

CITY OF
DOVER

CITY COUNCIL - MINUTES

Meeting Type: Workshop
Meeting Location: Council Chambers - 288 Central Ave, Dover, NH 03820
Meeting Date: April 16, 2008
Meeting Time: 7:00 pm

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE WAS LED BY COUNCILOR CALLAGHAN.

PRESENT: Mayor Myers, Councilors Callaghan, Cheney, Dede, Weston, Scott, and Trefethen. Also present: City Manager Joyal, City Attorney Krans, and City Clerk Lavertu.

Mayor Myers welcomed everyone to the Workshop session and discussed the two items to be presented this evening: School Department and General Government.

1. BUDGET DISCUSSION A. SCHOOL DEPARTMENT

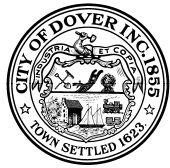
Mayor Myers invited Audra Lurvey, Vice Chair of Dover School Board, to present for the School Department.

Ms. Lurvey said that the School Board would provide the Council with an overview of the 2008-2009 Fiscal Year Budget. Superintendent of Schools John O'Connor and District Business Manager Laurie Verville have prepared a PowerPoint presentation of the proposal, and will answer the Council's questions. The proposal represents the best effort of the School Board to prepare a budget that best reflects the needs of the organization and the students, while being fully cognizant of the needs of the citizens of Dover. The recently enacted spending amendment has altered the way the School Board prepares the budget. No longer do the needs of the organization or students drive the budget process. Instead the budget process has been and will continue to be driven by outside factors over which we have no control. Some argue that this restrictive structure places an undue burden on this School District, while others see it as controlled spending. The School Board has experienced both sides of this argument. We recognize the need to manage growth and control spending, while recognizing the need to add, enhance and support the initiatives and programs to ensure that the School meets the diverse needs of the students. To this end we have prepared a budget that is controlled and capped based upon the provisions of the spending amendment, and which incorporates new funding for programs and initiatives deemed necessary by the School Board. The Dover School Board is seeking the support of the Council for the 2008-2009 Budget.

Mayor Myers also wanted to recognize that in addition to the Business Manager and Superintendent, there were also other School Board members present: Dorothy Hooper and Marjorie Fisher. He then invited Superintendent John O'Connor to speak.

Mr. O'Connor greeted the Council. He said he had a brief presentation for the Council. He began his presentation, and he would answer questions if the Council had any.

Councilor Scott complimented Superintendent O'Connor, Business Manager Laurie Verville, School Board Chairman Marjorie Fisher, and the rest of the School Board for a very complete and well thought out budget. The budget is sensitive to the financial limitations of the taxpayers.



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Councilor Dede asked if the increase in enrollment has been across the board, or if it has been concentrated in certain grade levels.

Superintendent O'Connor said it was pretty much across the board. We will be doing a presentation in May on the ten-year projections. Based on the rates, both locally and across the State, the numbers are pretty solidly indicating that we will be seeing an increase in our elementary school population, over the next six years, of more than 200 students.

Mayor Myers thanked the School Board and their administration for their work on the Budget, and for the cuts that were made. He certainly understood the parameters the Board had to work within the new charter amendment. He commented on the Council Meeting that dealt with the CIP, and that Laurie Verville asked to reduce the CIP amount for the School from \$4 million to \$2 million. He asked about the analysis, which looked at all of the schools and what they were projected to need in capital improvements over the next five to seven years. He believed the amount was around \$30 million or higher.

Superintendent O'Connor said it was significantly higher.

Mayor Myers asked how much capital was in this budget, and how that compared with how much capital we had in the budget last year. He also asked, if we know the City has a \$30 to \$50 million capital need over the next ten years, shouldn't we be issuing \$5 million in debt a year instead of reducing it, so we don't have a snowball effect in years going forward.

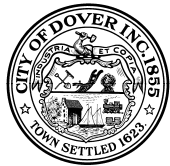
Superintendent O'Connor said he believed the amount of capital was similar from this year to next year. He said to think that the School Board could through the normal budget process and attempt to renovate three schools that are 50 years old is not going to happen. He said that when you look at the architectural report that came in, there are some items that they recommended should be done that he felt could be handled in the year-to-year budget.

Mayor Myers said he wasn't implying that the renovations be funded by the operational side of the budget. He referred to the Council Meeting on the CIP, and that the \$2 million reduction by the School fell into a black hole. If the School truly needs \$4 million, he would rather see it paid for in a reasonable plan that meets the dollar needs going forward, rather than just playing a numbers game where we'll cut it this year and play catch up years down the road. We will pay a lot more for those projects if we allow them to deteriorate.

Superintendent O'Connor said he recognized that. He said he would like to offer three words in explanation of that: Woodman Park School. We stood at the podium three years ago and said we thought it would cost \$9 million. It actually cost slightly over \$12 million. We did not have the plans in place to start looking at renovations at Garrison, Horne, or the High School. He said \$25,000 is in the budget to put towards this study. When the School Board has a chance to look at all this, they will direct him and Ms. Verville to develop a plan, which would include a CIP plan that will go to the City Manager and then to the Council.

Mayor Myers thanked the School for their time.

City Manager Joyal said he had the School Department come in early in the budget review process, as a concern of theirs was getting an understanding of what their budget may look like when the Council adopts the budget in June, as they have some contractual deadlines for which they have to meet notifications. It will give the School an indication of what, if any, layoff notifications they have to make beyond what they have already anticipated. We will also be scheduling their public hearing for the budget soon; at the first regular meeting in May. The



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problem is if they don't send the notices out on time, then they run into problems with being able to lay teachers off for next year.

B. GENERAL GOVERNMENT

Mayor Myers invited City Manager Joyal to speak on the General Government.

City Manager Joyal said he wanted to give the Council an overview of the Budget document.

The budget was a compilation of a considerable amount of information that relates to various operations of the City, including the School. It reflects the financial authorizations that the Council will be making. He is producing a summary version of the budget, which will be posted on the website, and a number of copies will be made available in the Clerk's Office.

He went over the Budget with the Council and highlighted areas so that the Council would be aware of how to find various pieces of information.

Councilor Scott asked which page showed the \$1 million for the Dickinson Company.

City Manager Joyal said the \$1 million for the Dickinson Company will not be recognized until 2010. He said they are supposed to pay cash when they sign the land development agreement and get all their permits in place.

He continued with his presentation on the Budget and Organizational Staffing Chart.

Councilor Cheney asked how the inspection positions were moving over.

City Manager Joyal said he is taking all of the inspectors that are currently in Planning and moving that entire division to the Fire Department.

Councilor Cheney asked how many people that included.

City Manager Joyal said it was a building official, electrical inspector, plumbing/health inspector, and a part-time plumbing/health inspector. He said he's taking three full-time positions and one part-time position and moving them over to the Fire Department. He is also eliminating a full-time secretary position. Some those hours will stay in the Planning Department, and some will go to increase the Fire Department's clerical staff. The Office Manager for the Fire Department will become a full-time position, and they will be adding some hours to the part-time clerical staff.

Councilor Cheney said there are five positions for inspections and asked if they will all be under the Fire Department.

City Manager Joyal said that was correct.

Councilor Cheney asked where their offices would be.

City Manager Joyal said he's proposing that they all be at the North End Fire Station.

Councilor Cheney asked about the \$75,000 distribution on Page 27, Operating Transfers, and if it was for the McConnell Center. She asked the City Manager to briefly explain that.

City Manager Joyal said the bulk of the Operating Transfers are the increase charges in the McConnell Center. The Police Department, Human Services and Recreation Department rent space in the McConnell Center, and we show it as a transfer from the General Fund, paying rent for those departments to the McConnell Center.

Councilor Trefethen asked if the \$75,000 was just the increased amount being transferred to the McConnell Center.

City Manager Joyal said the \$75,000 was the change in all transfers, not just the McConnell Center.



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Councilor Scott asked about the Organizational Chart; he doesn't see a line for the Information Technology Department.

City Manager Joyal said the Information Technology Department is reflected in the DoverNet Fund on Page 412.

Councilor Weston asked where the offices of the inspection division will be in the North End Fire Station.

City Manager Joyal said the Fire Chief is working on that proposal.

City Manager Joyal continued with his presentation on Personal Services.

Councilor Callaghan asked if the severance account was billed for anticipated departures for employees that have no sick leave or vacation time.

City Manager Joyal said that was what the Compensated Absences account was for.

Councilor Callaghan asked if the amount covered all severance obligations the City would have if everybody walked out the door at one time.

City Manager Joyal said no. The City's books have a liability that is recorded for the value of leave time for any given year. We do not have a separate account that accounts for all that money. It is funded, however, because it is taken into account when you calculate the fund balance.

Councilor Callaghan asked, if the City doesn't use this money, it doesn't roll over?

City Manager Joyal said it does not roll over unless the Council says it can be rolled over.

There is a separate fund that was set up in which we have accrued \$400,000 to help offset this liability. At some point in time the City may want to use that \$400,000, but right now it is sitting in an account to reduce that liability.

Councilor Callaghan asked for the name of the account.

City Manager Joyal said he doesn't know the exact name of it. It is set up as a reserve account.

City Manager Joyal continued his presentation, going through specific budgets.

Councilor Callaghan asked about the City Manager Section, Page 141, New Hampshire Municipal Association, \$18,500; what was that for? Insurance?

City Manager Joyal said it included membership dues to the New Hampshire Municipal Association, which provides us with their services: training, legislative advocacy and access to an insurance trust that we belong to.

Councilor Callaghan asked where the insurance was.

City Manager Joyal said it was an insurance line item.

Councilor Trefethen asked about the split for the City Clerk, and if the City would always maintain that separation or if it will truly get consolidated at some time.

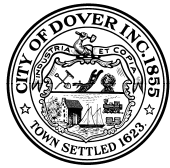
City Manager Joyal said it could be. He is not suggesting that it should be this year, because there are different functions for each office.

City Manager Joyal continued with his presentation on Elections.

City Manager Joyal asked City Attorney Krans to present the Legal Division information.

City Attorney Krans said he would just go over the highlights of the Legal Division. He started his presentation.

City Manager Joyal just wanted the Council to take note of the fact that since hiring a City Attorney the City has reduced its outside legal expenses. Factoring in the total costs of the legal function, along with outside legal counsel, he said the Council would find a very favorable trend in the City.



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City Manager Joyal continued with the presentation on Business Assistance. He concluded the Executive Department Presentation. He asked Daniel Lynch, Finance Director, to present the Finance Department's presentation.

Mr. Lynch gave a presentation on the Finance Department.

Councilor Cheney asked about the 5.4% increase in taxable property over last year and where that came from.

Mr. Lynch said it was partly from the hotels, and some of the sub-divisions. In 2006 there were 9,187 taxable parcels and that jumped up to 9,552 in 2007.

Councilor Callaghan wanted a little more detail on the Purchased Services.

Mr. Lynch said that tax assessment budgeted \$44,000 for contract and data collection.

Councilor Scott asked what the cost was for contracting Wil Cochran.

Mr. Lynch referred the Council to Page 165: \$44,000 for data collection and \$81,000 for City Assessor.

City Manager Joyal said the actual assessing function itself, including the data collection, is a contracted service.

Mayor Myers thanked Daniel Lynch.

City Manager Joyal said Chris Parker, Planning Department, would be next.

Mr. Parker gave his presentation on the Planning Department.

Mayor Myers said he appreciated his assessment of the Planning Department.

City Manager Joyal referred the Council to Page 406, Miscellaneous General Government, and spoke to this himself.

Mayor Myers interrupted the City Manager with a comment about Compensated Absences. He said it was put into this account, instead of allocated to each department, so if it isn't spent it stays in this account. If it was budgeted to each department, if they didn't need it for compensated absences, it could be used elsewhere in that department. He said having it this way keeps the money under Council control.

Councilor Callaghan asked about the Severance Account 4160. The money from Compensated Absences 4295 can be transferred into the Severance Account.

City Manager Joyal said there is a separate fund that is held and maintained by the Trustees of the Trust Fund. He said he thought the fund was called Benefits Fund. It carries a balance and the Council can put money into it. At any given time the Council can say they want to put money into this account and let it sit there until the City needs it back in the budget.

Councilor Callaghan asked what the Severance Account is for.

City Manager Joyal said everything used to be budgeted for in Severance, but as of two years ago we distinguished between Severance and Compensated Absences. Severance is a payment, a check given to someone for no other reason than to say it is time to leave the City's employ. Severance payments have been made by the City in the past for the Police Chief, and City Managers back in the 1990s. It is not tied into any benefits or anything else. The Severance account was separated out so it would show as severance, something above and beyond any benefits that had accrued.

Councilor Callaghan asked the City Manager if he doesn't anticipate anyone leaving that would require severance pay.



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City Manager Joyal said he doesn't anticipate letting anyone go. He continued with his presentation. He asked Annie Dove, Director of Information Technology to cover the DoverNet part of the presentation.

Ms. Dove commented that all of these presentations are available on the website. She gave her presentation on DoverNet.

Mayor Myers asked the Council if they had any questions.

Mayor Myers mentioned that the Council will meet next week for a regular meeting, and the week after that will be another budget presentation workshop meeting.

City Manager Joyal said the next Workshop will include the Library, Police and Fire.

2. ADJOURN

Councilor Callaghan made a motion to adjourn; seconded by Councilor Cheney.