



CITY OF DOVER

CITY COUNCIL - MINUTES

Meeting Type: Workshop
Meeting Location: Council Chambers - 288 Central Avenue, Dover, NH 03820
Meeting Date: Wednesday, December 3, 2008
Meeting Time: To follow Special Meeting

1. CAPITAL IMPROVEMENT PROGRAM (CIP)

Mayor Myers asked the City Manager to touch base on Mr. Leggett's comment about the Council going over their self-imposed debt limit on the CIP. He said he understood that there was a potential in future years of going over the limit, but he felt that there was nothing this year that would put the CIP over the Council's set limit.

City Manager Joyal said there was nothing this year that would put the Council over the set limit. He referred the Council to the table on Page 15 of the CIP. He said the City's self-imposed limit is 65% of the State's allowable limit. He said the proposed CIP doesn't exceed the City's self-imposed limit until 2012 for the City, and 2011 for the School. He said he discussed this last year with the Council, and at some point the Council should take an explicit vote to adjust the policy, or to bring the CIP back to comply with the policy.

Mayor Myers also asked the City Manager to speak to the increase in costs in this year's CIP compared to last year's for the police station and Silver Street projects.

City Manager Joyal said the original estimates for the police station were based on an architectural study that was done for making improvements at the City Hall. He said the current CIP includes the most recent result of building a separate station, comparing it with the square footage of the Rochester and Somersworth Police Stations. He said he didn't have a specific explanation on the Silver Street project, but he believed it has to do with looking at the construction costs for this year, recognizing the scope of work that had to be done, and making adjustments for that.

Councilor DeDe asked what the estimate of square footage was of the calculation for the Police Station.

City Manager Joyal said it was \$450 per square foot, and 28,000 square feet.

Councilor DeDe said that currently the Police Department has 14,000 square feet in City Hall.

He asked if the Police Department would be increasing that with the renovations to the building. City Manager Joyal said the Police Department would be getting an additional 1,500 square feet of office space with the renovations. He said this was just in City Hall. He said the Police Department does have additional office space and storage in other facilities.

Mayor Myers said he wanted to continue where the Council left off at the last Workshop with Water and Sewer, and then open it up to discussion. He read the list under Water and Sewer in the CIP.

Councilor Cheney said she wanted an explanation of the comments, brought up during the Public Hearing, regarding the Whittier Street Bridge project going from \$1,750,000 to \$3,250,000. She also asked if there was going to be any TIP money for this project.

Mayor Myers asked the City Manager if there were any matching dollars for this project for the City.

City Manager Joyal said there was. He referred the Council to Page 22. He said the City is actually looking to finance \$50,000 the first year and \$600,000 the second year. He said this would be matched against State aid for bridge replacement. He said those funds are reflected on Page 26. He said the City was informed this summer that the State would allow the City to proceed now. He said the cost is based on comparative bridges. He said the City won't have an actual estimate for the bridge until the design is completed, with is what the first year of funding is for.



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Deputy Mayor Trefethen asked if it was safe to say that the scope of work for that bridge has changed, and it has become greater. He said originally it was looked at as a rehab, but asked if now it was much more than that.

City Manager Joyal said that was correct. He said the amount reflects a complete overhaul of the bridge.

Councilor Cheney said \$50,000 will be debt financed this year, and the rest will come from a grant. She said she would like to see this project stay in the CIP. She asked when the grant money would be expected. She asked when the construction will start on this.

City Manager Joyal said he didn't know the answer to that. He said he would be asking the Council to appropriate the full amount, so that the City has the authorization for the full amount, and he would replenish it when the State funds come in. He said the City needs to get the design going, because that is what will ultimately get the City the commitment from the State to advance the bridge aid funds.

Deputy Mayor Trefethen referred to the Henry Law Avenue dollar amounts. He said he didn't agree with the suggestions that it should be delayed. He asked the City Manager what it would do to the cost if the City did delay the project.

City Manager Joyal said it has been his experience that the longer you wait the more expensive it will become. He recommended that this project not be changed, because it is tied into another project, which involved both utilities and street work on Wallingford Street and Paul Street area. He said there was currently funding in place to work on that. He would like to accomplish the work for both projects at the same time.

Councilor Dede said Wallingford Street and Paul Street about the section of Henry Law that has already been completed. He referred to the improvements at Maglaras Park. He said if there were some sort of game plan about the Maglaras Park connection and what it was going to look like, it may tell the Council things about changes needed for Henry Law Avenue. He said the road may need turning lanes, which involved possible difficulties with easements. He said he also had concerns about truck traffic. He said there is also another subdivision going in that area, which will be tying into the roadway and utilities. He said these were the reasons that he suggested that the Council wait on this project.

Mayor Myers said he disagreed on a few points. He agreed the lower portion of Henry Law Avenue should not be completed. He did feel the outer portion of the road needed to be completed to finish the project. He said trying to factor in what might or might not happen with Maglaras Park shouldn't be part of the equation, because it is too far away. He said it was on his list to keep this project. He said he wanted to put forth his numbers on the CIP, trying to only issue debt on what is being retired. He referred the Council to Page 22, the debt financed portion for the General Fund. His total number was \$3,850,000, which was \$192,000 more than what the City is retiring this year. He included \$950,000 for the ladder truck replacement, \$1.4 million for general street improvements, \$50,000 for the Whittier Street bridge, \$850,000 for the Henry Law Avenue outer portion, \$400,000 for the design of Tolend/Watson Road project, \$200,000 for Applevale Drive. He was eliminating the Richardson Drive and Mast Road projects. He said he looked at the Energy Efficiency Improvements as having a dollar for dollar savings coming out of the operating budget. He said it would show up on the debt service, but the savings will show up on the other side. He said it shouldn't be tied into the amount of debt retiring, because of the matching savings that the City will be getting from the operating budget. He said on the School side, he left the \$2.2 million in for Horne Street School. He said he was



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still waiting for answers to the following questions from the School: 1. Whether the school would actually do \$2.2 million in the first year, or appropriate the funds and do the project all at once in the second year. 2. If it makes fiscal sense to do all at once, as opposed to breaking it up in two years. He said he wasn't in favor of using the \$100,000 of the School Impact Fees. He said he would rather start saving that \$100,000 a year for future projects.

Councilor Weston asked if the School Department will be coming back before the Council. She said the bids for the Horne Street School were based on certain criteria. She said they were now investigating a LEED building, which costs more. She said she felt the School Department would be coming back before the Council, asking for more money.

Councilor Cheney said her changes were similar to Mayor Myer's. Her total was \$3,450,000. She included the ladder truck, but would like to get that for \$850,000. If that wasn't possible, then get the extra money from somewhere else. She said she had \$1 million for General Street and Sidewalk Improvements, \$50,000 for Whittier Street, \$850,000 for Henry Law Avenue, \$500,000 for the Tolend Road project, and \$200,000 for Applevale Drive. She said she crossed off Richardson Drive and Mast Road. She said this would come up as a little less than what was being retired. She said she doesn't support the Energy Efficiency Improvements at this time.

Deputy Mayor Trefethen said the proposed housing development off of Henry Law Avenue has been denied by the Planning Board. He said the School Impact Fees are based on new construction, and the City shouldn't expect to get \$100,000 every year. He said in 1985, the Mast Road and Spruce Lane area experienced a tremendous amount of growth from a number of condominium projects. He said the City collected money to reconstruct Mast Road and put a sidewalk on it. He said all of the new developments put in sidewalks, and they are sidewalks to nowhere, because Mast Road doesn't have a sidewalk. He said the City can't just put in sidewalks, because of drainage issues. He said he would prefer that that project stay in the CIP. He said that area is in the State mandated area of the school. He said if there were sidewalks, the children could walk to school, instead of being bused. He asked the Mayor where he got the number of \$400,000 for the Tolend Road project.

Mayor Myers said it was based on 10% of the total \$5 million for the project. He said the Council already appropriated \$100,000, so the total would be \$500,000 for engineering.

Deputy Mayor Trefethen asked the City Manager if he was advocating providing \$500,000 for engineering, and the rest of the money gets pushed out.

City Manager Joyal said this would allow for the engineering work be completed next year, and the construction work would be done the following year. He said there will be some work done in the next construction season related to the Tolend landfill. He said a sewer line will be installed from the Tolend landfill, along the side of Tolend Road just down past the Watson Road area, and then through the woods. He said the sewer line will need to settle, and it would be a good idea to delay the reconstruction of the road.

Councilor DeDe said he was surprised with the resistance for the energy efficiency improvements. He said one of the comments at the last meeting was that the last contract didn't work. He said from the contractor's point of view it didn't work, because the shortfall was paid by the contractor. He said Johnson Controls will be giving the City a guarantee. He said there was also the point made that energy prices are fluctuating. He said the objective of this plan is to reduce the use of oil, gas and electricity. He said no matter what the price, the City



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still ends up paying less. He said it wouldn't be in the interest of the voters for this Council not to take advantage of this energy usage contract.

Councilor Cheney referred to the cost of the Mast Road project. She said she knew that sidewalks were desirable and will need to be done at some point. She referred to her proposed cuts, and suggested that the \$100,000 from the Mast Road project be put in General Streets and Sidewalks or the Ladder Truck. She referred to the energy contract and said she felt that the City should not enter into this now. She said this would increase the City's debt by \$1,275,000, and the Council hasn't even had a Workshop on this.

Councilor Weston said she wanted to ask the School Department why they didn't go along with the energy contract with the City. She referred to the proposed CIP and said she took the approach of "wants" versus "needs." She said the number one thing that the City needs and shouldn't consider cutting is a ladder truck. She said the City needs General Street and Sidewalk Improvements and Bridge Replacements. She said she was torn with Henry Law Avenue, because she felt the new truck ordinance should reduce the traffic, because the trucks won't be able to come from Back Road. She said with the Tolend Road/Watson Road project, the Council had asked the City Manager to find out about doing a partial reconstruction. She said some of the layers are coming off, and she drove into a pothole on the way to the meeting. She said some of the road can't wait. She asked the City Manager about the timeframe for the project.

City Manager Joyal referred to the schematic of the project, created by Doug Steele, Community Services Director. He asked Mr. Steele to address the Council on it.

Mr. Steele explained the schematic to the Council. He said he proposed to get the sewer line in and the design done next year. He said then they would start with the roads that aren't in as bad condition to save them, then to the reclamation sections, and lastly the reconstruction section.

City Manager Joyal said the sewer line will go in next summer, and there will be some repairs to the roadway in conjunction with that. He said the design will also be worked on and the City will get firm estimates on the costs. He said that usually the sewer line trench needs to settle at least one year. In the meantime, in 2010, they could work on the inbound portion of the road, allowing that settling to occur. Then the following year the reconstruction could begin.

Councilor Weston referred to the \$100,000 for the Parking Facility. She asked the City Manager what that would cover.

City Manager Joyal said the \$100,000 was actually left in as a placeholder by the Council last year. He said he left it in because the City will need to somehow finance the kiosk. He said he hasn't received a final report on this from his staff.

Councilor Weston said she believes in the Parking Garage, but she wants to push out the balance for building the garage a few more years. She does believe the City needs the kiosk put in for the revenue stream. She does not agree with the Parking Garage Committee's recommendation that building the parking garage should start in two years. She wants more history on the kiosk revenue stream to see if it will pay for the parking garage.

Councilor McCusker said the idea behind the energy efficiency improvements is conceptual, and it does impose a risk. He said the risk is mitigated by the guarantee. He referred to the ladder truck replacement, and said he was surprised the truck lasted as long as it did. He said it's an expensive insurance policy, that would pay for itself the first time it's used. He referred to the \$1.4 million for General Street and Sidewalk Improvements, and recommended that it be



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reduced to \$1.3 million, making sure the other \$100,000 goes to the Mast Road project. He agreed with Deputy Mayor Trefethen that sidewalks were needed on Mast Road. He said seven or eight years ago somebody was struck and killed in this area. He said he travels Mast Road every day and he always sees someone walking on the side of the road. He said the real problem comes when it snows, because it narrows the road and the risk is greater. He said Applevale Drive residents have been waiting forever, and he felt that had to stay in the CIP. He said \$400,000 for the design work on Tolend Road and Watson Road made sense. He said Henry Law Avenue needs to be completed.

Mayor Myers said he had two comments. 1. If we do all the engineering studies for Applevale, Mast Road/Spruce Lane, Tolend Road/Watson Road this year, the Council may end up with some expensive studies sitting on the shelf collecting dust. He said the Council will ask why we spent the money for the studies if we aren't going to do the construction. 2. He referred to Councilor Cheney's comment on General Street and Sidewalk Improvements being reduced to \$1 million. He said originally the City wanted \$2.4 million for General Street and Sidewalk Improvements, with \$1.4 million being debt financed and \$1 million coming from the Operating Budget. He said last year the City Manager needed to reduce that to \$650,000 in order to pass the budget. He said he was concerned that the City would get behind on street maintenance if the Council keeps cutting this project. He wanted to check on a few items with the Council to see if there was consensus. He said unless there were a lot of hands to stop him, he was going to assume a consensus.

- Fire Truck for \$950,000.
- Tolend Road/Watson Road for \$400,000.
- Henry Law Avenue for \$850,000.

Councilor Scott said the Henry Law Avenue project can be pushed back. He said it would be nice to have, but it was not essential.

Councilor Callaghan said he wasn't ready to decide.

Mayor Myers said he wasn't binding anyone. He said there were six or seven in favor of leaving that one in.

- Whittier Street Bridge for \$50,000.
- Mast Road/Spruce Lane for \$100,000, with \$820,000 the following year.
- Applevale Drive for \$200,000.

Councilor Scott said Applevale Drive was the worst road in Dover, and he felt it was more important than Henry Law Avenue.

Mayor Myers asked Councilor Scott if he supported the \$1 million for the following year as well, to reconstruct the road.

Councilor Scott said yes.

Mayor Myers asked the Council for a straw poll on which project was more important, if it was between the Mast Road/Spruce Lane and Applevale Drive projects. He said there was strong support for Applevale Drive over Mast Road/Spruce Lane.

He asked the Council what number they wanted to put to the General Street and Sidewalk Improvements.

Councilor DeDe said it should be \$1.4 million. He felt having the engineering studies done on all these projects was a good idea, so next year when the Council is working on the CIP they



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will have the specs and quotes for the work that needs to be done. He agreed with the proposition that the \$100,000 be spent for the Mast Road/Spruce Lane project. Mayor Myers said the total right now is \$3.8 million, which exceeds the amount of debt being retired this year by \$142,000. He asked the Council if there was support for the School's \$2.2 million. He said he wanted to eliminate the use of the School Impact Fee and have it at \$2.3 million. He said they are retiring \$2.72 million this year. Deputy Mayor Trefethen asked if the Council had to vote to release that fund. City Manager Joyal said it was already authorized. Councilor Scott said he felt the School Department has been very responsible and will support the School Department with their decision. Councilor Weston still wanted her questions answered, because if they are looking at a different type of building they will be coming back for more money. Mayor Myers said this wasn't binding right now. He said there seemed to be support. He opened up the meeting to discussions. He said the Council knew his opinion on the Energy Efficiency Improvements, and that it had a net impact to the tax rate of zero. Councilor Cheney said she agreed with the conversation. She felt something has to be taken out to equal retired debt. She said the Council also had to look at future years. Mayor Myers asked the City Manager if the \$10 million for the Parking Facility was tied into the City's debt limit, or was something that is exempt. City Manager Joyal said it was exempt. Deputy Mayor Trefethen referred the Council to Page 15 of the CIP, and said the amount for 2009-2010 was originally for \$6 million, but the Council was probably not going to approve \$6 million. He said that would change all the numbers in future years for the total amount of debt. He said if the Council continues to do this, then they won't exceed the self-imposed limit. Mayor Myers said this CIP sets priorities. He spoke on Recreation, and noted that they were very nice "wants" to have. He said the City needs to take care of what we currently have. He said he doesn't realistically see \$7 million for Maglaras Park, and felt it needed to be scaled back. He said the pool enclosure is realistic at this point. Councilor Scott referred the Council to Page 57 of the CIP. He said the total debt is 113,700,000. He said the impact was \$1,100 per tax payer. He said in five years that jumps up to \$193 million, or \$1,900 per tax payer. Mayor Myers said the Council needed to look at City and School only, and not special revenue. Councilor Scott said he disagreed, because most of the people have water and sewer, and they would be impacted by this debt. Mayor Myers said the \$10 million for the Parking Garage would be paid by user fees. Councilor Scott said it shouldn't be in this CIP book. City Manager Joyal said you also can't take the amount of debt and divide it by the number of parcels. He said there are a number of sizeable parcels in the City that take on more of the tax burden than the average residential taxpayers. He said Councilor Scott was not making an accurate comparison. He said to look at the per capita debt as a better comparative. Councilor Callaghan asked the City Manager about the outcome of his research, whether the Thompson Pool Bathhouse was already approved by the Council and didn't need to be in the CIP. He said he didn't understand why the \$10 million was in the CIP for 2012. He understood it was special revenue, but felt it shouldn't be in there until the program proves itself.



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Mayor Myers said it was important to leave it in there for planning, and also for impact fees potential. He said he would support pushing it out to 2013, but felt it was important to leave in the CIP.

Councilor Callaghan said he didn't buy the Energy Efficiency Improvements. He said there was no data, and he agreed with Councilor Cheney that the Council needs a Workshop.

Councilor DeDe said there have been many statements that if it's in the CIP that it's a fait accompli. He said this CIP is just a thumbnail sketch. He said Kirt Schuman of the Parking Committee gave a presentation to the Council a few weeks ago, and he said that it may be two years or more before they knew when they would begin the garage. He said Mr. Schuman also said that until income could be shown to support debt service, they would not be ready to build. He said he agreed with the Mayor that some of the things in the future years have to be looked at, because they are unrealistic. He agreed with the changes the Mayor recommended for 2010, but he would keep the \$100,000 for the Mast Road/Spruce Lane project.

Deputy Mayor Trefethen said this is just a plan, but it is required by the State. He said he is concerned about what was being set up for 2011 and 2012. He said the whole plan needs to be amended to be more realistic. He said the Council should be willing to compromise. He said the Council is going to have to ask itself if \$3.8 million is close enough to the \$3.6 million goal. He said if it isn't close enough, then \$0.00 might get approved. He said this needs 6 votes.

Councilor Carrier told the Mayor that his recommendations were excellent. He said the City does need the fire truck. He agreed with the \$1.4 million for General Street and Sidewalk Improvements. He asked the City Manager if there was money left over from paving this year because some of the roads were held off due to the price of asphalt.

Mayor Myers said there was several hundred thousand left over, and it will be used in the spring as soon as the weather permits.

City Manager Joyal said those funds are committed to the streets that were supposed to be completed this year.

Councilor Carrier continued on with his list. He said the \$50,000 for the Whittier Street Bridge was necessary. He referred to the Henry Law Avenue project, and asked if there was a chance or opportunity to take \$100,000 from that and move it to the next year.

City Manager Joyal said they could do that. He said this year they did that, and completed as much as the money allowed. He wouldn't recommend it.

Councilor Carrier agreed with \$400,000 for Tolend Road/Watson Road. He asked about Richardson Drive and its need to be replaced.

City Manager Joyal said all the streets in the CIP need reconstruction, but Richardson is low on the list.

Councilor Carrier said he agreed about Applevale Drive. He said given economic conditions, he agreed that the Mast Road/Spruce Lane project may have to be put on hold. He said he agreed with the Horne Street School project. He referred to the Energy Efficiency Improvements project, and said he agreed with some aspects of Councilors Cheney's and Callaghan's comments. He said he would like more information and a workshop. He said the City Manager did say it was just a placeholder and not money that has to be spent.

Councilor Weston wanted to give the Council a tally up to this point. She said the City is retiring \$3.658 million and proposing \$3.85 million new debt, over by \$191,753. She asked if the Council doesn't appropriate the \$100,000 in the CIP for the parking kiosks, if that meant the City doesn't buy them.



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City Manager Joyal said this was a plan and not an authorization. He said everyone of these projects has to come back to the Council to be authorized for funding. He said the kiosk project is not one that the City will be asking for funding for until we have more information. He said they are looking for different ways that vendors could structure a deal with the City where no money needs to be spent. He said there is still going to be a Resolution asking for authorization to enter into an agreement. He recommended that it stay in the plan regardless of financing. Councilor Weston recommended that the kiosk start in 2010, get a few years experience, and put the \$10 million in 2014. She asked about the \$191,753 and the impact it would have on tax bills.

City Manager Joyal asked Mr. Daniel Lynch, Finance Director, to answer Councilor Weston's question.

Mr. Lynch said it would be \$10,000 a year for \$190,000.

Deputy Mayor Trefethen asked how much that would affect the tax rate; a penny?

City Manager Joyal said it wouldn't even be that.

Deputy Mayor Trefethen said this goes back to compromise and how close we have to get.

Mayor Myers referred the Council to Page 11. He said the \$3.8 million will impact the tax rate by \$0.18.

Councilor Cheney said she would like to have the parking garage moved way out. She said she felt the Council has to stick with what is being retired. She said every penny counts. She said the City has to do only what is essential. She said she also wanted the \$500,000 for the North End water pressure improvement project moved out.

City Manager Joyal said this isn't just for pressure improvements, but for increased storage capacity for the entire water system. He said right now if something happens to the Garrison Hill Tower, the City would have serious water pressure problems. He said this is long overdue. He said the Council should focus on this as a safety issue, rather than just a water pressure issue.

Mayor Myers said he wanted to take the consensus taken tonight and substitute as a whole the resolution in two weeks.

Councilor Cheney said there will be a vote that night.

Mayor Myers said there will be a Special Meeting set up for the CIP vote. The public will be able to comment at the Citizens' Forum next week, and the week of December 17, 2008 there will be a Special Citizen's Forum for the public to comment only on the CIP.

City Manager Joyal said he wanted the Council to be clear that they will be voting on three things: CIP Approval Resolution, Resolution to authorize the debt portion, and a Resolution to authorize reserve funding.

Deputy Mayor Trefethen said the Planning Board will be voting on this on December 9, 2008, with another citizen's forum opportunity.

2. ADJOURN

Deputy Mayor Trefethen motioned to adjourn; seconded by Councilor Callaghan.