

TOWN OF DERRY

**Town Council Meeting
Derry Municipal Center**

**March 1, 2011
Tuesday 7:00 p.m.**

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

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

Consent Agenda- Approved

- 11-12** Acceptance of Minutes – February 1, 2011
- 11-13** Acceptance of Workshop Minutes – February 15, 2011
- 11-14** Schedule Public Hearing – March 15, 2011 – Amend the Code of the Town of Derry, Chapter 150, Traffic Ordinance Article I, Section 150-4 Prohibited Parking – High Street Easterly Side for a distance of 250' from Maple Street in a southerly direction
- 11-15** Schedule Public Hearing – March 15, 2011 – Engineering Inspection Fee Adjustment
- 11-16** Schedule Public Hearing – March 15, 2011 - Building Permit Fee Adjustment
- 11-17** Schedule Public Hearing – March 15, 2011 – Approval of Conservation Commission acceptance of \$100,000 for the grant of an easement through conservation land
- 11-18** **Water/Sewer Commissioners** – Schedule Public Hearing – March 15, 2011 – Derry Municipal Water Rates and Fees
- 11-19** **Water/Sewer Commissioners** – Schedule Public Hearing – March 15, 2011 – Derry Municipal Water Penalties

Chairman's Report –

Budget Workshop Schedule – Accepted as scheduled

FY2010 Audit Results

The Town Audit results were presented by Scott McIntire from Melanson, Heath and Company (Attachment A).

Mr. McIntire highlighted the Comprehensive Financial Report. Information was provided to the Town Council in the following areas: overall audit went well, the auditors did not need to propose any standards, and there were no disagreements. The audit is categorized as significant. He referred to page 15 in the report as the opinion is clean. The Town is found to be in total compliance with government standards. On page 44, he noted this is the first page all readers refer to, in the first column Unreserved from FY10 \$10.3M which is a decrease of \$2M. This benchmark represents 11% GOFA which is near the mid-point.

Mr. McIntire noted long term debt is an issue. Grading agencies look at long term debt. Footnotes: Other Post Employment Benefits (OPEB) 2nd year account looks for this long term liability for retiree healthcare, that liability can be expected to increase by \$800K in FY11. The audit comment statements will look a little different in the future as changes have been made by legislature in reporting. There were three recommendations in the management letter (Attachment B).

Chairman Benson asked in regards to the Fund Balance - 11% how we account for the receipt of the expenses from the state for bridge projects. Mr. McIntire explained the procedure.

The Town Elections will be held on March 8, 2011 at West Running Brook School for Districts 2 & 3 and Hood Middle School for Districts 1 & 4 from 7am – 8pm.

Chairman Benson thanked the employees of the town who volunteer. This year Frank Childs, CFO, will receive the "Volunteer of the Year Award" in Manchester on Wednesday evening from the United Way. We all congratulate Frank.

Administrator's Report –

Quarterly Financial Report from Frank Childs, CFO & Janice Mobsby, Controller

Frank Childs followed up on Mr. McIntire's recommendations in the management letter. We have put in place a new policy in respect to inventory controls and it became effective July 1, 2010. The Finance Department is in the process of implementing these procedures. This was realized even before the audit.

Ms. Mobsby - the town's cash position remains strong at \$51 million, which now includes capital reserves and expendable trusts that are used for long term planning.

New capital lease debt was created to fund capital purchases of vehicles and capital equipment.

Ms. Mobsby described the reporting effect on fund balance associated with the new Government Accounting Standard #54 regarding Fund Classifications and Fund Balance effective 7/1/10. There have been changes to how and what is reported in general fund balance. The first change you will see is that Capital Reserve Funds are now reportable in the General Fund. This will result in the Town's general fund cash position reflecting higher balances which include funds set aside for long term planning.

Ms. Mobsby highlighted the balance sheet accounts and Fund Balance with the following: Tax receivables and liens have increased by \$113,000 since the prior year comparable period. Net taxes and tax liens decreased by \$147,000. Non-tax receivables decreased \$50,000 this past year. The asset side is strong. Accounts payable and accrued liabilities decreased from the prior year. Total Unrestricted Fund Balance includes \$2.8M in committed funds. The remaining unrestricted fund balance includes that which is considered surplus. This surplus is available to fund future appropriations or cash flow, the estimated General Fund Unassigned Fund Balance totals \$9M.

Mr. Childs reported that overall the Town was in great financial shape. He stated that there are items that are being closely watched and there is legislation playing out in Concord that could have some significant impacts on the Town.

Mr. Childs highlighted Revenue & Expenditures with key items that have been and will continue to be watched: \$460K of budgeted revenue from the sale of tax-deeded property in mid-May, \$89K of projected interest income is below the amount budgeted, legal fees will likely exceed the budget approximately \$50 - \$100K by year end; and the motor vehicle revenue is projected to be \$94K below the amount budgeted due to fewer registrations of new motor vehicles as opposed to older models. On a positive side, the level of ambulance revenue is on track to exceed the budget by possibly as much as \$100K based on the level of activity and strong collection efforts and \$135K in debt service budgeted for the Route 28 Corridor TIF bond will not be incurred in FY11.

The FY11 Financial Statement ending December 31, 2010 and related narrative set forth by department/activity provides detailed information on revenue and expenditures, which overall are in good shape.

Councilor Olbricht asked how the "Snow" budget was at this point.

Mr. Childs stated that before last Friday's storm it was at 84% of budget.

Mr. Coyle asked Mr. Anderson for an accounting of the legal bills.

Chairman Benson asked with the reduction in revenues he assumes going forward that the council will need to look at the budget with continued revenue reductions in those lines in FY12. Mr. Childs responded that the MV revenue is approximately a 1% less reduction and future interest income projections are4 depressed until early 2012.

Public Forum – Non Agenda Items

Al Dimmock, High St – spoke regarding the upcoming Town/School Elections. This election is for our Town and it is your duty to vote.

New Business

11-20 Appointments to Southern NH Planning Commission

Chairman Benson Moved to appoint Frank Bartkiewicz as a member of the SNHPC term to expire June 30, 2012, seconded by Councilor Wetherbee. Vote: 7-0-0

Chairman Benson Moved to appoint Darrell Park as a member of the SNHPC term to expire June 30, 2012, seconded by Councilor Coyle. Vote: 7-0-0

Chairman Benson Moved to appoint Ann Arsenault as a member of the SNHPC term to expire June 30, 2012, seconded by Councilor Coyle. Vote: 7-0-0

11-21 Approval to apply for and receive funds from NH Highway Safety Agency for the purpose of supporting and working with Community Alliance for Teen Safety (CATS)

Withdrawn: This request has been funded through other means

Council Requests / Open Discussion

Councilor Fairbanks – requested zoning law for operating a business from home in a residential area. Mike Fowler stated he would ask Mr. Mackey.

Councilor Benson thanked everyone for the support he has been given this past year.

Adjourned 7:50 p.m.

Workshop to Follow Immediately After Council Meeting

Town Clerk

Date

Denise Neale, Town Clerk

Revisions by: John Anderson, Frank Childs and Janice Mobsby

Updated on 3/23/11 by Denise E. Neale, Town Clerk

