

**MINUTES
WORKSHOP
DOVER CITY COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, May 20, 1998
7:00 PM**

1. Overall FY 99 Budget Discussion

The Mayor opened the meeting and stated tonight is an open forum for an exchange of ideas and feelings.

The City Manager passed out a list of add-back and alternative revenue sources.

The Mayor suggested a forum for June 10th. He stated we will start with each department and go through each.

The Mayor stated this is only a suggested format for the budget. For example, he will consider a \$2 increase tax increase. \$1 for the city; \$1 for the school.

Rawding stated is not prepared to agree to this format; but stated this is a start.

The City Manager, Paul Beecher, identified the handouts to be discussed.

He discussed the memo regarding contracted legal costs. He stated during
FY-96 \$ 43,925 was spent on environmental loss, this includes Tolend
FY-97 \$ 41,614 on the same services as FY-96, including Tolend
FY-98 \$122,166 was spent which also includes the Griffin Well, the bankruptcy of
Madbury Metals, and contract costs.

The City Manager stated overall it has been cheaper to do without a staff attorney, but he suggests leaving it at \$35K. He will look into a part-time attorney.

Rawding stated he challenges the fact that we have had any savings. He stated he, as only one Councilor, personally took a lot of time from the attorney just on the Fifth Street Housing Project.

Perry questioned the 40 hour work week.

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The City Manager stated, yes, we can keep City Hall open longer without a 40 hour work week. The City Manager stated he will have a report at the June regular meeting regarding City Hall hours.

Perry asked does the 40 hour letter consider Library and Engineering.

The City Manager stated, no.

The City Manager discussed add-back items. These are items he cut, but departments have requested these items back during the budget presentations.

Perry asked do we have the grant for the Police Department?

The City Manager stated we do have it, but it is a question of whether we continue it.

Rawding asked if the add-back on the handout were part of the present budget.

The City Manager stated that is correct.

Rawding stated he is trying to get a handle on the kindergarten costs. Where do we stand on the costs? Could we get an overview of operating costs and construction, too?

Dr. Daley stated let's take construction costs first. He stated the construction is higher than we expected. We are concerned about that because we don't have all the figures.

Rawding asked where we stand on an operating standpoint?

Daley stated we projected 240 students enrolled. Currently, we have approximately 180 enrolled. He stated we are not hiring the full contingent of teachers yet.

He stated at Garrison – we are hiring 2 teachers, for Woodman Park, we are hiring 2 teachers, for Horne Street we are hiring 1.5 teachers.

Rawding asked from a revenue standpoint, much more money do we need?

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Dr. Daley stated the local revenue is upwards of 13%. Tuition is up at the high school, and State sources are at \$1.3 million this is up about 14%. Total revenues are up \$13.85%.

Rawding asked did we lose any money for Goals 2000?

Dr. Daley stated we did not make application in time for the third year. We are now on the second year.

Rawding asked how many additional teachers are we adding to the school system? He stated he understand for the kindergarten it is 6 teachers.

Dr. Daley stated - 1 Fifth Grade teacher at Garrison Hill Elementary,
2 teachers at the High school,
1 Behavioral Specialist at Garrison, and
1 Certified Librarian at Horne Street

Landry stated the original estimate for kindergarten was 240 students.

Dr. Daley stated yes, we will be below 240 but explained the differential of class size depending on enrollment on various schools and morning and afternoon sessions.

Landry asked if we are transporting kindergarten kids.

Dr. Daley stated, yes. The morning session will come with the morning bus; the afternoon session goes home with the afternoon bus; and the noon kids will have to be picked up special. He stated \$36K is our estimated figure right now.

Landry asked how much higher are the construction costs?

Marie stated we're in budget, the kindergarten budget is \$42K, with a contingency of \$12K for furniture.

Landry asked regarding the package regarding contracts. He asked is there money in the contingency to cover this?

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Dr. Daley stated in the contingency the secretaries are covered, but the aides are \$31K over.

Landry asked for clarification regarding the handout.

Perry asked where is \$351,868 debt service showing?

Marie stated this is on the school side; which is up 37¢.

Landry stated starting with FY 99 proposed and taking out kindergarten and contract increases and the middle school, the budget is \$347,168 above what the council has already approved?

Marie explained \$347,168 is the room you have to decrease.

Landry asked how does \$500K revenue figure in?

The City Manager explained on page 33 of the Budget Appropriation – Education is \$20,197,592, City Revenue is non-tax. He stated the revenue factor is on the tax rate, not on the budget.

Landry asked wasn't the contract for \$500K or so?

Dr. Daley stated that's correct for teachers, but did not include the pending (2) contracts and we are still \$31K short.

Landry stated to have enough this figure would have to be \$735K.

Dr. Daley stated that is correct.

Rawding asked where do we stand in our current budget and are we anticipating any savings?

Dr. Daley stated no surplus on expenditures, but on the revenue side we are coming in at \$93K to the good. Which we are asking the council to put into Capital Reserve.

He continued by stating if we don't add it to the budget, the \$93K will go into the general fund to offset taxes. The council would have to decide where they would like it to go.

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Rawding suggested being creative by using local contractors for parking area around the schools.

The City Manager stated from a timely situation, we could do this with future contracts.

Johnson stated he would like the tax rate below \$2 which equals \$260K total. This means a \$130K cut for the school budget.

Dr. Daley stated we would have to find \$180K. He stated health insurance might cost more. Daley stated he doesn't know exactly where it is to come from.

Johnson asked if that is his ballpark?

The Mayor asked the School Board to look at the behavioral specialist and the library positions. He stated you need two teachers at the high school and a fifth grade teacher.

Johnson is looking at roughly \$60K he could cut, but that still leaves \$70K the City Manager would have to cut.

The City Manager stated it would be helpful for the councilor to submit areas of suggested cuts to him, then he would compile a list for the other councilors. He stated he would go to the fund balance credit and work throughout the year to save on spending.

Rawding stated this tone concerns him. Rawding stated he wants to start by level funding and go from there. He stated we have been generous with contracts, the middle school and kindergarten. Rawding stated ½ of 1% is not even in his ballpark. He stated we are spending a lot of money on education.

Rawding stated he is concerned that the water and sewer increase alone are what 5% or 3%.

Bobinsky stated it is a 3% increase.

The Mayor stated we should keep in mind the school is a \$1.09 increase.

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	18 ¢ for kindergarten
	37 ¢ for middle school
	8 ¢ for maintenance

up to	63 ¢
	11 ¢ negotiated contract

	20 ¢ special education
	94 ¢

	15 ¢ science curriculum

	\$ 1.09

Rawding stated he wants the departments to look at ways to be more efficient. He stated he doesn't want business as usual; he asked the City Manager and School department to go back and look at the budget again and find more savings.

Rawding stated we need to level the Fund; we have to have balance in the budget.

Johnson stated the City Manager has asked for cuts. Johnson stated he would consider \$1.50.

Perry asked for clarification on the budget items regarding the Optical Scan storage.

The City Manager stated it is going out to RFP now, and is hopeful for this year's budget.

Perry's second question was regarding the Cable camera recording system.

The City Manager stated it is for the Chamber's TV session.

Perry's third question was regarding CALEA and then he asked about some inexpensive fixes to Tolend Road.

Bobinsky stated striping and fog lines are scheduled which would be \$2K yearly. He also suggested not using the speed bumps, but narrowing certain sections of the road which has been estimated at \$3K.

Perry asked what the cost would be for paving the first half of County Farm Road?

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Bobinsky stated it would cost about \$5K to \$6K.

Perry asked if that could come out of the Fund Balance?

Johnson also asked about paving Willand Road.

Bobinsky stated he would prepare a memo regarding that item.

Rawding also asked about Elliot Park. He stated it is 10th on the list.

Bobinsky stated the RFPs are due Friday.

Rawding suggested level funding except for known fixed costs. He stated he wants to level fund on the City side and on the school side excluding fixed costs.

Johnson stated we are not that far apart, but the City Manager has asked us for a list of our recommended cuts.

Perry asked are we going to revisit revenues?

The City Manager stated no increases are being recommended.

Perry suggested we have services that are tax related and should become more self supporting. (i.e., suggest bags pay for more than collection)

Rawding doesn't agree with a fee increase because it doesn't necessarily affect only those who can afford it.

Perry moved to adjourn, seconded by Johnson.

KAREN L. LARSON
CITY CLERK

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Posted 4/15/98