



CITY OF DOVER

CITY COUNCIL - MINUTES

Meeting Type: Workshop
Meeting Location: Council Chambers - 288 Central Avenue, Dover, NH 03820
Meeting Date: **Wednesday, January 21, 2009**
Meeting Time: **7:00pm**

Present: Mayor Myers, Deputy Mayor Trefethen, Councilors Callaghan, Carrier, McCusker, Scott and Weston.

Absent: Councilors Cheney and DeDe.

Also Present: City Manager Joyal, City Attorney Krans and City Clerk Lavertu.

Deputy Mayor Trefethen led the Pledge of Allegiance.

Mayor Myers discussed the topics for the Workshop. The first topic was the FY2010 Budget Development. He referred to the worksheet the City Manager sent to all Councilors, and said the City Manager was looking for guidance from the Council to assist him as he drafts the City's budget for the new fiscal year. The second topic deals with the legislative budget for both county and state.

1. FY2010 Budget Development Overview

Mayor Myers asked the City Manager to lead the Council in an analysis of how the tax cap will apply to the budget this coming year.

City Manager Joyal said this discussion gave him a chance to hear some feedback from the Council of what they wanted him to do with the budget, and find out what the Council wants to keep in the budget. He cautioned the Council that there are areas that can't be reduced, such as contractual agreements, labor contracts, and statutory requirements. He explained the handout that was provided to the Council. He asked the Council if they had any questions. Councilor Scott asked for clarification on the \$61,000 that the County was under budget, and asked if he understood correctly that it was being added to the City's budget as additional funds. City Manager Joyal said he was correct.

Councilor Scott said it didn't make sense that the effort that the County made to make cuts enables the City to spend the money.

City Manager Joyal said the City had to absorb more than \$300,000 last year because the County overspent.

Councilor Scott said he was thinking about this year. He discussed the recession and felt the City should be careful.

Mayor Myers said it will ultimately be the Council's decision on what amount will be spent, but the City Manager has authority to spend that amount by ordinance.

City Manager Joyal continued his discussion on his handout.

Deputy Mayor Trefethen said the City was looking at \$500,000 to \$1 million less in revenues brought into the City. This wipes out the proposed \$900,000 increase to the City's portion of the budget.

City Manager Joyal said that was correct. He continued with his discussion.

Deputy Mayor Trefethen referred to the comments made that the revenue from the Arena Fund would offset its expenses. He said the Dover Arena Commission met on January 20, 2009 to go over expenses, and projected revenues and expenses for the rest of the fiscal year indicate that there should be positive revenues over expenses, which included the debt service.

City Manager Joyal continued his discussion.

Deputy Mayor Trefethen said this presentation was not a spending plan, but a heads up if the City maintains the status quo. He said he didn't expect the Council to maintain the status quo.



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He said he would like to see the Council not use the 3.8% allowed with the tax cap, but something lower. He said he was looking for a significant fiscal restraint, including the school department. He referred to the last budget the Council worked on, and items that were put back in that some Councilors felt should not have been taken out. He said this was the Council's opportunity to guide the City Manager in preparing this year's budget. He said his goal was that those items from last year stay in the budget, but he recognized that priorities change from year to year. He suggested a possible cut in Police direct patrol services. He said they cannot touch the Human Services Department and Fire Department. He said the Council is going to make hard decisions that will upset people.

Mayor Myers said he felt the Council should look at a 1.8% to 1.9% increase in the budget. He referred to the County budget and the costs that pass to the Towns. He said the County would no longer be prosecuting domestic violence cases as of April 1, 2009.

City Manager Joyal said that was correct.

Mayor Myers said that would also impact the current budget from April 1, 2009 to June 30, 2009. He said the County has also cut funding for various service programs, and this responsibility will fall back on the City's Human Services Department immediately. He asked the City Manager if there was a projected cost for these increases.

City Manager Joyal said they have not calculated the increases for Human Services. He said in the past two years the City reduced the full-time police prosecutor to a part-time position, and that will have to be looked at. He referred to Councilor Scott's comment regarding the \$61,000 savings in the County's budget, and said the City may need that \$61,000 to pay for the additional prosecuting services.

Mayor Myers commented to the City Manager that he had several proposals:

- Do not propose to use any fund balance, because he felt next year's budget would be worse than this year's.
- Do not reduce cash for capital purposes in the operating budget, including capital reserves for future year projects.
- Do not reduce core services: public safety, education, and infrastructure.

Regarding specific departments:

- Does not see areas to cut in the Fire Department.
- Community Services has been cut for five years, while adding roads, sewers, and mandates by the EPA.

He said he agreed with the Deputy Mayor that it leaves the following areas to look at cutting expenses:

- Police Department
- Certain services and programs that the City offers
- City building hours

He said the Police Department would be the largest dollar amount of cuts.

Councilor Scott referred to the grants, and asked how many years the City was locked in with the staffing.

City Manager Joyal said the Fire Department personnel were locked in for five years.

Councilor Scott asked if after five years the City could cut personnel without paying back the grant to the federal government.

City Manager Joyal said that was correct.



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Councilor Scott asked if the same was true for the Police Department.

City Manager Joyal said there were a few programs with staffing commitments, but these were almost entirely funded by the grant.

Councilor Scott said he agreed with Mayor Myers that next year's budget is going to be worse than this year's, and felt the year after was going to be even worse. He congratulated the City Manager for his presentation and said it was very well done. He said he had a few comments about the report that were startling to him:

- \$820,000 for paving, which was twice as much as the prior year.
- \$450,000 for additional debt service.
- \$500,000 for health insurance. He suggested that the City look at other insurance providers.

Mayor Myers asked Councilor Scott if he had anything that he didn't want the City Manager to touch.

Councilor Scott said the 2% of the budget for Recreation affects a lot of people. He said the pools and the Teen Center should be left open.

Councilor Weston said she went to the County Public Hearing and felt that the Commissioners put a self-imposed tax cap on themselves. She saw residents get up to speak about their passions and ask for them not to be cut. She asked the City Manager to please take into consideration the taxpayers of Dover and how they will be affected by the proposed budget. She also asked the City Manager when the Council would get a finalized FY2008 budget, and said an unaudited version would still help the Council. She said the Council needs to know where the City wants to go next year in relation to the tax cap amount. She said she wanted the City Manager to show the Council what items are obligations and can't be cut in the new budget. She said from there the Council can build a budget.

Councilor Callaghan said he agreed with Councilor Weston that the Council needs to build a budget. He said the items he was concerned with last year were still important to him, but he didn't want to lock himself into that until they see where they were with the budget. He said he would like to learn the history of why Human Services were originally done by the County and why services were now provided by the towns and cities. He felt it should be looked into to see if it would be beneficial for the whole community if the County took it back.

Councilor McCusker referred to the presentation, speaking of reduced revenues, reduced staff for the past years, along with more residents and more children to be educating, and said the 3.8% increase might not be enough. He said trying to maintain a 2% increase when the City can have 3.8% would be difficult for him. He referred to the Police Department and asked if the City wanted to be proactive or reactive. He asked if the City was willing to take that risk. He said he didn't agree with trying to come in at a 2% increase.

Councilor Carrier said the City Manager did an excellent job. He said he is very nervous about cutting services. He felt the City was at bare bones already. He said he wanted to see the direction the City Manager was going to take.

Mayor Myers said the dialogue was a good start.

City Manager Joyal said the final audit report was expected next week, and a workshop will be scheduled with the auditors. He said a six-month turnaround for the audit report is not unusual. He thanked the Council for their input and wanted the Council be to assured that he will continue to look for cost savings, grant funds, and additional revenues.



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2. Legislative Budget Discussion

Mayor Myers said he was a member of the Government Affairs Committee and was appointed to the Municipal Advisory Committee, which meets monthly. He said they met on Friday, January 16, 2009 in Concord. He said State leadership is asking the Municipal Advisory Committee to give their positions on certain issues. Gas tax was one issue, and the Council said they would not support an increase in the gas tax last August. He went over other issues going on in Concord. He said the Governor has been very specific that he would not support a broad-based sales or income tax. He said other areas the State was considering were a gas tax, state gambling, and other revenue sources. The State was also talking about cutting the funding formulas on the revenues that the City gets from the State, downshifting to the local level. He referred to his button, which read "Don't downshift to property taxpayers." He offered buttons to anyone in the room. He said the State picks up 35% of the employer's share of retirement, and they may change the formula. He said the schools also have concerns, and they all have an impact on the City's budget. He passed out a handout he received from the meeting to the Council regarding the gas tax, and went over it. He said the past six months have brought around a lot of changes, and he wanted to make sure he represented the Council's wishes on this issue. He said the average car, getting 20 miles per gallon, going 15,000 miles per year, would see an increase of \$37.00 per year. He said the Municipal Advisory Committee is considering voting in favor of the gas tax, and he wanted to vote the will of the Council. He asked the Council if they have anything to discuss.

Councilor Callaghan asked what the increase was in 1991, and felt a 50% increase in 3 years was too much.

Mayor Myers said the Council wouldn't have control over what the State decides to do. He just wanted general comments from the Council.

Councilor Callaghan said it's too much right now, so his position was no.

Deputy Mayor Trefethen said he has 3 cars and pays the Hampton tolls every day going to work. He said the money does go to fixing Route 95, but also went towards Route 93, which was a free road. He said it irks him when the tolls get increased, and felt the gas tax is fairer. He said he supported the gas tax. He said it would be more expensive to him to raise the toll, and then have the money used on other roads.

Councilor Scott said he agreed with Councilor Callaghan that the increase was too much. He disagreed with the Deputy Mayor, and noted that the Spaulding Turnpike tolls were paid mostly by tourists.

Councilor McCusker said the reason why the Council was originally against this issue last year was because the price of gasoline was over \$4.00 per gallon. He said he was in favor of this revenue initiative for the State.

Deputy Mayor Trefethen agrees with the idea of tourists paying the tolls. He said the Monday through Friday traffic is mostly New Hampshire residents.

Councilor Callaghan said the toll for New Hampshire residents should be less. He said the old tokens were a significant discount. He said there should also be a discussion for a toll booth on Route 93.

Mayor Myers said a toll on Route 93 was a federal decision, and Massachusetts was already considering it on the North bound side.



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Councilor Weston said she wouldn't support increasing the tolls, which would far exceed the \$37.00 average increase in the gas tax.

Mayor Myers said there seemed to be a consensus that there was support for a gas tax. He said he would draft a letter to the legislative council as soon as possible.

City Manager Joyal wanted to remind the citizens of the Dover Discussion meeting on Thursday, January 22, 2009, in the McConnell Center.

Deputy Mayor Trefethen made a motion to adjourn; seconded by Councilor Weston.
Vote: 7/0.

DRAFT