

MINUTES
SPECIAL MEETING/WORKSHOP
DOVER CITY COUNCIL
COUNCIL CHAMBERS
TUESDAY
APRIL 16, 2002
7:00 PM

1. ROLL CALL

Members Present: Councilor Tweedie, Whitmore, Christenbury, Dunnington, Hindle, Hofemann, Mayor Nossiff, Councilor Quigley and Mayor Pro-Tem Taylor.

The Mayor read the proclamation on French Resistance for Jan Hennessey at DHS, she was not here this evening. (See council folder of 4/16/2002)

2. RESOLUTION:

- A. Resolution RE: Appropriation for FY03 Capital Improvements Program and Authorization for Bonding (REPLACEMENT). Sponsored by Mayor Alexander G. Nossiff, by Request.

Taylor moved, seconded by Christenbury to adopt. Christenbury had concerns about the passage of the CIP originally. There were 3 councilors present from this council who worked on it. He feels comfortable with the way it was passed in December. We need to pass this as is. This is financially responsible for us to pass. Some issues on the school side are being questioned. Dunnington added we did spend a lot of time on this CIP and he feels the fluff has been removed. Quigley also will vote for it, he looks at it, as every council will pass one CIP. He would be concerned if we did not pass it because of compromising the bonding companies. Hindle says he will vote for it tonight even though he voted against it before. He has more issues now so he wants to be sure the school part of it passes. The Mayor also opposed it before because of the amount that was supposed to be retired as he did not want to add more to that amount. He does not want to open this can of worms again, now. Tweedie feels they worked long and hard on the council before and he supported it then and he will be supporting it now. Hofemann will also support the resolution. Motion passed on a roll call vote of 8-0.

- B. Resolution RE: Award of Change Purchase Order for Professional Consulting Services – Cocheco River Dredge Project Permit Application. Sponsored by Mayor Alexander G. Nossiff, by Request.

Taylor moved, seconded by Hindle to adopt. The City Manager asked Dean Peschel to explain more about this issue and the costs. Christenbury thanked Mr. Gilbert for his presentation on this issue at the April 3rd workshop and stated we are ready for this project to start and we are very close now. Motion passed on a roll call vote of 7-1. Whitmore opposed.

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- C. Resolution RE: Award of Purchase Order for Continued Professional General Legal Consulting Services. Sponsored by Mayor Alexander G. Nossiff, by Request.

Taylor moved, seconded by Hindle to adopt. Motion passed on a roll call vote of 8-0.

3. OTHER BUSINESS

Quigley stated in the packets last week we had a message on the city hall heating system and how we need \$400,000 to fix the heating system. The City Manager explained how some items in the city need to be updated; the furnace has been here since 1930 when this building was built. We can authorize it tonight in the CIP for a penny on the tax rate or wait until it breaks then spend 25 cents on the tax rate. Dunnington feels this leads into the next logical question, it may be useful for this council to have a punch list of items that might be coming up in the near future so we can be prepared when we approach this year's CIP projects.

The Mayor thanked our friends in the print media in this city for the tremendous compliment paid to this council in today's editorial. It simply accentuates the total disconnect the man, woman or child on the street and the print media has in this city. He stated the print media was a huge, unabashed fan of the prior council. If you define accomplishments and success by spending at historic rates and unprecedented rates, then he agrees with Foster's that the prior council was a resounding success. It is easy to win friends and influence people when \$50 to \$250 million is spent over a 4-year period of time and rising bond rates by \$50 million in 4 years. On the other hand, the process of slowing and controlling a culture of spending is a very difficult and painful one. In this respect, this council has been an overwhelming success. He wants to remind the print media that the people they cheered for were voted out of office in the last election. He continued, Mr. Hofemann has been a fixture at the Senior Center since he came on the council. The effect of Whitmore's questioning has been that this council is not going to throw money away. There is much more communication going on here in this city now.

4. ADJOURNMENT

Quigley moved, seconded by all to adjourn. All in favor at 7:28 p.m.

FOLLOWING SPECIAL MEETING

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WORKSHOP

DISCUSSION RE:

1. BUDGET OVERVIEW

The City Manager proceeded to give the overall presentation of the budget. The first slide shows the general fund appropriations, see handout in folder of 4/16/2002. He read the percentages in the pie charts. He explained the worst that health insurance can go up is 24%, and we can adjust this budget if it is less than this amount. He referred to transfers on page 43 of the large proposed budget and explained that debt service is down. He asked Jeff Harrington to give revenue projections that are on page 74 of this \$58 million budget. Jeff explained the chart on page 8 of the handout saying the assessed value has no bearing on the amount of the tax rate. The tax revenue is set by the budget process. We will have less non-property revenue. He continued to explain the fund balance. It is not considered a revenue per se. It is a financing resource. You are dipping into your balance you accumulated over the years. The city has a policy of retaining a certain percentage of the budget total. This will effectively lower the tax rate. Whitmore asked about the last graph and does it include the Enterprise Funds. Jeff says no, they are not part of the tax rate. Christenbury commented on page 74, the payment Dover Housing Authority makes in lieu of property taxes. Jeff says this is the formula from HUD and is locked in. This is a pro-co payment. Christenbury wondered about facility rentals and does it reflect the new rates that are coming out. Jeff says it is based on current fees. Christenbury supports Hofemann's proposal on the increase of the veteran's exemption. He asked or is it just the elderly exemption. Jeff says it would be 5 times the \$177,000 stated. Dunnington asked about tax revenues on a new house and when does it get assessed. The city manager clarified anything built before April 1st is assessed for the year. Dunnington asked if there is no unanticipated revenue that will be coming in after April 1st of the year. Jeff says Moody's recommends 10% for the fund balance; the State is out of this business of setting the fund balance. So it is not a magic number, it is a number reached by compromise says Dunnington.

Quigley asked Jeff to explain about page 10 of the General Fund Revenue. The Mayor sees Chief Bibber here and has a comment on an ambulance service. He also wonders about people from other communities that use our pools and arenas. He is concerned that they are not paying their share. Tweedie asks about the general fund increase or decrease. The City Manager says overall, the city side is down. Christenbury says our neighboring towns do charge for the items that the Mayor mentioned. Taylor has a question on debt service, do we lock in interest rates when we bond. Mr. Beecher answered we try to. Jeff says it is a timing of when you go to market; last year we floated two CIPs at the same time in order to take advantage of the marketplace. This year we will take short-term notes on the \$10 million. Taylor wants to know why we are not locking in this year instead of waiting. Jeff again explained they weigh all items to know when to go to market. Dunnington feels there is another side to the coin of user fees and people pay exorbitant taxes to live here, then to have to pay user fees, we need to be careful. Christenbury says on another subject, we have a tremendous opportunity to have a \$0 tax rate next year, he wants to set policy for the city staff for *next* year.

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The City Manager called Stancel who stated the Planning budget is on page 153, and he has 3 separate divisions, Planning Building and CDBG department. He gave a brief overview of his department's request. They also hope to double their planning and site review fees in the coming months. There has been a decline in CDBG grants. He does have a budget line item for educational seminars for citizen volunteers, such as Planning Board, ZBA, Open Lands Committee members, if they choose to take an educational course. He introduced Tom Clark from Building Inspection to answer any questions. Christenbury commented, he would support the Planning Budget as we have over taxed the planning staff and building inspection people. We have taxed them 110%. He feels they have done well with the money given them. The City Manager says he has granted a transfer of a person from Community Services to work in the Planning office for a while.

The City Manager called Janet Poulin to explain the General Assistance budget and how she needs an increase in her budget as a result of the economy, see page 351. She explained she is the smallest department in the City, she also has welfare, and youth services. The majority of the increase is in personal services for her employees. She also has a slight increase in consulting services to help with difficult placement of clients such as a mother with children. Within welfare, she has three grant subsidies; the Senior Citizens Center, CAP in the City and also Sexual Assault, but she has had to cut them. General Assistance has increased because of the impacts of the economy in general and the increase of rentals. Also we are faced with a minor recession in this area. In the last year she had 277 cases, by February of this year she already had 277 cases. Her food costs are up because of the closing of a food pantry. One of her concerns is she gave this budget to the City Manager in December and she feels they could overspend this budget again this year. Taylor asked if she gets any benefit of the low cost pharmaceutical programs in the area. Janet stated, we couldn't set up our own pharmaceutical because we would need our own doctors. The Mayor thanked Janet saying his practice has clients that need her services. He asked, can we do anything to keep people from moving from town to town. Janet stated rents are so high here, clients are usually looking north of here; Hofemann asked if Janet uses LINK services, Janet says yes they are fairly new but she is familiar with them. She continued, 17.5% is the overall increase in her budget because of the general assistance. Quigley moved, seconded by Tweedie to adjourn. All in favor at 8:45 p.m.

Judy Gaouette
City Clerk