

LONDONDERRY BUDGET COMMITTEE

Minutes

December 14, 2009

The Budget Committee meeting was held in the Moose Hill Conference Room, 268B Mammoth Road, Londonderry NH 03053.

Committee Members Present: Richard Dillon, Tom Dolan, Todd Joncas, Don Jorgensen, Deb Nowicki, Mark Oswald.

6:00 PM I. CALL TO ORDER

The meeting was called to order by Mr. Oswald at 6:00 pm.

II. PUBLIC COMMENT

A. None

III. COMMITTEE BUSINESS

Mark Oswald: The purpose of this meeting with the Town Manager, David Caron and Finance Director, Susan Hickey was to explore any more questions that there may be as well as come to some consensus among the Budget Committee Members as to whether or not the Budget Committee supports the Operating Budget and any upcoming Warrant Articles.

Mark Oswald: The meeting was opened up to discussion or questions for any Budget Committee Member with the Town Manager and/or Finance Director:

- Todd Joncas asked if there was any consideration given to alternatives to funding roadway repairs/reconstruction without adding to the Town's debt by way of additional Bond issuance... perhaps by way of other tax-based funding, reserve, etc... It was further expressed that there is a little concern to continually use debt as an ongoing way to fund regular Town highway maintenance. It was asked whether not it would make sense to do something different other than bonds at this time or not and why.
 - Dave Caron responded by clarifying that first and foremost, the Bond funds are not used for maintenance, but rather considerable road reconstruction so it makes sense to utilize these funds for this type of work. Routine maintenance items are funded by a \$500K maintenance fund. All things considered, since "money is real cheap" these days, with bond rates available at ~2.89% for a 10-year note, philosophically it do we want to spread the cost of work evenly over a number of years which helps level the tax rate, or fund it another way... with the cost of money the way it is right now, it makes sense to fund it via bonds – all things considered.
 - Todd Joncas agreed that given this input, it makes sense to fund it this way. Particularly with the debt load from older bonds coming to maturity very soon. It solves the funding needs with a net result of not adding to the overall debt load (nor the tax rate) since we add this debt, but older debt is being paid off.

- Tom Dolan asked if there was any contingent Warrant Article should the Bond warrant not pass. It was further asked that perhaps the Chair address the question to the Council as to what the contingency would be in the case that the Bond Article fails to pass as to the impact to the operating budget.
 - Dave Caron indicated that the Council did not include a contingency Article last year and no discussion to date has occurred for this year. State law requires that a separate hearing needs to occur for any bond Warrant Article in excess of \$100K.
- Don Jorgensen asked if there was any further Library costs discussion with regard to the increase to the Library budget or are they simply tasked with managing their own budget accordingly.
 - Dave Caron stated that there was no additional direction. It was further clarified that the directive by the Town Manager was to provide a budget that did not exceed a 2% overall increase. This directive was not given to the individual department heads. Although the Library came in higher than the overall directive, they were not specifically tasked with hitting a 2% increase maximum. The current thought process is that the Library will manage its own budget given the budget they have to work with.
- Deb Nowicki asked if there was a job order/requisition for a maintenance position or were they planning on utilizing the option provided by the Town Manager to utilize the Town's maintenance services.
 - Dave Caron indicated that he did not know at this time and that he didn't think that the Library trustees had met since their last meeting where this was discussed.

Mark Oswald: Opened up discussion regarding the "Safer Grant" to the committee. This grant is offered by the US Federal Government to fully fund for 2 years (partially for 3 years) for 4-5 firefighters/paramedics.

- Don Jorgensen indicated that previous cost reduction discussions were held to perhaps "pair down" some of the expenses over the period of 3 years. Also, the grant only covered the salary and benefit costs for the 2 years.
- Dave Caron indicated that ~\$6K for each firefighter in the first year would have to be expended by the Town to pay for training, uniforms, equipment, fire suits, etc... Also, the grant would pay for salary and benefits for the first 2 years and the 3rd year the Town would be responsible for the salary and benefits. Given the current service level, **no** reduction in staff was recommended. There were four options offered to the Town Council: 1. do not accept the grant, 2. apply for 4 positions spread evenly, and options 3&4 were basically to target times and hire for when the resources would be needed for 7am to 7pm depending upon the appropriate schedule.
- Don continued on the point of overtime impact, i.e., would there be savings or not when factoring in overtime.

- Dave Caron indicated that the grant was not designed to accommodate people to offset overtime. Overtime would not have much of an impact. Further, if the grant was accepted and the Town implemented these additions, we could get additional ambulatory revenues to help offset some of the costs.

Mark Oswald: Opened discussion to Article 6 specifically with regard to the point that the 2.44% increase to the budget did not represent the increase to the tax rate.

- Dave Caron confirmed this. The operating budget actually has a 3 cent decrease, but the overall budget translates to a 3 cent or .65% increase overall to the tax rate plus another cent for capital reserve, another cent for maintenance trust fund, and another 4 cents for the overlay account.
- Mark Oswald asked what the impact of the collective bargaining agreement and the Safer Grant would be if ratified.
 - Dave Caron stated that the collective bargaining agreement impact would be ~1.4% increase. With the safer grant would have no tax impact this year, but in order to plan for funding this in the future we would end up right around the 2% tax rate increase.
- Tom Dolan indicated that we would have ~ \$30K net revenue enhancement in the first year or about 1 cent to the tax rate decrease which would help offset some of this.
 - Dave Caron confirmed this.
- Deb Nowicki expressed concern that there would be no cap on the limit for each position.
 - Dave Caron indicated that anyone hired in, regardless of the grant, would have to comply with the collective bargaining agreement.
- Deb Nowicki brought to light that with the grant we can't fire anyone...
 - Dave Caron clarified that the grant is simply preventing towns from hiring people using grant funds and firing people funded by the town... i.e., using grant funds to replace town funds.
- Rich Dillon asked for clarification that with the new North Fire Station, we already have the staff to fully staff that station today.
 - Dave Caron confirmed this to be true.
- Tom Dolan asked what has been the history of fact finding reports being passed by the town.
 - Dave Caron indicated that only 1 that he can remember passed.
- Todd Joncas asked the Town Manager whether or not we have not discussed any items within the budget that are of concern or that we may have missed that we need to be aware of or that should be discussed.

- o Dave Caron indicated that he did not believe we have missed anything. The budget is level funded and has no new requests, etc.. The only issues might be collective bargaining agreements and also state revenues could have an impact if they continue to reduce state funding, grants, etc...

Voting by the Budget Committee to support or not support the Safer Grant resulted as follows:

A. A motion was made by Tom Dolan 2nd by Don Jorgensen to support the Safer Grant and voted on as follows.:

Member	For	Against	Abstain	Absent
Richard Dillon		X		
Tom Dolan	X			
Jay Hooley				X
Todd Joncas		X		
Don Jorgensen		X		
Deb Nowicki		X		
Mark Oswald	X			
Totals	2	4	0	1

B. Liaison Reports.

None

IV. NEW BUSINESS

A. None Scheduled

V. OLD BUSINESS

A. None Scheduled

VI. ADJOURNMENT

A motion was made by Jay Hooley at 6:55 pm to adjourn the meeting, 2nd by Todd Joncas. The vote on the motion was as follows.

Member	For	Against	Abstain	Absent
Richard Dillon	X			
Tom Dolan	X			
Jay Hooley				X
Todd Joncas	X			
Don Jorgensen	X			
Deb Nowicki	X			
Mark Oswald	X			
Totals	6	0	0	1

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.
