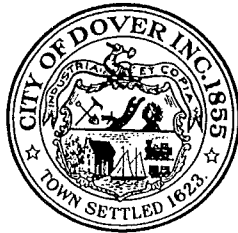


J. MICHAEL JOYAL, JR  
City Manager  
m.joyal@ci.dover.nh.us



288 Central Avenue  
Dover, New Hampshire 03820-4169  
(603) 516-6023  
Fax: (603) 516-6049  
www.ci.dover.nh.us

# City of Dover, New Hampshire

## OFFICE OF THE CITY MANAGER MEMORANDUM

TO: The Honorable Mayor and City Council  
FROM: J. Michael Joyal, Jr., City Manager  
SUBJECT: FY2010 BUDGET ADJUSTMENTS  
DATE: 4/15/2009

Having submitted my FY10 Proposed Budget in accordance with C6-3.1A(1) of the City Charter, following are descriptions and financial analysis of the budget adjustments and additions that would allow for the continuation of existing programs and service levels.

In assembling a proposed municipal budget for the coming year, all functions, programs and the associated costs for municipal services were evaluated and prioritized. Based upon this review and the need to limit the overall property tax levy in response to the combination of the current economic recession and pending federal and state cost downshifting, the proposed FY2010 General Fund Budget for City related departments is nearly \$1.3 million less than that originally requested by the departments. The proposed budget, at a 1.0% increase in operating costs excluding debt and capital and isolating the Arena related funds, is well below the 3.8% year-end average CPI-U for all US cities. The proposed budget ultimately results in significant staff adjustments along with reductions in purchased service and supplies. There are also less than anticipated expenses proposed for capital outlay and debt service.

For a spending level based upon an allowed 3.8% tax cap calculation, the addition of \$777,921 would be needed and would mitigate most of the program and activity adjustments reflected in the proposed FY2010 General Fund Budget for City related departments. The addition of the full \$1.3 million removed from the proposed budget would increase operational spending over the prior year to 3.5% and increase capital outlay by an additional 53.4% furthering attainment of the goal of reducing reliance on debt for capital infrastructure repairs and replacement. With either of these cost additions, municipal services could be restored to current levels of operation.

To achieve a spending level based upon an assumed 2.0% tax cap calculation, an additional reduction of \$259,851 is necessary. This reduction is possible by further lowering capital related spending for the coming year and/or anticipating further health insurance reductions below the expected guaranteed maximum rate.