

TOWN OF DERRY

Town Council Meeting
Derry Municipal Center

December 1, 2009
Tuesday 7:30 p.m.

Non-Public Session – RSA 91-A:3 II (c)

Call to order

Salute to Flag, Warning of Fire Exits, Handicap Access, Turn off all Cell Phones and Pagers

Roll Call: Councilors, Wetherbee, Fairbanks, Carney, Coyle, Chirichiello, Benson and
Chairman Metts

Consent Agenda

- 09-151** Acceptance of Non-Public Minutes Sessions I & II – November 17, 2009
- 09-152** Acceptance of Minutes – November 17, 2009
- 09-153** Schedule Public Hearing – January 5, 2010 – Approval to apply for and receive grant funds for the staffing for adequate Fire and Emergency Response (SAFER) Program
- 09-154** Schedule Public Hearing – January 5, 2010 – Salt Reduction Resolution – NHDOT
- 09-155** Schedule Public Hearing – January 5, 2010 – Fordway Bridge – Supplemental Appropriation of \$1,230,000 from General Fund to the Fordway Bridge Capital Project

Accepted: with removal of 09-153 to be reviewed at a later date. Motion by Councilor Wetherbee/Carney 7-0-0

Chairman's Report – Metts

***** Derry Rail Trail Alliance Update

Erich Whitney, Derry Rail Trail Alliance – presented a check for \$35,000 for the first phase of the Derry Rail Trail project that was completed this fall. The second phase and update of the project was reviewed for the Town Council.

***** Cancel December 15th Regular Meeting and schedule Workshop for December 15th @ 7:00 PM – **all agreed**

Workshop Agenda: Presentation of the Downtown Study by RKG, Meeting with the Chairs of certain Boards & Commissions and Presentation by Stuart Arnett on Economic Development

Chairman Metts spoke with Garrett Simonsen Regional Health Coordinator and they will be sponsoring more “FLU” shot clinics before the end of the year.

The Employee Recognition Luncheon will be held on December 3rd - all of the Town Council is invited.

New Business

09-156 Appointment to Zoning Board of Adjustment

**Move to appoint Stephen D Popp as an alternate member of the Zoning Board of Adjustments for a 2-yr term to expire March 2011. Motion by Chairman Metts/Carney
Vote: 7-0-0**

******* Update on FY 2010 Audit**

Frank Childs gave an update of the audit that is almost completed. The draft statement are being reviewed and staff is working with the auditors to provide them with various documents that are needed by December 11th. The CAFR report will be issued around December 18th. In January, the auditors will make a presentation to Town Council on the audit results. The end of year Unreserved Fund Balance increased by \$470,000 to \$11.9M, subject to final audit results. The Police, Fire and Public works departments contributed to this increase, with smaller amounts coming from Health, Finance, and the Town Clerk. After the use of \$772,000 within the FY10 budget to pay off the bond anticipation note, the fund balance was \$300,000 below last year's fund balance, at 12.9% slightly above the 12.5% midpoint of the GFOA recommended range. Since the beginning of the current fiscal year, the Town council has approved the use of \$20,000 of fund balance for the Charter Commission and if tonight they approve using fund balance to increase the Economic Development Revolving Loan fund by \$137,000, fund balance will be at 12.8%. The use of \$100,000 from the "Snow & Ice" capital reserve fund, which was approved by Council was not needed to balance the Public Works overall budget and therefore was not utilized.

******* Presentation of FY 2010 1st Quarter Financial Report**

Janice Mobsby reviewed the 1st Quarter Financial Report Balance Sheet As of September 30, 2009 the cash on hand was \$27.3 million. These funds are being invested in a transaction account guarantee program. 100% of these funds are guaranteed by the FDIC and are earning ½% interest. Outstanding current year tax receivables of \$1.9 million is 2% higher than at the same time the prior year and the 1.2 million in tax liens are at a comparable level to the prior year after increasing the reserve by \$400,000. General billing receivables have decreased 10%. This is due to focused collection efforts on ambulance service billing. Capital assets have increased because land was purchased for conservation in the last year but generally, capital assets are trending downward since last year. We are not keeping pace with depreciation. Most of our current capital project activities at the present time are being funded by grants, including bridge projects.

Liabilities remain the same except for the compensated absences liability of \$3.8 million grew by \$357,000 over the last year due primarily to an increase in hours and pay rates. Another change is reflecting the requirements of GASB 45, which requires municipalities to report liability for other post employment benefits such as healthcare benefits. This long term liability, which will be phased in over the next 30 years, does not have any effect on the general fund balance. The unrestricted fund balance of \$22.2 million after reserves for encumbrances of \$2.2 million, compensated absences of \$709,000, and to reserve TIF taxes of \$30,000 is \$136,000 higher than the prior year.

Frank Childs reviewed the FY2010 1st Quarter Financial Report Revenues and Expenditures. He reported that expenditures were tracking the budget during the 1st quarter, with no items to highlight. Therefore his report would focus on the Town's revenue. Strong collections continue in property taxes as of 9/30/09, with 94% collected compared to 95% at this time last year. The motor vehicle registration budget is approximately \$300,000 below the previous year and those revenues appear to be tracking the budget. 3% more vehicles have been registered this year compared to the similar period of last year, however, their value is less with more used cars being acquired than new ones. We are cautiously optimistic and will continue to closely watch this revenue stream, the Town's 2nd largest source of revenue.

Chairman Metts asked if the increase in motor vehicle registration fees was due to the state's increase in those fees or does that all go to the state. Frank responded that that additional revenue all goes to the state.

Building permits are tracking to a budget that is half of what it was in FY2009. Frank stated that if the Pinkerton Academy Freshman Building goes forward this spring, that building permit alone would fully meet the FY2010 budget. Town Clerk revenues are stronger than budget, due to civil forfeitures collections of people not registering their dogs on time. At some point, this revenue will likely dry up as folks register their dogs more timely to avoid paying this \$25 fee.

Interest on invested funds is the item to watch closely. The original budget of \$440,000 was adjusted down to \$343,000 during the tax rate setting process. With the current and anticipated level of invested funds rate, Frank stated that he expects that interest income will be \$150,000-\$175,000 below the adjusted budget. The Town's management team is closely monitoring all revenue and expenditures in anticipation of having to cover this expected revenue shortfall.

The Human Service "Giving Tree" is in the lobby of the Municipal Center. Tags have been placed on the tree for gifts to support the Sonshine Soup Kitchen and the Community Fund. Please stop by and take a tag for support of the residents in need.

Public Forum – Non Agenda Items

Brian Fleming & Heather Gray, 1 Country Rd - Spoke in regards to their section of the road not being plowed. They are the only home on this section of the road and did not receive a post card regarding applying for a petition.

Move to continue "Winter Maintenance" of the easterly portion of Country Rd for the 2009-2010 winter seasons only. Motion by: Wetherbee/ Benson Vote: 7-0-0

Al Dimmock, High St – The Holiday Parade was not broadcasted on CTV17. The elderly are unable to get out to the parade. He would like the Town to look into options for this in the future.

Public Hearing

- 09-145** Three Consecutive Public Hearings-Vintage Grace CDBG
- 1) Progress with the Town of Derry's \$100,000 Housing Community Development Block Grant Award. Town received a Grant of \$100,000 for the purpose of making renovations to the Vintage Grace Housing Facility, which is owned and managed by the Derry Housing and Redevelopment Authority. Of the total CDBG award, \$86,461 is designated for rehabilitation of Vintage Grace. Balance is being used for CDBG Administration;
 - 2) Status of CDBG Grant and improvements to Vintage Grace;
 - 3) Other matters relating to the CDBG Award

Town Administrator Stenhouse read into the record the following memorandum:

MEMORANDUM

November 20, 2009

TO: Town of Derry Town Council
FR: Gerald Coogan, CDBG Grant Administrator
RE: Report --- Community Development Block Grant (CDBG) award for renovations to the Vintage Grace Housing Facility

Purpose of the public hearing: The Town Council receives this progress report on the CDBG project and the public hearing provides an opportunity for the public to provide comments on the project.

Background: The Derry Housing and Redevelopment Authority (DHRA) owns and has a contract with Vintage Grace for management services for the Vintage Grace Housing Facility, located at 12 Peabody Road, Derry, NH. The facility was constructed in 1983. After 26 years of active service, the 15 unit housing facility for low income residents requires improvements such as upgrades to the central heating and air

conditioning systems, bathroom facilities, windows doors among others items. With the cooperation of the Town of Derry as the applicant, the DHRA was successful in being awarded \$100,000 in federal Community Development Block Grant (CDBG) assistance from the NH Community Development Finance Authority (CDFA) to upgrade and renovate the Vintage Grace Housing Facility. The total project cost for renovations is \$200,000, of which the DHRA provided \$100,000.

In accordance with CDBG proper procurement practices, the Town selected TFM Planning (Gerald Coogan, AICP) as the Grant Administrator. Also, following CDBG proper procurement practices, the DHRA selected James J. Welch and Company of Salem, MA as the general contractor. Project work started around August 1, 2009 and at present (November 20th) all of the work is completed with the exception of the automatic doors and some trim work. According to the Project Manager for Welch and Company, the contractor expects to complete the doors by November 20, 2009. DHRA anticipates project completion by around December 15th at the latest assuming that Northern Architectural Design Group, the architect supervising the project approves all project tasks. A representative from the NH CDFA will conduct a Close Out and Monitoring visit in late December / early January.

Action Requested: Open the public hearing to public and request comments from the public. No official action by the Town of Derry Town Council is required.

Open Public Hearing 7-0-0

No Public Input

Close Public Hearing 7-0-0

Councilor Coyle asked Robert Fleig, DHRA, for an update on the handicap ramp for one of the citizens in their building.

Robert Fleig –CLM has made a grant application to the MS Society of Massachusetts and if approved the Society would use their own contractor. If the application is not approved Mr. Fleig will put it into his January 2010 budget to have the Handicap ramp installed. Councilor Coyle was concerned that winter is coming and they will need to set the posts before the ground freezes. Chairman Metts suggested he would look to outside organizations to get this done.

Old Business

09-14 Water/Sewer Commissioners – Meadowbrook/ East Derry Community Water System Improvements Update

Tom Carrier and John Boisvert, P.E. Chief Engineer Pennichuck Water Works gave an explanation of this proceeding as a joint venture between the Town and Pennichuck Water Works. The East Derry expansion is in both the 1990 Water System Master Plan and the FY2010 Water Capital improvement Plan along with Meadowbrook Improvements. The direction given by the Town Council is that they may be in favor of the expansion over further for the Meadowbrook system improvements and to report back on the costs of both alternatives. This proceeding is in accordance with the CIP plan.

Move The Derry Town Council endorses PWW's conceptual plan to extend municipal water to East Derry via Pond Road to East Derry/Hampstead Road for the purpose of interconnecting existing community water systems including Derry's Meadowbrook CWS in accordance with the Derry Water System Master plan.

Motion by Councilor Coyle/Benson Vote: 7-0-0

09-138 Supplemental Appropriation to Fund Derry Economic Development Revolving Loan Fund in the amount of \$136,772.52

Stuart Arnett gave a presentation explaining what a revolving loan fund is, what the REDC requests financially for the program and a suggested start date of January 2010. Mr. Arnett continued to explain how the fund is administered and who makes the investment decisions also who else is involved with the program. There would be a loan review committee appointed by the Derry Town Council, subject to the consent of the Board of Directors of the REDC. It would

consist of 5 members at least four of whom must be residents of Derry. At least one member should have private sector commercial lending experience.

Councilor Coyle cannot support part 2 as he does not believe that the town should be in the lending business.

(1) Move that the Town's Economic Development Revolving Loan fund be managed by the Rockingham economic Development Corporation, that any existing management arrangements with the Derry economic Development Corporation be terminated, and that the Town Administrator is authorized to enter into a contract with REDC for management of said funds. Motion by Councilor Benson/Carney Vote: 7-0-0

(2) Further move that an additional amount of \$136,772.52 be appropriated for the Town's Economic Development Revolving Loan Fund and that general fund balance be utilized for funding this appropriation. Motion by Councilor Benson/Carney Vote: 6-1-0 (Coyle)

Council Requests / Open Discussion

Councilor Fairbanks requested that Mr. Stenhouse look into the loitering at the parking lot behind the Peabody House. It has been reported that a group frequents this place playing music and drinking. Councilor Fairbanks asked if signs could be placed "No Loitering". This also appears to be a problem on the Bike Path. Mr Stenhouse will look into the matter.

Councilor Coyle is frustrated with not be able to get a ramp built for \$2500.00. Chairman Metts stated give him a week to speak to a charitable donation.

Adjournment 9:55 p.m.

Town Clerk

Date

Recorded by: Denise Neale, Town Clerk
Reviewed by: Gary Stenhouse, Town Administrator
Input by: Tom Carrier, Frank Childs, & Janice Mobsby