

LONDONDERRY BUDGET COMMITTEE
Minutes of the Meeting of
April 19, 2007

The regular meeting of the Budget Committee was held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry.

Committee Members Present: Tom Freda, Chairman, Frank Heagarty, Vice Chairman, Mike Brown, Mike Toth, Sean O’Keefe, Jay Hooley. **Absent:** Tom Dolan.

Other Officials Present: Dan Bever, School Board Liaison, Ben Parker, School Board Liaison, David Caron, Town Manager, Sue Hickey, Finance, Asst. Town Manager for Finance, Nate Greenberg, Superintendent. **Absent:** Kathy Wagner, Town Council Liaison.

Senator Robert Clegg, Representative Al Baldassaro, Representative Sharon Carson, Representative James Headd, Representative Karen Hutchinson, Representative Robert Introne, Representative Betsy McKinney, Representative Ken Hawkins - Bedford.

I. CALL TO ORDER : The meeting was called to order by Tom Freda.

II. PUBLIC HEARING

A. Committee Work – Continued discussion on whether to individually record members votes on motions. Tom Freda passed the gavel to Frank Hegarty and made a motion that the Committee identify all votes by the individual member making the vote. **Seconded** by Sean O’Keefe. After a discussion by members, the motion was passed by a vote of **6 For, 0 Against**. The vote on the motion was as follows:

Member	For	Against	Abstain	Absent
Tom Freda, Chairman	X			
Frank Hegarty, Vice Chairman	X			
Mike Brown	X			
Tom Dolan, Secretary				X
Mike Toth	X			
Sean O’Keefe	X			
Jay Hooley	X			
Totals	6	0	0	1

B. The Invitation to State Legislative Contingent to discuss HB876 relative to the NH State Retirement System and Other matters of importance to the Contingent was accepted by the legislators listed above. The Budget Committee prepared and presented a spread sheet, (a copy of which is attached) relative to the costs of pensions for both the Town and School Department for the years FY04 thru FY08. Representative Ken Hawkins of Bedford led off the discussion with an account of the current status of the retirement system and some of the problems affecting pension costs going forward. Senator Clegg brought forward additional information concerning the ongoing financial problems with the adequacy of pension funds and the state retirement system. Both gentlemen and Representative McKinney noted that the continued large increases in pension costs

currently being assessed to the towns, including Londonderry, will likely continue unabated for the next 10 to 12 years and that there is no major reforms for the system on the horizon nor is their likely to be anything done on the State level to change the system. Senator Clegg suggested. Members of the Committee raised questions with the Representatives and Senator Clegg relative to the costs of retirement benefits, the status of the financial structure of the retirement system and what the Committee Members and Citizens can do to try to rectify the situation. Senator Clegg stated that while there had been actions by the legislature recently to raise funds thru taxes to ease the retirement burden, those funds are not being dedicated to retirement funds, but are being sent to the General Fund.

After the pension discussion, the Legislators were asked to comment on state aid to education and the proposed Constitutional Amendment filed by Governor Lynch in response to the Londonderry School case. Senator Clegg indicated that if passed, State grants currently given to the Town, will be declared to be aid that meets the adequacy test and that the bottom line will be that the Town will receive no more and perhaps less than the Town currently receives. All Legislators present indicated that they would vote against the Constitutional Amendment.

The Pubic was asked if they had any questions and there were none. The Legislators were thanked for their participation and left the meeting.

III. PUBLIC COMMENT

None.

IV. ACTION ITEMS

Mike Brown brought up keeping our meeting on May 24, in order to have the time to accomplish the goals outlined at the Meeting of March 22, 2007. The Committee unanimously agreed.

School Board Liaison Ben Parker indicated that the Committee's request for information concerning the number of teachers, administrators and other staff employed by school, and the enrollments per school were available in school published documents and the Budget Committee can access that information from those documents.

V. NEW BUSINESS

None.

VI. APPROVAL OF MINUTES

Motion by Sean O'Keefe to approve the Minutes of the Meeting of March 22, 2007, seconded by Frank Hegarty. The vote on the motion was as follows:

Member	For	Against	Abstain	Absent
Tom Freda, Chairman	X			
Frank Hegarty, Vice Chairman	X			

Mike Brown	X			
Tom Dolan, Secretary				X
Mike Toth	X			
Sean O'Keefe	X			
Jay Hooley	X			
Totals	6	0	0	1

VII. OTHER BUSINESS

Liaison Reports – School Board – Presented by Jay Hooley.

Reported that as of the last financial report prepared by the School Business Administrator, there is an approximate surplus of \$500,000. Also reported that at the last meeting, the School Board, the Board voted 3 in favor 2 opposed to approve the purchase of dishwashers for the District Schools, in an amount in excess of \$67,000. This contract was not put out for an advertised bid, and the School Board Liaison's as well as the Superintendent indicated that since this contract did not involve taxpayer funds, it was not required to be put out for an advertised bid, per School Board policy. Jay Hooley pointed out that at the School Board meeting prior to this the Board decided that all contracts, even contracts not involving taxpayer funds, were to be put out for an advertised bid, if the contract involved an amount over the monetary requirement, (ie, \$10,000). Ben Parker indicated that the Board would require all contracts in the future to be put out for an advertised bid. The Superintendent indicated that in this case, the Food Service Department had contacted vendors who other food service departments utilize, that this vendor was qualified and provided the lowest price. Tom Freda questioned how we could know that we got the lowest price if the bid was not advertised and why there was a need to bar this practice in the future if there was nothing wrong with this practice. Ben Parker stated that the practice had been corrected and did not see the need to continue to reviewing this and that the Board had moved forward.

Liaison Reports – Town Council – Presented by Frank Hegarty.

Reported that the Council withdrew \$900 from the undesignated fund balance for acquisition of a generator and also announced the goals of the Chair of the Town Council for the upcoming year.

Liaison Reports – Town Council – Presented by Mike Brown .

-Dragon Mosquito contract for 2007 mitigation plan. Last year's plan cost \$45K. Dave said the town will be using \$33K left over from last year and also will sweep underexpended accounts by July 1 to make up the difference for 2007's bill. Kathy Wagner expressed an interest in incorporating this activity into the annual budget next year instead of pay as you go.

-Dave Caron told the TC that a DOJ report about handicapped issues at TM will result in some modifications that will have a cost. Dave said he would return to the TC with those costs at a future meeting. They would not be significant.

-The Fire Facilities Building Committee will have one more final meeting (date TBD) to tie-off the loose ends for the recently completed South Fire Station. The committee will likely resume it's activities & meeting schedule for the proposed North Station later this year.

-Dave Caron provided a report & presentation to the TC about HB653, which is the bill to change some aspects of the NH retirement system. Dave was clear that the Town & School can expect another significant contribution increase for the FY10 budgets.

Other Reports:

Notice of Workshop with the Conservation Commission. Tom Freda announced that the Conservation had invited the Budget Committee to a workshop on May 8, 2007 to discuss open space bonds and other issues.

In addition, a Joint Meeting has been scheduled for June 12, 2007 with the School Board and the Town Council. The Committee decided that this joint meeting should stand as the regular monthly meeting of the Committee. Therefore the Committee canceled its previously scheduled June 28, 2007 meeting.

Sue Hickey indicated that she and Dave Caron have information regarding long-term debt schedules that could be of help to the Committee in its study of the Town's long-term debt status as well as information relative to when refinancing bonds is advantageous. She indicated that provided no additional debt is incurred, the Town Manager has authority to refinance bonds with the need to go to the voters for approval.

VIII. ADJOURNMENT

There being no other business, Sean O'Keefe made a motion to adjourn, seconded by Frank Hegarty. The vote on the motion was as follows:

Member	For	Against	Abstain	Absent
Tom Freda, Chairman	X			
Frank Hegarty, Vice Chairman	X			
Mike Brown	X			
Tom Dolan, Secretary				X
Mike Toth	X			
Sean O'Keefe	X			
Jay Hooley	X			
Totals	6	0	0	1

IX. UPCOMING MEETING SCHEDULE:

- A. Budget Committee Workshop with Conservation Commission **May 8, 2007 – 7:00 PM**
- B. Budget Committee Meeting **May 24, 2007 – 7:00 PM**
- C. Joint Meeting of the Town Council, School Board and Budget Committee Meeting **June 12, 2007 – 7:00 PM**
- D. Budget Committee Meeting **July 26, 2007 – 7:00 PM**
- E. Budget Committee Meeting **August 23, 2007 – 7:00 PM**

X. RECORD OF MEETINGS HELD:

1. Organizational Meeting **March 22, 2007 – 7:00 PM**
2. Second Meeting, **April 19, 2007 – 7:00 PM**

RSA: 91-A:2 Meetings Open to Public. –

II. All public proceedings shall be open to the public, and all persons shall be permitted to attend any meetings of those bodies or agencies. Except for town meetings, school district meetings and elections, no vote while in open session may be taken by secret ballot. Any person shall be permitted to use recording devices, including, but not limited to, tape recorders, cameras and videotape equipment, at such meetings. Minutes of all such meetings, including names of members, persons appearing before the bodies or agencies, and a brief description of the subject matter discussed and final decisions, shall be promptly recorded and open to public inspection within 144 hours of the public meeting, except as provided in RSA 91-A:6, and shall be treated as permanent records of any body or agency, or any subordinate body thereof, without exception.
