



CITY OF DOVER

CITY COUNCIL MINUTES

Meeting Type: **WORKSHOP**
Meeting Location: Council Chambers - 288 Central Avenue, Dover, NH 03820
Meeting Date: **Wednesday, May 30, 2007**
Meeting Time: **After Special Meeting**

1. CONTINUED BUDGET REVIEW FROM 05/29/07 WORKSHOP

The Mayor called the workshop to order at 7:03 PM

The Mayor stated this will be an open discussion on the budget. Hindle asked the city manager to speak about the Economic Development Assistance in the City. The city manager stated what he is recommending is that there has been a business development section that reports directly to him; this has been in the budget for a number of years. Prior to the mid 90's the city had relied on the DEDC and prior to that they always have had an economic development director to serve in that role. A business would reach out to them if they wanted to open a business here in Dover. He proposes returning the Economic Development back to the Dover Business and Industrial Development Authority and for them to hire their own executive director for that person to be the point of contact for any business assistance. The reason he wants to do this is there is a real delicate balance when it comes to planning issues, zoning issues and at the same time being able to advocate for and move to the city. It worked well previously. He thinks this will work better as it was.

The Mayor stated he has served on the Economic Development Board in prior years. He thinks we need someone here representing the city on a number of fronts going forward. Sometimes the big companies do not need our economic development people as they have their own. Our help would really come such as when Enterprise Park was built. While the park is not completely filled right now, there is not a lot left to do out there. The Economic Development Board will be looking at other ways to help within the city such as the parking garage, plus looking at under utilized parcels in the downtown urban core. He thinks the shift where we are going is we need expertise in economic analysis and the impacts. He and the City Manager can handle the Economic aspect; it is making contacts with existing businesses, educational development programs, internships, working with them on their finance source with regards to small business loans and to offer them assistance. It is not a part time position, there is a lot more to the job than that. The person would be a hire of DBIDA and on a day to day basis still be reporting to Mike Joyal. DBIDA is a volunteer board and does not meet daily. This person needs to be an advocate for business. The Mayor is looking forward to having this change.

Keays wants to know how much we will save by doing this change. Hindle says it is only \$123. less than last year. Keays says when you do away with a position there is a reason and that salary is done away with. His problem is in 1992 or 1993 when the development on Sixth Street was built DIDA (Dover Industrial Development Association) was in charge and the taxpayers ended up paying 3 million dollars for that project. So



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unless they can show him; he will not support this. He thinks if you get rid of a person you need a reason. He then brought up the issue of the City Clerk leaving and why.

The Mayor would like to finish the discussion on Economic Development first. Keays stated on Economic Development he will not support getting rid of her. The Mayor explained the situation on Enterprise Park one more time.

Scott stated weren't the people in DIDA originally volunteers, wouldn't this be an opportunity for someone in the City who may have skills to volunteer. The Mayor says they are volunteers, they are an advisory board. The Mayor thinks this position is well worth what it brings to maintain business to keep companies here and to grow companies. Scott stated the objective has not worked. Scott does not think we need someone on the payroll to bring in businesses. He thinks it is a useless job.

The city manager says he could not be more wrong; on a daily business since the business assistance person has left businesses have called for info on moving into the City. We are not talking about the Walmarts, or big businesses, we are talking about folks that have existing businesses; they need a point person. The Mayor thinks a person can help with a small business that is starting out that wants to expand; this is not the Liberty Mutuals of the city but much smaller businesses. Heine Company for example as they are at 1 Washington Center and they want to move out to Enterprise Park. The Mayor says we are being extremely short sighted if we think these companies do not need us.

Scott wants to know how much we have lost in addition to the 3 million dollars. The Mayor explained the city paid for the sewer and water and roads in Enterprise Park and this is only what the city paid for; the City took over the bonds for this. The property more than pays for the bonds out there; this makes more than 3 million out there each year. Scott asked how much did the people pay for the parcel. The Mayor says it varies, as some of the parcels are wetlands.

Keays wants to know if we can have a record of all the land sales out there and how much was paid for it.

Cheney wants to know if these people are mayoral appointments. The Mayor stated they are appointed through the appointments committee. She wants to know if this person is going to report to the city manager on a daily basis. The Mayor confirmed this. Cheney asked if this is going to be a free lance consultant for \$40 – \$50,000 and is the cap \$93,000. The City Manager says we can look to contract an employee or DBIDA can hire a person. Previously it was an employee of DBIDA but without a contract. Their funds will include any promotional or marketing materials. Cheney wants to know if there will be a job description and will there be benefits. The city manager says they will need to work this out. This will be up to DBIDA. He is only recommending \$93,000 to cover expenses. Cheney is concerned as she does not know if we will be paying for a pension for the person. She wants to know what we will



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get for the \$93,000 per year if we do not have to have one right now. The city manager wants them to consider this a subsidiary like COAST, etc. The city manager thinks this will be a more efficient way to handle this position. If DBIDA chooses to provide this person with any benefits then that is their choice.

DeDe says that one of the problems is there has been an increasingly heavy burden on the residential tax bill. The way out is to have economic development stimulate the tax base. There is finally movement to be able to return it where we can now expect a professional because the individual that had it before was hired by the city manager that was here previously and we only needed an assistant and now that city manager has moved on. Now we have the opportunity to bring in a real professional and spread the tax burden to the Economic Development business community. We need to walk away from an individual; and we do need to support this issue.

Turner commented the division was by herself; he read from her page of the budget. Beth's budget came to \$93,000 last year. He does not understand why we are firing her from the city and replacing her with someone else. We are moving a new person in for the same price with no experience.

The Mayor says what you are seeing is a number and he thinks we do need a person with or without a contract. The City Manager sees there is a shift in the skill set of what we need. And we will be able to negotiate this.

Trefethen stated point of order this council must keep in mind we only have one employee and that is the City Manager and whatever else we say is a violation of the city charter. Turner still does not understand what is going on with the firing of the one individual. The Mayor stated the city manager chose to staff this in a different way and this is his recommendation, as he believes there is a better way to do business. This employee will be an employee of DBIDA and there is no contract.

Turner still wants to know if there is a contract.

The city manager says no. It will be up to the council to have this arrangement with DBIDA.

The Mayor says DBIDA is set up under RSA statute 162-K. This entity has the option of hiring and control.

Keays stated he listened the other night and one was an economic professional and he made the statement that as far as industry in Dover is concerned; it is just about gone. He says GOSS has moved out of their plant in Dover and gone to Durham, he wants to know why. But Liberty gets everything they wanted. What has DIDA done; they were here in 1991 or 1992; now they want us to support them. He won't vote for it.

Cheney too has reservations about this at this time. She thinks this position needs to be accountable to the citizens and we need to define what this is going to be. She too will not vote for this.

Trefethen says it always amazes him what will set the council off. We need to look at this just as we look at the sidewalks. Let's say we will provide \$300,000 for sidewalks



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because when the contracts go out on them we will need to vote on them. All we are voting on is the dollar amount in the budget. At a later date we will vote on the details of the position. This is only a proposal; the final action comes later, we are voting on concepts. The city manager is only proposing a concept or policy. If the majority of the council does want this kept in house then we can get a new business assistance person.

Scott wants clarification on this bonding authority. Does that mean the Dover taxpayer would have to support the bond; as he is concerned about higher bonding. Scott says the DHA has bonding authority. The Mayor declared this to be untrue. Scott asked then who. The Mayor says it may be the state or the Federal government; he used Measured Progress for an example and the untruths that are out there. People don't understand that Liberty paid for their own improvements.

Ciotti thinks Cheney made a good point as to why she cannot support this and all her reasons are why we should support this concept. Goss moved to Durham because of their market and what they make. He continued it took two years for him to buy an acre of land for his business in Enterprise Park. His whole deal hinged on other companies coming to Dover. The city manager has no time to do this. It is the little businesses in town that need this. Nobody has Dover's interest at heart when they look at this.

DeDe thinks one of the problems that councils face is in the early stages of being on the council is that councilors need to find something to cut. It was a unanimous decision of the council to look at outsourcing this position.

Turner wants to know about another line item in the budget book if not he is going home. But he does not want to be beat up again. He is sorry if he is still leaning on them for answers to his questions.

The Mayor will not beg him to stay but he commented that Trefethen was only cautioning him on a potential Charter violation to keep us inside the line we should be. Keays would like an answer on the combination of the City Clerk and Tax Collectors position. He will not beat around the bush. He was told the clerk was pressured to leave her job. Trefethen again wants them to be careful as this is the potential charter violation. The city manager explained this has been a concept that has come to mind and this is done in other communities. This will eliminate the need for one supervisor; the one drawback that he must get over is the space issue. This is also an opportunity for the clerks to be cross trained for when there is a rush on the workload in each of the offices such as happens at the end of the month on motor vehicle registration and during election seasons. He has not pressured anyone to leave as a result of this recommendation. He appreciates Keays asking this of him directly. Keays thinks the city manager should do his utmost to keep the "girl" in this position. The city manager stated he is having difficulty in recruiting for key positions in this city. He has done everything he could to encourage these folks not to go. He thinks the reason is politics in the City. In this particular instance the person was not pressured to leave. He only



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wants to deliver better service to the folks of Dover and it involves significant change. Keays asks if he is giving the best service they can possibly get.

Keays is under the impression that the girl that is running the finance office is a CPA and getting \$80. per hour. The City Manager confirmed that they contracted with a company that hired her to complete the job at \$80. per hour. Keays wanted to know how long he is going to run the finance department like this. The City Manager explained the circumstances again and his hope was to have someone on board by April 1st so they would be in place for the budget process but they are still going through the hiring process.

Turner stated on budget history on page 30; he is concerned about the percentages and without capital outlay this is 3.6%; he thinks this is pretty extraordinary. The Mayor reminded them there is a reduction on the health insurance across the budget with a savings of \$270,000 that we can subtract across all departments. Turner stated so we are then down to 3.3%.

The Mayor wants to know if they want to start with the 2% option or the 0% option stating it would require a reduction of \$450,000 to get to a 2%. The Mayor read the memo on the 2% option starting with the \$25,000 reduction from the executive department. Finance was also reduced by \$25,000 and will lay off 3 people in the assessor's office for a gross reduction of \$30,000. On the police department there is a recommendation of a \$46,000 reduction; he listed from the memo what that involves. Turner wants to know how many officers we have hired. In the police operations there is an increase of 10.4%. Police Chief Colarusso came forward and explained the police contracts are a large part of this. He continued what they are seeing is a transfer of an officer from support to operations. Turner wants to know why it is the officer in the drug task force. Chief Colarusso says it is a matter of priority. If there is a cut we have to decide who is cut.

On Fire and Rescue there would be a reduction of \$61,000; he listed what this entails. On Community Services there is a reduction for \$126,000 as he listed the cuts. (see council folder of 5/30/2007 for City Manager's 0% and 2% budget expectation memo). Recreation is reduced in the amount of \$204,000 by reducing programs and seasonal help. Also there is a proposal to close the Jenny Thompson pool. Trefethen asked is that this summer or next; the city manager says this summer. Turner asked about the current fee to swim at the Jenny Thompson Pool. The city manager says it is in the fee schedule on their desks. Gary Bannon Recreation Director came forward saying it is \$4.00 per day. He wants to know if the Jenny Thompson is expensive to go to for a family. Is the pool profitable; Gary says no not in of itself.

Keays wants Gary to tell him how much money there is in the city manager's report on the ice arena that we are going to save. On page 321 it says under line 5500 arena fund there is quite an increase in the budget. Keays asked why. The city manager wants them to turn to page 373 and the need to staff the arena with more temporary



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employees as we cover more hours. Plus natural gas on page 375, line 4671 and the last area is the recommendation of the interim finance director she has recommended we should show expenditures; how much did we go up on rates this year. Gary says a 10 to 12% increase. Gary says we are \$90,000 in the red at Jenny Thompson pool. Keays thinks this is still a great place for our children to be in the summer. Keays wants to close one arena and keep just one of them open saying we need to take some steps with the arena. The Mayor asked what the impact would be. The City Manager says we have to make a payment of \$400,000 per year on debt even if we close it so even if we shut it down we still have to make the payment. This is the less costly way. We do not have the option of declaring bankruptcy; we have to make that payment. The rates increased 10% this year from \$260,000 to \$290,000. Gary reiterated that everything has gone up in relation to the Jenny Thompson pool. Cheney asked about the venue of the ice agenda in the summer. Gary says also Kamp Kool is held there in the mornings.

This is on the list for a 2% operating budget.

Plus the cuts to reach 0% will include the first items. The Mayor wonders if we should read the next level of cuts. Cheney clarified we are using \$270,000 in health insurance savings. With the health insurance saving it is 2.4% over last year. Keays wants that total increase to include school, debt operating and the increase over last year would go from 4.9 %down to 6.5% or about 4/10 of a percent. Keays asked what would that be on the tax bill; the City Manager will have to get that information.

The City Manager says \$100,000 equals 3 cents on the tax rate and it would be about \$23.12 if we assume an 8% change in the tax rate.

Scott says it looks like you reached the 2% on the backs of our children.

The City Manager stated he does not control education, the school board does. The elderly rely heavily on police and fire services. Everything other than that is nice to have. The priority is police and fire and the ability to provide an education to the children. If we close the outdoor pool we still have an indoor pool. Parents depend on the recreation department for their children's summer care.

Scott understands but does not agree with the city manager's priorities and the city council make the policy and he does not think the kids should take the burden of this budget.

Discussion ensued about the burden of the McConnell Center. Scott stated the problem is the city did not manage the McConnell project very well. The Mayor continued to explain the line items in question.

Keays wants to know where the money is coming from in the McConnell Center. The City Manager says it is from leased tenants in the building. The City Manager stated this function is under the recreation director's control. The City Manager stated on page 71 there is a list of the tenants and all those who are paying rent. Then going back to



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page 321 is \$462,000.15; the City Manager says he may have to come back to get the roof rebuilt right now.

Cheney has questions on page 189 and page 285 on the general fund under dental insurance and line 4212 and why did the Fire and Rescue go down and the Police went up. On page 153 line 4115 the payroll and benefits administrator, Cheney asked are the administrative fees for the flexible spending accounts paid to the government. The City Manager says we have a section 125 program for employees. Cheney asked what do we pay for this; the City Manager noted on page 95 is line 2948 with a slight reduction from last year.

On page 187 of the police budget it looks like the top number is wrong. Cheney is concerned about upgrading to Windows Vista as they are still testing it at her work. Annie Dove, IT director came forward saying there are two testers in the City right now. We are staying with the old for now.

Keays wants to know why when you go into an office and why you can't get figures immediately. He can't understand why we cannot get the figures they want by pushing a button.

Trefethen understands the frustration with computers every day; you would think that someone who is very smart with them could figure that out. Scott asked Annie about Dovernet and where do you find the total cost. The City Manager says it is on page 412 so the total budget is \$516,000 and this seems like a big increase. Annie stated her costs have remained pretty much the same even though Vue Works has increased it slightly. But the Comcast agreement has added services. Trefethen noted there is corresponding revenue on page 401 reducing the overhead allocation by \$61,000. Scott thinks computers are taking us in the wrong direction.

The City Manager wants to go back to page 409, Dovernet expenditures. The City Manager says Dovernet is the umbrella that supports our network infrastructure and we capture all the IT costs in a single place, Dovernet then charge the costs back to the individual departments. That is one source of revenue also there is the Comcast agreement and the cable television program. There is a new position in this budget to hire a person to get info out to the citizens and will extend the broadcast to other committees. Also a portion of the planning position is a planner on the website. With the loss of a planner he has added a web access person for 20 hours a week on page 409. Then we need to make some changes in our playback system on page 412 there is \$15,000 to upgrade the broadcast equipment in this building plus the education access channel to be used to build a studio at the school and one at the McConnell Center.

Annie pointed out on page 411 the data operator is the last line item and on page 83 is the new revenue to offset the increase. Scott stated this is not a plus for the taxpayers.



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Ciotti asked on page 412 what are these computers for. Annie explained the computer life span is 10 years.

Turner asks if it should not be its own department. The City Manager says it falls under the executive department. More discussion ensued.

Scott wants a point of order on page 44 and 45 asking where is the money from Severino. The City Manager says it is in a capital account that was set up by the city council previously. The council can appropriate funds from that account when there is an expenditure. Scott wants a copy of this. The Mayor says this is not a budget item and not in the operating budget; it was in the CIP.

The Mayor wants to discuss page 274 and dealing with capital on sidewalks and streets and about moving money to the capital budget. He wants to leave \$300,000 and take \$100,000 to capital and reduce it by \$100,000. Hindle would be supportive of this and suggests the healthcare savings could be put towards this as plan B and to put the \$278,000 and/or put the entire amount into street improvements. The second priority the residents have been requesting is to improve the streets. DeDe agrees. Trefethen thinks it is a good idea and a giant step forward in our over all goal of weaning us from debt financing; or we can take all or most of the savings for the healthcare and put it all throughout the budget but the idea is worth consideration.

DeDe says the reason he supports both suggestions is the viewpoint of Foster's in that the City Manager has done a masterful job of presenting a 3.6% budget to them. The only reason he would not support it is if the Community Services Director says they do not have the staff to accomplish this.

The Mayor reiterated on line 4714 in the budget is \$500,000 which is up\$ 200,000 from last year, the next line we had no General Street Improvements and their direction was to slowly start not leave the \$300,000 level funded and take the other \$100,000 and add it to general street repairs. And this would be \$100,000 removed from the capital budget.

The Mayor stated secondly on the health care savings our Planning Department has lost a full time planner position; he is not looking to put a new staff person there but he thinks we need to revisit our impact fees to identify things to charge appropriate revenues. So we would need to farm this project out as a particular study and not a new planner. Also there is the updated Master Plan which is in the economic analysis and he would recommend farming that out also and that would allocate \$40,000 without hiring an additional planner. He thinks the study would pay for itself as this would be an investment in the City. Keays says the City of Portsmouth has 3 planners and Rochester has 2 planners and they are a bigger city. We have 3 planners now and he hopes we don't have to add any more planners. Keays cannot understand why we have all the plumbing and health inspectors as Portsmouth does not. He wants to see 2% across the board.



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The Mayor says they would be moving \$100,000 coming out of capital. Turner thinks the Community Services department can handle an additional \$240,000 more to fix the streets; he just does not know if another planner is the way to go.

Cheney says with the health savings and a net reduction of \$370,000 and using \$25,000 and \$15,000 for the Master Plan study is a good way to go.

Turner asked about the library staff person; the last time he was there the kids lined up for story time; he wonders if some of this will be cut. The City Manager says yes there will be an impact on story times because the Librarian 2 is also the Children's Library director. Turner would like any ideas on this budget from the public which has to be brought forward before next week. Cheney still thinks the Economic Development position should be allowed to be moved to a different area. She would like to keep the person we have. The Mayor clarified this is an agent of the city.

Scott agrees with Turner that the story time for 3 and 4 year olds is very important. Why don't we use more volunteers. The city manager says there are issues with volunteers running the story time. Cathy Beaudoin, Library Director says we currently have 9 volunteers; Don Andolina the volunteer coordinator's wife took the position for volunteer in the library. As far as we are able to we will have 6 story times as much as we love and honor the volunteers they don't let any of them do story telling. They don't have the talent and ability that we need. This is a real production for the library. They like to offer more of a quality production. They used to have 7 story times now it will be 6 story hours.

Keays asked can the City Manager give us a figure about if we were to close an ice arena. Keays stated he took a look at the roads on Applevale and that man did a good job of selling his issue. Keays thinks if Community Service would put a truck down there and fill a few holes that would take care of the problem. He then apologized to the City Manager about a comment he made previously on the money.

The Mayor says we have a special meeting next week at 6 PM and this is only on the budget with a special Citizen's Forum on this subject only.

The city manager wants to clarify the comment on staffing and Portsmouth, discussion ensued regarding the equality of staffing Portsmouth has in their planning office in comparison with Dover.

2. ADJOURN

Keays moved seconded by Turner to adjourn at 10:15 PM with all in favor.



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