

Joint Fiscal Committee Meeting  
November 15, 2007  
Dover, New Hampshire 03820

**CALL TO ORDER:** A meeting of the Joint Fiscal Committee was called to order by School Board Chair, Marjorie Fisher, on Thursday, November 15, 2007, at 7:30 p.m. in the Office of the Superintendent of Schools.

**ROLL CALL:** Present were School Board Members, Chairperson, Marjorie Fisher, Doris Grady, Beth Setear, Carolyn Mebert, and Audra Lurvey. Also present were Dean Trefethen and Mayor Scott Myers of the City Council.

Also present were School Board member elect, Britt Ulinski Schuman, City Manager, Michael Joyal and Superintendent of Schools, John O'Connor.

The meeting was called to order by Marjorie Fisher. Introductions took place. A number of topics were discussed during the course of the evening, ranging from the implementation of the "tax/spending cap" to the interpretation of language found in the Amendment.

Myers brought up the county and state tax and discussed the implications that these two taxes will have on the cap. A question raised by Myers was how to divide the cost of these two items as they relate to the cap. Myers noted that in Franklin the School District handles the state tax while the Municipality Department handles the county taxes. However, given the history of the volatility of both of these taxes, questions arose as to how we may want to handle both of the taxes that are beyond our control. Joyal noted a possibility is that Council could decide the School and the City share equally in the cost of these two taxes.

Myers suggested if the School and City were to decide to share the county tax, there would need to be some sort of an equitable split based on the overall budgets of the respective School District and Municipality. Myers suggested something in the vicinity of a 45/55% split with the School District picking up the largest share. Superintendent O'Connor suggested the committee look at past histories of both the state and county tax rates and put together a 10-year review of the impact that both of these taxes have had on the overall City budget. A reason cited for this request was that there should be no unfair burden placed on either the District or Municipality to handle a disproportionate share of this tax.

There was lengthy discussion on the Consumer Price Index (CPI) formula with Manager Joyal noting that there is language in the Amendment that is not clearly defined. Again, the issue of how to decide which CPI to use in the budget formula may end up for the City Council to decide.

Joyal talked at length about default budgets and Mayor Myers brought up the issue concerning the School Board possible passing a budget that was above the cap and submitting this to the Council for acceptance. There was a great deal of discussion by all members present regarding adherence to the tax/spending cap budget along with a supplemental or additional budget that could be submitted for an override by the Council. A number of points were raised on this issue concerning the School District's ability to submit two budgets to the Council – one that meets the language of the Amendment; the other a request for an override. The City's ability to do the same was also discussed.

Myers referenced the net assessed value of the community. The language in the Amendment noted that budgets will be based on new permits, not the actual value of the properties. This could have a negative impact on the budget for both the City and School.

Myers noted that more than likely, the Council will be faced with an ordinance that will finalize the formula that will be used by both the Municipality and School District to formulate their budgets. Myers

also noted, in January, the Council will have to discuss these issues so both the City manager and the Superintendent have clear direction and formula to be used to guide in the development of their respective budgets.

The override provision was discussed with Councilman Trefethen noting that any override is a one-time only proposition and would need to be voted each year if that money was intended to stay in the budget. This generated a lively discussion with all members concerning the override provision and the actual intent of the language within the Amendment.

Councilor Trefethen and Chairman Fisher brought up the CIP and noted that the language in the Amendment will have an impact on the District's and City's ability to borrow funds for infrastructure improvements. Of particular concern to the representatives of the School District is the inability of the District to borrow substantial funds without an override. Concerns over the costs of renovations in the three aging schools were raised.

After further discussion on all aspects of the tax/spending cap, it was agreed by all members that a follow-up meeting would be held. This meeting will take place on Thursday, December 6, 2007, at 7:00 P.M. in the Office of the Superintendent.

Respectfully Submitted,

John O'Connor, Ed. D.  
Superintendent of Schools

cc: City Clerk  
Mayor Myers  
City Council  
City Manager