

**TOWN COUNCIL/BUDGET MEETING**  
**December 04, 2006**

The Council Meeting/Budget Meeting Workshop of December 4, 2006 was called to order at 7:21 PM in the Moose Hill Conference Room, 268B Mammoth Road, Londonderry, NH.

**PRESENT: TOWN COUNCIL; Chairman, Brian Farmer; Vice Chairman Joe Paradis; Councilors Mark Oswald, Tom Dolan, Marty Bove; Town Manager David Caron; Assist. Town Manager/Finance Director Sue Hickey; and Margo Lapietro, Executive Assistant.**

**BUDGET COMMITTEE: Mike Brown, Tom Freda, Frank Hegarty, (7:35PM) Michael Toth, Adriana Komst. Absent: Chairman John Silvestro,**

**PUBLIC COMMENT**

Sandy Legueux, 2 Fiddlers Ridge Road requested Council be frugal with budget this year. Asked Council to "hold the line".

Tony DiSessa, 22 Apple Blossom Dr. talked about Londonderry Panthers Peewees and Londonderry Jr. Lancers. Two Cheerleading squads have advanced in the American Football and Spirit Squad to national competition in Tampa Fl. Cost is about \$42K and they have raised half the amount... Looking for tax-deductible donations. Councilor Dolan suggested inviting the cheerleaders back to Council after they have returned from the competition.

**OLD BUSINESS**

**Resolution 2006-27 – Relative to the Creation of a Housing Taskforce – Councilor Dolan made a motion to add a Budget Member and a Conservation Commissioner member as voting members to the taskforce. Second by Councilor Oswald. Councils vote 5-0-0.** Councilor Bove asked when first meeting would be. Town Manager Caron said next step is to have each representative group appoint a meeting and schedule convenient meeting dates. Andre Garron of the Planning Dept will make the contacts. Chairman Farmer suggested posting an ad for at-large members. Councilor Oswald suggested contacting other communities to see how they handled. He still would like to have noted authorities present their ideas in a forum session. Chairman Farmer supported this suggestion.

**FY08 Budget – Preliminary Budget Recommendations-** Town Manager Caron said staff was directed by Town Council to look at deductions in municipal budget. He made adjustments in 3 general areas: operating budget reduce \$193,558.00 Capital Reserve reductions of \$50K and Revenue adjustment of \$17,500, results in overall adjustment of FY08 Budget total of \$261K. Estimated tax rate for FY08 with these adjustments is \$4.52 on town side which is a 1.73% increase over current tax rate. Outstanding items remaining include collective bargaining agreements. The budget also includes increase in veterans exemption from \$400 to \$500. Major adjustments to the budget are 12% in medical coverage this year, dental, no increase, compared to the 15% and 6% originally budgeted. Third major item is the CIP recommended appropriation of \$20K to establish a capital reserve for eventual revision of Master Plan. The Master Plan

update is a one time expense of \$80-100K which can be funded through fund balance. The Regional Transportation Initiative added \$13,500 to the budget. Capital Reserve funds for highway trucks and ambulances reduced to \$30K. General Assistance reduction of \$30K. Staff recommends the full time position in that department be eliminated; contract out to Community Services Council or staff as part-time position. Balance of reductions in various departments: Tractor requested by Recreation Department can be funded from expendable maintenance trust funds, removed \$15K. They are following up on the suggestion that the tractor being traded in might meet their needs. Total summary of adjustments, revised Operating Budget is at \$25,185,788. FY08 default is \$25,147,569.; Budget is currently about \$38K over default, which can be attributable to fuel costs. Personnel expenses are currently up about \$552K, health up \$182K, retirement \$230K, other benefits \$130K. Operating is up \$304,740. He proceeded to review all the increases. Operating budget debt service up \$229K, about an 8.5% increase due to two year Open Space bonds and fire station bond. 1.73% increase in tax rate for town budget, just collective bargaining agreements left. Councilor Dolan asked if veteran's exemption applies to current active duty personnel. Karen Marchant, Town Assessor explained they have to serve 90 days during a specified war time; dates are outlined in the law. When active duty personnel return they will have a DDT14 which is a discharge paper then they can apply as long as they meet all the other criteria. Councilor Dolan asked Rep. Baldasaro to carry message to Concord to provide additional tax relief to active duty personnel who right now are not covered by State law. He recommend to fellow councilors that they maintain commitment and support to veterans by increasing the exemption to \$100 this year to reach \$500 maximum. Chairman Farmer asked Town Manager Caron when that subject will be brought up to Council, Town Manager Caron responded customarily in January. Chairman Farmer requested it be on the agenda for the 1/8/07 meeting. Al. Baldasaro thanked councilors for raising veteran's exemptions. Veterans on active duty do not get DDT14 anymore when you're enlisted. He said there is a Veterans' Committee at state house and they submit a letter of service, which overrides the Town... Town does not have last say. Chairman Farmer directed Town Manager Caron to follow-up. K. Marchant said Mary Moran from VA handles it and the Town will accept the information provided from the VA. Town Manager Caron explained the spreadsheet he passed out that evening with staff recommendations on it. Tom Freda asked about bonding for highway maintenance and Conservation. Town Manager Caron explained that we can't bond for maintenance or operation items per state law. Discussion ensued about bonding, lengths of bonds, and capital assets. Sean O'Keefe asked about getting a comparison on health insurance from other towns. Sue Hickey talked about independent audited financial report that she passed out that evening. Reviewed highlights of the report with Council. Chairman Farmer said the Library Trustees will be voting on their cuts Thursday night. Councilor Oswald made a request to the Town Manager about cost savings when replacing retirees. Town Manager Caron responded he will have info on 12/18. Budget Committee had a meeting last week where they reached a consensus decision on cuts. Adrina Komst reviewed budget time table. Total reduction \$646,889. OT expense amount not agreed upon, but the theory to reduce OT hours was agreed upon. She took all the FY06 actual budgets by department and compared it to the budgeted amount. She stated we don't need to continue budgeting over and above what our actual expenses have been. As a group decided to take the fiscal year actuals from 06, increase it by 5% then take actuals from 07 and increase that by 5%, that would give an acceptable OT expense for FY08. Proposed decrease for that, although not agreed upon, in theory is \$108K. That is recommended reduction in OT expenses Councilor Bove requested Council receive copies of spreadsheet that the Budget Committee was using for the presentation. While copies were made other topics were discussed. A. Komst said the current landscaping contract was renegotiated and an award was given out, \$75K was budgeted. That figure was incorrect per Town Manager Caron \$30K budgeted under General

Government. He said it was being reduced further to \$25K, the Town will assume responsibility for grounds around all Town and School property and School will be responsible for maintenance of all athletic fields. A. Komst responded will defer any recommendation, received conflicting information from Town and School, will wait for accurate figures. Mike Brown asked if retirement amount of \$230,399 is actual increase in employer contribution, Town Manager Caron responded yes. M. Brown said School side increased 60%, to \$643K. Increase due to new contribution rate per Nate Greenberg. Town & School are in hole of \$840K before budgets are established; this is what State is doing to our Town. Councilor Dolan asked why isn't retirement system getting benefit of stock market levels. Town Manager Caron explained they are, any earnings over what used to be 9.5% plus ½% go to special accounts that pays for retirees, health subsidy and for retirees COL adjustments. When you have a terrible year with investments there is nothing to back-fill the losses except for increasing employer rates to back-fill that loss. Current structure of retirement system is when you have a good year and go over that rate plus ½% it goes into the special account. If you have a bad year there is a void, picked up from the employer contribution per state law. Employees' contributions currently under state law are fixed, employer contribution fluctuates. More folks retiring, stresses the system. At this point in the meeting the Budget spreadsheet with proposed line item reductions was passed out to Council. Council requested that A. Komst just highlight significant items tonight, further discussion on line items will take place at the 12/18/06 meeting. She reviewed some of the outstanding issues involving legal budget, fire fighter training being spread out over two years, Planning Dept., defer Town Center consultant to next fiscal year, Public Works to establish a bonded trust fund that would reduce costs. Tom Freda explained the proposed reductions for the library. He explained that the library had a Trustee account of \$33,204. Suggested using the trustees funds, take half of the fines which make up this amount and reduce the cost of books and periodicals. A. Komst stated the other significant amount is in Overlay. T. Freda explained that the Town established an overlay of \$300K in abatements, suggested reducing to \$100K allowing \$39K to actual abatements for this year. Councilor Paradis verified that all their reductions did not affect personnel reductions, all reductions were service related. T. Freda and A. Komst agreed. Chairman Farmer asked Town Manager Caron to review recommendations and give council feedback on impact issues and requested A. Komst to provide him with an electronic copy of her spreadsheet. Dave pointed out that by reducing Management Services by \$20K in highway department, 2006 total expenses show that his contractual obligations for hydrant rentals is about \$104K over expended. It would tell me that J. Czyzowski managed his budget by not expending from management services line item to help take care of that deficient in the hydrants. Asked if the Committee looked at those items as well? A. Komst stated the Committee's opinion is that although they might not have expended certain budgetary line items because they were compensating for other areas that they needed to make up funds in, they were capable of operating at full capacity and services were not diminished. If they could do without for one year, this year was the year to "hold the line". Chairman Farmer stated that he would assume that the Committee's approach was by line-item, any effort to look at bottom line budget for each department? A. Komst responded that the budget committee members factored in all the considerations. M. Brown stated reduced requests not budgets in most cases. Chief Joe Ryan, LPD asked for clarification on OT. Decrease is cutting his dept. \$43K in his proposal which is \$111K less than what he actually spent last year which will be a total of \$54K reduction in what he actually spent in FY06. These kinds of cuts are difficult. A. Komst responded the department was able to cut and maintain coverages with the OT that was received. Chairman Farmer stated it is a recommendation will get feedback from Council. No other comments or questions were received at this time. Chairman Farmer thanked the Budget Committee for all their work, will continue Budget recommendations on 12/18/06.

## NEW BUSINESS

**Amendments to the Town Charter –** Tom made a motion to not make any changes to Town Charter. Second by Councilor Oswald with discussion. He stated he served on the Charter Comm. 11 yrs. ago, they spent well over a year in research and study with a number of community leaders throughout the sate, not to be taken lightly. CIP process served us well, does not see a need of two additional members at this time. Councilor Bove said the CIP Committee evolved into a very efficient and dedicated group, no need for changes at this time. Consensus of Council no changes needed.

**Resolution 2006-29 – Relative to the Acceptance of a Conservation Easement –** Councilor Oswald read first reading, made a motion to adopt. Second by Councilor Dolan. Open for discussion. Councilor Oswald explained that the Planning Board and Conservation Commission have accepted an easement on the 8 acre parcel behind the soon to be built Walgreen's. It preserves the rear acreage as open space in perpetuity. Councils' vote 5-0-0.

### **Order 2006-18 – Relative to Withdrawal from the Expendable Maintenance Trust Fund**

Councilor Dolan read first reading, second reading not needed. Made motion to accept. Second Councilor Paradis. Open for discussion. Councilor Dolan said an overhang on front steps at the Senior Center was needed, was hazardous to elderly people entering and leaving bldg. Councilor Paradis said right thing to do. Town Manager Caron stated the goal is to keep ice from melting off roof onto steps. Councils vote 5-0-0

## APPROVAL OF MINUTES

**Public Meeting and Non-Public Meeting Minutes of 11/20/06 -** Councilor Dolan made a motion to accept the public meeting minutes from 11/20/06 with the following edits: line 34 should read Frank "Emiro" not "Omero, line 38 change Councilor "Oswald" to Councilor Dolan, line 69 add the date for the reduction of 12/18/06, line 85 should read Councilor Bove not Councilor Oswald, line 179 should have no questions marks. Second by Councilor Dolan. Councils vote 5-0-0.

## OTHER BUSINESS

**Liaison Reports –** Chairman Farmer said Londonderry Arts Council will discuss resignation of Steve Lee. Longest current serving member. Library Trustees will discuss the budget issues this week

Councilor Oswald – Attended Conservation Commission last week, reviewed Mr. Dudeck's significant improvements to his salvage yard. Putting up barn to do salvage work inside, soil will be removed. Getting state funding. Leadership Londonderry meets next Thurs. South Fire Station rapidly heading to completion, 83% of budget to date, very near completion. At or below budget monies allotted. Chairman Farmer asked Town Manager Caron if under budget what happens to remaining balance. Town Manager Caron responded monies goes to North Station.

Councilor Dolan asked about future recommendation of old So. Station.. Town Manager Caron working with staff, will send out to market for disposal.

Councilor Dolan attended ZBA meeting, lot of time spend discussing 170 foot cell tower. Balloon test done on Sunday., pictures can be obtained from Planning Dept. Councilor Oswald asked if pictures could be put on the Town website. Town Manager Caron will check to see if it could be done. Councilor Dolan stated the Budget Committee worked hard with their recommendations. Recreation Commission meets next week.

Councilor Bove announced that Santa will be at the cable studio this Saturday and will be on TV. He attended School Budget hearing, starting again tomorrow night.

Councilor Paradis attended the Elder Affairs meeting, very pro-active group. Having an abatement seminar in January. Also talked about Murray salvage.

**Town Manager's Report – No Report**

**Board/Committee Appointments/Reappointments/Resignations:**

**Councilor Bove make a motion to re- appoint Allen Fowler as a full member to the Sewer Advisory Committee, term to expire 12/31/09, accept the resignation of Anne Jacoby from Trustees of Leach Library, resignation to be effective 1/3/07, term to expire 3/2/09 and to re-appoint Brian Blais as a full member to the ZBA, term to expire 12/31/09. Second by Councilor Paradis. Councils vote 5-0-0.**

**ADJOURNMENT**

**Councilor Oswald made a motion to adjourn at 8:40PM. Second Councilor Bove . Councils vote 5-0-0.**

**MEETING SCHEDULE**

<b>Notes and Tapes by:</b>	<b><u>Margo Lapietro</u></b>	<b>Date: <u>12/4/06</u></b>
<b>Minutes Typed by:</b>	<b><u>Margo Lapietro</u></b>	<b>Date: <u>12/11/06</u></b>
<b>Approved:</b>	<b><u>Town Council</u></b>	<b>Date: <u>12/18/06</u></b>

**MEETING SCHEDULE:**

Town Council, December 18, 2006 about 7:00 PM, Moose Hill Council Chambers – Meeting and Follow-Up Budget Workshop  
Town Council, January 8, 2007 about 7:00 PM, Moose Hill Council Chambers – Budget Public Hearing  
Town Council, January 22, 2007 about 7:00 PM, Moose Hill Council Chambers – Bond Hearing