

CITY OF DOVER
STATE OF THE CITY

7:30 am Tuesday February 11, 2008
Coheco Country Club

Remarks of J. Michael Joyal, Jr.
City Manager

Introduction

[Title slide – J. Michael Joyal, Jr.]

Don, thank you. Once again I too would like to thank the members of the Dover Chamber, Linda Hagan and Jack Story along with James Brannen and Federal Savings Bank for their hosting of this breakfast forum. I also wish to thank each of you for taking time this morning to be here and learn more about the State of our City and hear about a few of the important projects and activities that are being addressed here in our community.

My hope this morning is to share some statistics illustrating how our City government is performing, relate to you our staff's continuing commitment to deliver high quality services and touch upon some of the projects and the ONE significant challenge that lies immediately ahead for our community.

[Slide – State of our City is Good]

To BEGIN, let me start with this CONCLUSION – The state of our City is Good. I am proud to share this fact with you, the residents and business people of our community. And, just as I related during comments I have made each of the last three years, although life in Dover remains good, we must continue along a never-ending journey, a trek if you will, a quest towards a destination where greatness for our community may be achieved.

Today the quality of life in Dover is excellent. Our neighborhoods are safe, our education and health care systems are sound and our local economy, despite a likely downturn across the nation, remains relatively stable.

[Slide – Building Communities – No small chore]

The building of an exceptional quality of life in any community is no small chore. Economically strong, high quality of life communities don't just happen. They are positively impacted by the hard work of many people including volunteers and the professional staff who plan for and deliver municipal services. Here in Dover, those services range...

[Slide Build – road sign and ambulance]

From providing 24/7 water and sewer utilities to 9-1-1 emergency police fire and advanced pre-hospital life support services

[Slide Build – sandbags and sandbox]

From deploying sandbags during floods to providing safe places for children to play

[Slide Build – houses and downtown]

From planning for schools and transportation to ensuring that “Main Street” is still the place to go

[Slide Build – crane and disaster area]

From preparing for the unexpected to rebuilding homes and lives when disaster strikes

[Slide Build – recycling and barbed wire fence]

From supporting recycling programs to preserving open space

[Slide Build – flu shot and basketball court]

From protecting public health to providing places to recreate

[Slide Build – street light and couple walking]

From illuminating darkened streets to providing for a pleasant summer-time walk

[Slide Build – fenced lot and kids in park]

From encouraging appropriate development to offering playground programs for children

[Slide Build – swimming and snow plow]

From operating public pools to keeping snow-filled streets clear.

[Slide – Volunteer Organizations – names fly in automatically]

In past years and again this year I wish to acknowledge the efforts of our Mayor and City Council, our School Board members and the many community volunteers who serve on various committees and are members of various civic organizations. Many of our friends and neighbors invest untold hours, with little or no praise for the work they perform, important work that ultimately makes Dover the great community that it is.

[Slide – Professional Staff – names fly in automatically]

In addition to these many community volunteers, there is another group of people that I would like to single out for recognition this morning. They are the professional staff that support the work of our many volunteer boards and commissions and ultimately deliver a high quality of municipal services that our community demands and has come to expect. Our department heads and a few of our staff are here this morning and I would ask that they all stand now so they can be recognized.

Thank you. Our department heads are true professionals and they lead an incredible team of employees. I could not be prouder of their accomplishments and most importantly their continued commitment to public service here in Dover.

There are so many little things that our employees do that go unnoticed and yet they do make a positive difference in the services provided to our community. Examples include the librarian who personally subscribes to a weekly newspaper and after reading it at home Sunday morning refolds it and brings it to the library for patrons to peruse; or the several firefighters who invest more than 1,000 hours of their off-duty time without pay to seek paramedic certification so they may provide the highest level of pre-hospital care to our residents; or the employee who found a replacement printer at the recycling center instead of seeking to purchase a new one after theirs was damaged by lightening; or how about our bookkeepers who flip over calculator tapes to utilize both sides of the paper and save on purchasing replacement rolls. And, so many more...

[Slide – Quote about doing something you care about]

This quote by Jim Collins I believe sums up the motivation behind the efforts of not only our department heads and their employees but also the many volunteers who serve our community's varied needs...

"If you're doing something you care that much about, and you believe in its purpose deeply enough, then it is impossible to imagine not trying to make it great. It's just a given."

So with that said, I would now like to take you through a few charts illustrating how our City fared over the past year. Let's start with population...

[Slide – population chart]

In terms of growth in our customer base, our City is continuing to experience a modest 1% average yearly growth trend in population. This rate remains slightly higher than the overall State average.

[Slide – student chart]

Although total student population has declined slightly from 2006 to 2007, a 1.5% average growth rate per year in our student population continues. Again, reasonably modest.

[Slide – development activity chart]

Overall Development activity in the City as gauged by the number of building permits issued has declined for the third year in a row reflecting a relatively flat growth rate over the course of the last 10 years. Meanwhile, in terms of just residential building construction, there was a decrease in building permits issued since last year also consistent with a slowing trend over the last 10 years. However, despite a decline in the overall number of permits issued the dollar value has increased significantly over prior years primarily because of the larger scale commercial projects being built throughout the City.

[Slide – vehicle registration chart]

Another indicator of growth relating to population as well as having a relation to the health of our local economy is the number of vehicle registrations completed each year. The number of vehicles being registered has remained relatively stable from the prior year.

[Slide – assessed value chart]

This past year the City's overall valuation continued to climb although a leveling in appreciation of individual property values is evident when new construction values are subtracted out. This is further evidenced

by the slowing of sales activity as reported by local real estate professionals.

[Slide – average home value chart]

The average residential home value has leveled off in the past year. It has grown from approximately \$96,000 to \$260,000 over the course of the last 10 years. This represents a potential 17% annualized return on the average homeowner's investment.

[Slide – average home tax bill]

Corresponding with increased budget appropriations and slightly mitigated by new development and offsets from other non-property tax revenues, the average homeowner's tax bill has increased on average by 8.5% each year over the last decade. Meanwhile, it is interesting to note, or at least for me it is, that over the past three years, that increase has been held to just 3.2%.

[Slide – General Fund balance chart]

The City's unreserved general fund balance at the end of fiscal year 2007 was \$5,068,952, up from \$4,796,633 the prior year. Our current fund balance represents 6.6% of the annual budget and remains above the 6% minimum level established as a financial policy by the City yet

still below the upper 10% threshold suggested by credit rating agencies.

[Slide – notable projects and activities]

There are many notable projects and activities ongoing in the coming year. Some of these include the construction and opening of a new North-end fire station, the planned renovation of all of the city's schools, ongoing street and sidewalk repairs, development in the downtown area including the waterfront, the master plan update, and, most certainly, the implementation of the new tax cap charter amendment.

Other projects not listed, but also of note include the ongoing effort to finance and eventually construct a parking garage as alluded to previously by Mayor Myers, the ongoing repairs to the Butterfield Gym foundation and the Children's Museum opening this summer, the completion of the Cocheco River dredging this fall, north end utility and roadway improvements, the General Sullivan Bridge widening, Willand Pond restoration efforts, and the anticipated implementation of energy efficiency and related climate change initiatives within City and school facilities.

[Slide – north end fire station]

The construction and opening of a north-end fire station has long been planned for. The station is being built on land donated by Liberty Mutual, located off Sixth Street directly across from Glenwood Avenue. The building contractor has been engaged and wetland permitting has been addressed. On-site construction will be commencing in the next few weeks, weather allowing, with the station expected to be completed later this summer. The station will house administrative offices for the Fire department, moving them from the Central station on Broadway. A new fire pumper has been ordered with delivery expected this summer. 4 additional firefighters are expected to be hired and trained to allow for the station to be fully staffed and opened early this fall. This will improve response times for fire and medical emergencies in the north end of the City and, with three stations fully staffed, will provide improved emergency response capabilities throughout the city.

[Slide – public schools]

A major renovation of Woodman Park School is underway which includes a complete overhaul of the building systems and installation of fire and life safety measures such as sprinklers and upgraded alarm systems. Proposed funding in the City's capital improvements program

anticipates renovations to Horne Street and Garrison elementary schools along with the Career Technical Center and the High School to be scheduled over the next six years with an anticipated cost of \$36 million.

[Slide – streets and sidewalks]

The City continues with implementation and revision of a comprehensive street and sidewalk repair program. Anticipated street repairs in the coming year include reconstruction of Henry Law Avenue, and initial design work for Tolend Road, the Ela Street Area and Piscataqua Road. In addition, street overlays are being prioritized for various areas of the City along with sidewalk replacements in downtown areas and radiating out from schools. Approximately 5-7 million dollars in street and sidewalk repairs are proposed for each of the next six years.

[Slide – downtown and waterfront]

Efforts to focus economic development activities on the downtown and waterfront area have gained widespread support. Mixed use development and infill to maximize the use of available property in the downtown is being encouraged. The waterfront project has moved along with the Council ratifying the term sheet last summer and the

Dover Housing Authority's Cocheco Waterfront Development Advisory Committee is continuing to work on the drafting of the final Land Disposition Agreement. The original deadline of 12/31/2007 for development of the LDA as contemplated in the term sheet was extended to allow CWDAC and the Dickinson Development sufficient time to finalize detailed specifications for park land and building design. CWDAC has recently engaged the consulting services of Cecil Group, a Boston based design firm to assist with the drafting of the final specifications needed to realize the architectural and other design elements envisioned in the waterfront charette planning process. A fully executed Land Disposition Agreement is expected to be completed by later this spring.

[Slide – master plan]

Dover first adopted a Master Plan in 1963, and since that time has evolved from a primarily manufacturing based community to one with a more diversified employment base, a reemerging downtown and varied housing opportunities. The Dover Planning Board through the efforts of various subcommittees has been working on updating various sections of the community Master Plan, last updated approximately 10 years ago. Currently the land use section of the Master plan has been revised with more than 60 recommendations

addressing issues such as housing density, affordable housing, parking needs, mixed use development, streetscape and energy efficiency requirements. The Planning Board is proceeding with drafting the necessary code changes to implement these recommendations. Meanwhile, work continues on updating the recreation, economic development, and various other sections of the master plan documents along with development of additional impact fees to be levied against new development.

[Slide – tax cap]

Clearly the most significant and notable activity currently being addressed relates to the adoption of the tax cap charter amendment. A very steep challenge that will require leadership, agility and care to overcome.

Implementation of the provisions associated with the tax cap amendment approved by a majority of Dover’s voters will have a profound effect on how and what priorities are established for municipal services. The City Council is currently considering a proposed ordinance to address various ambiguities in the charter amendment language. The ordinance proposes to define the CPI-U adjustment to be used from year to year in the tax cap formula along

with the methodology for appropriately determining the value of building permits.

The anticipated tax cap formula to be set by ordinance has the City absorbing any change in the County Tax and the School absorbing the State School tax. Based on the calculations made using the methodology outlined in the proposed ordinance, the City Manager will be allowed to propose an increase to the tax levy related to city departments by approximately \$133,000 and the School Board will be allowed to propose an increase to the school related tax levy of approximately \$1.4 million. As the majority of Councilors have pledged not to override the tax cap this coming year, it is likely that significant adjustments in City services will be required to achieve the required budget limitations. That being the case, given the decision of the voters, it is imperative upon the City Council and me, as City Manager, to ensure that the tax cap is successfully implemented. Tough decisions lie ahead.

[Slide – Trek to Greatness]

In our never ending effort to move our community from good to great, it is clear that we will be continuing along a path, a trail that will come with many obstacles, many challenges. The tax cap being perhaps the

most difficult of all. The many projects and activities being undertaken will undoubtedly have difficulties and peaks and valleys, highs and lows that must be traversed. The economic, social and political climate in which we travel has and will continue to experience changes at various points along the way. The challenge for our community will be to adapt while still finding the means to move the Dover community forward without falling backwards.

Closing

Thank you for the opportunity to be here this morning and as I always stress to those who work and live in our community, please keep informed, stay involved and most importantly freely share your vision regarding the future of our City.

Thank you.

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