



Present: Mayor Scott Myers, Deputy Mayor Jason Hindle, Councilors Doug Dede, David Scott, Dean Trefethen, Catherine Cheney, Harvey Turner and Dennis Ciotti.

Absent: Councilor Bob Keays

Staff Present: City Manager Mike Joyal, City Attorney Allan Krans, Fire Chief Perry Plummer, Police Capt. Tony Coloruso, Finance Director Jeff Harrington, Community Services Director Doug Steele, Library Director Cathy Beaudoin, Recreation Director Gary Bannon, Human Services Director Sue Daudelin.

1. PLEDGE OF ALLEGIANCE
2. GENERAL BUDGET DISCUSSION

Mayor Myers asked the City Manager to explain the updated summary of the changes made from the 05/18 workshop. He stated the Council will then go through the 04/11/06 City Manager Memo of proposed budget amendments as was agreed upon by the Council.

Joyal first noted the date and time of the summary document in the corner so that the Council can keep track of the updates as they come along. He then explained the information on the 5 pages (see folder).

DeDe asked if the \$50,000 approved to the Space needs study was put into Planning. Joyal stated he thought the consensus was not to.

Scott asked about page 100 in the budget book, Miscellaneous General Government stating that these figures seem to be double counted in other parts of the budget and specifically addressed the Capital Reserve Account stating that it adds to the tax rate and can be taken out.

Joyal explained that he recommends leaving the Capital Reserve Account as is or we end up using debt financing for large unexpected purchases.

Scott asked if there was a policy change to add to the taxes to build up the reserves.

Joyal stated yes.

Scott continued asking about the \$25,000 increase in the Police Chief salary and was it passed by the Council and if not, why not.

Joyal explained it was an appropriation within the department which he has the authority to approve. He explained the hierarchy of the budget process.

Discussion ensued regarding budget transfers and adjustments.

Scott passed out a document outlining his suggested spending increases (see Folder) He then passed out another document (Clerk did not receive copy).

DeDe stated that he understood that they would be discussing the City Manager memo first. The Mayor stated he will give Councilor Scott a couple of minutes.

Scott explained his information.

DeDe stated that when the Community Services Department presented the budget the actual increase was .085% but the bigger increase came from Council policy to stop using the credit card to buy stuff. He agrees that debt service should come down.

Scott stated the homeowners pay the tax bills and it is irrelevant why it increased, they pay the bottom line figure.

DeDe asked if it is the opinion of the Ward 3 Councilor that the Ward 3 residents would rather pay on a credit card, or just reduce the budget and not take care of the roads. He stated it is



the Council that has been presented with the report of roads that need to be repaired. This budget represents these repairs or they will just come back when it is an emergency and they will have no choice or control of the cost at that point. He continued that the real problem is the wages/benefits, controlling of overtime, and the exorbitant amount of money being paid to NH Retirement which has increased to 26% from 15%. Also, there is an imbalance of taxation between homeowners and business in the City.

Hindle reiterated his proposed cuts from the 05/18/06 workshop meeting stating that he proposed a total cut of approximately \$700,000 which including reducing Capital Improvement projects, but not eliminating them as well as general fund cuts.

Turner feels that the Council should have started with what could actually be controlled by the City.

Myers stated that on 05/18 the Council looked at CIP cuts and now they will go onto other areas of the budget. He stated Councilor Scott is looking for \$1,000,000 more in cuts and this will have an impact on operations.

Trefethen reminded the Council that they voted to help seniors with tax credits but there are corresponding expenses with that.

Mayor Myers then referred to the Managers Memo recommendations for Council Consensus:

Executive (reduce \$55,852)

Scott feels these recommendations are reasonable cuts. He asked if the Business Assistance Division is needed as he has done a study of the categories of businesses that exist and feels that manufacturing will not come back to New Hampshire, and the retail stores have their own development people. He stated we have a Chamber of Commerce, Dover Main Street, a City Manager and a Mayor. Pease International Tradeport has a lot of space available and also has a brochure that highlights the area very well. He feels this division is redundant.

Trefethen stated the Business Assistant works with existing companies and businesses to prevent them from leaving and although some have left, others have expanded and feels that there is no one else to help them in this capacity.

Joyal stated that since broadening the tax base away from homeowners has been mentioned, having an advocate to keep businesses should be a priority. He explained there is a comprehensive program in place to guide businesses through our process including zoning, etc. He stated we also have land use restrictions and are already mostly developed.

Rochester is twice the size as Dover and we are lucky that Liberty Mutual is here in Dover and is expanding. He stated the reality is that the business assistant is not going to market our city nationally as it costs too much money and he agrees with Councilor Scott that companies do their own leg work. However, the Business Assistant partners with Pease and other cities in the State of NH pooling resources to market outside of our area and coordinates contacts.

Also, Business retention is the biggest impact of this division as small businesses make up our economy across the nation and here in Dover. He stated we need to help them grow, keep people employed and expand. He stated that it could be cut out of the budget but feels that over the long term, there will be consequences. He concluded that this position is an ombudsman for the city with one stop shopping, coordinating loan programs, zoning and building code issues, and being supportive in receiving and retaining businesses.

Turner asked if that position is in the Merit Plan.

Joyal stated yes and it is in the Administrative Code.



Scott stated these comments are well placed, but would like statistics on companies that have come and gone, with their names, number of employees, etc. for the last 4 years.

DeDe agrees with Joyal that this should be looked at as an investment rather than an expense, but he does feel that more needs to be done including hiring an Economic Development Director.

Ciotti stated he knows what the Business Assistance Department does as a small business owner and recipient of those services. He encourages the Council to familiarize themselves with the functions of that division and feels that \$93,000 is not a lot for the face of Dover being presented to businesses.

Trefethen stated that an hour has already been burned and would like to move on to consensus of the budget cut recommendations.

Executive (reduce \$55,852)

Turner stated he does not want to touch grants for the Veteran's Councilor or Seacoast Shipyard Assoc.

Trefethen agrees with this, but feels that Main Street should be cut to \$10,000. He stated that every year the Council says that Main Street should start weaning. He stated he does support the program but the City has given the program lots of money over the last 5 years and they also do their own fundraising.

Myers stated he is a big proponent of Main Street and that you have to spend money to make money. He explained that the new brochures only cost the city \$1,000 and highlights the various activities throughout the city. He would not vote to cut this funding.

Hindle asked if when the Main Street program was implemented wasn't it discussed that they would become self-sufficient.

Joyal stated probably.

Joyal stated that this is an extension of the business assistance program and brings a lot of focus on downtown as well as the rest of the city. He stated that the request has not increased over the years either.

Consensus to reduce Main Street funding by \$10,000 for a total of \$12,500 passed on 5-3 hand vote.

Finance (reduce \$19,580 – Layoff (20 hours) Tax Collection Account Clerk II)

Hindle asked the City Manager if he had to reduce this by \$28,000 instead what would he do. Joyal stated he would layoff the part-time clerk and the rest would be in supplies or he would eliminate a \$28,000 full time person.

Harrington stated that 90% of his budget is personnel, the rest is supplies and service contracts, etc.

Discussion ensued regarding the impact of personnel and insurance on the budget and what amount of money or percentage the Council is looking to achieve.

Hindle reiterated that his proposal from 05/18 totaled almost \$700,000 including the department cuts that haven't been brought to a consensus yet.

Joyal stated the Council can choose whatever benchmark they want and he will come back with recommendations but they need to understand that there will be impacts from the cuts and they need to own that. He stated he knows every line item of the budget and it is his job to make these recommendations.



Cheney referred to the manager's memo recommending a cut to fire fighter personnel which she feels that if they are planning on going ahead with the north side station, then this shouldn't be a recommendation.

Discussion ensued regarding setting benchmarks and the bottom line of the tax rate.

Consensus was to continue to move forward with City Manager memo.

Consensus to remove 20 hour clerk position from Finance passed on a 5-3 hand vote.

Police – (reduce \$359,381)

Trefethen is opposed to eliminating the Outreach Bureau.

Turner would like to divide the City Manager's recommendation.

Scott asked if the Outreach Bureau is funded by the government.

Joyal stated it is leveraged by the government and we will lose that money as well if we reduce it.

Discussion then ensued regarding the staffing levels of the police department.

Turner asked what staff does the teen center have.

Colarusso stated there is one full time director and per diem staff, as well as interns.

Trefethen clarified that there are 4 non-sworn staff members as a part of the teen center and again stated he will not support any cuts.

Cheney agrees that this program benefits the whole city.

Scott stated he has done comparisons of other cities and feels that our police department costs are too high.

Consensus to reduce Police budget by \$359,381 FAILED on a 0-8 vote.

Consensus to reduce by \$40,000 (above and beyond the already eliminated \$118,00 from the CIP – Lockers), passed on a 7-1 vote.

Motion to reduce police budget by an addition \$100,000 (supercedes previous \$40,000 reduction) passed on a 5-3 hand vote.

Fire and Rescue (reduce \$118, 729)

Myers stated that he will not support going below the 10 person staffing level recommendation per shift.

Consensus was NOT to reduce the Fire and Rescue budget.

Community Services – Public Works (reduce \$52,050)

Cheney asked what are considered "low priority" streets lights.

Joyal explained that they are not at intersections or there for safety reasons. He stated that residents are used to having lights and don't like them removed. He explained the history of turning off street lights in the past but explained that there is an energy savings in terms of costs.

Turner asked if we have updated our lights with new bulbs.

Joyal stated yes, but further explained that we pay a fixed rate as we don't own the poles.

Consensus to reduce \$28,000 from streets lights – No support.

Consensus to layoff the Solid Waste Assistant (\$23,453), - No support.

The Council is in favor of the increased hours of operation which will begin July 10, 2006.



Next discussion ensued regarding the sidewalks.

Consensus to leave funding at \$400,000 failed on a 1-7 hand vote (DeDe infavor)

Consensus to reduce by \$100,000 (leaving \$300,000) passed on a 5-3 hand vote.

Consensus to reduce by \$200,000 (leaving \$200,000), failed on a 3-5 hand vote.

Recreation (reduce \$120,754)

Consensus was NOT to reduce recreation, and it was clarified that \$20,000 has previously been added back for field maintenance by Council consensus.

City Manager recommendation: Eliminate overtime in Library. Supervision of Sunday hours by professional librarians would be affected. Sunday hours would either be eliminated or suspended depending on scheduling of supervisory staff in accordance with labor contract.

Trefethen stated he would keep Sunday hours and reduce morning hours somewhere in the week. He stated that once a new schedule was established people would get used to it.

Joyal stated he wants an opportunity to model it out to see if there really would be a savings as a result of this and doesn't want to attach a dollar amount to it yet.

Myers asked him to come back with a list.

DeDe asked what effect this \$8,000 reduction would have on the tax rate.

Harrington stated less than a penny.

Hindle stated his recommendation was to cut \$25,000 from the Library and asked what additional cuts would have to be made.

Joyal stated it would be the obvious but not recommended, books.

Cathy Beaudoin further listed books, tuition, public telephone, children's program entertainment, arts and crafts supplies, rest room renovations, library newsletter no longer being printed, etc.

Hindle stated he is trying to be fair to all departments and would still recommend the decrease to the library of \$25,000.

Scott asked about health care and vacations to part-timers and stated that other towns do not provide these.

Beaudoin explained that we do not provide healthcare to our part-timers and that vacation time is pro-rated. She stated that other towns do actually provide their part-timers healthcare.

The Mayor called for a Consensus:

To reduce by \$8,000 – no support.

To reduce by \$25,000 – passed 6-2 (DeDe and Myers opposed)

Trefethen stated that he is not sure that \$25,000 is the right amount but will go with the \$25,000 for now and wait for the recommendations. He wants to keep Sunday and evening hours as is.

Next, page 5 of Manager's recommendations –

Myers reviewed that the \$118,000 has already been removed for Police lockers, the Rizzo recommendation has been reduced and the sidewalks have been reduced by \$100,000.

Next under subsidies – Manager recommendation to reduce an additional \$10,298) which is a 10% reduction to the COAST funding.



Scott asked what the impact of this cut would be on riders fees.
Myers explained that COAST bases their fares on a formula per each community that participates and that Somersworth riders now have a surcharge added to their fares because of the lack of funding from the city.
Consensus was NOT to cut COAST funding.

Next – Finance – reduce an additional \$46,907 – Assessing Account Clerk II – RFT.
No consensus to cut this position.

Planning – (reduce an additional \$21,594 – RFT planning position)
Turner questioned the amount for a full time planner.
Joyal explained that this position is also funded through other divisions, i.e. CDBG and Dovernet.
Discussion ensued regarding the duties of the Planning Department. No consensus to cut this position.
Hindle recommended that \$25,000 has been added to the Planning Department for the Space Study.
Turner asked why this isn't funded through the Executive Department as it involves the entire city hall.
Hindle stated Planners do the planning and this should be handled through that department.
Turner asked why there has never been this type of study done before especially with all of the different projects going on in the city i.e. McConnell Center, Woodman Park School, etc.

The consensus to increase Planning by \$25,000 for Space needs study passed on a 5-3 hand vote.

Police – (reduce additional \$171,935) – No consensus.

Community Services – Public Works – (reduce additional \$30,000) – No consensus.

Recreation (reduce by \$31,900) – No consensus.

Scott asked again about the police department spending compared with other communities.

Hindle stated this concludes the City Manager's recommendations and asked for an update from the Finance Director as there are only 15 minutes left.
Harrington reviewed the various adjustments and other factors and as of right now the tax rate would be an increase of \$1.13.
Turner stated that the school teachers contract would still have an additional impact on this.
Myers asked the Manager if the still yet to be settled contracts have already been included in the budget. Joyal stated yes.

Discussion then ensued regarding further expectations for reducing the budget.
Scott would like to see an additional \$400,000 cut to bring the reduction closer to the \$1,000,000 that he would like to achieve. He would like this to be removed from the Police and Public Works departments only and he would like the recommendations to come from the City Manager.
Turner agreed that the City Manager should present another list of recommendations and should not include those items already voted on by the Council to not remove.
Discussion ensued regarding the impacts of further cuts to these budgets.



Scott stated that the Council hasn't even discussed the Water/Sewer budget yet and the proposed increase of 9.5% to that budget.
Myers clarified that these are enterprise funds and do not impact the general fund.

Motion to reduce Police and Community Services by an additional \$400,000 FAILED on a 2-6 hand vote.

Motion to reduce Police and Community Services by an additional \$200,000 FAILED on a 3-5 hand vote.

The Mayor stated the next workshop is scheduled for May 31st. Hindle stated he will be away on business.

3. ADJOURN

HINDLE MOVED TO ADJOURN AT 12:05 P.M., SECONDED BY DEDE, PASSED UNANIMOUSLY.

Valerie A. French
Deputy City Clerk