



CITY OF DOVER

McCONNELL CENTER ADVISORY BOARD - MINUTES

Meeting Type: Special Meeting
Meeting Location: McConnell Center, 61 Locust Street, Dover, NH 03820
Cafeteria
Meeting Date: Tuesday, January 12, 2010
Meeting Time: **6:00pm**

CALL TO ORDER: Otis Perry called the meeting to order at 6:00 pm

ROLL CALL:

Members Present: Otis Perry-Chairman; Marvin Brown; Judy Zalansky; Nick Skaltsis; Gary Bannon, Administrator; Gary Gilmore, Joe Tenuta, Rec Advisory Board; Jan Nedelka
Patti Rawding-Anderson arrived 6:30 pm
Gary Green arrived 7:00 pm

BUDGET DISCUSSION:

Gary Bannon had initial meeting with Budget Committee. Main reason Rent Revenue. They did the math based on Fiscal Year 09 actual expenses and Gary gave a handout of the background info for the actual rent per tenant breakdown to the McConnell Board. Otis stated that rent has 3 sections: operating for all, debt service for renovations, and capital reserve account which city tenants don't have. The new rate is \$7.67 per square foot which is an increase from the old rate of \$6.14 per square foot. The dollar increase went from \$13.01 to \$14.57. 80% increase due to utilities cost. Always charging one year in arrears.

Revenue budget sheet was passed out (includes subsidies). Used last years amount of \$23,806 for the school because don't have this years yet. This may change, waiting for City transfer from Mike Joyal. Projected revenue is \$807,324. There is 3199 square feet of space which would generate revenue of \$46,000 which is not included in projected revenue. Gary Bannon has been approached by a non-profit organization (Family Services) who works with JPPO and needs 900 sq ft. for a Seacoast Headquarters. A sample contract and rates have been given to them but have not heard back yet.

On the expense side of the budget we are waiting for numbers from City Hall on health benefits and other insurances. Numbers from last year were carried over. There is a 6.9% increase based on actual expenses.

Bottom line: Revenue \$807 and Expense \$820. Subsidy will affect this.

Contract cleaning amount based on last year which should go down after acceptance of new bid. Question about 25% of Gary Bannon's salary being taken out of McConnell budget.

There was a suggestion that maintenance be contracted out along with the janitorial. Gary Bannon stated are we going to get the same quality that we have now. The quality is excellent now with whom we have and everyone likes the service. We have toilet backups, snow cleaning issues and other problems that have to be dealt with immediately. Nick commented that it is costing way too much to operate this building.



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Budget process takes from mid January until end of March. Gary Bannon submits to Mike Joyal the city manager. Mike goes over and sends back with recommendations. Gary redrafts and all department heads meet with Mike Joyal and debate changes. Final changes are made and then submitted to finance department.

Otis doesn't understand totals. Gary Gilmore stated that his project (McConnell Center) was supposed to run at a loss for first ten years. It was suggested that it shouldn't be called a subsidy but a planned deficit.

Bottom Line: Total anticipated for revenue \$807 and expenses \$820. Gary Bannon stated these are rough numbers and have to adjust when receive subsidy and contract cleaning. Otis stated that revenue and expense should match. Gary Bannon said would get there after the adjustments. School portion of the building debt (\$14,566) belongs in rent income and actually increases total income from \$724,000 making revenue picture look better. Not so. Gary Bannon read opinion from Finance Director in regards to debt service payment: This is not rent. It reflects school assuming a part of debt service for the building. This is a separate clause for per square foot owing in cost. The SAU receives state building aid for the portion of debt they assume according to general accepting accounting principles. This amount is reflected as a general fund transfer.

Letters will go out to tenants on rent charges when all completed numbers are received. Gary Bannon went to office to get cleaning bids for all to look at. Marvin Brown asked if we had professional people taking care of the bids and seeing the contracts thru and assessing what is going on. Otis stated the city has a procurement process. There is a contract officer that depends on department expertise. Jan stated there are 1 to 2 city employees that review contracts. There is opportunity to provide feedback from McConnell Board on contacts. Gary Bannon handed out list of bidders, prices and his rating. He recommended 3rd lowest bidder because total was really first lowest bidder after checking out that it was \$3.00 an hour less for extra work and it was a local company. Cost is roughly \$42,000 per year. If an out of town company their cleaning staff is usually local but the supervisor staff is not. We will save \$15,000.00 to \$17,000.00 per year. City Council will vote on because cost is over \$25,000.

Patti Rawding-Anderson stated did not receive papers. Otis said there were none and for some reason the website had this as a regular meeting but it is not. This was a special meeting to discuss the budget. There will be a regular meeting on the 4th Monday of this month.

Patti stated she is not unhappy with the rent they are paying.



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Gary Green would like update on repair of the boiler. Gary Bannon said crew from company is here today. Parts and labor are fully under warranty. First repair was done but not adequate so was leaking. Missed plumbed the return lines on both boilers. Parts are ordered, have a written proposal and work will be done as soon as possible.

Otis asked if anything else about budget. Gary Green made a motion to accept the number as outlined from report of December 22 meeting from budget committee. Otis stated the number was \$7.67 per square foot for FY11 (based on previous year expenses). Gary Gilmore had one concern which is Gary Bannon's salary. He doesn't think it should be 25%. He was concerned if less would change square foot price. Otis did rough calculation and was only \$10,000 difference from FY08 to FY09. Gary Gilmore wanted to amend motion. Otis asked if the original motion has been seconded. At this point somebody seconded the original motion. Then Gary Gilmore amended to lower amount on line 4110 to be \$9786.00. Otis asked for a second to the amendment and there was none. Otis asked any more discussion for proposal of \$7.67 starting July 1, 2010? A vote was taken. There was only one opposed. Motion passed.

DOVER CHILDREN'S CENTER STATUS DISCUSSION:

Who is going to meet with them and set up the meeting? Nick, Jan and Gary Gilmore are to meet with the center and then go back to the McConnell Board with information and the whole board will discuss. Gary Bannon would like to try and schedule sometime next week.

Otis Perry has been chairman of the committee for 3 years and thinks it is time for somebody else to take over. He will not be a candidate for this coming year and would like to have a volunteer. Gary Green thanked Otis for his services.

Otis motioned to adjourn. All in favor stand up.