

June 11, 2003 – Action taken on FY2004 budget resolution.

1. Resolution RE: Fiscal Year 2004 Budget Appropriations, Fees and Capital Improvements Program. Sponsored by Mayor Alex Nossiff, by Request.

Christenbury moved to divide the question. Mayberry seconds the motion to take account #'s 2800-3830 out and vote on these items first. These are the school items and most of the council has been on board with the school budget because of all the hard work they did. All in favor on a hand vote of dividing the question. The Mayor says we are now ready for a vote on the school side. Christenbury then made a motion to approve the school portion as submitted for \$32,800,230. Motion to adopt school portion passed on a roll call vote of 8-0.

The Mayor suggests going around the room to see where everyone is on this portion of the budget. The City Manager clarified that the staff went back and looked at revenues and found an additional \$255,678 worth of revenues by increased fees. On the other side of the coin the bond rating has been restructured and we have a reduction in debt service of \$157,358. So now we are down to 6.3% from .57 to .43 cents per thousand on the City's side, the School is .46 cents and the County .41 for a total of \$1.30 on the tax rate. The Mayor confirmed that based on the manager's revelations; we are already at 6.3%. Christenbury thanked Rita Frechette for calling him late tonight, he is still at 0%. He has heard the term quality of life, this is a subjective term, we all pick who we are going to be a voice for and this is his voice. Mr. Beecher has been clear from the beginning. This 0% means there will be less people working for the city and the council has to be willing to take responsibility for their actions.

Dunnington states with all due respect; Christenbury's suggestion is admirable but a short term solution to a long term problem. There is truly not a lot of new stuff in this budget, if we put these projects off today, some other council will have to raise the taxes. Most of his emails are in support of the City Manager's budget, this is the vast majority of the calls he has had and he will support the 6.3% budget of the City Manager.

Whitmore says when she started this, she was at 3%, she has gone thru each department and she appreciates all the departments and she is willing to show anyone her spreadsheets. She prioritized items for each budget, she has the fire department at the highest priority. The reason is they provide life services. The police department keeps order and protects us; she went all the way down her list as she used this kind of criteria. She does not want to destroy the fabric of our community and as hard as she tried she tried to get to 3%, she is now close at a 3.47% increase. She hopes that all non essential services in the budget will be targeted to maintain the level of service that we provide to the community. 0% is not achievable in her life and not for the City.

The Mayor says that is impressive.

Mayberry says the first question is addressed to the audience; who wants to pay more taxes, nine reasonable people need to do what is reasonable. He has looked at life and property and takes people at their word; he does not want to see layoffs in the community. Mayberry goes on and on about his theory of a 0% budget saying this is a pendulum and he wants to find middle ground. He is now supporting the City Manager's budget.

Christenbury says point of order, he introduces a motion to vote on the City Manager's budget, seconded by Hindle, Keays has a few words about his old tax receipts he had at home that are from 1960. In 1992 the assessment for his property was \$74,000. The assessment today is \$154,000. He will be voting for the 0% tonight. Everyone is still getting good raises, he don't know how they figure their raises but they certainly are good. He has talked to a lot of constituents in his ward and most of the people are on retirement, how long can we keep going up, up, up. He has not seen any effort to cut. He's telling us the raises are there every year and he cannot condone it and he won't.

Hindle says last week we heard from all sections of the community about the budget and from citizens that came out to speak out in support of a lot of programs. He commented from a 100 year quote that an old Governor had said, his name was Charles Sawyer who had hoped this would be called the people's house because the people rule. He has sat there four years now and times were very good back then, to say that this council has not worked hard to reduce spending is kind of unfortunate. We have debated our CIP's in the last year. He commends all

of them for cutting the CIP back in March. He continued on his points of what we have been hearing. At this moment in time although he would like to see some areas to cut, he is not in favor of a 0% budget. He too has contacted the York, ME town clerk who provided numbers to him on their budget. He asked the clerk about the public sentiment on this budget, people spent 45 minutes voting on the 107 items in their budget, before he concludes, there are areas they can work on, first he wants to come together as a community and he encouraged the people to talk to their State Rep and County Commissioners to work at a higher level to reduce spending. He thinks if we had a program to bring people together, there should be a place to go so people can talk. He mentioned a few solutions to help lower the budget. The Mayor commended him on his presentation.

Tweedie has several points he would like to make and we will probably have a little auction later on. He cannot speak for his peers but he knows what he has done on this, he proposed the 3%, he is looking at all the numbers in the budget and a lot of it is debt service. This is coming from prior councils but tonight we have to pay the bills; because the City Managers knows the city well, the bonding is at 3.13% that we actually bonded out. He challenged the recreation department to raise their rates. The City Manager sat down and came up with another \$29,000 in revenue, he continued on his theories. There is a quality of life in the City and this budget does that but very thinly, we addressed the elderly this year and passed the elderly exemption. We are a full 1/3 less than we were last year, we have pinched everywhere we possibly could of. He has some ideas to bring the City Manager's budget down another percent.

Quigley has sat here for a year and a half and voted on very little spending, we increased the school and gave them extra money; he will back the City Manager's budget, he does not want to see all these cuts. He feels we need all these services and people have come to expect the quality of life here in Dover, he agrees with this budget. The tax rate will be 1.05 or .95 and he does not feel that is bad. We cannot shirk our duty; we passed these huge contracts. He will not be shirking his duties so he wants to pay our bills, let's pass it and move on.

The Mayor commented on the prior Mayor's spending, saying he created a monster. However he does not think we can continue to drive the car and not look in the rear view mirror; moving forward we have talked about services that have existed many years, this is not true.

Government has a thirst to grow, at some point in time responsibility dictates more spending, the answer is no. These services have not existed for years and years, he talks about the salary of the Rochester City manager and Dover Mounted Police, there are many new services and unlocking cars by the Fire Department, those services are unnecessary. What we have tonight is a discussion about weather these programs are going to continue to grow, but we must weigh and balance out equities in the City and balance the harm of that against people that live on a fixed income. He concurs with Quigley on the contracts, who are we harming here, city employees. We must balance out the harm to that person to the people that are paying for this, he continued on his thoughts. A lot of these services have expanded beyond the original intent. No bones about the City Manager, he is one of the top city managers in the state. We are talking about the affordability index of Main Street, he is now talking about surplus, he bets there is 5 million floating out there right now and he bets there is going to be another surplus this year which means this battlefield is much less than what we think it is. Does anyone out there believe the good manager is going to close the Jenny Thompson pool, does anyone believe we are going to close the library. The City Manager knows how to turn out a group of people, by the same token we don't have to get on the escalator and have this happen. No one is talking about draconian measures, he just does not know what circles some of these councilors are traveling in but he knows several people that have had to move out of this city. We need to take a look at the bread and butter people of this community. Point of order says Christenbury, he has kept track and there are 4 city Councilors for the city manager's budget and 3 for 0% and 1 wants 3.5 or 3.7% and 1 that did not commit. If there are not 5 councilors to adopt the City Manager's budget for 6.3% as submitted. Christenbury makes a motion for 6.3%. Tweedie interrupts to say he is not ready for a 6.3% motion, Mayberry seconds the motion. Motion failed on roll call vote of 4-5, Christenbury, Keys, Tweedie Whitmore and Nossiff opposed.

Tweedie makes proposal about motor vehicle revenues and how they are over the projected amount each year. Christenbury interrupts to make a motion to vote on 0%, to get a motion on the floor. Mayberry seconds the motion. Tweedie continues on increasing revenues. He asked the City Manager if there is a projected surplus for this year who then asked Jeff. Jeff says with all revenues considered there is a net loss of \$95,000. Tweedie says is that before or after Human Services assistance budget. Jeff says this is all revenue and actual expenditures. Jeff

feels the net loss might be because of the arena, Jeff explains his numbers. Tweedie continued on this line of thinking; we have two ways of doing this. We could assume a profit from the fund balance or we could increase our revenue projections by \$250,000 and fall short...Christenbury makes a point of point of order because of the motion on the floor. So now he withdrew his motion that was in error and stated someone on the prevailing side needs to offer a motion to reconsider the City Manager's budget. Christenbury moved seconded by Mayberry to reconsider, all in favor. Motion is back on the floor for reconsideration.

Whitmore respectfully disagrees on borrowing from the people's bank account to artificially decrease the tax rate. She wants to work harder to reduce spending; she motions to reduce the City Manager's budget to \$22,718,446 with the increase in revenues that has already been applied. She challenged them to find new revenues from fees, programs and services projecting a \$55,000 non property tax increase in revenues for a net overall increase of \$7,949,674 for a total of \$22,663,446 for a net overall increase resulting in 3.5% increase in spending from last year. Tweedie seconds this motion for discussion. Christenbury commends Whitmore and then defends his 0%, he felt they should have gone to the county to dispute their spending that is already locked into this budget because they cannot do anything about the county and they already passed the school budget; that is 83 cents already locked in. We are now at an 80/20 split on the Moody's report that came in the paper today, we have a residential vs. industrial tax base. As the gentleman pointed out tonight it will become a rich community. We have the choice we can maintain the status quo or we can be a self fulfilling prophecy, Moody's is absolutely correct, he would hate to see Dover become a suburb of Durham. Keays is right; also look at all the for sale signs that are out there. Hindle wants the City Manager's comment. The City Manager has nothing to say. The Mayor says we have learned the hard way the City Manager has the authority to move items around. They only have bottom line authority. Discussion ensued by the Mayor, Whitmore's proposal would be a 3.5 % increase. Whitmore's proposal failed on a roll call vote of 1-7 roll call vote, Whitmore in favor. Tweedie motioned to revisit the City Manager's budget, Quigley seconds the motion. Tweedie calls the question, Mayberry seconds motion. Motion passed on a roll call of 5-3, Keays and Whitmore opposed.