

**TOWN COUNCIL  
AGENDA  
November 7, 2011**

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. *All regular meetings will be adjourned by 10:00pm unless otherwise notified.*

7:00 PM

- I. CALL TO ORDER
  
- II. PUBLIC COMMENT
  - A. Senator Sharon Carson
  - B. Old Home Day Committee
  - C. Solid Waste Advisory Committee
  
- III. PUBLIC HEARING
  - A. Ordinance #2011-10 – Relative to Revisions to the Municipal Code, Title VI, Chapter VI, Purchasing Policy
  
- IV. OLD BUSINESS
  
- V. NEW BUSINESS
  - A. FY13 Budget Presentation
  
- VI. APPROVAL OF MINUTES
  - A. Minutes of Council’s Public Meeting of 10/17/11
  
- VII. OTHER BUSINESS:
  - A. Liaison Reports
  - B. Town Manager Report
  - C. Board/Committee Appointments/Reappointments
    - 1) Re-appointment of Deb Lievens as an Alternate to the So. NH Planning Commission, term to expire 12/31/12.

- 2) Re-appointment of Leitha Reilly as an Alternate to the Planning Board, term to expire 12/31/14.
- 3) Re-Appointment of Art Rugg as a Full Member to the Planning Board, term to expire 12/31/14.
- 4) Appointment of Leitha Reilly as an Alternate to the So. NH Planning Commission, term to expire 12/31/12.
- 5) Re-appointment of Paul Margolin to the Solid Waste Advisory Committee, term to expire 12/31/14.
- 6) Re-appointment of David Colglazier to the Heritage Commission, term to expire 12/31/14.
- 7) Re-appointment of Jim Schwalbe to the Heritage Commission, term to expire 12/3/14.
- 8) Re-Appointment of Ron Campo to the Recreation Commission, term to expire 12/31/14.
- 9) Re-appointment of Ben Parker to the Recreation Commission, term to expire 12/31/13.
- 10) Re-appointment of Kevin Foley to the Recreation Commission, term to expire 12/31/14.
- 11) Re-appointment of Bonnie Roberts as an Alternate to a Full Member on the Elder Affairs Committee, term to expire 12/31/14
- 12) Resignation of David Howard from the Elder Affairs Committee
- 13) Re-appointment of Al Baldasaro to the Elder Affairs Committee, term to expire 12/31/14.
- 14) Re-Appointment of Deb Lievens to the Conservation Committee, term to expire 12/31/14.

VIII. NON-PUBLIC SESSION - RSA 91-A:3 II (e)

IX. ADJOURNMENT

X. MEETING SCHEDULE:

- A. Town Council Budget Workshop – November 19, 2011, Moose Hill Council Chambers, 8:00 AM
- B. Town Council Budget and Regular Meeting – November 21, 2011, Moose Hill Council Chambers, 7:00 PM
- C. Town Council Budget and Regular Meeting – November 28, 2011, Moose Hill Council Chambers, 7:00 PM
- D. Town Council Budget and Regular Meeting – December 1, 2011, Moose Hill Council Chambers, 7:00 PM
- E. Town Council Meeting – December 5, 2011, Moose Hill Council Chambers, 7:00 PM
- F. Town Council Budget Public Hearing and Regular Meeting – December 19, 2011, Moose Hill Council Chambers, 7:00 PM
- G. Town Council Bond Hearing and Regular Meeting – December 29, 2011, Moose Hill Council Chambers, 7:00 PM

## **SUPPORTING DOCUMENTATION COUNCIL MEETING OF NOVEMBER 7, 2011**

I. CALL TO ORDER

II. PUBLIC COMMENT

- A. Senator Sharon Carson – Senator Carson will offer her initial perspectives on the power restoration efforts associated with the October snow storm.
  
- B. Board/Committee/Commission Updates - Pursuant to Section 9.5 of the Town Charter, the Council is required to meet at least annually with the Chairperson to review significant actions and planned activities. Scheduled for this meeting:
  - 1. Old Home Day Committee
  
- C. Solid Waste Advisory Committee – The Committee is requesting consideration for changes to its charter.

III. PUBLIC HEARING

- A. Ordinance #2011-10 – Relative to Revisions to the Municipal Code, Title VI, Chapter VI, Purchasing Policy - The attached ordinance extends the provisions of the Town’s Purchasing Policy to volunteers (Board, Committee and Commission members) who are in a position to expend or recommend the expenditure of public funds.

IV. OLD BUSINESS

V. NEW BUSINESS

- A. FY13 Budget – The Town Council will receive a presentation on the Town Manager’s proposed FY13 Budget. Please note the upcoming meeting schedule at the end of this document which lists a number of meeting which fall outside the Council’s customary meeting schedule.

VI. APPROVAL OF MINUTES – Minutes of the Council’s Public Meeting of 10/17/11.

VII. OTHER BUSINESS -

A. Liaison Reports –

B. Town Manager Report –

C. Board/Committee Appointments/Reappointments -

- A. Re-appointment of Deb Lievens as an Alternate to the So. NH Planning Commission, term to expire 12/31/12.
- B. Re-appointment of Leitha Reilly as an Alternate to the Planning Board, term to expire 12/31/14.
- C. Re-Appointment of Art Rugg as a Full Member to the Planning Board, term to expire 12/31/14.
- D. Appointment of Leitha Reilly as an Alternate to the So. NH Planning Commission, term to expire 12/31/12.
- E. Re-appointment of Paul Margolin to the Solid Waste Advisory Committee, term to expire 12/31/14.
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- H. Re-Appointment of Ron Campo to the Recreation Commission, term to expire 12/31/14.
- I. Re-appointment of Ben Parker to the Recreation Commission, term to expire 12/31/14.
- J. Re-appointment of Kevin Foley to the Recreation Commission, term to expire 12/31/14.
- K. Re-appointment of Bonnie Roberts as an Alternate to a Full Member on the Elder Affairs Committee, term to expire 12/31/12
- L. Resignation of David Howard from the Elder Affairs Committee
- M. Re-appointment of Al Baldasaro to the Elder Affairs Committee, term to expire 12/31/14.

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**FOLLOW-UP FROM COUNCIL'S  
October 17, 2011 MEETING**

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ISSUE	ACTION	RESPONSIBILITY
Fire Department	a. Determine whether water extensions Can be mandatory	Andre/Bart
	b. Gauge citizen interest to enlarge fire call company	Kevin/Dave
	c. Present Fire Education program at a TC meeting <i>(In process)</i>	Kevin
FY13 Budget	Streamline review process <i>(Scheduled for 11/19)</i>	Dave/Sue
R-T-K Emails	Share 91-A restrictions with Board chairs <i>(In process)</i>	Dave/Bart

**FOLLOW-UP FROM COUNCIL'S  
September 19, 2011 MEETING**

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ISSUE	ACTION	RESPONSIBILITY
Target Shooting	Determine liability and enforcement for hearing <i>Tabled pending additional information on:</i> <i>a. Attempt to locate suitable location using GIS</i> <i>b. Consider noise pollution</i> <i>c. Establish any connection to increased insurance rates</i> <i>(In process)</i>	Dave/Bill/GIS
Street Naming	Study transferring process back to PB <i>(State statute vests responsibility in Governing Body – Town Council)</i>	Dave

CHARGE TO  
THE CITIZENS ADVISORY COMMITTEE FOR SOLID WASTE

The Board of Selectmen charge the committee to:

1. Assist Selectmen on Municipal Solid Waste issues.
2. Plan and recommend to the Board of Selectmen a municipal recycling program.
3. Plan and establish a long range environmentally sound solid waste program through the Selectmen that involves evaluation of all available methods and technologies for waste reduction and resource recovery, including but not limited to, use of a transfer station and/or municipal pickup with a recycling program, waste to energy and composting or an integrated combination of recycling, waste to energy and composting.
4. Integrate any local options and plans with Tri-County Solid Waste District and State programs where needed and required.
5. Establish a household hazardous waste program and integrate with State and any on-going projects.
6. Educate the public on solid waste problems (including a comprehensive recycling effort) and facilitate a public dialogue.
7. Report to the Board of Selectmen (in time to react to 1989 Town Meeting) detailing recommended long range plans, solutions and methods of implementation of an environmentally sound comprehensive solid waste program as well as periodic updates of progress to date.



**Proposed new charter: (Oct 2011)**

I. Advise and assist the Town Council / DPW regarding Londonderry's solid waste management program, with the primary goals of protecting the environment and minimizing hauling, disposal and pollution costs. Key program components are:

1. Solid waste pickup and disposal
2. Source reduction, reuse and recycling
3. Composting
4. The Drop Off Center, book recycling, motor oil recycling, recreation field recycling
5. Pollution prevention
6. Household hazardous waste management
7. Public education and communication (residents, businesses, civic groups, town boards)
8. Leveraging state programs such as the motor vehicle waste reclamation trust fund
9. Municipal and commercial waste management facility sitings

II. Enhance Londonderry's physical appearance with the help of the community, including the following Committee initiatives:

1. Organizing Beautify Londonderry, the annual town-wide spring cleanup (BL subcommittee)
2. Reducing town litter (Anti Litter Advisory subcommittee)
3. Maintaining Londonderry's Welcome signs and their landscaping

**Proposed new name:**

The Solid Waste and Environment Committee

**ORDINANCE #2011-10**

*Relative to*

**REVISION TO THE MUNICIPAL CODE, TITLE VI, CHAPTER VI**

**Introduced: 10/17/11**

**Second Read/Public Hearing: 11/07/11**

**Adopted: 11/07/11**

***WHEREAS*** the Town Council continues to review all town ordinances;  
and,

***WHEREAS*** the Council requires transparency in all transactions which  
utilize public funds; and,

***WHEREAS*** acquisitions under the Town’s Purchasing Policy should  
clearly extend to all employees and volunteers involved  
with the expenditure of town funds;

***NOW THEREFORE BE IT ORDAINED*** by the Town Council of the Town of  
Londonderry that the Municipal Code of the Town of Londonderry, Title VI – Town  
Policy, Chapter VI – Purchasing Policy is hereby amended as attached.

Sean O’Keefe - Chairman  
Town Council

\_\_\_\_\_  
Meg Seymour

Town Clerk

(TOWN  
SEAL)

***A TRUE COPY ATTEST:***  
*xx/xx/xx*

## SECTION X

## ETHICS IN PUBLIC PURCHASING

- A. **General** – *Pursuant to Section 6.2 of the Town Charter*, Public employment *and voluntary service on any town board or commission* is a public trust. Town employees *and volunteer officials* must discharge their duties impartially so as to assure fair competitive access to Town purchasing by responsible contractors. Any attempt to realize personal gain through public employment *or voluntary service* by conduct inconsistent with the proper discharge of a Town employee's duties *or volunteer's service* is a breach of public trust. Any effort to influence any Town employee *or volunteer* to breach the standards of ethical conduct is also a breach of ethical standards.
- B. **Conflict of Interest** - It is a breach of ethical standards for any employee *or volunteer* to participate directly or indirectly in any purchase activity when the employee *or volunteer* knows that:
1. The employee *or volunteer* or any member of the employee's *or volunteer's* immediate family has financial interest pertaining to the purchase; or
  2. A business or organization in which the employee, *volunteer* or any member of the employee's *or volunteer's* immediate family, has a financial interest pertaining to the purchase: or
  3. Any other person, business, or organization with whom the employee, *volunteer* or any member of the employee's *or volunteer's* immediate family is negotiating or has an arrangement concerning prospective employment is involved in the purchase.
  4. Upon discovery of an actual or potential conflict of interest, an employee *or volunteer* shall notify their department head *or board or committee chair (or in the event they are a department head or board or committee, the Purchasing Agent)* and withdraw from further participation in the transaction involved.

## CHAPTER VI – PURCHASING POLICY (Cont'd)

### SECTION X ETHICS IN PUBLIC PURCHASING (Cont'd.)

#### C. Specific Actions Prohibited:

1. Gratuities. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee, former employee, *volunteer or former volunteer* or for any employee, former employee *volunteer or former volunteer* to solicit, demand, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision influencing the content of any specification, procurement standard or contract award. Prohibited actions include:
  2. Kickbacks. It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor to the prime contractor or any person associated therewith, as an inducement for the award of a subcontract or order.
  3. Contingent Fees. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a town purchase award upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.
  4. Contemporary Employment. Except as may otherwise be permitted by town Ordinance it shall be a breach of ethical standards for any employee *or volunteer* who is participating directly or indirectly in the purchasing process to become or be, while such an employee, the employee of any person or business contracting with the town.
  5. Misuse of Confidential Information. It shall be a breach of ethical standards for any employee, former employee, *volunteer or former volunteer* to knowingly to use information of a confidential nature for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

#### D. Supplemental Remedies. In addition to existing remedies which may be promulgated in the town administrative code or other official policy, an employee *or volunteer* who knowingly breaches ethical standards during a public purchasing transaction may be subject to any one or more of the following (in accordance with relevant provisions of any applicable collective bargaining agreement):

1. oral or written warnings or reprimands;
2. suspension with or without pay for specified periods of time; and
3. termination of employment.

4. *suspension and or removal from the volunteer position.*  
*~~End of Chapter~~*



**TOWN OF LONDONDERRY**

## ***Town Manager***

268 B Mammoth Road

Londonderry, NH 03053-3416

website: [www.londonderrynh.org](http://www.londonderrynh.org)

Main: 432-1100 Ext. 120 FAX: 432-1128

TO: Members of the Town Council  
Budget Committee

FROM: Dave Caron, Town Manager

RE: FY13 Proposed Budget

DATE: November 7, 2011

Transmitted herewith is the recommended FY 2013 municipal budget, which provides funding for services for the period beginning on July 1, 2012 through June 30, 2013.

The Council, staff and taxpayers are all aware of the difficult economic conditions the community has been experiencing over the past several years. These conditions have resulted in a number of service and budget reductions as the Town attempted to minimize the fiscal impact of providing town services upon its residents.

In developing the FY13 budget, the Council requested staff to present information on a budget which would be sufficient to provide services which the community has become accustomed to; this budget level is reflected in the Department Managers' budget proposals to the Town Manager. Although I can endorse a vast majority of the Department Managers' requests, the new reality in which we operate leads to the conclusion that the cumulative impact of those requests would create a significant tax burden upon our property taxpayers. Accordingly, I am presenting a budget which prioritizes which areas of the budget should be given serious consideration during the FY13 Budget review process.

Overall, the following funding package is presented for the Council's and Budget Committee's consideration:

<b>Funding Category</b>	<b>FY 13 Recommended</b>	<b>FY 12 Budget</b>	<b>Pct. Change</b>	<b>FY13 Tax Impact</b>
General Fund	\$26,991,732	\$25,772,911	4.73%	\$ 4.74
Revolving Fund – MHT Police Detail	\$ 2,597,307	\$ 2,514,458	3.29%	\$ 0.00
Bond Issues	\$ 1,048,000	\$ 1,048,000	0.00%	\$ 0.00
Special Revenue Funds	\$ 3,738,082	\$ 5,411,730	(30.93%)	\$ 0.00
Cap Res./Maint. Trusts	\$ 1,135,000	\$ 525,000	116.12%	\$ 0.12
Special Warrant Articles	\$ 404,658	\$ 90,000	349.62%	\$ 0.12
Overlay/Veterans	\$ 800,505	\$ 738,000	8.47%	\$ 0.22
<b>Total</b>	<b>\$36,715,284</b>	<b>\$35,052,099</b>	<b>4.74%</b>	<b>\$ 5.20</b>

Under Londonderry's revised Charter which requires that the entire budget be voted on by ballot, the Town must also present an alternate to the recommended operating budget, which is known as the default budget. The default budget is simply the FY12 operating budget, adjusted by contractual obligations and reduced by removing any one-time expenditures in the FY12 operating budget. The FY13 default operating budget is \$26,440,731, which is 2.53% higher than the FY12 approved operating budget, and 2.04% lower than the recommended FY13 operating budget.

Outstanding items include the resolution of four collective bargaining agreements (LEEA, LAEA Units A & B and AFSCME 1801); also included within this budget package is the first draft of the 2012 Town Meeting Warrant. This budget does propose a 2% cost-of-living adjustment for non-represented personnel; this group has foregone its COLA for two of the past three budget years.

The Council will be required to make several policy decisions during this process which have immediate and long-term fiscal impacts upon the community, which include:

- 1) Fire Department Staffing Levels – The Council has directed staff to present cost implications to add another firefighter to each of the four shifts, resulting in a targeted level of 11 personnel per shift. However, in order to achieve that goal, the Town must also fund additional overtime expenses to provide coverage up to ten personnel, something the Department has found difficult to achieve with past budgets.

This expenditure is recommended to be placed on a separate warrant article to give the voters an opportunity to fully understand and recognize the cost implications associated with this target, illustrated as follows:

A	FY12 Total Fire Department Overtime	\$ 492,993
B	Add'l. Overtime to cover all vacancies based upon highest incidence in each category for past 3 years, <b>OR</b>	\$ 206,033
C	Add'l. Overtime to cover average vacancies from past 3 years, <b>PLUS</b>	\$ 76,565
D	Add four FF	\$ 327,100
	Recommended Warrant Article Appropriation: <b>(C + D)</b>	\$ 403,665

- 2) Land Use Change Tax – The Council should anticipate receipt of a petition warrant article to redirect a certain amount of these proceeds to the General Fund. It is anticipated that the development of Woodmont Commons will produce an appreciable revenue stream of Land Use Change Taxes; I am recommending that those funds be shared between the Conservation Fund and the General Fund, with the General Fund receipts utilized to help fund the Town’s Capital Reserve Programs for Fire and Highway equipment.

The Town has experienced significant fluctuations in receipts from this source between FY 02 – 11, averaging \$188,466, ranging from no funds collected in FY03 to \$699,720 in FY07; the median revenue amount per year is \$132,604.

The petition article is anticipated to request that the Town receive 60% of taxes received in any fiscal year, after the Conservation Fund receives the first \$100,000 in change tax revenues. It is difficult to estimate the annual revenue stream, therefore I would recommend that any change taxes not deposited in the Conservation Fund be categorized as part of Undesignated Fund Balance, and then re-appropriated in the subsequent fiscal year to the Capital Reserve Funds.

I would urge the Council to give this initiative serious consideration and determine an appropriate revenue sharing formula between the Conservation Fund and the General Fund.

- 3) Capital Reserve Funding – Due to past budget constraints and rising equipment costs, along with the planned replacement of the Fire Department Tower in the not too distant future, the fund is in need of additional taxpayer resources. The plan anticipates investing over \$5.0M in Fire and Highway Equipment in the next eight years; infusing \$360K in additional Undesignated Fund Balance in FY13 and increasing the Town’s property tax investment by \$50,000 increments annually will still result in a \$504K funding gap by FY20. This gap is proposed to be closed by closely scrutinizing equipment specifications, looking at demo or near-new products for equipment which is



used at a lesser pace than other town equipment, and infusing revenues from the Change Tax. At current, this plan does not include purchase of a Fire Tanker Truck which was discussed recently by the Council. The Department's Apparatus Committee recommends the timely replacement of fire pumpers as its top recommendation, followed by the tanker purchase if sufficient funds can be earmarked.

Another systemic change to the Capital Reserve Fund process is the allocation procedure to specific fund (i.e. Ambulance, Fire Equipment, Highway Trucks or Highway Equipment). The Town has been contributing fairly constant dollars to each fund with less emphasis on when those funds will be needed. It is proposed to channel the Town's annual investment into those funds which immediately require equipment replacements, which will result in very uneven contributions to the four funds; however, over time, the needs of each fund will be met.

Even considering these changes, the Town will have to utilize short lease-purchase arrangements to purchase some equipment over the next eight years, similar to the 2-3 year lease purchase arrangement for fire equipment which the Town utilized a few years ago.

- 4) Cable Division Funding – Two policy decisions need to be considered by the Council. First, the Council approved an FY12 budget with three positions funded, with the expectation that staff levels would be reduced to two in FY13 due to staff retirements. The proposed budget includes two positions.

Second, the Council is encouraged to continue its support of Resolution #2011-05 by sharing franchise fee revenues between the Cable Division and the General Fund. This revenue source should be treated like all other non-property tax revenues which are not required by law to be allocated for a specific purpose. Other revenues treated in this fashion include the State Meals and Rooms distribution, building permit fees, motor vehicle permit fees, interest on delinquent taxes and investments, department income, etc... Council non-support of this Resolution would increase property taxes by approximately \$104,000, or \$0.03 on the municipal tax rate.

- 5) Fire Department Small Equipment Funding – The Fire Department utilizes a wide variety and expensive array of tools and equipment to accomplish its mission. Due to economic conditions, the Town has not been funding these essentials; this budget recommends establishing a Capital Reserve Fund for this purpose in the amount of \$150,000 (\$100,000 from UFB) to begin the process of systematic replacing this equipment.
- 6) Rte. 102 Central District Study – Community Development has requested an appropriation to update the Rte. 102 Central District Corridor Study to allow the Town to better understand, anticipate and fund development and traffic

impacts in this area. The \$75,000 appropriation will be partially offset with \$30,000 in UFB.

- 7) Additional Staffing – In addition to the four Firefighters included in the budget proposal at the Council’s direction, the budget also proposes restoration of a Detective position in the Police Department at a cost of \$106,578.00. Additionally, the Town has significantly reduced its town office staff over the past several years whereby a number of responsibilities are left unattended; staff has focused initially on revenue-generating and statutory responsibilities, leaving administrative processing work. This budget proposes to expand the Town’s relationship with LHS’ Academy for Learning to secure interns to assist with these efforts, which is a cost-effective way to complete these duties. The budget also re-establishes the Community Development Department intern program to assist with the Master Plan process. Staff will also expand its sharing of support staff between departments to complete this work.

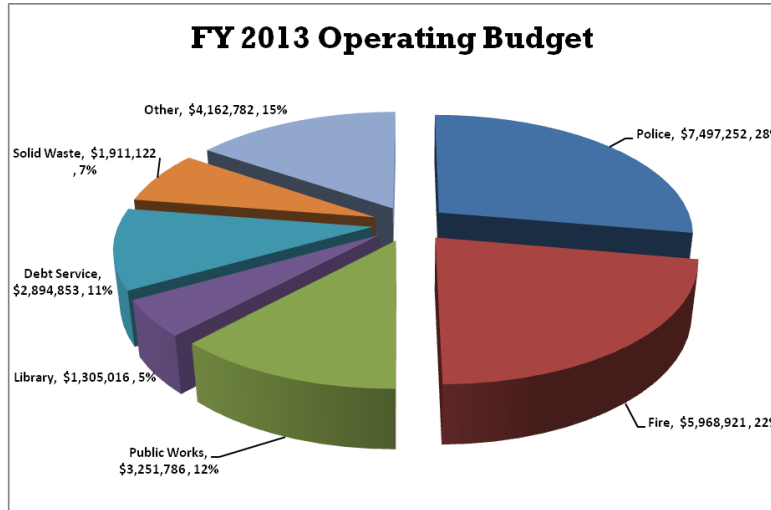
**General Fund** -

The General Fund Budget proposes one reinstated position in the Police Department and intern support assistances; no lay-offs are contemplated under this budget. This \$26.99M spending plan reflects an increase of \$1.21M or 4.73%.

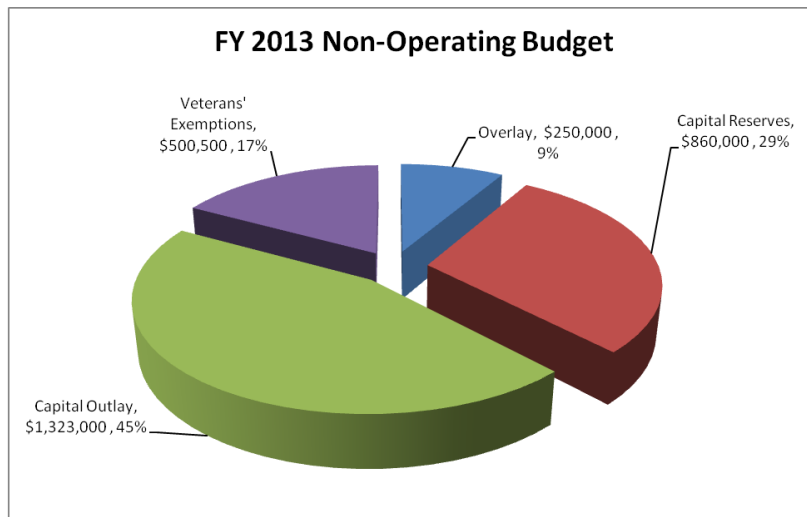
Two significant cost drivers to the operating budget in recent years have been retirement expenses and health care costs. The State Legislature this past year passed legislation which hopefully will stabilize retirement costs for the foreseeable future, although the Retirement System Board of Directors has adjusted its anticipated rate of return on investments which will impact rates to some degree in FY14. Health insurance premiums have increased annually between -0.7% and over 16%; the FY13 premium increase is 10.3%, which is softened due to a number of positions in FY12 transitioned from full-time to part-time which are accompanied by a full benefit package.

<b>Retirement Rates</b>				
	<b>FY11 Rates</b>	<b>FY12 Rates</b>	<b>FY13 Rates</b>	<b>% Change from FY12</b>
<b>Group I</b>				
Employees	9.16%	11.09%	8.80%	-20.65%
<b>Group II</b>				
Police	14.63%	16.62%	19.95%	20.04%
Fire	18.52%	20.08%	22.89%	13.99%

The following information presents an indication of where resources are allocated within the Operating Budget to deliver municipal services. As you can see, resources are allocated predominantly for public safety services, public works and debt service:



**Non-Operating Budget** – In addition to the Operating Budget, the Town dedicates resources to a number of non-operating budget items which:



**Capital Improvements** – Traditionally, the Town has attempted to fund Capital Improvements through the issuance of long-term debt and a significant reliance on non-property tax revenue sources. Listed below is the CIP Committee’s recommended FY13 spending plan, followed by my recommendations:

<b>Capital Improvements</b>		
<b>Fiscal Year 2013</b>		
<b>Taken from Capital Improvement Plan 2013 - 2018</b>		
Garage Improvements	\$	260,000
Roadway Reconstruction Program		1,000,000
Recovery Way Drop Off Center Improvements		75,000
Replacement of Emergency Medical Equipment		140,000
Route 102 Corridor Study		140,000
Pettengill Road Upgrade		12,348,000
Open Space Protection		1,000,000
<b>Total</b>	<b>\$</b>	<b>14,963,000</b>

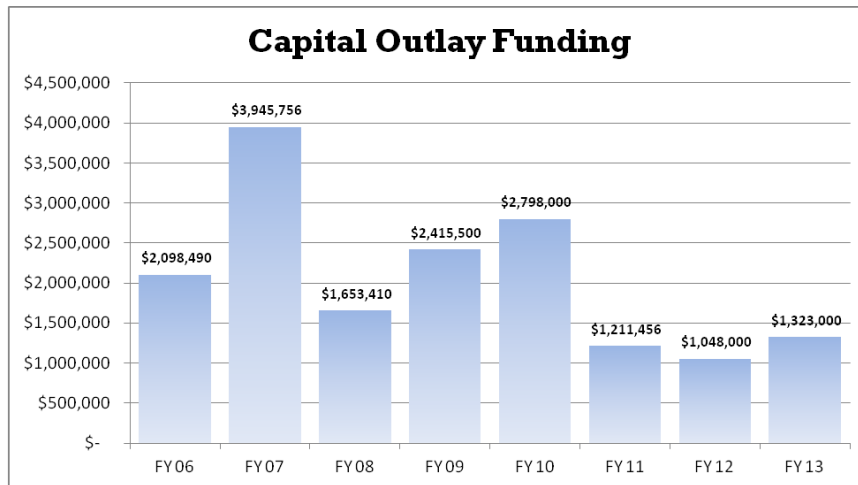
Of the projects listed above, three envision the use of long-term bonding; I am recommending that one bond issue be proposed for voter consideration – the continuation of the Highway Management Program. I would recommend the following on the remaining bond projects:

- Construction of Pettengill Road. This bond is estimated at \$12.358M for road construction and sewer extension work. As the Town continues to seek additional sources of revenue to offset a portion of the project’s costs, I have not included this bond in the FY13 budget at this time, and may again recommend deferral, at least until FY14. The Community Development staff continues to invest significant time and energy researching and applying for various grants which would assist with sharing the cost of this project to entities other than the Town. It is recommended that the Town withhold moving forward on a bond until such time as those partners have been identified or all potential funding opportunities exhausted.
- Open Space Protection – This budget does not include funds for an Open Space Bond as recommended in the CIP; this budget recommends prioritization of Pettengill Road (at the appropriate juncture) and the Highway Management Program (which I would recommend deferring for one year should the policy makers determine that Pettengill should be bonded in FY13).

The balance of the CIP projects is recommended to be managed in the following fashion:

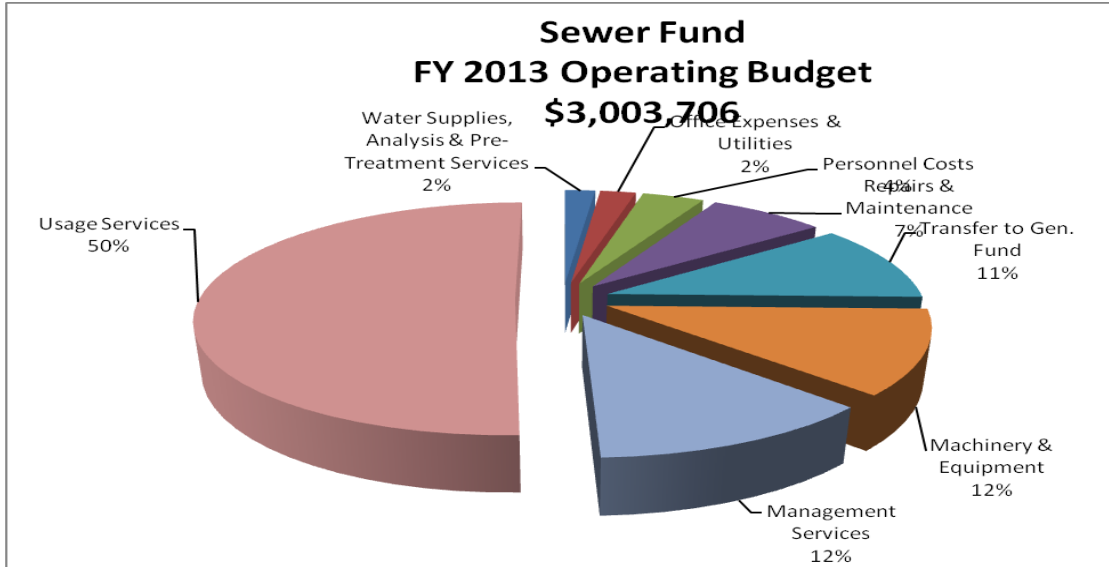
- Garage Improvements - This project has been managed as a pay-as-you-go project utilizing available Expendable Maintenance Trust Fund resources. It is proposed that this project proceed along this course.
- Drop-Off Center Improvements - Staff has proposed that the improvements to the Center be completed by improving the access to the Center. This project has been funded from the Motor Vehicle Reclamation Fund; plans are to improve the access when sufficient revenues become available.
- Replacement of Emergency Medical Equipment – As set forth earlier in this memo, the Council is encouraged to support an initiative to establish a Fire Department Small Equipment Capital Reserve which will fund items such as emergency medical equipment.
- Route 102 Corridor Study – Due to funding constraints, it is recommended that this study be completed in phases, beginning with the Central District (between I-93 and Route 128).

Presented below is a trend analysis of community investment into Capital Projects in Londonderry.



**Special Revenue Funds** - Special Revenue Funds are designed to be self-supporting, funded from user fees and charges. Included are the Sewer Division and Cable Division budgets, along with activity in the Police Special Detail account. The Sewer Division budget is down significantly from FY12 when the voters approved a large appropriation as a potential match to outside funding for the extension of sewer to the Pettengill area; the Division will undergo a comprehensive review of its rate structure in preparation for significant capital expenditures in Manchester (with whom the Town contracts to process flow from north and central Londonderry).

Presented below is a chart of how sewer resources are expended:

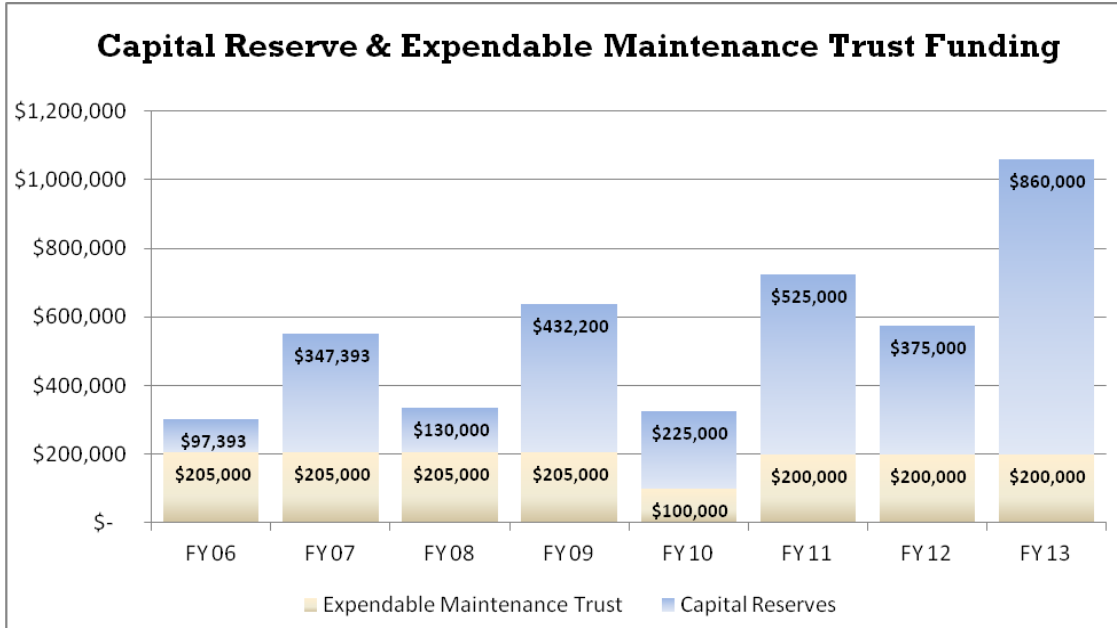


**Expandable Maintenance Trust Funds** – This fund continues to be structured in a manner to allow the Town to maintain its buildings and grounds, and implement modest improvement programs to town facilities where bonding is impractical or reserved for other projects. It is recommended that \$200,000 (\$100,000 in UFB) be allocated for these responsibilities.

**Capital Reserve Funds** – An additional \$350,000 in UFB is recommended to be appropriated to the fund in FY13; as noted above, this distribution would be targeted toward those funds (at this juncture, primarily Fire Equipment), which will experience significant expenses in the near future. A summary of CRF financing is set forth below:

Year	Appropriation	Expenditures	Balance	Equipment Purchases
			\$ 499,887	
FY13	\$ 710,000	\$ 583,000	\$ 626,887	Dump Truck, Roller, Pumper
FY14	\$ 400,000	\$ 811,532	\$ 215,355	Dump Truck, Chipper, Pumper, Amb.
FY15	\$ 450,000	\$ 672,660	(\$ 7,305)	Dump Truck, One-Ton, Pumper
FY16	\$ 500,000	\$ 425,065	\$ 67,630	Gradall, Ambulance
FY17	\$ 550,000	\$1,656,000	(\$1,038,370)	2 Dump Trucks, FD Aerial
FY18	\$ 600,000	\$ 300,572	(\$ 738,942)	Pick-up, Tractor, Ambulance
FY19	\$ 650,000	\$ 731,120	(\$ 820,062)	Loader, Pumper
FY20	\$ 700,000	\$ 383,529	(\$ 503,591)	Dump Truck, Ambulance

The following chart indicates that investments in the Expendable Maintenance Trust Fund have been very consistent; contributions to Capital Reserve have more closely mirrored economic conditions and the Town’s ability to identify revenues to place in the fund:



**Special Warrant Articles** – Article 8 recommends the expenditure of \$403,665 to reach the goal to maintain 11 Fire Department first responders per shift. Article 9 recommends \$75,000 for the first phase of the Route 102 Corridor Study, with \$30,000 allocated from UFB.

**Overlay/Veteran’s Exemption** – This area of the budget is not voted on at Town Meeting, but does impact the tax rate. The Town plans to maintain an overlay account of \$300,000.00, which is used to fund abatements and errors to the tax commitment list. The Town Council reached its goal in 2006 of adjusting the Veteran’s Exemption in \$100.00 increments until reaching the maximum exemption of \$500.00; this exemption level carries forward into future fiscal years, and now costs \$500,500.00 annually. Of these amounts, \$750,500 will be supported by property tax revenues.

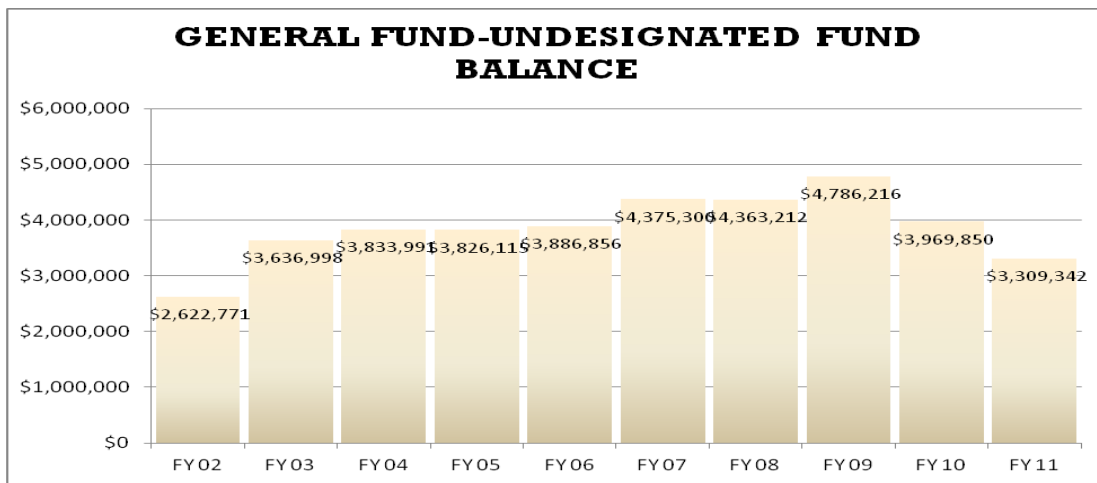
**Undesignated Fund Balance –**

The draft Comprehensive Annual Financial Report for the year ending June 30, 2011 states that the Town ended the year with \$815,456 in unexpended appropriations; this resulted when Department managers returned 1.25% of their Fiscal Year 11 appropriations in order to offset anticipated underperforming revenues, and completion/lapsing of several capital projects.

Additionally, during FY12 the Town completed a number of projects under budget or lapsed long-dormant appropriations which allowed the Town to recommend appropriating \$858,000 in UFB in the FY13 Town Budget:

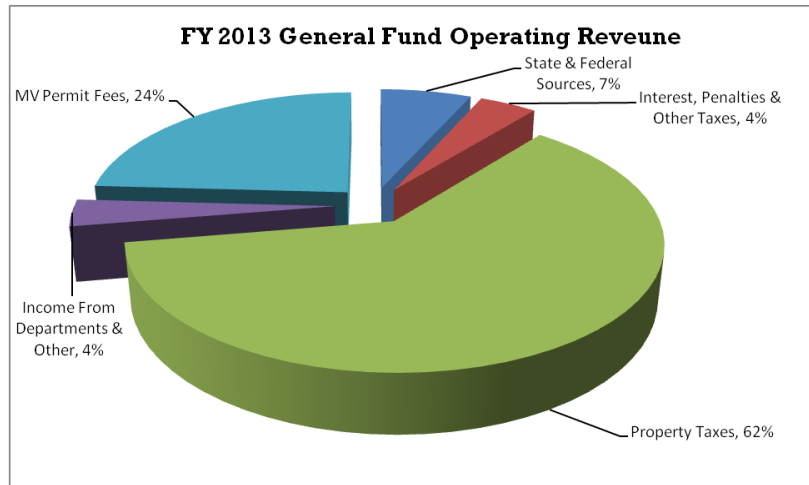
Funds Used for FY 13 Capital Projects		
* Road Reconstruction Interest & Bond Costs		(\$48,000.00)
* Overlay	\$	(125,000.00)
* Capital Reserve	\$	(105,000.00)
* Expendable Maintenance Trust	\$	(100,000.00)
* Additional Capital Reserve	\$	(350,000.00)
* Fire Department Small Equipment	\$	(100,000.00)
* Rte. 102 Corridor Plan	\$	(30,000.00)
		(\$858,000.00)

The Town’s Undesignated Fund Balance, which includes minimal reserves held in accordance with State DRA and NHGFOA Guidelines, have remained relatively consistent over the years:





**Revenues** - Revenues underperformed estimates in FY11 by \$182,144.00, as several sources continued to lag, including motor vehicle permit fees, building permit fees and interest income on investments. It is anticipated that FY13 Town operations will be funded by the following resources:



I look forward to working with the Town Council, Budget Committee and Department Managers to further refine this budget document into a spending plan which meets the current and long-term needs of the community without placing an arduous burden upon local property taxpayers.

**TOWN COUNCIL MEETING**  
**October 17, 2011**

1  
2 The Town Council meeting was held in the Moose Hill Council Chambers, Town Hall, 268B  
3 Mammoth Road, Londonderry.  
4

5 **PRESENT: Town Council: Chairman Sean O’Keefe; Vice Chairman Joe Green;**  
6 **Councilors: Tom Dolan, John Farrell, Tom Freda; Town Manager, David Caron;**  
7 **Executive Assistant, Margo Lapietro.**  
8

9 **CALL TO ORDER**

10  
11 **Chairman O’Keefe opened the meeting at 7:13 PM with the Pledge of Allegiance. This was**  
12 **followed by a moment of silence for the men and women fighting for our country.**  
13

14 **PUBLIC COMMENT**

15  
16 **Art Rugg, – PUD** - Art Rugg, Planning Board Chair said the Planning Board has not reviewed  
17 the PUD ordinance yet. The Planning Board felt that they would like to experience a review  
18 process under the PUD before suggesting any changes. They would like to do this first and then  
19 have a joint meeting with Town Council. They would like to see what works and what doesn’t  
20 work and then come back with specific recommendations. He has heard that Woodmont has  
21 submitted an application and it is in the review process now to see if it is complete, it is quite  
22 involved, the public hearing probably will be held on 12/7. The Planning Board feels that there  
23 will definitely be a third party independent review. He said the Planning Board wants to get  
24 educated and be objective. A. Rugg said they will keep the line of communication open.  
25 Councilor Freda asked if the applicants plans will be put on line, A. Rugg said he would see to it.  
26

27 Councilor Farrell suggested that if the Council is agreeable they should ask the Town Manager to  
28 get in touch with the individual Chairs of Boards/Committees/Commissions and remind them in  
29 writing of what the Right-To-Know rules are pertaining to e-mails, conducting meetings, etc.  
30 Councilor Dolan informed the Council that our Town Counsel had made a video regarding that  
31 subject in the Cable Studio. Town Manager Caron said he will speak to Attorney Mayer and  
32 draft information to forward to the Chairs. Councilor Freda said the LGC has something on it as  
33 well.  
34

35 Chairman O’Keefe said he had an idea about streamlining the process of budget hearings. One  
36 thought is to set a limit on the Department Heads that come to the meetings. He suggested  
37 putting a cap on the budget; if your budget is not over a certain amount then you don’t have to  
38 come to the Department Head Budget Meeting. He explained that way we could spend more  
39 time on the bigger budgets. Councilor Freda suggested if their budget is not over half a million  
40 let them deal with the Town Manager. Town Manager Caron suggested that they should let him  
41 receive the budgets from the departments then he’ll send an e-mail to Council for them to reply  
42 to him individually. He can give them a suggestion plan and if a small department is requesting

43 additional personnel he will make sure they come to the budget meeting. He requested that  
44 Council provide him with some feedback on how comfortable they will be with it and based on  
45 the feedback he will set up a schedule for that meeting being held on 11/19/11.

46  
47 **PUBLIC HEARING**

48  
49 None

50  
51 **OLD BUSINESS**

52  
53  
54 **Hemlock Road Incident Follow-Up** - Town Manager Caron said the Council discussed issues  
55 that included staffing, equipment, and hydrant protection. The Council directed him to include  
56 four additional positions in the FY13 year budget which will cost about \$327K, plus overtime to  
57 fund vacant shifts caused by sick, vacation, training and other leave. Another component of  
58 staffing that was raised was the feasibility of having volunteers assist with staffing of the station.  
59 He said that would be very difficult to achieve. He said he researched the state of Pennsylvania  
60 because they have had had generations of active volunteer firemen. They, too, are experiencing  
61 that volunteers have full time jobs that are located further from home so they are not in the area  
62 to respond. Pennsylvania is starting to hire drivers to drive the emergency apparatus to the  
63 scene and then the volunteer could meet them at the scene. There is also too much of a burden  
64 on the volunteer's time to meet the required training for emergency medical services, hazmat  
65 clean-up, extrications and other rescues which significantly increases the calls for service.

66  
67 The equipment issue has been addressed by the Council requesting a placement in the amount of  
68 \$350K in the Capital Improvement Program (CIP) for a tanker. The hydrant protection issue  
69 has been reviewed by our GIS Manager to find an estimated cost of extending waterlines  
70 throughout the community. The infrastructure investment would be at least \$120M; hydrant  
71 rental expense would increase from \$406K to \$1.1M with hydrants located every 1,000 feet.  
72 Per linear foot of frontage, an assessment of approximately \$9.00 would be required annually, or  
73 \$1,350 for a home with 150 feet of frontage plus any hook-up and operational charges assessed  
74 by the water company. These numbers provide an Order of Magnitude only and do not include  
75 engineering costs and booster stations, which could add at least 20% to that cost, resulting in a  
76 \$150M - \$160M range. Councilor Green asked if there were any grants available for this to get  
77 around the tax dollar. Town Manager Caron replied that their only experiences with grants for  
78 extensions of water and sewer service are in the form of low interest loans. The communities  
79 that have the lower median family income tend to be more successful with those grants;  
80 Londonderry would not be competitive in that area. Chairman O'Keefe said they had that  
81 discussion years ago with the Budget Committee and it is just not feasible. We can look at the  
82 tanker issue. Councilor Green asked if we had the ability to talk to the public to see if there are  
83 qualified people who are in the community who will be willing to volunteer. Councilor Dolan  
84 said we could put an ad in the paper to see if there is anyone interested; if there is then we have  
85 to decide what to do with them. Councilor Farrell said one of the Fire Captains estimated that  
86 they would need 8 volunteers to guarantee 1-2 volunteers would be available when needed; they  
87 would need a list of 50 people. To train and outfit those 50 people it would cost about \$8,000

88 per volunteer. Councilor Green said he is trying to exhaust every aspect, he wants to make sure  
89 we can do everything we can to reduce the tax impact. Councilor Freda asked if a volunteer  
90 firefighter gets hurt are they covered by workmen's comp – the Town Manager responded yes.  
91 He said he will contact Chief MacCaffrie to list the training requirements for volunteer  
92 firefighters. Councilor Dolan said we learned at the Hemlock fire that time is of the essence and  
93 said it is worth looking at; he also asked the Town Manager to look at the potential of a used  
94 tanker for savings. The Town Manager responded that the ladder truck that was purchased was a  
95 demo and we saved \$200K in that process. Councilor Green asked if there are any grants for  
96 apparatus. The Town Manager responded the LFD is continually applying for grants but given  
97 the amount of grants available now there is not a good chance of receiving one. Chairman  
98 O'Keefe also stated that it depends on need and financing ability, Londonderry is perceived as a  
99 wealthy town. Town Manager Caron responded that there are hundreds of NH communities  
100 facing the same challenges we are facing. Councilor Green asked if there is anyway the hydrants  
101 could be done, it is important to the houses in town. It is an important public safety issue.  
102 Town Manager Caron responded that 60% of the town does not have hydrants; it depends on  
103 how much people want to invest in public safety. Councilor Green asked if the hydrants were  
104 spaced out to 2,000 feet would it cost less. Town Manager Caron explained the hydrant figures  
105 are based on 1,000 feet, if the hydrants are stretched out there will be minimal savings as the  
106 major expense is extending the water line. Councilor Dolan said we were going to have the LFD  
107 come in and do a presentation to the townspeople explaining how to keep their homes safer.  
108 Councilor Green asked if we can start the effort on hydrants. Councilor Freda asked if a hydrant  
109 is put on a street is it assessed against him or is it a town wide tax. The Town Manager  
110 responded it is town wide. Councilor Dolan said he has not seen the Master Plan yet but he is  
111 assuming that a new development like Woodmont would probably have hydrants and municipal  
112 water as part of the development. As new developments come to town have them lay in water  
113 lines. Councilor Green asked if we can make it mandatory? Town Manager Caron respond the  
114 Town can require connection to the sewer but he would have to check with counsel to see if  
115 water can be mandatory.

### NEW BUSINESS

116  
117  
118  
119 **Ordinance #2011-1- - Relative to Revisions to the Municipal Code, Title VI, Chapter VI,**  
120 **Purchasing Policy –** Councilor Dolan read the first reading, second reading/public hearing on  
121 11/7/11 and made a motion to approve, second Councilor Farrell. Open for discussion.  
122 **Council's vote was 5-0-0.**

123  
124 **Resolution 2011-16 – Relative to a Memorandum of Agreement – Conservation Land**  
125 **Acquisitions –** Councilor Freda read the first reading/public reading and made a motion to  
126 approve, second Councilor Green. Open for discussion. Councilor Dolan stated it is a step  
127 forward and involves the purchasing and site selection process to the next level and continues to  
128 add to the local transparency to continue the confidence the public has in this process, it is a very  
129 positive step and he supports it. Town Manager Caron explained that one of the Council's goals  
130 this year was to make the process of acquiring Open Space land more transparent without  
131 compromising the Town's negotiating position. The Council and Conservation Commission  
132 agreed to a process whereby there would be a negotiating committee consisting of some staff

133 members, members of Council, and members of the Conservation Commission. **Council's vote**  
134 **was 5-0-0.**

135  
136 **Resolution 2011-17 – Relative to a Lot Line Adjustment at 85/87 Pillsbury Road –**  
137 **Councilor Freda motioned to approve, second Councilor Farrell. Council's vote was 5-0-0.**

138  
139 **APPROVAL OF MINUTES**

140  
141 **Minutes of Council's Public Meeting of 9/26/11 – Councilor Dolan made a motion to accept,**  
142 **second Councilor Freda. Council's vote was 5-0-0.**

143  
144 **OTHER BUSINESS**

145  
146 **Liaison Reports –** Councilor Farrell attended the first meeting of the Dispatch Committee –the  
147 officers were put in place. They will have a report back to the Town Council before the holidays  
148 so we can have something to look at during the budget process. He attended the School Board  
149 meeting and they do not see a need for a change in the SAU office in the foreseeable future. The  
150 CIP was adopted by the Planning Board.

151  
152 Councilor Dolan reported the Merrimack Water District is in its final stages of settlement with  
153 Pennichuck Water Works. Londonderry is an interested party; negotiations are underway.

154  
155 Councilor Freda said as Councilor Farrell mentioned the CIP was approved by the Planning  
156 Board. The only thing coming up this year is the road bond. Councilor Farrell said that would  
157 be up to what the CIP recommends. If they are able to get grant money for Pettengill Road they  
158 would entertain that but without grants the CIP Committee is saying they will not deem it  
159 necessary to go to the taxpayers for money. Councilor Freda said the Planning Board is  
160 considering possible improvements to Page Rd. and questions are going out to the School  
161 Department regarding the possible improvements.

162  
163 Councilor Green attended the Master Plan Steering Committee; they are looking at RFP's and  
164 survey companies. They are considering the questions they want on the survey.

165  
166 Chairman O'Keefe missed the Traffic Safety Committee meeting held tonight. The Town  
167 Manager said Mr. Dalton came in about traffic issues on Hall Road; Chief Hart will follow up  
168 with his concerns.

169  
170 **Town Manager Report –** Town Manager Caron explained he is scheduled to give Council an  
171 overview of the FY13 budget on 11/7/11. Councilor Freda asked if that moved up petitioned  
172 articles, the Town Manager responded yes (to January 10). Chairman O'Keefe asked if Election  
173 Day is the same. Town Manager Caron responded the only difference is that the Saturday Town  
174 Meeting is being moved up a month in the form of the Deliberative Session, with decisions made  
175 to be finalized at the ballot session on the second Tuesday in March.

176  
177

178 **Board/Committee Appointments/Reappointments** – Appointment to the Londonderry Arts  
179 Council, Ad Hoc positions: Full Members, Susan Hanna, Jason Williams and Karen Giguere as  
180 an Alternate. **Councilor Dolan made a motion to appoint all of the above, second Councilor**  
181 **Green. Council’s vote was 5-0-0.**

182  
183 Appoint Susan Haussler from an Alternate on the Elder Affairs Committee to a Full Member,  
184 term to expire 12/31/12. **Councilor Dolan made a motion to appoint, second Councilor**  
185 **Green. Council’s vote was 5-0-0.**

186  
187  
188 **ADJOURNMENT**

189  
190 **Councilor Dolan made a motion to adjourn at 8:00 PM, second Councilor Farrell.**  
191 **Council’s vote was 5-0-0.**

192  
193  
194 **Notes and Tapes by:** **Margo Lapietro** **Date: 10/17/11**

195  
196 **Minutes Typed by:** **Margo Lapietro** **Date: 10/18 /11**

197  
198 **Approved by:** **Town Council** **Date: 10/ /11**

199  
200 .  
201  
202