

Londonderry Budget Committee Minutes May 27, 2010

The Budget Committee meeting was held in the Moose Hill Chambers, Londonderry Town Hall, 268B Mammoth Road, Londonderry, NH 03053.

Committee Members present: Mark Oswald, Donald Jorgensen, Richard Dillon, and John Curran, Lisa Whittemore, Dan Lekas, Todd Joncas,

Town Members Present: Sue Hickey, Assistant Town Manager and Janucz Czyowski, Director of Public Works

7:00 PM **I. Call to Order**

The meeting was called to order by Chairman Donald Jorgenson at 7:04pm

II. Pledge of Allegiance

Pledge of Allegiance was led by John Curran

III. Public Comment

None

IV. Committee Business

A. Approval of April 22nd minutes

A motion was made to approve the minutes from the April 22nd meeting: motion by Rich Dillon, seconded by John Curran.

Member	For	Against	Abstain	Absent
Mark Oswald	X			
Don Jorgensen	X			
Todd Joncas			X	
Richard Dillon	X			
John Curran	X			
Lisa Whittemore	X			
Dan Lekas	X			

Motion passed 6-0-1.

V. New Business

A. Schedule of Social Services Review for September Meeting

Chairman Don Jorgensen requested Sue Hickey give a brief overview of the financial analysis revenue and expenditure reports that were distributed. This report was emailed this afternoon and distributed to all committee members. The report gives an overview of all revenues categories other than property taxes, 10 year analysis of revenue source, expenditures from July through April, anything over \$15k. This was distributed at the last town council meeting

Todd: Any indication of state revenues to look forward to?

Sue: Still not getting shared revenue as last year and meals and rooms tax will be reduced by 10 percent less to make up for state shortfall. (1.2Million in revenue) Still being worked on at the State house so it is still subject to change. Sue will be available until June 30 through September so any questions could be directed to her before she leaves or to the Town Manager after.

No other questions from the board

Social Service agencies and proposes budget calendar

Draft fiscal year

November 15th - 1st council meeting where budget will be presented on November 15th (formerly started in October), we have reduced the several evening meetings where department heads presented their budgets to one day, Saturday, November 20th. Breakfast and lunch will be served...

Social Service Agencies under "new business"

Don: Are there any opinions from the board on date to schedule this meeting?

Sue suggested a September meeting before the budget process starts. September 23rd is the date, general consensus set up for the 23rd beginning a meeting at 6pm to get all agencies in. We give approximately 10-15 minutes per agency

John: do we have an idea of which agencies need more time?

Sue: usually the agencies that have more material to present will bring handouts for review.

Mark: It makes for a more productive session if we can have the information beforehand.

Lisa: How many agencies come forward?

Sue: 15 to 20 agencies and some agencies have come forward even though they did not receive funding in prior year(s).

Mark: The new members may receive the benefit of an overview from each of the agencies giving the data on the number of families that have been served in Londonderry rather than pure financials.

The groups will give an overview, amount of \$ requested beforehand

B. Liaison Reports

CIP – John Curran

John stated that there have been emails some tentative dates in June for first meeting

School Committee Liaison – Todd Joncas

Bond ratings – Moody’s have dropped the rating for bonds from AAA to AA rating comparing it like a business rather than as a separate municipality. As a result something to watch if we have to borrow funds showing a higher risk.

Food services – there is a federal law being discussed that may require us to fund more through the town. Seems a bit backwards that this may cause it to cost more to the local population. Based on serving healthier foods, lower fats and sodium levels.

Freezer situation – under the capital lease program in the school district’s budget, however there is discussion to not spend the money and look at the ramifications and costs down the road.

C. Presentation by Janucz Czyzowski, Director of Public Works, regarding upkeep and repair of the Londonderry Roadways

Janucz provided a presentation on the condition of the roads. There are over 24,000 people in Londonderry – well situated and very attractive community. It is comprised of 180 miles of municipal roads that are cared for by the town - we do not care for/maintain the state roads. There are also 2,000 catch basins, 500 outlet structures, 500 end sections, 1200 headwalls over 50 miles of culverts and pipes. Many of them are old, deteriorated, corrugated metal pipes that will require replacement. So when you see Janucz’s budget request for \$100,000 for drainage repair it is only a drop in the bucket – it will not repair any of the work that is required.

Janucz started in 1993, he stated if we do not start putting money into road repairs it will end up costing us 4 to 5 times more. Griffin Road was done back then, he had to wait three years to get enough money to start construction. (\$490,000 spent in 1993, now it would cost 1.6-2.0 million dollars)

In 1990, the roadway management program required 50 million dollars to bring roads to satisfactory conditions. Janucz was persistent for 12 years requesting money for improvements to roads and reconstruction.

Janucz stated “When you look at road reconstruction, we have only 20k, it was 40k but we have to adjust our budget, knowing that we had an article to pass that would cover reconstruction costs. The 20k does not do anything for us, we would not be able to fix any of the roads with that little money.”

What the town is getting from the state town block money, we get approximately 500k. To reconstruct 1 mile of road like we did on Bartley Hill Road from where the state is finishing at the top of the hill it will cost \$1.6 million per mile of road or \$300.00 per linear foot.

When you see a 1 million bond, it is not that much with 180 miles of roads – Janucz showed a chart that explained the conditions and schedule of these roads.

Todd: Do we always have to reconstruct the drainage part of the road?

Janucz: if we are reconstructing the road, it has deteriorated because of bad drainage. That is what causes the road to deteriorate. If you look at rehabilitation, we do shim and overlay to upkeep the roads and get us by without total reconstruction because we do not have the money to reconstruct. If we catch it

soon enough, we only have to put down 1-1.5 inches of pavement to shim, otherwise it has to be thicker, and this changes the costs from \$100,000 to \$160,000 per mile of shim and overlay by today's costs. {Shows a chart of the life cycle of the road}

If we started with every road, we should shim and overlay every road in a twelve year cycle. If you catch it in the correct cycle we can pay \$1 rather than the \$4, 5, 6 dollars if we do not catch it in time.

If we take the \$500k from the state, \$20k for crack sealing, \$20k for striping, for repairing the guard rails, we have \$440 dollars left just for shim and overlay. It costs \$160 for shim and overlay, we could only do this for 2.7 miles per year, and it puts us in a sixty five year cycle. The road would be completely deteriorated by then. We should have 2.4 million budgeted each year if we were to be on an ideal cycle to do it right. There is a twelve year cycle.

Todd: On that previous slide, that 4-5 dollar threshold is that flat-lined?

It gets to the point when the road is that bad, we have to look to the roads that are repairable first. Some roads are too far gone. The 4-5 dollar rate is not considering inflation, it is based on amount of work required at the current cost.

All Public Works departments are struggling with the same issues of road maintenance upkeep. Other comparable towns such as Bedford NH have requested 20 or 30 Million dollar bond requests. All pavements oxidizes, so it has to work on a life cycle, it is not like vinyl siding where you put it up and it is good for life. Due to the cost of oil, the prices of liquid asphalt goes up, so to say exactly how much we will need each year is not clear.

Janucz cited several examples of roads that required work: Parmenter Road, Bartley Hill Road, Mill Road, Wilson Road.

Janucz showed a chart of a comparison between towns spending on roads:

In 2001 Derry spent more in one year than Londonderry had spent in 10 years. Londonderry took the state block money, 250k back then, and spent that on roads with no additional input money from the town. Janucz requested that the town at least match the state funds beginning in 2001. In 2006, the CIP recognized that we needed to invest in the road system and we began requesting 1.5M each year for road reconstruction.

Since then, the cost of oil has dramatically increased and so has the price of liquid asphalt. With this in mind, the cost of road reconstruction has also increased so the 1.5M no longer builds 1.5M worth of roads.

Todd: When you shim, like Wilson Road for example, how long will that last vs. cost?

Depending on the work being done, roads like Parmenter Road will last longer because it received a 1.5 inch aggregate base and under side work, while Wilson only had a shim and it is now beginning to fall apart (average 5 year life on shim work)

We are lower on the list of comparable towns for spending money and we want to keep it that way so we developed our own standards in the construction of new roads. There are two types of roads, open swale road and curbed roads. The open swalled roads are a cheaper design construction; however, people have backfilled many of the swales on the sides of the road. The second option using curbing, does not require swales or culverts, but is more costly because we now require curbstone, catch basins, and closed drainage systems.

Janucz provided examples of both open swaled roads and closed drainage systems and also showed how thin the standard roads are when attempting to pass with a

plow. (28 foot wide roads) Also provided more examples of reconstruction of roads – Judy Drive, Willow Lane, Bartley hill Road (Bartley hill was done by an outside contractor, not by DPW personnel), Londonderry Road, Mt Vernon, Copperfield, Harvey and Webster and also drainage projects Such as Mt. Auburn, Page Road, Old Mammoth Road and Willey Hill Road. The drainage projects have become more expensive because EPA no longer allows for corrugated metal pipe, they require box system drain pipes.

Janucz stated he would continue to request bonds on an annual basis to continue his roadway maintenance plan. Although he understands that he will never get 25-30M, the size of the bonds he has historically received will continue to improve the roadway maintenance program.

This years projects examples: Perkins/Stonehenge, Litchfield Road, Laneway, Misty lane – design is ready but not sure if we will have enough money to complete this summer

Don asked for questions from the committee.

Don: Do you have an estimate of what will be needed to not slide backward on a yearly basis?

Janucz referred to a graph based on today's costs – 2.4M in shim and overlay + additional money for reconstructing roads (no exact cost given)

John: That presumes 15 miles per year to shim and overlay on to keep road from being un-drivable?

Janucz clarified that 12 years would be on an ideal road, 15 years would start showing cracks; they would all remain drivable roads.

John: Cul-de-sacs are not driven on as much – would they have a life cycle of 20 years?

Janucz – Cul-de-sacs would probably last more than 12 years, but it is not only traffic and weight on the road, the asphalt oxides and breaks down over time.

Todd: Do you have a breakdown of the traffic levels on 180 miles of Londonderry roads?

Janucz used examples of roads that had low traffic levels but still required rebuild/major repairs.

Rich: Commercial and residential roads – Are there structural differences in the design to account for higher/ heavier traffic?

Janucz: No, the roads are built to the same standards.

Mark: Have you considered using concrete instead of asphalt?

Janucz: Not in New England, used in the South but because of the salt, it will be eaten away. It is also currently more expensive and due to our weather, not feasible.

Mark: 10 years ago, companies were throwing other materials, like glass and other things, in the asphalt. Are they still doing this?

Janucz: No this is an old practice. A new practice is porous pavement- it is like a big leaching field so we require a closed drainage system even on private lots. The roads will never be built this way.

Lisa: What are the mechanisms used to ensure the builders are building under the standards we saw this evening?

Janucz: We inspect every road to ensure guidelines are being followed. If they change material we have them pull it out and replace it. That is how we ensure it is being done correctly.

Don: You talked about a twelve year span average for shim and overlay. Is there a shorter cycle for certain roads, like heavy traffic, truck traffic, etc?

12 years – yes it is oxidizing but smaller roads may go longer. If it is built to standards and the material is delivered warm and not allowed to cool down before being laid, then the road should last 12 years.

Don asked if there were any other questions from the committee members? Seeing none, moved to next subject.

VI: OLD BUSINESS

Next meeting and upcoming schedule:

It was noted that last year there were no meetings in June and July, the 3rd week in August was tours of the town and school facilities.

Don asked if the committee members were okay with following the same schedule as last year? All members agreed.

Final questions for the evening:

Don: Sue, will you be providing us with the source expenditure report on a monthly basis?

Sue: Source expenditure report will not be done monthly - it is not an ongoing report, it was done as a snapshot in time.

Todd: Capital expenditures and projects status – will we be getting an update as requested last year?

Sue: Monthly financial statements can be sent but July and August, nothing really happening. New year for town so early in the year nothing really happens over 15k, except maybe health insurance costs. Sue will update us up until she takes her leave.

Mark: CIP can also give us updates on subjects that may be brought up for improvements.

Todd: Tour last year was valuable to the new members.

Don: We can put on the list of tours, Airport access road, Northwest Fire Station, Pettengil Road, etc. so we can get up to date on these projects. We will start the tours around 5-5:30 to get them all in.

Jon Curran: NH Retirement system issues - Do you see that having an impact in the town coming up?

Sue: Not at this time, no.

No other questions from the committee.

VII: ADJOURNMENT

A motion was taken to adjourn the meeting. Lisa Whittemore made the motion, seconded by Todd Joncas.

Member	For	Against	Abstain	Absent
Mark Oswald	X			
Don Jorgensen	X			
Todd Joncas	X			
Richard Dillon	X			
John Curran	X			
Lisa Whittemore	X			
Dan Lekas	X			

Motion to adjourn passed 7-0-0.

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.