



CITY OF DOVER

CITY COUNCIL - MINUTES

Meeting Type: Workshop Session
Meeting Location: Council Chambers, City Hall
Meeting Date: **Wednesday, February 3, 2010**
Meeting Time: **7:00 pm**

1. CALL TO ORDER

2. MOMENT OF SILENCE

3. PLEDGE OF ALLEGIANCE

Councilor Weston led the Pledge of Allegiance.

4. ROLL CALL ATTENDANCE

Present: Mayor Myers, Deputy Mayor Trefethen, Councilor Carrier, Councilor Cheney, Councilor Cruikshank, Councilor Garrison, Councilor Hooper, Councilor Nedelka, Councilor Weston.

Also present: City Manager Joyal, City Attorney Krans, and City Clerk Lavertu.

5. LEGISLATIVE BRIEFING

Mayor Myers said at this time of year the Council invites the State Representatives, State Senator, and County Commissioner to introduce themselves and talk about what it is they are doing in Concord or at the County level. He said Senator Merrill had a conflict and couldn't attend.

Representative Mark Ryder, State District 6, City Wards 5 and 6: He said he is in his first term. He serves on the Criminal Justice Committee, which deals with a variety of issues: marijuana use, probation/parole, fire/police standards and training, and other issues that come under criminal justice and public safety. He said he has no special interests in Concord, but tries to do what the citizens would have him do. He said he is a Democrat, but he didn't always vote the party line. He said he gets a weekly notice from the City Manager on the opinions of the City Council, and what they would like put forward. He said the major focus is keeping costs down, and the State, County, and City are all partners in accomplishing that.

Representative Robert Lewis, State District 6, City Wards 5 and 6: He first wanted to admit that he just voted against providing \$25 million to the cities and towns. He serves on the Municipal and Government Affairs Committee. He referred to the retirement bill and how important it is to Dover. He said he was a Democrat and said unless he has been influenced by someone, he voted straight party lines.

Representative David Watters, State District 4, City Wards 1 and 2: He said it was his first term. He said the House voted today to return \$5 million of the room and meals tax to cities and towns, but he doesn't know what will happen in the Senate. He referred to the financial meltdown last year, and said they should give Governor Lynch and the Democratic leadership in both the House and Senate a lot of credit for accepting the stimulus money to go towards Medicare, schools, and shovel-ready projects. He said the last budget created a responsible and balanced budget, with a lot of hard work, but it's not perfect. He said the State tried to keep the money going where it should to keep unemployment from growing. He said education is



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getting \$1 billion, and for the first time kindergarten throughout the State is fully funded. He said he serves on the Fish, Game and Marine Resources Committee. He has worked on a House Bill regarding the estuary that will affect Dover. He cosponsored a Bill to have salt water fishing licenses, and to keep the money in New Hampshire. He referred to State Statute 79-E, which permits municipalities to establish downtown municipal zones tax assessment credits, which are five years of abatements on the increase in the tax assessment, can be given for the renovation of properties, including historic sites. He said he introduced a Bill that specified that if the Town chose to, it could include historic sites outside of the downtown area.

Representative Peter Schmidt, State District 4, City Wards 1 and 2: He said he is serving his fourth term. He serves on the Executive Departments and Administration Committee, the Joint Legislative Committee on Administrative Rules, the Assessing Standards Board, and the Equalization Standards Board. He said the retirement system is a great concern, because it directly impacts Dover. He said they have contractual and moral obligations to the employees, but they have made a number of changes that should have a positive effect. He said during the past term of the City Council they had Councilor DeDe as the legislative liaison, and he thought it would be a good idea to continue that practice.

Mayor Myers said the Council will be appointing a Legislative Liaison at the next meeting.

Deputy Mayor Trefethen said he was happy to hear that the rooms and meals tax had been restored, but would also like to have the revenue sharing restored. He said he would like to see the retirement system based on base pay.

Mayor Myers said the downshifting is really hurting the cities and towns. He said some of these are supposed to be temporary, but he is concerned about that. He referred to labor, and said he would adamantly oppose anything to do with binding arbitration, evergreen clauses, and mandated benefits. He spoke about the increases that the City has to contribute to the retirement system, and said the numbers are staggering. He agreed that they need to take care of the employees already in the system, but going forward they need to look at ways to change this system. He read a paragraph from a December 19, 2006 letter into the record, from former Executive Director of the New Hampshire Retirement System (NHRS), Robert Leggett: "The New Hampshire Retirement System Defined Benefit Plan will continue to meet its current and future pension obligations with a funded ratio of 67%. This ratio is similar to a mortgage that is already 2/3 paid off, with 30 more years to pay the balance. The NHRS has projections for plan funding that indicate an 85% to 95% funding ratio within the next 15 years." He then read an August, 2009 statement from the new Executive Director, Dick Ingram: "Our target right now is to be 85% funded in 26 or 28 years." He said there are billions of dollars in unfunded liability in the system right now. He said this program is not sustainable, and he implored the legislature to figure out how we can protect those in the system and start something new for new hires. He said he gave the House credit for proposing changes in 2008 and overwhelmingly passing HB1645, 259 to 60, showing bipartisan support for common sense changes. The Senate, however, amended it twice and gutted it so the Bill does nothing more than create a commission to look at COLAs over the next five years. He said he isn't always in favor of stimulus funds, but if it is coming and affects the Federal debt, then New Hampshire should get some. He said the



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Great Bay Bridge project impacts Dover, especially when they're only completing the Newington side, causing the bottleneck to happen in Dover. He asked the representatives to say that this is a high priority project.

Representative Schmidt said he attended a briefing with Assistant Attorney General Bud Fitch. He said the state legislature has no say in where the money is going, but is decided in Washington. He again recommended the Legislative Liaison to represent Dover.

Representative Ryder commented on the retirement system, and said part of it had to start at the contract level. He said he was glad to see last year that the City side of the budget didn't have pay increases, and was disappointed to see that the School Board didn't go along with that. He said they must separate current employees from new employees. He said the employees used to have lower salaries, which justified the great benefits, but now they are also getting great salaries. He felt there should be a two-tiered system.

Councilor Nedelka said the union negotiations were lengthy and some have gone years without a new contract. He said it would hinder the City if the State passes the evergreen clause. He said there have been dramatic changes in what the employees contribute to their benefits, and they haven't hired anyone since 2000 that had lifetime benefits. He said it really is both bodies that must work together on this issue.

Representative Watters said they have the power to introduce legislation, and recommended the Council come to them with their ideas.

George Maglaras, Strafford County Commissioner: He said he is serving his 13th term. He said the County has recently submitted their budget of \$52 million in total expenditures, which is offset by \$25.3 million in non-tax revenues, leaving \$26.7 million needed to be raised by property taxes; a 1.86% increase over last year. He said they reduced the workforce by 8% last year, 40 employees. They reduced funding to all outside social services agencies that the County was not statutorily required to fund. He said they were lucky to receive stimulus money from the Federal Government to cover these social services, and will be receiving stimulus money again to pay for these social services at last year's amounts. He said there were no salary increases for any of their employees last year, and there will be no salary increases in this year's budget. He said the County is about Medicaid, and about 60% of what they raise in taxes is directly attributable to the Medicaid System. He said the Counties of the State of New Hampshire share the cost of the Federal Medicaid system on a 50/50 basis with the Federal Government. He said the State used to pay half that cost, but now it is an 80/20 split. He said in the last decade, approximately \$40 million dollars of costs have been transferred from the State's budget to Strafford County's budget; \$400 million statewide. He said the State is using the County to balance their budget. He spoke about the criminal justice system. He said they are a leader in the State for changes in the criminal justice system. He said they care for over 450 inmates, with an average age of 20. 80% have drug/alcohol abuse problems, and more than half haven't graduated from high school. He said county jails are dealing more and more with the mentally ill, and they have started a mental health court to try to keep them out of jail. They have started drug court, which tries to get people off drugs, with urine analysis tests, and straighten their lives out. He extended an opportunity for the Councilors to come visit the County complex. He said it was time to have a serious conversation about the regionalization of



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services, such as dispatch services, assessing, ambulance and fire, water systems, and wastewater treatment plants. He said the need for County services goes up in poor economic times. He said 2/3 of the country delivers a majority of their local services through their counties.

Mayor Myers thanked everyone for coming and for speaking with the Council.

6. CITIZEN'S FORUM

Citizens are invited to speak on the subject matter of the Workshop. Statements shall be limited to five minutes.

Mayor Myers, seeing no one wishing to speak, closed the Citizen's Forum.

7. ADJOURNMENT

Deputy Mayor Trefethen moved to adjourn; seconded by Councilor Weston.
Vote: 9/0.

DRAFT