

**MINUTES
DOVER CITY COUNCIL
COUNCIL CHAMBERS
WEDNESDAY
MAY 31, 2000
6:00 PM**

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

**1. PUBLIC HEARING:
FY 2001 Budget Appropriation, Property Taxes and Fees**

Fund	Fund Description	Est Rev	Approp	Fund Type
1000	General Fund	48,350,205	48,350,205	General Fund
2100	Community Development Fund	436,365	436,365	Special Revenue
2210	Drug Investigation Fund	666,702	666,702	Special Revenue
2220	Dover Housing Auth Policing	45,834	45,834	Special Revenue
3213	Parking Activity Fund	307,995	246,058	Special Revenue
2290	Emergency Management Fund	33,394	33,394	Special Revenue
3320	Residential Solid Waste Fund	565,676	565,676	Special Revenue
3455	Library Fines Fund	25,000	25,000	Special Revenue
2800	School Cafeteria Fund	944,047	944,047	Special Revenue
2820	School Dept. of Education Grants	1,874,000	1,874,000	Special Revenue
2900	School Special Prgms & Grnt Fund	120,000	120,000	Special Revenue
3810	School Tuition Program Fund	145,000	145,000	Special Revenue
3830	School Facilities Fund	35,000	35,000	Special Revenue
5300	Water Fund	2,142,869	2,142,869	Enterprise
5320	Sewer Fund	3,522,234	3,522,234	Enterprise
5500	Arena Fund	781,543	681,543	Enterprise
6310	Fleet Maintenance Fund	452,608	452,608	Internal Service
6100	DoverNet Fund	171,142	171,142	Internal Service
6110	Central Stores Fund	55,400	54,400	Internal Service
6800	Workers Compensation Fund	232,000	232,000	Internal Service
	Total	60,907,014	60,745,077	

Mayor Boc opened the public hearing asking if anyone wished to speak:

Richard Casimiro, 4 Crescent Avenue - stated he is a longtime resident of Ward One and feels that the Council is spending a lot of money and that a 13.7% increase in the general fund is too much. . He stated that as a citizen, he has his own priorities as to where his tax money should be spent, i.e., Sixth Street, but feels the Council knows how the city runs and therefore, has the information as to what can and can't be cut.

Bob Callahan, 6 Barry Street - resident for 65 years, stated that elderly couples and young people cannot afford this increase. He then spoke regarding an altercation he encountered with a City Councilor and feels that this Councilor should offer his resignation, and stated that he will be submitting a complaint to the Ethics Committee.

Mayor Boc reminded the audience that this was a public hearing for the proposed budget only.

Ronald Huml, 199 Mast Road - stated he has looked at the budgets for last year and this year and the increase on the school side is 23%, but the COLA for Social Security has only gone up 3.4%. He feels that the Council should only increase the budget by the COLA figure.

Bernard Stillwagon, 20 Old Littleworth Road, resident for 71 years, stated that the City should take care of its old problems before starting new projects i.e., drainage problem at Rte 9 and Old Littleworth Road. He stated that the Council will also be dealing with the Media One Contract in a few years and asked that they take Jerry Springer type shows out of the contract. Next, he discussed the proposed new ball fields, arena and aquarium saying that although these things aren't supposed to come from tax money, he feels it will. He also stated that the arena is never open to the public for skating. He stated he will be paying his tax bill on June 1st and will be using all of his social security and pension money. He stated he feels fortunate to have veteran's benefits, but feels that others are not so fortunate and can't afford any more increases. He concluded by stating that the taxes went down by \$40.00 on his bill last year due to the school funding situation, but big deal.

Richard Hughes, 51 New Rochester Road – stated that last year no cuts were made to the budget and this was only because of the State school funding situation did we receive any break. He feels that this money was spent before we received it, and therefore, the citizens only received a small percentage of the money back. He stated that in December a 13.2 million Capital Improvements Plan was rushed through the lame duck city council, but the department heads are crying poverty. He cited the increases in the proposed budget and stated that the rate of inflation is only 3%. He stated he is concerned that the teacher contracts are not included and that most of the improvements to the infrastructure are actually a part of the CIP and not the operating budget. He stated the Council should only increase the budget by the rate of inflation. He feels that additional new positions increases health costs and are a part of the budget forever. He concluded by stating that if the Council keeps approving budgets like this, it will be over 100,000,000 in 5 years.

Ray Bardwell, Spur Road – stated that it would seem that money should be rolling in with all of the new construction going in around the city, but the services have to be increased to meet the demand. He stated that homes valued at 250,000 have a 7% tax valuation and feels that the increase in valuation has already been spent. He stated that luckily we are a recipient town and not a donor town, and therefore received 4.9 million from the State. He stated that even with that, we are getting a 10% increase in the budget. Next, he discussed the public works facility stating that 35 years ago, the city began talking about a north end fire station, which still hasn't been done. He suggested building a combined facility on the Week's Crossing connector road (Indian Brook) as he feels that building on the Mast Road site near a city well could potentially contaminate the area.

Harold McEwan, 5 Coolidge Avenue – stated we don't need 3 new police officers, horses or the DARE Program. He stated that he feels building a new arena is unnecessary and that building a public works facility near the city well is a bad idea.

He stated that the raises given to city employees are ridiculous and that if positions need to be cut to reduce the tax rate, then it should be done. He concluded by stating that Dover is growing too big, too fast.

Seeing no one else wishing to speak, the Mayor closed the Public Hearing.

2. OTHER BUSINESS

Mayor Boc stated that if the Council wishes to discuss the budget, then now is the time to do so.

Berry stated that he would like to talk about the budget because the constituents deserve to hear their views before the vote on June 7th.

The consensus of the Council was unanimously in favor of going into a workshop session.

Berry began by referring to a memo from the City Manager regarding a budget amendment in which the school revenue was increased as well as appropriations. He stated that the actual tax rate decreased slightly due to this amendment, but it is not right that the school felt it appropriate to increase expenditures because of the increased revenue. He also stated that there are 2 contracts coming from the School Department on the 14th that were supposed to be covered already. He then asked the City Manager to clarify the cost reduction on health insurance and the impact on the tax rate.

The City Manager stated it is going down \$110,000 representing a .10 cent decrease on the tax rate.

Berry stated that he has submitted his list of potential budget changes to the City Manager, but will let him make the ultimate decisions. He stated he is still unsure how he feels about decreasing the school budget, but feels that any significant reduction will result in program changes. He stated the new middle school has had problems, but feels that everyone was aware of the increased operational costs it would bring.

Andrews Parker stated she feels that the Council should allow the City Manager to make cuts from the bottom line figure determined by the Council. She stated she was elected to govern and make policy only, not to micro manage.

Reese agrees with Andrews Parker and will not make line by line cuts. He stated he will propose a \$500,000 - \$750,000 cut as a \$2.95 tax increase is way too much. He stated he hasn't had a lot of calls, but those he has had haven't been good.

Dunnington stated that this is his first budget and it has been a learning experience. He stated he feels the School Board has done its job and made the cuts they needed to make. He stated the school has been built and now we need to pay. He stated he doesn't feel there is too much wiggle room on either side of the budget and that we should give the school side their bottom line, but no more after that.

Boc stated this is his 5th budget and feels that previous Councils didn't have the courage to invest in the city. He stated that Liberty Mutual came here because it is a great place to do business as well as the businesses in Enterprise Park, which was a big investment and created lots of jobs and tax revenue. He stated that

\$2.92 is a big increase but feels that historically it has been almost criminal that our schools have been allowed to deteriorate. He stated he doesn't agree with Reese's proposed cut and would approve the budget as is. He concluded by stating that he feels the Council should be policy makers and visionaries.

Nossiff stated there is a significant precondition that needs to be looked at which is unanticipated revenues which always seem to come about in a hidden fashion. He continued by discussing the current building boom in the City and feels that the City Manager must get a handle on how much all of this building is going to bring into the City and feels once that amount is known, the Council can go about making logical cuts.

Andrews Parker clarified that she is a visionary within reason and although she will not nit pick the budget, she will make cuts to make it livable to the citizens.

Berry stated that looking at the actual rate isn't the best way of approaching the budget process, but if so, he would like to know what is the comfortable rate and how we can get there. He stated the housing boom doesn't generate revenue for a year and feels that there are too many houses being built right now. He concluded by stating he would like to see the rate at around \$2.00.

Mayberry stated he is in a quandary and is unsure of where to go from here. He stated he has received e-mails and phone calls on the budget as well as an upcoming rezoning issue and wonders if we should consider imposing a moratorium because they are using the city services. He stated he is having a hard time with the City budget and wonders why we need to hire 12 new teachers in the first year. He stated he is concerned because the contract is not settled yet with the existing positions and he is also disappointed that the new revenue was spent. He then discussed various city services and feels that the budget needs to be considered by what is really gained versus what will be lost by cutting even a nickel from the tax rate.

Schmidt began by expressing his appreciation to Mr. Hughes and Mr. McEwan for attending the meeting. He then stated he agrees with Mayberry's point that cutting 20 cents from the tax rate only amounts to \$20.00 but would impact greatly on city services. He stated that people want their services to be provided when needed. He then stated he agrees with Mr. Casimiro that Sixth Street is horrible but stated that now that the weather is good, it will be fixed. He stated that this Council needs to raise revenue to provide city services and that last year the Council approved an extension to the elderly tax exemption. He stated that the people who have spoken tonight are all at the end of their work careers and understands their concerns. He stated he will approve the school budget as presented because he feels the Superintendent and School Board have done their job and are working to improve programs.

Berry stated he met with Mr. Huml recently to discuss his concerns. He then stated that yesterday was Memorial Day and feels that the \$100.00 credit offered to veterans is too low. He stated that \$20.00 is \$20.00 and is only on the increased amount, not the whole total. He concluded by stating he would like to

see the entire fiscal policy revised to begin the budget process in October which would allow the School department to begin advertising for qualified personal in a timely manner.

Hindle stated he attended all of the school board budget meetings and supports it as presented and that the major portion of the increase is due to the new middle school. He stated that regarding the city side of the budget, he will support Councilor Reese in his proposed cut. He asked the public to contact him with their thoughts as to what the tax rate should be held to.

Nossiff feels the city is in a win/win situation on the revenue side because of the benefits of Liberty Mutual and Enterprise Park and also due to the untapped revenues from the new construction. He then proposed that the City Manager bring back scenarios showing the impact of a level funded budget, \$1.00 increase budget, etc.

Discussion ensued with Mr. Beecher explaining that if the budget were cut by \$500,000 - \$750,000, it would mean the loss of at least 20 employees.

Mayor Boc stated that because the meeting was held at 6:00 p.m. instead of the usual 7:00 p.m., several people have entered the Council Chambers since the public hearing was closed, and therefore he would like to open it up again.

Berry moved to reopen the public hearing seconded by Mayberry.
Motion passed unanimously.

Paul Vatcher, 27 Richardson Drive – stated that in his neighborhood of 34 homes, 17 are occupied by retirees on pensions and social security, which do not increase at the same rate as the tax rate. He stated he appreciates what is being done with the city services, but feels the school budget should be more closely scrutinized.

Mr. Casimiro, 2nd time – asked Mr. Beecher if it is true that we are operating currently on last year's approved budget, then how can we be threatened with cuts to the City services, which are being provided without an increase. He stated that the employees of the city are very good, but they cost a lot of money. He stated that even though he no longer has children in the school system, 25% of his tax money still goes to the schools.

Mr. Huml – 2nd time - stated he has an extensive accounting background and feels that the citizens deserve the Council to go through the budget process without rubber stamping it. He would like the City to give back the money they received from the State to the School Department and only fund the COLA increase.

Mr. Stillwagon – 2nd time – feels there are too many assistants in the City.

Seeing no one else wishing to speak, the Mayor closed the public hearing.

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Berry responded to Mr. Huml's comment stating the school department did indeed received their 4.9 million from the State.

Reese moved to adjourn, seconded by Mayberry.
Motion passed on an 8-1 vote, Berry opposed.

Valerie A. French
Deputy City Clerk