



6:00 P.M.
EXECUTIVE SESSION
CITY MANAGER'S OFFICE

The City Council met in Executive session to discuss Legal Matters.

NOTE: This meeting is not open to the public per RSA 91-A:2 (b).

7:00 P.M.
WORKSHOP

The Mayor opened the workshop at 7:07 p.m. and noted that Deputy Mayor Hindle was away on business. All other Councilors present.

1. BUDGET PRESENTATIONS:

A. Water and Sewer Enterprise Funds

Joyal referred to pages 40 and 41 of the budget document for the summary of the Water/Sewer Enterprise Funds.

He explained that there is a proposed .16 cent increase to the Water rate and a 21 cent proposed increase to the Sewer Rate for a 5.22% increase on the average bill collectively. He further explained that on page 41 there is the Capital Reserve account for future capital improvements in the water/sewer accounts to prevent rate jumps. He then introduced Community Services Director Doug Steele who reviewed a power point presentation (See folder).

Trefethen asked about the depreciation expense in the Capital Outlay.

Harrington explained that depreciation is not a part of the rate it is meant to show the decrease in value of an asset and is not actual cash account accrual.

Scott asked Steele if he has talked to other towns because he has gone all over New Hampshire and he and Mr. Keys went to Hudson where they are lowering there rates and also gave Manchester and Somersworth as examples of lower rates for these services. He stated this is an indirect tax that people have no control over.

Steele explained that Hudson is a very different situation and plant than Dover as we have a more extensive operation which is more expensive to operate.

Keys stated that the Sewer rate will be close to \$5.00 per cubic foot and is too much. He continued that there is an increase in the water/sewer rates every year as well as the trash bags and recreation programs. He stated that the City Manager should be telling the department heads no more increases.

Steele continued his presentation.

Scott asked what the tie-in fee is to these services.

Steele stated \$1,100 for water and \$800.00 for Sewer.

Scott asked if this was enough.

Harrington stated it is based on the equity divided by the number of users.

Steele continued his presentation and reviewed the staffing levels of the various divisions and their duties.



Keays asked about the general foreman in the Sewer Division with a total salary figure of \$89,000 and why is this increased by \$16,000 over last year and asked why this individual works overtime on water main breaks.

Joyal and Steele explained the staffing issue.

Keays then asked about the 14% increase of water services stating that when their are new homes they don't have to be serviced again for 20 – 25 years.

Joyal explained that they add an additional demand to the system, more miles of pipe and electricity to maintain them.

Keays again asked about the staffing in the Sewer Department and how many are there now when there used to be only one guy that had to push buttons.

Steele explained that there are 5 people due to there being more pump stations to maintain as well as increased EPA demands and the compliance order to maintain and clean catch basins. It is required that 20% be cleaned every year and that is a lot of man hours.

Next Steele reviewed his slides comparing Dover to other communities stating he is not comfortable with this because it is not an apples to apples comparison, but knew that the Council would be looking for this information. He explained that the City of Dover has already done many of the required upgrades to our system that are being required by the EPA and that other communities have not and as soon as they do, their rates will go up accordingly.

Next, Cheney asked about the “memo meter” device that is mentioned in the Community Services Spring Newsletter.

Steele explained that this allows water to be subtracted that is used for outside uses i.e. gardens from the sewer rate.

Cheney stated this device costs \$500.00 and does not feel that this is beneficial to anyone to purchase it.

Steele stated it is beneficial in the long term.

Cheney asked if there is a separate swimming pool credit.

Joyal stated yes, there is a card to fill out and submit to the water/sewer billing department.

Next, Turner asked about the ultra violet treatment of discharge into the shell fish beds that we are required to do and are other towns that dump into the river also required to do this and is this part of why our costs are higher?

Joyal explained that our budget takes into account all aspects of running these divisions including the cost of accounting, payroll, indirect overhead, etc We allocate these costs as a true representation of what the ratepayers are paying for.

Steele further clarified that Turner is correct that the EPA will eventually require the other towns to treat their output.

Discussion ensued regarding the Water/Sewer Enterprise Funds.

Keays again discussed the staffing levels of the Community Services Department and the work that is contracted out.



Trefethen asked if the line item for personnel was reduced would we end up having to pay EPA fines due to non-compliance because of staff shortages.

Steele stated yes, there is a lot more preventive maintenance being required.

Keays asked about the Solid Waste Assistant position stating this is another supervisory position that is not necessary.

Joyal explained that this position is not a supervisory position and is a part of the AFSCME union which was added to allow for the increased hours to the recycling center. He explained that this person is certified to be able to run the recycling operation in place of the Supervisor when necessary.

Steele concluded his presentation on the Water/Sewer Enterprise Funds stating that the overall cost of the water/sewer services is less than one cent per gallon.

Cheney asked for clarification that this is not part of what the Council is voting on with the budget.

Myers stated it is a part of the budget but does not impact the general fund portion.

B. General Budget Discussion

Councilor Scott began by questioning the Manager about the discrepancy in the Police Chief salary figures on Page 100 of the budget book as well as Pages 409 and 410, Miscellaneous General Government stating that those accounts have "no father" and still wants to cut the budget down to a 1% increase. He is looking for written detail.

Joyal explained how the accounts are set up and are separated into each department to account for actual use and then are listed as a total amount under their overall account title i.e. Dovertnet, General Stores, etc. These items are not being counted twice.

Scott then discussed abatements asking for a detailed list of the abatements because he does not feel that there were as many as are being budgeted for.

Joyal stated this information has already been provided to the Council.

Scott continued with the long term problem of health care costs and began to disclose potentially confidential information which Joyal asked him to stop.

Scott continued that the taxpayers are getting hit with these health care expenses and these have to be addressed.

Myers agrees that health care costs are an issue for everyone, but that these need to be addressed through negotiations and are being dealt with that way. He stated we have settled some contracts and there are still 3 left.

Scott continued that he feels that we can still come in with a 1% budget by understanding where the money is in the extra government accounts. He stated that the Fire, Recreation and Library have done a good job, but Police, Public Works and Planning have too high of an increase.

Myers stated that this is the last scheduled budget workshop so people should get there questions answered tonight.

Scott stated he has a resolution for the June 7th meeting and would like to postpone the budget vote for a week and discuss it more on the 7th instead of voting.

Keays asked if we have to vote on the budget on the 7th.



Myers stated no, but it was scheduled to have its own meeting so that there were no other issues on the agenda but the budget.

Turner stated there are some issues discussed at the 05/20, Saturday workshop that the Council requested further information from the City Manager.

Joyal stated they are not typed up yet, but the department heads are here tonight to give the Council an idea of the impacts of there proposed cuts including 25,000 to the library, 100,000 to the police. He stated he has sent a note to the Council regarding the cuts to the Finance Department of the part-time position in the Tax Collection Office that he would like to change that recommendation.

Turner stated there are other issues as well including the Miscellaneous Government accounts which he feels is a big item and addressed the Information Technology account specifically stating that this account was moved to the Executive Department in December 2005 and thought that this would be where the expenses for that division would appear, but it is throughout the budget.

Joyal explained the accounting procedure of allocating department costs for this service, i.e. Dovertnet, separately.

Turner then addressed Page 409, severance pay, #4160 stating that each department also includes that in their individual budgets so why is there still a 1/2 million in miscellaneous.

Joyal explained that the miscellaneous amount is for long term expenses, and the amount in the department is for the current budget year people who will be leaving.

Harrington further explained the accounting procedure.

Cheney asked if this is the anticipated amount.

Discussion ensued.

Joyal explained this account stating that regardless of what is budgeted by the Council for certain accounts, the expenses would still have to be paid i.e., contracts, abatements, etc.

Myers clarified that if the money is left in each department individually then the department heads could use it for other things with the Manager's approval, but if it is left in the general accounts, then the Council controls it.

Next, Keays asked about page 263, #3391, the increase to the McConnell Center of \$257,893.

Joyal stated this is the cost of the building coming on-line with the tenants and includes the hiring of 2 custodians, renovations, etc. He stated there will be provisions in tenant agreements to recover funds to offset this increase.

Keays then asked about page 183, #46525, Economic Development Assist – Joyal explained that this is not the Economic Development Assistant, it is the Economic Development Assistance account for providing loans to businesses.

Cheney asked for a review of the cuts recommended thus far.

Mayor clarified that the consensus was to have the Manager come back with what impact the recommendations would have on the departments.

Joyal began with the \$25,000 reduction to the library stating that he would be looking at reallocating hours by reducing Thursday morning hours, however there would still



be staff in the building during this time due to contract requirements, but no patrons, or they could reduce part-time hours.

Joyal asked Library Director Cathy Beaudoin to discuss the \$25,000 reduction. Beaudoin explained that she has come up with 2 scenarios to cut the \$25,000 and a 3rd one for \$14,000.

She explained the 1st scenario which includes the already mentioned reduction to hours, as well as reducing the staff in the children's room from 1 to 2, tuition allotment, reduction in story times. She stated that \$25,000 is not a lot of money in the big budget scenario, but it is a lot to her department.

2nd scenario is to reduce 18 ½ hours of part time staff, plus some of the extras as mentioned before, including art supplies, etc.

Finally, the 3rd scenario to reduce by \$14,000 still reduces the "frills", but would leave staff as is and would keep us at the levels that she feels is necessary.

Scott stated that Cathy did a good job relating the cuts to their impacts and is fine with this decrease.

Keays stated that Cathy understood that the Council was looking for a 3% increase but she came in with a 5.5% increase. He stated she does a good job, but she should still do a 3% budget.

Discussion then ensued regarding the impact of various cuts to the budget as well as having more time to review by the budget

Mayor Myers reminded the Council that if they wait until the 14th of June to adopt the budget and if it doesn't get adopted, the City Manager's budget will go into effect on June 15th by City Charter.

Trefethen is frustrated that there are no specific ideas being given of where to cut the budget.

Scott stated that in the private sector the board of directors gives the CEO instructions to prioritize the set budget amount and feels that the Council should do the same with this budget to the City Manager.

Myers stated the Manager has been doing that throughout the entire budget process and reiterated the recommendations so far.

Joyal stated that he wants the Council to adopt a budget and not to let his go into effect, although he does stand by his budget, the budget policy should be set by the Council.

Discussion ensued regarding the past several budget sessions and the consensus was that they were productive meetings and it would not be necessary to postpone the budget adoption to the 14th.

Cheney stated she agrees that there were good suggestions made at the 05/20 meeting, but she is upset that there have been other important issues that have been brought up in the past few months i.e., Tolend Landfill, Merit Plan, etc. during the time that the Council should have been concentrating on the budget and questions the timing of these being presented stating that she feels there was some diversion and manipulation involved. She continued by reviewing her notes of the goals set by the Council at their goal setting session on March 11th stating that the Merit Plan would



not begin to be reviewed until July as was on the "blue list". She stated the "green list" which were to be addressed first included reducing spending, etc. She stated she is discouraged with the budget process and wonders why they still haven't received the report on the goal setting session

Myers stated the Council passed a resolution accepting the facilitators goals setting session report.

Cheney continued to review the past few months and activities of the Council and stated that she gets e-mails from constituents that this is not the direction they want the Council to be going in.

Myers also reviewed the past months of the Council activities and explained the budget timeline has not been affected by the other issues being dealt with and that if the council feels that additional workshops are needed, then 5 Councilors can request that one be held as was done for the 05/20 Saturday session.

Turner stated he agrees with Cheney about the time-line set at the goal setting session. He also agrees that the Tolend Road issue was always discussed in private session and then suddenly in March it was public information. He continued that the Council has been through this budget and there are no more recommendations being proposed other than to Miscellaneous Government. He is still waiting for the \$100,000 cuts from the Police Department. He feels that the new Councilors have had a lot thrown at them.

Myers then read the March 22nd resolution adopting the Council Goal Setting Report and clarified that the July date mentioned by Councilor Cheney regarding the Merit Plan was actually the completion date.

Scott then discussed the budget stating that there are 3 areas to cut to get the budget down further but he is still waiting for the written recommendations from Joyal. Police and Community Services are the bulk of the budget and he feels that there should be 2 more meetings to discuss the budget. He stated that the budget was supposed to be presented to the Council by the Manager by February 15th.

Joyal then read Charter Section C6-3, clarifying that it is due by the 15th of February "unless another date shall be fixed by ordinance", which under the City Code Chapter 9, Budget, Section 9-1 Submission date, sets the date on or before 04/15/06 for the City Manager and 03/15/06 for the School Board and therefore he is in compliance.

Cheney stated she is looking for \$200,000 more in cuts assuming that everyone will agree with the previous cuts.

Cheney asked for consensus to remove an additional \$100,000 from sidewalks – 0 support. Cheney asked for consensus to remove an additional \$50,000 from sidewalks, failed 3-4.

Next, level funding the Capital Reserve Fund, leave at \$50,000 –

Discussion ensued regarding the purpose of this account.

Keays then discussed the school budget stating that every year the Council works to cut the City side of the budget but the school budget never gets touched and he does not feel this is fair.

Consensus to reduce Capital reserve by \$100,000 – failed 3-4



Consensus to reduce Capital Reserve by \$50,000 failed on a 4-4. NOTE: Councilor Trefethen undecided.

Turner addressed Keys concerns with the School budget stating that the School Board meets every Monday and does a lot of hard work and going back and forth before presenting it to the Council. He stated they have already done their work and commends them.

Further discussion ensued regarding the school budget process with the majority of the Council agreeing that the School budget was fine as presented.

Keys stated that the comment that the school board works real hard, well so does the Council and he will support the City Manager's original proposed budget if there will not be any cuts made to the school budget.

After continued discussion Trefethen clarified that there has been no consensus to change the budget adoption date from June 7th. Myers stated this is correct.

Further discussion ensued regarding potential budget cuts.

Turner asked for a consensus to cut a total of \$200,000 more from the Police Department without cutting what has already been voted on to not cut, i.e. police vehicles, Community Outreach, etc. Consensus was 4-3 in favor (Trefethen no vote)

Joyal stated that if he can't touch the Outreach Bureau then it will mean officers off the streets and vehicles. He did not think that vehicles were made off-limits for sure.

For clarification the council took a consensus vote to have the Manager present the Council with 3 options for the police department to cut \$40,000, \$100,000 and \$200,000 – passed on a 6-2 hand vote, Myers and DeDe opposed.

Trefethen asked for a consensus to decrease the Community Service Budget by \$100,000 without the items already voted to not remove. Consensus failed on a 4-4 hand vote.

Keys moved to adjourn at 10:20 p.m., seconded by Scott.

Councilor Cheney let everyone know that the Flood Relief information number is 516-6140.

Motion to adjourn passed unanimously.

Valerie A. French
Deputy City clerk