

**TOWN COUNCIL/BUDGET MEETING**  
**January 08, 2007**

The Council Meeting/Budget Public Hearing of January 08, 2007 was called to order at 7:10 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, Michael Toth.**  
**Absent: Chairman John Silvestro**

**CALL TO ORDER**

Chairman Farmer opened the meeting at 7:10 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women in the service and for those who have given their lives for this country.

**PUBLIC HEARING**

**Councilor Bove made a motion to open the Public Hearing. Second by Councilor Oswald. Councils' vote 5-0-0.**

**A. FY08 Town Budget -** Tom Freda presented the steps used by the Budget Committee

- 1 Task for Budget Committee - Established guidelines.
2. Budget Committee Methodology
3. Process for the FY08 Budget - \$752,519 a 2.2% decrease in Town Manager's proposed FY08 budget.
4. Conclusion – review full report on their website.

Councilor Paradis asked Tom Freda if the Budget Committee reviewed over spent line items. Tom responded that items in the budget that have overages should not be used for other items. Dept. Heads believe if those are amounts, they will accept. Will look to save on under spent items.

Councilor Farmer thanked the Budget Committee for their time and hard work. Philosophical differences will be worked out. He explained that the Town Charter has provisions for a Budget, the definition is located in Sec 5.2 is, and he proceeded to read. He also referenced Sec 4.9B of the Admin. Code. Councilor Farmer said he used those guidelines to develop recommendations to consolidate two departments. He said he followed precedent, not inappropriate to look at potential employee deductions. He asked the staff to look at recommendations. If additional reductions are needed don't look at line items alone. Open for discussion. Councilor Paradis stated the Council looks at budget not at specific personnel. Nothing personal, looking at line items.

Deb Lievens, 105 Gilcreast Rd. asked the Council to look at this very carefully, down the line the future of budgets and growth of community is at stake.

Sandy Legeux, 2 Fiddlers Ridge, staff at Town Hall is excellent, very professional. Decrease in requested increase of 2.2% is reasonable. Enact recommendations; do not cut jobs in the process. They were elected by the same people who elected Town Council. She suggested that furniture should be taken out in the entire budget. She stated that furniture was bought for new Town Hall. Look at line items to justify reductions in the increases. Town Manager Caron stated when we moved in we spent furniture for conference rooms. Only two departments had new furniture, did not buy much office furniture all came from old town hall.

John Farrell, 4 Hancock Dr. – Chairman of CIP Committee stated that the Committee was very tight on CIP. He noted that one bond, Open Space is tax positive. Bonds very important, process needs to be refined further, not endless. Road Bond is for patching not rebuilding roads in town.

Reed Paige Clark, III, 79 Stonehenge Rd. gets a lot of calls about budget, all asking to cut budget. He queried the Councilors on the amount of calls, and e-mails they receive. Consensus of Councilors was the majority of contacts they received were through e-mails and daily interaction from people they meet. Reed reminded everyone about Town Meeting on 3/14 and 3/17.

Chief Joe Ryan explained the role of a Dept. Head. The budget represents a level of service that people of Londonderry have wanted. Keep level of service that is desired, increases are inevitable. If cuts are done level of service will decrease and each dept. head has examined our budgets and taken the interests of citizens of town and Town Manager. Unanticipated increases are not given in the budget that was submitted 10 months prior to the beginning of the fiscal year. Difficult process to submit budget with level of service this community wants.

Councilor Bove stated we can only present the best budget possible. Citizens make a choice with their vote. Take into consideration people who made the request to see if they can live with the cut, make best decision we can. Not arbitrarily made.

Councilor Dolan stated everyone here has taken “tough stands”. He takes the budget process very seriously. We can accomplish this process with dignity and respect for the people involved in this process. The Councilors live by the Town Charter; it eliminates a lot of meddling Selectman had with the government. Charter very limiting in involvement with government. and Town Manager. He had an objection at last Town Council meeting he felt that Council was interfering with the Town Manager’s responsibility to manage employees. Council avoided a Charter violation, and came to the conclusion that we can get to the financial numbers by not eliminating personnel. We are not competent in that skill, hired one of the top five managers in the state. We have top department. heads. We should ask the department. heads how to continue with high level of service and still maintain the budget. Process needs to be dignified, don’t

announce potential layoffs in public, talk to personnel in private, don't have to hear it publicly. Need expertise of dept. heads to do this correctly.

Chief Joe Ryan mentioned that he as a taxpayer in town spends about \$400/yr for police services. This town does well for that service. Chairman Farmer responded that the Chief has a tough job justifying his needs to Town Council, Town Manager and the Budget Committee. Appreciate professionalism of staff, tough decisions on what the community can bear.

Councilor Oswald addressed the IT, Legal and Overlay Budgets. Questioned the request of 6 additional computers Sue Hickey responded that IT purchases 6 a year in case a computer cannot be repaired. Councilor **Oswald proposed a reduction of \$5K to the IT Budget. Second Councilor Dolan.** Open for discussion. Councilor Bove suggested deleting all 6 computers. S. Hickey responded we get discounts with 6 purchases. Councilor Bove asked if each department would be responsible for their own computer. Town Manager Caron stated that the Council previously wanted IT purchases centralized; he further responded that if the six computers were removed from the budget; the Town would not replace all computers scheduled for replacement until the end of the fiscal year; in essence those replacements would also serve as spare computers through the year. Councilor Bove said 5 library computers were paid out of library funds, why not have each department pay rather than have it come out of IT budget. Councilor Farmer stated Council made a decision a few years ago that all IT equipment come out of IT budget. Library Director Barbara J. Ostertag-Holtkamp explained the Library has various usages; staff needs to be trained on proper equipment. Sandy Lageux, 2 Fiddlers Ridge supported cut. Asked why is Town paying consultants for dues and subscriptions, seminars and workshops and books and periodicals. S. Hickey stated it is the Towns subscription to Microsoft, allows us 2 phone calls for support, which are extremely expensive to obtain otherwise. This year we had a big problem with viruses. Seminars and workshops are for some training for employees.

Al Baldasaaro, 41 Hall Rd., inquired if we could just repair old computers. Consultants should train on the job should be part of their contract. S. Hickey explained that we can't take a dispatcher computer out of commission. We have 200 computers, if we need a replacement, 6 replacements per year is rather efficient. Councilor Oswald stated we are going from \$0 to \$5500. S. Hickey explained we had employees not utilized last year because of the move. **Councilor Oswald said we should change the motion to get more information on training and workshops. Councils' vote 5-0-0.** Chairman Farmer asked staff to reduce this line item.

**Councilor Oswald made a motion to reduce the Legal Expenses by \$30K. Second by Councilor Dolan.** Open for discussion. Town Manager Caron said the trend the past few years has been no major law suits, if the Town becomes involved in a major lawsuit, it will be problematic. Tom Freda brought up the fact that the Town gave the School Department \$10K for their lawsuit with the Sate and stated we wouldn't have that expenditure again. **Councilor Dolan made an amended motion to reduce by 10K. Amendment second by Councilor Dolan. Councils vote 5-0-0**

Councilor Oswald stated that the Budget Committee recommended a reduction of \$50K in the Overlay Account. Town Manager Caron stated that state allows 5% of tax levy, \$2.6M for Londonderry. The Town never budgeted funds for overlay account for AES; and since taxpayers have until 3/1 to file for abatements, it would be unwise to adjust at this point.

Karen Marchant, Town Assessor stated so far MHT has applied for a \$70K reduction for properties taken over by MHT; utilities have been updated most appealed. Currently have 7 appeals in court. To date have 57 appeals. 23 incomplete. The money is active for that year then rolled back. Councilor Paradis recommended a reduction of \$32K. General Government reduce by \$5K, Police reduce by \$1K, Fire and Rescue reduce by \$5K, Public Works reduce by \$5K, Library reduce by \$3K, Cable reduce by \$3K. Recommend reductions of \$5K in both IT and Legal. **Councilor Paradis made a motion to reduce Budget by a total of \$22K. Motion, seconded by Councilor Dolan for discussion.** He explained the Cable Department generates its own money, tax neutral, **made a motion to reduce by 19K instead of \$22K. Councilor Paradis seconded the amendment.** Councilor Oswald stated we should wait till next meeting to vote if these reductions are justified. **Council's vote to reduce by \$19K 4-1-0.**

Councilor Dolan asked A. Komst about line item 20 in Budget's final report. Move \$200K out of budget into a bond, asked what did the Budget Committee recommend, she responded recommended the same. Councilor Bove asked Town Manager Caron for justification and why it shouldn't be done, he responded he will examine.

**Motion by Councilor Dolan to instruct the Town Manager to reduce the bottom line budget by an additional \$30K and to present the impact on 1/22/07 for discussion. Second by Councilor Oswald.** Chairman Farmer stated that as of tonight \$64K reductions have been made to the bottom line of the budget. **Councils vote 5-0-0.**

Mike Brown cautioned everyone to look at Town and School budget, 5-6 labor contracts not settled yet, budget is going up. Bonds and Warrant Articles, Citizens Petitions, Jack's Bridge Rd. TIF are against the backdrop of all those things in addition to line items. Use taxpayer white payer, you will see what the tax rate is.

Sandy Lagueux suggested putting something on website; make input friendly "We want to Hear from You" have it on the opening page. Chairman Farmer stated that all Councilors have separate e-mails and extensions. He suggested setting up one extension that can be sent to all 5 councilors.

**Hearing no further comments, Councilor Oswald made a motion to close the public hearing. Second by Councilor Dolan. Councils vote 5-0-0.**

#### **PUBLIC COMMENT**

John Farrell spoke about 1996; the Town had \$7.9M tax revenue, today \$14M property revenue. Over 50% increase. Reviewed increases, spend more and more money. 80 – 90% uncontrollable due to payroll. Need to have savings within the budget. If Chairman Farmer violated the Charter, use experience to make fiscal improvements to this budget.

## OLD BUSINESS

**FY08 Budget – Bond Issues** - Town Manager Caron stated that State law requires a separate public hearing for bond issues, and the Council's budget schedule requires that the hearing be held on 1/22/07. Three bonds will be considered.

Phase 2 of N/W Fire station of \$1,887,000. The anticipated sale of existing So. Fire will lower bond amount because monies generated from that sale are recommended to be applied towards the cost of the station

Open Space is recommended at \$1M

Roadway Management Program is recommended at \$1.2M after the Council transferred \$200,000 from the operating budget to the bond amount/

S. Hickey informed the Council that Citizens Bank has been their Financial Advisor for issuing bonds. They are no longer performing that service which will increase the cost of bond services significantly. She provided an analysis of costs from New Hampshire Municipal Bond Bank and First Southwest. The Town may want to reconsider issuing bonds on an annual basis for ongoing or continuing programs such as Open Space or the roadway management program due to the issuance costs increasing approximately \$24K per issue.

**Councilor Bove made a motion to put the North/West Fire Station on as a bond article. Second by Councilor Oswald.** Councilor Bove said the bond will show some savings. He said the same statement would be for the other two bonds. Councilor Oswald stated that building costs are increasing annually by 12%. Present facility about 54 years old built by volunteers for a volunteer dept. Budget Committee, Town Council, public and press invited for tour of the new South fire station. Footprint is identical to South station. Councilor Dolan referenced statement made tonight by John Farrell, everything costs more than it needs to costs, longer we wait the more money it will cost us. Councilor Bove invited public to visit station in village. Consensus of Council was it was better not to wait, costs going up. Chairman Farmer said he does not endorse the bonding for the North/West Fire Station, will vote no. Al Baldasaro, 41 Hall Rd. does not support. We have support from other towns. State education funding is going to be coming. Not a need, use impact fees to pay for it. **Councils vote 4-1-0.**

Open Space - Cons. Com. has demonstrated to voters that this bond can make good use of the money. **Councilor Oswald** said Londonderry is recognized for raising kids and apples. **Made a motion to place bond on ballot. Second by Councilor Dolan for discussion.** He stated this bond saves money for community, town as well as school dept. Holds tax bills down. Councilors Paradis and Chairman Farmer said that this year they are not supporting the bond. Councilor Bove said voter should choose at ballot box, put on ballot. Councilor Dolan said the state gutted LCHIP program. A vote against Open Space is a vote for higher taxes. Councilor Paradis agrees with Councilor Bove to put the bond issue before the voters. M. Speltz said the grant money goes to people who have matching funds. Got \$2.7M because we had the money to put into it. Good time for us to have money in the bank. **Councils vote 3-2-0**

Roadway Management Program – Janusz Czyzowski, Public Works Director presented. 12 yrs. is optimum time to overlay a brand new road. Would like to spend the money for shim and overlay, brand new roads last 20 yrs. \$501K from state will be used for shim, overlay, and striping. Cost of construction has gone up, less roads done. Would like to have a bond every year for road maintenance. **Councilor Dolan made a motion to put the bond on ballot. Second by Councilor Bove. Councils vote for \$1.2M, 5-0-0.**

### **NEW BUSINESS**

- A. Adjustments to Property Tax Exemptions & Credits** – Councilor Dolan asked Town Manager Caron to re-work elderly exemption to reduce valuation, eligibility levels up. Wants some neutral tax impact. Town Manager Caron will research. Councilors Paradis and Bove agree with Councilor Dolan. Chairman Farmer asked Council to investigate Solar, Wind and Wood Heating Systems Exemptions. **He made a motion to review Resolutions on these adjustments at next public meeting. Second Councilor Dolan. Councils vote 5-0-0.**
- B. Fact Finder Report – AFSCME 1801** – Councilor Bove made a motion to reject. **Second by Councilor Oswald.** Open for discussion. Councilor Dolan explained the item will appear as warrant on town meeting day ( 3/17/07). **Councils’ vote 5-0-0.**
- C. Proposed CBA – LEEA** - Councilor Bove made a motion to accept the bargaining agreement. **Second by Councilor Paradis.** Open for discussion. Councilor Dolan stated if the Council accepts the bargaining agreement, it also will appear as warrant at town meeting on 3/17/07. Chairman Farmer stated this is a tentative agreement with Department Heads. **Councils’ vote 4-1-0.**
- D. Proposed CBA – AFSCME 3657** – Councilor Oswald made a motion to accept bargaining agreement. **Second Councilor Bove.** Open for discussion. Chairman Farmer explained this is an agreement with Police Dept employees; it will appear as a warrant article at town meeting on 3/17/07. **Councils vote 5-0-0.**
- E. Fact-Finder Report – IAFF 3160** - Councilor Bove made a motion to reject fact finders report. **Second Councilor Paradis.** Open for discussion. Will appear on town warrant. **Councils vote 5-0-0.**

### **APPROVAL OF MINUTES**

**Councilor Paradis made a motion to accept the Public Meeting Minutes of 12/18/06. Second Councilor Bove. Councils vote 5-0-0.**

### **OTHER BUSINESS**

**Liaison Reports** – Councilor Oswald attended the South Fire Dept. tour on Saturday along with members of the Town Council, Budget Committee, press and citizens.

Councilor Dolan attended the Recreation Commission meeting where they discussed town insurance. ZBA continues looking at 170 ft. cell tower, hired a consultant.

Councilor Paradis attended the Planning Board where they discussed the process of submitting plans and, establishing a time line for each plan that goes through the process. They are currently putting time lines on each project to get a better idea of the time frame Attended Comcast meeting with Dottie Grover, Director of the Access Center. Comcast had some problems this past month. He instructed the public to contact Dottie if they experience any problems with Comcast. Chairman Farmer asked Councilor Paradis to ask Planning Board to identify costs of putting a project through the process because he has received complaints from citizens. Councilor Oswald said we need reasonable benchmarks for citizens as well as developers. Councilor Dolan proposed the Planning Board handle homeowners different than developers Chairman Farmer stated some things can't be shortened due to regulations. He suggested having a workshop/discussion.

Councilor Bove stated that a Verizon rep was in neighborhood trying to sell packages to Londonderry residents for high speed internet. Discussion ensued about legalities.

**Town Manager's Report – The Town Manager announced that the proposed funding of the TIF District not coming back to Council for funding consideration at the 2007 Town Meeting. The Town has yet to receive the traffic study and only received a draft of the economic study. He believes it is best to wait a year and give the project a thorough review before presentation to the taxpayers.**

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

- 1. Councilor Bove made a motion to re- appoint Gary Stewart as a Full Member to the Solid Waste Advisory Committee, term to end 12/31/09. Second by Councilor Paradis. Councils' vote 5-0-0.**

**ADJOURNMENT**

**Councilor Oswald made a motion to adjourn at 10:55 PM. Second by Councilor Dolan. Councils vote 5-0-0.**

**MEETING SCHEDULE**

<b>Notes and Tapes by:</b>	<b><u>Margo Lapietro</u></b>	<b>Date: <u>01/08/07</u></b>
<b>Minutes Typed by:</b>	<b><u>Margo Lapietro</u></b>	<b>Date: <u>01/15/07</u></b>
<b>Approved:</b>	<b><u>Town Council</u></b>	<b>Date: <u>01/22/07</u></b>

**MEETING SCHEDULE:**

Town Council, January 22 , 7:00 PM, Moose Hill Council Chambers –  
Bond Hearing/Warrant Approval  
Town Council, February 5, 7:00 PM, Moose Hill Council Chambers  
Town Council, February 8, 7:00 PM, Moose Hill Council Chambers –  
Final Public Hearing on Budget  
Town Council, February 19 about 7:00 PM, Moose Hill Conference Chambers Warrant Signing

