

**MANAGER'S CONFERENCE MINUTES**  
**Portsmouth City Council Meeting on**  
**December 8, 2014**

**1. Budget Allocation Plan – CM-14-54**

City Manager Allen stated that after he had completed the plan he realized that he had forgotten the Utility Billing office, but he will get it to Council. In discussion with State Auditor's they have expressed they don't have any issues with the Allocations and they wanted a report adopted by Council. The Utility Billing office is considered overhead to the Water/Wastewater/Sanitation Departments, the purpose of the office is to collect revenue for those 3 departments and as overhead the entire office is allocated out based upon the amount of revenue as a percent of the total. Add up the total amount of Wastewater/Water/Sanitation Revenues and you take the amount generated in 2013 and that's the percentage for charging the utility billing office (Water Works Office) and it is charged off to Wastewater and Sanitation. There will be some changes in 2016 the 2014 numbers available and the Sanitation fees will have been increased. He went over each department and how it was allocated. This would be by Resolution. Councilman Kevin W. Johnson moved that we accept Alternative #2 (Amend the Request) and ask that at the next meeting the Utility Billing Office be included.

**There were no questions or comments. VOTE: 6 Ayes – 0 Nays**

**2. Financial Recovery Plan (Advisement only – no legislation) – CM-14-55**

The has to do with updating the plan that we adopted in October and dealing with the deficit in the General Fund for the years 2016 and 2017 and in 2015 we are even with the debates and changes we still show \$104,000 in the black, the general fund won't be sustained in 2015. The State also had told him that \$100,000 in surplus on \$12.2 million is not large enough to be comfortable. It was also discussed that with the unfunded compensated absences if several people retire, \$104,000 won't last long. The main issue is that we need to project something that says we're going to deal with the fact that we're deficit spending in 2016 and 2017. Solicitor Haas reiterated what he said at the last meeting, that the State's patience had worn thin and they will be highly suspicious of anything and he doesn't believe including possible sources of revenue should be listed. They basically said don't put it in there unless you're sure you have it. Councilman Kevin W. Johnson ask the City Manager if this was just an advisement on the financial recovery plan and the Manager replied that he didn't know what plan Council wanted to submit. City Manager Allen stated that he would call the State and advise them that Council is proposing an income tax and that's what he's putting in the plan. Solicitor Haas stated that this budget before Council will not satisfy the State Auditor, City Manager Allen stated he wasn't sure and said that the carryover wasn't enough. He said the last time he called and ask for more time he was given it because he showed he was making progress. There was no vote or more discussion

### **3. Engineering Services – Certification of Flood Defense – CM-14-56**

Manager Allen ask Director Rick Duncan to speak on behalf of the certification. Mr. Duncan stated that the relief wells have been installed and tested and the function properly. He ask that Council appropriate funds for the certification from AMEC and Howerton to satisfy the FEMA requirements. Mayor Kalb added that New Boston was compliant and was waiting on Portsmouth to complete their certification because the levee has to be certified as a whole. Mr. Duncan confirmed that a joint report needed to be submitted. Councilman Saddler ask why Howerton Engineering was \$126,600 and AMEC was \$10,000. Mr. Duncan replied that Howerton's portion reflects several sub-consultants and he had discussed that with them and was informed that it was non-negotiable. Councilman Kevin W. Johnson stated that the proposal doesn't identify what exactly each of the sub-contractors are doing for the monies that they are getting. What part of the flood wall are they certifying and what is his professional opinion on whether we should approve this amount of money? Mr. Duncan said that he had the individual proposals with the breakdowns of what service they would be providing with Howerton and he would share that with Council. Since it's been so long since their initial contract they want to re-inspect it. Mr. Duncan recommends that it be approved. Howerton and their associates from Cincinnati identified 7,000 feet of the levee that they were not willing to certify and said that the city would have to install a series of relief wells which would've cost between \$1,000,000-\$3,000,000 and that is why he ask for the second opinion from AMEC as they were willing to certify the stretch of levee that Howerton was not willing to certify. Councilman Kevin W. Johnson stated that this has been ongoing for the past 2-3 years and the difference in the two companies is that they use different methodologies. He ask if there were funds to cover this and Mr. Duncan said he believed that there were, but it would be a big chunk out of the budget. Councilman Kevin W. Johnson motioned to move forward with Alternative #1 (City Council authorizes contracts for the engineering work and funding is requested from Flood Defense Fund No. 265.

Councilman Kevin E. Johnson ask the City Manager his thoughts regarding the subject. Manager Allen replied that he was leaning towards going away from Howerton and paying \$200,000 to AMEC to certify the whole levee. AMEC expressed some reluctance having the City move Howerton out and taking over, also it would be more money and any time you spend more money, it's hard to justify. His fear is that with Howerton there may be another change order somewhere down the line and from a negotiating standpoint they have us. The choices are basically pay \$200,000 to AMEC and you know at the end the report with agree. The other choice is at the end AMEC and Howerton have to agree. He just hoped that Howerton doesn't come back and ask for more money because he wants to see this completed. Solicitor Haas stated that what Council is voting on now, is to appropriate the money for these two companies to go back and re-inspect the levee and if they find something then they could hold the project up even more by not certifying. Mr. Duncan stated that every deficiency that was identified in the original report has been corrected.

**There were no questions or comments. VOTE: 5 Ayes – 1 Nays (G. Meadows)**

**4. Advertise for bids & enter into contracts (Consent Agenda)**

Councilman Kevin W. Johnson introduced legislation and he recommended Consent Agenda. Solicitor Haas asked if Auditor Williams if this needed to be passed before the first of the year. Auditor Williams stated that if the Manager needed to do anything in January it needs to be passed soon.

**There were no questions or comments. VOTE: 6 Ayes – 0 Nays**

**5. 2015 CIP Budget**

Councilman Kevin W. Johnson added legislation to the Manager's Agenda. Manager Allen stated that he wasn't certain as to when the State wanted their money for the Route #52 project because the State's fiscal year is July and he had been told that they will not request the money until 2016. An Issue 2 grant has been applied for and we've been successful, so that number will be brought down. It was brought up that the State may possibly pay 100% and the City Manager may want to check into that option. Councilman Kevin W. Johnson recommended alternative #1 to bring the CIP Budget forward to Council.

**There were no questions or comments. VOTE: 6 Ayes – 0 Nays**

**6. Charter Amendment proposing .05 Income tax increase**

Councilman Kevin W. Johnson stated that he had brought forward 9 charter amendments but does not intend for all of them to be brought forward at once. He recommended above all the .05% income tax increase. He noted that he put in two specific provisions in 47(g) and he's using 47(g) because we previously repealed the 47(g) that was on the books so it is now open. The first is that the 5/10 of 1% would provide funds for the general fund which will not be increased for at minimum at least 15 years and until such time that a minimum of \$1.5 million shall be in the city's reserve fund at which time Council will review this section for its applicability. City Manager ask if Council can pass legislation that prohibits a future Council from doing something different. Solicitor Haas stated that it would be up to the voters, he has a serious problem with the wording. Councilman Saddler acknowledge that Councilman Kevin W. Johnson had put a lot of time into these proposals and he ask Solicitor Haas if he had had time to review any of the charter amendments brought forward by Councilman Kevin W. Johnson and shouldn't any Ordinance or Resolution come from the Solicitor's office first. Solicitor Haas replied that is usually the normal practice. Councilman Kevin W. Johnson reminded Council that the previous Solicitor Mike Jones stated that legislation had to come from members of Council to the conference agenda because they didn't want the City Solicitor's office hit with all of this before Council had a chance to look at it because otherwise it would just be wasting his time. Solicitor Haas stated that he doesn't mind that it was done but he hasn't looked at it because he wanted to wait until at least 4 members of this council approve and authorize him to prepare legislation and he quite frankly couldn't open it on his computer. He was told about the limitations on the income tax so he was prepared to speak regarding it. From a procedural perspective he doesn't mind if Council goes through them and decides which ones they want and how they want to handle them. Councilman Kevin W. Johnson reminded Council of the time frame with a 3 reading purpose, if it is put off we will not meet the February 4<sup>th</sup> filing deadline with the Board of

Elections and it could not be on the May ballot. Councilman Saddler asked to concentrate on the tax increase for now. He understands that the rest of them need to be reviewed but believed that if we load up the ballot with charter amendments when we're trying to pass an income tax increase it would not give the citizens a sense of security of what they're voting on and that if too many amendments are on the ballot it would be very confusing. He added that the main thing is getting our city back in financial order, he believed that these issues need addressed but not at this point and time. Councilman Kevin W. Johnson said that he believed the citizens accept that we're moving forward and that we're not stopping everything for one issue, and he would also really like to have looked at is the definition of "inquiry" in Section 33 and what the purpose of inquiry means. Councilman Saddler stated that right now the citizens probably could care less whether Council is able to talk to Department Heads or not, all they want is the job to get done, the streets fixed and everything else fixed. Councilman Kevin W. Johnson stated that he ran the campaigns for both to hire a City Manager and for an income tax increase and had no problem communicating to the public on what the issues were. Doing both City Manager and income tax together was interesting but he got it done and raised the necessary money from the public himself. Several exchanges were made and Councilman Kalb got the conversation back on the current issue of the income tax increase. Councilman Kevin W. Johnson moved to delete in the first paragraph everything after "to provide funds for the General Fund.", it should read, "five-tenths of one percent beginning January 1, 2016, to provide funds for the General Fund". Auditor Williams requested one other change that instead of General Fund as we haven't named specific funds in the past, it should read General Municipal Operations. Councilman Kalb stated that he appreciated all the effort that went into putting these amendments together and believed that it is up to the legal authority to look it over and make corrections. Councilman Kevin W. Johnson stated that he wasn't tied to any of the language and was open for suggestions. Councilman Kleha motioned for the Solicitor to draft legislation to go on the ballot in May for a tax increase.

**There were no questions or comments. VOTE: 6 Ayes – 0 Nays**

Councilman Kalb asked Councilman Kevin W. Johnson if he wished to continue with the rest of the amendments and replied no with the exception is the Charter Review Committee as it didn't pass Council in 1996. Councilman Kalb agreed with Councilman Saddler in that we've waited 18 years and he doesn't believe that it's necessary that it be on the primary ballot but better suited for the general election and possibly address 2 or 3 at that time. City Clerk Ratliff ask Mayor Kalb if she could address the City Manager and permission was given. She noticed on the budget that the money was taken away for advertisement and if these amendments were to pass through Council, how will they be paid for. City Manager Allen stated that it can be put back in he wasn't aware that he took it out. She added that a charter advertisement costs a little over \$300 and if we were to do some of these during the year, it will end up being quite a bit of money. It wasn't his intention to short the account and it can be put back in.

## **7. Charter Amendment proposing Charter Review Committee**

Councilman Kevin E. Johnson proposed moving forward with the Charter Review Committee as he does have an interest in seeing that put on the ballot. Councilman Kalb said that in his opinion we've got a lot on our plate right now and questioned whether there was

room for one more thing and called for a vote. Councilman Saddler asked about if the city was charged for ballot printing. Councilman Kleha said yes but one is the same as two, the price is the same whether you have one or more on there.

**There were no questions or comments. VOTE: 2 Ayes (KWJ, KEJ) – 4 Nays**

Councilman Kalb asked the other Councilman if they would like to review any of the other charter amendments. Councilman Kleha commented but it was not audible.

Councilman Kalb had mentioned in the past about the City Manager's office and Council putting items on the Conference Agenda, he prefers that everything be prepared by the City Manager's office onto the Conference Agenda. Councilman Saddler stated that if something is to be discussed on the Conference Agenda then it needs to be submitted to the City Manager to be placed on the agenda. Councilman Kalb stated that it's just much easier to pick up an agenda and have everything listed on it, it's more uniformed. Everyone was talking at once and it was inaudible.

The meeting adjourned at 8:35 on a motion by Councilman Gene Meadows.