

TOWN COUNCIL/BUDGET WORKSHOP MEETING
November 15 2007

The Town Council/Budget meeting will be held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry, NH. **Scheduled agenda times are advisory only.** Regular meetings are cablecast live and videotaped for the convenience of our viewers at home.

PRESENT: TOWN COUNCIL; Chairman Joe Paradis; Vice Chairman, Marty Bove; Councilors Mark Oswald; and Kathy Wagner; Town Manager Dave Caron, Assist. Town Manager/Finance Dir. Sue Hickey, and Margo Lapietro, Executive Assistant. Absent: Councilor Brian Farmer

BUDGET COMMITTEE: Mike Brown, Ron Campo, School Board Liaison (7:13), Tom Freda, (7:30). Absent: Jay Hooley, John Robinson, Sean O’Keefe and Tom Dolan

CALL TO ORDER

Chairman Paradis opened the meeting at 7:05 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country.

PUBLIC HEARING

NEW BUSINESS

Public Works & Engineering Department - Public Works Dir. Janusz Czyzowski; Admin. Assist. Donna Limoli; Environmental Engineer, Doris Beatty and Assist. Public Works Dir., John Trottier presented the 2009 Budget. The budget was \$2,042,796 the request for FY09 is \$2,111,817.14. Increases were due to contractual obligations. Solid Waste Collection and Recycling forced the increases. J Czyzowski explained the contract costs. He used an example of a \$350K house in the FY06 budget and calculated it cost 42 cents per day for the cost of solid waste collections and disposal. Based on the FY07 figures, Solid Waste will be 36 cents per household

Highway FY07 budget was \$3,137,248.81 FY08 approved Budget was \$3,053,882.00. FY09 budget request is for \$3,063,573.00. \$195K for equipment & machinery from Capital Reserve Fund is not included in this number He reviewed the items we are under contract for and also rentals. Reviewed Non-Contractual items that are equal toFY08 budget. Gasoline items will go up. He reviewed street cleaning and maintenance costs. Have a warrant article for \$1.5M this year for street paving reconstruction. He listed the work scheduled for the 2007 season. They totaled \$20-40K. \$40K does not cover very much road. Chairman Paradis asked about painting the white fog stripes, J. Czyzowski responded the money was not in this budget. Would like to spend the money someplace else like using it for site distances. He listed the roads that were

shimmed and overlaid in FY07. Reviewed Repair Strategies & Estimated Costs. He reviewed rehabilitation for shim and overlay cycle and the estimated cost of reconstruction which is estimated at \$24,500,000 He listed proposed projects for FY 09 of shim and overlay if the \$1.5M bond passes. Cost to maintain 180 miles of Town Roads in the FY06 is 64 cents per day. In FY07 it was 55 cents per day.

Solid Waste – FY08 budget was \$1,779,446.00, FY09 is \$2,054,342.00. Salaries and benefits went down. Usage was biggest increase paid to Manchester and Derry. We are obligated to pay 6% of cost of new sewer treatment plant. Fluctuates month to month he estimates it costs \$950K. Councilor Bove said that Solid Waste went to 16%. He asked if there is a plan in place to reach residents to educate them to be more effective in their solid waste use. J. Czyzowski said there is a move to create a coalition to promote solid waste. Mandatory recycling discussed. Councilor Bove said that the Solid Waste Advisory Committee has looked at a number of ways to increase usage. He suggested finding ways to let taxpayers know they are saving money by doing this. Drop off center discussed and new recycling items discussed. D. Limoli announced that this Saturday is Hazardous Waste Day from 9:00 AM-noon at L.A.F.F.A. fields. Budget Member M. Brown questioned the fees for hydrants and questioned if they were regulated. Town Manager Caron said they are regulated by PUC, use complicated formulas. M. Brown asked how can there be a difference of \$600 from one hydrant to other. J. Czyzowski said they have different systems. M. Brown questioned cost of Clark Rd; is J. Czyzowski \$1.6 estimate to fully reconstruct Rd. J. Czyzowski responded the road is approximately one mile long at that estimate would be the approximate price to reconstruct the road. M. Brown asked if estimate is in today's current prices, would it have been less last year. Janusz yes to both questions. M. Brown asked what estimate would have been. J. Czyzowski responded there has been a 40% increase in construction this year. M. Brown said the State came up with new figure for construction. A recent article in the newspaper from DOT said construction costs went down to 3.2% compared to 15% over last year. J. Czyzowski does not agree with commissioner fuel and steel prices going up will affect cost of construction. M. Brown questioned 6% agreement with Manchester, is that negotiable? J. Czyzowski responded no room for negotiation, depends on our flow, formula developed years ago. Budget Member Tom Freda asked if streets listed for reconstruction were built by developers. J. Czyzowski said no because the Planning Board in the past 14 years has made the developers adhere to stricter standards for quality roads. All roads targeted are older roads. T. Freda questioned if there is any longevity in the roads based on 28ft. width, J. Czyzowski responded good roads are based on base and drainage of road. T. Freda also asked for clarification on the sewer bonds T. Freda questioned if sewer rates have gone up this year, J. Czyzowski said they were increased last year, will review again.

Building/Health/Zoning – Chief Inspector, Jim Smith and Assist. Inspector, Richard Canuel presented. Budget is the same as last years. Management Services should be \$7,500.00. Made changes to telephone, took training money and put it into seminars. Reviewed major services/responsibilities, department gives out a lot of information. He talked about the lack of contractors' adhering to building codes. He listed permits issued for total building, single family, new commercial buildings, septic, inspections COA. He spoke about licensing contractors in the state. He explained the Code Enforcement Officer's job. R. Canuel said we have a good source of revenue through our permit fees. He is working on updating fees that were established in 1989. Building permit fees are self-adjusting but we are falling behind in plumbing and electric permits. The flat fee basis is \$10.00 for adding onto an additional building and the stand alone permit is \$25.00. He suggested adjusting fees and he supplied the fee

schedules from surrounding communities. If we increase fees for electrical and plumbing to a flat fee basis of \$25.00 for residential and \$50.00 for commercial permits he projects a revenue increase of 212%. Councilor Oswald asked if the other communities have increased recently, R. Canuel said Concord adjusts them annually. Questions ensued about multiple inspections, and charging for each time an inspection is done. R. Canuel said some towns do charge a re-inspection fee but that would be judgmental and would not like to get involved in that, would prefer to just go with the flat fees. J. Smith explained they have to do inspections for different stages of construction. Department charges \$5/\$1000 of construction costs for many years. Fees increase because they use chart from International Code Council which lists construction costs based on square footage type of construction and type of use. As time has gone on, those fees have increased. R. Canuel said back in 1989 estimated construction cost for the year was \$26M in 2006 \$60M. Councilor Wagner said she likes flat fees charged by Hudson, we definitely should charge for commercial and industrial. Chairman Paradis suggested putting this on agenda in December. Councilor Wagner asked for an analysis on \$5/\$1000, should it be raised. Councilor Wagner asked for clarification under Building Management Services asked for \$53,600. Town Manager Caron reduced it by \$2,500. J. Smith explained he was attempting to include monies spent on mosquito control program funded by money from other budgets. Town Manager Caron came up with another funding source. At some point it will have to be included in the budget, was told to put it in management services. Town Manager Caron explained two years ago we had an overage in what was budgeted for health insurance. Same thing happened last year Put extra monies in special holding fund and used it for EEE. J. Smith had spoken about setting up files for all the plans they had in their department and Councilor Bove asked if that work could be performed by an intern J. Smith said they needed someone with the expertise to do that work, someone needed to be familiar with the system which is similar to labels found in doctors offices. Town Manager Caron said that Carolyn O'Connor spoke with J. Smith earlier this week about free labor available to Town, they are looking into it.

Special Warrant Articles Town Manager Caron reviewed the following:

Warrant Article #5 – Expendable Maintenance. Trust has been level funded for past 3 years at \$205K. They include repairs, maintenance and improvements to General Government; Public Works; Recreation; Senior Center; and General Highway Garage Improvements. M. Brown questioned \$50K for Recreation asked if it was for playground, can impact fees be used. Town Manager Caron said can use impact fees; we use this trust fund for improvements and repairs. Recreation Commission is using those funds to install lights on fields at north and replace bleachers. He explained these are not impact fees, used for maintenance and repair.

Warrant Article #7 – Capital Reserve Funds - Town Meeting authorizes contributions into capital reserve funds, council authorizes expenditures from this fund. Requesting a Total of \$320K. It involves ambulances, highway trucks, highway heavy equipment and fire trucks. We are now in a position to pay off lease/purchase of fire trucks. Reviewed equipment proposed to be purchased.

Warrant Article #8 - Includes items that are not suited to be part of the bond for North/West Fire Station, totaled \$167,156K, Propose this be paid from undesignated fund balance which was done with the other buildings. Councilor Oswald asked about signage for South Fire Station. Town Manager Caron responded has been ordered, paid half of already.

Warrant Article #9 - Bartley Hill/Stonehenge/Litchfield/Mammoth Road Intersection, Town needs to raise \$398K from undesignated fund balance. In 2002 Town approved \$3K, project will be advertised in March of 2008, work to begin in Spring/Summer of 2008, completion in 2009.

North/West Fire Station Town Manager Caron said most of the site work has been done, design is the same as South Fire, if approved construction will commence about 4/08, fund balance from South Fire Station will be applied. Councilor Bove talked about using a car to answer calls at MHT rather than maneuvering a fire truck on Grenier Field Road and Harvey Road. Fire engines arrive first because located nearer than ambulance from Central Fire. He explained they need a certain amount of equipment, situation may arise that they need equipment on fire truck said it is expensive to roll trucks because of emergency but if they are called to a second emergency they can handle it. Building costs are the same proposed at last year's town meeting, 1,937,000, original cost was \$2M. Balance from South Fire was \$100K, so bond is for \$1,837,000.

FY09 Budget Adjustments M. Brown asked why adjust LAEA wages. Town Manager Caron explained it is contractual, have not had a contract for 2 years, advised by labor council to not carry merit adjustments for year three in the event that we do not have an agreement. We are in the process of reaching an agreement with LAEA, these costs are better assigned in the operating budget where they usually are; also gives the advantage of comparing contracts for year to year. If contract had not expired those funds would be in the operating budget. In the first two years of an expired contract you still award merit increases don't award COLA increases. Recent decision by Public Employees Relation Board may change this. No COLA's in addition to no merits if contract has expired. This decision will be challenged. Health insurance reduced from 14% to 4.3% savings of about \$185K. Total adjustments \$113,381 reduction.

Reviewed estimated 2008 town tax rate for a budget total of \$35,500,863; tax rate will be \$4.45, impact will be .07/\$1000 an increase of 1.71%.

The CIP committee recommended establishing a reserve fund for future master plan upgrades, estimated at \$120K. He proceeded to outline how that could be done. The reason to do it this year are auditors want to see us moving forward, match the estimated liabilities. Eco Park Expendable Trust does not match our liabilities, currently over \$140K. Amount of unexpended appropriations in the last 3-4 years has been very low except for this year. Our revenues are flattening, not a lot of excess in the future. Now that we have the money it can be used on this important issue.

Town Manager Caron reviewed budget schedule meetings. M. Brown asked when he wanted the Budget Committee recommendations. He responded the sooner the better to allow staff to answer questions. Hopefully on 11/19 we can have questions from Budget Committee and be ready by 12/3.

Reed Paige Clark III asked if Bartley Hill Rd. was recently dropped by the State DOT, Town Manager Caron responded no.

OLD BUSINESS

None

ADJOURNMENT

Councilor Wagner made a motion to adjourn at 9:08 PM. Second Councilor Oswald. Council's vote 4-0-0.

Notes and Tapes by: Margo Lapietro Date: 11/15/07

Minutes Typed by: Margo Lapietro Date: 11/19/07

Approved: Town Council Date: 12/03/07

MEETING SCHEDULE

- A. Town Council, November 19, 7:00 PM, Moose Hill Council Chambers – FY09 Budget Discussion
- B. Town Council, December 3, 2007, 7:00 PM, Moose Hill Council Chambers – Follow-up Budget Workshop & Preliminary budget recommendations (General Govt.; Finance & Admin.; Comm. Services; Public Safety)
- C. Town Council, December 17, 2007, 7:00 PM, Moose Hill Council Chambers -