

TOWN COUNCIL/BUDGET WORKSHOP
November 1, 2008

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

PRESENT: Town Council: Chairman Marty Bove; Kathy Wagner, Paul DiMarco, Mike Brown; Town Manager, Dave Caron; ATM/Finance Dir., Sue Hickey and Margo Lapietro, Executive Assistant. Absent: Vice Chairman, Brian Farmer.

Budget members – Jay Hooley, Deb Nowicki, Tom Dolan; Tom Freda (9:10 AM; left at 11:30 AM), Mark Oswald (9:35 AM)

OLD BUSINESS

FY10 Budget Presentation

Building Department - Town Manager Caron explained there was a reduction of \$38,951 from the FY09 budget. The decreases were due to the retirement of Jim Smith, which resulted in a restructure of the department with the Community Development Department.

Community Development – Andre Garron, Community Development Director and Richard Canuel, Senior Building Inspector were in attendance. A. Garron explained the key changes were an addition of \$45,804 for the mosquito program; it was removed from the budget because it was being funded elsewhere. The overall budget was reduced by \$38,000 due to salaries and restructuring of the department. The Building and Zoning Departments were merged under the Community Development Department. This is a revenue generating department and they brought in more money than expected last year. Councilor Brown asked Town Manager Caron if the reduction in the budget totaling \$38,000 was what he expected; Town Manager Caron responded he expected about \$30,000. Councilor DiMarco asked if the revenues were primarily from building permits. Richard Canuel responded they were but it also included electrical and septic, etc. Chairman Bove asked if the increases were due because of the increase in fees that were recently implemented, R. Canuel responded yes.

Planning and Economic Development - The key changes were in Management Services and A. Garron proceeded to list all the details. Management Services are being used 100%. He said he added some money to attend IEDC to stay in tune with best practices presented at those conferences. Councilor Brown asked where is the IEDC held and when, A. Garron responded various places, last time in it was in DC in December.

Zoning Department – Jaye Trottier is the secretary for that department. This position was merged with Community Development. She handles ZBA and the Conservation Commission. Councilor DiMarco asked why the line item for postage didn't go up; he responded that the \$3,500 should be sufficient. Jay Hooley, Budget Chairman had questions about revenue increases. Town Manager Caron responded that currently the revenues in the department are holding at past levels. The large increase is due to the Council adjusting fees a year ago.

Police Department - Capt. Bill Hart and Chief Joe Ryan were in attendance. Capt. Hart reviewed their mission and produced organizational charts for all divisions. He stated that they are in the third year of their 3 year contract with MHT. He reviewed staffing levels and noted that they have had 4 SRO's including a Dare Officer. They no longer have the Dare Officer and are down to 3 SRO's. The department has reassigned the position of Community Relations Officer back to a patrol position. He spoke about the animal control officer's position being reduced from a full time position to two part-time positions. Capt. Hart reviewed training areas, training goals, training policies, training units and training costs. He stated that 60% of their training budget is for the use of force training. They are requesting for their 2010 Budget an overall increase of \$241,036. OT increases are due to court time which has increased substantially; it is partially reimbursed by the state. He spoke about the reduced hours in the Records Department which is now open 4 days a week; the reduction in the school presence; decreased training in elective and recommended areas; reduced proactive responses. He said the 1% default budget will result in reducing the SRO's to just two officers. Councilor Brown said if Council makes a policy decision to not support keeping the third SRO, the School will most likely pick it up which will not result in a savings to the taxpayer. Capt. Hart explained he would recommend the money be handled by the town and keep the position under the Town budget. Councilor Brown asked due to the fact that we are in the last year of our contract with MHT has there been any discussion for renewal. Capt. Hart said the expiration is 6/30/09 there are two one year options available to us. They have had informal discussion and they have gone very well. They will be sitting down formally after Thanksgiving to discuss the contract. Councilor Brown questioned the two civilian supervisors. Capt. Hart explained one is in services and one in operations. The one in services is the records supervisor and the one in operations is the tele-communications supervisor. They supervise the bulk of the 15 person civilian staff. Discussion ensued about SRO's, witness fees, court OT, and re-imbursement from the state. Chief Ryan said the OT in the budget is primarily due to increases in the salaries associated with OT. Capt. Hart provided statistics from 2004 – 9/30/08. It costs about \$2,000 to outfit an officer. He reviewed Purchased Services – Professional and Technical; Purchased Services- Property Services; Other Purchased Services (sues, seminars); Office Supplies; and Accounting Adjustments. He also reviewed the sworn personnel staffing history from 1987 – 2008 and civilian personnel staffing. He said the department was doing more with less. Discussion ensued about getting reimbursed for political campaign visits; and the additional traffic that will be created by the I-93 construction. Chairman Bove asked if OT was considered in the budget for the additional traffic control for I-93. Chief Ryan said he has not put money into the budget; he has no projected hours of OT for that issue. Chairman Bove also asked about monitoring via camera at the new exit 5 Park and Ride. Capt. Hart responded the LPD will monitor Exit 5 like they do Exit 4. Discussion ensued about the possibility of the Records Department employees scanning documents to reduce paperwork in the near future. Capt. Hart said they are considering it, but they are not in a position of manpower today to meet that goal. Capt. Hart said that accreditation for the department was also an item. Councilor Wagner asked if having our own firing range will reduce some of the costs. Capt Hart responded the membership/range fee of \$2,000 paid to Londonderry Fish and Game is gone. There will be some maintenance involved but it won't equal the range fee. Discussion ensued about reimbursement for DOT work and the decrease in salaries which is due to retirements. Chief Ryan was asked to determine if the hours involved for OT warranted hiring an additional police officer, he responded both he and Capt. Hart will look into it.

Capital Improvement Plan (CIP) – John Farrell, a member of the CIP Committee and the Planning Board presented. He stated that the CIP is an advisory document. It is based on what the department heads are telling us are their needs for the community. These needs are then prioritized. Every year they discuss should the CIP be affected by how the bonds expire? It is a Town Council policy decision. Once a bond falls off we bring another one on to stabilize the tax level. This CIP was developed in late August and the Planning Board approved it in early September. It was planned and approved prior to today's economic conditions. He explained how the scoring system works and priority ratings. He said that today he is only presenting projects for this fiscal year. The only Priority 1 this year and in the past is the N/W Fire Station. Each year the present station is becoming less useful to the community. He reviewed the condition of the building. Chief Kevin MacCaffrie said if the project does not go forward we will be spending renovation money to keep the building in shape. The Public Works Highway Division is a priority 2. Public Works Dir. Janusz Czyzowski said he will bring it up during his presentation. Pettingill Road Upgrade is a priority 2, however, it is not in this year's funding. The Highway Garage Improvement is being handled under the Maintenance Trust Fund. Rte. 28/Page Rd. Intersection is being funded 2/3 by the state. The Conservation Commission has requested \$2M for Open Space for next year. They have two pieces of property at Moose Hill Orchards that they are interested in purchasing. The proposed amount for FY10 is \$7,972,348. The total year projected costs were listed. He provided an analysis of the tax base estimates from 2008 –2015. He said the committee has been working with a tax base growth estimated at 2% in the past, they reduced it to 1% but it could be different today. None of these accounts for any major economic development projects so any additional tax revenue we can bring in by bringing in organizations to town will affect all the numbers. He reviewed previous articles scheduled for completion in this 6 year CIP. Councilor Brown complimented J. Farrell on his presentation. Councilor Brown said we have 5 items for FY10 and approximately \$8M of that is almost the same as last year. Did the committee talk about them? J. Farrell said the Open Space came as a surprise. He said the committee felt they needed rationalization to go to the voters again for any type of money. The property was identified as Mack's Apples. We are buying the development rights; we are not purchasing that land. They have asked the Assessor what a developer could buy that land for, they are awaiting her answer. They are reviewing the properties to determine the number to decide if it is a good or bad opportunity at this point in time. Councilor Brown said there seems to be a large number of projects all in FY10. The three #2 priorities are all in the early phase of priority 2. J. Farrell said the orchard was a surprise as the owner wants to put it up for sale now. Councilor Wagner asked if the FY10 budget has the full amount of Page Rd in it but is subject to a reduction due to state funding. He confirmed it was. Mark Oswald a member of the Conservation Commission said it was a surprise to the Commission that Moose Hill was available. He explained it is buildable, it is zoned agricultural/residential, so they presume it will be house lots. They would like to do something sooner than later. Little if any monies will be remaining in their budget. The bond is specific for only those two parcels. Councilor DiMarco asked if N/W Fire Station is built would it free up the current N/W location. He asked if there was any consideration given to what to do with that property to help offset expenses. Town Manager Caron said he spoke to the Senior Affairs Director who has presented a sketch of the property. For their needs the building is not valuable to them, but the land is. The Senior Center and the Fire Station are currently on one piece of property, couldn't sell the property without a subdivision. M. Oswald said that there might be federal funds for the two pieces of land at Moose Hill because they are upland and buildable.

Fire/Rescue – Chief Kevin MacCaffrie explained the operational/administrative staffing aspects of the department. Councilor Brown asked for clarification of the locales of the stations. Chief MacCaffrie explained that geographically station 1 is the north station and 2 is the south station. He proceeded to list the calls for service. This default budget shows an increase of 3%, \$145,737, most of that is due to contractual obligations Personnel cost which is a major part of his budget have shown an increase of \$125,707. He also said that they have not added to personnel since 2005, they have continued at 40 people. He proceeded to list the FY10 priorities. He stated that training is of the highest importance, the budget reflects that increase. Some training expenses are reimbursable. Councilor Wagner asked if the bulk of calls are still medical. He responded they are, the increase since last year was 8. %. Councilor Wagner asked him the reason for the increases? Chief MacCaffrie responded the prime reason for the increase in EMS calls was that the demographics of the town have changed. We have a few over 55 communities and have responded to 168 calls to the Elliot. Councilor Wagner asked if our expenses for mutual aid have gone up. Chief MacCaffrie responded there were no revenue increase – break even. Councilor Wagner asked about the increase in ambulance fees and receipt of fees. Councilor Wagner stated she received an e-mail from someone asking why do we charge for the ambulance. Town Manager responded the expense is quantifiable and it has been an accepted practice both in the public side and the insurance industry. The goal is to maintain a level or decrease in tax rate and try to identify opportunities outside of the tax rate to fund the services. The ambulance fee system meets all those tests. Councilor Wagner said one of the proposals is to remove two fire fighters, what impact would that have on their department. Chief MacCaffrie said they have 10 people on staff per day for 4 shifts. If you take 2 people of that shift it reduces the amount of personnel who can be deployed. It could mean 2 paramedics are no longer able to respond. If OT is not available to back-fill, it would be a shortage of staffing below the 1 or 2 people you are taking off. It is 2 days per week that staffing would be only 9 instead of 10 not counting vacations and sick time. It could mean the possibility of closing a station for a day. Councilor DiMarco questioned if the increased calls to the Elliot resulted in an increase to the town. Chief MacCaffrie responded most of the people who go to Elliot have insurance which covers ambulance fees. Councilor DiMarco said mutual aid is a great aid to the community. He asked how many call fire fighters we have, the Chief responded we currently have nine. He discussed their roll and stated their salaries were listed in the part-time line item. Councilor Wagner asked how many of the call fire fighters were trained EMT's, Chief MacCaffrie responded 4. Councilor DiMarco asked about their compensation, Chief MacCaffrie replied they are compensated for training once a month plus at an hourly rate during their call. Councilor Brown asked why when they respond to a call they have both a fire truck and an ambulance when it is just the ambulance needed. Chief MacCaffrie replied there are two reasons: response time and if they need all hands to help with the transportation of the patient. The engine can be released as soon as the ambulance arrives. Councilor Brown asked for a break-down of service calls to MHT, the Chief said he will get back to him with that information. Discussion ensued about ambulance calls, billings, uncollected ambulance fees, how many transports are refused, how many calls are cancelled enroute. Councilor Wagner asked if we build a new North Station should an ambulance be placed there. Chief MacCaffrie said ambulance calls vary, there is always a possibility, depends on staffing. He said staffing is what matters which is why there are more at Central Fire. Councilor Wagner again brought up the use of multi vehicles responding to a call. Chief MacCaffrie said multi vehicles reporting to a call are required because you don't know what to expect when you arrive on the scene. He gave an example of call response and reviewed the CAD system that lists the requirement for a call. Discussion ensued about how various calls are handled. Councilor Brown asked if the software package was approved for the Londonderry Fire Department (LFD). S. Hickey

responded it was approved last year the package is called “Red Alert”. Councilor Brown asked how much it cost and how much did it cost for support. She responded it is in the FY10 budget and it cost \$15K for the annual support of maintenance. Chief MacCaffrie informed Council that it allows LFD to track everything and explained its implementation. He said they are 70% completed in their software upload. Chairman Bove said a lot of people see a fire station on So. Willow and asked why that station does not respond to MHT. Chief MacCaffrie said that station services that end of Manchester, not Londonderry. They do however provide back-up. Councilor Wagner said if mutual aid ever goes up she would like to see how much it is going up. Deb Nowicki, Budget Committee asked about the ambulance collection rate. Chief MacCaffrie said he is hoping the collection rate goes to 85%. D. Nowicki asked why there was an increase in 08 – 09 for calls for service. Chief MacCaffrie said Elliott is a reason the budget went up and we also started tracking calls better than in the past. D. Nowicki asked the Chief if 2 firefighters are let go, is it prudent to reduce coverage and subsequently reduce the income of monies deposited into the general fund. She also asked how it would be determined to let them go. He responded that would have to be looked at under the contract. Town Manager Caron said the contract says it would be last in first out. He said they always try to advertise for firefighter/paramedics, it costs more but the quality is a benefit to the community. D. Nowicki asked if any cost analysis has been done when an engine and ambulance go out. Chief MacCaffrie responded they are looking at it.

Public Works – Public Works Director, Janusz Czyzowski was in attendance along with Environmental/Sewer Engineer Doris Beatty and Admin. Assist. Donna Limoli. J. Czyzowski said the proposed budget is up, the Town Manager cut \$80K from his proposed budget. He cited the raises were due to gas prices, and the price of steel. He said inflation has eroded his buying power to the point that he does not have enough money to run his department. He stated that his department does not have the money to cover expenses for fuel, salt, electricity, telephone and hydrants. The increased adjustments covered contractual obligations. The past few years the overruns in his budget have been supplemented by cutting down on road maintenance, drainage repairs, engineering and management services. He had to cut \$160,000 from other items in his budget to cover the winter expenses. 28 years ago they had 8 people on the public works crew now there is only 11 and the Town has grown in that time. Fire and Police have increased their personnel in that time. He reported that Highway Department is very understaffed, they have lost a part-time secretary and still do not have the town engineer position filled. He reviewed the mission statement.

Environmental Division: Solid Waste & Recycling – J. Czyzowski said he requested an increase of \$24,737.86. The Town Manager decreased that by \$30,000. J. Czyzowski proceeded to review the reductions that were taken in curbside trash tonnage and recycling. He reviewed the increases in solid waste. Questions were asked about curbside collections and disposal. The Waste Management contract was brought up by Councilor DiMarco, J. Czyzowski said we are running on the first year of the three year extended contract. 2011 will be the final year. Councilor Wagner clarified that if more people recycle the cost for solid waste will go down. D. Limoli stated that for the past 5 years they have always been over 10K tons, it has started going down in 2007 and 2008. Discussion ensued about the disposal of cardboard. J. Czyzowski said they are exploring a different approach with recycling and will keep Council up-to-date on that.

Highway Division – The proposed FY10 Budget was \$3,299,677., the Town Manager reduced that by approximately \$80K. He reviewed salaries, and the mandatory OT as well as the emergency/ snow OT which he had increased. Contractual items were increased. J. Czyzowski said he would like to remove hydrants from the Public Works Dept.. Public Works has nothing to do with them, they don't require them, don't install or maintain them. It is rent that the Town has to be pay to the utility companies to have them in town. They are for use by the Fire Department for fire protection. This item should be in LFD budget. He said he does not have enough money in our budget to pay for it. Recommend budgeting \$450,000 in FY10. He stated he has a history of being always under budget in the past 9 years. He had to take money from roads every year totaling about \$315,000. He said he received a letter from Pennichuck that they are going 28% up, and are going back to 2007. They want \$40,000 in one year to pay the back charges. Tom Dolan, Budget Member represents the community on the Merrimack Valley Water district which is the district that will control the major assets of Pennichuck Water Works. Pennichuck East serves about 15% of the houses and many of the hydrants in Londonderry. He stated that Londonderry may want to consider an eminent domain action against Pennichuck East because the costs they are gouging us with are outrageous. He suggested talking to Counsel like Nashua did. It was a move to eminent domain to maintain local control, there was no financial gain for Nashua. We would be able to get control of the water costs for the hydrants. Chairman Bove explained they were able to enforce the increases because they justified the increases with the Public Utilities Commission. M. Oswald said Pennichuck has a community well in his residential area. There is a pipe not a hydrant connected to the well at Verdi Lane and Burbank. The Pennichuck employee identified the pipe as a hydrant How many more pipes are they calling hydrants. J. Czyzowski said a few years ago he gave a list of hydrants to the Fire Dept. to check them out. M. Oswald asked out of 194 hydrants how many are actual hydrants because if they are not actual hydrants we are paying for pipes sticking out of the ground. Chairman Bove asked if John Vogl can identify hydrants with the GIS system? J. Czyzowski said he can talk to John Vogl. Councilor Wagner asked Town Manager Caron if we can sue Pennichuck. He responded he will talk to Rob Upton about it but he cautioned the cost of eminent domain will outweigh the costs of what we are paying for hydrants. Then the Town will be providing a service which we don't have the expertise to provide currently. T. Dolan said eminent domain costs will go into a bond, the bond will be taken over by the water district commission and the cost for the bond flows back to the rate payers. The eventual cost will be passed to the community to the taxpayers. Chairman Bove asked who is in Pennichuck East. T. Dolan responded Pelham, Litchfield, Hudson and Derry. Chairman Bove suggested the towns get together and form a local water district to handle the whole thing. T. Dolan explained you take the system; turn it over to the Merrimack Valley Water District; and the town gets reimbursed by the water district, they take over the bond and the operations. Cost is bourne by the district and the cost itself is passed down to the rate payers. The town will pay some fee for hydrants, it should be more in balance with what the district charges. Chairman Bove asked Town Manager Caron to gather information and plan a meeting to discuss some strategy to see if we want to go that way or not. Councilor Brown said he is leery of us expending any energy on this type of event considering all the other things we have lined up. Council DiMarco said it detracts from other things, we have no water resources in Londonderry, that water would have to come from some place else. Chairman Bove said those are the exact reasons why we should be looking at this, if the opportunity is there to reduce the cost, he would like to review the options. J. Czyzowski listed the non-increased items and the non-contractual items with increased amounts. The Highway Admin. Dept. supplies went up, need \$30K and he cited the cost of gasoline fluctuations. He also said he was able to get the state bid prices on salt and he has two vendors. Chairman Bove asked if we salt and plow state roads, he responded we only do our roads; the

state handles their roads Chairman Bove asked J. Czyzowski to do a comparison from 2006 – 2008 on what it costs to maintain the additional miles of roads we have added. The street maintenance and cleaning, is funded by a state block grant – it is level funded. Londonderry has 180 miles of road, liquid asphalt has gone up. J. Czyzowski reviewed the shim and overlay cycle. He said he is only preparing to shim and overlay Old Derry and Perkins Rd. in FY10. Public Works is not classified as a safety issue, but safety vehicles will not be able to get there without the roads being maintained. The Warrant Article this year is for \$1,500,000. If it does not pass he only has \$40K for reconstruction. J. Czyzowski said he is using town employees to do roads instead of hiring outside contractors. He listed the proposed roads to be fixed if the bond passes. Councilor Brown asked him if he has expended all the money from two years ago and how much bond money spent this current year. J. Czyzowski said the previous years balance is about \$100,000. He has not spent this year's bond he is saving the money for Bartley Hill construction. Jay Hooley said if we continue to bond the \$1.5M bond through 2015 are we going to re-visit it because if we get to the stage of 10 overlapping 10 year bonds we will be paying 1/10 of ten different bonds to the equivalent of what we are spending each year plus the interest.

Environmental Division-Sewer – The sewer fund is a special revenue fund; any money not expended goes back to the sewer fund. There is no impact on the tax rate. He reviewed the statistics. The budget was increased due to contractual obligations and OT. Non-contractual items have increased. He said the biggest increase is in sewer usage flow. Machinery & equipment at Manchester Water Works are contractual requirements we have to pay any increases. Councilor Wagner asked how many employees are in the sewer department, he responded only one – Doris Beatty. Last year he expended \$5K in overtime. She questioned if he anticipated that many sewer emergencies in this budget. J. Czyzowski said OT is going up because Donna Limoli is not able to do the work of two people. He said 80% of Doris Beatty's and Donna Limoli's time was spent inputting data into the New World software system. Councilor Wagner asked who does the sewer billing. S. Hickey responded Public Works inputs all of the information in order to get the sewer bills ready, the clerks print, fold and stuff the bills. Councilor Wagner questioned J. Czyzowski that now that we are onboard with the new computer system didn't he think OT would be less. J. Czyzowski said yes he hopes it will. Councilor Wagner said he has \$1,500 for seminars and workshops, she asked where they are they located. J. Czyzowski said they vary, they have to keep up with what is going on.

Town Manager Caron said the final workshop is this Monday. Discussions and directions will follow after that for final formalization of the budget. He asked when do they want to discuss which bonds are being presented to the voters. He said they need that discussion by the January 5th meeting. Fire Station, roads and open space are the three bonds that have to be discussed. The final public hearing is in the first week in February so union negotiations have to be completed by the first part of February. The only special warrant articles we have are Page Road and the soft costs for the fire station. Chairman Bove said he had already scheduled the bond meeting for 12/15, so it was agreed to keep that date.

ADJOURNMENT

Meeting adjourned at 2:15 PM.

Notes and Tapes by: **Margo Lapietro** **Date: 10/27/08**

Minutes Typed by: **Margo Lapietro** **Date: 11/06/08**

Approved; **Town Council** **Date: 11/17/08**