

Derry Town Council Budget Workshop

Derry Municipal Center

Thursday, April 19, 2011

Derry Public Library

Jack Robillard, Trustee, gave a history of the DPL since he had been an employee, director, and now as a trustee of all the changes that have taken place over the years.

Cheryl Lynch, Director, presented and gave a briefing of the decrease in expenditures; elimination of the postage machine and the employees change in health care plans. The Assistant Director has not been replaced; however, they have been able to give those responsibilities to existing staff. Cheryl further explained that due to these savings they are only asking for a 1.5% increase in the salary and benefits lines. They are requesting the purchase of (4) scanners, (8) new computers, a printer, a nook, and electronic subscriptions to the newspapers.

The Council discussed the purchase of computers vs. leasing and requested Ms. Lynch to speak with the IT Director regarding the computers needed.

Moved to flag line item #690 until discussion takes place with the IT Director

Wetherbee moved the bottom line for the DPL in the amount of \$1,116,955, seconded by Councilor Milz.

Vote: 7-0-0. Pending flagged item

Taylor Library

Candace Andrews, Trustee / Linda Merrill, Director presented this budget. There is no new staff, two people left three years ago and they have not been replaced. There are no raises, they have reorganized and hours have been reduced a part time to fill in.

Operational expense has decreased due to a new water heater that was installed, change of light bulbs and fixtures, and they have new storm windows. They are expecting a decrease of oil usage.

Wetherbee moved the bottom line for the Taylor Library in the amount of \$165,622, seconded by Milz.

Vote: 7-0-0

Ms. Fairbanks thanked them for the budget they presented with no increases or raises.

Finance Department

Ms. Mobsby gave an overview of all the divisions within the Finance Department. The Department receives distinction annually from the GOFA and the auditors for financial reporting. The other important area of finance is Other Municipal Obligations which includes the Town's bond debt service payments and legal fees. The personnel service budget is .1% lower than the FY11 budget due to the reduction of hours in a secretary position in Assessing Department and part-time bookkeeper in Finance. The short term, long term and life insurance are also impacting the costs and the reduction of retirees earn time buyout and other municipal obligations have also affected the changes.

Human Services

The Human Services Division provides emergency assistance to the disadvantaged in our community and provides referrals to assist residents navigating through the resources available to our community. In addition, payments to non-profit organizations that provide specialized Human Services programs to our residents are also included in the Human Service budget. The net change is \$22,000 in terms of revenue as they are down from last fiscal year

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due to being unable to collect revenue from refinancing properties of those who had liens and now have been foreclosed. There is approximately \$200K in liens that are outstanding.

Wetherbee moved the bottom line of the Human Service Department in the amount of \$505,715, seconded by Milz. Vote: 7-0-0

Assessor

The net impact of the Assessing Division is \$400 lower than FY2011. Personnel services are down due to the reduction in hours for a secretary. There is an increase in the consulting fees to assist with covering new Utility Assessments. There is an Inter-fund transfer of \$45,000 in revenue that is meant to offset those services. This offsets line item #312.

Mr. Coyle asked to have the line items in #312 explained. Ms. Mobsby explained these line items are for the valuation of re-evaluation, utility assessments, and cycled inspections.

Mr. Coyle requested that there be a comparison of Derry's Assessing Department to other communities and what is spent on assessing and why there are a lot of outside consultants. Ms. Mobsby gave a comparison by parcels of other communities. There was a policy adopted to consistently do cycled inspections so that the increases to the residents will not be aggressive when reaching a 100% assessment.

Wetherbee moved the bottom line of the Assessing Department in the amount of \$606,904, seconded by Milz. Vote: 6-1-0 (Coyle) Pending flagged for comparison of other towns

Tax Collector

The MV budget has factored in a 1% decrease in revenues from the prior year based on the current year experience and the decline in population reported in the most recent census. Personnel increases are in conjunction with contractual step and longevity increases and a 21% increase in retirement rates. There is no change in staffing.

Wetherbee moved the bottom line of the Tax Collector in the amount of \$715,646, seconded by Milz. Vote: 7-0-0

Finance

The revenue is reimbursement of small claims fees awarded by the court for claims for ambulance services. Personnel increases are due to longevity increases. The budget reflects a reduction of five hours of a part-time employee whose primary responsibility is focused on ambulance collections. If the Council could consider it, this is a primary area that would be recommended for restoring the five hours to this position.

Mr. Milz asked to flag line item #110.

Wetherbee moved the bottom line for Finance in the amount of \$698,718, seconded by Milz. Vote: 6-1-0 (Coyle) Pending flagged item.

Other Municipal Obligations (OMO)

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Primary revenues include \$30K Medicare D Federal Subsidy, \$112,500 contractual obligation from the State to reimburse the town for debt service on the Courthouse, \$101,000 in investment interest income (this number is 35% lower than the prior year) \$205,917 as a transfer from Compensated Absence Capital Reserve Fund to fund retirement costs, \$556,851 use of Fund Balance, \$344,851 to be transferred to Compensated Absence Capital Reserve Fund and \$59K use of Fund Balance to support the overall budget.

Mr. Wetherbee question if the interest return was stated as a little high. Ms. Mobsby stated the department has gone out for request for proposal for investment interest rates, so that they can look at maximizing the return on the town's cash balances. The bid opening is April 26th. There is anticipating some change in the approach the Treasurer is taking.

Personnel services is the area of cost of payments on the cost of Retirees for both Health benefits and Earn Time Buy-outs upon retirement. There is an anticipated reduction in future years.

Mr. Wetherbee asked what happens if the State revamps the retirement system and more employees decide to retire. Ms. Mobsby explained that in the Compensated Absence Capital Reserve they are maintaining a special fund for any of the extra retirements that may take place. She will come before the Town Council if a transfer is needed.

Mr. Coyle question how much was spent in Legal Services to date. Ms. Mobsby replied \$274,000. She has done a comparison of the last four years. Mr. Coyle asked to flag this line item #320.

Ms. Mobsby wanted to call attention to one item in debt service. There is a staff report that the Town Council will be hearing on May 3rd regarding consideration in paying off the bond anticipation note for Exit 4A. If that occurs, there could be an effect on the debt service line.

There was a discussion on Fund Balance from this FY11 that will transfer to FY12 budget.

Wetherbee moved the bottom line for OMO in the amount of \$2,078,744, seconded by Milz. Vote: 7-0-0 Pending flagged item #320.

Ms. Fairbanks would like to hear from the department heads throughout the budget process as had been done in the past; the people like to hear what is going on. However, Ms. Mobsby did a good job presenting her divisions. Mr. Anderson stated he would take it under consideration.

(5 minute recess)

Previously Flagged Items

Administration - Line item 39000, Other Professional Services, \$75,000 **Okay**
There will be a memo to address the Economic Development goals for FY12 prior to the Public Hearing.

Police - Line item 032907, Pistol Permit Revenue, \$4,700 **Okay**
not recommended by Town Administrator as State has not passed this bill.

Capital Lease vs. Purchase - There are five town-wide items proposed to be leased totaling \$481,000.

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Annual Interest is \$23,183, in FY12, \$29,611 in FY13 and \$18,407 in FY14.

The Library will meet with IT Director to add a capital lease program for their computers.

This will be revisited.

There was discussion on Capital Lease vs. Self-Finance in regards to bond ratings and use of Fund Balance.

Mr. Coyle requested that the Town Council receive a list of all Capital and Operating Leases the Town presently has. Chairman Benson requested what the difference of the Capital and Operating Leases for explanation and what can and cannot be done with Fund Balance.

Suggested use of Cable Franchise Fees – There is no restriction on how we designate the use of franchise fee income. The undesignated \$59,352 may be used for other purposes.

Mr. Anderson recommended the following:

- Increase the gasoline and diesel unit price to \$3.00 per gallon (\$12,236)
- Restore the Part-Time Finance employee to 25 hours per week (\$4700.00)
- The Wednesday Evening Transfer Station Hours until 6:30 p.m. (\$5000.00)
- The CPR and Fire Public Education materials (\$5,500)

Including the Fireworks line of \$8,500 and the Ballot Printing line of \$1,000 already committed the total is \$50,753.

Chairman Benson would like to add a 2% increase in the Personnel line for the Taylor Library with roll-ups. Mr. Milz agreed.

Chairman Benson stated this should be a long range plan and it should be decided what the Cable capital budget targeted range should be and when they exceed that how it should be used and if it should be a user fee return or how it should be used going forward.

Move to use the undesignated Cable Franchise Fees of \$59,352. Motion by: Councilor Wetherbee, seconded by Councilor Milz. Vote: 5-2-0 (Coyle, Chirichiello)

Increase the gasoline and diesel unit price to \$3.00 per gallon throughout the Town (\$12,236) Council agreed

**Restore the Part-Time Finance employee to 25 hours per week (\$4700.00) Motion Milz, seconded Wetherbee
Vote: 7-0-0**

**Restore Wednesday Evening Transfer Station Hours until 6:30 p.m. (\$5000.00) Motion Coyle, seconded Milz.
Vote: 7-0-0**

Restore CPR and Fire Public Education materials (\$5,500) Motion Wetherbee, seconded Milz. Vote: 6-1-0 (Coyle)

**Councilor Milz increased the Taylor Library Personnel line by 2% including roll-ups, seconded by Wetherbee.
Vote: 6-0-1 (Coyle)**

Ms. Mobsby stated they would make adjustments for review to where the budget now stands with the tax cap.

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Parks and Recreation Analysis - still flagged to allow time to review Eric Bodenrader's memo.

Electricity budget in Vehicle Maintenance Division was underestimated in prior budgets so it did not decrease at the same level as other division.

Adjourned 9:00 p.m.

Recording Clerk Denise E. Neale, Town Clerk