

**CITY OF DOVER**  
**STATE OF THE CITY**

7:30 am Tuesday May 17, 2011  
Cocheco Country Club

Remarks of J. Michael Joyal, Jr.  
City Manager

[Title Slide]

Thank you for that introduction and good morning to everyone.

Let me begin by thanking all of you for attending this morning and for your interest in our community – There have been a number of noteworthy accomplishments made over the course of the past year and several initiatives that are ongoing which I will share with you this morning. I also want to speak to some of the major issues, more immediate challenges and truly difficult decisions ahead, specifically the soon to be adopted municipal budget for the fiscal year beginning July 1<sup>st</sup>.

Before getting into the details regarding the State of our City, I ALSO want to thank our sponsor this morning, Fairpoint Communications, for making this opportunity to get together possible. I also want to recognize our host, the Greater Dover Chamber of Commerce, their board of directors chaired by Mike Bolduc. And, Molly Hodgson-Smith, congratulations on your appointment as the Chamber's new executive director.

I would also like to extend a special welcome and appreciation to our citizen volunteers who are here this morning. In addition to

Mayor Scott Myers and Councilors Bob Carrier, Gina Cruikshank, Bill Garrison, Jan Nedelka and Karen Weston... I would like to ask ALL who serve on our city government's various boards and commission to stand and be recognized for your continuing service and commitment to our community. Please stand for a moment and everyone please join me in a round of applause.

Lastly, I must acknowledge our School Superintendent Jean Briggs-Badger and our department heads, the members of my executive management team who are here this morning, our Recreation Director Gary Bannon, Economic Development Director Dan Barafuldi, Public Library Director Cathleen Beaudoin, Police Chief Tony Colarusso, Interim Fire Chief Rich Driscoll, General Legal Counsel Alan Krans, Public Welfare Director Lena Nicols, Planning Director Chris Parker, Community Services Director Doug Steele and also my assistant Colleen Bessette, our Media Services Coordinator Mike Gillis and, recently promoted Captain in our Police Department, Bill Breault. These people, along with all of our dedicated employees, are working hard every day in every city department to fulfill the promise of our community – to remain an exceptional place to live, work, and recreate.

Thank you.

[Yogi Berra Quote Slide]

If the Red Sox had not swept New York this past weekend, I probably would not have used this quote. But since they went 3 and 0, I'm hoping that any diehard Red Sox fans will forgive me... Yogi Berra has been quoted as saying "If you don't know where you are going you may end up somewhere else". We may not know where somewhere else is, but here in our community, Dover, we do know where we are going and we have and continue to remain focused on reaching that destination. As I mentioned, the promise of our community, the destination we continually seek to achieve, is to remain an exceptional place to live, work, and recreate. The journey to get where we are going by definition will always be never-ending, as we pass one mile marker, others will lie ahead. There will be bumps and potholes and detours along the way, and possibly even a few less street lights, but our community has the wherewithal, the resolve to keep moving forward none the less.

So what is the state of our city today – what is our hope for tomorrow? Where are we at and what lies ahead? I've given much thought to providing a succinct answer to that question over the past several weeks in anticipation of speaking before you this morning. The answer is one which builds upon the successes we have realized over the past several years, reflects the accomplishments made in recent months and acknowledges the efforts to come. That conclusion is simply this...

[State of City Slide]

The State of our City is and always will be a work in progress with a never ending amount of work to be done. Built on a solid foundation with boundless opportunities for continuing success. And, if there is any question, that is a good thing.

The maintenance of our schools, parks, roads, bridges and other infrastructure, the policy decisions affecting public education, safety and economic development, the involvement of citizens whether volunteering their time for worthy community causes or engaging themselves by becoming informed and providing input to solve community problems are all part of the work that is ongoing. Anticipating and responding to changing community needs and the unprecedented challenges that face our community as a result of the great recession and the so called "new normal" are part of the work to be done.

[Major Issues Slide]

Today there are a number of major issues impacting the work of our community, and in fact, these same issues are impacting all communities across our State and the country. We are not alone in what has become a time of change and unprecedented challenge. These issues are the driving forces behind the need for difficult decisions to be made in our community today and, as a result, these issues and those decisions will shape our community in the years ahead.

The major issues are, and these likely come as no surprise, our economic situation, strained state government finances, demographic changes, resource challenges and the endless emergence of new media and technology.

Although we have been fortunate here in NH and specifically in Dover to have avoided the severe economic devastation experienced elsewhere due to massive industry layoffs, double digit unemployment rates, bottomless home value declines and the resulting upside down home mortgages, the economic recovery is still slow in coming. In reviewing our local economic conditions over the past few years, UNH economics professor Ross Gittell, and local economists Brian Gottlob and Russ Thiebault have all noted that our local economy has fared well but is expected to feel the lingering effects of the worldwide financial crisis and our nation's great recession at least through 2012.

[Unemployment Slide].

For our community here in Dover unemployment has fortunately trended much lower than the State of NH for many years and in turn the State of NH has been well below national levels. Dover's most recent unemployment rate recorded for the month of March was 4.5% down from 5.4% the same time last year

[Declining Home Value Slide]

On average, home values have declined throughout the City in the past few years. Although the decline in value has not been as precipitous as experienced in other parts of the country, none the less, the adjustment has been significant. It appears from recent sales data that the decline has moderated however preliminary assessed value figures for the coming year suggest that prices may not have leveled off entirely.

[Downshifting Slide]

It is well known that our state government is in the throes of a financial crisis which arguably, depending on which side of the aisle one sits on, is a result of failing revenues, excessive expenditures or a combination of both. As a result, our state government, like others around the country, is looking to local governments as a place to shift responsibilities and shed costs that the state would otherwise struggle to pay for. Ultimately, this downshifting directly impacts our local property taxpayers either in the form of increases in tax bills, losses of local services or a combination of both.

With the recent completion of the 2010 census, we are learning that our community and our workforce composition are changing. As has been reported, Dover has experienced a tremendous explosion in population over the last decade. Now only 13 residents shy of 30,000, our growth rate of more than 11% over the past decade has moved us to become the fifth largest

community in the State. Although the make-up of that population gain has yet to be reported in detail by the census bureau, it is clear that people have chosen to move to Dover for various reasons but most certainly due to the many factors supporting our community's quality of life including the value one receives for their housing dollar, diverse employment opportunities, quality educational institutions, public safety, recreation possibilities, access to advanced healthcare, our natural environment and more. With the changing and expanded population in our community, comes a continuing need to fulfill the service and quality of life expectations that have drawn people to reside and businesses to locate here.

Thus the resource challenges we face. In attempting to deliver services needed and expected by more citizens, there are continuing budget pressures resulting from our lagging economy, downshifting imposed by both the federal government and our State and continuing cost increases associated with purchases of supplies, energy and other operating needs. Despite our staff's dedication and never-ending quest for finding operating efficiencies and new and less costly means for delivering public services, adjustments and reductions in public services are becoming more and more commonplace. Even with our City employees volunteering to accept pay reductions and freeze all pay adjustments over the course of the past two years along with their sharing in absorbing the burden of increased benefit costs,

the need to prioritize and further curtail municipal services in the coming year remains almost certain..

[New Media Slide]

Finally, with regard to major issues impacting our community and local governance, new media and technology is changing the manner and expectation for citizen engagement in community problem solving. I believe we all will agree that the use of technology in our everyday lives has increased exponentially over the past decade. Access to the internet, on demand video, use of wireless communication devices, e-book readers, social media and more, are all common place today. As a result, our community leaders are being tasked with providing information, soliciting feedback and responding to commentary using these new communications vehicles with a frequency and speed that was perhaps unimaginable several years earlier. Although challenged to keep pace with the implementation of the newest technology and the flow of information being demanded, these new means of accessing community information and engaging in public discourse are proving to be important tools for ensuring open and transparent governance here in Dover.

[Accomplishments and Ongoing Initiatives Slide]

In responding to the various issues confronting our community, over the course of the last several months much has been accomplished. Activities supporting economic development,



facility and infrastructure improvements, service enhancements and the financial health of our community have been undertaken and are continuing.

Last fall, the Tommy and Mary Makem Bridge crossing the Cocheco River at the end of Washington Street was completed providing vehicular access and an alternative route to access and exit from Henry Law Avenue northbound onto Central Avenue. The bridge will also serve as the eventual gateway to the waterfront development and a second entrance into Maglaras Park.

The waterfront development being undertaken by Dickenson Development is now entering the permitting stage in anticipation of construction starting next year. At the Cocheco Waterfront Development Advisory Commission meeting scheduled for later this afternoon, the developer, Mark Dickinson, is expected to review his timetable and overall site development plans for this long anticipated multi-million dollar mixed use development. Despite the difficult economy, Mr. Dickinson has made known his commitment to undertaking the project in accordance with the previously established land development agreement.

Also tied to the waterfront development, after many years of starts and stops, the Cocheco River dredging was finally completed this past winter. Remaining is the final design and

capping of the dredge spoils cell located adjacent to Maglaras Park that will be undertaken later this year.

In addition to the development activities proceeding along the waterfront, our community continues to support other economic development activities through funding of the Dover Business and Industrial Development Authority (DBIDA for short) and the position of Director of Economic Development. Through a formal agreement for services, the Mayor and City Council have contracted with DBIDA to lead our community's economic development efforts with a focus on supporting and retaining local companies, assisting with their expansion and facilitating relocation of businesses interested in moving into the community. Over the course of the past 2 and ½ years, during which this arrangement for services has been in place, notable accomplishments have included the establishment of economic revitalizations zones, business outreach, job creation, enablement of tax increment financing districts and business retention financing.

On your tables, you will find the first edition of what will be a quarterly publication titled Economic Action of Dover. Each quarter, a new edition will be published and distributed throughout the City with financial support for the newsletter coming from an advertising sponsor. In this newsletter, you will find more details regarding economic development initiatives

being pursued here in Dover along with an overview of economic conditions in various sectors as reported locally and throughout the region

This past year, our community has continued to make investments in our education, transportation, utilities and recreation facilities. A major renovation and expansion of the Horne Street School is nearing completion providing additional classroom and activity space for students and teachers.

Roadway improvements continue with funding from the City budget for routine street overlays throughout the City and major reconstruction of the streets, drains and utilities in the Applevale neighborhood located in the southern end of the City off Dover Point Road.

Along Whittier Street, the design work for a new Whittier Street Bridge crossing over the Cocheco River is now underway. This red listed bridge is expected to be removed and replaced starting in 2012 utilizing funds provided by the State of NH's bridge rehabilitation program.

Another notable transportation project taking place in the City includes the little bay bridge expansion and related changes along the Spaulding Turnpike heading into Newington and Route 4 heading into Durham. This project is funded and managed by the NH Department of Transportation and will be completed in phases that will extend over the course of several years before being

finally completed. The current phase underway involves constructing an additional bridge deck for southbound vehicle lanes, rehabilitating the General Sullivan Bridge for bicycle and pedestrian access, reconfiguring access to Hilton Park and improving the Newington access to the turnpike. Future phases will include more extensive work along Route 4 and the turnpike portions on the Dover side of the bridge.

Park improvements have also occurred over the past year. With the help of neighborhood volunteers and the support of the Dover Rotary Club, a complete rehabilitation of the Park Street Park located just outside the downtown area of the City is nearing completion. This neighborhood park has been completely reorganized with new playground equipment, playing courts, seating areas and walking paths. Final landscaping is now being completed.

In the north end of the City, fenced in areas for a new dog park at Longhill Park were installed this past year utilizing funds provided by a local developer. This dog park, the first in the City, has proven to be a popular social gathering spot for dogs of all shapes and sizes, and, for that matter, dog owners of all shapes and sizes too.

Stretching along a retired railroad bed running from Route 108 near Burger King to the Transportation Center in the center of the City and continuing from Fourth Street along the Cocheco River

out to Watson Road, the Community Trail has benefited from several improvements in the past year. This linear park trail originally constructed with the use of grant funds has become a popular family attraction and exercise location for walkers, runners and bicyclists. With support of the Dover Rotary club, a trail kiosk with map and trail information was installed last year at the trail entrance located at the rear of the transportation center lot. Additional trailheads are in the development stages for completion in the areas along Fourth Street and Watson Road in the coming year.

In case you may have missed it, earlier this year, the second phase of the City's public parking pay and display system was implemented throughout the downtown. This second phase followed the initial rollout of pay and display meters along Henry Law Avenue and within the Orchard and Belknap parking lots several months earlier. Understandably, the rollout of these additional meters has not been without some angst. A third and final phase will complete the metering of the downtown early this summer.

After years of study and public input, the move to paid on street parking was supported as a necessary component for addressing the long term comprehensive public parking needs throughout the downtown area. Ultimately, paid on street parking is needed and is proving successful in moving long term parkers from on

street parking into off street lots. The revenue being generated by the parking meter system is being retained and invested back into the overall operation of the public parking system.

Eventually, when parking demand dictates, funds that have been accumulated from parking activities will be available to further expand the public parking facilities needed collectively to support the businesses and property owners located the downtown area,

One project of significant ongoing environmental concern is the study of water quality conditions in Great Bay. Dover and other communities surrounding Great Bay that operate waste water treatment plants are facing the possibility of having extreme limits regulating nitrogen levels imposed upon them by the Environmental Protection Agency. Limits that may or may not be necessary as there is conflicting and incomplete science regarding the relationship of nitrogen coming from waste water treatment plants and the degradation of the water quality in Great Bay. The waste water treatment plant communities surrounding Great Bay, Dover included, have expressed their commitment for working collaboratively with State and federal officials to develop a better scientific understanding of the water quality issues specific to Great Bay and, in turn, justify the potential expenditure of tens of millions of dollars that may or may not be needed to upgrade waste water treatment plants. Tens of millions of dollars that would ultimately have to come from sewer rate payers and may

not achieve the needed improvements in Great Bay's water quality.

[Financial Policy Slide]

1996 Ad-Hoc Financial Planning Committee

Better long term planning

Improve cash flow and investment opportunity

Eliminate short term borrowing

Maintain self-sustaining utility operations

Improved budgeting process

Upgrades to City's bond rating

2010 Ad-Hoc Financial Policy Review Committee

Reviewed best practices from GFOA and NACSLB

Input from consulting Financial Advisor

Considered comments of Independent Auditor.

[FY2012 Proposed Budget Slide]

City complies with tax cap

Eliminates 2 maintenance positions

Eliminates Account Clerk position

Eliminates Teen Center and Youth to Youth Coordinator positions

Reduces Executive Secretary, Office Manager and Fire Inspector hours

5 City-wide furlough days

Reduce Fire & Rescue Overtime On-duty staffing reductions

Street maintenance reduced \$1.1m

Debt Service Overall reduction (\$314, 231)

Energy Performance Contract Savings

[Property Tax Bill Slide]

Impact of proposed budget on average homeowner's tax bill

[Property Tax Bill w/Downshift Slide]

To illustrate that potential state downshifting will double the proposed tax bill if costs are not absorbed in the proposed budget

To absorb the downshift impacts, substantial reductions in service will be required in both City and School operations (1.3m City and 1.5m School).

[2009 Property Tax Per Capita]

To illustrate Dover's existing tax burden in relation to other comparable communities

In closing this morning, some may view the fiscal challenges and budget decisions ahead as overwhelming, insurmountable, a time



for peril when, in fact, they may prove to be an opportunity for promise and possibility. By this, I mean our citizens have an opportunity now, more than ever, to take ownership of their city, to become engaged, understand the issues and choices to be had. To share in constructive discussions and help to shape real solutions. The decisions to be made in the days ahead by our Mayor and City council will not be easy and, you can be assured they will be made with the best of intentions after weighing all of the information before them. Included in that information is feedback they receive from citizens such as you.

So what will come of our promise to remain an exceptional place to live, work and recreate.... Our work in progress... Well, it may very well depend on your own willingness to get involved.

[Will Rogers Quote Slide]

As Will Rogers reminds us Don't sit there, get on board. Share in the conversation, participate in community problem solving, share in the solution, don't just get run over.