



BUDGET Revealed

**YOUR GUIDE TO
THE BUDGET
PROCESS AND
COMMUNITY
FINANCES**

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No. 8 | Tuesday, April 14, 2015



City of Dover
New Hampshire

Proposed Budget
Fiscal Year 2016

As submitted to the City Council
By City Manager J. Michael Joyal, Jr.

UPCOMING BUDGET MEETINGS:

Wednesday, April 15
7 p.m.
City Council Workshop
Budget review

Wednesday, April 22
7 p.m.
City Council Meeting
City budget public hearing

Wednesday, April 29
7 p.m.
City Council Workshop
Budget review

Wednesday, May 6

Budget sessions continue at this week's City Council workshop

The City Council will hold a budget workshop session on Wednesday, April 15, 2015, at 7 p.m., in Council Chambers at City Hall. The workshop agenda can be [viewed here](#).

The workshop is one of several City Council workshops, meetings and public hearings on the fiscal year 2016 proposed budget scheduled over the coming weeks.

Wednesday's workshop will focus on three departments: the Public Library, Police Department, and Community Services.

Each department will make a presentation to the City Council, reviewing the proposed departmental budget, followed by questions and answers.

April 15 Presentations At a Glance

Public Library

The Public Library component of the proposed budget totals \$1,131,936, an increase of \$21,970, or 2 percent.

The Dover Public Library supports lifelong enjoyment of reading and learning. The Library focuses maintains a broad range of information services, in multiple formats, which entertain, enlighten, empower, educate and enrich the residents of Dover.

7 p.m.
City Council Workshop
Budget review
and
Special Meeting
Budget adoption

Wednesday, May 13
7 p.m.
City Council Meeting
Budget adoption, if not
adopted on May 6

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The proposed fiscal year 2016 budget for the Public Library includes funding to open the Library on Sunday afternoons, from September to May. In addition, the proposed budget also aims to expand patron access to Internet-enabled devices, improve building security, expand online access to historical archives, improve wireless access in the Children's Room, and paint the Library's interior walls and ceilings.

The Public Library budget can be [viewed here](#).

Police Department

The Police Department component of the proposed budget totals \$7,804,208, an increase of \$383,459, or 5.2 percent.

The Police Department budget consists of several divisions and programs, including administration, field operations, special investigations, police support, drug enforcement, the Parking Activity Fund, and public safety dispatch. Also contained the proposed Police Department budget is funding for the Dover Coalition of Youth, which conducts and coordinates substance abuse programming in the community, with a strong emphasis in schools. The Coalition for Youth, along with related programs such as DARE and Youth to Youth, works to strengthen and increase community involvement in substance abuse prevention.

The department's proposed budget includes funding for a Dover Middle School resource officer, the cost of which is shared equally by the schools. The budget also includes grant funding for overtime enforcement patrols to target pedestrian, speed, traffic signal and DWI related violations. In addition to funding for the department's vehicle replacement program, the proposed budget also funds the department's efforts to enhance safety in the Downtown Business District, which include the Mounted Patrol Unit, Bicycle Patrol Unit and Walking Patrol details, and involvement with various downtown business groups.

The proposed budget also helps the Police Department adhere to its commitment to respond to "Priority One" calls for service in less than six minutes. Priority One calls include calls requiring an immediate response, such as crimes in progress, accidents involving injury, and alarms.

The Police Department budget can be [viewed here](#).

Community Services

The Community Services component of the proposed budget totals \$6,655,395, an increase of \$618,819, or 10.3 percent.

The Community Services budget consists of several departments, divisions and programs, including administration, engineering, streets and sidewalks, snow removal, storm water, street lighting, facilities and grounds, government buildings, public cemeteries, and recycling and waste management. In addition, Community Services also includes the sewer and water enterprise funds.

In addition to requested funding for the maintenance of the City's streets and sidewalks, public facilities, snow removal and storm management, the proposed budget for Community Services also includes funding for staffing and resources to meet the increasing demand on the City's storm water management requirements, and wastewater, sewer and water infrastructure.

The Community Services budget can be [viewed here](#).

The FY16 proposed budget, along with other budget resources, can be viewed at the Budget Revealed [online resource here](#).

BY THE NUMBERS

Enterprise Funds	FY15	FY16	Change	% Chng
Water	4,852,957	4,866,401	13,444	0.3%
Sewer	7,158,576	7,331,712	173,136	2.4%
Internal Service	2,216,907	2,366,824	149,917	6.8%
Total	14,228,440	14,564,937	336,497	2.4%

Enterprise Funds

A previous edition of Budget Revealed looked at the general fund component of the proposed budget.

The two other major groups of budgets are the Enterprise Funds (including Internal Service Funds) and Special Revenue Funds. The Enterprise Funds consists of the Water and Sewer Utility Funds. These funds are supported by user fees.

The Water Fund is proposed to increase \$13,444, or 0.3 percent. The major components of the change are an increase of \$53,376 in personal services, an increase of \$20,968 in purchased services, a decrease of \$30,308 in supplies, and an increase of \$33,572 for other expenses. There is an estimated decrease of \$71,922 in interest expense related to debt obligations. There is an estimated increase of \$7,258 in depreciation expense on capital assets.

The Sewer Fund is proposed to increase \$173,136, or 2.4 percent. The increase mainly relates to an increase of

\$35,482 in personal services, an increase of \$245,097 in purchased services, and an increase of \$71,198 in other expenses. There is an estimated decrease of \$85,751 in interest expense related to debt obligations for capital improvements. There is a decrease of \$97,834 estimated for depreciation expense related to capital assets.

The operations and maintenance portion of the Enterprise funds are reflected in the table below. This excludes depreciation, debt interest and transfers to capital reserves.

Operations & Maintenance				
Enterprise Funds	FY15	FY16	Change	% Chng
Water	2,657,020	2,735,128	78,108	2.9%
Sewer	3,583,609	3,940,330	356,721	10.0%
Total	6,240,629	6,675,458	434,829	7.0%

The Internal Service Funds (Workers' Compensation, Fleet Maintenance, DoverNet and Central Stores) are also included for presentation purposes with the Enterprise section. The Special Revenue Funds make up the smallest share of the budgeted funds. Federal grant funds, including any related local match, make up the majority of the budgeted Special Revenue Funds. The major grant funds are the School Cafeteria, Education Federal Grant Funds and the Community Development Block Grant Fund. The remaining funds were created by the City Council such as the Parking Activity Fund and the Residential Solid Waste Fund.

In the proposed FY2016 budget the Other Post Employment Benefit (OPEB) Liability Fund has been budgeted to centrally account for the City's OPEB obligations for retirees. As of June 30, 2014, the City has an estimated \$45.4 million OPEB liability and the Actuarial Determined Annual Required Contribution (ARC) is estimated at \$3,956,771. The proposed FY16 budget for the OPEB Liability Fund is \$1,301,526 for pay-asyou-go OPEB obligations for 112 retirees, a decrease of \$262,951 or 16.8 percent over FY15 pay-as-you-go amount. This is the result of the City making changes to health insurance plans being offered in FY16.

Utility Rates

The proposed budget reflects an increase to both the Water and Sewer rates. The utility rates are based on the cash needs of the Water and Sewer Funds. Depreciation expense and interest expense are deducted, along with other revenue sources and actual principal and interest payments on debt are added back. This amount is then divided by the estimated billable volume in hundred cubic feet (HCF) to arrive at the rates.

Rates	FY15	FY16	Change	% Chng
Water/HCF	4.69	4.77	0.08	1.7%
Sewer/HCF	7.24	7.52	0.28	3.9%
Combined W/S	11.93	12.29	0.36	3.0%

(This information appears on Page 28 (12-8) of the fiscal year 2016 proposed budget. The proposed FY2016 budget can be [viewed here.](#))

EFFICIENCY AND COST-SAVINGS INITIATIVES

Each year, City staff implements and follows budget initiatives and best practices that help reduce costs and improve efficiency across all services and operations. The cost-savings initiatives have saved the City millions of dollars over the last several years. Many of these efforts will or have the potential to reduce costs for years to come.

These savings are largely the result of the hard work and creativity of City staff and department heads, in concert with the funding decisions made by recent City Councils. Each edition of Budget Revealed will highlight some of these cost-savings initiatives.

Staffing changes, fee assessment and digital archives help Planning Department reduce costs

In 2011, following the retirement of a City Planner, the Department of Planning and Community Development reclassified the position as an Assistant City Planner, which reduced the pay scale and expense of the salaried position.

The Department of Planning and Community Development continues to expand its archive of public records, while also encouraging the use of electronic documents by developers and applicants. As part of its community outreach efforts, the Planning Department provides hundreds of documents in digital form on the City's website. These documents include applications, regulations and detailed background information on a variety of projects and initiatives. Maintaining this archive and a commitment to an electronic workflow helps the City reduce printing costs while increasing response time. In many cases, Planning staff can email an online link to requested documents, instead of mailing paper copies at a greater expense.

City planners also continually review the cost of development to ensure application and plan review costs are supported by fees for service. Fees for service have been in place for many years. To remain responsible and competitive with comparable communities, the Department

of Planning and Community Development assesses annually the cost of plan review.

DID YOU KNOW?

The amount of debt incurred by the City of Dover remains below the State statutory limits for the City, Schools and Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3 percent of base valuation, as determined by the New Hampshire Department of Revenue Administration. The statutory limit for the School District is 7 percent of base valuation, as determined by the NHDRA. The statutory limit for the Water Fund is 10 percent of base valuation, as determined by NHDRA.

As of June 30, 2014, the City had utilized 60.2 percent of its statutory debt limit, the School District utilized 11.4 percent of its statutory debt limit, and the Water Fund had utilized 5.9 percent of its statutory debt limit.

The City Council established self-imposed limits significantly lower than those set by State statute. As of June 30, 2014 the percent of the City's more conservative debt policy was 92.6 percent and the School District was 40.7 percent. General Fund net debt per capita is at \$2,464, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.65 percent. The General Fund's net debt service as a percent of budget is 9.7 percent. This measure is close to the 10-percent limit recommended by policy, it is partially as a result of a higher rate of debt pay-down, resulting in a favorable reduction in the cost for debt.

The Water fund is at 100 percent of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 55.4 percent. Net debt service to budget in the Water Fund is 33.5 percent and 22.9 percent within the Sewer Fund, within the 40 percent set by policy.

In May 2014 Moody's reaffirmed the City's May 2012 Aa3 rating. In May 2014 Standard & Poor's upgraded the rating of the City to AA+. Previously, the City was rated AA.

BUDGET PRESENTATIONS

City Manager J. Michael Joyal, Jr. presented to the FY2016 proposed budget to the City Council on Wednesday, March 25, 2015. The presentation can be viewed by clicking on the image below.

FY2016 Proposed Budget



Presentation to the City Council
by City Manager J. Michael Joyal, Jr.

March 25, 2015

For more information, including departmental presentations and multimedia resources related to the budget, visit [Budget Revealed here](#).

BUDGET RESOUARES

Want to know more? Check out this Budget Revealed session, hosted by City Manager J. Michael Joyal, Jr. In this video, the city manager details the budget process.

This session can also be seen on Channel 22. For upcoming times, tune in to DNTV Channel 22.

Click on the image below to view:



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