

**TOWN COUNCIL  
AGENDA  
November 03, 2008**

The Town Council meeting will be held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry. Regular meetings are cablecast live and videotaped for the convenience of our viewers at home.

7:00 PM

I. CALL TO ORDER – PUBLIC SESSION

II. PUBLIC COMMENT

A.

III. OLD BUSINESS

A. FY 10 Budget Workshop

B. Community Development Site Selector Presentation

IV. NEW BUSINESS

A.

V. APPROVAL OF MINUTES

A. Minutes of the Council's October 20 and 27, 2008  
Public Meetings.

VI. OTHER BUSINESS

A. Liaison Reports

B. Town Manager's Report

C. Board/Committee

Appointments/Reappointments/Resignations

1. Resignation of Mark Officer from the ZBA, term ending  
12/08

2. Resignation of Stephen Fassi from the Conservation  
Commission, effective immediately, term ending 12/10.

VII. ADJOURNMENT

MEETING SCHEDULE:

A. Town Council Meeting, November 17, 2008,

Moose Hill Council Chambers, Town Hall, 8:30 AM

- B. Town Council Meeting, December 1, 2008, Moose Hill Council Chambers, Town Hall, 7:00 PM
- C. Town Council Meeting, December 15, 2008, Moose Hill Council Chambers, Town Hall, 7:00 PM

**TOWN COUNCIL MEETING**  
**October 20, 2008**

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

**PRESENT:** Town Council: Chairman Marty Bove; Vice Chairman, Brian Farmer; Councilors Kathy Wagner, Paul DiMarco; Town Manager, Dave Caron; ATM/Finance Dir., Sue Hickey and Margo Lapietro, Executive Assistant.  
**Absent:** Councilor Mike Brown.

Budget Members – Jay Hooley, Chris Davies, Mark Oswald, Deb Nowicki (Left at 8:50)

**CALL TO ORDER – PUBLIC SESSION**

**Chairman Bove opened the meeting at 7:02 PM with the Pledge of Allegiance. This was followed by a moment of silence in memory of former Town Moderator Bill Foley.**

**PUBLIC COMMENT**

Councilor DiMarco announced that Pillsbury Rd will be closed for paving between Mammoth Rd. and Hardy Rd. on Tuesday, 10/21/08.

OLD BUSINESS

Economic Development Plan – Andre Garron, Dir. of Community Development spoke about the Jack's Bridge Rd. Development Area District; Pettengill Rd and the Page Road/Rte 28 intersection.

**Jack's Bridge Development Plan Financing Options:** TIF district boundaries were established by Town Council in 2006. By doing so, this allowed the Town to maintain all of its options regarding any potential public-private partnership. Council authorized use of the Rt. 28 Impact fees to partner with EVCO, the developer of the area, to commission two studies:

Stantec completed a traffic study for Exit 5/Rte 28. The initial conclusion was that significant improvements were needed. Andre Betit and Gerry Fortin of Stantec were in attendance. A. Betit looked at different scenarios in the Exit 5 TIF area that included about 700,000 sq. ft. of various mixed use developments. DOT is currently constructing a 4 lane cross section on Rt 28. DOT's proposed plan for the I93 widening will be a 6 lane cross section on Rt 28 as well as a future 8 lane build-outs on Rt 28. The 6 lane alternative will last probably about 5-10 yrs depending on other developments along Rt. 28. The other alternative of 8 lanes will have a leg leading to the north bound off-ramp. Stantec added duel left turn lanes resulting in the intersection lasting longer. A. Garron stated that the 8 lane option will allow the intersection to operate at a higher level of service.

Economic Analysis Report was contracted with Russ Thibault of Applied Economic Research. The report reviewed alternatives to building in the different sections of Jack's Bridge area; and looked at which portions could not be sustained without additional financial tools.

**TIF Financing -** Initially it was estimated that the connector road would be of great benefit if the Town moved forward with the TIF District. Due to other recent planned and ongoing infrastructure improvements in the area, a benefit is measurable,

but not extensive. He provided a breakdown of TIF, had three scenarios which he explained:

**No Participation** – The Town would have 425,000 additional sf., resulting in an estimated \$502,232 in additional tax revenues generated annually.

**Full Participation** – This option would require the investment of \$12,237,750 in 2010 tax dollars for the Phase 2B connector road; at full build-out the Town would expect to receive approximately \$1,315,590 per year in tax revenues. The developer had proposed sharing 10% equity interest. Due to economic conditions the owner is not issuing the bonds for 2B, but requests that the Town bond the improvements.

A. Garron stated that the connector road from Rt. 28 will disperse the traffic to Page Rd. It was concluded in the October 2008 Supplemental Traffic Study for Rt 28 that the connector road would provide only a minimal traffic improvement along the Rt. 28 corridor due to improvements made on I-93. Chairman Bove stated that now that Jack's Bridge is not a primary road anymore due to Exit 5 being a wider roadway, change is not significant. A. Garron said that staff recommends a shift in priorities to Pettengill Rd because the public benefit of traffic and economic benefit of additional revenue of the 2B section is not there as it was once. He explained that all the taxes go to the general fund; there is no penalty to maintain the TIF District boundaries. He suggested maintaining the boundaries to provide further decision makers with maximum flexibility when addressing economic development issues. Councilor Farmer brought up the question if we do want it later a huge amount of tax revenue is coming out of the general fund and being applied to that project without a certainty of a build-out occurring, more problematic to a future Council. Town Manager Caron said the Town is currently using revenues from the captured assets evaluation for the General Fund, and recommends coordinating the expenses and revenues of this potential future TIF district very closely with the Pettengill Rd. area. Should Town Meeting approve a TIF funding plan for Jack's Bridge, we need to insure that development is occurring at Pettengill to replace the General Fund dollars you would redirect to a TIF project at Jack's Bridge. This would result in no financial impact upon the community. Councilor DiMarco clarified that we are leaving the boundaries as they exist but the financial plan on developing would have to be approved at a future town meeting. Councilor Farmer said if we do away with the district can future councils re-establish it again, but at a higher captured assessed value threshold. Councilor Wagner clarified that the financing for a TIF District has to be voted on at town meeting. Town Manager Caron confirmed all of the statements listed above. Councilor Wagner made a motion to go adopt the first suggestion, no financial participation but keep the boundaries. Town Manager Caron said if Council changes the status of the TIF boundaries, it would need a public hearing. Councilor Wagner said she wants a public hearing to modify the district, don't focus time and effort on Jack's Bridge, concentrate on Pettengill and keep the boundaries the way they are. Chairman Bove said we do not have to have a public hearing because it stays the same. Town Manager Caron clarified if the Council takes no action the boundaries all current Council actions in effect remain, with nothing to amend. Consensus of the Council was to maintain the boundaries with no financing plan, therefore no public hearing is required.

**Page Rd/Rt 28 Upgrade.** - A. Garron said the intersection is in failure, and it is not in the 10 year state plan. The intersection is critical to the economic development goals in the exit 5 area as well as the airport area. He said it is a very important intersection and provides another entrance to the airport. Councilor Farmer asked if any improvements would be needed in the future for Grenier Field Rd. because of improvements to Page Rd. A. Garron responded it will be OK right now due to the set of lights but the intersection of Webster might have to be looked at within 5-10 years. Janusz Czyzowski, Public Works Director said future plans are to update Webster and Grenier Field. A. Garron shared a conceptual layout for the intersection. He stated that the Town has been notified about State participation and staff is now working on the engineering plans. Councilor Wagner asked about impact fees from Coke a Cola, Falling Water, and FedEx offsetting the cost of the intersection. A. Garron said that impact fees will be used for the intersection. He said they are a junction between two large development areas. Discussion ensued about the proposed intersection handling the projected increase in road traffic if the 400 acres at Jack's Bridge Phase 2A are built out. Councilor Farmer asked if the draft article #9 for \$1,750,000.00 was a projection of numbers. Town Manager

Caron said the Impact Fee and Fund Balance may change according to available fund balances at year end. They probably will be adjusted up until warrant completion. He said the state share is more than 2/3 of the construction cost because the state will assume 2/3 of the design cost as well, which the Town has already executed a contract for. Deb Nowicki, Budget Committee member asked how did they know if the roads will support incoming development from tractor trailers vs. cars? A. Garron responded it depends on who goes in there, there is a certain level of development that can occur. The developer will still have to pay for upgrades. Discussion ensued about the road build out. Pauline Caron, 369 Mammoth Rd said the speed is 50MPH in that area, suggested reducing it to 40 MPH. Town Manager Caron said the Staff recommendation is a reduction to 40 MPH which will result in a significant reduction in the project costs. Mark Oswald, 11 Verdi Lane, member of the Budget Committee asked how much is the lost tax benefit from losing the Freezer Warehouse that was interested in relocating at the Page Road/Rte 28 area. A. Garron estimated that if they had a facility of 3000 s.f. it would produce about \$320K/year. M. Oswald asked if Andre was keeping a score card on missed opportunities. A. Garron said he is keeping track of it. M. Oswald said most taxpayers are willing to invest if they can see a return on their investments. J. Czyzowski said they are pushing the state to reduce the MPH to 40 it will reduce the costs. P. DiMarco said the state will be investing almost \$1.3M into the project. Councilor Wagner stressed we are using impact fees and some money out of the fund balance, it is a tax win for the taxpayers, it is a revenue generator for the Town. Town Manager Caron explained that the Town will be responsible for the design, construction administration, paying all expenses and will be reimbursed in FY11. Councilor Wagner asked J. Czyzowski if everything is approved at Town Meeting when would the project start. He responded he could start construction this July.

**Pettingill Rd.** – A. Garron reviewed the time line of the finance plan. Based upon the Master Plan the recommended course of action is:

- Establish TIF district**
- Concur on a TIF Increment Financing Plan**
- Enter Into Development Agreements with Major Landowners**
- Town Meeting Bonding Authority**
- Issue Bonds to Pay for Infrastructure Improvements**

A marketing strategy would now be developed. The State Access Road's goal is to provide access to the airport but also to provide economic development to the region. Councilor Farmer asked A. Garron to address the projected developer's private investment of \$8M. A. Garron said the town bond is to upgrade Pettingill Road and bring utilities to the area; the money from developers will finish a "loop road" and provide some additional infrastructure. J. Czyzowski spoke about ROW's and future roads. Councilor Wagner clarified that we are providing basic infrastructure to open up the 800 acres of land for development. The TIF district

was brought up again and A. Garron explained the TIF revenue generated within the district pays the bond not the taxpayers. He said we can pay the bonds in a variety of ways to allow time to bring the district to self-sufficiency. Councilor Farmer stated some TIF's have failed we have to look at the right mechanisms for the right area. Discussion ensued about the annual debt service. Town Manager Caron said this meeting is preliminary to the informational discussion to be presented at the March Town Meeting. The next step is to lay out the TIF District boundaries for Council approval. It is estimated that the bond will be approximately \$12+M. The Town needs to secure development agreements with the land owners to insure that the land is developed in a timely fashion in order to fund the debt service. Councilor Farmer said the next step is voting for a TIF District, Town Manager Caron responded yes and we should also have more feedback on what the developments should look like. He reminded everyone most of the land is private, have to work closely with the abutters. Chairman Bove said the recent luncheon put these 3 projects into prospective. The participants looked at the entire town for development. We have worked for years to project the needs for infrastructure in town; it involved a lot of work. We are in a better position than other community in the state, complimented Andre and his staff for their work.

**November General Elections** – Town Moderator Cindi Rice Conley explained that the Chief of Police, et al agreed to allow the electioneers to be in an area in front of the gym. They are limited to the grassy area, with equal area on both sides to the entrance of the gym. Overflow will be situated on Lincoln Way by Mammoth Rd. She spoke about parking and stated that out of state plates will park in the Matthew Thornton area along with the overflow. Chairman Bove suggested posting where the electioneers will stand. Karen Hutchinson, Chair for Londonderry Republican Committee and Pam Jorgenson, Chair of the Londonderry Democratic Committee tossed a coin to see which side of the gym entrance they would be located at. Reid Page Clark, III tossed the coin, K. Hutchinson won the toss and took the right side. Town Clerk/Tax Collector, Meg Seymour informed the public that the last day to register to vote will be this Saturday at the Town Clerk's Office from 10-noon. She stated that voters can register at the polls but expect long lines. Polls are open from 7:00 AM – 8:00 PM at the Londonderry HS Gym. Councilor Wagner said in the past they have had trouble with people defacing the voting booths and requested it not be done again.

### **NEW BUSINESS**

**Proclamation – National Diabetes Awareness Month** – Councilor Farmer read the proclamation and **made a motion to accept.** **Second Councilor DiMarco, with the Council's vote 4-0-0.** Councilor Farmer commented on this dangerous illness.

**Ordinance 2008-13 – Relative to an Amendment to the Municipal Code, Chapter XXVII, Taxation of Farm Structures and Land under Farm Structures.** Councilor DiMarco read first reading, the public hearing and second reading is scheduled for 11/3/08. Town Manager Caron informed the Council that he had received word that the Dept. of Revenue Administration (DRA) won't have rules and regulations ready for this Ordinance until the 1<sup>st</sup> of the year. The deadline for applying is April 1<sup>st</sup>. He suggested the Council move to a second read and public hearing in February. Councilor Farmer stated he agrees. Consensus was to wait for the DRA to promulgate its regulations. **Councilor DiMarco made a motion to schedule the 2<sup>nd</sup> reading in early 2009, seconded by Councilor Farmer, Council's vote 4-0-0.**

**FY10 Budget Presentation** – Town Manager Caron informed the public that the Municipal Budget begins in July of 09. Budget will be considered by the voters on 3/14/09.

The 2008 fiscal year was reviewed. General Fund Expenses were under expended by \$251,693 which is under 1% of the General Fund. He proceeded to list the General Fund Expenses

General Fund Revenues had \$558,724 in excess revenues, which he proceeded to review.

FY10 Budget Guidelines – He said he was instructed to develop a default budget. Capital projects were recommended by the CIP Committee. He said he was also directed by Council to present a 1% below default as well as a 2% below budget for FY10. Under current policies a 2% below default budget reduction will result in the elimination of one part-time employee and 4 full- time employees. The FY10 budget is calculated at \$25,857,604. He proceeded to outline the different components of the municipal budget:

General Fund Budget – The FY 09 Budget was \$25,096,104 and the FY10 budget being discussed tonight is \$25,814,652. Town Manager Caron reviewed the 1% below default budget of a savings of \$237,379 and the 2% below default beyond 1% which would result in a savings of \$256,432. He reviewed where the increases are coming from in the FY 10 budget.

Town Revolving Fund – MHT Police Details – the Town receives a 10% administrative fee on personnel costs from MHT. In FY09 the General Fund received \$165K from this contract. Their budget is \$2,587,670.

Bond Issues – included bonds for North Fire Station, Highway Road Management, Open Space. He reviewed the FY09, 10 and 11 debt service FY 09 is \$2,870,686; FY 10 is \$2,855,712 and the anticipated debt service for FY 11 is \$3,285,123.

Special Revenue Funds – From three funds: Police Outside Details, Sewer Division and Cable, which totals \$2,853,585, with all funds supported by user fees and require no taxpayer support.

Capital Reserve/Expendable Trust – Small increase for non-fire apparatus from Capital Reserve Fund; level fund Expendable Trust Fund for building and grounds maintenance; level fund investment into fire apparatus replacement program all totaling \$530,000.

Special Warrant Articles/Capital projects – Consist of economic development initiative; two collectible bargaining agreements; and a one-time non-capital costs for N/W Fire Station totaling \$1,910,000.

Overlay/Veteran's Exemptions North Fire – level fund overlay account; level fund veterans exemptions totals \$804,000

Consolidation with School District – the findings from the report recommend maintaining current staffing levels.

Estimated town tax rate will be \$4.69 which will be an increase of 7.1% or .31/\$1000 on the town side. 18 cents or 4% increase is the result of a higher budget than last year. 3% of the 7.1% results from less revenues. He said there were different strategies that can be used to reduce the impact on the tax rate. For a house assessed at \$300,000 the town portion of their tax bill would be about \$93.00. He said they were anticipating a \$20M increase in the assessment base which is less than 1%, and lower than previous years.

The alternative default budgets on 1% and 2% were discussed in detail. Redirecting Franchise Cable Fees was discussed. They had \$358, 000 as of 6/30/08 that would handle 15-16 operating months including capital. M. Oswald asked if there has been a reduction in cable subscribers, Town Manager Caron said he was not aware of any significant decline.

Consolidation Report with School District – Finance, HR & IT were the areas that were being looked at for consolidation with the School District. Independent consultant reported back that we should maintain current staffing levels. We are minimally staffed for what we provide the community. A benchmarking report from last year compared Londonderry with 10 other communities and showed that our staff is minimum. Report showed school and town are working at 100% if combined you will have the same volume of work. The Council will schedule a meeting with the school to look at other areas of collaborative efforts.

General Government – Section 1 was scheduled for discussing tonight, but due to the fact that this meeting was minus a Councilor it was decided to bring the subject up at the next meeting scheduled for 10/27/08.

Discussion ensued about removing some portion of the 11/3 and 11/6 meeting agenda to the Saturday meeting on 11/1/08. Town Manager Caron said he will re-vamp the schedule.

#### APPROVAL OF MINUTES



Minutes of the Council's September 29, and October 6, 2008 Public Meeting. **Councilor Wagner made a motion to accept the meeting minutes from 9/29/08 and 10/6/08. Seconded by Councilor Farmer, Council's vote 4-0-0.**

## **OTHER BUSINESS**

### **Liaison Reports**

Councilor Wagner attended the Planning Board Meeting at which Alamo fireworks was approved. They had the first public hearing on the CIP and worked on the Flexible Industrial District.

Councilor DiMarco announced the Heritage Commission was having a special meeting this Thursday. Rep. Al Baldasaro will attend and they will help him to put together something for the state legislature regarding historical properties.

Councilor Farmer said he was unable to attend the Recreation Commission meeting. They had some minor items to discuss. Conservation Commission met, they reviewed a new state RSA, they are going to have further discussion on it at the 10/28/08 meeting. It has to do with enabling us to invest funds towards the purchase of land. Town Manager said the Council has the option of presenting the RSA at Town Meeting or discussing it among themselves.

Chairman Bove said South Rd. has been cleaned up. He said that Councilor Farmer had asked what it would cost to have a town wide pick-up of waste; the rough cost now would be over \$100K. If we did a free "Dump Day" the drop-off center could not handle the traffic on the road and they do not have enough personnel. Chairman Bove announced the Drop-Off Center will be open until 11/15. Hazardous Waste Collection at Nelson Field will be 11/15/08 from 9:00 AM-5:00 PM. The Town website has the information. No trash pick-up on major holidays. If you have appliances that need to be disposed call S&S Metals.

### **Town Manager's Report -**

### **Board/Committee Appointments/Reappointments/Resignations**

## **ADJOURNMENT**

**Councilor Wagner made a motion to adjourn at 10:17. Seconded by Councilor Farmer, Council's vote 4-0-0.**

Notes and Tapes by:

**Margo Lapietro**

**Date: 10/20/08**

**Minutes Typed by:**

**Margo Lapietro**

**Date: 10/24/08**

**Approved;**

**Town Council**

**Date:**

**TOWN COUNCIL/BUDGET WORKSHOP**  
**October 27, 2008**

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

PRESENT: Town Council: Chairman Marty Bove; Councilors Kathy Wagner, Paul DiMarco, Mike Brown; Town Manager, Dave Caron; ATM/Finance Dir., Sue Hickey and Margo Lapietro, Executive Assistant. Absent: Vice Chairman Brian Farmer.

Budget Members: – Jay Hooley, Mark Oswald, Deb Nowicki, Joe Green, and Tom Freda

**CALL TO ORDER – PUBLIC SESSION**

Chairman Bove opened the meeting at 7:02 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country.

**PUBLIC COMMENT**

Chairman Bove clarified Halloween hours for the public. Trick-or-Treat will be celebrated on Friday 10/31/08 from 6-8 PM, and 7-9 PM at the Cable Studio.

**OLD BUSINESS**

**FY10 Budget Presentation**

**General Government** – Town Manager Caron presented the following budget:

The Town Council Budget has a reduction of \$500 in expenses. Councilor Brown questioned if Council actually spends \$1,500/yr. on expenses. Town Manager Caron said it depends on activities in the communities, some years it was over-expended, last year it was not.

Moderator – level funded no changes

Budget Committee – level funded, no changes – Councilor DiMarco questioned the \$50.00 listed in the budget. ATM/Dir. of Finance S. Hickey responded the last time the Budget Committee used that it was to publish the white paper or attend a budget workshop

Legal – Town Manager Caron stated that it continues to be funded at \$110K, we have \$10K for expenses related to collective bargaining. Councilor DiMarco asked if this was

level funded because we only have used \$68K in 2008. He responded the legal activity varied. Our insurance company covers the defense cost and we pay the co-pay. Councilor Brown asked for a history of actual monies spent for legal issues for the past 5 years. Town Manager Caron said he would get that history for him.

General Government – Shows an increase of about 11 ½% or about \$56K. The increase is due to gasoline, and that number is expected to change. PSNH is expected to increase rates by up to 10%. Management Services are down by \$3K. The largest area for spending is for ground maintenances for all areas around all school buildings and town facilities. The school is responsible for all athletic fields. Councilor Wagner asked who is responsible for maintaining areas around historic buildings and the library. Town Manager Caron responded it was part of this contract. Councilor DiMarco asked about the Town Common, Town Manager Caron responded he believes it is part of this contract. Rentals & Leases are up by \$4,460, most town owned buildings use natural gas; heat and oil are stable; expect same level of expenses. Repairs and maintenance of services are down almost \$10K. This item funds testing and monitoring various environmentally challenged properties owned by the town. We were scheduled this year for a planned 10 year review of the town garage site. EPA was alerted to our budget constraints, they agreed to partner with our consulting firm and will do some work themselves. That portion was taken out of the FY10. Councilor DiMarco questioned the line item for water services, are they utilities for all town owned buildings and are we expecting a rate increase. Town Manager Caron responded that hydrants went up significantly this year. The vast majority of that expense is not for the water we use, but rather the renting capacity for the sprinkler systems. Regional transportation went up \$6,500 this year; we are currently in the third and last year of this service contract. We are waiting for a report from them; they will be coming to speak with Council next summer to see if we want to continue with the project. Councilor Brown suggested letting the voters have a say in this program. Councilors Wagner, Brown and Budget Member Oswald said it would be a good idea to get statistics before we make a decision. M. Oswald suggested getting them in here this fall. Councilor Wagner said the amended budget is higher than the actual budget it would be a good idea to explain the reason for the increase. M. Oswald said due to the sensitivity of discussing salaries if necessary we should go into non-public to discuss salaries.

Town Manager – The budget is up about a ½ percent due to salary, wage and benefit adjustments. All operating costs are level funded or reduced from last year. Councilor Brown, DiMarco and Bove asked for clarification of the report due to the use of the new software program that generated the report. Mark Oswald, Budget Committee member requested if any line items exceed the budget amount, could the report list the explanation for the increases for all departments. Councilor Brown asked for an explanation of “level-funded”, Town Manager Caron responded unless it was reduced it has been budgeted for what it was the previous year.

## **Finance & Admin**

Finance Dept. – presented by Susan Hickey. The total increase is \$45,410 or 8.3%. Increases were due to a one position salary adjustment; overtime; contractual and federal mandates; and tuition reimbursements. Decreases were in health insurance; seminars & workshops and bank services – specifically armored car services.

HR – This budget is included in the Finance Division Section. S. Hickey provided statistics for total full time and part-time employees; new hires; retirees; and terminations. An adjustment was made to one salary of \$18,600 to compensate accurately with the market and required responsibilities. Councilor Brown questioned how many of the total of 14 new hires were police. S. Hickey responded approximately 10. Councilor Brown said the policy direction from Council was not to add to staff but if the majority of new hires were related to the police it was different. Councilor Brown said close to half of the increase in her budget was for one position. S. Hickey responded the salary increase was \$12K for the one position and \$6K for the retirement, benefits, etc for that position. Town Manager Caron said the MRI report recommended paying the higher salary for the town accountant position. Councilor Brown stated that he thought the goal for the MRI study was to reduce the budget, not increase it. Town Manager Caron responded the consultant was asked to look at whether the positions were needed and to see if there were any potential efficiencies between the school and the town. The report stated that everyone was working at 100% efficiency. The town was looking at maximizing the efficiencies of all of their positions; MRI alerted the town that one position is severely under compensated. He said the market salary is higher for the accountant position. T. Freda asked about the \$12K for armored car service. Town Manager Caron stated prices have been rising, currently reviewing alternate arrangements which would cut down that cost. Right now it has been eliminated from the budget, it may increase or it may stay the same. T. Freda asked why finance did not outsource payroll. Town Manager Caron explained MRI did an extensive analysis on that subject. S. Hickey directed him to page 8 of the MRI Report ending on page 12. She said the report said it was not cost effective to outsource. Discussion ensued about the processing of payroll.

Assessing – Town Assessor Karen Marchant said her budget increased by \$700. The Town Manager reduced that by \$175, resulting in a \$525 increase in the line item for postage. Next year if they send out an update and send out the notices she increased that budget by \$700. She will need to encumber the remaining postage remaining in the existing budget, use that \$700 plus other budget money just to send out the notices. Line items have been level or reduced and then added to another line so the only increase is the \$525 for postage. M. Oswald asked why the notices can't be mailed out bulk rate. J. Hooley, Budget Member and Postmaster responded the town would incur some costs prepping it for zip mail. The problem with bulk rate is if it is undeliverable the mail is disposed of. If you wanted them back you would have to endorse them "Return Service Requested" and that would be subject to additional fees. K. Marchant said she would have to check with LHS services to find out how much they would charge to do bulk rate as apposed to first class. Discussion ensued about bulk rate. Councilor DiMarco suggested sending e-mail invoices. K. Marchant responded we would have to have e-

mail addresses for 9,200 people. Town Manager Caron responded we are regulated by state law, we have to follow a process and at this point in time we could not do that with e-mail.

Town Clerk/Tax Collector – TC/TC Meg Seymour stated her department was able to save money since going on e-reg, which resulted in a decrease in her budget of \$3,413. She also saved money by having the renewal notices list multiples on one sheet. She reviewed increases and decreases. She spoke about the armored car service and the involvement of her staff taking the money to the bank on a daily basis. She cited security issues were a major concern. She said she will try to re-negotiate the contract for lower rates. She addressed the part-time clerk position cut in the proposed 1% budget. She reported that since 2001 we have added an additional 4,500 vehicle registrations, the last year and a half they have had an additional 1,000 sewer bills; now processing 4000 every year. Since 2003 we have added an additional 227 tax bills. Since 2004 they have added one part-time position for 20 hours. The reclamation fee collected from vehicle registrations pays part of this part-time salary, \$18,500 collected last year. Her salary is \$21,315 of which most is covered from this fee. Other ways to increase revenues would be a Municipal Agent Fee, which could be increased and bring in an additional \$15K. She said they could increase the dog licensing by a \$1 and increase photo copy charges. Councilor Brown said he will give her points some thought but he said the status quo does not cut it now; he wants a default minus one percent budget. M. Seymour said most departments have one program they are responsible for; her department has 6 programs they deal with every day. Councilor Wagner said she agrees with Councilor Brown but they have to do what is best for the community. The Town Clerk's office generates revenue like the Assessing Dept. If the part-time position is removed are we at risk of losing revenue, M. Seymour responded yes basically with the rental cars.

IT – S. Hickey reported there is a decrease of \$11,551 or 3 % in this budget. MRI recommended an increase to 1.6 full time employees. This will allow support of implemented technologies we currently have. She reviewed increases, adjustments and decreases. Councilor DiMarco questioned the decrease in the Management Services contract. S. Hickey responded prior years a lot of items went into Management Services, this year contracted services were broken out. Councilor DiMarco questioned why toner cartridges went up. Guy Blanchette, form EagleVue said it was a combination of an increase in prices and also it was due to the new printers in TC/TC, they now have 6 of them. M. Seymour said they have a contract with the state and have to purchase the toner cartridges through state suppliers. S. Hickey said for the most part we use recycled toners to save some money. The recycled toners do not work as well on the state printers. Deb Nowicki, Budget Member asked if we own the printers, why do we have to buy the toner cartridges. M. Seymour responded the state donated the printers, but according to their contract they have to order the supplies and cartridges through the state suppliers. J. Hooley questioned the budget differences from FY08 and FY09; S. Hickey explained it was the one time expense for implementation of our new software package. Councilor Brown asked why the report didn't summarize why the school and town couldn't work together. S. Hickey responded that MRI realized that the school and town IT did things different. The school side builds and fixes computers, the town side does a lot of

management services and is MIS driven. The MRI report found that both the school and town were understaffed. S. Hickey said the increase is necessary at the very minimal. D. Nowicki asked if the outside consultants have the expertise to handle problems every day of the week, S. Hickey responded they do.

Debt Service – S. Hickey reported the budget decreased by \$15K from \$2.870 to \$2.855. The Net Property Tax Supported Debt was approximately \$2,487,462. T. Freda asked if the bond issue has changed, are we now selling bonds. She responded it has changed, the availability of buyers has gone up, the interest rate has dropped and the Town will go to market again in a couple of weeks.

Revenues - S. Hickey reported they have decreased due to: a drop in motor vehicle permit fees, and interest on deposits. An increase has been shown in impact revenues. Councilor Wagner questioned the drop in motor vehicle fees; asked if that was because people are not buying newer cars. M. Seymour confirmed that people were not buying new and more expensive cars with higher revenues. Town Manager Caron stated that revenues will be adjusted; we see some significant impacts that are a reflection of the economy. He said he wants to make sure that Council is presented a true picture of what the Town can expect starting 7/1/09. Discussion ensued about various line items in this budget. Town Manager Caron said the bond expense will go down, if we bond more than one bond issue, we can bond them together to save money.

Property Taxes – Town Manager Caron said he anticipates an increase of \$20M in assessed evaluation which is low. Undesignated fund balance and its accounting practices were discussed. Councilor Brown questioned how taking on debt is a revenue. S. Hickey explained it is a financing source; we have the expenditure side offset by loans. She said she has to record the revenue on the gross basis and gross up the revenue on both sides to balance the budget. Councilor Brown also questioned the Open Space department head budget, S.Hickey explained the CIP Committee is the department head.

Municipal Insurance – S. Hickey explained the funding and municipal pool insurance. Town Manager Caron explained the increase has resulted in two things: what our exposures are in property and equipment and the second is the program with the Local Government Center (LGC) they anticipate a 9% adjustment for last year, this year and next year. That was preceded by no increase in the past 15 years. The costs are under market and they have been essentially using their fund balance the past 15 years. LGC is looking at it and may have adjustments sometime in December.

M. Oswald suggested that for the meeting scheduled for 11/3 that Council allow the Supervisors of the Checklist to be heard first. S. Hickey said she asked them if they wanted to come in on the Saturday 11/1/08 meeting but they chose the 11/3 meeting day and requested to be heard first.

S. Hickey announced the Budget Schedule for 11/1 has changed. Community Development will be first, followed by Public Safety, followed by Public Works. The 11/3 meeting has been adjusted which allowed the 11/6 meeting to be cancelled.

Councilor Brown asked when staff is going to meet with the School District to get their analysis of the MRI report. Town Manager Caron said he is waiting for the school to get back to him. He reminded Council that the report only covers HR, Finance and IT. There are a number of other areas they are continuing to collaborate on. Councilor Brown would like to ask the Council Chairman to speak to the Chairman of the School Board and set a date to meet jointly right away. Chairman Bove will arrange a date. Councilor Wagner requested that future Council meetings be conducted on the computer like the Planning Department is doing. Cut down the paperwork. S. Hickey said we have to provide copies to the public. The consensus was to do less paperwork and to use electronics.

**ADJOURNMENT**

Workshop was adjourned at 9:02 PM.

<b>Notes and Tapes by:</b>	<b><u>Margo Lapietro</u></b>	<b>Date: <u>10/27/08</u></b>
<b>Minutes Typed by:</b>	<b><u>Margo Lapietro</u></b>	<b>Date: <u>10/30/08</u></b>
<b>Approved;</b>	<b><u>Town Council</u></b>	<b>Date:</b>