

TOWN COUNCIL MEETING
November 29, 2010

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

PRESENT: Town Council: Chairman Paul DiMarco; Vice Chairperson, Sean O’Keefe; Councilors: Mike Brown; John Farrell; Town Manager Dave Caron; Assistant Town Manager, Finance Director, Sue Hickey; Executive Assistant, Margo Lapietro. Absent: Tom Dolan

Budget Committee Members: Chairman Don Jorgensen; Vice Chair Todd Joncas; Secretary Richard Dillon; John Curran; Dan Lekas; Mark Oswald; and Lisa Whittemore.

CALL TO ORDER – PUBLIC SESSION

Chairman DiMarco opened the meeting at 7:00PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country here and abroad.

PUBLIC COMMENT

None

NEW BUSINESS

Approval for a Hazardous Waste Plan - Town Manager Caron explained the hazardous mitigation plan and stated that we usually would have a public meeting before the plan is adopted. The public hearing is scheduled for 12/6/10. The state notified us that a public hearing was not necessary and they would like to have the plan reviewed and adopted by the Council prior to the state submitting a Hazardous Mitigation Grant to address three of the four structures at the end of Brookview Drive. That application will be submitted on 12/4/10. Tonight we are looking for approval of the plan; since the public hearing has been noticed, the Council can take additional input on the 6th and can vote to amend the plan if necessary. The state was strong in their preference to have the plan submitted with the application by this Friday. Londonderry Fire Department (LFD) Chief Kevin MacCaffrie explained the Hazardous Mitigation Plan was adopted in 2005, over the past 4-5 months they have reviewed the plan, added the amendments and updated the plan. All the department heads and a citizen-at-large updated the plan. The plan was amended and the work was completed over the last 5 yrs. They have had approvals from the state and FEMA. Councilor O’Keefe said the residences at Brookview had 4 homes impacted by flooding. Chief MacCaffrie stated that all of Brookview is impacted but the 4 homes at the end were the worst. Councilor O’Keefe said out of the 4 homes, 3 homeowners were OK with the plan what about the 4th? Chief MacCaffrie said despite repeated inquiries that one homeowner has not responded. Chief MacCaffrie stated that will not impede putting the plan into place. Councilor O’Keefe asked if the one resident decides they want in the future to be part of this plan can they get relief. Town Manager explained that one homeowner has received a grant the latest application is for the next 2 homes. If in the future the non-respondent homeowner becomes interested it depends upon if the criteria have changed and if the funds are available. Currently

the funds are available which is why we want to move forward on it. Chairman DiMarco said he read the plans and they were well done. Hearing no input from the public, **Councilor O’Keefe made a motion to adopt the plan as read, second Councilor Farrell. Council’s vote was 4-0-0.**

BUDGET WORKSHOP

Town Manager Caron said the only piece of information requested from the prior workshop was from the Budget Committee regarding a comparison of the Town’s tax rate compared to other communities. That analysis was passed out to the Councilors tonight (attached)

Councilor Farrell presented the following items for discussion. He said he preferred more of a variable deduction rather than a 5% all across the board. Some departments can give more, some less. The SRO to LHS and the crossing guards should be returned to the police budget. He sees that as a reduction with the schools and there is no reduction there. He would like to see the combination of the communications departments and would like to see what that means when the report is submitted from LPD. He would like to look at the cause & effect of not having the Call Firefighters. He wants to look at calling people in for overtime when we have \$20K in the budget. Take a look at the consolidation on one department head under Life and Public Safety. Look at the opportunities of having all facilities of the town under one area. The school has reported that there are going to be 83 full and part-time positions which equates to 56 full-time positions being eliminated at the schools. The time might be better to have conversations between the town and the school again due to economic times. He would like to ask the Finance Manager to further reduce the charitable contributions. In the support services in Admin. Support he said he would like to see more cross training between admin and support services. He suggested the Assessing Dept. covering for the Planning Department; maybe the Clerks can cover other things. Perhaps there are more efficiencies as we go into the digital age for more cross training between the Admin and Support Services. That is something we should become more aware of as we go forward. Look at additional reductions on the library services side and take advantage of the digital age as well. With medical benefits he questioned if there is an opportunity for our HR Dept. to work with the school’s HR Dept.; are there gains with combining with the school to get better rates with the Local Government Center (LGC).

Councilor O’Keefe asked the Town Manager where are we exactly right now as far as the goal to hold to a flat level budget. Town Manager Caron replied with the presented budget we met that goal, the Council is going through the process of determining whether the priorities in the presented budget align with the Council’s priorities. You have to decide whether you want to see funds reallocated for a specific purpose or some services added and others reduced. Councilor O’Keefe said both the SRO and crossing guards should be looked at to be put back in; they are too important to let go. He said that what Councilor Farrell mentioned is where he was headed; he suggested looking at other opportunities within the budget like cutting charitable donations.

Chairman DiMarco said the feedback he has received from the community is about the SRO in the LHS. That would be the top of his list, he would like to see it restored. He would like to keep the tax rate flat at \$4.74. That \$100K to restore an SRO would have to come some place else in the budget. He said to leave it up to the Town Manager to see where it can come from. Councilor O’Keefe said the budget goal is coming from Council, the goal is the goal. It is up to the Town Manager to make it happen; other services can be looked at.

Councilor Brown asked the Town Manager if the FY10 year end results in revenues were correct with the General Fund deficit of \$251K, Town Manager Caron responded that was correct. Councilor Brown questioned if the FY12 that shows less money is what is being forecast for MV Permit Fees, Bldg. Permit Fees and Interest on Deposits. Town Manager Caron said it represents a reduced estimated income from the FY11 budget, we are forecasting receiving less revenues. Councilor Brown said there are only 3 areas we can achieve the goal of a tax rate of \$4.74. They are in the Overlay/Veterans, which is 19 cents; the Capital Reserve/ Maintenance of 9 cents. Town Manager Caron said their initial goal was to return to historical norms in FY12 but that has been extended to FY15. Councilor Brown said that is another area where the tax rate is lower than normal. That leaves the majority of what we are talking which is the General Fund. He said he wants to stay with delivering the flat tax rate for FY12. He said he is pleased with what the Town Manager gave us to reach this goal. He said he would like to have the Town Manager reconsider one SRO at the LHS which was the consensus of the Council. The crossing guards cost \$37, 695.00 and he would like to find a way to fund it and still meet our goals. He said he wants to see those two changes and find the \$137K someplace else. He said he prefers the Town Manager find the money and come back with his suggestion on where he will find the money. Councilor Brown said he thinks it would be OK to delay the \$50K for the Master Plan for 1 year. He also suggested not paying the annual dues for SNHP which is \$15,500. Councilor Farrell said he talked to Chairman of the Planning Board Art Rugg, and he said according to statute we have to be a member of a group, in his opinion we don't necessarily have to pay to be a member. Town Manager Caron said he will follow-up on it. Councilor Brown said he has heard from people that want government to focus on more essential needs and not spend taxpayer dollars on programs that go above and beyond that. The social services budget has \$67K left in it he suggested taking some monies from that to use for the deficit. He said he is interested in having the Town Manager come back and give his view on how to achieve that.

Chairman DiMarco questioned the tax rate on Capital Reserve/Maintenance and Overlay/Veterans. Town Manager Caron explained the budget is \$525K for Capital Reserve; that is not totally funded through the tax rate a lot is through surplus funds. The Overlay/Veterans is a net amount because of budgeting purposes with the DRA. The veterans exemptions are \$488K, we propose to raise the balance of a net \$125K for Overlay. We are recommending that we raise about \$245K in Overlay which is a very small fraction of our overall tax commitment and that number is lower than prior years. He explained that we need to budget some funds in there because if you don't it will be shown as a deficit in the revenue side. Chairman DiMarco said re-instating the crossing guards are also high on his list. Councilor Brown asked the Town Manager if the CART which is budgeted at \$26K is that money committed to on a long term basis. Could we reduce it if we wanted to? Town Manager Caron said to his recollection the Town Council committed the community to a 3 year agreement; he said he believes we are in our 4th year. He will get more information about usage and ridership. He said he does not think that the Town has a legal commitment to fund that but he will look into our agreement. Don Jorgenson said the combination of the communications centers would have savings. He said he would like to have more insight into how the savings could be assured before determining it is a viable approach and he would like to know how realistic those numbers are that are being projected for the first year and also what risks would be involved. Insurance is high; any alternatives to find relief with other independent groups that the employees could be associated with should be encouraged. He said he wants more information on the HR position, he said the salary seems higher than a similar position held on the school side. He also said he would like to review the SRO position. Town Manager Caron said the original budget

anticipates staffing two dispatch centers they have a staff of 11. That includes 7 in the LPD and 4 in the LFD with additional funds for overtime and part-time on the fire side. Staffing levels of similar size communities found that 9 seem to be the norm. In the preliminary budget we have funding for 2 positions to be transferred over. We have additional funds for overtime and part-time to be transferred over. We have an additional \$50K for soft costs for the merge. The Chief is assembling a taskforce to see if we've identified the right number; and should have the results by the end of January. He said he has contacted the Collective Bargaining Units and they all agreed to look at alternate insurance carriers with similar coverage. He said they are completing a RFP with all the unions, he has not heard from the Library. Regarding the HR position, he said they had a re-organization in 04; they recognized our liabilities with almost 200 employees of not having a human resource function in the facility. We established the singular position within the Finance and Administration department and reports to S. Hickey. The HR Manager is responsible for all benefit management, employee counseling, and is admin. support for collective bargaining issues for 6 collective bargaining units and our 200 employees. All our salary levels were originally established based on market studies. This is one of the 6 non-represented positions in the organization so salary and compensation is directly attributable to comparable studies in other communities. S. Hickey said she can have vital information what a typical day is like for the next meeting. The school position salary is higher than the current HR Manager's per information received recently from Steve Young. D. Jorgenson said he would also like a list of what the knowledge base requirements are. He stated that he may have been looking at the figures for last year's school budget in regard to the salary for the HR Manager. Councilor Farrell said he appreciated the Town Manager going to the unions to discuss looking for lower medical changes. Todd Joncas said it was his understanding the 2 SRO's were being used to fill the two open patrol positions. Capt. Bill Hart said his primary obligation is to protect the Town. The way to do it is to fund one open position. T. Joncas clarified to back-fill one position and leave 1 SRO in the school would work. Chief Hart said we need to have the patrol officers. R. Dillon asked if he can back-fill patrol officers with part-time officers. Chief Hart said the last one they had was 25 years ago, he said he thinks it is a bad idea for community; they cannot be trained adequately to assure they are safe and the community is safe. He said Merrimack has had a part-time program; we are not equipped to that at this time. Mark Oswald commended the Town Manager for approaching the unions about medical coverage. He said he supports an SRO at LHS. He said he would like to have a state representative come in and address what our local delegation is doing about restoring state funding to Londonderry. He said that traffic violations in NH have about 90% going to the state and county the town gets very little. He said he would encourage our state delegation to introduce legislation to modify that, it is a revenue source in a lot of states. He suggested evaluating the CART program on a per capita rate; evaluate it on a per-head basis. He asked the LFD to follow-up on the number of calls to MHT and how many go to the Elliott facility in Londonderry. He agreed that we should hold the line with social services because those people are in the most need right now. Todd Joncas asked how is the equalization ratio determined. Town Manager Caron replied we are required to report all sales to the state on an annual basis. The state looks at that information to determine what our equalization ratio is. They essentially look at what the relationship is between our assessments and the full market value. They will compare it between other communities. T. Joncas wanted the mathematical formula, Town Manager Caron said he would get back to him. Chairman DiMarco asked if we can request one of our state reps to come to a budget workshop to see what their goals are, Town Manager Caron responded he will. Open for discussion. Reed Page Clark, Stonehenge Rd said the response time of LPD & LFD is important.

Chairman DiMarco said we have given direction to the Town Manager to restore one SRO to LHS and re-instate crossing guards and keep the tax rate level funded. . Councilor Farrell asked how does the Council feel about telling the Town Manager that he generally does not have to get 5% from each department to get to the goal. Chairman DiMarco and Councilor O’Keefe said they supported that. Councilor Brown re-affirmed in order to meet this goal you needed to find \$1.3M and we are being presented a budget that is \$315,368 below last year’s budget. Town Manager Caron said the only non-personnel related cost that was increased in the FY12 default budget was gasoline and solid waste for our contractual obligations. In order to reach that number his initial direction to department heads was 5%. Our contractual costs became a more clear as well as our revenues in FY12 which increased the gap even more. The 5% became a baseline. Today the 5% was a conceptual target it did not give him a good picture on what needed to be done; we are way beyond 5% right now. He has requested more from other departments and less from others. Councilor Farrell said what we have heard tonight is that the dispatch center might not happen this fiscal year and to replace \$137K which means we have to find \$300K. Councilor Brown said we are also telling the Town Manager we want the goal. Councilor O’Keefe asked the Town Manager how much clearer the numbers are. Town Manager Caron said after the initial directive we now know where the health insurance costs will be; the retirement system is clearer; we have a better idea of what the revenue is going to look like. The only unclear item right now is the savings associated with dispatch. Chief Hart is working on that and we will have that around the first of January. Reed Clark said they are using safety versus money if you mix those two up you are wrong. Councilor O’Keefe said we are not addressing that and we are not jeopardizing safety.

Chairman DiMarco said the next regularly scheduled Town Council meeting is scheduled for Monday, 12/6/10. He said that meeting is fairly light and asked the Council if they and the Budget members want to consolidate the Council meeting with the Budget Workshop for that night; the consensus was that that would work. Councilor Brown reminded everyone that it is a workshop with public input allowed. The first public hearing will not be until 1/3/10.

Councilor Farrell made a motion to adjourn at 8:10PM, second, Councilor O’Keefe. Council’s vote was 4-0-0.

Notes and Tapes by: Margo Lapietro Date: 11/29/10

Minutes Typed by: Margo Lapietro Date: 12/02/10

Approved; Town Council Date: 12/06/10

TO: Town Council
Budget Committee

FROM: Dave Caron, Town Manager

RE: Tax Rate Comparison

DATE: November 29, 2010

The Budget Committee requested a comparison of Londonderry's tax rate to other New Hampshire communities. The ten communities listed in the survey are the towns and cities which the Town has consistently used for over a decade to review service levels, wages and benefits, and budgets. The equalization ratio is used to allow comparisons based upon assessments at 100% of market value:

Comparison of Londonderry's total and municipal tax rates with other similar NH communities						
Municipality	Total Tax Rate	Municipal	Equalization Ratio (2009)	Equalized Tax Rate	Equalized Municipal	
Bedford	\$ 19.62	\$ 4.13	100.0%	\$ 19.62	\$ 4.13	
Concord	\$ 23.16	\$ 8.19	101.4%	\$ 23.48	\$ 8.30	
Derry	\$ 28.48	\$ 9.41	94.8%	\$ 27.00	\$ 8.92	
Dover	\$ 23.75	\$ 8.93	94.7%	\$ 22.49	\$ 8.46	
Goffstown	\$ 22.91	\$ 8.95	100.0%	\$ 22.91	\$ 8.95	
Hudson	\$ 16.11	\$ 5.19	111.3%	\$ 17.93	\$ 5.78	
Merrimack	\$ 19.53	\$ 4.34	109.1%	\$ 21.31	\$ 4.73	
Portsmouth	\$ 17.41	\$ 8.50	92.9%	\$ 16.17	\$ 7.90	
Rochester	\$ 23.89	\$ 7.74	94.3%	\$ 22.53	\$ 7.30	
Salem	\$ 14.84	\$ 5.15	120.3%	\$ 17.85	\$ 6.20	
Londonderry	\$ 20.33	\$ 4.74	106.4%	\$ 21.63	\$ 5.04	
Average	\$ 20.91	\$ 6.84	102.3%	\$ 21.18	\$ 6.88	
Median	\$ 20.33	\$ 7.74	100.0%	\$ 21.63	\$ 7.30	
Londonderry v. Avg.	-2.86%	-44.36%		2.11%	-36.47%	
Londonderry v. Median	0.0%	-63.3%		0.0%	-44.7%	