



CITY OF DOVER

## CITY COUNCIL - AGENDA

Meeting Type: Workshop  
Meeting Location: Council Chambers - 288 Central Avenue, Dover, NH 03820  
Meeting Date: **Tuesday, June 4, 2008**  
Meeting Time: **7:00pm**

### 1. PLEDGE OF ALLEGIANCE

Councilor Callaghan led the Pledge of Allegiance.

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

### 2. GENERAL BUDGET DISCUSSION

Mayor Myers spoke about the previous workshop, and the two worksheets submitted by Councilors for proposed changes to the Budget. He said Councilor Trefethen said he would combine the two worksheets to give the Council a starting point for this workshop. He asked Councilor Trefethen to go over the worksheet.

Councilor Trefethen went over the worksheet.

Mayor Myers asked the Council if they wanted to work through this list item by item.

Councilor Callaghan said he wanted to discuss the proposed revenue increases first, because they will impact the rest of the list.

Mayor Myers agreed to that. He started with the Teen Center, and stated that the earliest they would hear on the status of the grant would be this Friday. He asked the City Manager to explain to the rest of the Council what would happen if the Council passed the budget without knowing if that grant is in place.

City Manager Joyal said if the grant is approved, there is no further action needed by the Council. He said if the grant is not approved he and Chief Colarusso will immediately come back to the Council with a proposal to make sure the Teen Center can operate full-time, which would reflect the will of the Council.

Mayor Myers said it would be a budget amendment.

Councilor Callaghan asked if the Council had to agree to accept the funds received from a grant or donations.

City Manager Joyal said it depended on the nature of the funds. He said if a grant was for a specific purpose the Council would not have to accept it. He said if there were any strings attached to a grant, he would come back to the Council.

Councilor Callaghan asked about the donation for the carpet, and if that would need approval from the Council.

City Manager Joyal said donations go into a trust, which is managed and authorized by the Trustees of the Trust Funds.

Mayor Myers continued with the list. He said the Council was in agreement to accept the grant for the Asset Management System. He asked the Council if they wanted to discuss the pool rate increases.

Councilor Dede said he asked the Recreation Director about the proposal to raise rates. He said the 25% proposed rate increase is on top of rate increases that have already been levied. He said the resident rate has gone from \$4.00 to \$5.00, and non-resident rates from \$6.00 to \$10.00. He wasn't for raising the rates again and causing people not to come, and actually decrease revenues.

Mayor Myers said he had a similar conversation with the City Manager, and agreed with Councilor Dede that the rate has already been adjusted, and he would not support increasing it



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again. He said when the City Manager calculated the fees to open the outdoor pool for the season, the amount of \$56,216 needed to be added back into the budget, and included the rate increases.

Councilor Trefethen said he also agreed. He said he also wasn't for raising the fees across the board 5% and then trying to project revenues, because with the economy the way it is it might actually reduce the revenues the City takes in. He said he doesn't see the City collecting the projected revenues. People aren't buying new cars, and that will lower registration fees. He said he read in the paper where people are giving up their pets because they can't afford them, and that will lower dog registrations. This could have a huge ripple effect that the Council doesn't know. He said he would be leery about squeezing any more permits and fees and counting on that money.

Councilor Callaghan referred to Page 59 of the Proposed Budget and asked if the figures were incorrect.

Mayor Myers explained that originally the outdoor pool wasn't factored in, because the outdoor pool wasn't going to be run by the City. When the City Manager factored in the outdoor pool, the \$56,216 net needed for the Jenny Thompson Pool included the rate increases.

City Manager Joyal said the fee schedule will be adopted at the same time as the budget, and they have the correct amounts. He went over the amounts used to come up with the net effect of \$56,216 for the Thompson pool. He said the net effect is based on the proposed rates in the fee schedule.

Mayor Myers said there is no additional revenue coming in that is going to reduce that amount. Councilor Callaghan asked the City Manager if the pool cost the City \$82,466 to open, and if he had already taken out the revenue.

City Manager Joyal discussed his May 21, 2008 email of an itemized list of the adjustments. He listed the adjustments: Wages, \$42,000 would have to be increased; Overtime, add \$200; FICA, \$2616; Medicare, \$612; Telephone, \$1,200; Office supplies, \$200; Uniforms, \$1,000; Maintenance supplies, \$150. He said this required an expenditure increase of \$47,978. He said they need to reinstate the sales and services charges of \$150. He said they need to reinstate \$27,510 for admission fees, which include adjusted fees. He said the rental would have to be decreased by \$35,898, which is the item that the City was attempting to work out with a third party to operate the pool. He said revenues would then have to be decreased by \$8,238. He said the increased expenditures and decreased revenues has a total impact of \$56,216, and that is the net adjustment that is required to accommodate the tax cap.

Councilor Callaghan asked what the projected amount was for admittance to the pool.

City Manager Joyal said it was \$27,510, almost a \$7,000 increase over what was in effect previously.

Councilor Callaghan said he added the \$56,216 and \$27,510; the City is over \$83,000 for the operation of the pool.

Mayor Myers said there are additional revenues besides the admittance.

Councilor Callaghan said the Council was told that to reopen the pool was about \$50,000, and now it is \$83,000. He said the numbers keep bouncing around, and he was uncomfortable with that. He asked for something that showed the income and expenses for the pool.

City Manager Joyal spoke again of his email from May 21, 2008, which showed exactly that.

The increase in expenditures was \$47,978.

Councilor Callaghan asked if that was the cost to operate the pool.



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City Manager Joyal said no, it was the cost that had to be added back. He said if the Council took the \$47,978 and added it to the \$67,793 that's in the proposed budget; that would be the total cost to operate the Jenny Thompson Pool for a full year.

Councilor Callaghan said from that, the City will collect \$27,510 in fees: added with \$47,978 that is \$74,000 plus.

City Manager Joyal said that wasn't correct. He explained the revenue side for the pool. He said they would have to add back \$27,510 to the admission fees in the proposed budget, and remove the additional revenue of \$35,898, which was revenue for renting the pool to a third party. He said that in the proposed budget you're actually reducing the revenues by \$8,238. Councilor Callaghan asked for confirmation that the fees already went up to what he proposed. City Manager Joyal said they have been increased.

Councilor Trefethen asked if he wanted that line off the worksheet.

Councilor Callaghan agreed.

Mayor Myers moved on to the next issue of permits and fee increases of 5%.

Councilor Dede said he agreed with Councilor Trefethen.

Councilor Trefethen said it was off the cuff, and he is not sure it would materialize. He said with everything else that is happening in the world, he didn't think the City would see an increase.

Councilor Callaghan said he understood last night that Councilor Trefethen thought 5% was a realistic number.

Councilor Trefethen said what he agreed to last night was the amount that was available to increase 5% was \$400,000, not to increase the rates 5%.

Councilor Callaghan asked what number he thought the City could get out of those.

Councilor Trefethen said zero. He said there are already increases in the fee schedule, and these would be over and above those increases. He felt that the City is going to have a hard time meeting the numbers the City Manager has projected. He said if car sales are down 10% this year we can expect a 10% decrease in the excise tax.

Mayor Myers said he was not in favor of an increase beyond what has already been proposed in the fee schedule at this point.

Councilor Callaghan said he thought the Council was on more even territory. He said he has not gone through the fee schedule and hasn't heard anyone ever bring it up. He felt that the Council needed a workshop to go over it.

Councilor Dede said the City Manager has been working with the department heads for the past several months on two elements: the cost control element, and where the fees can be increased. He said the department heads are in a much better position to make a decision on whether or not fees can be increased than members of the Council are.

Councilor Cheney said she doesn't agree with Councilor Dede. She felt the Council was voting on it and should discuss it. She asked if the fees are comparable to other areas.

City Manager Joyal said all the fees have a few things to consider when setting up the proposal. First, is it required by state or local ordinance, and if it is, is it locked in or can the City change it. Second, the ones that the Council maintains control of; they go out and look at what other communities are charging for these services, and if the City can recover the costs for providing the service. Third, is the fee reasonable? He said the Council has the discretion to raise the fees, but he felt what was in the proposed budget was what they thought was a reasonable increase given the costs that are incurred, and he felt it didn't reach the point of diminishing returns.



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Councilor Scott asked if there was a Citizen's Forum this evening. Mayor Myers said that there was when they went into the Special Meeting, but that they were in Workshop at the moment.

Councilor Scott made a motion to let the citizens speak in Citizens Forum and then continue with the Workshop Session; seconded by Councilor Trefethen.

Roll Call Vote: 8/0.

### Citizen's Forum

*Citizens are invited to speak on any issue pertaining to the business of the City of Dover. Statements shall be limited to five minutes.*

**Edward Bleiler, 28 Isaac Lucas Circle:** He said he placed two articles on their desks and he hoped they would read them. He referred the Council to the City Manager's Report from 1976 for the City of Dover, and read the highlighted areas for the record. He said those who cannot remember the past are doomed to repeat it. He referred the Council to the second article from Money Magazine, and read that to the Council. He told the Council that they were arguing over nickels and dimes. He told them to tell Mr. Steele, Community Services Director, if he wants a street sweeper he can lay off one, two, or three employees to pay for it. He said he sold Elgin street sweepers for 33 years. He said it was a miracle that the City got 15 years out of the street sweeper, and didn't feel the City should waste their money. He felt the Community Services Department was loaded with excess help. He said the City Manager in 1976 decreased the workforce by 10% and he felt it should be done again now. He said the Economic Developer should not be hired. He said any property that the City has available to market should be given to a Commercial Developer. He said the City would only have to pay the 6% commission fee when the property is sold. He referred the Council to the parking meter he had brought with him. He said the City should reinstall parking meters to increase revenue. He said the parking meter receipts should be put into a trust fund to pay for the parking garage. He wished the Council good luck.

**Harvey J. Lynch, 26 B Lincoln Street:** He said that several citizens left because they didn't know if they could speak tonight. He said most of them are living outside of their income. He said they had to get a handle on things. He said most of them don't understand, because they don't know the figures the City is starting with and how much money is in the bank. He asked that they take a closer look at the figures and try to make it simple for the citizens.

Mayor Myers, seeing no one else wishing to speak, closed the Citizen Forum.

Mayor Myers continued with the Workshop. He asked the Council for any final thoughts on fees.

Councilor Callahan said the Council should review these line items. If the Council anticipates that we're going to have fewer requests, but we're projecting the same budget amount for those things, then the Council is being neglectful in responding to what our beliefs are. He said if the fee schedule is supposed to be approved by the Council, then it needs to be reviewed by the



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Council. He said he didn't think the Council can say everything is okay, everybody is doing a good job, let's just live with it, because we trust them.

Councilor McCusker said Councilor Callaghan hit the nail on the head when he said we trust them. He said the idea that the department heads and the City Manager wouldn't have a handle what the potential revenue should be, and that the Council would have a better idea – he said he didn't feel that confidence. He said he didn't believe the Council needed to review line by line. He said he didn't work with these revenues. He said the City pays them to know how to budget. He said it is not a blind faith, but that he trusts them to know what they are doing, and that the numbers are as accurate as can be.

Councilor Dede said Mr. Bleiler was correct when he said the Council was arguing over nickels and dimes, \$23,000 versus the size of the budget. He said it really needs to be put into perspective. He said he was acutely aware of the time it took the Dover Utilities Commission to overhaul the fee structure. He said over a three-month period they met with the Finance Director, City Attorney, officials from the State, and the Planning Department. He agreed with Councilor McCusker and Trefethen and Mayor Myers that the Council should move on.

Councilor Trefethen said he agreed with Councilor Callaghan that the Council needs to review the fee schedule, but realistically it is not going to happen during this Workshop and probably not going to happen this month. He suggested that the Council appoint a subcommittee to look at all the fees that are under the Council's control.

Councilor Scott said twenty years ago his hero made the famous phrase, "Trust, but verify." He said there was also a Senator from Illinois who said, "A million here, a million there, pretty soon you're talking big money." He said the Council has to look at all of the money, because there is big money here.

Mayor Myers said the Council looked at this quickly on June 3, 2008 and found that the \$4 million in motor vehicles can't be changed. He said of the \$400,000 left, he doesn't know how much is in their control. He felt that the City Manager and department heads looked at these fees to assist their departments. He said the Council also needs to be fair. We can't keep hitting our residents with more fees everywhere. He said reasonable adjustments have already been made where our community leaders felt they would work. He estimated that the most to be gained by this is less than \$10,000, and he doesn't support it now. He said he would support the creation of a committee to do an exhaustive study on fees.

Councilor Cheney said the discussion on the fee schedule has satisfied her concerns.

Mayor Myers moved on to the next items with outside services.

Councilor Callaghan asked the City Manager to ask Sam Crowley, Fleet Services Supervisor, to give his perspective of the conversation they had regarding outside services. He mentioned Somersworth as one possibility.

Mr. Crowley said Somersworth had approached him, but he didn't have the staff to accommodate them.

Councilor Callaghan asked Mr. Crowley to reiterate how this scenario could work.

Mr. Crowley said he has four mechanics and himself to maintain 250 vehicles; 165 are City vehicles, and 90 are outside vehicles. He said they were all from government agencies: Strafford County, Riverside Rest Home, County Attorney's Office, Madbury, and Lee.

Councilor Callaghan asked him how he felt about his proposed rate for outside services.



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Mr. Crowley said he felt it wouldn't be advantageous. He said some of these vehicles are quite a distance away, and it may be more convenient for them to go to some place closer. He felt they would lose customers.

Councilor Callaghan asked Mr. Crowley what rate he would recommend.

Mr. Crowley said he liked the rate they were at currently. He had done a rate study throughout the region, and found from \$45.00 up to \$105.00 per hour. He said they have to compete to get those towns to come to us instead of someone in their town.

Councilor Callaghan asked him to talk about increasing business.

Mr. Crowley said sometimes his staff has a full plate, and there are times when things don't get fixed. He said they try to fill in the blanks with City work and outside work that generates revenue. He said if Fleet Services took on any larger fleets, it would require additional staff. He said it may not generate revenue at first, depending on how much work those entities have.

Councilor Callaghan asked Mr. Crowley if he had a large enough facility to accommodate another mechanic and the work that that mechanic would do.

Mr. Crowley agreed.

Councilor Callaghan said he did a rate study and had projected \$20,000 in revenue. He said maybe it was all or nothing.

Mr. Crowley said that was what he was concerned about. He said for the past seven years they have utilized that income to level fund their budget. He said he was concerned with raising the rate because their customer may decide to go someplace else.

Councilor Callaghan said he only earned \$5,000 for 100 hours, and he was looking to increase that.

Mr. Crowley said he needed to speak to the Finance Director on how that was budgeted, because he felt it was more than that.

Councilor Callaghan asked what his estimate was on how much work they put in on outside vehicles.

Mr. Crowley said he didn't bring that with him.

Councilor Callaghan asked Mr. Crowley if he felt it was worthwhile to pursue the thought of hiring a mechanic and bringing in enough outside work to make it work.

Mr. Crowley said he did, but felt it was important to review that outside work to make sure it can support another mechanic.

Councilor Scott asked how many hours per month he and his staff worked on outside work.

Mr. Crowley said it was 20 to 25 hours per month. He said it varies.

Councilor Scott asked him if he felt it could be raised to 100 to 200 hours per month.

Mr. Crowley said he could with additional staffing.

Councilor Scott said they were qualified as truck and big vehicle mechanics and could get the higher rate.

Mr. Crowley said most of the vehicles they take care of are police cars and smaller vehicles.

Mayor Myers said most of the entities we're helping are in essence part of Dover, and it all just turns around and helps us back. He didn't feel that the City should be competing with the private sector. He asked Mr. Crowley if he could tell Madbury no if they didn't have the time or were short a person.

Mr. Crowley said yes, he did.



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Mayor Myers asked if Fleet Services were to take on Somersworth, would they expect that he would be able to perform services for them when they needed it, and not have the ability to say no, and then run into an overtime issue to get everything done. He said he liked the flexibility. Councilor Cheney said she felt it was worth looking at.

Councilor Scott said if there was 200 hours of work out there and he had one person doing that, they could be looking at \$13,000 per month with costs of \$6,000 per month, looking at \$60,000 per year.

Councilor Dede said with all due respect, there is an ongoing review process looking into this and the City Manager will be coming to the Council if it is the right thing to do.

Councilor Trefethen referred to Councilor Scott's comment while he was running for election, "We don't have a revenue problem; we have a spending problem." He said he wanted to talk about spending.

City Manager Joyal asked the Council if they had any questions about the street sweeper for Mr. Crowley.

Councilor Cheney said she now agreed with Mr. Crowley about not fixing the old street sweeper. She asked if he was going to get another Johnson Sweeper.

Mr. Crowley said he hoped to.

Councilor Scott said he felt that the old street sweeper could be fixed, and spending \$175,000 for a new one was not a good idea. He said he trusted Mr. Bleiler's judgment. He said he would go along with Mr. Crowley's recommendation.

Councilor Callaghan asked the City Manager to explain the outside services accounting, because he must have misinterpreted it.

City Manager Joyal said he used a conservative estimate in the Proposed Budget. He said in 2006 they had \$17,000 in revenues.

Councilor Scott asked about the revenue for selling parts to other departments, and if it becomes an expense for the other department.

City Manager Joyal said yes. He said for 2008 the actual amount for outside services is \$8,500 at this point.

Councilor McCusker said the Council should already know how to do this. He said we're here to discuss the budget amendments.

Councilor Cheney asked if the departments were charged the same \$50.00 per hour as outside services.

City Manager Joyal asked Mr. Doug Steele, Community Services Director, how it was done.

Mr. Steele said it was done based on the vehicle.

City Manager Joyal said it was similar to DoverNet.

Councilor Cheney asked if it also built up a reserve to buy a replacement vehicle.

City Manager said replacement is not covered.

Mayor Myers moved on to Proposed Budget Reductions. He discussed the list and asked for discussion.

Councilor Callaghan said he researched the street sweeper. He is of the belief that the City needs to buy a new street sweeper. He said he would like to challenge Community Services to find at least half that money. He said he was withdrawing that reduction, with the caveat that they have to find money in other places.

Mayor Myers said the street sweeper money was already in the Budget. He said Councilor Callaghan could ask for a budget amendment when we get to that part of the budget.



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Councilor Trefethen asked Councilor Callaghan for an explanation for the statement that the City is not going to have enough money.

Councilor Callaghan said he had a wish list that is larger than the list that Councilors Trefethen and Weston created. He said he was willing to cross items off, but felt the Council was going to continue to do that. He said some of these items are near and dear to him, and he would be opposed to some of the other ones that are there that he doesn't think need to be there. He said the Council needs to figure out how much money we have before we start picking away at what is left.

Mayor Myers said ultimately it would take a majority to amend the budget, and to accept the budget.

Mayor Myers continued with the list. He wanted to caution the Council about removing a position. He said they can't eliminate a position, but they can reduce the amount.

Councilor Dede said the City Manager would make those types of decisions. He reminded the Council of the Community Services presentation on the budget, and that the majority of their increases were for streets. He said the rest of their operating budget was way under what our overall budget is. They have already taken steps to keep their expenses under control. He said taking away the Engineering position could have a negative impact on a major problem in the City, our roads.

Mayor Myers said the Council is certainly within their rights to direct the City Manager to make a general reduction in a certain department, and even to say don't touch the streets. The City Manager has the ultimate authority over whether the position should remain or not.

Councilor Dede said the Council needed to decide if we accept the City Manager and department heads judgment as to the appropriateness of the priorities within the complex budget. He felt the proposed budget's priorities, with a couple amendments, has been pretty much on point and meets what the citizens expect.

Councilor Callaghan said he wasn't picking on an individual. He said he was after that money from that account, and he will rename the amendment to the budget appropriately.

Mayor Myers moved on to the top of the list and read Group 1: Added to Budget, and Group 2: Added to Budget.

Councilor Callaghan asked him to strike the street sweeper repair item.

Mayor Myers continued going over the list.

Councilor Trefethen interrupted Mayor Myers to discuss the Resource Office at the Middle School. He asked the City Manager, if this amount was included now, would it be a case of supplanting the position with the grant?

City Manager Joyal said the grant was a combination of activities, and one of the items the City hopes to do is put a police officer in the school. It would be up to the School how they apply the funds.

Mayor Myers went on to the next item, staff at the seasonal camps.

Councilor Callaghan asked Gary Bannon, Recreation Director, to speak to this.

Councilor Trefethen said he thought this was taken care of.

Mr. Bannon said those positions are for summer staff to run the summer programs. He said we're trying to supplement that with the Special Revenue Fund. He said he was trying to get the money back.

Mayor Myers reminded the Council of the general consensus at a previous Workshop to fund this summer program.



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City Manager Joyal said the rate has been increased significantly so that the program will support itself.

Councilor Trefethen asked if the \$68,616 for Recreation staff goes away.

Mayor Myers said it went away. Mayor Myers finished the proposed list.

### 3. ADJOURN

Councilor Trefethen made a motion to adjourn to the Special Meeting; seconded by Councilor Dede.

Vote 8/0.

**draft**