial	6/30/2017
Cafeteria	6/30/2017
Paraprofessionals	6/30/2017
Custodial Supervisors	6/30/2018

Collective Bargaining Agreements state that the COLA adjustment shall not be less than 2% and no more than 5%.

Retirement

There is no increase in the retirement rates for FY17, however, the appropriation will be affected by increases in salaries due to COLA adjustments and step increases. The rates are as follows:

		FY17 Rates
GROUP I		
Employees		11.17%
Teachers		15.67%
GROUP II		
Police		26.38%
Fire		29.16%

Total estimated increase for retirement by department (excluding retirement for expired contracts) is as follows:

	FY16 BUDGET	\$\$\$ INCREASE	FY17 PROPOSED BUDGET	% Change
GENERAL GOVERNMENT	839,134	14,643	853,777	1.74%
POLICE	1,301,852	26,028	1,327,880	2.00%
FIRE	1,306,762	39,864	1,346,626	3.05%
SCHOOL	3,440,364	139,321	3,579,685	4.05%
TOTAL	6,888,112	219,855	7,107,967	3.19%

Leave at Termination

General Government, Police, Fire and School Departments annually budget a fixed amount for each fiscal year which is transferred to the Leave at Termination Stabilization fund where sick leave liability due to employees upon termination is paid. Recommend to level fund this appropriation for FY17:

	FY17 BUDGET
GENERAL GOVERNMENT	\$300,000
POLICE DEPARTMENT	\$155,203
FIRE DEPARTMENT	\$70,084
SCHOOL DEPARTMENT	\$400,000
TOTAL	\$925,287

Health Insurance

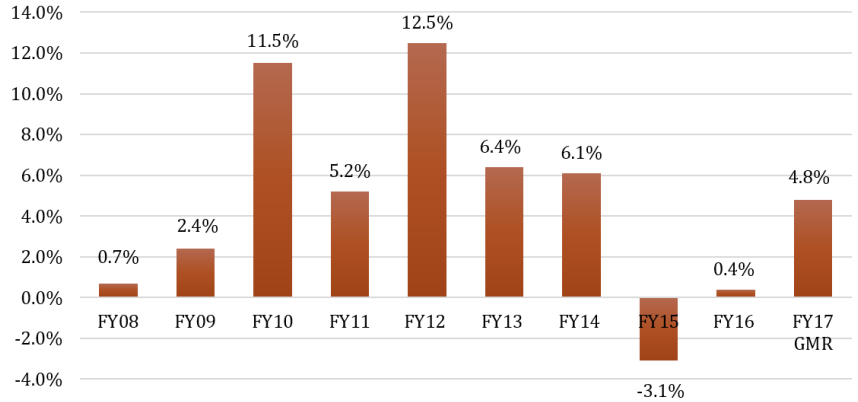
Guaranteed Maximum Rate (GMR) health insurance premium increase provided by HealthTrust is 4.8%. Average increase for the last ten years is 4.7%

Total Projected Premium for General Government, Police, Fire and School Department is \$13,860,970.

Employees’ projected contribution is \$2,028,662 or 15%.

City Contribution projected at \$11,832,309 or 85%.

HEALTH INSURANCE 10 YEAR RATE CHANGE HISTORY



Departments shall budget an increase of 4.7% for Health Insurance as follows:

HEALTH PREMIUM BUDGET @ 10 YEAR AVG	FY16 Budget	FY17 Budget Increase @ 4.70%	FY17 Budget	Estimated City Cost	Stabilization Fund
General Government	1,730,097	81,315	1,811,412	\$2,046,101	234,689
Police Department	1,490,798	70,068	1,560,866	\$1,579,475	18,610
Fire Department	1,157,270	54,392	1,211,662	\$1,148,835	(62,827)
School	6,154,349	289,254	6,443,603	\$7,057,898	614,295
Total General Fund Budget	10,532,514	495,028	11,027,542	11,832,309	804,767

Workers’ Compensation

The following table represents an overall increase of \$647,453 for FY17, however, budgetary change varies with each department based on claim experience.

	FY16	FY17	\$ Change	% Change
GENERAL GOVERNMENT	169,870	159,708	(10,162)	-6.0%
POLICE	119,147	187,175	68,028	57.1%
FIRE	199,769	149,607	(50,162)	-25.1%
SCHOOL	95,586	150,963	55,377	57.9%
TOTAL	\$584,372	\$647,453	\$63,081	10.8%

Preliminary Operating Budget by Department as presented to JBC on December 17, 2015

GENERAL GOVERNMENT

FY16 Budget	\$ 17,665,762	
Salary Adjustments <i>(includes SS & MEDICARE)</i>	154,036	
Retirement	14,643	
Health Insurance	81,315	
Workers' Compensation	(10,162)	
Electricity	24,624	
Natural Gas	5,880	
Gasoline	0	
Other Operating @3%	130,527	
Total Increase	400,862	
FY17 Preliminary Budget	\$ 18,066,624	2.27%
2% Collective Bargaining <i>Includes FICA and Retirement</i>	200,782	
Total	601,644	3.41%

POLICE DEPARTMENT

FY16 Budget	\$ 9,617,688	
Salary Adjustments <i>(includes SS & MEDICARE)</i>	115,861	
Retirement	26,028	
Health Insurance	70,068	
Workers' Compensation	68,028	
Gasoline	0	
Other Operating @3%	13,729	
	293,714	
FY17 Preliminary Budget	\$ 9,911,402	3.05%
2% Collective Bargaining <i>Includes FICA and Retirement</i>	146,679	
Total	440,393	4.58%

FIRE DEPARTMENT

FY16 Budget	\$ 7,995,603	
Salary Adjustments <i>(includes SS & MEDICARE)</i>	147,211	
Retirement	39,864	
Health Insurance	54,392	
Workers' Compensation	(50,162)	
Other Benefits <i>(insurance reimbursement)</i>	15,912	
Electricity	3,750	
Natural Gas	0	
Gasoline	0	
Other Operating @3%	10,598	
	221,564	
FY17 Preliminary Budget	\$ 8,217,167	2.77%
2% Collective Bargaining <i>Includes FICA and Retirement</i>	112,041	
Total	333,605	4.17%

SCHOOL DEPARTMENT

FY16 Budget	\$ 43,382,210	
Salary Adjustments <i>(includes SS & MEDICARE)</i>	687,149	
Retirement	139,321	
Health Insurance	289,254	
Workers' Compensation	55,377	
Dental Insurance	14,000	
Electricity	0	
Natural Gas	0	
Gasoline	0	
Tuition	41,057	
Transportation	73,039	
Other Operating @4.21%	139,217	
	1,438,414	
FY17 Preliminary Budget	\$ 44,820,624	3.32%
2% Collective Bargaining <i>Includes FICA and Retirement</i>	0	
Total	1,438,414	3.32%

TOTAL OPERATING

FY2017 PRELIMINARY BUDGET WITHOUT COLLECTIVE BARGAINING	FY16 BUDGET	Salary Adjustments	OTHER INCREASE	FY17 BUDGET	% Change
OPERATING BUDGET					
GENERAL GOVERNMENT	17,665,762	168,679	232,184	18,066,624	2.27%
POLICE DEPARTMENT	9,617,688	141,889	151,825	9,911,402	3.05%
FIRE DEPARTMENT	7,995,603	187,075	34,490	8,217,167	2.77%
SCHOOL DEPARTMENT	43,382,210	826,470	611,944	44,820,624	3.32%
COLLECTIVE BARGAINING CONTINGENCY	313,922	-	(313,922)	-	
TRANSFER TO INDOOR POOL	150,000	-	-	150,000	0.00%
PRELIMINARY OPERATING BUDGET	79,125,185	1,324,112	716,520	81,165,818	2.58%

	COLLECTIVE BARGAINING	TOTAL	\$ CHANGE	% CHANGE
GENERAL GOVERNMENT	200,782	18,267,406	601,644	3.41%
POLICE DEPARTMENT	146,679	10,058,081	440,393	4.58%
FIRE DEPARTMENT	112,041	8,329,208	333,605	4.17%
SCHOOL DEPARTMENT	-	44,820,624	1,438,414	3.32%
COLLECTIVE BARGAINING CONTINGENCY	-	-	-	
TRANSFER TO INDOOR POOL	-	150,000	(313,922)	0.00%
PRELIMINARY OPERATING BUDGET	459,502	81,625,320	2,500,135	3.16%

I recommend the City Council move to accept the budget guidelines for FY 2017 as recommended by the Joint Budget Committee to set a goal for the Operating Budget of no more than a 3% increase inclusive of budgeting for collective bargaining contingency.

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 11, 2016. In addition, this can be found on the City's website.
2. **Channel 22 Studio Upgrade.** Last week, we upgraded the Channel 22 studio with state of the art High Definition Cameras, a state of the art graphics/switcher and an overhaul on all the wiring. With this upgrade, the quality of all the shows being broadcast will improve on Channel 22 and the City's YouTube Channel (youtube.com/cityofportsmouth). The meetings on the Comcast Channel 22 will still be in Standard Definition (SD), but the City's YouTube Channel will be broadcast in High Definition (HD). This upgrade will bring the city in link with similar HD television studios in the Country.