

**MINUTES
BUDGET WORKSHOP
DOVER CITY COUNCIL
CITY COUNCIL CHAMBERS
SATURDAY
APRIL 7, 2001**

9:15 A.M.

NON-PUBLIC SESSION: LEGAL MATTERS

9:30 A.M.

1. BUDGET REVIEW:

The Mayor opened the budget workshop thanking the staff for coming out today. He stated this is the first in a series of meetings on the budget.

A. OVERVIEW

The City Manager gave an overview of the budget, stating last year the council adopted a budget of 48 million, this year the budget is roughly 55 million. He explained that staff would be going over each of their own budgets. He continued about the handouts and how the percentage of what the increases of this year's budget would be and how most of it is in personal services due to increases in salaries because of union contracts as well as a double-digit increase in our health insurance contracts. He went on, purchase services will be decreased by 32,000. Supplies have a projected increase of 106,000 with items such as electricity, gas, heating oil and fuels. Capital outlay will be reduced 1,000. Contingency fund dues and abatements have a projected increase of 12%. In our transfer to Capital Trust Funds we are projecting a 140,000 increase. Debt service is increased by 27% this year. The total expenditure for the general fund, including school and county is 13.9% or 6.7 million. On non-property tax revenue, they are projecting a 6.6% increase and a use of fund balance of 250,000 or a reduction over the current year of 796,000. He then asked for any questions.

Schmidt asked if in the paperwork there is a place that pulls the various categories together such as all personal services being listed cumulatively. Jeff Harrington stated this information was on page 42 of the proposed budget book.

B. HUMAN SERVICES

Janet Poulin described her budget as a bare bones budget. The total bottom line is up by 6.3% mostly in personal line items that increased by 21%. Purchase Services or supplies are down by 19%. She followed stating the only other significant change is a 3,000 increase in subsidies for Human Services Agencies; but they are still only supporting the same agencies as in the past. Her staff has not been increased. Reese asked if it is wise not to have more money in assistance with the predicted slowdown of the economy. Janet feels we will come in under the budgeted figure for this year and feels we should be able to come in

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within the guidelines that have already been set.

Schmidt asked about the outside agencies and what is the projection; whether they are asking for a lot more or is Community Action asking for 3,000 the minimum increase that they approved. Janet explained what the different agencies had requested and what the department approved.

C. LIBRARY

Beth Herlihy and Chaney Davis are operating the cameras this morning. They are volunteers from Dover High School. Cathy Beaudoin went over her budget, stating she has an overall increase of 6.2%. The two big things in the library that increased are personal-staff to keep the Library open 7 days a week and books. Her 3rd large item request is the server in capital outlay and they need to consider this as infrastructure like a roof upgrade. She is also trying to get up to the next generation computer over the next five years. She has reduced overtime by 10% by increasing her staff to work on days such as Sunday at the regular time outside of the DMEA contract. Purchase services are down by 6.7%. They have reduced their cosmetic improvements, as there is nothing major that needs fixing. She also had savings in tele-communications as they received the Federal E-rate. She also eliminated two dialup lines at the Library. Supplies are up 7.1% as books and publications are up this year by 10% just to keep up with books that are currently in demand, as well as inflation. Under capital outlay, they need to replace 2 PCs. They also need to spend money for an additional Web Server; that is an increase of 8,500 over last year. Hindle asked about the article in Foster's and how they are using their E-bay account. Cathy stated the "Friends of the Library" have been auctioning the old posters that they found in the attic of the Library. Berry asked what the operating hours are at the library currently. Cathy gave the hours and Berry asked if there would be an increased pressure on the library with the emphasis that is being put on reading. She stated she is able to accommodate the children in their reading programs. She also explained the book exchange program with the schools. Schmidt asked that even though there are no big-ticket items, what is she referring to by large repairs that must be deferred. Cathy stated she has peeling painting on several ceilings but feels we can leave them until next year. Reese asked about the server that she wants to upgrade and will the school kick in any money? Cathy stated they would be sharing in the cost with the schools when they move into the next computer upgrade.

D. FINANCE

Jeff commented that the budget document and the summary will be available on the City's website on Monday morning. He went on to explain the finance budget that has an increase of 4.5% over last year. Most of the increases are in personal services. That area is increased by 8.5%, there is a built in COLA increase of 4%

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for all the employees and 15,000 is related to health insurance costs. There are no capital outlays in this budget. He continued, the document imaging system is fully paid as of this year. Berry asked about the inventory assessing system we are working on. Jeff stated there is 20,000 in the miscellaneous services item. We are currently working with Rochester and Portsmouth and they are going out for a combined RFP. The project should be complete by December 31st. Berry asked what is the average health care increase this year. Jeff stated it is a little over 11%. Schmidt asked for a clarification for the public that is watching. Jeff explained, GASB 34 is the Government Accounting Standards Board. 34 is the directive that is issued under general accounting issues as we need to report capital assets of the City under this.

E. PLANNING

Steve Stancel explained the Planning Department's budget saying it has increased by 8.9% due to contracts and health care costs. He explained that due to a slight shift in a portion of the block grant program, personal salaries will need to be paid by the general fund this year. They are limited to 20% of their grant funds, as well as projecting income in terms of charging administrative costs so they have had to shift some of the salaries to the general fund. CDBG admin costs have been dropping. Also included in personal costs is about 12,000 for overtime for the Conservation Commission to have a staff person transcribe their minutes. In purchase services there is a slight increase most of which is 1,200 for the Building Inspector for printing of building permits, as this is a cost that we have every 3 or 4 years. He noted the department receives revenue in fees for permits; this was 55% higher than projected last year. Mayberry asked if any thought has been given to adding a second Building Inspector to the staff because from the Real Estate perspective it sounds like there is a real need for one. Steve stated he prefers to keep a lean and mean staff as he would not want to have to lay someone off in the lean times. He does not feel things are unmanageable. Berry asked about impact fees and if the Planning Board was reviewing these fees and where do these fees get placed. Steve says the money goes into a separate capital fund and they can only be used for whatever the intended use was. Reese stated it has been 12 years since we put in the GIS system and he wondered if it is still up to date. Steve says it has now shifted over to a desktop system, so through software they are able to handle the upgrades. In terms of the data, they are now requiring developers to use the same format as ours. Nossiff asked about the revenue side of the implication of impact fees and application fees and when did we last upgrade the fees. Steve stated in terms of the water and sewer tie-in fees, Community Services can address that, but the last time we took a look at application fees in planning was 2 years ago and he feels we are due to start the fee process again. In terms of the impact fees, they will be presenting a proposal to the Planning Board on Tuesday night to ask for general impact fees. We are in favor of impact fees but we will need to take public

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comment on this issue. Schmidt asked about the flak on Old Garrison Road and the substantial change that occurred when all the trees had been taken down and the violation of the scenic roads provisions. Steve answered that the council will be voting on two ordinances regarding scenic roads on Wednesday night. Through the years they are taking a look to be sure the ordinances are updated so we don't have these things happen.

F. FIRE

Ron Clymer presented the Fire Department's budget. He reported that what they feel their primary need is for the staffing of 4 positions and as the Council can see, they did not make it. There are 4 accounts making up the increase, a COLA increase in salaries, the city share of health care costs, worker's compensation and in capital outlay, retirement funding. There are 3 line items where reductions were made. The first is the 4 new positions. There is a 191% increase in personal as both Captains are now in salaried accounts. The biggest decrease was 21.7% in purchase services, as the council has been generous in supporting their vehicle maintenance account. They now have a certified fire truck mechanic who is also a Captain. In capital outlay they increased this account by 10%, as there is a need to replace the 1989 Suburban. Their budget would actually be decreased except for these 4 items they have no control over. He continued about what has already been taken out of the budget by the City Manager and that is the 4 new positions. He stated staffing is depleted and they are not able to keep up with the calls to service and their duties with the current staffing level. He mentioned all the community fundraising they do. The windows at Central Station were installed 23 years ago and they feel the 11,000 to replace these windows will be cost effective and they will save in heating costs. He continued about the training in Concord for fire suppression training; but we are not able to take advantage of this because of funding. Berry asked about the four proposed positions. Ron stated 201,000 would be needed to fund them, including uniforms, gear, etc. They would be placed at the South End station, one on each of the 4 shifts. He stated we really needed these four people four years ago. Berry asked about the ambulance bill and how it works. Ron stated we bill you or your insurance for service, and what we provide you for services determines how much it will be. Mayberry stated he spent last Tuesday at Central Station and it had been a quiet day Citywide but the fire guys had been in training all day long with classes. He enjoyed his time there. Ron continued about the national staffing level and a proposed resolution # 1710. This is a proposed national fire standard for fire suppression. They won't know until May if this document is passed, then we will see what we can comply with. Ron stated if and when we open the North End Station, they will need a total of 16 people for covering all four shifts. Andrews Parker asked if more staff would reduce any of the current overtime they now pay. Ron states no because of vacations, etc. Nossiff stated he does not want Ron to feel they are singling out the Fire Department but by the same token because of the bad old days he wants us to be mindful if they have to add 16,

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then, could we possibly defer one or two of these positions? He feels things are going to get worse with the economy. Also, is there anything we can do about the fees that are charged for a ride in the ambulance? Ron responds anything less than four people will not let each shift be complete. As for fees, they want to be here for the residents, they unlock doors for the senior citizen housing folks at no charge. They like to do this for them.

Nossiff asked, if people lock their keys in the cars, do they charge for that service? Ron feels this is a service that we are able to provide for people and it gets them out in the community.

Schmidt asked about the increase of four personal and how their operation would work better due to the way staffing is set up. Berry asked about the fee issue and feels that putting the professional staff out there in contact with the general public adds to their support. Nossiff asked about adding the four positions now and will they need 12 or 16 more later. Ron stated if we add 4 now we would need 12 in two years to open the North End Station. Nossiff also asked about retirement plans and why the 24% increase in line #4230 on page 214. Ron replied this is a contribution based on salaries. Dunnington asked if there is any solution to the medical cost increases each year. Mr. Beecher explained that 3 or 4 years ago, the staff did a study on health plans and at that time they started contributing to their own health plans. Dunnington feels we need to pursue this aggressively to prevent these huge increases that keep occurring. The City Manager has sat on a health trust board for the last several years, Berry now sits on the same board, and compared to other communities, Dover has fared really well. Also employees have opted for the lesser costs programs such as Blue Choice. Mr. Beecher continued, they are constantly studying this issue.

G. POLICE

Chief Fenniman presented his budget. Under personal services, he has one new position, a dispatcher; they actually need two, as they will be taking more 911 data information as this system has been expanded to include medical fields. Also there are two more positions that have come off grants; that is the stalking unit that was funded by grants. And, for the record, those grants expired in January; but the Federal Government has put more and more work on them; and because of the success of the program they are expanding this for the workplace violence and school violence fields. They will probably continue as grants as they have extended this deadline until August, but to be safe he has put them in the general budget. In purchase services, he has a decrease of 16,579. Supplies are up due to fuel costs. Fleet maintenance costs are also up. Capital outlay is down because they are only asking for one vehicle to be replaced. They will retire six cars, the oldest being a 1993; they all have about 130,000 miles. The Chief stated there are no new programs in the budget. Mayberry asked on behalf of a constituent about the parking lot behind Robbins and the cars that are parked

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there. The Chief explained those are cars with 150,000 and 160,000 miles. They leave them painted and try to sit them at a construction site for a fee of 45 or 50,000 per year just to have a police car at a construction site. Nossiff asked about overtime and the fleet he has right now and are we on a replacement plan. The Chief stated for the first time in about 12 years we are on the correct replacement program schedule that was recommended in 1983. Dunnington asked about any impact on implementing this system. The Chief says no except for the additional dispatcher. Berry commented about all the school violence across the country; he asked the Chief to comment on this issue. The Chief stated they have a great relationship with the schools; they are looking at taking over their truancy issues. Any threats of violence whether joking or not will not be tolerated and action will be swift and quick. He continued that they have tremendous interaction with the school and the kids usually tell when and what they are going to do so they are kept aware. Mayberry asked about the calls for service, the Chief says they have stayed about the same. Nossiff asked about salaried employees and how Captains are going to salaried personal. The Chief replied two Captains will be salaried. Schmidt was told of an incident with an officer about someone fleeing a police car and speeding. He wondered about the Chief's comfort level of having the video and equipment in the cruisers for apprehending speeders, tc. The Chief stated he received a partial grant two years ago and had gone to the Council for the other half of the funding for the equipment, so they were all set.

H. COMMUNITY SERVICES

Pothole Pete, as the Mayor called him, Pete Lavoie presented the Community Service budget stating there is a 325,000 increase; they added one new hourly position, a laborer, and two part-time seasonal employees. They have a great increase and demand in that area, also one part time custodian for the new Public Works facility. The rest of personal services cannot be controlled. Heating oil has been unbelievable this winter; the old Jr. High has cost big bucks to heat. He continued about the various changes in his budget. The drainage study that was cut previously from the CIP is his high priority. This is in the Sixth Street area and is not included and really needs to be addressed. He noted there had been 20,000 put in for the West Nile virus but this has also been cut, he hopes 20,000 will be reserved somewhere for this. Berry asked how much the drainage study was. Pete stated 25,000. Mayberry asked when we start road repairs, Pete says probably by the May meeting; paving companies will be open by then and funds will start to be awarded. Nossiff commented on the water/sewer tie-in fees that are charged. Pete says the sewer and water investment fees were set back in the late 80s and he is currently looking at updating these fees. In certain areas there is an assessment when subdivisions want to tie in. Nossiff feels we are a little behind in this area. He also asked about the Worker's Compensation insurance increase. Mr.

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Beecher stated we do self-insure. Pete says our employees are very safety conscious workers.

Nossiff asked for a clarification of the 33,000 on page 239, item # 4115, hourly employees that went to a salaried basis.

The Mayor noted this is a 10.6 million dollar total budget and he wondered if there is any room to keep recycling open any later on Saturdays in the afternoon. Pete stated he would defer that question to Councilor Dunnington. He also asked about the snowplow budget for next year. Pete says he did not propose any increase for this budget at all for next year. He's hoping to recoup some money from FEMA.

Pete went on with the Recreation portion of the budget, saying it had increased by 72,482 that does not include the arena but a lot of small items including a new van as the current 15 passenger van died. They have been using the Police Department's. This item was originally a CIP item, along with the Butterfield Gym windows that were cut out. Reese asked about when the Seacoast Swimming Association closes the Thompson pool to residents for whole weekends in the summer to hold a swim meet; do they help pay for the police officers and additional expenses? Pete assured him that they pay their fare share.

The City Manager stated on 4/26 they have a Work Shop meeting scheduled and he will go over fees at that time.

I. EXECUTIVE/COUNCIL

The council budget has gone up 37+% this year. He continued about the Executive Department, stating there is an increase in the CIP section of the City Clerk's budget of 34,000 for new voting machines. Boc noticed our subsidy for COAST this year is 91,000. Schmidt explained that, during its startup period, COAST had been permitted to cover both its capital and its operating costs on an 80/20 basis, with the Federal government paying the 80% and local communities matching with 20%. Now COAST must have a 50% local match for operating costs, the usual situation. Since it was felt that COAST is a valuable service, we have to pay our share. City Managers throughout the area have all increased their budgets to pay for this. In return for providing service to the public, they are looking at helping the bus shelters and may be able to get more Federal money in this area that also includes the TIP program. Mayberry asked if voting machines were included in the Election budget. The City Manager stated, yes. Berry asked about the camera operator and what meetings can be videoed. The City Manager stated all Planning Board, City Council workshops and a few others along with the school budget meetings. Reese asked about AC for this room; the City Manager would look into getting an estimate on this item.

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J. SUMMARY

The City Manager stated we would address the revenue portion of this at the 4/26 workshop. Dunnington mentioned he would be out of the country for that week. The Mayor stated, at that time we will need to decide on how to proceed on a line-by-line basis or on a certain increase or specific dollar amount. He asked the Council to think about what their approach should be.

2. ADJOURNMENT

Motion to adjourn was made by all and all were in favor.

Judy Gaouette
CITY CLERK