



CITY OF DOVER

CITY COUNCIL - MINUTES

Meeting Type: Workshop Session
Meeting Location: Council Chambers, City Hall
Meeting Date: **Wednesday, March 16, 2011**
Meeting Time: **To follow Special Meeting**

1. CALL TO ORDER

2. ROLL CALL ATTENDANCE

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

Also present: City Manager Joyal, General Legal Counsel, and City Clerk Lavertu.

Financial Policy Committee Members: John Leggett, Paul Kageleiry, and Ken Appel.

3. REVIEW OF THE RECOMMENDED FINANCIAL POLICIES

Mayor Myers gave a PowerPoint presentation to the Council regarding the 2011 Financial Policy Committee's recommendations.

Mr. Leggett gave an overview on two different scenarios for increasing the fund balance and the impacts.

Mr. Kageleiry spoke about how to go about spending money without piling on debt.

City Manager Joyal gave an overview on the modeling reports to show impacts. He recommended the Council have workshops to discuss different scenarios so they can work on forecasts and show impacts.

Councilor Garrison asked about increasing the fund balance to 8%, and if it included the School's side of the budget.

Mayor Myers referred to Page 40 of the 2010 Financial Policy Report and Recommendations, and said it included the City and School, but it was not in the School budget for this year.

Councilor Garrison said the Council has no control on the School budget, and they just have to hope they follow along with these policies.

Mayor Myers agreed.

Councilor Garrison referred to the 5% increase to Other Post-Employment Benefits (OPEB), and asked if that was going into a special revenue fund.

Mayor Myers said they have asked New Hampshire Senator Merrill to sponsor enabling legislation to allow communities to set up a trust fund for OPEB.

Councilor Garrison started a discussion about debt limits.

Councilor Weston asked for more clarification on the impact to the tax rate to increase the fund balance, and if it included the School. She wanted people to know that if it is absorbed that cuts will have to be made for both the City and School side of the budget.

Deputy Mayor Trefethen referred to Page 5 of the PowerPoint presentation, and asked if it listed the priorities in order.

Mayor Myers said it did. The first priority is to bring the fund balance up to 8%.

Councilor Hooper asked what happens in an emergency and the City deviates from the plan.

Mr. Leggett said as long as you're moving in one direction you're better off than you are now, because it allows for more leeway.

Councilor Cruikshank said these recommendations will benefit the City's position, and asked Councilor Cheney, Vice-Chairperson for the Financial Policy Committee, why she didn't vote.



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Councilor Cheney said she felt it was imperative that the modeling software is integrated into dynamic presentations. She said the City needs more public input. She said they needed to see more “what ifs” scenarios with budget items.

Deputy Mayor Trefethen asked Councilor Cheney if she disagreed with any of the recommendations.

Councilor Cheney said she didn’t disagree with the actual report. She made some compromises, but it was difficult for her to buy into this knowing the situation the City is facing. Mayor Myers reminded the Council that the Committee wasn’t asking the Council to adopt these recommendations tonight. He said they will be getting public input.

Mr. Leggett said the recommendation is for the City to allocate the equivalent of \$0.31 or \$800,000, but they aren’t saying where it comes from. It doesn’t have to impact taxes.

Councilor Nedelka said he likes the recommendations, but was concerned with the phase in timing for these changes. He said with downshifting from the State the only way to pay for the additional costs is to raise taxes. He started a discussion about shifting the property taxes a month at a time, so it isn’t six months in arrears.

Dr. Appel said they don’t have a firm feeling when the rating agencies will change the City’s bond rating if they don’t have 8% in fund balance.

Mayor Myers said the fund balance is an area they can control, but they can’t control the economy or housing market.

4. PRESENTATION OF INDEPENDENT FINANCIAL AUDIT REPORT

City Manager Joyal introduced Christian Smith from MacDonald Page & Company.

Mr. Smith gave a PowerPoint presentation to the Council, discussing the preliminary draft for the Management Letter.

Deputy Mayor Trefethen asked if the timeliness of the closing a result of the City not having enough staff, staff not working efficiently, or the staff is not using the best use of their time.

Mr. Smith said it was a combination of a number of things, but he couldn’t pin it down to one particular issue or item.

Councilor Hooper asked about internal controls.

Mr. Smith said it had to do with checks and balances within the system.

Councilor Cheney asked how the encumbrances could not agree with the detail.

Mr. Smith said the number was way too high, so it couldn’t be accurate. He needed figures for the financial report and the software didn’t show an accurate result. He said it has been rectified.

City Manager Joyal explained that the software conversion happened during the middle of the fiscal year, and the training they received from the software vendor to roll over the information was incorrect. He said all the information had to be backed out and reinstated based on the new instructions from the software vendor. He believed it is functioning as it should be at this point.

Mr. Smith continued his presentation to the Council, discussing the Comprehensive Annual Financial Report.



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5. 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.

6. ADJOURNMENT

Councilor Cruikshank moved to adjourn; seconded by Councilor Nedelka.
Vote: 9/0.

All handouts and PowerPoint Presentations have been archived with the Minutes.