

TOWN OF DERRY

Town Council
Derry Municipal Center

December 18, 2012
Tuesday - 7:30 PM

Non-Public Session under RSA 91A:3 II (c) Matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the body or agency itself, unless such person requests an open meeting

Call to order **7:30 PM**

Pledge of Allegiance, Warning of Fire Exits, Handicap Access, Turn off all Cell Phones

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

A moment of silence was held for the victims of Sandy Brook School in Connecticut.

Consent Agenda

- 12-122** Approve Minutes – December 4, 2012
- 12-123** Approve Workshop Minutes – December 4, 2012
- 12-124** Schedule Public Hearing – January 8, 2013 –
Acceptance of Radio Equipment from Pinkerton Academy
- 12-125** Schedule Public Hearing – January 8, 2013 –
Acceptance of Radio Equipment from the State of New Hampshire
- 12-126** Schedule Public Hearing – January 8, 2013 –
Accept FY13 Public Health Network Grant Extension
- 12-129** Supplemental Appropriation from Land & Buildings
Capital Reserve Fund in the amount of \$173,000 to
Acquire downtown property

Added

Accepted as written with addition of 12-129

Chairman's Report – Chairman Benson

******* January Meeting Schedule**

January 8th Regular Meeting

January 29th Tentative joint workshop to be held at Pinkerton Academy with Pinkerton's Board of Trustees, Headmaster Mary Anderson, Derry District School Board, Superintendent Laura Nelson, Town Council, State Senator and State Legislators

Councilor Benson wished everyone a very safe and happy holiday season

Town Administrator's Report - John Anderson

******* 2013 Polling Locations / Election Calendar**

The upcoming town election calendar was reviewed for the Council. Mr. Anderson has sent dates to Pinkerton Academy Headmaster, Mary Anderson, for review with the Board of Trustees. We would like to try to keep polling locations the same for every election. When confirmed, this information will be placed on the website and CTV17.

******* Winter Parking**

Tony Sica sent a letter regarding the winter parking ban on Joseph Street. The Council recommended that this be referred to the Highway Safety Committee for review.

******* Discussion - Charter Questions**

Mr. Anderson reviewed the six Charter Amendments recommended to be placed on the March ballot.

Move to change Section 9.19 the annual report from 120 days recommendation of Administration to 150 days per Town Council. All agreed.

Schedule a special meeting for a public hearing on Charter Amendments to be placed on the March ballot at DMC on 12/27/12 @ 7pm.

Chairman Benson requested that the remaining Charter changes recommended by the 2010 Charter Commission be forwarded to all Town Councilors.

******* FY 2013 1st Quarter Financial Report**

Frank Childs, CFO, briefed the Town Council on a few changes made in the presentation of the financial report. The focus of the narrative related to the balance sheet is on areas where numbers have changed significantly from last year, rather than discuss each section. With respect to the narrative on revenue and expenditures reported, the inclusion of encumbrances in total expenditures tended to make the narrative more complex and confusing. Beginning with this report, both this year and last year's numbers reflect only actual expenditures to date, excluding any encumbrances. The Town Administrator, CFO and controller believe that these changes will make for more easily understood quarterly financial reports.

Janice Mobsby, Controller relayed that the Town's balance sheet changed primarily due to the bond issue for Route 28 of \$3.4M. Cash on hand increased by \$3.4 million to \$45.8M. Bond debt increased by \$2.8M, reflecting the impact of the \$3.4 million new bond, offset by annual debt payments of \$590,000. Capital lease debt increased by \$140,000 to \$884,000. Accounts receivable for taxes and liens increased by about \$50,000 because the value of elderly tax liens are now included in Town's assets.

Overall, the Town invested \$1.5 million more in capital assets than annual depreciation, most notably in infrastructure associated with the Route 28 roadway project, roads, bridges, etc. Investments in buildings and vehicles did not keep pace with depreciation, but this trend will change with the planned replacement of the Transfer Station building and the salt truck purchases that are on order. Unassigned general fund balance totaled \$13.4M, a \$3.5M increase over the prior year due primarily to grant reimbursements for capital projects

Frank Childs stated that there were no unusual issues to report relative to revenue or expenditures during the first quarter. He reported that the FY2012 Consolidated Annual

Financial Report was filed on 12/18/12 and that he and the Town Administrator will be drafting management's responses to the auditor's management letter, reviewing those responses with the audit committee before submitting them to the auditors.

Councilor Wetherbee asked what percentage the \$13.4M unassigned fund balance is compared to the GFOA recommended range. Mr. Childs replied that the GFOA target is 7 -18%. The Town's target has been to maintain at least a 12.5% reserve, the mid-point of the GFOA recommended range. The present unassigned fund balance represents a 15.4% reserve.

***** ***FY 2014 Budget Guidance***

Mr. Anderson stated he is looking for Budget guidance from Town Council. The CPI is 2.1% which, equates to a permissible increase \$513,000 in the budget. Additional revenues and new construction related taxes result in an additional \$57,000 – or a total estimated increase in revenue of \$570,000. The FY2014 budget will include a \$630,000 increase in NH Retirement costs, a \$215,000 increase in contractual agreements and a \$175,000 increase in benefits cost (short term disability, health & dental). Balanced against \$570,000 of new revenue, the \$1,020,000 cost increases result in a \$450,000 deficit just to stay even with FY2013. The budget guidelines will be introduced to Department managers at a meeting to be held on 12/19/12.

Councilor Wetherbee is concerned that a 2.1% cap could cost us more because of state downshifting of costs.

Councilor Milz asked what % of the cap \$450,000 would be. Mr. Anderson explained that each % = approx. \$256,000.

Chairman Benson is looking for a number for Municipal Obligations non-capital, then the capital number. At least until we find out what the school district is doing with their budget. Make sure we manage our finances this year. Leave some wiggle room below cap.

Mr. Anderson stated that if we are still short his plan is to return to the Town Council and ask what programs and service that we provided to the community is the Town Council prepared to not provide any longer. These are the hard decisions.

Frank Childs stated that our revenue is down because of not seeing a lot of new vehicles; newer used vehicles are still being purchased. There are some new residential developments but they are little, and interest income is still low. So the Council would maybe use some of fund balance.

Rt. 28 Manchester Rd. is in the final stages of completion. There are a couple of tweaks to be made. Final paving of the Crystal/Tsienneto/Folsom Rd. intersection will occur in the spring.

The old Walmart facility is now owned by Ocean State Job Lots and will be opening in March.

Public Forum – Non Agenda Items
Open Public Forum 7-0-0

Al Dimmock, High St – He is not happy with the design of the new islands at the Bank of America, getting in and out of Dunkin Donuts on Ashleigh Drive, and the backup at Folsom Road near the police station.

Mr. Anderson agreed that traffic signals, striping and the do-not-block road signs are clearly things to be worked on. Some of these issues have improved and others will be addressed in the spring.

Kelly Martin, Bayberry Lane – asked a question on Item #12-129 in regards to adding \$170,000 Supplemental Appropriation for the January 8th Public Hearing.

Close Public Forum 7-0-0

New Business –

12-127 Appointment to Southern NH Planning Commission

Move to Appoint John O'Connor to the Southern NH Planning Commission to expire on June 30, 2016.

Motion by Councilor Benson, seconded Councilor Katsakiores

Vote: 7-0-0

12-128 Close Crystal / Broadway Capital Project Fund

Move to close the Crystal/Broadway Reconstruction Capital Project Fund and transfer the unexpended proceeds to the general fund by 12/31/12.

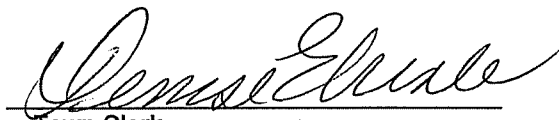
Motion by Councilor Wetherbee, seconded Councilor Milz

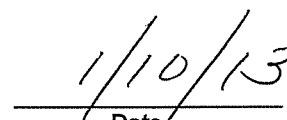
Vote: 7-0-0

Council Requests / Open Discussion

Councilor Olbricht suggested everyone visit our small downtown shops for holiday shopping and try some of our new local restaurants.

Adjournment 8:45 p.m.


Town Clerk


Date

Recording & Transcription: Denise E Neale, Town Clerk
Reviewed by: Larry Budreau, HR Director / Assistant Town Administrator
Frank Childs, CFO