

MINUTES
SPECIAL MEETING/WORKSHOP
DOVER CITY COUNCIL
COUNCIL CHAMBERS
THURSDAY
MARCH 29, 2001

7:00 P.M.
SPECIAL COUNCIL MEETING

1. ROLL CALL

Members Present: Nossiff, Reese, Andrews Parker, Berry, Boc, Dunnington, Hindle and Mayberry.

2. RESOLUTIONS:

- A. Resolution RE: Amendment to Arena Improvements Bonding.
Sponsored by Councilor Matt Mayberry and Mayor Pro Tem Robert Berry
by Request.

Berry moved to adopt, seconded by Mayberry.

Mayberry deferred to Sam Allen of the Arena Joint Building Committee to explain what the funds will be used for.

Sam began by apologizing to the Council for coming back for more money, but feels that the success of the Grand Opening of the Holt Arena on Saturday shows how much support is out there for this project to be completed. He stated that because this is an Enterprise Fund it is supposed to be a self-sufficient operation. He stated it always had been until a new chiller system had to be purchased for \$200,000 and caused a deficit.

He explained that the renovation of the old rink was always a part of the scope and is in actuality being salvaged as the building has deteriorated due to leaking roofs. There are also electrical problems which are a safety concern and will only cause an emergency situation in the future if not dealt with very soon. Also, construction costs will only continue to go up and if we decide not to go ahead with the remainder of this now while the construction crew is already there, then it will be difficult to get them back.

Sam stated that the site preparation cost \$900,000 for removal of stumps, and clearing of woods which was far more than anticipated and feels that perhaps that is when they should have come before the Council for additional money. This funding request is for a change order to provide essential equipment and upgrading materials, which will last longer and result in lower maintenance costs. It will provide functionality without luxury.

Currently the Foster's rink is off-line for 4 months, during which time the Home Show will be held. He stated upgrading the facility and making it more functional for other types of community events will allow for it to be used more frequently. The Arenas serve to bring people to the area during the winter months and contribute to the economy. He concluded by reviewing the fundraising efforts, stating that they are

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based on the assumption that the facilities will both be finished and feels it is a matter of pride for the many people who have contributed to the effort.

Boc stated that Sam and the committee do not have any credibility problem as far as he is concerned and should be proud of the work they have done.

Schmidt stated that this is not a last minute request and the Joint Building Committee has tried to keep the Council up to date through reports by himself and Councilor Mayberry. He explained that there was a workshop held at the Arena on February 28th, but because there was no TV camera available, this information may be new to some of the public.

Dunnington also agrees that there is nothing to apologize for and feels they should be thanked for their hard work and efforts. He asked what the ultimate amount is projected to be from the fundraising and will this money be applied to operations or to debt.

Sam stated he can not say for sure how much more money can be raised although he does know that there are 10-15 interested contacts presently, zamboni advertising, memorial campaign, etc.

Dunnington asked if the rental fees being charged are going to be sufficient to pay the operating costs.

Recreation Director Gary Bannon explained that the operating costs are paid for first and anything above and beyond that goes to the Arena Fund to pay the debt. He stated the ice rates will be evaluated, but the long-term users have fixed rates for a few more years.

Dunnington stated that he understands this to be more of a loan until the additional funds are raised.

Bannon stated that by finishing the project it will be an incentive for people to give money and by making the facility more attractive, it will bring in other types of users as well. He also explained that making the rink more energy efficient will also save 25-30% in operation costs.

Dunnington stated that he attended the opening on Saturday and was dismayed at the condition of the old rink and feels that although we may be in a bit of a corner, it will be more practical to fix it now or it will cost more later.

Hindle stated he has been opposed to this since the beginning, but not because he doesn't like hockey, etc. His opposition is in the fact that this should not be the priority of the city, but should be the condition of the schools in the city. They are in appalling shape with leaking roofs, asbestos, closets have been made into classrooms, children eating on stage areas, etc. He feels that Dover taxpayer money should be going towards fixing the schools. Although the arena is used by Dover citizens, it is also used by many people out of the community.

Andrews Parker stated that perhaps the Council should give more time for fundraising as opposed to funding this appropriation. She stated that the Council was assured

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that the money would be raised and wonders how many more times they will come back for money. She asked if the scope of the contract is in writing at this point.

Sam stated he understands her skepticism but explained that the cost overruns were unforeseen and out of their control. He explained that they can't finish this project in a piecemeal way because the crew is there now and may not be able to come back once they move on to another project.

Bannon stated that he has met with the contractor to button up the contract items remaining. He explained that previously he had no contingency built in and had only asked for the items needed to make the most of the 3.6 million funded by the Council. He stated that 4.2 was the original figure and is still going to be the final amount.

Mayberry stated that \$600,000 has been raised by these volunteers, who are not professionals. He feels that Sam Allen deserves much commendation and that if this is stopped now, it will send a bad message to the volunteers. He stated that no other user groups have had to do this.

Andrews Parker stated she appreciates the volunteer efforts, but she never promised to fund more than 3.6 million. She asked that her original question be answered; will they be back for more money.

Bannon stated that if this funding is approved tonight, he will come back before the Council on April 11th with the details of the contract. He stated that the shell is the biggest concern and feels that some of the little things can wait for the fundraising, such as the locker rooms. He stated he can't be sure what they will find when they start to strip the building.

Andrews Parker asked if we are currently meeting our projected revenue and expenses for the arena.

Mr. Beecher stated we are pretty much on target except that we did anticipate having both rinks operational in the current fiscal year, and because it is not, we are about 40% off with unrealized revenues. He then clarified that initial revenue will go towards operation costs and then as advertising money, etc. starts to come in, anything above and beyond will go towards the debt. Finally, he stated that there have been 2 major projects brought before the Council, the arena and public works facility, both of which had higher estimated costs than the Council was willing to fund. He stated both projects are ending up costing what they were originally quoted and that is why we have had to come back for more money. He concluded by stating he will not come back for any more money for this project.

Hindle quoted a brochure, which was presented at the 02/28/01 workshop, which states that no more capital funds would be needed for the arena project and asked for an explanation for the discrepancy.

Mayberry stated the discrepancy was his fault as this project has been running on a dual track of fundraising and advertising against the actual construction which had unforeseen cost overruns. He then stated he does not feel that education expenses

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have been neglected by this Council, as the school budgets have been fully funded as presented.

Nossiff stated that he would like to find commonality on this issue and feels that the blame game is negative and unproductive. He stated he understands the concerns of some Councilors and citizens that there are other priorities in the city, i.e., potholes, education, alternative school building, etc., but feels that the Council has known what has been occurring since the beginning and can't stop now that it is 75% done. He stated that we are negotiating contracts with various user groups and it would be bad business to stop the process now.

He stated he has spoken with many people closely associated with the project and has come to the conclusion that there are several items that could be put off and not funded at this time. He stated that the zamboni could be put off until fall since that is when the arena will be back on-line, which would cut \$52,000. Next, he does not like the idea of bonding the interest payment of \$87,800 and feels that can be deferred as well. Finally, the bleachers can be installed with fundraising money such as was done with the visitor side bleachers at the DHS football field. This would cut a total of \$220,520 leaving \$350,000 to be bonded.

Boc stated that those are some good ideas, but he doesn't feel that this should be an Enterprise Fund and is why the facility came into such disrepair in the first place. He stated other facilities such as the Library and Recreational facilities are not expected to pay for themselves and we do not save taxpayers any money by not making repairs as needed because it costs more in the long run. He would like to see this project finished now and the fundraisers can come back with money later.

Mayberry asked Jeff Harrington to explain the rolling interest payment.

Harrington explained the \$87,800 is the interest for the \$3.6 million construction loan debt and is being rolled into the mortgage payment so that it can be stretched out over a longer period of time. He stated this is a cash flow issue and the policy decision has been to bond the interest so as not to impact on the general fund.

Nossiff stated that this money should have been anticipated right up front and is comparable to paying the mortgage with a credit card which will cost much more in the long run. He feels that this is bad business.

Mayberry explained that the zamboni needs to be ordered now in order to be available in time for September 1st.

Nossiff moved to amend amount from \$561,600 to \$350,000 by removing the zamboni, interest payment and bleachers, seconded by Reese (for discussion).

Nossiff stated that he feels this amendment finds a common ground and that despite the best intentions of the fundraising efforts, people will not feel the need to give once the facility is finished. He stated that we know we need the zamboni and can go ahead and order it and feels that the money will be raised by then.

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Bannon stated he appreciates the effort to find a middle ground, but is concerned that if we don't order the zamboni and bleachers now, it will jeopardize the operation of the facility when it is back on-line in September. He stated he is uncomfortable ordering anything without having the money.

Discussion ensued regarding the need for these items.

Nossiff asked Mr. Beacher what the impact on the budget would be if the \$87,800 interest were not included in this bonding resolution.

Mr. Beecher stated that he feels strongly about leaving it in this resolution as it would skew the operating budget for next year, although he understands Nossiff's concerns of costing more in the long run.

Berry moved the question, seconded by Schmidt.
Motion passed on an 8-1 vote, Nossiff opposed.

Motion to amend failed on a 2-7 vote, Nossiff and Reese in favor.
Motion to adopt passed on a 7-2 roll call vote, Reese and Hindle opposed.

- B. Resolution RE: Increase of the Property Tax Exemptions for Elderly, Blind and Disabled. Sponsored by Councilor Matt Mayberry and Mayor Pro Tem Robert Berry.

Berry moved to amend by substitution, seconded by Mayberry.
Motion passed on a 9-0 vote.

Berry moved to adopt, seconded by Mayberry.

Mayberry stated that approximately 150 - 175 people will be able to take advantage of this exemption and the cost to the city will be \$59,000.

Andrews Parker asked how people will be notified that this is available.

Harrington stated that there is a notice requirement which will be included with the tax bill.

Motion to adopt passed on a 9-0 roll call vote.

- C. Resolution RE: Optional Date for Filing for Elderly Exemption per NH RSA 72-33b. Sponsored by Councilor Matt Mayberry and Mayor Pro Tem Robert Berry.

Berry moved to adopt, seconded by Mayberry.
Motion to adopt, passed on a 9-0 vote.

3. ADJOURNMENT

Schmidt moved to adjourn, seconded by Andrews Parker. Motion passed unanimously.

WORKSHOP:

1. SCHOOL BOARD PROPOSED BUDGET PRESENTATION

School Board Chairman Marc Vaillancourt began by stating that this will be his last budget presentation as a school board member and stated that this budget was passed unanimously by the School Board. He introduced School Superintendent Armand LaSelva and School Board member Nick Skaltsis. He gave a brief overview of the goals for the upcoming school year and curriculum and staffing changes.

Nick Skaltsis introduced Mike Everngam, Business administrator for the Oyster River School District, who has been helping the School Department through the budget process due to the vacancy of the business administrator position here in Dover. He also introduced Curriculum Coordinator (7-12) James Kelleher who put together the power point presentation. He stated that it is an honor to be representing 4000 students and 600 employees of the Dover School District. He then reviewed the presentation (See 03/29/01 meeting folder for detailed explanation).

He explained that the headlines have recently reported that the School Board is asking for \$3.5 million in additional spending, which is a 13% increase. He stated the Council has the authority to set the local tax rate and the authority to appropriate funds for the school department as the legislative authority. He stated that he feels they have a formula that would allow the Council to fund their request completely with a 44 cent increase on the local tax rate. He stated that we have no control on the assessed value for the State Rate.

Next, he stated that the student teacher ratio averages 17-1 in Dover, which is higher than the State recommendation of 14-1. He stated that we are higher than surrounding districts such as Portsmouth, Somersworth, Oyster River etc. He stated that we are not overstaffed with teachers or administrators in comparison with other districts. Our teacher salaries are slightly higher, but we are considered an urban area. He reviewed the increase in enrollment figures over the last several years with an average increase of 100 students a year over the past five years.

Berry asked how many of those students are tuition students and if that is why we have a higher student/teacher ratio.

Skaltsis responded that there are a lot of tuition students in that figure and although it does bring in revenue, it also requires more staff to handle them.

Mayberry asked about the increase in the Art and Music staff and Andrews Parker asked about the increase of 4 teachers who are yet to be assigned.

Skaltsis explained that there are 4 teachers added into the staff who will be able to be placed where the need exists when that is determined. In regard to the Art and Music staff, he stated that due to the longer school day of approximately 30 minutes, these programs become more necessary to fill some of this time in order to allow the classroom teachers the time they need to prepare for classes etc. He stated that Art and Music were cut back last year but will be expanded with this budget.

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He also explained that the School Board diligently reviewed this budget and initially cut \$500,000 from the Superintendent's proposal. He stated that with the affirmation that significant funds were going to be available through the Adequacy Grant from the State, they were able to backtrack on some of those cuts.

He then reviewed the revenues of the School District, which include an increase in the grant funding as well as an increase in tuition revenues. He stated that of course, increased enrollment of tuition students also has built in expenses that offset this. There are 450 students from Barrington and 150 from Nottingham.

Boc asked if we are running out of room at the high school and should we tell Nottingham we can't accommodate any more students at this time.

Skaltsis stated that he feels this would be premature and that there will be proposals brought forth in the fall to make improvements to the cafeteria to help alleviate the overcrowding. He stated that the High School is also the Regional Vocational facility, and therefore, students from other towns are going to be using our facilities.

Next, he discussed the State Property Tax line item, which is a fixed rate and like the County tax, it is unable to be changed by the City.

He stated the only item that can cause this item to fluctuate is the assessed value of the city. He stated he feels that the conservative approach taken by management of the city is appropriate, but if they are off even by 1% on growth in our value, the state tax rate drops 9 cents. He stated we have to establish a theoretical rate based on a theoretical value. We pass our budgets based on the hypothesis of the Finance Department to pass a budget by July 1st, but our assessment rates aren't set by the State until the fall.

Mr. Beecher clarified that the tax rate is only a reflection of the spending levels of both sides of the budget, not assessed value and tax rate.

Discussion then ensued regarding the State Property Tax rate structure and assessed value.

The final revenue source Skaltsis discussed was a projected surplus of \$300,000.

He explained that this is not money raised from the school taxes, but when other funds are appropriated and the level of spending is determined and money is brought in beyond that amount, it goes back into the general fund. They are requesting that the \$300,000 surplus from last year be applied to the School impact on the local tax rate.

Skaltsis then reviewed the list of ne time expenditures totaling \$902,051.04. (see 03/29/01 meeting folder) He stated that these are considered investments in the system and will not be funded year after year.

Mayberry asked specifically about the \$26,000 (total) for staff development and the \$65,000 for Wireless computer stations.

Skaltsis explained that the week before school begins, the teachers go in for retraining with consultants so that they are all working towards the same goals during the school year. He then explained that the wireless computer stations will be able to be moved

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from class to class to augment the existing equipment in the classrooms. He stated that we are 15% below the average of computer/student ratio. Mayberry asked if the infrastructure is in place to support these stations. Skaltsis stated that the antenna is part of the deal.

Skaltsis then discussed the Facilities and Grounds budget stating that basically Tom Forbes was told that there would be no staff added although the responsibilities have been increased considerably due to the middle school. Several items have been added to the one time expenditure list for this division in order to help facilitate this increased workload. These include the 4-wheel drive tractor for \$35,000 and the hand held radios for \$2,000.

Skaltsis stated that \$600,000 of this list is for the total curriculum revision of the Vocational Tech and Language Arts Programs.

He then discussed the teacher contract, stating that the increases of Year 1 and 2 are being funded in this budget. He then discussed the current pending custodian contract. Skaltsis stated that the custodian positions are difficult to fill due to the fact that we pay \$2.00 an hour less than other companies for similar positions. He stated that the amount to fund this contract is included in this year's budget as opposed to the situation last year with the teacher's contract. He stated that there will be no more outstanding contracts for 2 years.

Next, he explained the \$500,000 increase in the Facilities Fund is to bring the middle school on-line as some items were left undone previously.

Next, Skaltsis discussed the policy change to increase accountability, which comes at a price. He explained that there is a \$750,000 grant available for summer school and after school programs, which will benefit the district greatly. He explained that the increased testing also costs money.

Mayberry asked how we are doing on reading levels at this point and what percentage is below grade level.

Mr. LaSelva explained that there is an upward trend and looking at growth as well as scores, he is encouraged. He doesn't like to look at percentages to determine success, but feels we are doing better than average.

Andrews Parker asked if there is an increase or decrease in the drop out rate.

Mr. LaSelva stated he isn't sure yet as they are still trying to track that data.

Andrews Parker stated that there should at least be some base line data available to compare last year to this year. He explained that there are now minimal requirements in place to identify students in need of remediation before going on to the next school level.

Skaltsis then reviewed the vocational curriculum stating that they are going to begin this education in the 5th grade if this budget is funded. The curriculum will no longer include woodshop but will include computer building, software building and robotics to prepare students for the current working environment.

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Next, regarding Administrative Services, Skaltsis stated that there will be a reorganization of the Administrative office due to the recent resignation of the Business Administrator.

Regarding transportation, he stated that there will be an increase of 4 buses due to the policy change of now having 5th graders on the buses with 9-12 graders. There is \$10,000 for a transportation consultant included on the one-time expense list for a review of the bussing issues in Dover. He stated that the next Council will see a transportation contract.

Finally, he discussed the debt service increase of \$200,000, which is non- negotiable. He stated the city is being prudent because of the impact of the State situation, and we are selling all of our bonds and front loading. He stated there is also the \$1.5 million mortgage payment for the middle school.

Berry asked about the \$55,000 listed as a new position in the Superintendent's Office in the big budget, but which is not listed on the list of new positions in this presentation.

Skaltsis stated he is only presenting the instructional side of the budget, not administration.

Discussion ensued regarding various line item increases.

Skaltsis invited the Councilors to meet with Mr. LaSelva for more detailed explanations of any questions and concerns they may have.

Marc Vaillancourt concluded the presentation by thanking the Council for their support of the School Board.

Valerie A. French
Deputy City Clerk