

**MANAGER'S CONFERENCE MINUTES**  
**Portsmouth City Council Meeting on**  
**November 24, 2014**

**1. 2015 Budget – CM-14-53**

Judge Russ Kegley spoke regarding the Municipal Courts budget and stated that the Municipal Court had been a good citizen for a number of years and the Court has been the one most willing to work with this legislative body over the years. 12 years ago they helped the city by giving them \$12.00 a case in court costs and that generates approximately \$110,000 per year probably closer to \$150,000-\$180,000 and since that time 12 years ago well over \$2 million has been pumped into the coffers in addition to what was generally given by the court. They trimmed the staff, there are 3 positions that have not been filled over the years and employees haven't had raises for 4-5 years and now it's proposed no raises for another 5 years. The Courts helped their folks by fulfilling the obligations and giving their employees bonuses over the last 3 years, this didn't help with their PERS, their retirement as a response to that City Council gave other employees another week's vacation that they did not give that to the court employees. This body is willing to live up to contractual obligations to everyone else except the court as they've spoken about Charter obligations, he reminded them of the mandate from the State and by statute to support the courts. To support their accommodations, their needs and that's what is given in the packet, Section 1901.36 of the ORC says exactly that you are to support the courts accommodations and its needs; that's no less of an obligation than the Charter obligation and one doesn't trump the other. Talk about fiscal emergency, when the County went into fiscal emergency, the Commissioners, the Fiscal Advisory Board and the State Auditor's office all recognized their obligations to the courts. The courts budgets weren't touched and in fact if he understands correctly, their employees got raises during the fiscal emergency in the County. They are not asking Council to do that, they are not here to say that you need to fund the court 100%, they've given a budget of \$1,006,000.00. The Court will continue to be good citizens but will not tolerate or accept Council balancing the budget on the backs of the courts and not spreading that pain around equally amongst the other departments. Judge Mowery is on the same page and they are willing to do their part but they will not take on someone else's part as well. He went over the budget concerns report that the City Manager had given to Council and said that the Health Department is over \$20,080.00. Manager Allen stated that he had capped the Health Department at \$620,000 which accounted for the overage of \$20,080. Health Commissioner Chris Smith stated that their budget is still a reduction of \$25,000 over last year and believes there was miscommunication.

Judge Kegley stated that he wasn't there to attack anyone else but to protect the courts to the extent that they can and stated again that they are willing to do what everyone else does. He went over the Drug Free Workplace and the fact that the Municipal Court won't allow their employees to participate. They've had questions and still have questions of what the protocol would be and until the questions get answered like with the budget, they're not on board. He's spoken with the court employees and they are on board and the person who has a problem with the plan was him but he believes in the promise of the 4<sup>th</sup> amendment that says we're supposed to be safe and secure in our places, our persons and our effects without

probable cause and that's what this country was built on, the employees are willing to do this though if they get the answers and know what the protocol is. Court is cooperating and always has cooperated with this legislative board. They will help but they won't do it all. You're asking us to reduce one of the very entities that keeps this city alive, the money that they pump into it and you ask them to keep pumping the money into it but how are we supposed to do that if we reduce our staff. We provide Community Service Workers that save the city 5 full employee's hours per year. The court welcomes conversation with Council but to ask the court to take a 10% cut without asking everyone else to do it, isn't right.

City Manager Allen stated that the \$104,000 for the Security is not part of the court budget, does the court budget have the gasoline and vehicle repair included in it. Judge Kegley replied "NO" because it had never been a part of the budget before.

Auditor Williams stated that he couldn't say one way or the other but he could find out. He's not sure why it wouldn't have been included.

Judge Kegley stated that it was never a part of the budget before and then this year it was just taken from the budget and they weren't even told.

Manager Allen stated that he couldn't explain why the courts had never been charged for gasoline or repairs when everyone else is being charged. So the \$104,000 doesn't include any gasoline or repair cost. Judge Kegley stated that it is not included and quite frankly had they not done what they did with the security, that \$104,000 would probably be closer to \$150,000 because the City was paying the Sheriff and they get a 10% increase every year and it's been \$104,000 for several years now and the City would have been paying a lot more than that for security. Those figures also don't include the Community Service buyout that goes into the security fund it's been going into the General Fund. They just want to be able to operate at the levels they need to operate.

Councilman Kevin W. Johnson stated that he thought that the Municipal Court, City Manager and Auditor need to sit down and talk.

Manager Allen stated that he had no authority of their budget, this is between the Auditor, Council and the Courts. Councilman Kleha stated that he believed that we do need input from the City Manager.

City Manager Allen reviewed the budget and advised of the State Auditors comments regarding the 5 year plan being insufficient because it doesn't address the deficit condition for 2016 and 2017 and in reviewing 2015 was included in that too. He went over the 2015 General Fund Budget concerns. He stated that the Railroad crossings that he had listed to sell to the railroad probably wouldn't go through as there were too many people that objected. The police impound revenue showed \$138,000 which is more like \$100,000. Even with the permissive tax that will still be short \$181,665 in the Street Department. We should probably transfer \$181,000 from the General Fund to the Street Fund or we should be considering reducing the staff. Even with all the changes next year the General Fund will still be down \$100,000 plus and that's if nothing else happens.

He went over unfunded compensated absences list and the amount was \$406,000 and some of these employees could retire next year and that hurts the recovery plan.

He said this is not personal between him and the courts and he's not looking to balance the budget on the backs of the courts. Employees under his responsibility, he is down 5 employees that left in 2014 and have not been replaced. The wastewater department thought they were getting 3 more employees but they are not getting any more employees. He stated that we would have to put an income tax on which he's told would not pass in this town or he has to lay people off and make all employees pay more for their medical insurance and make people pay for a portion of their pension pick up and that would include the courts, so everyone would be taking a pay cut. There are 12 positions that he has in his mind that would have to be cut. It's not that we don't need them but we're at the point where we can't afford them and those cuts will have an impact on service. People of this town will have to decide what level of service that they are comfortable with and we're going to have to reduce service. What level of service people are willing to pay for and he believes there will be a point where we do irreparable harm to this community. There are areas that have been reduced in that he doesn't feel should've been reduced. Not conducting the building inspections to the level that needs to be in our engineering department. The fact that we have decrepit infrastructure and really don't have a licensed City Engineer to assist us with this service. The fact that we don't have anyone in our parks to mow and we're pulling street department people to mow the parks when they should be out fixing the streets and now he needs to cut the street department farther. We're not going to be able to do the things we need to do without laying people off and one of those is the Community Development Department and we won't have that department. The sad thing is there's nothing left to do but to cut their pay. The contracts for every union will have to be negotiated and cuts will have to begin there.

Judge Kegley said the budget that was submitted is one that they are willing to work on, but does have a problem with doing something the other departments are not doing. He noticed that the Auditor's office wasn't being cut. Auditor Williams stated that his office had 7 employees and he voluntarily 4 years ago lost one employee and did not fill that position to help with the budget. Why follow the Charter mandate and not the statutory mandate that is Judge Kegley's question.

Councilman Kevin W. Johnson advised that in the past Council has had a Special Meeting to go over the budget and he suggested that again, but would like to discuss this with the other councilmen that aren't here. He thanked Manager Allen for the detailed budget as it makes it a lot easier to go through it department by department. This will be on the next meeting of December 8<sup>th</sup>. It will definitely go the full three readings, Trent stated that he needs something by January 19<sup>th</sup>. Solicitor Haas suggested picking a Saturday so that everyone needs to know. KWJ suggested December 6<sup>th</sup> at 9:00 a.m. in Council Chambers.

**There were no questions or comments. VOTE: 4 Ayes – 0 Nays**

**2. Closing of Books Fiscal Year 2014 – Added by Auditor Williams**

Auditor Williams stated the request to authorize and direct the preparation of legislation as a Consent Agenda item to amend appropriations to reflect actual revenues and expenditures in

order to balance and close the City's books for fiscal year 2014. Sometimes there are fund transfers are necessary and allows him to adjust the appropriations with the approval of the City Manager and the budget. Councilman Meadows motioned to adopt alternative #1 to approve the request as a consent agenda item.

**There were no questions or comments. VOTE: 4 Ayes – 0 Nays**

3. Councilman Kevin W. Johnson motioned to drop the Mayor from the Conference Agenda title and just Conference Agenda. Councilman Kleha motioned to drop the word Mayor from item 5 of the Rules of Council.

**There were no questions or comments. VOTE: 4 Ayes – 0 Nays**

Councilman Kevin E. Johnson asked Judge Kegley to explain a little more about the 1901.36 and he went over the form.

The meeting adjourned at 7:15 on a motion by Councilman Gene Meadows.