

CITY COUNCIL BUDGET WORK SESSION PRESENTATIONS

MUNICIPAL COMPLEX
DATE: SATURDAY, MAY 7, 2016

PORTSMOUTH, NH
TIME: 8:00AM

City Council Present: Mayor Blalock, Assistant Mayor Splaine, Councilors Dwyer, Lown, Pearson, Spear, Cyr and Denton

City Council Absent: Councilor Perkins

Staff Present: John P. Bohenko, City Manager; Dave Allen, Deputy City Manager; Nancy Colbert Puff, Deputy City Manager; David Moore, Assistant City Manager; Robert Sullivan, City Attorney; Judie Belanger, Finance Director; Andrew Purgiel, Deputy Finance Director; Dianna Fogarty, Human Resource Director; Rosann Maurice-Lentz, Assessor; Becky Benvenuti, Revenue Administrator/Tax Collector; Peter Rice, Public Works Director; Alan Brady, Information Technology; Eric Eby, Parking & Transportation Engineer; Joseph Giordano, Parking Manager; Steven Achilles, Fire Chief; David Mara, Police Chief; Karen Senecal, Police Department; Robert Marsilia, Building Inspector; Steve Butzel, Library Director; Steve Zadravec, Superintendent of Schools; George Shea, Assistant Superintendent of Schools; Steve Bartlett, School Business Administrator; Rus Wilson, Recreation Director; Brinn Chute, Senior Services Coordinator; Ellen Tully, Welfare Administrator; and Kelli L. Barnaby, City Clerk

Others Present: Richard Gamester, Fire Commissioner; Jennifer Mosher-Matthes, Fire Commissioner; Brenna Cavanaugh, Police Commissioner; Joseph Onosko, Police Commissioner; Ann Walker, School Board; Roseann Vozella Clark, School Board; Patrick Ellis, School Board; and Leslie Stevens, School Board

Mayor Blalock called the Work Session to order at 8:00 a.m.

City Manager Bohenko said that this is the first budget Work Session presentation. He announced that Judie Belanger, Finance Director will be making her presentation first due to a funeral. He reviewed the remaining FY2017 budget schedule dates and announced that the public hearing on the budget will be held on Wednesday, May 11, 2016 at 6:30 p.m. He spoke to the Joint Budget Committee vote to recommend that the City Council set a goal for the Operating Budget of an increase of no more than 3%. City Manager Bohenko reported that the overall budget will be increasing 3.2%. He addressed the long-term financial planning & policies that are in place. He stated key factors of the budget are as follows:

- Salaries – COLA Contractual Obligations
- Retirement Costs
- Workers Compensation
- Health Insurance Premiums

He said that funds have been set aside for unions that do not have settled contracts and addressed step increases in the budget. He reported \$432,502.00 has been set aside for unnegotiated contracts. He spoke to health and retirement costs as well as workers compensation.

City Manager Bohenko reported on the proposed Non-Operating Budget major impacts:

- Rockingham County Tax
- Capital Outlay
- Rolling Stock
- Debt Service

He advised the City Council that the Rockingham County tax obligation is estimated to increase 11.25% in FY17 and Portsmouth is the highest contributor in Rockingham County. He stated over the past 10 years, the total Rockingham County Tax obligation has increased over 21% while Portsmouth's share of the tax has increased more than 47%. He reviewed the rolling stock and debt service with the City Council. City Manager Bohenko said if the budget is adopted as presented, it will result in an estimated tax rate of \$17.10 which represents a \$.31 increase or 1.83%. He announced this is an annual increase of \$107.20 for the median single family residential home in Portsmouth. He indicated that Portsmouth ranks 42nd as having the lowest equalized tax rate out of all 234 taxable communities and Portsmouth has the lowest equalized tax rate within NH communities with 20,000+ residents. He reported that \$1,773,500.00 is proposed to be utilized from committed fund balance to offset property taxes. He spoke to the City having an AAA bond rating and we are one of two in the State of New Hampshire. City Manager Bohenko reported that the City received \$2.4 million in parking revenues in our general fund.

Councilor Spear asked about the collective bargaining contingency in FY16. He said the Council budgeted \$312,000.00 and if none are settled it would be an operating surplus and spoke to not funding them. City Manager Bohenko said we have a policy for no retroactivity in FY16. Councilor Dwyer said we reduced it for that reason and she feels the Council could reduce it further. City Manager Bohenko said we could discuss that and provide an analysis and it could further reduce the tax rate.

Assistant Mayor Splaine spoke to the benefit received from parking revenues and how the City benefits from \$.51 off the tax rate. City Manager Bohenko reported that we will be adding to the on street parking rate.

Finance Department

Finance Director Belanger provided a services overview of the Finance Department and reported the proposed FY17 budget is \$2,152,408.00. She spoke to the relocation of the Trustees of Trust Fund's Business Office to City Hall Finance Department. She said there is a new benefits administration position added to communicate, enroll, and implement all benefits offered to City employees for all departments as well as the incorporation of school payroll function within the Finance Department with 2 payroll coordinator positions. She reviewed the Finance Department responsibilities for Assessing, Tax / Revenue Collection Division, and Information Technology.

City Manager Bohenko spoke to channel 22 and said most meetings are now on YouTube. Finance Director Belanger spoke to the increase in the number of meetings broadcasts and said we will be putting out an RFP to refresh the website.

Finance Director Belanger spoke to the tax setting process and indicated the budget meetings and GFOA requirements. City Manager Bohenko thanked Finance Director Belanger and the Finance Department for the great job in putting the budget together. She reported there are 8,500 taxable properties in the City and 17% make up commercial. She spoke to the increase in building permits that are recorded in the Assessor's office. City Manager Bohenko said 12,000 inspections were done last year with 4 staff members in the department. She indicated that auto registration is the largest source of revenue we receive at \$3.8 million.

Councilor Dwyer said she likes the performance measures and would like to see the number of elderly and disabled exemptions listed.

Police Department

Chief Mara spoke to making the department more efficient in the budget process. He said the department needed more direction and the creation of short term goals. He addressed getting involved in community policing. He said going long term without a contract affects moral. He addressed the restructuring of the department, now there will be a Captain replacing the Deputy Chief position, there are four Lieutenants in charge of divisions and there will be 9 sergeants. He spoke to the goals of the department:

- Commission on Accreditation for Law Enforcement Agencies (CALEA)
- Accountability
- Community Policing
- Collective Bargaining Agreements

He addressed the creation of evaluations and software for recording disciplinary records. He spoke to the need to track complaints better. He indicated the part-time data entry clerk will be made full time in this budget. Chief Mara spoke to the accreditation process and said he looks forward to the process. He said after the review it is about transparency. He said patrol officers are now reporting to someone and all employees will be evaluated. He spoke to community policing and officers spending time downtown being ambassadors to the City. Chief Mara addressed the opioid epidemic and partnering with the School District with "Cops with Kids." He said there will be more outreach with the seniors in the community and the creation of a senior walk. Chief Mara said they worked hard to stay in the 3% and the department is presenting a budget with a 3.84% increase.

Assistant Mayor Splaine asked if they are doing ethics training. Chief Mara said they train the entire department on ethics. He indicated that body cameras are a matter of priority and it would be advantageous to the department however, there is a cost to it.

Councilor Denton spoke to the legislation on body cameras and asked about the best form of storage. Chief Mara said they have come a long way and you would need to decide how long to store the film.

Councilor Dwyer said she is pleased to see the restructuring of the department. She said the City Council would need to see a contract to work on it and they have not seen one in the last three years. She addressed the accreditation process and wondered if we need the position in the beginning and then would it become a normal function. Chief Mara said having an officer do that is invaluable and the person would have other functions.

Councilor Spear thanked Chief Mara for the presentation and said the overall department is going up 5 full time employees which is high. He said he is not there yet and looking at the head count with the number of employees. Chief Mara said they have eliminated the two highest salaries and in the past you had 71 officers. Chief Mara said he is trying to get the department up to best practices.

Councilor Lown expressed concern with the increase in worker's compensation. City Manager Bohenko reported that Chief Mara met with Primex and he has instituted a light duty program and working towards best practices on claims.

Fire Department

Chief Achilles spoke to essential services provided in the City. He reported in 2015 there were 4,639 incidents with 2,707 fire related and 3,316 EMS related. He indicated that the calls are increasing and spoke to ambulance services and reported that the collection rate over the last 5 years has been 77.8%. He stated there are 62 employees with no changes to staff. Chief Achilles said the budget request is \$8,230,100.00 which represents at 2.93% increase over FY16. He addressed some of the reasons for increases in the budget are step increases, NH retirement, health insurance and telephone services. He reported there is a tentative agreement with the firefighters and they're working on the officer's agreement as well. He spoke to factors impacting services as follows:

- Continued commercial and industrial development in all areas of city including the Tradeport, downtown and Lafayette Road
- Projected and new residential developments in West End, Lafayette Road, downtown and By-Pass
- Day and multi-day visitors and hotel / lodging occupancies
- Inspections of new construction, renovations, and places of assembly (i.e. restaurants, entertainment venues)
- Continued aging of population
- Infrastructure repair and construction such as bridges, wastewater treatment facility, and parking garage

Councilor Dwyer expressed concern with our insurance rating being the same as New Castle. Chief Achilles spoke on how we are rated.

Councilor Spear said he supports the Fire Department budget as presented. He would like to see an outside person coming in to evaluate the department. He stated now is the time to do such a study. Chief Achilles said much like the Police Department the better path is the accreditation process. He said they could do the accreditation process themselves with an accreditation manager. Councilor Spear said he would support the funding for that position.

Councilor Pearson asked about the self assessment and how long it would take and how do you measure efficiencies. Chief Achilles said this is a 3 to 5 year plan with a report from the department on a regular basis.

Emergency Management Office

Chief Achilles said that this is a collaborative approach and there is no increase from the FY16 budget.

City Manager Bohenko thanked Chief Achilles for his work on emergency management.

Assistant Mayor Splaine left the meeting.

Public Works Department

Public Works Director Rice said this year's budget is working on current levels. He spoke to tools put in place to improve efficiency and current data and information to make better decision. He spoke to the 4 divisions in the department with a total of 126.31 full time employees. Director Rice spoke to the various items which make up the Highway Division. He reported that the proposed FY17 budget is \$6,376,183.00 which represents a 2.22% increase. He said 55% of the budget is salaries and benefits. He addressed Portsmouth Click and Fix which provides a vehicle for improved communication with residents and visitors to our city. He indicated an acknowledgement of request and resolution is provided. He stated it improve metrics: number of issues, time to resolve, service request type and geographic statistics. Director Rice spoke to facility upgrades, cemetery upgrades and vehicle maintenance software has worked out well. He addressed energy conservation with LED lighting installation at City Hall. He reported on exploring options for LED street lights that could result in a \$120,000.00 savings per year.

Councilor Spear spoke to investing in solar power and where we are looking at that. Director Rice said they're looking at solar panels but when they were placed on the treatment plant and the middle school the savings was not what we expected. City Manager Bohenko said at the May 16th City Council meeting we will be coming forward with a solar option but we want a 7 year payback.

Councilor Dwyer said some neighborhoods feel they are getting things fixed and others are not. She asked if they look at things by neighborhoods or wards. Director Rice reported they have the information and he could provide a report back on this matter.

Councilor Denton asked if there is a single split truck to do recycling in the field. City Manager Bohenko said we are looking at purchasing a container for solid waste and recyclables which would be a \$400,000.00 investment.

Parking & Transportation

Parking Manager Giordano said he is focusing on data driven and improved customer service in the department. He spoke to branding and having them recognizable and stated they are hiring local people who will be serving as ambassadors for the City. He reported the budget is \$1,838,947.00 with 49% comprised of salaries and benefits. He spoke to the hiring of a Deputy Parking Clerk and how that fits with succession planning. Parking Manager Giordano reported that there have been 1,139 EasyPark devices sold with 1,011 accounts.

Additional Services provided by the Parking & Transportation Division

- Downtown Snow Removal
- Parking Lot Paving
- Wayfinding
- Transportation Program
 - Shuttle Services
 - Public Transit
 - Senior Transportation
- Downtown Police Detail
- Bicycle/Pedestrian Facilities
- School Crossing Guards

Parking FY-16 Initiatives

- Parking Division Hired Walker Consultants to complete a Parking Operations Study (Completed July 1, 2015)
 - Created Road Map for Improving Parking Division
 - Rebrand Portsmouth Parking
 - Staff Training to Stress Role as City Ambassadors
 - Upgrade Software Systems to Allow for Improved Customer Experience
 - Upgrade Garage Pay System

Additional FY-16 Accomplishments

- Credit Card System at Hanover Street Garage
- Expanded Enforcement
- Branding and Marketing
- Designed Garage Wayfinding System
- Secured Parking Agreement with Piscataqua Bank Adding 18 Spaces

The Proposed FY-17 Budget

Further Implementation of the Walker Parking Consultant Report Recommendations:

- Automate monthly pass holder registration/billing
- Upgrade Citation Management
- Explore Mobile Pay Options to Augment Easy-Park
- Install Garage Wayfinding
- Update Single Head Meters to "Smart" Meters

Mayor Blalock asked if parking spots could be made to allow for several mopeds and motorcycles to use.

Councilor Pearson asked if employees attend the frontline training through the Chamber of Commerce. Parking Manager Giordano said not currently but would look into that training.

Councilor Spear spoke to increasing parking rates and extending hours of enforcement until 9:00 p.m. on Friday and Saturday evenings. City Manager Bohenko said that is a policy decision and would be a large shift that we would need to move slowly and gather information before increasing the hours.

Councilor Dwyer said the City needs to do a better job in getting the message out on the parking shuttle. She spoke to shuttling individuals during events at Prescott Park from Little Harbour School. She said event shuttling would be an added benefit to freeing up parking spaces in the downtown during some of the larger events.

Councilor Denton asked how many people make up the wait list to purchase a garage pass. Parking Manager Giordano said there are 150 people on the list.

Transportation

Parking & Transportation Engineer Eby spoke to the engineering side of parking.

Transportation Initiatives

- Traffic Signal Upgrades
- Collect Traffic Data and Complete Traffic Analysis to Improve Function of City Road System
- Street Design Template
- Traffic Calming Guidance
- Improve Bicycle and Pedestrian Facilities

He addressed street design template and traffic calming. Councilor Dwyer asked if traffic calming was part of the recent neighborhood meeting. City Manager Bohenko said they're looking at mini traffic circles in neighborhoods. He said there would be educating of the public on their use and we would use a test area.

Councilor Spear spoke to the need to purchase smaller vehicles which would make streets more friendly.

Recreation Department

Recreation Director Wilson said that there are 5 facilities in the Recreation Department run with 4 employees. He spoke to the 5 facilities and what they provide to the community. He indicated that the outdoor pool averages 400 kids per day. He spoke to the summer camp run by the department which averages 450 kids. He stated that the budget represents an increase of 1.61%.

Senior Services

Senior Services Coordinator Chute said the senior services has grown since its inception two years ago. She said they continue to meet the needs of the growing senior population. She reported the budget is increasing due to paying rent for an increase of 7.9% and an increase in part time staff hours. She indicated there is one full time and two part time employees which make up the department. She spoke to a software package that looks at where they need to go in the future.

Councilor Pearson said she is confused as to whether it is a senior center or a community center. Senior Services Coordinator Chute said you need to remove isolation from seniors. She said you have a separate model that is designated for seniors but we want to incorporate the community. City Manager Bohenko said we are looking at a multi-generation center. He said we would start with seniors and then branch out for a community center space. Councilor Spear said he would like to have a report on this. City Manager Bohenko said the Subcommittee could come back in June and provide a report.

Planning, Inspection, Health Departments

Deputy City Manager Allen and Deputy City Manager Colbert Puff provided an overview of the departments.

Deputy City Manager Colbert Puff said that land use applications have been relatively stable. She said 290 land use applications have been filed this year and 30% of them are deemed as highly complex. She addressed planning projects and the master plan.

Councilor Spear spoke on the number and length of meetings. Deputy City Manager Allen said the Planning Board has been stable for meetings and the length is what you would expect. He indicated that the Historic District Commission is still having longer and multiple meetings per month. He said they have instituted a consent agenda which has been very useful.

Councilor Dwyer said the Historic District Commission has not done well on new construction and wants to know if we have within the staff to have a two part Historic District Commission. City Manager Bohenko said if you look back over 18 months the department is doing better due to adding staff back. He said he would like to address that matter once the guidelines have been put in place.

Councilor Spear spoke to using Character Based Zoning to bring all neighborhoods in compliance with regulations. Planning Director Taintor said he would prefer looking at the zoning that applies rather than the Character Based Zoning.

Councilor Pearson said HDC meetings are running well and the make up is open to modern construction.

Inspection Department

Deputy City Manager Colbert Puff explained the 5 core priorities of the department. She reported that the department is incredibly busy from July – January and that the number of permits has increased by 6.32% with construction values increasing 47%.

City Manager Bohenko spoke to the \$70 million in new value that has been added to the City. He reported that Building Inspector Marsilia has done an excellent job and has increased the level of compliance. He said that the department has done 12,000 inspections. Councilor Cyr asked about the number of inspections. Deputy City Manager Allen said Building Inspector Marsilia is making sure every project ends with an occupancy permit.

Health Department

Deputy City Manager Colbert Puff reported that there are two individuals that make up the department. She reported that Health Officer McNamara is involved in opening the Peers Recovery Center. She said the department has processed 317 food permits and that 77% of the food establishments have a liquor licenses. She stated that we license 25,223 restaurant seats and 19,405 liquor licenses.

Councilor Dwyer said we are only going to see more health issues and we will need to increase staffing. City Manager Bohenko said we are looking at adding a part time position to the department.

Mayor Blalock thanked Health Officer McNamara for her work and said she is a real resource, and the need for more staffing in the department.

Welfare Department

Welfare Administrator Tully reviewed the mission statement for the department and stated the budget is \$328,514.00 which represents a net decrease of -7.19% from FY16. She addressed the Social Services portion of the budget which 22 outside services have received funding.

Councilor Dwyer asked if we have seen changes with the affordable care act. Welfare Administrator Tully said yes, the numbers are generally half of what they use to be for those seeking assistance with prescriptions.

Councilor Spear asked how much is spent on outside social services. Welfare Administrator Tully reported \$154,540.00. She stated she refers people to other resources and there are 4 food pantries in the City to assist individuals. City Manager Bohenko said in FY18 we could set up a subcommittee to look at the funding for outside social services as was done in the past.

Human Resources Department

Human Resources Director Fogarty spoke regarding the benefits provided to employees. She said the proposed Human Resources Budget for FY17 is \$2,581,363.00 which represents an increase of \$72,343.00 or 2.88% over FY16. She stated the majority of this increase is due to the increase in Health Insurance of \$81,315.00 and without the health insurance increase, the budget would have decreased \$9,304.00 or -.37%. She reviewed the various statistics of the office and spoke regarding the status of negotiations. She reported they are negotiating 8 contracts currently.

Legal Department

City Attorney Sullivan said the only change in the budget is the addition of a part time assistance for his administrative assistance. He said the work load has increased greatly and therefore the need to hire an additional part time person exists.

City Clerk / Election Departments

City Clerk Barnaby reviewed the mission statement for the City Clerk's Office and the staffing level. She reported that the proposed budget for the City Clerk is \$250,436.00 that represents a net increase of \$6,502.00 or 2.67% from FY16. She stated the Election Budget for FY17 is \$63,213.00 that equates to a net decrease of \$3,800.00 or -5.67% from FY16. She provided an overview of services for the departments and reviewed various Election statistics and City Clerk data.

Library Department

Library Director Butzel announced that this is the 10th Anniversary of the Library building. He spoke to areas of growth in the Library stating that 25,000 adults, children and young people have attended programs at the Library. He stated that over 1,200 people trained in computer classes and 350 individuals received help with electronic devices. He said there have been over 35,000 informational and genealogical assistance sessions. Library Director Butzel reported that the budget reflects a 2.61% increase.

School Department

Superintendent Zadravec spoke to the goals of the School Department. He said the schools in Portsmouth are recognized as one of the best in the State. He said they are a model district and enrollment remains stable. He reported he was approached by the Town of New Castle to send their middle school students to Portsmouth. He indicated the budget reflects a 3.32% increase. Superintendent Zadravec said that 10 individuals will be retiring with 5 of them taking the incentive. He spoke to a long standing need for a maintenance person in the schools and said they're focused on upkeep of the buildings. He advised the Council that there are currently grant resources and when they start to go away it will impact the budget.

Councilor Denton asked about the gardens at the schools. Superintendent Zdravec explained with a USDA grant there will be gardens at each of the schools which are maintained by the students.

Councilor Dwyer spoke regarding testing scores for the middle school and high school. Superintendent Zdravec said some data is pointing in different ways. He said they are working closely with teachers.

Councilor Spear spoke to increasing the hours of schools. Assistant Superintendent Shea said the School Department and School Board are discussing the school day hours.

Mayor Blalock said the School Department should be commended for their rankings and be proud of them. Mayor Blalock said data shows that starting the school day later is increasing learning.

City Manager Bohenko thanked everyone for coming out today and announced that the Budget Public Hearing will take place on Wednesday, May 11th at 6:30 p.m. at City
Mayor Blalock closed the work session at 2:50 p.m.

Respectfully submitted by:

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