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**6:30 P.M.**  
**SPECIAL MEETING**  
**COUNCIL CHAMBERS**

**1. ROLL CALL**

Those present: Councilor's Cheney, Ciotti, DeDe, Deputy Mayor Hindle, Councilor Keays, Mayor Myers, and Councilor Turner. Those absent: Councilor Trefethen, Councilor Scott arrived at 6:45 PM. Also present were City Manager Joyal and City Attorney Krans.

**2. PLEDGE OF ALLEGIANCE**

Councilor Cheney led the Pledge of Allegiance.

**3. OLD BUSINESS:**

**A. Ordinance #03-01/25/2006, Chapter 170, Zoning, Section 170-20.2 Residential-Commercial Mixed Use (RCM) Overlay District.** Sponsored by Council Dean Trefethen, Planning Board Rep. ***(TO BE REMOVED FROM TABLE, AMENDED BY SUBSTITUTION REFERRED TO A PUBLIC HEARING ON MAY 10, 2006)***

Hindle moved seconded by Ciotti to remove from the table with all in favor. Hindle moved seconded by Ciotti to substitute as a whole with all in favor. Hindle then moved seconded by Ciotti to refer to a public hearing on May 10, 2006 with all in favor.

**4. NEW BUSINESS:**

**A. RESOLUTION RE: ACCEPTANCE OF THE ACTION PLAN AND EXPENDITURES FOR THE FISCAL YEAR 2006 CDBG ENTITLEMENT FUNDS.** Sponsored by Mayor Scott Myers, by Request. ***(TO BE REFERRED TO A PUBLIC HEARING ON MAY 10, 2006)***

Hindle moved seconded by Cheney to refer to a public hearing on May 10<sup>th</sup> with all in favor.

**B. SALE OF CITY OWNED LAND TO STATE OF NH FOR PARK N RIDE OFF INDIAN BROOK.** Sponsored by Mayor Scott Myers, by Request.

Hindle moved seconded by Ciotti to adopt. Hindle stated this is part of our master plan and he hopes they support the resolution. Motion to adopt passed on a roll call vote of 7-0.

**C. AWARD OF BID #B06059 FOR CONSTRUCTION EQUIPMENT RENTAL RATES.** Sponsored by Mayor Scott Myers, by Request.

Hindle moved seconded by Ciotti to adopt. Keays asked why do we have to rent equipment. Joyal explained we go out to bid once each year for equipment that we do not have on hand for the city to rent on an as needed basis. Keays says we seem to have all this equipment in our garage. The city manager says we don't have an excavator so we would need a more efficient



piece of equipment. Keays cannot see giving them a blank check, he wants them to come before the council each time they need a rental instead of giving them a blank check. The city manager says with the projects going on day to day they may have a water main break and need a certain piece of equipment and this resolution is for not everyday items. Keays gave an example of a piece of equipment and how often do we have a sewer down 20 feet that breaks and for what they do over there all they do is maintain items. The city manager says they do sewer mains, etc just not large scale work. Keays won't support this. Turner questioned the accountability of an item what if the backhoe is in Barrington for two out of four days; would we still pay for it for the four days. The city manager clarified how this works which is they have a list of qualified vendors and look for a piece of equipment that is available. If they are out on the jobsite they are being supervised by the work crews. Scott wants to know who approves it and how long we would need a piece of rental equipment. Does the director keep track of each job. Scott wants the information in writing on each job. The city manager found the amount in the new budget under streets for private rental, this year we are budgeting \$6,000. in streets for this item. Under sewer the amount is \$40,000 to rent equipment, the city manager says it is not more than \$75,000 at the most for all accounts. Cheney wants to make sure the hourly rates are what is charged when the equipment is in use and not left overnight. Discussion ensued about rental equipment. Turner says the resolution states rates and services. The city manager says it includes the operator and the services and it includes the equipment and the qualified operator. Turner moved to amend by striking the word "services" with Scott seconding the motion. Motion fails with a 4-4 tie vote with Cheney, Keays, Turner and Scott in favor of the amendment

Main motion passed on a roll call vote of 5-3 with Turner, Keays and Scott opposed.

## 5. ADJOURN into Workshop.

Hindle moved seconded by Ciotti to adjourn into a workshop session with all in favor.

### **7:00 P.M.** **WORKSHOP**

#### **1. BUDGET PRESENTATIONS:**

##### **A. School**

The City Manager asked the school department to give their presentation. Marjorie Fisher, School Board chair opened the meeting saying the School Board has worked very hard on the budget and brought it from a needs and wants budget to a needs only budget. Dr. O'Connor says with him is Laurie Verville, the business manager. He thanked the other School Board members for coming out to support their budget. They distributed a handout with their power point presentation. He stated they want to overcome sticker shock in their first slide with the amount of \$2,799,270 in debt service and a total budget of \$35,778,218. This will have a .32 cent impact on the tax rate. He went threw the power point presentation saying there is a 1.4 million dollar increase over last year's budget. He gave a brief history of adequacy aid that is from the State of NH with a high of 6 million and a low of 4 million over a two year period. This graph is a roller coaster ride anytime the legislature is butting heads with the courts in funding for education.

Laurie gave the revenues generated by the school district that have increased by \$600,000 which is derived from the increased funding from medicare; they are anticipating receiving more revenues on this.



Dr. O'Connor then talked about the increase in their benefits; he has 4 recognized unions plus a segment of employees that are non-unionized including the superintendents office. He listed the items that have increased including health insurance, dental insurance, tuition reimbursement and unemployment compensation as well as medical reimbursement.

Laurie continued explaining the slides on operational costs, then the changes in student services. Keays asked about tuition for private placement. Laurie says depending upon the extent of the disability determines where these children will go. Laurie says anytime a student can be qualified and can attend the alternate school. Dr. O'Connor explained we have a deaf child and one that lives at Crotched Mountain and we do not have the capability of handling either one of them. Dr. O'Connor says of communities the size of Dover we have only 10 students that are out of community, we even run our own autism program. Hindle wants Dr. O'Connor to clarify that these rules are federal mandates that these children are educated.

Laurie continued on the transportation budget saying we have a \$68,000 increase. This also includes addressing any homeless students that may need to get to the district that they have been attending. Hindle asked if this includes the utilization of the COAST bus system. She confirmed this that they are a reliable mode of transportation.

Dr. O'Connor says 74% of our funds are for people services. Supplies and books are only 3% of their budget.

The next slide is the States tax rate in comparison to the local tax rate. He showed the projected enrollment. 56% of the staff in the schools are teachers. He listed the various percentages of people in the department. They have 311 teachers and a number of them are on the federal payroll. The FY07 budget represents a net increase of \$232,347 or 1.12%. the DTU (Dover Teachers Union) will be on the May 10<sup>th</sup> agenda.

Dr. Dr. O'Connor stated Fischer and the school board did an awful lot of work in this budget in making numerous cuts. Workers comp premiums are down because claims are down. He has also cut several staff members. Finally two big areas are where curriculum adoption was reduced by 30% and technology reduced by a decrease of 30% of what was requested. \$35,778,218 is the appropriation request and with debt services there is a total school budget of \$38,577,488.

Scott appreciates their clear presentation tonight. Ciotti asked about the 6<sup>th</sup> grade class level. Dr. O'Connor stated not all teachers teach a classroom; some teachers work with special students. Keays asked if the DTU just approved their contract of \$600,000 and if we add that onto your total budget. Dr. O'Connor says it will increase their budget by 1.4% not \$600,000. He added when we meet in executive session in two weeks we will talk about it. Keays asked if they will be back with a supplementary budget. The Dr. stated he will try not too. Cheney says on the 6<sup>th</sup> grade teachers are they keeping the 5<sup>th</sup> grade teacher because of the 4<sup>th</sup> graders coming in; Dr. O'Connor confirmed this. The Mayor wanted to pass along a couple of comments from Councilor Trefethen and how he intends to support the school budget. The Mayor says is there a date early in May that they need to have the contracts renewed. Dr. O'Connor says it is May 12<sup>th</sup> when they must renew the teacher contracts. The Mayor says on May 10<sup>th</sup> they will be having in their public hearing and at that time seeking direction from the council.

## **B. General Government**

Keays is not prepared to discuss this. He thinks General Budget does not mean City Budget. The Mayor told him it was stated on the agenda.

Joyal stated we started with the school so we can give them some direction although they are towards the end of the actual budget book. He starts off tonight with general government and asked Sue



Daudelin, the Human Resource Director to give us an overview of all the departments with regard to personnel.

He pointed out some of the items in the budget book, he pointed out page 34 behind the letter of transmittal; the summary is by cost center. On page 36 and 37 there is a summary of what is driving the changes in the budget including salaries, health insurance and breaks out these items and see what is driving the tax rate. 46 cents is related to capital and debt service. DeDe asked on page 37 and the senior exemption the total impact is 61 million.

Sue Daudelin presented her portion of the slide show. (See council folder of 4/19/2006). The DMSEA, DMEA and AFSME unions are all in negotiation with the City currently and they are working under the status quo. Joyal interjected and pointed out in his proposed budget this reflects some of the department heads have agreed to have their salary frozen until the market catches up with them. He stated his own salary is frozen as well. Scott wants to know the maximum health insurance amount for a family. The city manager says it is at \$21,500 and the city pays 88% of the cost. He also wanted to know the lowest amount and that it says Matthew Thornton is \$14,800 for a family.

The city manager says along the lines of health insurance; we used to only provide one health plan through negotiations and working with the unions they were able to identify the cafeteria plan where employees can elect their own plan. The best practice at the time was to provide benefit offerings based on individual needs. They also instituted buyout options if an employee can prove their spouse has coverage we would provide a cash option to them or a buyout incentive. He asked them to turn to page 23 and the table which gives an indication of what they have negotiated with the unions. Also they have instituted health and wellness initiatives and the EAP program to keep costs down. Sue continued with the changes in the dental plans; Scott asked what pot of money does the State take this money or 35% from. Sue says they invest it and put it into a fund and this determines what the rate will be in the future. The city manager says there are 3 components of what is contributed; he explained the assorted groups: fire, police and the employees. Scott does not remember where this is in the state budget from when he was a state representative. He wants to know what pot it comes from. The long term liability does not belong to the city but to the State of NH; she listed the new projected rates. Like the rising cost of healthcare the retirement is rising also. There is an overall reduction of 21% in staff. She concluded with the cost cutting measures that have been included in the budget. Keays asked why we buy out an employee that already has insurance with a spouse. The city manager stated he was part of the negotiations. Keays says if they don't want insurance why do we pay them. Sue says we have 34 that opt out of the health insurance coverage. Discussion ensued about the costs of health insurance coverage. Scott asked from a tax standpoint is that part of their compensation and does it add to their compensation and their retirement. The city manager says the city still comes out ahead; we still save money with the buyouts. Keays asked was this agreement agreed to in the union contracts.

The city manager explained he would go through the general government portion of the budget as he apologized for the boredom and started with the city council budget. He listed the council's budgetary items. He pointed out the salaries including the camera operator's salary. Hindle asked about the COAST subsidy and line item 4835-subsidies; we have had these organizations come before them each year and ask for money; he thinks at a future meeting that the council should have a policy that we will keep these consistent as to the amount funded last year and we should not focus on these four items. And these folks would not have to come down. The Mayor says they can discuss this. On page 141, he started with the city manager's office saying there is slight reduction in the overall amount and with the change to a human resource person instead of an assistant city manager, they are saving money.

The City Clerk gave a brief run down of the Clerk's office and Election division budget. Cheney noticed on the city clerk's budget about the FSA; the city manager explained we have a section 125 program and there is a service charge or administrative fee for each employee. The city manager pointed out in the city attorney's position and that he wanted to reorganize the city attorney's office and



has made changes in the legal division. He continued the city attorney provides in house legal assistance. He spends a lot of time on 91-A requests. His staff consists of he and his secretary, Joanna. The city attorney gave a quick overview of his budget that starts on page 157 through 159. City Attorney Krans noted that outside legal council has been reduced. Legal departments throughout the state come in all shapes and sizes; he compared the various towns in the State and that most of them contract out their legal costs. The first slide shows a patient in a bed; the purpose of this is in trying to project what your legal costs will be there is no way to anticipate this dilemma. The next slide is a car going off a cliff; this represents the City of Dover, the goal is to keep the car on the road. His job is to gauge avoided costs; the problem is there is no line item in the budget to reflect this number but it is a very real part of being a city attorney. He is constantly trying to keep the car on the road. Slide number 3 for anybody that is a skier; the most difficult course is a double black diamond with icy conditions and you have to be an expert skier to navigate this one. When we refer a case out it is for the double black diamonds with icy conditions. These are especially difficult cases for the city. He gave them the \$150 per hour scenario of outside counsel and the second is \$60 per hour, his rate; He continued the lowest rate for outside council is \$150. per hour. The rate it is costing Dover to have him is \$60. per hour. He reiterated he is \$60 and anybody else is \$150. Turner asked what we are paying Attorney Broth. The city manager says \$225. per hour.

Next is business assistance; he called on Beth Thompson to explain her budget; she went through her slides. She explained the number of jobs in Dover and the average weekly wages and how they have gone up. She stated she spends her time on retention. She explained what she does and how Dover competes with other communities and how she helps businesses make a decision to come to Dover. She listed various people she has worked with in bringing businesses to Dover. She works side by side with planning and engineering and sometimes the fire department. Once a decision has been made by a company to come to Dover she continues to work with them. The third component is designed to maintain the quality of life .she markets for DBIDA for the committee. She provides staff support to the waterfront committee, Dover Main Street and the Chamber Committee to enhance Dover. She is also working with the tourism forum in Dover and her biggest project is the over 100,000 brochures that will be distributed through a grant. She has a miniature version of this brochure she handed out. She also contributes time and effort to the Planning and Master Plan. She is also involved with the Children's Museum as they make plans to move to Dover. She listed several other businesses that she has working with. The challenge for Dover's growth in the future is the availability of land for commercial development; she is also involved with downtown parking and transportation issues with the Little Bay Bridge. She asked them for questions. The city manager says there is really no significant change in her budget.

Lastly in the IT department portion of the budget he asked Annie to explain on page 417 where the funding for her budget is. He stated all departments pay into this fund. Annie Dover, Information Technology Director stated we monitor all internet communications. She read her slides and asked them to look at page 416 to 424 are the pages that pertain to her budget. She showed the portion of what each department pays into DoverNet for revenues. She bases her budget on a computer lasting 10 years. She is part time 20 hour per week with an IT administrator that works 40 hours per week. She maintains the network, secures it and makes sure the performances are there as she works with all city departments. She gave the examples are the web servers, internet email for the entire school system, also they help with Dover download and licensing is a big task as well as backups. Also the work stations which is getting out to the desks and helping people have access to the network as they need. She also manages the list serve for NHLogin. She is on call 24/7. She explained their ticket system and their project oriented work and on page 424 the budget is decreasing by 4.4%. She continued to list their many tasks with her limited staff.

The city manager asked Jeff Harrington to explain the finance department's budget. Jeff stated he has 4 basic areas and most of his department's budget is staffing. On page 165 and page 70 of the summary budget, he went through his slides. The assessing office has an increase in staffing due to the Claremont law suit. His total staff has pretty much stayed the same for several years; he continued to



explain all the graphs and pie charts pertaining to the finance department. Scott asked of the 9100 parcels in Dover how many are residential. Jeff says approx 8000. Scott continued and for the tax revenue how does it divide between commercial and residential. Jeff says it is about 77% residential with the rest commercial.

The city manager asked Steve Stancel to explain the Planning Department's budget detail starting on page 185. Steve stated he has Tom Clark and Chris Parker here this evening. He has 3 divisions, planning, inspection and the community development division. He pointed out line item 4234 is an increase for postage for the master plan activities and line item 4810 has decreased by \$15,000 because of a request from the SRPC was cut from his budget. He recommends adding this back in. Tom Fargo is here as a representative to that. Hindle commented he has great respect with several departments but works more closely with the Planning Department and it amazes him the amount of work they do with more and more on their plate each year. DeDe echoed the same. The Mayor asked how the half time health inspector has worked out. Steve says it has worked out great. Ciotti wants to go back to a chart with total dwelling units for the last 20 years he would like to see business, commercial and industrial properties in the same type of chart and how they have increased over the last 20 years in a chart form. Steve can go back for the last 10 years. The city manager says the growth that has taken place in the city is the direct function of the land use policies we have put in place; this community is heavily zoned residential; there is not a significant amount of commercial zoning in the city. Growth has been residential they can point to specific places in the city the council needs to keep in mind that zoning issues directly have an impact on the tax structure. Ciotti hopes the citizens keep this in mind when it is time for rezoning as he knows how touchy this subject is.

The city manager pointed out in the planning department it is his recommendation to cut the \$16,000 for SRPC; this was his choice to cut this commission and this was a difficult choice. This is not included in his recommended budget. Hindle brought up a couple of items first he would like to see the city attorney come in with a legal opinion with regard to the budget when it comes to line item authority and hopefully with the changes done last year it would behoove us to review our role in the budget process. 2<sup>nd</sup> on the work shop agenda in May he wants to focus on the school portion of the budget. The Mayor says police, fire and recreation are scheduled and the city manager encourages these departments to be there and he wants to know direction that we want to go. There will be time to discuss the school. The Mayor reminded them to forward questions on police, fire, etc to the city manager. Keay's would like a time limit set for these budget sessions. He doesn't think a work shop should be 4 and a half hours, he don't want 4 or 5 departments per night just one or two. He hopes others feel the same as he does.

Turner says there will be time constraints for the 5/10 meeting as he has the Tolend Road closure in that meeting. He thinks there will be a lot of people speaking that night. He asked Hindle if he was concerned about the 5/10 meeting. He then addressed Keays concern we only have 7 weeks to decide on the issue of the budget and we need to give direction. The mayor asked everyone to come prepared. Cheney concurs with Hindle that we should meet more often with less duration. On 5/10 the Tolend road will be the focus of the evening and the overlay will command some attention as well. She notices the Foster's mailboxes are becoming a Foster's billboard and she will not answer to any of these emails. She wishes she could stop all of that. Keay's asked what we can discuss on the school budget. He thought it was only the bottom line. The mayor confirmed this.

The city manager says as often as the council wants to meet he is available with either one or two or three. Hindle moved seconded by Ciotti to adjourn with all in favor.

**Judy Gaouette,  
City Clerk**