

**TOWN COUNCIL
FIRST BUDGET HEARING
January 07, 2008**

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

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

BUDGET COMMITTEE: Mike Brown; John Robinson; Ron Campo, (7:17 PM School Liaison); Tom Freda (7:07 PM); Jay Hooley; Sean O'Keefe, (7:11 PM). Absent; Tom Dolan.

CALL TO ORDER – PUBLIC SESSION

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

Councilor Bove made a motion to open the public hearing. Second Councilor Farmer. Council's vote 5-0-0.

PUBLIC HEARING

Chief of Police, Joe Ryan introduced new police officers: James Freda, Nelson Jimenez, Jason Moseley and Kevin Laren. All have graduated from the Police Academy and are currently being field trained at MHT, gradually being infiltrated in the Town. All have earned Bachelor Degrees.

Nate Greenberg, Supt. of Schools and School Board Member, Ron Campo spoke about a generator needed for emergency evacuations at the LHS Gym. It is estimated to cost \$100K for the item; the School District would pick up cost of maintenance. Councilor Farmer asked the Town Manager if there were existing money in the fund balance to handle this acquisition; he responded in the affirmative. Councilor Bove asked Town Manager Caron to research if there was any existing state money to use for it. He also suggested looking at Homeland Security. N. Greenberg submitted to Council a letter written by George Herrmann who is a member of the Emergency Management Council in which he explained the gym is the best location for an emergency shelter. **Councilor Oswald made a motion to take \$100K from undesignated fund balance to purchase a generator for the Town. Councilor Farmer second.** Town Manager Caron explained it has to be accomplished through a warrant article. N. Greenberg suggested that after the equipment is purchased to transfer the ownership to the School District for maintenance. Councilor Oswald clarified that this will appear as a warrant with no impact to taxpayers, Town Manager Caron responded yes. **Council's vote 5-0-0.**

FY 09 Town Budget. Town Manager Caron explained he has two additional reductions in the

budget. Reduction in Londonderry Fire Department (LFD) of \$12,130; savings in wages and benefits for Fire Chief position. Under grandfathered position for part-time employee in Public Works Dept., (PW) who is retiring, the position included health and dental benefits. These benefits are no longer available to the new employee filling that position. This results in an estimated reduction of \$14,910 from PW. This results in a total reduction in the budget of \$20,040. J. Czyzowski explained the job responsibilities and said not filling the part-time position will have a detrimental effect on the rest of the department which consists of three divisions, and the handling of invoicing totaling \$7M. Discussion ensued about filling the position with two part-timers, reducing the hours from 30 to 20 and eliminating the position entirely. Councilor Farmer suggested taking phone calls electronically, reduce to 20 hours and see how it works. **Councilor Farmer made a motion to reduce the position to 20 hours/week and ask the IT Dept. to work with PW to create an on-line inquiry form, routed to the PW Dept. and streamline the position. Second by Councilor Wagner.** Councilor Bove asked Town Manager Caron the cost to put two part-time employees into the position. He responded for one part-time person including FICA it would be about \$31,826 at 30 hours. At 20 hours we would be saving \$10,626. **Councilor Farmer amended his motion to reduce PW's budget to \$25,536 for a 20 hour employee. Councilor Wagner seconded his amended motion.** She stated that this was too high a pay scale for a part-time job. Councilor Oswald brought up the idea of cross-training and not filling the position. Councilor Farmer stated cross-training with other Admin. Assists in Town Hall along with the on-line form should be looked into. He feels that at this point reductions in the budget have to be achieved by reduction in head count. Councilor Wagner again stated that the salary was high. Town Manager Caron replied all salaries were established by contract which are reviewed and approved by the Council and approved by Town Meeting and fall within the range for that particular job classification. Councilor Farmer stated we have to take advantage of attrition and introduce technology as a replacement, don't always need a person. Councilor Bove said he is concerned about producing the billing in that department in addition to answering the phones. He stated he would like to see this position go to 40 hours a week, because the department is overburdened. Sean O'Keefe, Budget Committee Member suggested not filling the job, cross-train. He questioned why this part-time job has to be a union job. Town Manager Caron explained if somebody works a certain amount of hours they have to be included in the union contracts. John Robinson, Budget Committee member agreed that the salary is too high. Councilor Bove recommended two part-time people, 20 hours each and pay less for the position. S. O'Keefe stated we have the technology to handle the phones, use it. Al Baldasaro, 51 Hall Rd. suggested using high school students on a work/study program. Budget Committee Member Tom Freda suggested the Admin. Secretary not produce the PW newsletter which would allow her to spend more time doing the work of the Dept. Secretary. Town Manager Caron referred to the union contract for the position and verified that the position is a union position covering part-time employees of less than 20, regular part-time 20-35 and full-time 35 or more. He informed Council that he can reduce the pay scale by re-classifying the position to a lower grade. The lowest rate is a clerk-typist at \$14.27. Sandy Leagueux, 2 Fiddlers Ridge said taxpayers will accept less services, position can be eliminated, liked restructuring. She suggested not filling the position for a six month period and see how it impacts the department. **Councilor Farmer withdrew his motion to reduce the position to 20 hours. Second by Councilor Wagner. Councilor Oswald made a motion to eliminate the position, cross train employees and use electronic back-up. Councilor Wagner seconded the motion.** Councilor Farmer asked for solutions to other level positions in Town, simplify through technology. Councilor Bove asked what the savings would be by not filling this position for the next year. Town Manager Caron responded it would be an overall reduction of \$46,736. **Councils vote 4-1-0 to eliminate position, with Councilor Bove**

dissenting. The total budget for the Town with the above reductions totaling \$58,866 now is \$25,029,429. **Councilor Farmer made a motion to eliminate the part-time clerk position in the Town Clerk's department of \$21,349. Councilor Wagner second with discussion.** S. Hickey said the full amount would be \$22,982. Town Manager Caron informed the Council that the Town Clerk was setting up for elections at the school and suggested waiting for the input from the Dept. Head. He suggested it be brought up again at the 1/21/08 meeting. Councilor Oswald agreed it would be better to have the Dept. Head in attendance. Councilor Farmer said he would table it until that time. J. Robinson stated he would be interested in knowing what the impact on town services would be if that position was eliminated. J. Paradis asked Town Manager Caron if we have had any lay offs in recent years? He responded we have had a couple of re-organizations, laid-off the General Assistance employee and out-sourced her position. T. Freda asked how many motor vehicle registrations have been lost. He said one of the rental car companies stopped registering with the Town. Town Manager Caron responded approximately 1,100 out of 35,000 registrations. **Councilor Farmer withdrew his motion until 1/21/08 and would like the Town Clerk in attendance because he intended to make the motion again. Councilor Wagner withdrew her second. Councilor Wagner made a motion that we cut \$250K out of the General Operating Budget, where the cuts were is left up to the Town Manager. Second Councilor Oswald.** Councilor Oswald said he has been doing this for 9 years, every year counting paper clips, etc. He wants Council to get serious, if it involves head count or addressing attrition due to retirements or resignations it should be done. Chairman Paradis said that \$250K would reduce the proposed budget 1%. Councilor Farmer said some of the cuts that will have to be made are policy decisions should be made by Council working with the Town Manager. Town Manager Caron has already given Council a list of cuts, Budget Committee echoed those cuts, he stated he would not expect anything different from him. Town Manager Caron responded services that are not considered crucial is subjective in the eyes of each of the taxpayers.

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Budget Committee Member, Mike Brown said Town Manager Caron already found -1% below default, about \$252K without affecting personnel. He said he is willing to take less services to get a tax reduction. He said he thinks taxpayers are willing to accept less services to reduce their taxes. He spoke about economy factors affecting everyone. He said Council is taking right approach and would like to wait and see what the impacts are. Councilor Wagner said she would accept the cuts that Town Manager Caron had already indicated because he was more knowledgeable where the cuts could be made. **Councilor Bove stated he would like to amend the motion to not looking at adding things as requested in the appendix of the budget book. Councilor Wagner second.** Sandy Legueux said the Town's expenses, according to her calculations, has gone up 60% in 10 years. Pauline Caron, Library Trustee clarified that the figures in Town Manager Caron's memo with the 1% reductions were recommendations from each dept. manager, they were not recommendations made by him. Library is run by trustees; positions have been cross-trained. The Library Director does restructuring each year, managed very efficiently. Chairman Paradis asked Town Manager Caron if any positions will be eliminated based on his October 24, 2007 memo. He responded positions may not be filled as they are vacated, particularly if operating costs are reaching their budgeted amounts. Councilor Farmer stated that the Town Manager listed the cuts as requested by Council but did not recommend the cuts. John Farrell cautioned the Council that Council can make \$250K in cuts but can still get a motion on the floor to change it. S. O'Keefe said it comes down to cutting peoples' jobs. Councilor Farmer recommended no reductions in the Planning. Department, it is where the life blood for taxes come from. Councilor Bove said that the Council has to direct the Town Manager where to cut. Councilor Oswald said we would have to cut 4-5 people. Town

Manager Caron suggested getting direction as to where services should be cut back. S. Legueux suggested having the police custodian take care of the Town Hall and the Library and cut out the sub-contracted custodial services to those two buildings. Budget Chairman T. Freda said we should consider the fact that people are retiring. **Councilor Wagner withdrew her motion. Councilor Oswald made a motion to cut 4-5 jobs to equal \$200K could involve restructuring and retirements. Councilor Farmer second.** Officer Dan Bouchard, 8 O'Connell Drive announced his retirement. He suggested cutting his program as a DARE Officer because no one was trained to replace him. John Robinson said he wants iron clad commitment to cut \$250K from budget. John Farrell said last layoff was in 1991, cuts of 15 people. Selectmen cut to 8 people, town meeting voted to go along with the cuts. Councilor Oswald said the Town has 3-4 retirements a year; his idea is not to fill those vacancies will not hurt existing jobs. Council will e-mail Town Manager with their suggestion. Councilor Farmer said it will carry over to non-public meeting being held tonight. **Council's vote 4-1-0, with Councilor Bove dissenting.**

Ordinance #2007-12 – Relative to the Establishment of a Code of Ethics. (Cont'd. from December 17) - Councilor Farmer suggested change to Section III; D should have referenced Section 3.3B of the Town Charter. Town Manager Caron told Council that he has reduced the length of the document; it is concise and educational with annotations throughout the document. Any definitions needed have been taken from the town attorney's letter. Reporting Process was addressed; employee conflicts go to Town Manager, Town Manager conflicts go to Town Council; any appointed Board/Commission/Committee conflicts go to Town Council; elected bodies will go to that body. No removal provision for an elected official with the exception of Town Council. Council Farmer wanted the document to be an annual review requirement refresher course for existing employees and be given to new employees. Councilor Oswald questioned page 1 of 5 should we add sanctioning bodies. Town Manager Caron said it is not a good idea to monitor groups the Council doesn't interact with or have any control of those groups. Councilor Oswald referred to page 3 of 5 under Section II, E "Improper Gifts" He would like to change the amount from \$50.00 to \$25.00. He agreed with Councilor Farmer that Council can discipline members of its own body. Page 4 of 5, Section IV "Exclusions", paragraph B; he would like to have a limitation of campaign donations listed of up to \$25.00 and would like the candidates upon request to provide financial records. Agreed with the annual review. He suggested that a receipt be signed by the recipient receiving the Code of Ethics. He also asked how do we deal with claims on an unjust charge. What liabilities does Town have? Town Manager Caron responded the Town has an "E & O" policy currently. Whoever receives the appointed authority is held to the same standard as the indemnification clause in RSA 31:106. If you are acting without malice then you have coverage; if you are acting with malice, you are not covered by our insurance company. Discussion ensued about unjust charges. T. Freda questioned why it was not noted on the form that the person signs it under pain of perjury. Town Manager Caron responded that he would have to question counsel if we had the authority to do that. Town Counsel has not seen this document yet. Chairman Paradis questioned if page 2 of 5, Section II A "Code Provisions" referencing family should be changed to include civil unions and common law. Councilor Farmer said in the Conflict of Interest Ordinance, Council can adopt measures above and beyond our own Town Charter and above and beyond state law in certain instances. Chairperson Paradis questioned page 3 of 7, Section II C "A Duty to Disclose" if a person recusing themselves, they have to explain why. Not included in this recent version. Chairman Paradis also spoke about page 5 of 7, Section II G under "Fair and Equal Treatment" should it be included in the new version. It was decided to add that section back into the document. Councilor Oswald requested this changed edition be posted again on the website;

Town Manager Caron said he would do it. This would be voted on at the 1/21 meeting.

Resolution 2007-35 – Relative to the Adjustment of Building and Other Fees - Assistant Building Inspector, Richard Canuel spoke about raising fees for the building department and junkyard licenses. The last time fees were addressed was back in 1989. He provided a list of current and proposed fees as well as provided a comparison of other towns. Proposed separate fee structure for residential and commercial. Electrical flat fee for residential is \$35. Electrical flat fee for non-residential new construction is \$125. Electrical for non-residential renovations is \$75. Plumbing residential is flat fee of \$35. Plumbing non-residential new construction is \$125. Plumbing non-residential renovations is \$75. Current building permit fees are \$10.00 plus estimated construction cost of \$5/\$1K. Recommendation for building application fee of \$25 plus \$6.00/\$1K of estimated cost. Based on 2006 statistics these combined fees will have a revenue increase of \$88,458.00. R. Canuel explained the methods of the International Code Council and how the construction values are determined for our region. Councilor Farmer requested information of regional values; R. Canuel will send an e-mail to them. Discussion ensued about increasing new construction residential to \$50 for electrical and construction. Consensus of Council was to raise the residential electrical and plumbing on new construction to \$50. Junkyard licenses are currently at \$25, state statute allows fees of up to \$250.00, recommend increase to \$250.00. R. Canuel recommended reviewing the fee schedule every three years at the same time they review building regulations. Open to public, no comment. Jim Smith said the evaluation sheet from Int'l Code Council is updated every three months. **Council's vote 5-0-0.** Planning Director, Andre Garron asked about effective date. Town Manager Caron responded the resolution is effective today by Council's vote.

Town Clerk/Tax Collector Meg Seymour announced the hours at the polls are from 7:00 AM to 8:00 PM at night. Voters can register at polls with proper ID. She thanked the public for contributing to "Toys for Tots" Program.

Reed Paige Clarke, III told the public to visit the Historic Society booth at the elections and buy a book and have a cup of coffee.

Councilor Farmer made a motion to close Public Hearing. Second Councilor Wagner. Council's vote 5-0-0.

PUBLIC COMMENT

Chris Davies – Council interviewed Chris Davies for his interest as an alternate member on the Planning Board. Councilor Wagner questioned if he had time, he responded yes. Councilor Farmer stated he was very well qualified and he would be a welcomed addition to the Planning Board. Art Rugg, Planning Board Chair said he would be a great asset. Chairman Paradis thanked him for coming forward. C. Davis said he has lived in town for 24 years now has time to put into the Board.

OLD BUSINESS

Collective Bargaining Units – Town Manager Caron stated the IAFF agreement needs more discussion. Councilor Oswald suggested dealing with LAEA now, continue with new business and go into non-public. Town Manager Caron explained the agreement with LAEA:

1. 4 year agreement
2. No retroactive payments to be made for the first year of the contract
3. For the second year beginning 7/1/07 the Town will issue a retroactive pay adjustment of 3.1% of base pay.
4. COLA annually determined by Consumer Price Index range of 3.0 – 4.5%, currently 3.4%
5. Will join other units, paying 20% of health care costs.
6. Employees not in Town Health Plan will see severely reduced compensation, by FY11 will be dropped by about 52% Will be paying \$4,244 to avoid paying which is anticipated in FY11 of about \$20K for a health plan.
7. Anticipate that the agreement will cost \$149K in FY08 which includes the FY08 and FY09 cost and that is about 5 cents on the tax rate, an additional \$74K in FY10.

Councilor Bove made a motion to approve the LAEA as outlined by the Town Manager. Second by Councilor Farmer with discussion by public. M. Brown asked if there is a two year retroactive pay period. Town Manager Caron explained there is a two year retroactive period; there is a one year retroactive pay increase. He then asked if the Council participated in contract negotiations, Chairman Paradis responded no. Reason being that Council discussed a number of times with labor counsel, general opinion was that they felt the union would be looking to the Council for their sympathies rather than as a negotiator. If they talked to Council directly would they be trying to get their minds changed? Councilor Farmer stated they met with labor negotiator; unanimous consensus was that they would not participate in that level; would participate as in the past by direction given to the Town Manager and the negotiator, there would be no concession in the room during negotiations. Town Manager and the negotiator would be simply carrying the message back and forth to the Council. Councilors been active participants in each phase of the negotiations without physically being in the room. Availability of the Councilors to attend meetings was not feasible. Councilor Bove said they didn't want to send mixed messages. M. Brown said he was disappointed that they did not participate. **Council's vote 4-1-0, with Councilor Farmer dissenting.**

NEW BUSINESS

FY09 Bond Issues - Town Manager Caron said that under state law Town is required to hold public hearing on any bonds proposed in excess of \$100K. Budget Schedule requires that this hearing be held at 1/21/08 meeting. Currently two bond issues under consideration; One is \$1.837M to replace North Fire Station and second is to raise \$1.5M for roadways. **Councilor Bove made a motion to move projects to public hearing. Second Councilor Farmer.** No discussion. **Council's vote 5-0-0.**

Ordinance #2008-01 – Relative to Amendments to the Zoning Ordinance – Councilor Farmer read the first reading. **Councilor Farmer made a motion to move the Ordinance to the second reading and public hearing on 1/21/08. Second Councilor Wagner. Council's vote 5-0-0.**

Order #2008-01 – Relative to Expenditure from Capital Reserve Funds Councilor Oswald read the first reading, second reading waived. **Councilor Oswald made a motion to adopt. Second Councilor Farmer.** Chairman Paradis asked if we are keeping the old ambulance, Town Manager Caron responded yes. **Council’s vote 5-0-0.**

Ordinance #2008-02 – Relative to the Penalty Provision for Municipal Ordinances - Councilor Wagner read the first reading, second hearing and reading scheduled for 1/21/08. **Councilor Wagner made a motion to move the Ordinance to the second reading and public hearing on 1/21/08. Second Councilor Bove.** Town Manager Caron stated Council has three choices, leave it the same, state law violation of land use ordinances are \$275 for the first day and \$550 for subsequent offences. Statute also says you can impose fines up to \$1K for public town ordinances, of which the Town has very few of those violations. Looking to ensure compliance with Town regulations. Chairman Paradis asked if the fine stays with the Town, Town Manager Caron responded yes. **Council’s vote 5-0-0.**

Order #2008-02 – Relative to the Expenditure of Highway Impact Fees for Additional Traffic Studies. - Councilor Bove read the first reading, second reading/public hearing waived. **Councilor Bove made a motion to adopt. Second Councilor Farmer for discussion.** Councilor Farmer asked Planning Director Andre Garron what additional information was needed for NHDOT and will it impact the mini-master plan on the north end of Town. He responded it will not impact the mini-master plan a lot of the information collected will be weaved into it. Impacts TIF area, east side of Rte. 28 near Derry. Councilor Farmer asked do they follow under lapsed impact fees, Town Manager Caron responded they will lapse. **Council’s vote 5-0-0.** Discussion ensued about the wording of Rte 28 East and West Impact Fees and it was decided to add Rte 28 East to the bottom paragraph of the Order.

APPROVAL OF MINUTES

Minutes of the Council’s December 17, 2007 Public and Non-Public Meetings and December 20, 2007. **Councilor Oswald made a motion to adopt the Non-Public Meeting Minutes of 12/17/07 and 12/20/2007. Second Councilor Bove. Council’s vote 5-0-0. Councilor Oswald made a motion to adopt the Public Meeting Minutes of 12/17/07 with one edit and 12/20/07. Line 293 on page 7 of 12/17/07 should read \$5.00/\$1000 value not \$5.00/\$100 of value. Second Councilor Bove. Councils vote 5-0-0.**

OTHER BUSINESS

Liaison Reports –Councilor Wagner had Planning Board meeting, discussed Mini-master plan. Decided to look again at the Rte 28 POD because of Perkins Rd.

Town Manager’s Report – Town Manager Caron responded that the Superior Court did uphold ZBA ruling on the cell tower. Plaintiffs have 30 days to file appeal.

Board/Committee Appointments/Reappointments/Resignations

1. Appointment of Chris Davies to An Alternate Position on the Planning Board, term to end 12/31/10. **Motion by Councilor Bove. Second Councilor Oswald. Council’s vote 5-0-0.**
2. Appointment of Deb Lievens and Deb Paul as Alternate Members to the Southern NH Planning Commission, terms to end 6/09. **Motion by Councilor Bove. Second by Councilor Farmer. Council’s vote 5-0-0.**

Councilor Farmer made a motion to go into a non-public session to deal with matters related to collective bargaining unit and to discuss matters that may affect staffing at 11:01 PM. Second by Councilor Bove. Aye Kathy Wagner, Aye Mark Oswald; Aye Brian Farmer; Aye Marty Bove; Aye Joe Paradis. Councilors will return for public session after adjourning non-public session.

Public Session resumed at 11:55 PM. Councilor Wagner made a motion to reject IAFF agreement. Second by Councilor Farmer. Council's vote 5-0-0.

ADJOURNMENT

Motion to adjourn by Councilor Farmer. Second Councilor Wagner. Council's vote 5-0-0. Adjourn at 12:00 PM.

Notes and Tapes by: Margo Lapietro Date: 01/07/08

Minutes Typed by: Margo Lapietro Date: 01/14/08

Approved: Town Council Date: 01/21/08