

TOWN COUNCIL MEETING
January 17, 2011

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, Tom Dolan; Town Manager Dave Caron; Assistant Town Manager/Finance Director, Sue Hickey; Executive Assistant, Margo Lapietro.

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

Chairman DiMarco opened the meeting at 7:00 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country. Chairman DiMarco noted that last night was the 20th anniversary of “Desert Storm” and asked everyone to keep the veterans of that war in their hearts.

PUBLIC COMMENT

Meg Seymour, Town Clerk/Tax Collector notified the public that the sign-up period for open town positions is from 1/19-1/28. She stated that the applicants have to be registered voters as of 1/18/11 and the Supervisors will be in attendance at Town Hall tomorrow night.

Councilor Farrell said he attended the farewell ceremony on Saturday for the Engineering Brigade being deployed to Afghanistan at SNH University. There were 171 soldiers being deployed and approximately 1,500 – 2,000 people in attendance.

PUBLIC HEARING

Chairman DiMarco stated that this is a continuation of 1/3/11 hearing. He stated he will begin this meeting with Public Works and reviewed the rules of the meeting to include: complete the budget portion of this meeting by 10:30 AM, public comment will be made after staff presentations and input from Councilors and Budget Committee members; Londonderry residents will speak first, every person will get a chance to speak once before we go back to hear people a second time; non-residents will speak after Londonderry residents, each speaker will get 3 minutes, if more is needed they will have to come back to continue. Each department portion of the budget will be limited to 45 minutes. If any Councilor wishes to overrule him at any point it will be at their consensus.

Town Manager Caron explained the final hearing of the budget is on 2/3/11; therefore the Council needs to give him the recommended budget this evening. Statutory deadline for citizens’ petition is 2/1/11. He suggested that if anyone is considering submitting a petition they should have it reviewed by Town Counsel to review the language and legality of the document.

He explained the budget has been adjusted; the combined dispatch proposal is not included in the FY12 budget but recommended keeping it as a FY12 goal. There were two challenges with the combined dispatch center: the transition costs were higher than what was originally estimated at \$50K, and the time period necessary for implementation may be longer than anticipated. In order to meet Council's directive of a flat tax rate he is recommending reducing the highway maintenance line item by \$84,818 which is essentially the anticipated savings from the combined dispatch proposal.

Chairman DiMarco also stated that we have a \$1M bond issue to discuss this evening after the town budget is completed. Councilor Dolan advised people to take advantage of the offer to have counsel review their citizens' petition before bringing it forward to the town meeting. He stated that in the past they have been submitted with language that is not legally enforced.

Town Budget for FY12

Public Works: - Janusz Czyzowski, Public Works (PW) Director was in attendance along with the PW Administrative Assistant Donna Limoli. J. Czyzowski said a total of a quarter of a million was cut from the PW Department budget this year. He cautioned that he will not be able to take the cuts for the following budget year and clarified it can be only done this one time. Pauline Caron, 369 Mammoth Rd asked why they cut the additional \$84,818. Town Manager Caron explained that the savings originally anticipated with the combined dispatch of about \$93K; that proposal is delayed and will not be included in the FY12 budget. Consequently, after included adjusted revenues \$84,818 in additional expense reductions were necessary to meet the Council's directive of a level tax rate. She asked the Town Manager what the estimate is for a combined dispatch. He said the anticipated cost would be about \$235K plus a onetime expense transition cost of \$50K. She asked where the rest of the money would come from and he responded a vast majority of that money was not taken out of the budget; it was transferred from the Londonderry Fire Department (LFD) to the Londonderry Police Department (LPD).

Solid Waste - Town Manager Caron said this line item was increased due to anticipated additional usage as the economy improves. There are no changes in the method we collect/dispose of the solid waste for FY12. J. Czyzowski stated that it is all contractual and could not be changed. Martin Surgis, 17 Wimbledon Dr. asked if we increased recycling would we save on tipping fees. J. Czyzowski said whatever we take from solid waste and transfer to recycling it would be a savings because we pay per ton. M. Surgis suggested that taxpayers should do more recycling to save on solid waste.

General Government:

The Town Manager said all the departments listed below come under this title.

Town Council

Town Manager – He said a position in his office has been reduced to part-time and will remain at part-time.

Moderator

Budget Committee

Legal

General Government – There was a transfer of a part-time position to Community Development whereby that second staff person is being fully funded from that line item.

Cemetery

Conservation Commission

All the other line items are relatively the same with some reductions to meet the Council's directive.

No comments from the public

Finance and Administration:

Finance & Administration – Town Manager Caron said they have reduced a full-time position to a part-time position.

Assessing – reduction of a full-time staff administrative position to a part-time position

Town Clerk – elimination of one full-time position

Supervisors of the Checklist

IT – new contract with a new consultant at a lower price

Insurance – participation in a risk pool

General Assistance – 25% reduction in assistance to outside agencies along with some other modifications

Debt Service – paying for the FY12 budget in our current debt load

Councilor O'Keefe asked why the insurance went up \$9K. Town Manager Caron explained we are currently in a pool with the Local Government Center; we have had stable rates over the past dozen years by the use of fund balance, now rates are being increased as the fund balance has been depleted. The bargaining units have cooperated in seeking proposals on new health/property liability/workmen's comp. He said he just received the proposals and hopefully will complete the analysis this week and meet with the employees to consider the change. Councilor Brown asked about social service and non-profit agencies in General Assistance which is about \$75K - \$80K. Town Manager Caron said the balance is allocated to General Assistance. State law requires that the Town is obligated to assist whoever is in need and resides in the community. General Assistance Administration has been outsourced for the last 3-4 years to Community Health Services in Derry. Councilor Brown said with the addition of the SRO and Crossing Guards the Town Manager was directed to reduce the General Assistance by those monies. The Budget Committee wanted the money to be re-directed back into General Assistance. He asked the Town Manager if that line item had the \$13,474 reduction in it, he responded it does, as he is awaiting a policy decision from the Council. Don Jorgenson, budget member said the committee would appreciate those monies being returned to the line item. Pauline Caron, 369 Mammoth Road questioned under Finance & Admin. it was stated a full time position was eliminated and went to part-time. The budget was only reduced by \$34K where else did it increase. Town Manager Caron said one of the full-time positions was reduced to a 32 hour week without benefits. S. Hickey said there were a few employees in the department who had a change in insurance benefits. Town Manager Caron explained that under the insurance line it only covers general liability insurance, health insurance for employees is funded under each individual department. P. Caron suggested listing general liability insurance under that line so it is clear because it looks like it might include health insurance. Councilor Dolan asked S. Hickey under debt services what is the next bond that will come off and when. She responded

we have a multi-purpose bond which is the Open Space traffic light and West Rd due to expire in FY13. The original bond was \$1.6M which started in 2002, and the final year cost is approximately \$175K.

Community Service:

Family Mediation – Town Manager Caron said this department was staffed by a part-time manager; the position has been eliminated in the FY12 budget. Councilor Brown asked if this department could be run by a volunteer and can they use space at Town Hall. Town Manager Caron stated if the mediation program wanted to continue as a volunteer service we would have to make sure for liability reasons that there is a qualified director to lead them. We would find some place for them in the building.

Recreation - budget is \$136,624.

Senior Affairs - is level funded there have been no reductions due to the small amount of program funds available.

Library – Budget member Lisa Whittemore asked about custodial care at the library. Library Director, Barbara Ostertag-Holtkamp responded that the Admin. Support Coordinator has helped and they have hired an on-call custodian. Catherine Bringham, 7 Welch Rd. is the President of Friends of the Library she said she is concerned that the children's programs are being cut; they have a lot of children that participate in the programs. She also said the library rooms are used a lot. She asked if the Councilors have been in the library, do they have library cards. Councilor Farrell said the cut is only \$34K they took only 2.5% from the library. He asked her if she has any suggestions where to take the money from other than the library. He explained we took 5% from everybody else, if we asked for 5% from the library it would be about \$65K. Pauline Caron, 369 Mammoth Road said \$65K could be found by not cutting the cable position and take the money from the cable reserve fund and use it for the budget. She said she is a Library Trustee, and their budget is the first to get cut. Half of the library employees are part-time and have no benefits. The library usage has increased dramatically. Martin Srugis, 17 Wimbledon Drive said everyone should sacrifice from every department budget. He suggested the library redirect some of the responsibilities they have among their employees. The school has electricians and plumbers and they should be able to lend a hand to the library. He stated the library is slowly becoming obsolete; it will eventually be replaced by computers. B. Ostertag-Holtkamp asked the Councilors to think about what you are actually cutting. You are cutting more like \$137K and explained the reductions from last year and this year. You will make the library non-accessible to the taxpayers. You are hurting the people you are trying to help by keeping a flat tax rate. Cindy Eaton, 16 Clark Rd said every year they keep cutting the library; more people use it every year. The library will not be obsolete. She said the library has been cut year after year. Kids need the programs and need the assistance to access computers at the library. If it closes on Saturday it will hinder a lot of people. Councilor Farrell said the Library has 10 full-time and 10 part-time employees and they cost \$1M. We are asking for a reduction of \$33K. He reviewed the line items that increased totaling \$49K in benefits and salaries. He stated we are asking for less from the library than everybody else. B. Ostertag-Holtkamp said she disagreed with Councilor Farrell. The Library has had more cuts than others and she proceeded to list the cuts. Councilor Farrell said the increase of \$49K is to support the employees. B. Ostertag-Holtkamp said she can't control state increases in the retirement amounts and said she wants

clarification from the Town Manager on how the budget was developed, she questioned if every department had cuts like she did. Martin Srugis, 17 Wimbledon said he is a state employee and has not had a raise in the past 4 years. Every department has to give up something, and he does not want to see safety issues endangered. Councilor Dolan asked S. Hickey how far back her records go for the library budget and asked for the past 5 years budgets. She responded in 2011 it was \$1.30M, 2012 is being proposed at \$1.271M, 2010 it was \$1.236M and in 2009 the expended amount was \$1.197M in 2008 it was \$1.179M. Councilor Dolan stated if we look at the last 5 years including the proposed FY12 budget it is the only proposed year that figures go down slightly. The number has actually gone up year after year for the library. The cuts were probably to the proposed budget but the actual amount of money did go up since 2008. Councilor Brown said the amount of increase in the library budget has been reduced the last several years but the budget has not been cut. In order for the Town Manager to cut \$1.3M from the town budget every department took a cut. He clarified that the Trustees decide where the cuts will be made not the Council. Chairman DiMarco said the library budget reflects the way the town budget is handled. B. Ostertag-Holtkamp said in FY07-FY08 the library budget was \$1,219,909 and it was reduced the following year in FY08-FY09 to \$1,203,024.

The total Operating Budget is \$25,697,875.

Special Revenue Funds:

Police Outside Details – The Town Manager said it is funded totally through businesses that request that service; the budget of \$465,315 is the best estimate of FY12 activity, and has no impact on the tax rate.

Sewer Division - The Town Manager explained the operating expenses are down about \$6K. He reminded the Council of the recommendation to increase the division's budget to \$4,579,758 in order to account for the town's share of the EPA grant for the sewer expansion at Pettengill Rd. That grant request is still under review. It is a 50/50 matching grant thus the town's share should be reflected in the sewer division special revenue fund budget for FY12. Councilor O'Keefe asked the Town Manager what is the recommendation for the matching funds for the grant. Is the recommendation to increase the sewer rates? The Town Manager responded the increased appropriation will be transferred from the undesignated fund balance of the sewer fund. As Pettengill is developed there will be sewer access fees charged which will be placed into the undesignated fund balance fund. Chairman DiMarco clarified that the sewer fund monies stay in the sewer fund, Town Manager Caron responded yes and it is used for sewer items only. Chairman DiMarco asked what the balance of the fund is currently, the Town Manager responded we have in the undesignated fund balance of \$2.7K. Chairman DiMarco said he supports staff recommendation for the increase.

Expendable Maintenance Trust: Town Manager Caron said each year the voters raise a certain amount, for the past several years it has been \$200K which funds the maintenance and repairs for all of the town buildings. Customarily that has been offset by use of the Undesignated Fund Balance; historically that has been about \$100K. This year the recommendation is to use \$135K; the actual tax impact will be about \$65K. He explained that we have been working on the highway garage improvements each year and will continue to do so. Councilor O'Keefe asked how much it would cost for the replacement of the roof at the library. Town Manager Caron was unsure however the Town replaced the roof on the Lions Hall which cost about \$28K this

past summer. It will cost more to complete the library roof simply based on its size. Councilor O'Keefe asked if that was the biggest item in the near future for major fixes. Town Manager Caron responded beyond that and the systematic improvements to the highway garage we have allocated \$18,500 for general repairs to the Library; \$10K for Town Hall; and additional amounts for LPD, LFD and the Senior Center. Councilor Brown repeated the goal is to deliver a flat tax rate on the town portion of the tax bill. We need to find money in three areas: Capital Reserve, Expendable Maintenance Trust, and the Operating Budget. Todd Joncas, budget member clarified we are repairing the library roof, Town Manager Caron responded yes.

Capital Reserve Funds - Town Manager Caron said this fund pays for the cost of replacing fire apparatus, ambulance replacement, and highway equipment. Chairman DiMarco questioned the last two budget cycles? Town Manager Caron said the appropriation has remained at \$325K for the last four years with the exception of FY10 where it was reduced by \$100K. The reliance on the property tax was a full \$325K back in FY09. For FY12 we are continuing to transition to full tax support, with \$200K allocated to the budget, and full tax support projected for FY15.

Master Plan Non-Capital Reserve - Town Manager Caron explained this appropriation will complete the funding to allow staff to update the Master Plan; \$50K is from Undesignated Fund Balance. Community Development will start this process in the Spring. The Town raised \$100K in the initial investment 2-3 years ago and we believe this amount will allow us to complete the funding of this project. Londonderry's Master Plan is a living document and that is a testament to the Planning Board, the Council and the staff in the Community Development Office. Councilor O'Keefe asked if this Master Plan includes what is going on at Woodmont. Community Development Director, Andre Garron responded it will play a roll in it. He mentioned they follow a 7 year cycle with amending our Master Plan he is proposing doing a comprehensive plan which will allow them to look at it every 10 years rather than the typical 7 years. Councilor Farrell said he talked to Gov. Lynch at a recent event and reported that the Governor is totally behind the Pettengill Rd. project. Councilor Farrell stated that this is our one opportunity to get out in front of this. Chairman DiMarco said the \$50K comes out of the Undesignated Fund Balance, if we didn't do this it would not reduce the tax rate at all. Councilor Brown asked if the Overlay Exemptions should be listed on the budget schedule we are discussing tonight. Town Manager Caron said it can be discussed but it is not a budget approved by Town Meeting, it is approved by Council policy. That number is presented to the Department of Revenue Administration (DRA) who establishes the tax rate; those numbers do impact the tax rate but they are not voted on at Town Meeting. Councilor Brown said it is \$608K; \$488K is taxpayer support of the Veteran's Exemptions which is a \$500.00 credit given to the veterans in town. There is another \$125K that the taxpayers are funding for the overlay and there is an additional \$125K from Undesignated Fund Balance for the overlay, so it is \$250 for the overlay. 19 cents of that is policy decisions related to giving a credit to our veterans as well as the overlay account. Councilor Dolan said he is a veteran and explained the state did allow us to open up a veteran's exemption up to but not exceeding \$500.00 per veteran. The amount was graduated every year up to the \$500.00 maximum. He asked if we should ask our veterans to take a reduction of 5% like all the departments have, he wanted it open for discussion because it could save anywhere from \$23-24K in the budget. The consensus of the Council was that this is not an area that should be cut. We give this credit out of respect for the service veterans have provided. Councilor Brown asked if the decision to reduce the amount of the credit is a Council decision; Town Manager responded in the affirmative. The consensus of the

Budget Committee was to keep it intact. Chairman DiMarco said he was glad Councilor Dolan brought this subject up and thanked him for it.

Additional Comments from 1/3/11 Council Meeting:

Public Safety - Call Firefighters – Town Manager Caron was asked if Call Firefighters could remain as a volunteer force. He explained it is not prohibited by New Hampshire law. Volunteers are covered under New Hampshire workers compensation law, and also receive liability protection under the Town's General Liability coverage.

Cable Revenue Fund Transfer - The Town Manager stated he had supplied information regarding a comparison of staffing levels in other communities and how they use their franchise fee revenues.

Community Development Budget – Town Manager Caron stated that this department currently has 3 staff support positions, the budget is proposing reducing that to 2. The 2 remaining staff positions will provide staff support to the Planning Board, Zoning Board and Conservation Commission. Those boards meet a total of 5-6 times a month. He listed the duties involved in the position being eliminated. He spoke about the remaining staff picking-up the work and re-configuration of the physical lay-out of the office. He said he would review that position in subsequent fiscal years if the economy recovers which will significantly impact the department's development activity.

Dispatch Consolidation – The Town Manager explained this item concerns itself with the question of time and the transition costs which are well beyond the \$50K placeholder in the original budget. He said there are still opportunities to combine dispatch. He encouraged Council to include that as a goal for FY12.

Town Manager Caron stated that the Operating Budget as posted for this public meeting is \$25,697,875. He recommended that Council correct the Recreation Budget by adding \$8,075. They restored the dispatch savings of \$93,679. They have reduced the highway budget of \$84,818 which results in a bottom line of \$25,714,919. That number is \$17,036K higher than the original budget, which is offset by additional revenues.

Pauline Caron, 369 Mammoth Rd. said the LPD did not get decreased. She stated that they have increased by \$351,990. She referenced pages 70, 71 & 72 that show increases in the budget book. Increases appear in Health Insurance, FICA, Dental Insurance, custodial services was increased from \$29K to \$40K. Over-time and part-time had nothing and then part-time was increased \$20K. Over-time salary increased \$27K. Machinery and equipment increased zero percent when there was nothing in the police departments' budget. She said that was a total of \$126K. Town Manager Caron stated that the police department appears to have an increase however part of that increase is the transfer of about \$285K from the LFD for the dispatch which will now be reversed back. The LPD went through a process with the 5% exercise where they did reduce their budget by 5%. The Council voted to restore an SRO and Crossing Guards which increased the budget from the present status during the budget process of about \$137K. Sizable reductions were made in the police budget; \$40K for custodial is in lieu of eliminating the full time custodial position. P. Caron said the Town Manager increased the LPD by almost \$300K. She said the Chief had nothing for machinery and equipment now it is \$50K. Town Manager

Caron said that was a onetime cost for the transitional cost for combining the dispatch center. P. Caron said next year with Dottie Grover's retirement it will leave only 1 employee in the cable department if the training coordinator position is eliminated. She stated that the school department will take over the cable which is what the school wants. She stated that we should not be consolidating the LFD and LPD communications at this time because we can't afford it. We should wait until we get out of this economic slump; we have had no problems with it so far. Dottie Grover, Dir. of Cable Services said there was information in the packet that was distributed today She said it is hard to know exactly what the questions were on the survey that was conducted so it is hard to interpret it. She clarified that although there were 4 towns that were similar in size population wise; they were very dissimilar in size as far as the cable departments were concerned. They don't have anywhere the number of volunteers we have. She clarified that Derry has 3 ¼ personnel, not 2; Merrimack has 3 ½ and Bedford does have 2. She said the franchise fees are on some of the towns that were not familiar to her. Some towns listed don't have a full blown access channel with stations; they might just have bulletin boards. She stated that there has always been 1 full-time person doing training since 1984. Richard Belinski, 89 Hall Rd asked Council if they read the actual Resolution. He proceeded to read Resolution 2000-03. He took offense that Council was going to come up with a Resolution after this budget season directing portions of the monies from the cable fund to the General Fund. Chairman DiMarco said our Town Manager has brought this to our attention. Before the budget is effective on 7/1/11 we need to amend that Resolution to go forward. R. Belinski said the practice is wrong. Cindy Eaton, 16 Clark Rd. said the Resolutions were made after Town Meeting. There has not been a new Resolution to change the policy. It was the will of the people at Town Meeting to have the Resolutions. Town Council should not make the change it should be presented at Town Meeting for the people to decide again where the funds go. Town Manager Caron said it is the Council's Resolution which the Council can amend a policy anytime. There is nothing that illegally precludes using the money in the Cable Fund. Chairman DiMarco clarified that this is a Resolution that a prior Council passed, the Town Manager is proposing we pass a new resolution to correct it. It is the Council's prerogative to do that. C. Eaton quoted from the resolution "...Sole purpose of operational costs..." and said the training coordinator's salary is part of the operational costs. Mark Oswald, 11 Verdi Lane, said the Town Manager asked the unions to consider a voluntary wage freeze for the year in the amount of about \$500K, he asked if there has been a second request. The Town Manager responded there was not a second request. M. Oswald suggested asking if the department heads in town were to accept no COLA or Merit increase and what the costs savings would be. Town Manager Caron responded since there is no current agreement with our department managers there is no COLA in the budget. He said he will research the value of the merit increases. M. Oswald asked if they are still receiving overtime or compensation for attending meetings. The Town Manager responded they are eligible for administrative time payments. M. Oswald asked what the cost savings would be if they voluntarily agreed not to take that for the next year. The Town Manager responded the estimate at this point would be about \$25K. M. Oswald asked about considering furloughing employees what would the cost savings be. Councilor O'Keefe asked the Town Manager if a furlough is allowed. Town Manager Caron said that would be an item subject to collective bargaining negotiations, as it would be a change in the current conditions of employment. Dan Bouchard, 8 O'Connell Drive said the SRO positions were brought up at a town meeting, not by a warrant as he previously stated. He said he was going to do a citizens petition for the SRO, but he has decided to not bring it forward. He feels it is the Town Manager's decision to make the cuts as stated before. He suggested combining the HR position with school or making it a part-time position. Councilor Brown asked him if he is pleased with

the addition of 1 SRO. He said he is very pleased we have one, we need 2. Councilor Brown said we are not saying to put the officer in the High School; we referenced the High School but it is up to the Chief to decide where the SRO goes. D. Bouchard said he would like one more to be put in to cover the elementary and the middle school. Bob Maxwell, 3 Otterson, thanked Council for holding the budget flat. He explained the shortfalls his company has experienced. Martin Srugis, 17 Wellington thanked the Town Council, Town Manager and the Budget Committee for everything they have done. He stated that if the town can't do a simple 5% reduction how can we expect the state and federal government to do it. Cindy Eaton, 16 Clark Rd. asked why the \$65K is not being taken out of the cable fund for the position in cable. Councilor Farrell asked the Town Manager if we can take the \$65K out of the cable fund, he responded yes. Councilor Brown said it is a policy decision, the Town Manager has given us his recommendations we have the ability to make a different policy if we choose between now and 2/3/11. Councilor Dolan said since it is a policy decision we don't need to make it between now and 2/3. If we decide to re-visit it later we can because it does not affect the budget. That has no impact on the budget number. Town Manager Caron said it is two components: if we are going to maintain the current staffing level that question needs to be decided by 2/3. On the revenue side are we going to transfer funds into the town from the cable franchise fees that policy decision can take place at any time. Town Manager Caron said that town meeting approved a special revenue fund for cable so that number should be as accurate as possible so that number should reflect the number of full-time employees because personnel are the largest expense in the budget. It is a number in the special revenue cable budget. The expense side of the posted warrant has to reflect that number.

Councilor Farrell made a motion to close the Public Meeting on the Budget, second Councilor O'Keefe. Council's vote was 5-0-0.

Councilor Dolan asked if the Council could have a discussion on the Operating Budget before going into a public hearing on the remaining items, Chairman DiMarco agreed. Councilor Dolan said he was pleased that we kept the veterans credit and re-affirmed it. He said there are 976 veterans taking that exemption in our community. He requested that veterans if they could afford it not take the exemption so they can keep it there for people who really need the credit. He said the public comments received this year exceed prior years and he said he was happy to see the input. He said if we had more money in the budget he would be asking the Council to think about hiring a professional business development firm to help us with the largest potential developments coming up in the future in town. We need a professional business development firm to help out the Community Development Department. He said he is not in favor of using Cable Funds in the General Fund but will go along with his fellow Councilors this year because of the economy. He said he has an idea of keeping the training position; take additional money out of the Cable Fund for 1 year, don't raise taxes to pay for it; then decrease the staff from 3-2 when D. Grover retires the following year. Retain the talent that is there and not replace Dottie because we have very competent individuals on staff. **Councilor Dolan made a motion for a Town Operating Budget of \$25,727,911 which is \$13K over the Town Manager's and an acknowledgement of the recommendation from the Budget Committee to restore the \$13K to the budget.** Councilor Brown stated that is not what the Budget Committee was recommending. Councilor Dolan said he realizes that, they didn't recommend the total budget number they recommended the \$13K. Councilor Brown said they recommended a commensurate reduction elsewhere in the budget. You are asking to raise the amount of the budget. **Councilor Farrell seconded the motion for discussion.** If Councilor Dolan wants to

amend his motion so we can discuss taking money from the Cable Dept. and what positions we would like to see put back in as far as staffing levels, he will second the motion along those lines with the understanding that revenues have to come from somewhere and the tax rate does not go up. Councilor Brown questioned the Town Manager if he just needs a number and we can give him direction if Council agrees with that. Town Manager Caron said the first issue you are discussing is the Operating Budget which does not include Cable, Outside Detail or Sewer. Those should have a separate motion for Special Revenue Funds. Councilor Dolan asked Councilor Farrell if he wants to find that \$13K from an additional transfer from cable fees, he responded yes. **Councilor Dolan said he will amend his motion to bring the budget back down to \$25,714,911 which is less the \$13K with the caveat that the additional \$13K is transferred from the cable fund to offset the increase that the Budget Committee is recommending.** Town Manager Caron clarified if their intent is to transfer funds from the franchise fee to pay for that your original number was correct because you have to increase the expense side to reflect the added expenditure, then amend the revenue side which negates any tax increase. **Councilor Farrell stated he will withdraw his second because if we are going to add things we have to figure out everything we are adding in and give the Town Manager one number.** Councilor Dolan said the number he proposed, \$25,727,911 increases the budget by \$13K. The Town Manager is saying that as a policy decision he will increase revenues by \$13K finding those revenues as a transfer from the cable fund so the net to the tax impact will be a net zero. Councilor Farrell said that what he heard is that he wants to keep the training coordinator where is that \$65K going to come from. Councilor Dolan said he thinks he got advice to take that as a second motion once we decide what the Operating Budget is. Councilor Farrell asked if he wanted to keep the Planning Secretary as part-time how much money is needed. Town Manager Caron responded it would be \$42,500 for a part-time secretary. Councilor Farrell asked Councilor Dolan to make a motion for a budget of \$25,776,411 adding in on top of the \$42,500 an additional \$3,500 for the Old Home Day budget and \$2,500K to the Town Clerk's election budget. This money would come out of the Cable Fund. **Councilor Farrell made a motion to increase the budget to \$25,776,411 with the understanding that \$42,500, \$3,500 and \$2,500 will come out of the cable budget to fund those areas. Second by Councilor Dolan for discussion.** Councilor Brown said administrative support is one of the areas that most of the private sector has been reducing as technology had increased the productivity at that level. The Town Manager's proposal not only makes sense it is probably long overdue when you look at the fact that we have had 3 full-time administrative support personnel. He is proposing we are going to two individuals who have 80 hours a week that they can allocate a total of 5-6 meetings a month and do other tasks. He said he does not think we should be adding back any administrative support positions based on these numbers. He said the Town Manager is looking to create a position that would assume the customer service requests, kind of a central focal point which would off-load from the two individuals that are left. The re-alignment will be reviewed in subsequent fiscal years. Now is the time to make the reduction, he said he is opposed to the part-time position. Councilor O'Keefe agreed. Councilor Dolan said he is anxious about withdrawing the money from the Cable Fund. He said that all totaled including the recommendation he made earlier it would be \$135-\$140K being withdrawn from the Cable Fund. If we found money elsewhere from the budget he would be agreeable. Councilor Farrell said the reasoning behind it is if we are going to save a position in the cable which is a customer facing position that interacts with the community, then we should save the customer facing position in the Planning & Economic Development Department for the same reason. He explained we are sitting on 2 of the largest developments maybe in the history of the state, Pettengill Road and Woodmont Orchards. The reduction in the Town Clerk's office of one

full-time position and reducing a full-time position in the Assessing Department to a part-time position are all customer facing positions. If we are going to generate more revenue we need these customers facing people. He said he is in favor of a flat tax rate if you are uncomfortable from taking the monies from the cable fund he understands. Chairman DiMarco said he would like to see the budget stay with the Town Manager's proposed budget of \$25,714,911 with the understanding that we would have to come up with the \$13K somewhere else. He agreed with Councilor Dolan that the training position would be supplemented for one year only. Councilor Farrell asked the Town Manager if the trainer salary of \$65K has to added into the budget number. Town Manager Caron said it goes into the second number he needs for the Special Revenue Fund. Councilor Brown said the Budget Committee gave some direction; they are advising we find the \$13K in the police, fire, and library budget. Don Jorgenson, Chair of the Budget Committee said that was correct. The consensus of the Budget Committee was the suggestion that the \$13K be found elsewhere. Councilor Farrell said then it is OK if it was found in the Cable Fund. D. Jorgenson responded that is a different discussion for another time; the Budget Committee has not discussed that at all. Councilor Dolan said his initial motion was to raise the \$13K with additional taxes and now has backed off of that. **Councilor Farrell made a motion to take the \$13K and \$3,500 for OHD and \$2,500 for Meg to use for elections and amend the budget number to \$25,727,911 with the understanding that the additional funds come from the Cable Fund for an additional \$19K.** Councilor Dolan corrected the amount and said it should go up an additional \$6K. The budget should read \$25,733,911. **Councilor Farrell amended the amount to be \$25,733,911, Councilor Dolan amended his second to accommodate that change.** Councilor O'Keefe said he is having issues with pulling from the Cable Fund. He asked the Town Manager if he can find another place other than the Cable Fund for another \$19K. Councilor Brown asked why we have a compelling reason to increase the OHD budget, last year they did a good job with the money we gave them. Councilor Farrell responded it will allow them to have a better fireworks display. Councilor Brown said that is not compelling enough for him to do it. Chairman DiMarco said he doesn't want to add any of those back into the budget, they haven't been discussed up to this point. He said he will consider adding the \$13K, Councilor Brown agreed with that addition. Councilor Dolan said the goal was a flat tax, we are just about there. He suggested looking at the OHD and TC/TC addition later on in the fiscal year to see if we can come up with the money. He recommended going back to the \$25,727,911 which accommodates the \$13K transfer from the Cable Fund and keeping the zero impact to the tax rate. **Councilor Farrell amended his motion to \$25,727,911 with the understanding that the \$13K is coming from the Cable Fund, second Councilor Dolan.** Councilor O'Keefe asked the Town Manager if he could obtain this amount of money from somewhere else other than the Cable Fund. He responded he would have to look at the expense lines. **Council's vote for the final public hearing on 2/3/11 was 4-1-0, with Councilor O'Keefe in opposition.**

Special Revenue Funds – Town Manager said staff recommends Sewer at \$4,579,758; Outside Details of \$465,315 and Cable Operating at \$301,491 for a total warrant article of \$5,346,564. **Councilor Farrell made a motion to accept the figure of \$5,346,564, second Councilor Dolan with discussion. Councilor Dolan made a motion to amend the motion to increase the cable expenditure from \$301,491 by the salary of the Training Coordinator to \$366,657, an increase of \$65K to the proposed money stipulating that that additional money will not come from the tax rate but from the Cable Reserve Fund with the intent of a commitment of a one year expenditure. Staff will be reduced from 3-2 in the next fiscal year upon the Director's retirement, second by Councilor O'Keefe for discussion.** Councilor Dolan

explained the reasoning behind the amendment because we are able to keep the tax rate flat it will be a one-time fix with D. Grover's retirement. We will retain 2 full-time fully trained and knowledgeable people. Councilor Brown said we have received testament that the studio cannot be run with just 2 full-time employees, he asked Council what their thoughts were on that. Councilor Dolan said he is trying to bridge to retain the well qualified employees we now have. The consensus of Council was to support the amendment. **Council's vote on the amendment to change the Cable Fund from \$301,491 to \$366,657 was 5-0-0.**

Council's vote on the original motion as amended by Councilor Dolan was 5-0-0.

Expendable Maintenance Trust; Capital Reserve Funds & Master-Plan - Non Capital Reserve - **Councilor Farrell made a motion to include all three items listed above totaling \$575K as presented by the Town Manager, second Councilor O'Keefe.** Open for discussion. **Council's vote was 5-0-0.**

Town Manager Caron stated that we now have the posted budget for the final public hearing on 2/3/11. Chairman DiMarco notified the public that the final public hearing on the budget will be on 2/3/11 at 7:00 PM. Chairman DiMarco announced that they will take a 5 minute break.

PUBLIC HEARING

Councilor Brown made a motion to open, the public hearing second by Councilor O'Keefe. Council's vote was 3-0-0 (Councilors Dolan and Farrell out of room)

Bond Hearing - \$1.0M Road Reconstruction Bond - Public Works Director, Janusz Czyzowski and his Administrative Assistant Donna Limoli were in attendance. He is proposing asking for a \$1M bond for highway reconstruction. He had a PowerPoint Presentation whereby he reviewed his repair strategies of FY08. He also had the estimated cost of construction totaling \$25,000,000. He reviewed the road improvements he had done in the past 3 years which included 17 roads and sections of roads. He talked about the pavement life cycle and the rehabilitation shim and overlay cycle. He reviewed the funding received for roadway management and reviewed the repair strategies and estimated costs. He listed the projects proposed in FY12. He cautioned the Council that cuts in the budget will put us in a 90 year cycle; he will be going back to the 1996 budget. He cautioned that it is important to keep the maintenance of roads up-to-date because it will cost a lot more in the end to catch up. We have a total of 180 miles of paved roads in town.

Town Manager Caron said the statute encourages the Council to take a final vote at the end of the public hearing. The language will be similar to previous years and it will have no impact for FY12. Todd Joncas, Budget Committee member said the taxpayers should factor in how many other bonds are coming to maturity, get a feel of for what is going to impact them for their taxes. The rates are at their cheapest right now which is another factor to consider. **Councilor Farrell made a motion to place the bond on the ballot, second by Councilor O'Keefe.** Open for discussion. **Council's vote was 5-0-0.**

Permits & Fees - \$15.00 Landlord's Agent Registration Fee - Town Manager Caron said the legislature enacted a law that requires the owners of most rental units to list the name of their agent which may be themselves, within 30 days after the passage of the law or 30 days of

purchasing the property. The statute allows the town to establish a reasonable fee to maintain this information. Staff recommendation is to have a filing fee of \$15.00 which is consistent with a lot of other recording fees. **Councilor Farrell made a motion to authorize the Town to establish a fee of \$15.00 to register Landlords Agents, second by Councilor Dolan.** Chairman DiMarco clarified that this is a new law it did not previously exist and we are now required to keep this information and establish a permit fee, Town Manager Caron responded that is correct. TC/TC Meg Seymour said it is important that the information gets out to the public, it went into effect 1/1/11. It is important that people register because if they don't and there is a claim against them they could receive a \$1K fine. Chairman DiMarco asked who needs to register and what information do they need to provide to register. M. Seymour said the owner of the property if they are not living at the property; if they are living in the State of NH they need to supply their name, address and phone number. If the agent is outside of the state they have to have a contact person who lives in the State of NH with their name, address and phone number listed. Councilor Farrell asked if someone owns a single condo or townhouse do they have to register. M. Seymour said it does not get into that detail. Town Manager Caron said there are three exceptions: owner occupied, four units and under; single family unless you own and rent more than three single family homes, and single family homes owned by a bank foreclosure. Chairman DiMarco suggested putting something in the newspaper. **Council's vote was 5-0-0.**

Councilor Farrell made a motion to close the Public Meeting, second Councilor Dolan. Council's vote was 5-0-0.

OLD BUSINESS

None

NEW BUSINESS

Order #2011-01 – Relative to the Expenditure of Maintenance Trust Funds for Various Projects – Councilor O'Keefe and made a motion to adopt, second by Councilor Farrell. Council's vote was 5-0-0.

APPROVAL OF MINUTES

Minutes of Council's Public Meeting of 01/03/11. Councilor O'Keefe made a motion to accept, second by Councilor Brown. Council's vote was 5-0-0.

OTHER BUSIENSS

Liaison Reports – Councilor Farrell said the Planning Board meeting scheduled for 1/12/11 was cancelled due to a snow storm and re-scheduled to 1/26. The meeting deals with the Woodmont Commons project.

Chairman DiMarco said he was unable to attend the Library Trustees meeting on 1/5/11. He also said he attended the grand re-opening of MacDonald's last Saturday.

Councilor O’Keefe said he had the Traffic Safety Committee meeting today, there was not much to report.

Councilor Dolan said he attended the Conservation Commission meeting, they spent a lot of time in a non-public meeting, they are still very active.

Councilor Brown attended a very productive meeting with the Solid Waste Advisory Committee, they were involved in the Beautify Londonderry planning. They had guests from ALERT & Indian Pathfinders who want to take a more active role in the program. The anti-litter sub-committee was discussed, they were provided with a draft “Charge”. Several individuals want to participate so they will be holding a public input session on 2/3/11.

Town Manager Report – Town Manager Caron reminded the Councilors to check their schedule for February. Meetings will be on 2/3 for the final budget and the regular scheduled meetings are on 2/7 & 2/14.

Board/Committee Appointments/Reappointments

None

Councilor Farrell made a motion to adjourn at 10:40 P.M., second, Councilor O’Keefe. Council’s vote was 5-0-0.

Notes and Tapes by:	<u>Margo Lapietro</u>	Date: <u>01/17/11</u>
Minutes Typed by:	<u>Margo Lapietro</u>	Date: <u>01/20/11</u>
Approved;	<u>Town Council</u>	Date: <u>02/07/11</u>