



CITY OF
DOVER

CITY COUNCIL -- MINUTES

Meeting Type: Special Meeting
Meeting Location: Council Chambers-288 Central Ave, Dover, NH 03820
Meeting Date: March 5, 2008
Meeting Time: 7:00 pm

1. ROLL CALL

Pledge of Allegiance was led by Councilor Trefethen.

Present: Mayor Myers, Councilors Scott, Trefethen, Weston, Callaghan, Cheney and McCusker. Absent: Councilors Dede and Keays.

Councilor Weston filled in as Deputy Mayor.

2. CITIZENS FORUM-

THE CITIZENS FORUM IS LIMITED TO THE CIP RESOLUTIONS ON THIS AGENDA IN ACCORDANCE WITH CITY COUNCIL RULES – ITEM 12-H

Donald Andolina, 59 Littleworth Road: He addressed the Council as a whole about their behavior. He told the Council that they took an Oath of Office to conduct the business of the people of Dover, and they have missed the mark. He told the Council it seemed unlikely that they would come together to resolve even the simplest of issues, to disagree on issues by ward, or to disagree with any issue that doesn't fit in with their agenda. In his view he felt that every Councilor has an obligation to serve all of the people of Dover without regard to political boundaries.

Mayor Myers asked him to keep it within the CIP.

Mr. Andolina acknowledged the mayor and continued with his statement. He said the CIP was important to the City, but week after week the Council votes 4 to 4. When the Council cannot reach a decision, all the citizens of Dover lose, including the Councilors themselves. He asked the Council to approve the CIP. The approval of this Plan does not authorize spending funds. It is used at this juncture only to prepare a budget. He told the Council that if they cared about their wards and the citizens of Dover, they would approve the CIP tonight.

Edward Bleiler, 28 Isaac Lucas Circle: He discussed a few items on the CIP that were important to him and that he feels have to be done. One is the Tolend Road landfill. He told the Council that when he moved here 13 years ago, it was going to cost the City \$1 million to solve the problem. Today the City needs \$30 or \$40 million to do the job. The City has to start with the \$5 million that was in last year's CIP. If it isn't done, we could risk poisoning the water supply. The second item is road repairs. The roads are an absolute disgrace. He told the Council of the situation in Worcester years ago. He said the roads were so bad in Worcester that they were paying the highest rate in the country for car repairs to their citizens. He told the council that Worcester paid millions of dollars to fix the roads and ended up saving 150% on car repairs. He told the Council that if the City doesn't do these things now, the City cannot imagine what the cost will be in the future. He told the Council that those were the two most important things in the CIP.



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Jean Hausman, 14 Strafford Road, Member of Willand Pond Ad-Hoc

Committee: She thanked the Council for their unanimous support to keep the Willand Pond remediation funds in the CIP. She said the Council has sent a message that Dover cares.

Donald Medbery, 3 Covered Bridge Lane: He wanted to make certain that the Tolend Road project is not left out of the CIP. He told the Council that it had been over 30 years since the road had been overhauled. He urged the Council to leave the project in the CIP.

Betsy Parker, 22 Maplewood Avenue, Member of Willand Pond Ad-Hoc

Committee: She asked the Council to make sure that the City will be able to fully implement the recommendations from the grant. The Committee, along with the City of Somersworth and the State, has received a planning grant. They're looking at how to structurally fix the area. If the City doesn't have the money to implement those recommendations, which the Council has set aside in the CIP, then all of that work would be for naught. She asked the Council to make sure the funds are there so the problem can actually be fixed. She also asked the Council to keep in the Horne Street School renovations, to bring the school up to code. She also asked the Council to approve the infrastructure in the North End.

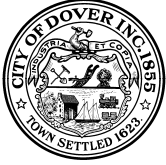
Mayor Myers asked if there was anyone else that wished to speak. Seeing no one, he closed the Citizens' Forum.

3. RESOLUTION RE: APPROPRIATION FOR FY09 CAPITAL IMPROVEMENTS PROGRAM AND AUTHORIZATION FOR BONDING

Councilor Weston moved to adopt; seconded by Councilor Trefethen. Mayor Myers wanted to point out a few things. He wanted the Council to know it takes 6 votes to pass the CIP. It's not a two-thirds vote of those present. The language in the New Hampshire RSAs states a two-thirds vote of the entire body, not the body present.

Mayor Myers mentioned the previous meeting where the School came before the Council to discuss the Horne Street project, and to reduce the funding down to \$2 million, some of which was to be utilized for the high school roof repair.

Mayor Myers mentioned that they had an opinion from bond counsel about whether the Council could do that after it had already been posted and advertised as being for Horne Street Elementary School improvements. The response back was that it would jeopardize the bonding if we did not advertise it for what it truly was. After speaking with the School Department, they would like to leave the request in as it stands, and at some time in the future the School Department will be coming to the Council asking to reprogram some of that \$2 million towards the high school. It will require the same two-thirds vote.



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Mayor Myers also mentioned the Tolend Road Landfill, and that there was no new money for it in this year's CIP. The City had a large authorization last year for \$5 million, but there is nothing that the Council is voting for fiscal year 2009 dealing with the Tolend Road Landfill.

Mayor Myers mentioned how he asked the City Manager, based on the workshop from a couple weeks ago, to draft a set of data tables showing all the existing projects, with a column listing the proposed amounts that are in our resolution tonight and next to it another column with the amended appropriations that the Council had a general consensus on. He pointed out the changes in Items 1-16 on Page 1. He changed items where the Council had a general consensus. Item #6, Willand Pond, was reduced to \$250,000. He said it was his hope to have Somersworth funding a similar amount, so they would have the same \$500,000 in the pot. He mentioned the changes to Items #8, 9 and 10. He had heard from some of the Council, and they were not comfortable in authorizing the full amount for both engineering and construction of the road projects, which include Tolend/Watson Road, Ela Road and Piscataqua Road. There was some discussion with only funding the engineering part this year, requiring those amounts be reduced to 100,000, 300,000 and 100,000, respectively. The remainder of the funds would be needed to construct the roads in fiscal year 2010, 2012 and 2011, respectively. The final change is Item #12, Thompson Pool. The City would be doing just the engineering and design of the bath house, for \$65,000. He said he was doing this for two reasons. The first is to get under the debt amount and to look at other possible ways of funding this. He told the Council that if the CIP passed as amended, the City would actually be issuing \$20,000 less for the City's retiring debt; the School would be retiring almost \$250,000 more than they're issuing. The Mayor then discussed Page 2 of this report. It shows, based on this CIP authorization only, what the impact would be to property tax rates. On the City side there would be a \$0.04 reduction, and the School side shows a \$0.05 reduction for a total general fund reduction of \$0.09. The Mayor continued further discussing the impact of including prior year authorizations that were not issued. The net change would be on the City side a \$0.05 increase; the School side has a \$0.05 decrease in the tax rate. So the net would be no change to the tax rate based on the City and School, and that includes what has been authorized but not yet issued. The Mayor also discussed the water and sewer rates based on the CIP, and also rates including prior year authorizations.

Mayor Myers said he felt that was a good place to start. It does not preclude any discussions on these items. He had a substitute resolution if the Council wanted to accept it and use that as a starting point. It would show all the changes as they are listed, but it does not lock anything in. The Council wouldn't be giving up any rights, or limiting discussion. It would be one way to move those items into a substitute resolution.

Councilor Callaghan asked about the unissued previous year's \$10 million.



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Mayor Myers said it wasn't reflected other than on Page 2, CIP including prior year authorizations; that was everything outstanding that has been authorized but not issued at this point. The Mayor mentioned that even if the Council wanted to remove those, it would not happen with this resolution tonight. This resolution is for fiscal year 2009 authorizations.

Councilor Cheney wanted to know if the Council could refer back to the initial resolution, specifically on authorized un-issued debt. She noted that it is \$1.9 million, and asked if that was a \$0.05 increase on the tax rate.

Mayor Myers said it would have a zero impact to the tax rate. He said some of them might have been water/sewer, and were not all general fund projects.

Councilor Cheney said it comes to \$10 million total.

Mayor Myers said some was general fund monies, some water/sewer monies.

Councilor Callaghan said he had no problem with accepting this as a new starting point. He made a motion to accept the amended version as a whole. Seconded by Councilor Trefethen.

Vote: 7/0.

Mayor Myers started with #1 and #14 of the CIP: Financial System Upgrade for City and School.

Councilor Callaghan said he was in favor of this upgrade, but he is not sure it needs to happen before June, when the operating budget comes out. He feels that the Council needs to go back to the CIP once the operating budget is done. He felt it was a good idea to have a committee, as the Council had discussed.

The \$250,000 could go towards Willand Pond, leaving the entire amount of \$500,000. The City did write a letter to the City of Somersworth requesting a match of \$500,000. He felt it was more important to support Willand Pond, versus buying a computer system where there isn't even a committee for it yet. City Manager Joyal wanted to clarify that he did send a letter to Somersworth indicating that the City would be recommending an appropriation of \$500,000 in the budget, after asking Somersworth to share in that \$500,000.

Mayor Myers asked if they knew the preliminary costs for Willand Pond..

City Manager Joyal said it was too soon. The \$500,000 was based on an estimate from DES.

Mayor Myers asked the City Manager: if the CIP passed with the financial system included, what would happen between now and when the resolution for the actual purchase of the systems and the upgrade?

City Manager Joyal replied that if it was approved they would immediately organize a steering committee, which would develop the functional requirements that are needed, and from that develop an RFP. He expected that to take three to four months. The City would put out the RFP, allowing for response time of three to four weeks – that's another month. Then the City needs time to evaluate systems and come up with recommendations – at least another month. That puts us into September or October. That's when we would like to start implementing it to complete it before January.



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Mayor Myers asked the City Manager how important was it that the Committee know the dollar amount they are constrained by.

City Manager Joyal said it was very important. It's not just the dollar amount, but the knowledge that the Council is committed to move forward. It's a tremendous undertaking to go through the process. The City also needs to know the amount required to look for a system within that budget. This budget is based upon what other communities in the area have spent on upgrades.

Mayor Myers said he feels the financial software is one of three or four most important issues here, along with an ambulance and the streets. He said he appreciated Councilor Callaghan's comments regarding Willand Pond. If the Council agreed on the \$250,000 for Willand Pond, and left the financial software in right now, we will get the grant jointly with Somersworth. The Council would have a better handle on what the costs are, and if the City is looking to make adjustments to the budget, would know at that point if the City needs the \$250,000 for Willand Pond. Also at that point the City will have a better feel for what Somersworth has contributed toward the project. He feels that \$250,000 is a good start for Willand Pond. He said he truly thinks that for the communication, the functionality of City and School to be working together more cohesively on the financial systems would have cost savings. He said he would like to see this one stay in.

Councilor Cheney said the City Manager told her she would be included in the process on the steering committee. She wanted to know when that committee would be formed.

City Manager Joyal said he needed to speak with the School Department and Finance Director to discuss how we are going to lay out this process. He hopes to have a committee set up within a few weeks.

Councilor Cheney asked the City Manager if he has received any other estimates.

City Manager Joyal said they had looked at two separate vendors.

Councilor Cheney said she was under the impression that the School Department wanted to get started sooner.

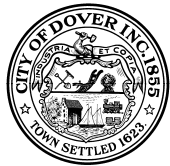
City Manager Joyal said that may be done. The School starts their budgeting process a few months earlier than the City.

Councilor Cheney said there hasn't really been a decision on a vendor yet.

City Manager Joyal agreed.

Councilor Cheney said that in a few weeks the City could find a vendor that would provide both of the integration services that we need, and maybe the School Board could get started a little earlier than the City.

City Manager said he couldn't answer for the School, but he could envision the School being implemented first. The key is that the City needs to put together the functional requirements, go out for an RFP, find out what system works for both parties, and then make a commitment to purchase that. If we focus on implementing a portion of the modules initially – we don't have to implement the entire software package, but there are certain key modules that are going to have



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to come online, we can and add other modules on at later dates. The School could be one of those modules.

Mayor Myers asked Councilor Callaghan if he was going to make a motion with this line item.

Councilor Callaghan didn't have a motion.

Mayor Myers moved on to Item 2, City Hall Improvements. There was consensus to remove that. So this substitute shows zero dollar amounts in #2.

Councilor Cheney said she thought there was a motion to take it out, not leave it in with zero dollar amounts.

Mayor Myers said once it was adopted it would come back later on, and motions can be made to move projects within the CIP. Something can be pulled out completely or moved to a different fiscal year. He told her that the Council was just doing the debt financing at this point.

City Manager Joyal told the Council that the resolution for next week's agenda will have the CIP schedule, attached based on the recommendations of the Planning Board, plus what the Council completed tonight. If you want to move projects back, take them completely off the list, or whatever the Council wants to do with the six-year plan – the Council do that under a separate resolution.

Councilor Cheney also brought up the Rizzo Parking Garage and that it was voted on to be removed it from the list, but it still there.

Mayor Myers said it was listed there because it was part of the original resolution that was posted for public hearing, but it has a zero dollar amount.

Councilor Cheney asked if the amended resolution posted. If it has the changes, why weren't those taken out?

Mayor Myers said it was because the Council didn't substitute until tonight, and that anything we spend money on through the bonding we have to post for public hearing, which we've done. It takes a two-thirds vote of the Council to do that.

Councilor Scott asked, if the Council gets the 6 votes, will that line item not appear.

Mayor Myers said it is part of the resolution, but it has a zero dollar amount as far as funding goes.

Councilor Scott asked if the Council voted yes, then could it reappear in a future year.

Mayor Myers said that the Council will have a resolution next week, and if the Council wished to remove any City Hall renovations, the Council can make the decision to remove this project out of the CIP and it would not appear. Once the Council is done with the debt authorization and the resolution next week, to pull a project or change years, the Council will have the adopted CIP.

Councilor Scott said he has had calls and that the \$29 million was way out of proportion and he thinks this is a good step, bringing it down to \$6 million. He wanted to make sure if the Council approves this, that it will appear again as part of the six-year plan.

Mayor Myers said that is the proposed budget that the Council gets on April 15, and the Council adopts it. This is the proposed CIP. We'll adopt the bonding



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portion tonight, and then in a resolution next week the Council will adopt the out years. Items can be removed at that point.

Mayor Myers said at this point there was no funding for #2.

Mayor Myers moved on to #3, Cochecho River Stabilization. No discussion.

Mayor Myers moved on to #4, Ambulance Purchase. No discussion.

Mayor Myers moved on to #5, General Streets & Sidewalk Improvements. He reminded the Council that the City Manager is planning on putting in an additional \$1 million that's slated to be in the Operating Budget.

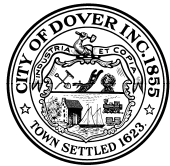
Councilor Weston asked if the City Manager could identify the streets that this was going to cover.

City Manager Joyal said that they had done an analysis based on the field inspections that were done last fall, but they need to be verified. With the snow covering curbs we cannot accurately generate a list.

Councilor Callaghan said this seems to be a very sensitive issue for many citizens. He doesn't know what streets this \$1.4 million covers and he doesn't know the timeframe. Two things: Again that would be an item he would target to draw out the \$250,000 for the Willand Pond project. He knew the \$500,000 was an estimate and has seen an email from the City Manager which did a better job of explaining the components of it. This money could be put back in once the operating budget is complete. He said the City Manager needs to work this into the budget, so that the City maintains a tax increase that meets the spending cap. He wants the Council to have an opportunity to agree to which streets are prioritized for repair.

Councilor Cheney said that when it comes to the index road management software, the Council has realized that some of the indexes may have an artificial consequence, and the road is not as bad as the computer program reports it. When the Council has a presentation, we're going to have the index, what it really means and a list of roads that fall within those indices. Is Public Works at that time going to reprioritize these roads accordingly?

City Manager Joyal said there seemed to be a misunderstanding. The evaluation that is done for the roads is based on some objective criteria. It's based on ASTM standards that were established based on certain stresses that show up in roadways. The City sent out some folks to evaluate the roads, that data is put into our data management system and once those indexes are set they are accurate. What the field inspection does is based on what has happened since last year through the winter. These roads are in relatively good condition. The purpose of this money is to preserve those roads before they get to the point of Tolend, Piscataqua, Ela. We don't have the funding to do all the roads, so we prioritize the streets. The City looks at the funding in General Street Improvements that allow overlays of streets in relatively good condition that have distresses on the surface that if they are not fixed are going to ultimately tear the road apart. By putting the overlay down it buys the City 20-30 years. This money is not for bad roads. The Council needs to understand this. If the Council doesn't want to invest money in keeping up the roads that are still in good



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condition that is a policy decision. He said that if the Council doesn't invest in the roads the City is going to get even further behind 10-15 years from now. They will spot check the roads that they are targeting and they need to know how much money they have to spend. If the City is only going to have \$2.4 million, they have to decide how far they can stretch that.

Councilor Scott said he would recommend that at the end of March the Council get a City bus and all the Councilors can see the conditions of the roads and allocate the money appropriately by ward.

Councilor Trefethen said his understanding of the Council's rules is we should not be discussing any of things until there is an amendment on the floor that has been seconded on the line item.

Mayor Myers said he was correct, and asked Councilor Callaghan if he wanted to make a motion for discussion purposes.

Councilor Callaghan made a motion to discuss Line Item #5, to reduce by \$250,000, seconded by Councilor Scott.

Councilor Trefethen said there were streets out there that the City can spend \$1.4 million on and then another \$1 million if it's kept in the operating budget. After the City Manager's statement there is still a feeling that the Council is going to pick the roads that are in the worst shape and get them fixed, completely ignoring what he said this money is for. The Council has to have a complete understanding what this money is for, and not have a false expectation and then create a false expectation in the public's mind of what is going to happen. The roads that are in terrible condition still may be done next winter. The crews will be out to do pothole patching and spot clearing, but this \$1.4 million is not going to do the things that he keeps hearing from other Councilors. This is not the place to change the policy. This is voting a dollar amount of the CIP to continue the current policy.

Councilor Cheney asked about the Old Rochester Road project and if it included the repavement.

Paul Vlasik, City Engineer, said it was included in the existing contract.

Councilor Cheney said the City needs to protect their investment on these roads. She asked if there was a list of which roads were done last year and how much was spent. She asked if there was some sort of analysis done, on foot, to make sure that these funds are protecting the investments that really need it.

Mayor Myers said the Council could get a report for last year's improvements. This year needs to wait for the weather to break to see the conditions and to get a correct list.

Councilor Cheney said she would like to hear further argument before she would support a cut in this particular item.

Mayor Myers said he is not in favor of cutting this. The Council needs to be putting more money into the streets, not less. He also is not in favor of driving around the City; we all know there are some terrible roads. The roads in worse conditions are in the CIP, some in a couple years from now because the City is



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coordinating projects. He is not going to vote in favor of cutting the \$1.4 million. He felt the Council should be adding more than this.

Councilor Trefethen said he wouldn't be supporting a reduction either. He discussed this happening with the Council in the 1990's, and how the City is still playing catch up and paying for it. He would like to spend more money on this, not less, but it is a reality.

Councilor Callaghan asked how much of this money does the City needs in the next two months. He also asked if the Council could provide the citizens with a list on the website of street improvements with the rating and when they are going to be done.

Mayor Myers said this spring we can put the streets on the website that the City will be doing. He also said the reason we need to do the funding is because this is when contractors are preparing their construction season schedule. If the Council waits until June to allocate money, we're not going to get the responses from them and the choices will be fewer, causing the costs to be higher.

Councilor Callaghan said he still felt this should be built into the Operating Budget. If the City Manager needs this money now, he could bring the Council the budget sooner. He disagrees that the City has to have the money promised before we figure out how much money we really have.

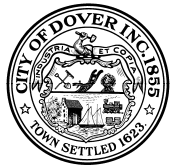
Councilor Cheney discussed the Willand Pond project. The Council has put \$250,000 here, asked the City Manager of Somersworth to match that amount, and then we have grants coming to help us. If the plan is to need more money, we don't want to jeopardize helping those people. So it could come back to the Council and with a two-thirds vote we could take out another bond at any time. She wanted to know if \$250,000 was enough to show that we mean business with the other parties.

City Manager Joyal said he was comfortable with that number. The City was going to appropriate the full amount. It doesn't mean the City wasn't going to raise the funds to cover that. We were asking the City of Somersworth to participate. The funds will be used to develop the design specifications and put out an RFP for whatever the solution is. We believe, after discussions with DES, it is going to be some sort of drainage area that is going to allow the Pond to naturally flow back to Peter's Marsh Brook. Part of the expense of that will be the purchase of easements or open lands around Willand Pond. The City does have open lands money available and additional grant money.

Councilor Cheney said she wouldn't support the cut to the roads.

Mayor Myers responded to Councilor Callaghan's comment about getting the budget earlier. He felt the City Manager already has because he's told us he can put \$1 million in the Operating Budget and he's looking for \$1.4 million in the CIP. If we put it all into the CIP, the impact on the taxpayers is much smaller, but that's not what the Council wants to do. We want to start retiring more debt than we're issuing. He said he would not be supporting this cut. He asked for further discussion.

Vote 2/5. Failed. In favor: Councilors Callaghan and Scott.



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Mayor Myers moved to Item #6: Willand Pond Remediation.

Mayor Myers moved to Item #7: Rizzo – Street Reconstruction – Henry Law Ave.

Mayor Myers moved to Item #8: Street Improvements – Tolend/Watson Road. He made a general comment to the Council that there was no bigger waste than to approve engineering and design work and not construction work in whatever year the project is going to show up; to spend \$100,000 or \$300,000 and throw the report on the shelf to collect dust.

Councilor Scott asked if approval of that automatically approves the balance in the future.

Mayor Myers said that wasn't what he was saying. The original resolution for this line item was for \$4.5 million, which was committing for the two pieces. This just commits the City for \$100,000, which is just the site work.

Councilor Cheney asked how much debt the City is retiring next year.

Mayor Myers said \$3.545 million.

Councilor Cheney said she would be supporting this.

Councilor Callaghan asked about the engineering studies on Items #8, #9 and #10, if the costs included project oversight.

City Manager Joyal said generally that was correct. Occasionally the City needs to use the monies that were appropriated as part of the construction project. When it goes out to bid, the only thing that can be secured from the bidders are their hourly rate for various level of services. What is not known is the level of effort that they are actually going to have to make to oversee the project in its entirety.

Councilor Callaghan asked if the numbers are pretty generous because you've already built in the oversight.

City Manager Joyal responded that it is generally 7% to 15%.

Councilor Callaghan asked if they were done by separate vendors.

City Manager Joyal said they can be, but not always.

Councilor Callaghan said the City would consider an engineering firm and have them work on a general services contract in order to control engineering costs.

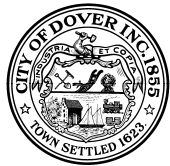
City Manager Joyal said that for smaller communities that works, because they don't have an engineering staff. Our engineering staff puts together a detailed task list of things that need to be done. That list and the specifications needed for a particular project are what the engineering firms bid on. It is more cost effective because we go out to engineering firms and ask for specific pricing on a specific project. We are looking at trying to package these projects in specific groups, which is different from prior years, and that might be more attractive for larger firms.

Mayor Myers continued to Item #9: Street Reconstruction – Ela Area.

Mayor Myers continued to Item #10: Street Reconstruction – Piscataqua Road.

Mayor Myers continued to Item #11: Park Improvements – Guppy Field.

Mayor Myers continued to Item #12: Thompson Pool Bathhouse Replacement.



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Councilor Callaghan made a motion to add \$65,000, seconded by Councilor McCusker.

Councilor Callaghan said that after talking with people about the bathhouse, it has been described to him as deplorable. If fixed, it sounds like a place where we could entertain out-of-town company. It's a place that clearly represents what Dover is all about. If we want people to come back here we need to give them a clean bathhouse. That is actually our front door to the City for many people, and it's also a health issue for the people who live here. He would like to see the \$65,000 put back in.

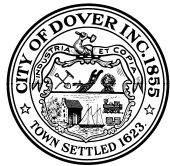
Mayor Myers spoke of how another Councilor was discussing some other way to fund that and that is why it was removed. Councilor Weston will speak to that. Councilor Weston said she had been working with Councilor Keays with the bathhouse, replacement and they were looking for options on how to finance this with no impact on the tax rate. In doing our homework, with the City Manager and Finance Director Dan Lynch, the gravel account has \$221,598, some of that is encumbered because of the McConnell Roof. When the roof went out to bid, it came in at just about half, which is \$110,000. She asked the City Manager what he felt he needed for oversight or extras, which is approximately \$20,000. So out of the \$250,000 that is coming out of the sand and gravel fund, we now found out that they only need approximately \$130,000. Instead of putting the \$65,000 back into the CIP to have it debt funded, Councilor Keays and Councilor Weston are proposing a resolution to re-appropriate the leftover monies from the McConnell Center roof, and put it into the design work for the bathhouse. Finance Director Lynch also had revenue from the sand and gravel for fiscal year 2008 of \$320,000, and fiscal year 2009 of \$330,000, which in turn could be used to pay for the new pool.

City Manager Joyal just wanted to make clear that they were not projections. Those were based on certain volumes and the escalation in price. The City is probably not going to see numbers that high, but there should be sufficient funds still coming in from gravel sales over the next couple years to accomplish what you're interested in doing.

Councilor Weston said the proposal is not to include the \$65,000, but to have the City agree to use the funds through a resolution to get the bathhouse in and it would have no impact on the taxpayers.

Councilor Trefethen said he felt it was a wonderful idea. He asked the City Manager if we did take the money out of the gravel fund, is that counted against the budget amendment or limitation.

City Manager Joyal said he would probably ask when the appropriation was made that the Council acknowledges that it is a budget amendment, and that it requires a two-thirds vote. However, in using an alternate source of funds and in terms of the budget cap, if you have other sources of revenue you can increase your expenditures.



CITY OF
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Councilor Trefethen said this would be a onetime expenditure that would not impact the taxpayers and not be included in any calculations in the following year.

City Manager Joyal agreed. It's a CIP project and not part of the Operating Budget.

Councilor Cheney said she felt it was a great idea because it didn't impact the tax rate. She would support the resolution, however, she wanted to know when the project would start and what the City is doing this summer. Would this start right out the gate now that we have funding?

Mayor Myers said it's a two-part appropriation. So we're not building a new bathhouse this year.

Councilor Callaghan asked the City Manager if the money was earmarked for any other purpose.

City Manager Joyal said it's not encumbered for any purpose. There was a \$250,000 authorization out there for repairs to the McConnell Center roof and there's money left over from that that would easily cover that \$65,000.

Councilor Callaghan asked if the City Manager was in the position to promise that \$65,000.

City Manager Joyal said that was correct. He said there was nothing for it to be spent on.

Councilor Callaghan withdrew his motion, seconded by Councilor McCusker.

Mayor Myers moved to Item #13: Horne Street Elementary School Improvements.

Mayor Myers moved to Item #14: Financial System Upgrade – School portion. Ties into Item #1 done earlier.

Mayor Myers moved to Item #15: Rizzo – Downtown Parking Facility.

Mayor Myers moved to Item #16: Sewer Main – Oak Hill/Redden.

Mayor Myers said none of the Line Items had changed at this point and asked if the Council agreed. He was open to additional motions at this point.

Councilor Callaghan made a motion to remove the Financial Systems and allocate \$250,000 to Willand Pond Remediation, seconded by Councilor Scott.

Councilor Trefethen said he was confused. The Council has \$210,000 in Line #1 which is the City and \$160,000 in Line #14 which is the school, and we're adding \$250,000 to something else. Where is the other \$40,000 coming from?

Councilor Callaghan said he assumed the whole article would have to be removed. He would be happy to leave the \$140,000 in if it would help.

Councilor Trefethen said he wasn't sure that the Council could take any money from Line #14, other than remove it. The Council can't allocate it to anything else.

City Manager Joyal said the effect of what he wants to do is restore money back to Willand Pond to the level of what was advertised. The Council can certainly vote it that way. You would be taking money out for two specific projects that were advertised.



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Councilor McCusker said he felt the entire \$500,000 should be in there, but he won't support removing the entire financial system. He would rather increase the proposal by another \$250,000. We should provide this to get started and hope we get reimbursed.

Councilor Trefethen said he would not support eliminating the financial systems upgrade. He asked the City Manager about reducing the amount on Henry Law Avenue to \$600,000; could it be reduced even more because it was additional money to keep the contractor going if they could do additional work this year. Could they do \$400,000 in additional work this year?

Councilor Callaghan asked about the \$265,000 left in the general fund and if that money could be moved over the Willand Pond money and thereby not affect any of the other items.

Mayor Myers said it was the general consensus of the Council to not issue any more debt on the City side than we were retiring. The difference of the total general fund is the combined amount of \$20,000 for the City and \$245,000 for the School. The Council could do that, but it would put the City over its debt limit. Councilor Cheney asked the City Manager why these weren't considered for general fund instead of debt financing.

City Manager Joyal said this was a core system for the City with a life expectancy of ten years. So it would be debt financed over the period of its useful life. It could be financed by paying cash for it and putting it into the Operating Budget to be paid for with gravel funds.

Councilor Cheney said that once the committee gets together and determines what the upgrade schedules are going to be and the cost over the ten years; we could revisit the funding mechanism at that time. We don't have to take it out of the CIP. When we look at the entire thing and how much it is going to cost over ten years, is it a possibility to look at other ways to finance it?

City Manager Joyal said the City could program it into the Operating Budget. We would just have to accommodate it within the tax cap. We could look for other sources of revenue to fund it. The only one that is readily available is the gravel fund. The history of gravel funds is that they are typically used for recreation projects. The Council could authorize the debt financing at this point and if there is another way to accommodate it, we can revisit that decision.

Vote of 2/5. Failed. In favor: Councilors Callaghan and Scott.

Councilor McCusker made a motion to amend the \$250,000 figure in Line Item #6 and increase it to \$500,000.

Mayor Myers said it failed because it lacked a second at this point.

Councilor Callaghan made a motion to amend Line Item #6 to increase to \$500,000, and reduce Line Item #7 by \$250,000 from the \$600,000, seconded by Councilor Trefethen.

Councilor Cheney said she just heard the City Manager state that our portion may actually turn out to be less depending on who takes more of this on. She would like to see it stay at \$250,000. Henry Law Ave. has been on the table a long time and if the City can get a good construction table this year and get more



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done to get that project finished – she's not sure if she could support taking money from Henry Law Ave.

Councilor Trefethen said he understood Councilor Cheney. He said he wasn't sure how he was going to vote on this.

Councilor Weston asked the City Manager for clarification on the Willand Pond Remediation. The \$500,000 that was first appropriated, was that a total bill? City Manager Joyal said the City of Dover has taken the lead on securing the funds. We've received the grant from DES and we've continued that by taking the lead on the funding for this. We would be the lead agency of what needed to be done. So in order to have an appropriation for the City to be the lead agency, he put the full amount in here based on the preliminary discussion with DES, with the intent that the City would reach out to Somersworth and hope that they would step up and contribute to that \$500,000.

Councilor Weston asked, if it was left at \$250,000 is there any possibility of retribution against Somersworth for not participating?

City Manager Joyal said he would rather approach it being neighborly than by going after someone. We have no recourse if they say no. There are a collection of issues that appear to have contributed to the problem. If we were to take the approach of trying to find fault it would probably take years before we could get an answer to that. The issue is out there and needs to be solved.

Mayor Myers said he was going to support this. This is a compromise that keeps the Council from issuing more debt than we're retiring.

Councilor Callaghan wanted to speak to Councilor Weston. This is not going to fix people's houses. As a City we need to take a stand to help them. We need to correct the problem so it doesn't recur year after year.

Councilor Trefethen said we have to approach this; that we all hope that Willand Pond with either cost less or we get Somersworth to contribute, but we appropriate the money. If prior hopes come true, then we re-appropriate it back to Henry Law.

Councilor Cheney said she would be supporting this change.

Vote 7/0.

Mayor Myers called for a roll call vote on the amended CIP.

Roll Call Vote: 7/0.

4. RESOLUTION RE: APPROPRIATION FOR FY09 CAPITAL IMPROVEMENTS PROGRAM – NONDEBT FINANCED PROJECT

Move to adopt by Councilor Weston; seconded by Councilor Trefethen.

Mayor Myers started with Item #1: Transportation Improvement Program.

Councilor Scott wanted to clarify that every three months the Council gets a book prepared by the Finance Department with balance sheets. He couldn't find the balance sheets for the end of December.



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City Manager Joyal said the finance statements for December 31, 2007 are online. He sent a notice to the Council that they were available. January is not posted yet, but will be soon, and February will follow right after that.

Mayor Myers moved on to Item #2: Water Exploration.

Mayor Myers moved on to Item #3: Water Wellhead Protection.

Mayor Myers moved on to Item #4: Sewer Infiltration Mitigation.

Mayor Myers moved on to Item #5: Pump Station Equipment – River Street. The only thing being authorized tonight is the \$600,000 to come out of the Sewer Capital Reserve Fund.

Mayor Myers moved on to Item #6: Cemetery Master Plan.

Mayor Myers moved on to item #7: School Facility Improvements.

Councilor Cheney wanted to know if the \$93,000 from the Geophysical Study was from the 1987 Geophysical Study.

City Manager Joyal said no, it was done for a future wellhead site. He believed the date was in the early 2000s.

Mayor Myers requested a roll call vote to move to adopt Non-debt Financed Project.

Roll Call Vote: 7/0.

Mayor Myers thanked the Council and the public for working through issues.

5. ADJOURN

Moved to adjourn by Councilor Trefethen; seconded by Councilor Cheney.