

# Town of Derry Budget Review FY2011

Town Council Budget Review  
Derry Municipal Center

April 17, 2010  
8:30 am – 1:00pm

Staff Present: Public Works – Mike Fowler, Parks & Recreation – Eric Bodenrader, Hwy Garage – Paul Noe, Transfer Station – Joan Cornetta, Water/Wastewater – Tom Carrier, Sharon Trenholm, Larry Budreau

Finance -Frank Childs, Janice Mobsby and Mark Fleischer, Town Administrator Stenhouse and Town Clerk Denise Neale-recording

Roll Call: Chairman Benson, Councilors Wetherbee, Olbricht, Milz, Coyle, Fairbanks and Chirichiello

Notice of Fire Exits & Handicap Access, turn off cell phones and pagers

## **Public Works**

Mike Fowler gave an overview of all the departments there are 10 divisions within these budgets. He explained the increases and their effects on these groups of budgets. Some increases are due to an increase of fees for materials. There are no major purchases.

## **Highway Dept**

Alan Cote – This division is driven by the cost of materials as opposed to personnel. The general fund expense is \$8,100,035 in shared costs. Included is a lease for an F-350 w/ plow in line #760. There is a major reduction of \$400,000 in the Roadway Management Program.

Most of the money is provided by "Block Grants" issued from the State of NH which is up from last year. The remainder is from the Transportation Improvement Fund which is \$1,450,000 for expenditures which will decrease to \$1,000,050.

Funding for asphalt has been \$1.3M to \$1.4M. The cost of asphalt is doubling. They have been trying to level fund the pavement management program. The department could pave 4.1 miles of road; however, they should be paving 10 miles of road per year. The GASB 34, range is 60 -80 PCI Derry is at 72 PCI as of today. This is a safe range.

Councilor Coyle and Councilor Fairbanks asked to flag the paving budget.

### *Flagged-Roadway Maintenance line item- #430*

There was much discussion on the removal of some of this funding from the Road Maintenance line #420. Some of the councilors were concerned on how in the future to refund this program. Alan, Mike and Frank gave explanations on what could happen in the future to refund this line item.

There was discussion on the salt & sand provided to Pinkerton. The Council also discussed the sidewalk paving line #430 and Line #760 \$35,000 for a lease on the F-350 w/ plow. There was some discussion on the plowing fund.

Mike Fowler gave an overview of the diesel and unleaded gas prices proved by the state.

The cost for diesel is not expected to change; however, unleaded fuel could rise to between \$2.65 and \$2.75 per gallon.

**Motion by: Councilor Wetherbee to move the Highway bottom line of \$3,479,799 pending the flagged items, seconded by Councilor Coyle. Vote: 4-2-0 (Coyle, Fairbanks)**  
**Motion: to go into Non-Public under RSA 91A:2(a). Coyle/Chirichiello 7-0-0**

**Motion: to reconsider Highway Budget by Councilor Wetherbee, seconded by Councilor Olbricht. Vote: 7-0-0**

**Move to reduce Personnel Service line #110 by \$60,775 by Councilor Wetherbee, seconded by Councilor Milz. Vote: 7-0-0**

*Flagged Personnel line item 110-260*

**Councilor Wetherbee moved the bottom line of the Highway Dept. in the amount \$3,419,024, pending the flagged items seconded by Councilor Chirichiello. Vote: 5-2-0 (Coyle/Fairbanks)**

### **Building & Grounds**

Mike Fowler gave a brief summary of this division. Primary services from revenue are the Adams Memorial Building and Cell Tower Rentals and Cable. Included is a lease for an F-350 w/ plow in line #760.

Councilor Milz requested the \$6,000 in rental expense for the Derry Housing Authority be removed as this is the reason the DHRA did not ask for funding in FY2011 as they had in the past.

Councilor Coyle asked what the expense for this building was per year.  
Mike Fowler replied, approximately \$70,000.  
There was discussion on how to make the building more profitable.

**Councilor Coyle moved the Building & Grounds bottom line of \$731, 748, seconded by Councilor Fairbanks. Vote: 7-0-0**

### **Cemetery**

Mike Fowler - Revenues in this division are interest revenues, perpetual care and lot sales. The major expenditure is for a zero turn lawnmower.

There was discussion on various items for explanation purposes only.

**Councilor Fairbanks moved the Cemetery bottom line of \$206,330, seconded by Councilor Wetherbee. Vote: 7-0-0**

### **Code Enforcement**

Mike Fowler and Bob Mackey reviewed the expenditures and revenues. It was assumed that the permit fees for the PA Freshman building would come in on FY2011; however, they have moved up their time frame and these funds will be brought in FY2010. The Featherbed Lane sale will come in FY2011 not FY2010.

There was discussion on whether upgrading a position should be discussed in public or non-public.

**Move to non-public under RSA 91A: 2(a) Wetherbee/Milz 4-2-0 (Coyle, Fairbanks)**

*Flagged- personnel part-time position line item#110-260*

Bob Mackey provided a revenue sheet for the department for the past ten years.

16-Apr-10

Code Enforcement - Building Permit History

Fiscal Year	Permit Revenue	Commercial, Industrial, Multi-Family Revenue	New Single Family Home	Signal Family Revenue	Total All Permits
2009	\$ 108,490.51	\$ 28,805.00	20	\$ 33,577.00	908
2008	\$ 343,735.01	\$ 197,204.00	47	\$ 89,886.00	1176
2007	\$ 193,656.13	\$ 95,304.00	24	\$ 39,302.00	1236
2006	\$ 264,054.75	\$ 127,713.00	43	\$ 67,276.00	1342
2005	\$ 183,804.60	\$ 68,487.00	42	\$ 62,466.00	1381
2004	\$ 241,221.70	\$ 112,111.00	70	\$ 64,115.00	1698
2003	\$ 152,840.50	\$ 55,330.00	38	\$ 35,513.00	1539
2002	\$ 153,143.00	\$ 45,931.00	45	\$ 41,369.00	1735
2001	\$ 283,106.60	\$ 181,799.00	53	\$ 46,159.00	1557
Average	\$ 213,783.64	\$ 101,409.33	42	\$ 52,629.22	1397

Current Fiscal Year - through Mid-April  
Permit Revenue \$ 75,000.00 +/-

Revenue = \$ 100,000.00 w/out Pinkerton  
\$ 153,000.00 Pinkerton  
\$ 253,000.00

16 New Single Family / 2-6 unit townhouses  
Total Permits = 700 +/- Projected 900

Councilor Coyle asked if Mr. Mackey had Fire Inspection Certification. Mr. Mackey replied, he had taken the course but was not certified.

**Councilor Wetherbee motioned to reduce the revenue line in this budget to \$125,000, motion withdrawn.**

*Flagged- revenue Building permits #032300*

There was discussion regarding revenues.

**Councilor Wetherbee motioned to reduce the revenue line to \$125,000, seconded by Councilor Coyle. Vote: 7-0-0**

**Councilor Coyle moved the Code Enforcement bottom line of \$304,248, pending the flagged items seconded by Councilor Fairbanks. Vote: 7-0-0**

**Recreation**

Mike Fowler and Eric Bodenrader revenues have been steady and participation in programs has been strong. Expenditures are summer concerts, fireworks, summer programs, winter programs.

**Councilor Wetherbee moved the Recreation Department bottom line of \$577,634, seconded by Councilor Milz. Vote: 6-0-1 (Fairbanks-abstained)**

**Parks**

Mike Fowler and Eric Bodenrader revenues are primarily Trust revenues. The Capital Item is \$15,000 for cameras to be installed in Don Ball Park. The pavilion at Don Ball Park and the baseball diamond expansion have been deferred from this budget.

Councilor Wetherbee asked regarding the Cable Revenue if the cameras could be purchased with these revenues. Town Administrator Stenhouse replied that he had reviewed the Franchise Agreement and there is no contractual agreement that states the Town cannot use these funds. He did not go back into the contracts from the 80's.

All security cameras are to be flagged. These will be discussed under the Cable budget.

Chairman Benson questioned the projected actual of the temporary personnel line.

**Councilor Wetherbee moved the Parks Department bottom line of \$892,372, seconded by Councilor Olbricht. Vote: 7-0-0**

#### **Transfer Station**

Mike Fowler and Joan Cornetta commodities are increasing slightly in metal, recycling, cardboard and newspaper. Expenditures the department is requesting to pave the cardboard area and add security cameras to the transfer station. The new contracts are included in this budget.

Councilors questioned taking recycling from other towns and questioned if it should be advertised.

Ms Cornetta stated Hampstead is a pilot program.

Councilor Coyle asked if the street sweeper was contracted.

**Councilor Wetherbee moved the Transfer Station bottom line of \$1,519,324, seconded by Councilor Fairbanks. Vote: 7-0-0**

#### **Vehicle Maintenance**

Mike Fowler and Paul Noe described this budget's expenditures. This budget continues to increase due to supply costs for tires and metal. He noted the expenditure of \$18,000 for cutting edges for the plow blades. This department does not have revenues.

Chairman Benson questioned line item 630 & 660 and Councilor Wetherbee questioned the budget's expense projections.

**Councilor Wetherbee moved the Vehicle Maintenance bottom line of \$441,950, seconded by Councilor Coyle Vote: 7-0-0**

#### **Wastewater**

**The Town Council is acting as Water/Wastewater Commissioners.**

Tom Carrier gave overview of the Wastewater Department which is self fund through an Enterprise Fund. There are no rate increases in this budget. The two main expenditures are a project design (Rte 28 to Berry Rd) and an upgrade to the SCATA system monitors for the wastewater system stations. There is also an upgrade in personnel from a Utility worker to a Sewer Treatment Operator. This will improve efficiency for on call rotation and decrease the overtime rate.

Note: The State of NH has deferred approval of State Aid Grants. The State currently owes the Town of Derry \$940,000 in bond fund reimbursements and lump sum reimbursements.

The Councilors discussed the project design for engineering costs, the benefit to properties along this route and deferring this project. The Council had mixed feeling regarding deferring this engineering project.

Mike Fowler stated that if the project were "shovel ready" the Town would be more likely to be eligible for funding in the future.

Council discussed sub contracting wastewater designs.

Tom Carrier explained that they cannot do the wastewater designs in-house due to regulations; however, they can do water designs in-house.

Chairman Benson questioned the increases in the expense lines.

**Move to reduce the personnel line by \$13,023, motion by Councilor Coyle, seconded by Councilor Wetherbee. Vote: 7-0-0**

**Councilor Wetherbee moved the Wastewater bottom line of \$2,170,159, seconded by Councilor Chirichiello. Vote: 7-0-0**

### Water

**Move to reduce the personnel line by \$13,023, motion by Councilor Coyle, seconded by Councilor Wetherbee. Vote: 7-0-0**

Tom Carrier the cost of engineering for Route 28; these costs can be moved or offsetting revenue can be created. An approximate amount of \$.43 can be added to the water usage rate to overcome the use of fund balance. Debt service is down. There is a utility vehicle replacement in line #760, also, Well pump replacements. Mr. Carrier provided a Budget Amendment hand out for the Town Council.

Tom reviewed the amendments for the Town Council.

#### **FY2011 WATER DIVISION BUDGET AMENDMENT - April 17, 2010**

#### **FUND 90**

#### **REVENUES**

ACCOUNT	DESCRIPTION	OLD VALUE	NEW VALUE	CHANGE	EXPLANATION
99004000 034013	BILLED WATER USAGE	\$ 1,079,267.00	\$ 1,100,767.00	\$ 21,500.00	East Derry Water Expansion: Assumes 1/2 year at guaranteed 35,000 GPD
99004000 031026	BASE CHARGES	\$ 710,722.00	\$ 749,222.00	\$ 38,500.00	East Derry Water Expansion: Assumes 3 billing quarters; Dec, March and June
99009000 039399	BUDGETARY USE OF FUND BALANCE	\$ 189,214.00	\$ 1,714.00	\$ (187,500.00)	Route 28 Water Extension: No available Fund balance to support this expense. Rate impact = \$.43 or +12.7% of average bill
				\$ (127,500.00)	<b>TOTAL REVENUE LINE REDUCTION</b>

EXPENDITURES						
ACCOUNT	DESCRIPTION	OLD VALUE	NEW VALUE	CHANGE		EXPLANATION
99024000 412000	PURCHASED WATER - MWW	\$ 710,758.00	\$ 727,958.00	\$ 17,200.00		East Derry Expansion to Pennichuck and Meadowbrook: Charges for wholesale water supplied by Manchester Water Works
99024000 410000	ELECTRICITY	\$ 39,888.00	\$ 44,888.00	\$ 5,000.00		East Derry Expansion to Pennichuck and Meadowbrook: Pond Road Booster Pump Station electricity costs for 6 months.
99032004 730000	OTHER CAPITAL IMPROVEMENTS	\$ 422,500.00	\$ 235,000.00	\$ (187,500.00)		Route 28 Water Extension: No available Fund balance to support this expense. Rate impact = \$0.43 or +12.7% of average bill
99032004 690009	WATER CAPITAL <\$10,000 PUMP			\$ 1,800.00		Woodlands Water System Improvements: Fe and Mn treatment: PHOSPHATE FEED TANK
99024000 390000	OTHER PROFESSIONAL SERVICES			\$ 1,500.00		Woodlands Water System Improvements: Fe and Mn treatment: Water Quality testing by Contract lab per NHDES requirements.
99024000 430006	CONTRACT REPAIRS MAINS			\$ 17,500.00		Woodlands Water System Improvements: CLEAN MANGANESE FROM MAINS / REPAVE ACCESS POINTS
99024000 630006	SUPPLIES REPAIRS TO MAINS			\$ 2,000.00		Woodlands Water System Improvements: ADD WYE CONNECTIONS FOR CLEANING
99024000 310000	ENGINEERING SERVICES			\$ 15,000.00		Woodlands Water System Improvements: DESIGN/COORDINATE/ ASSESS TREATMENT, NHDES REPORTS ETC
				\$ (127,500.00)		TOTAL EXPENDITURE REDUCTION
				\$ -		NET CHANGE REVENUES AND EXPENDITURES
<b>Summary:</b> Fund Woodlands immediate water quality improvements with increased revenues from PWW Agreement. Conduct Route 28 Water Main design in-house and use "design-build" option for water tank design.						

**Move to accept the FY2011 Water Division Budget Amendments Fund 90. Motion by: Councilor Coyle, seconded by Councilor Wetherbee. Vote: 7-0-0**

There was discussion on the Woodlands Water System work.

**Councilor Wetherbee moved the Water bottom line of \$2,391,215 seconded by Councilor Coyle. Vote: 7-0-0**

Town Administrator Stenhouse gave a listing of the reasons the Cable Administrator position should be filled now.

Councilor Coyle asked if there was information on other Towns Cable departments have for staffing.

NHCCM can provide this information per Chris Martin

Chairman Benson will continue this on Tuesday after information is received.

**The Town Council moved into non-public under 91A:2 1(b).**

**Town Council adjourned at 1:00 p.m.**

Recording Clerk- Denise Neale

