



CITY OF DOVER

JOINT FISCAL COMMITTEE - AGENDA

Meeting Type: **Regular Meeting**
Meeting Location: **Media Access Center, McConnell Center**
Meeting Date: **Wednesday, February 1, 2012**
Meeting Time: **6:00 PM**

- 1. CALL TO ORDER**
- 2. APPROVAL OF MINUTES**
 - A. October 5, 2011**
- 3. 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND AUDIT**
- 4. REVIEW OF TAX CAP CALCULATION**
- 5. BUDGET DISCUSSION & COUNCIL GUIDANCE**
- 6. OTHER ITEMS OF INTEREST**
- 7. ADJOURNMENT**



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JOINT FISCAL COMMITTEE - MINUTES

Meeting Type: Regular Meeting
Meeting Location: School Board Chambers, McConnell Center
Meeting Date: **Wednesday, October 5, 2011**
Meeting Time: **7:00 PM**

Present: Mayor Trefrethen, Deputy Mayor Weston, Councilor Carrier, Councilor Cheney, Councilor Cruikshank, Councilor Garrison, Councilor Hooper, Councilor Nedelka, School Board Chairperson Carolyn Mebert, School Board Vice Chairperson Audra Lurvey, and School Board Members Kenneth Appel, Doris Grady, and Robert McCrory.

Also Present: City Manager Joyal, City Clerk Lavertu, Planning Director Parker, Finance Director Lynch, Superintendent Briggs-Badger, and Business Administrator Michael Limanni.

Absent:, Councilor Ciotti, School Board Secretary Beth Setear, and School Board Member Matthew Mayberry.

1. CALL TO ORDER

2. APPROVAL OF MINUTES

A. February 14, 2011

Deputy Mayor Weston moved to approve the Minutes; seconded by Councilor Nedelka.
Vote: 13/0.

3. PRESENTATION THE CAPITAL IMPROVEMENT PROGRAM (CIP) DEVELOPMENT PROCESS AND ISSUES

Planning Director Chris Parker gave an overview of the CIP process to the members.

Ms. Mebert referred to library books being in the CIP, and said the school doesn't use CIP funds for books.

Director Parker said the CIP doesn't mean you're using debt financing to pay for a project. He said operating expenses can be included in the CIP, and helps in understanding the expenditures. He said capital assets that need to be replaced should be in the CIP.

Ms. Mebert asked if the new curriculum adoption could have been in the CIP.

Director Parker said it should have been in the CIP.

City Manager Joyal said the CIP is much more than the planning process that is discussed in these types of meetings, but there is also the financial planning and fiscal reporting that has to take place. The CIP is intended to capture all of the assets of the City.

Mayor Trefethen said expenditures need to be planned for every year, and money put into a reserve fund.

Ms. Mebert said they do have a cycle for curriculums.

Mayor Trefethen said that should be put into the CIP. He said when he first came on the Council every police car, fire truck, or ambulance was purchased with borrowed money. He said today they are all bought with cash out of our operating expenses, which was put into a capital reserve fund.

Ms. Grady said she felt the City Manager was trying to point out to the School Board to put \$400,000 to \$500,000 aside in a capital reserve fund when setting up the budget for the coming year.

City Manager Joyal said they are recommending that.

Director Parker said the City started with \$50,000 the first year.



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Mr. Appel said the School Board did have the recommendation from the Ad-Hoc Fiscal Policy Committee to set up a capital reserve fund, but they had no place to find the money.

City Manager Joyal said they used \$350,000 in the last few years for curriculums, and they should maintain the \$350,000 in the budget, but put it in a reserve fund.

Mr. Garrison spoke about adding School operational expense items to the CIP, and asked how it would work since the Council has no authority to appropriate the funds.

Director Parker said it's more a reinforcement that they are on the CIP.

City Manager Joyal said the School is not fiscally autonomous from the City, and the taxpayers are paying the bill. He said they should be open and transparent what the big ticket items are going to be over the next six years. He said it would help the Council to level things out in a given year, because the bottom line is that we don't want to have a big property tax bill.

Superintendent Briggs Badger said they can tell the Council the curriculum schedule. She said they were in a bind this year because they couldn't get the curriculum ordered and it's on back order. She spoke about the uncertainty and the need to make the process happen in a more even, predictable, and reliable manner. She said if putting it in the CIP is the manner to move forward, then she felt it was a great idea.

Finance Director Lynch said the Council does appropriate any debt financing for the City and School. He said it was important to have that information from the School in the CIP.

Mr. Limanni asked Director Lynch to explain GASB 64 to the committee.

Director Lynch explained GASB 64 to the committee, which are restrictions in accounting for fund balances.

Ms. Grady said she's getting a mixed message. She said the City Council is not aware what the School Board does to establish a budget. She said School budget is approximately 50% of the tax levy, where other communities are much higher.

Ms. Mebert said the School was punished in the budget process this year, because they didn't put money into a capital reserve fund. She said they can't always put money aside for some future operational need, because their budget has been cut to the bone.

Mayor Trefethen spoke about priorities, and gave examples where the City put money into a reserve fund instead of funding a particular need of the City. He said he understood the School need to educate 4000 students, but the City has to fund the fire department and police department. He said it isn't easy to cut something else, but felt the City's side did the right thing putting the money in a reserve account.

Mr. Appel spoke about the differences between the School and City, and that the City has a better idea of future needs.

Councilor Nedelka spoke to comments that the Council has punished the School Board, and said the worst response to that is that you're not going to provide a plan. He said a plan provides credibility and tells the Council that if they cut the budget the plan will fail.

Ms. Mebert said it's all available on the School's website and not a mystery.

Councilor Hooper said she has served on both the School Board and Council. She said she is worried about the 4,000 students, but she is also worried about the 30,000 residents. She said there is a lot the City Council doesn't understand about the School Board, and a lot the School Board doesn't understand about the City Council. She said this dialogue has to continue.

Mr. Limanni said the School is all for being open and transparent.

Deputy Mayor Weston asked if the City has taken any money out of the School Reserve Fund.

City Manager Joyal said they have not.



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Mr. Limanni, being the new Business Administrator and learning the process, said the School always spent the money because they knew what wasn't spent went into Fund Balance, and now he will be changing this process by putting the unexpended funds into a reserve fund. City Manager Joyal said he will continue to work with the Superintendent and Business Administrator, and they will come back to the Council with recommendations, with the support of the School Board.

Superintendent Briggs Badger spoke about having a joint orientation meeting in December.

4. STATUS OF NEW HAMPSHIRE RETIREMENT SYSTEM (NHRS) DOWNSHIFTING

City Manager Joyal gave a presentation on the downshifting from the NHRS. He said the City has received a check for \$71,764.15 from the State and it has been put into the unexpected revenue account. He said there will be a resolution on the October 12, 2011 Council agenda to appropriate the funds back to the respective departments to offset the retirement costs that was absorbed in the budget.

5. REVIEW TAX CAP AMENDMENT

Mayor Trefethen gave an overview of the language on the Tax Cap Amendment that will be placed on the November Municipal Ballot.

6. OTHER BUSINESS

Deputy Mayor Weston asked that the next meeting be scheduled in February, prior to the School budget.

Councilor Nedelka said he was looking to change the size and increasing the frequency of this committee.

Councilor Hooper said she agreed that they needed to meet more often, but felt it should still be the whole body of both the School Board and City Council.

Ms. Mebert felt they needed to meet more often during the budget season.

7. ADJOURN

Meeting adjourned at 8:35 pm.