

TOWN COUNCIL MEETING - BOND HEARING/BUDGET WORKSHOP
December 28, 2011

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

PRESENT: Town Council: Chairman, Sean O'Keefe; Vice Chairperson, Joe Green; Councilors: Tom Dolan, John Farrell (7:38), Tom Freda; Town Manager Dave Caron; Assistant Town Manager – Finance & Administration, Sue Hickey; Executive Assistant, Margo Lapietro.

BUDGET COMMITTEE MEMBERS: Vice Chair Richard Dillon; Secretary Lisa Whittemore; John Curran (7:17PM), Chris Melcher, and Tom Dalton.

Absent: Chairman, Todd Joncas; Dan Lekas

CALL TO ORDER

Chairman O'Keefe 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.

PUBLIC COMMENT

Proposed Bond – Article #2 – Bond Issue for Highway Reconstruction – Public Works Director Janusz Czyzowski and Administrative Assistant Donna Limoli gave a PowerPoint presentation on the Highway Reconstruction Bond, which is in its sixth year. He estimated the cost for deteriorated roads in town to be approximately \$19M. He listed the 23 roads that were upgraded in the last 4 years. The FY13 estimated state block grant for street cleaning & maintenance will be \$520K; it is a little less than last year. Every 12 years the Town should shim and overlay roads. He reviewed the shim and overlay and pavement life cycle. He reviewed funding for roadway management and compared Londonderry to other towns. He stated not providing funds for roads will lead to serious road deterioration. Chairman O'Keefe said the Town has several options: have a stand-alone article; have an alternate article to raise \$200K from taxes; do not recommend a bond, with an alternate article only; or have the alternate article in the form of a regular warrant article for Expendable Trust Fund as recommended by Councilor Freda. Councilor Green said a bond is the wrong way to go, establish a \$200K roadway trust fund. Councilor Freda said he agreed, cut the bond cycle, this year alone the town will pay \$127,275.00 in bond interest with the 5 bonds we have passed so far. It will take 5 years to break the cycle and we have to start somewhere. He said he agreed we have to spend money on the roads. Between the debt service and principal payments we are right now paying \$697K on the existing bonds, he does not propose a bond on the warrant. See if the taxpayers want to establish a maintenance trust fund of \$250K or more if necessary. Next year a bond frees up giving us \$165K in additional money we could use next year to add to the maintenance trust for the roads. He recommends a warrant article for a maintenance trust fund for the roads. Councilor Dolan said he would like to hear from public.

Councilor Freda made a motion to open the public hearing, second Councilor Green. Council's vote was 4-0-0.

Dan Bouchard, 8 O'Connell Drive asked if you could put both the bond and the article for a maintenance trust fund in front of the voters to vote on. Town Manager Caron responded yes. D. Bouchard said let the voters decide. Councilor Freda asked him what if both pass. D. Bouchard responded then you start on the maintenance trust fund. Town Manager Caron responded the Department of Revenue Administration (DRA) advised us that the Town could present them in an "either/or" form. If the bond passes than the trust article would be null and void. If Article 17 passes it would only be effective if Article 2 fails. If both pass without the "either/or" language you raise money for both. D. Bouchard clarified that if both are in front of the taxpayers and Article 2 passes and the trust fund fails, then Janusz would have the authorized bond by the voters – Town Manager Caron said that was correct. Jay Hooley, 25 Yellowstone Dr. asked if we continue bonding on an annual basis what will we be spending 10 years out in debt service on those bonds. Town Manager Caron responded if the town completed a 10 year bonding cycle which would end in 2016 the town's greatest debt obligation will be about \$1.276M, consisting of about \$206K in bond interest and \$1.07M for principal in 2018. J. Hooley said it would be a bad investment if we continue this cycle; there is no point in paying that interest. If we continue the bonding the mechanics should be the discussion; the trust fund makes sense. Paul DiMarco, 30 Holstein Ave said roads are important. He asked if we set up a maintenance trust fund are we short-changing the road maintenance schedule. Councilor Freda responded we will have \$250K, then next year another bond falls off which will give us \$165K the next year, 2 years later another \$100K falls off. It will take 5 years to break the cycle. P. DiMarco said if the trust goes through you are compelling another Council to add the bonds that fall off and put into the trust. Councilor Freda responded that by voting for a bond we are bound contractually for the next 10 years. Putting it into a trust fund won't allow the money to be taken out for any thing else. J. Czyzowski said a previous Council decided to take \$1M out of his budget every year for road reconstruction. It will cost more money to repair the roads and it should be put into the budget. He also said for the first 5 years if you only put \$200K in he won't be able to do anything, he will have to wait 5 years to get \$1M and start all over again. Councilor Freda said maybe it should be \$500K per year. P. DiMarco said the trust fund is good idea but make sure we have enough resources before we start this. Councilor Green said he doesn't want to continue paying high interest, try to turn the cycle around. Richard Belinski, Hall Rd. said he favored the trust fund just for the highway department. He would like to see any interest generated from that trust fund go back into that account. Mike Brown, 5 Carousel Ct. said he had no issue with past or future policy decisions made on bonding. He said if you do opt for not going for the bond but go for a separate warrant article what is the current tax impact with the way the warrant was constructed prior to tonight and what the increase in the tax rate will be if you go forward with a separate article at 6 cents or higher. He wants to see the net tax impact on the town side of the budget. The separate article will cost more money. He said there are a lot of articles on this warrant. If you have too many articles on a warrant it makes it difficult for people to choose. Councilor Dolan said the tax impact of the bond is zero in FY13 and 4 cents every year thereafter. Councilor Freda said one of the alternatives is if the bond doesn't pass then there is another article for passage or we can choose not to put the bond on at all just having \$200K which is 6 cents. Councilor Farrell said people voted for 5 consecutive years to do something for the roads; if people want roads let them vote for them. In a transition year it might not be a good thing to do a maintenance trust fund. Look at other ways of funding

but we have to learn how to do it within this new system. Money is the cheapest it has ever been. Councilor Dolan said bonds put the decision in voter's hands. Bonds spread the cost forward, if we pay for it with cash any future taxpayers in Londonderry get it for free. He said he likes the idea of a maintenance trust fund it is a good idea but it becomes next year's default and they will get the additional cost. If we go with the bond we increase our debt year over year. If we go with the trust it creates a higher default budget. He said he is in favor of having both choices and let the taxpayer decide. The transition year of dropping to \$250K is too low, he is in favor of making it \$500K or go with bond. That \$500K comes in as the default for next year. Councilor Freda asked if the expendable maintenance trust is outside of the budget, Town Manager Caron responded it is usually a standalone but he will clarify it. Councilor Freda asked if J. Czyzowski can work with the \$250K. J. Czyzowski responded it only gives him basically 2 miles for shim and overlay. \$500K will allow him to wait and he can then work on a smaller reconstruction project. Councilor Farrell asked J. Czyzowski how long he can survive before things get really bad, J. Czyzowski said about 3 years. Councilor Freda said the debt service schedule helps us next year. Chairman O'Keefe asked Finance Director, Sue Hickey what do the next 5 years look like as to what falls off on the bond schedule. She referred him to a spreadsheet listing a graph that shows the bonding schedule. J. Czyzowski suggested finishing the first 6 year CIP this year and made a new one starting next year with the new system. Councilor Dolan suggested doing a \$500K bond and combine it with \$250K – it will help us bridge the next year. Budget member Richard Dillon asked if you could take the \$250K maintenance trust fund and a \$750K bond and roll it into one article. Those could be by our options, \$1M fully bonded or the \$250K and \$750K. Town Manager Caron responded since we don't have an expendable trust for roads the DRA would require a separate warrant article for each. We might not be allowed to co-mingle in one article to raise bonds and establish a trust fund. Councilor Dolan suggested going with a \$500K bond take \$250K out of the undesignated fund balance; take the bond if it passes and deposit it into that account. It would give Janusz \$750K to use. The following year no bond and increase the maintenance trust fund. Councilor Farrell said everyone agrees doing something to roads is important. Budget member Chris Melcher said the next Council can do anything it wants; they could take the money that falls off the bonds and use it for something else. He said he would like some kind of transition. Budget member Lisa Whittemore asked for clarification; if article 2 fails then can vote article 18. If council gives them the bond and the expendable maintenance fund isn't the DRA asking for "either/or"? Town Manager Caron responded the Town can structure either way. Mike Speltz, 18 Sugar Plum suggested forming a taskforce working at reducing road bonds. Go with the bond this year with the promise to form a taskforce for next year. Councilor Dolan cautioned if we wait too long it will cost more to do repairs. Budget member Tom Dalton said he would like to let the voters decide whether they want a bond or trust fund. Martin Srugis, 17 Wimbledon Dr. said he is in favor of the bond because it will go to roads. People have overwhelmingly supported the bond; it is an insurance policy for the future. Chairman O'Keefe said at this point the recommendation is to put a \$1M bond in front of the tax payers see if they want it; and take \$250K and establish an expendable trust fund for roads and have a taskforce formed to start that process for the future. Councilor Dolan said he agreed with that but had another idea; in FY13 take a \$500K bond combine it with the \$250K that gets us to \$750K. In FY14 do not fund a bond, \$411K comes off principle and interest of a bond combine it with \$250K we are at \$661K. Then in FY15 another \$158K comes off a bond combine it with the \$250K, now we are up to \$820K. In FY16 another \$162K comes off, combine that with the \$820K and we will be up to \$982K. There is risk that additional bonds could come up and jeopardize this plan. This gets us out of the bonding business for roads. The low point is \$661K and does not include the state's

portion. Councilor Dolan asked what the impact is of taking \$250K out of the Capital Reserve Fund. Town Manager Caron replied the Town is trying to dedicate the money to the purchase of new fire trucks. If we reduce the planned investments into this fund, the Town may have to look at short lease-purchase agreements for those trucks. Councilor Dolan asked where is the \$250K coming from. Councilor Freda said it is coming from the undesignated fund balance (UFB). Town Manager Caron said we currently have \$83K available in the UFB. Councilor Dolan suggested taking \$200K of UFB currently planned for Capital Reserve and an additional \$50K from the UFB and recommend a \$500K bond. **Councilor Farrell made a motion to have a bond for \$500K, establish a maintenance trust fund for roads starting with \$250K which will come from the UFB, second Councilor Green.** Town Manager Caron confirmed that the Council is going to support a \$500K bond; there will be a separate warrant article to establish an expendable trust for road reconstruction in the amount of \$250K and in order to ensure there is no tax impact for FY13 reduce the capital reserve from \$710K to \$510K. **Council's vote was 5-0-0.** The consensus was to form a taskforce early next year for road reconstruction.

Councilor Dolan made a motion to close the public hearing, second Councilor Freda. Council's vote was 5-0-0.

Councilor Dolan suggested working on Article 5 to keep the discussion in context with above. Consensus was to go to Article 5.

Article 5 – Appropriate Funds to Capital Reserve Funds to Replace Ambulances, Highway Heavy Equipment, Fire Trucks and Highway Trucks. **Councilor Dolan made a motion to reduce the total recommended appropriation of \$710K and have the Town Manager reappropriation the \$200K from the various capital reserve funds where he chooses but the bottom line should be \$510K, second Councilor Freda. Council's vote was 5-0-0.**

Councilor Dolan suggested at this point in time Council listen to the Town Manager's responses to questions poised to him at the previous 12/19/11 Council meeting.

Article 3 – Expendable Maintenance Trust Fund. In the past year due to economic difficulties the Council has recommended deferring those investments. If we want to maintain equipment in its current condition the Town needs to begin to accelerate the property tax investment into those funds.

Councilor Green suggested looking first at articles that impacted the budget then lastly look at Article 4 which deals with the town operating budget. Consensus was to do that.

Cable Special Revenue Fund – Town Manager Caron said the RSA's do allow communities to dedicate all or a portion of revenues from a specific source into a fund. He said he researched Town Meetings and town minutes going back to 1983 and it has always been the Town Council which has determined the allocation of those funds. He said he has spoken to past employees of the town who have informed us that the allocation up until 2000 was 3% to the cable fund, 2% to the General Fund. In 2000 the Council passed a Resolution that dedicated all 5% to the cable fund which was changed a few years ago by Council through the budget process whereby \$40K was allocated to the General Fund and the balance went to the cable fund. The Council this past year voted to amend that to 3.5% to the cable fund, 1.5% to the general fund. He stated that after researching the subject he has found that the special revenue fund was not established by the

voters. The auditors in 1989 established a special revenue fund for cable and that has no legal bearing on the fund's existence because only the voter can establish. Counsel has relayed that the cable budget is part of the Town's general fund operating budget. He recommends an additional appropriation of \$200K to establish a capital reserve fund for cable equipment and fund it from part of that fund balance which was originally the cable special revenue fund which will be properly reclassified as part of the general operating undesignated fund balance. It increases the town manager's recommended FY13 budget and increases the FY12 default budget. Council has the ability to allocate excess capacity to the default budget; since the Town Manager's recommended Cable Division budget is about \$77,722 less than the Cable default budget, this balance can be dedicated for DPW fuel, LPD and DPW overtime.

General Operating Budget - Town Manager Caron explained that at the last Council meeting the Council did not establish a policy on the size of the operating budget but did make the decision that any funds recommended over default should be allocated to fuel and replacement overtime coverage. If the Council's ultimate decision was to recommend the default budget only the impact would be that all fuel accounts would be funded; overtime for LPD would be increased by \$74K, and DPW would have an additional \$25K for overtime. If Council is considering a budget of \$100K over default you would be able to fund fully the overtime for DPW and fund \$85K in overtime for the LPD. Budget member Chris Melcher asked if the trainer position was still in the budget. Town Manager explained he carried through the FY12 budget plan which was to reduce the staff to 2. Our plan is to prioritize responsibilities of the 3 current positions into 2 revised positions; the least expensive position was removed from the budget which provides for maximum reorganization flexibility. Therefore, the money for the trainer has been removed from the budget; the trainer position has not necessarily been removed from the budget. Our plan is to look at the services provided and reprioritize those based on 2 employees. C. Melcher asked if the Director will have the money to do with as she sees fit. Town Manager Caron said he asked all department heads to give him their best estimate and based on the Council's request he did look at the budget for that department with 2 people. He received back a budget for 3 people but it had \$10K worth of equipment removed from it.

Town Manager Caron reviewed a table of what items would be funded with over default with increments of \$100K, \$200K and \$300K with the cable in the default.

Social Service Agencies – The Town Manager reviewed a table listing the agencies that the town contributes funds to. The table analyzed the impacts whether they are for the town's general assistant budget or a reduction in the town's social safety net.

Police Detail Special Revenue Fund – Chief Hart had announced during his budget presentation that he adjusted the outside detail rate by \$4.00 per hour to assist with vehicle maintenance expenses due to the changeover to the new cruisers. The recommendation is to increase it to \$564,244 which is No 7 in the warrant. There is no tax impact.

Library Budget – Library Trustees are in attendance tonight to supply additional information concerning the consequences associated with reductions to the library budget at the \$100K and \$200K level.

Draft Town Meeting Warrant –

- 1) Warrant article for road reconstruction has already been discussed.
- 2) The 3 collective bargaining agreements have been voted on by Council to support.
- 3) Tom Freda suggested an alternate article on the LUC tax. The petitioned warrant article for the same issue has to appear on the warrant. On the revised warrant they are back to back as suggested by Counsel.
- 4) The draft involves the transfer of the cable budget to the operating budget.
- 5) Creation of a capital reserve fund for cable equipment.
- 6) Re-districting Commission – A commission is appointed by Council which studies the issue of redistricting for State Legislative seats and reports back to the 2013 Town Meeting with its recommendations. If approved by the voters in 2013 the legislature is notified and the secretary of state is required to submit a bill to the state legislature regarding re-districting in Londonderry.
- 7) Sewer budget is being separated from the special revenue fund article to have its own stand alone article for the sewer fund, there is no tax impact.

Councilor Dolan suggested discussing Articles 11 & 12. He said he thinks they will confuse voters. Article 11 talks about taking up to \$10K from the LUC and putting the balance into the general fund. Article 12 talks about the taking the first \$100K and it is a 40/60 split on everything over \$100K going to the general fund which is the citizen's petitioned. He said when people are confused they likely vote no on both. He recommends dropping one of them. Town Manager clarified that anything on the warrant at the deliberative session has to go on the ballot, and that petitioned warrant articles can be amended. Councilor Freda suggested dropping Article 11, which received Council consensus.

Article 6 - Establish Capital Reserve Fund - Fire Dept. – no discussion

Article 8 – Fund Sewer Fund – no discussion

Article 9 – Fire Department Personnel Costs and Staffing Levels – Councilor Green expressed concern if this article fails we would not have enough in the budget to handle the overtime for fire. Town Manager Caron responded we budgeted in total about \$513K for the fire department overtime in FY11. We spent \$643K. The current FY12 budget is \$492K we are currently looking at 10% over budget for FY12. Councilor Farrell said even with the \$76K being proposed in this article we will still be short.

Article 10 – Establish Capital Reserve fund for Route 102 Corridor Study - Chairman O'Keefe recommended deleting this article, Councilor Green said he agrees. Councilor Farrell asked when it becomes effective. We have something already happening in front of the Planning Board that will affect Rte. 102, which impact fees do they pay off the old or new? Town Manager Caron responded we can't spend any money in this budget until 7/1/12. On this particular article it will take time to complete the studies. The impact numbers would not be ready until the fall or winter of 2012 – 2013. Councilor Farrell said the development that is with the Planning Board now would be affected by the current impact fees – Town Manager Caron responded that is his estimation. Consensus was to remove Article 10.

Article 12 is a petitioned article.

Articles 13 –15 are collective bargaining contracts that Council previously voted to support.

Article 16 – Authorization for Special Meeting on Cost Items - permission to hold a special meeting if any of the collective bargaining articles (13-15) is defeated.

Article 17 – Establish a Capital Reserve Funded for Cable Division Equipment – Town Manager Caron explained the Article is to re-allocate \$200K of the current cable special revenue fund balance to establish an equipment replacement fund for the cable access center. Councilor Green clarified that \$355K balance is going directly into the general fund. Town Manager Caron responded it would go into the undesignated fund balance and will not be used until it is approved at a future town meeting.

Article 18 - Highway Reconstruction – If this is changed it will be to establish an expendable maintenance trust fund for a bond for \$500K, establish a maintenance trust fund for roads starting with \$250K which will come from the UFB, with no tax impact.

Article 19 – Re-Districting Commission - submitted by citizen’s petition and will be on the warrant

Article 20 – Transaction of Other Business

Councilor Freda said the total impact on the tax rate including the projected operating budget is \$5.05. If Council looks at \$26,863,999 it is \$5.08. Town Manager Caron responded looking at Article 4 as the default budget the rate is estimated to be \$5.05. The new number for the budget is \$26,863,999.00 which is an increase of about \$122K and it is the effective operating budget of \$200K above default.

Chairman O’Keefe suggested reducing social service charitable donations from \$63K to \$43K. Councilor Farrell said some of them will end up back at Town Hall; the policies were dramatically changed a few years ago. The existing organizations interact directly with the town.

Article 4 – General Operating Budget – **Councilor Farrell made a motion to adopt \$26,863,999 for the General Operating Budget for discussion, second Councilor Dolan.** Councilor Green said he wants to go below default. Chairman O’Keefe clarified that Councilor Green wanted to take \$122,278 out of the default budget. Councilor Farrell suggested letting a number go to the public hearing and let the people talk about it. Councilor Green said he wants to get to a tax impact of zero increase. Councilor Farrell responded 5-8 people would be laid off if he wants to take 34 cents off the default budget. Chairman O’Keefe said there is no point in doing that if you look at the firefighter article that asks for 4 additional firefighters. **Councilor Farrell called for a vote to go to the 1/21/12 meeting.** Chairman O’Keefe said he originally recommended \$200K from the library but decided \$100K would be better. He said he is comfortable with \$122,278 over default. Councilor Dolan said to give the voters a choice with something over default or below default. Councilor Farrell said in his motion he is trying to give the Town Manager a number to give the community options for input. Councilor Freda suggested staying with the \$26,863,999 because we need the numbers from the library. Until we get those numbers it is not fair to just cut it without looking at it. He said he would like to know why the library is open 4 hours on Friday and Saturday and the rest of the week it is open 8 or 9

hours. Councilor Dolan agreed with Councilor Freda's idea of sticking with the \$26,863,999 and at the next public hearing we discuss the \$100K from the library if that happens what will happen. Chairman O'Keefe said the Town Manager has asked for the past month for information from the library director he asked him if he has received that information from the library – the Town Manager responded he has asked for information for this evening and they might have that tonight. Councilor Dolan recommended not doing anything tonight to cut the library budget; leave it on the table and have additional discussion on the 12th and we stay with the original motion as made. **Councilor Dolan said he would move the question; Council's vote 5-0-0 to move the question. Council's vote of Councilor Farrell's figure of \$26,863,999. for the proposed budget presentation on 1/12/12 was 5-0-0.**

Chairman O'Keefe asked the Library Trustees who were in attendance to step up to the microphone. He said we are not allowed to tell the library anything but his point is that the Town Manager has not received the information he requested. When we create a budget it is based on facts. Town Manager Caron said he did receive an e-mail about 2 layoffs and he sent back a request for additional information. The Trustees of the Trust Fund in attendance were Chair, Vickie Stachowske, Vice Chair Betsy McKinney, and William Bringham. V. Stachowske said they didn't respond to the e-mail because it had to do with lay-offs. She said people would know what that was. They would have to work on exactly what programs would be cut it would probably be the adult programs. They are closed ½ day on Saturdays due to previous budget cuts, and said it would be difficult to close on a week day. B. McKinney said the children programs might have to be cut. Councilor Farrell said when he asks questions we get tactical responses. The Budget Chairman did an analysis of libraries in the surrounding areas and found that Londonderry's budget was the highest. The Trustees passed out an analysis of Library Use Comparison obtained from the 2010 New Hampshire Public Library Annual Report (copy attached) He read the union contract and everyone on average got about a 4% increase over the last 5 years and said a 5 year contract is unheard of. Over the 5 year contract they have had a total of 26% increases in raises. He said there needs to be more of a partnership between the library and Council. B. McKinney said they use the same questionnaire as the town, if the step raise is 3% they have to give it. There is no room to change that. She said their raises are 7% this year. Councilor Green said the part-time salaries are up we need to know more about that. B. McKinney said 2 full-time high paid employees retired, they did not replace them. They replaced them with 2 part-timers then 2 other part-timers left and they only replaced 1 of them. They had reduced the full-time salaries at \$100K, and increased the part-time salaries to \$90K on the line items there is 7% pay increase in there.

Richard Belinski, 41 Hall Rd. talked about the Special Revenue Funds voted in a fund that does not exist. He said if we were putting the cable in a special revenue fund we should put the sewer fund in while they are being established. He spoke to the DRA today and said the town was spoken to about the accounting practices with the cable fund 3 years ago. Barbara Robinson is who he spoke to. Town Manager Caron said he will call her in the morning. Councilor Farrell said he will ask the Town Manager to talk to Counsel. R. Belinski says the sewer fund does not exist. Town Manager Caron stated that back in 1974 the town adopted the provisions of RSA 252 which is now RSA 149-I which states monies collected from sewer rentals should be kept as a separate and distinct fund known as the sewer fund. He proceeded to quote the RSA. He said essentially we have been managing the sewer special revenue fund like a sewer fund. Back in the 80's the auditor classified it as a special revenue fund which was an error. As far as the operations of the sewer fund it has been managed in accordance with 149-I. Councilor Dolan

confirmed there is a legal sewer fund. Councilor Farrell suggested the Town Manager talk to the DRA and Counsel.

Reed Page Clark, Stonehenge Rd. talked about the Deliberative Sessions for the School and Town being held the same week. He also said safety is very important.

ADJOURNMENT

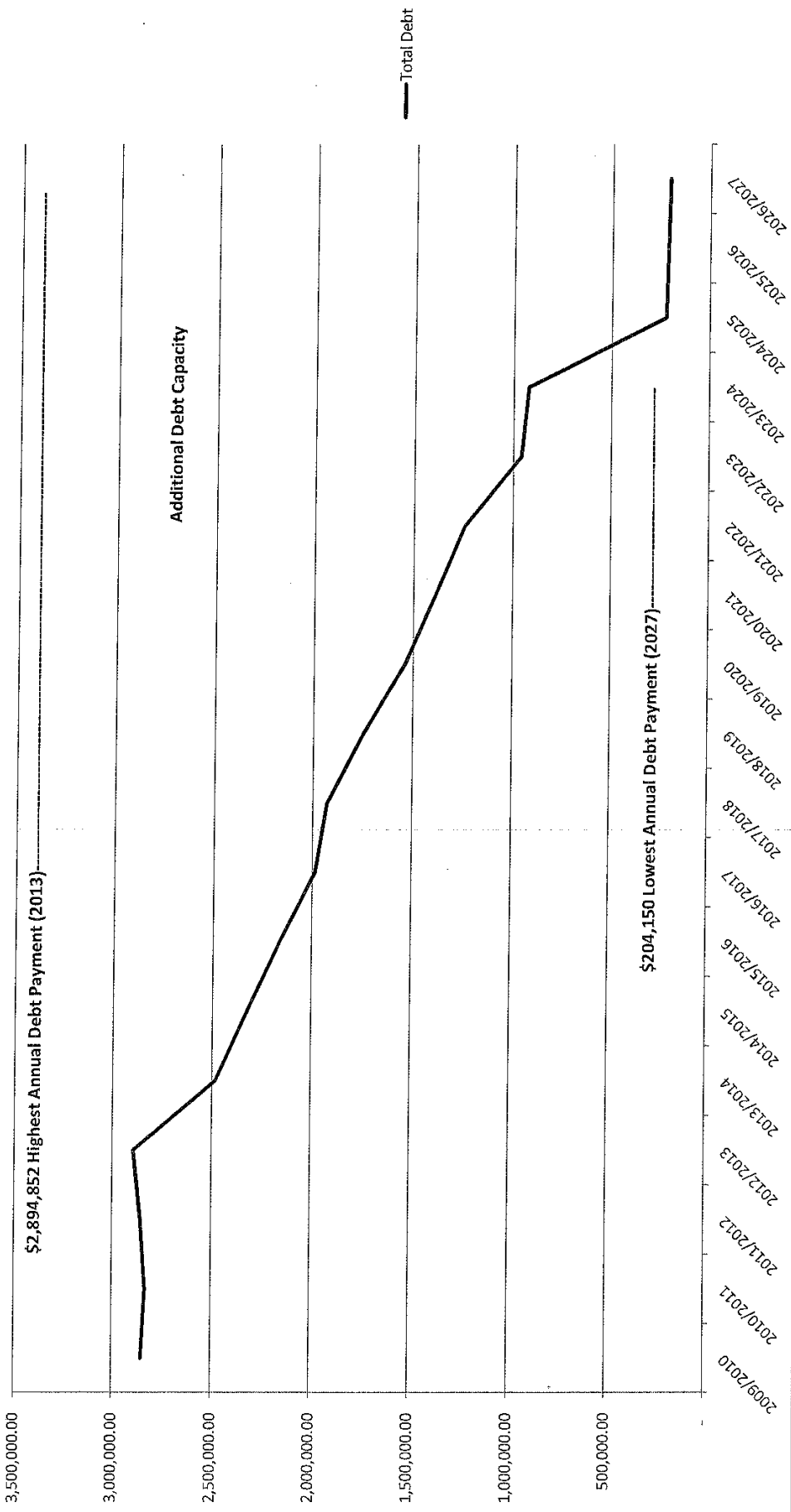
Councilor Dolan made a motion to adjourn at 10:35 PM, second Councilor Green. Council's vote was 5-0-0.

Notes and Tapes by: Margo Lapietro Date: 12/28/11

Minutes Typed by: Margo Lapietro Date: 01/03/12

Approved by: Town Council Date: 01/16/12

Total Debt



Town of Londonderry
Total Debt Service by Fiscal Year

<i>Fiscal Year</i>	<i>Total P & I</i>	<i>Variance</i>
2010	2,850,462.00	-
2011	2,831,250.00	(19,212.00)
2012	2,856,271.00	25,021.00
2013	2,894,852.00	38,581.00
2014	2,483,180.00	(411,672.00)
2015	2,324,597.00	(158,583.00)
2016	2,162,343.00	(162,254.00)
2017	1,986,922.00	(175,421.00)
2018	1,928,062.00	(58,860.00)
2019	1,748,352.00	(179,710.00)
2020	1,541,390.00	(206,962.00)
2021	1,391,640.00	(149,750.00)
2022	1,244,840.00	(146,800.00)
2023	959,300.00	(285,540.00)
2024	923,030.00	(36,270.00)
2025	220,600.00	(702,430.00)
2026	212,400.00	(8,200.00)
2027	204,150.00	(8,250.00)

Road Bond Cost Calculation

Road Bond Passed		2013 Bond Principal	2013 Bond Interest	2013 Total P&I Pymt	Total Interest Costs of Bond	Total Interest Cost
1	2007	120,000	23,400	143,400	212,700	17.73%
2	2008	150,000	40,125	190,125	314,250	20.95%
3	2009	100,000	21,250	121,250	157,500	15.75%
4	2010	100,000	18,750	118,750	131,300	13.13%
5	2011	100,000	23,750	123,750	147,750	14.78%
6	2012					
7	2013					
8	2014					
9	2015					
10	2016					
Totals		570,000	127,275	697,275	963,500	82.33%

Bond Principal	Bond Interest	Total P&I Pymt	Total Int. %
5,700,000	963,500	6,663,500	16.90%

11 Totals

Long-Term Debt Information

No bonds come off debt service schedule this year, though FY13 is the last year of the 2002 Open Space Bond

For FY14, this frees up \$165,000 in principal payments for this bond.

The next bond completed is the Open Space 2004 Bond the last payment occurs in FY15. This frees up \$100,000 in FY16

Per the CIP - the Highway Department is asking for \$6,000,000 more in bonds from FY13 thru FY18

Completion of the Highway Department's CIP proposal would result in approximately \$1,000,000 in interest payments

Table 1: 2013 Year Bond Amortization Schedule

Total Taxable Land Valuation	3,310,852,213
Bond Issue Amount	1,200,000
Bond Interest Rate	3.06%
Term of Years	10
Annual Principal Payment	120,000
Number of Interest Payments	2

	<i>Fiscal Year End</i>	<i>Beginning Balance</i>	<i>Principal Payment</i>	<i>1st Interest Payment</i>	<i>2nd Interest Payment</i>	<i>Total Annual Pymt</i>	<i>Year End Bond Balance</i>
1	June 30, 2013	1,200,000	0	9,180	9,180	18,360	1,200,000
2	June 30, 2014	1,200,000	120,000	18,360	18,360	156,720	1,080,000
3	June 30, 2015	1,080,000	120,000	16,524	16,524	153,048	960,000
4	June 30, 2016	960,000	120,000	14,688	14,688	149,376	840,000
5	June 30, 2017	840,000	120,000	12,852	12,852	145,704	720,000
6	June 30, 2018	720,000	120,000	11,016	11,016	142,032	600,000
7	June 30, 2019	600,000	120,000	9,180	9,180	138,360	480,000
8	June 30, 2020	480,000	120,000	7,344	7,344	134,688	360,000
9	June 30, 2021	360,000	120,000	5,508	5,508	131,016	240,000
10	June 30, 2022	240,000	120,000	3,672	3,672	127,344	120,000
11	June 30, 2023	120,000	120,000	1,836	1,836	123,672	0
12	June 30, 2024	0	0	0	0	0	0
Totals			1,200,000	110,160	110,160	1,420,320	

Table 1: 2013 Year Bond Amortization Schedule

Total Taxable Land Valuation	3,310,852,213
Bond Issue Amount	1,000,000
Bond Interest Rate	3.08%
Term of Years	10
Annual Principal Payment	100,000
Number of Interest Payments	2

	<i>Fiscal Year End</i>	<i>Beginning Balance</i>	<i>Principal Payment</i>	<i>1st Interest Payment</i>	<i>2nd Interest Payment</i>	<i>Total Annual Pymt</i>	<i>Year End Bond Balance</i>
1	June 30, 2013	1,000,000	0	7,650	7,650	15,300	1,000,000
2	June 30, 2014	1,000,000	100,000	15,300	15,300	130,600	900,000
3	June 30, 2015	900,000	100,000	13,770	13,770	127,540	800,000
4	June 30, 2016	800,000	100,000	12,240	12,240	124,480	700,000
5	June 30, 2017	700,000	100,000	10,710	10,710	121,420	600,000
6	June 30, 2018	600,000	100,000	9,180	9,180	118,360	500,000
7	June 30, 2019	500,000	100,000	7,650	7,650	115,300	400,000
8	June 30, 2020	400,000	100,000	6,120	6,120	112,240	300,000
9	June 30, 2021	300,000	100,000	4,590	4,590	109,180	200,000
10	June 30, 2022	200,000	100,000	3,060	3,060	106,120	100,000
11	June 30, 2023	100,000	100,000	1,530	1,530	103,060	0
12	June 30, 2024	0	0	0	0	0	0
Totals			1,000,000	91,800	91,800	1,183,600	

Library Usage Comparison

2011*
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<u>Town</u>	<u>Open Hours</u>	<u>Total Revenue</u>	<u>Cost per hour</u>	<u>Circulation</u>	<u>Program Attendance</u>	<u>Reference Questions</u>
Bedford	2,969	\$969,852	\$327	298,716	18,056	5,084
Dover	2,705	\$1,140,562	\$422	288,412	8,475	24,752
Hudson	3,210	\$918,542	\$286	227,746	11,630	6,468
Keene	3,187	\$1,372,414	\$431	456,211	12,091	24,050
Londonderry	2,976	\$1,276,752	\$429	336,750	12,963	14,136
Merrimack	3,440	\$1,188,068	\$345	295,048	9,574	15,801
Portsmouth	3,510	\$1,560,381	\$445	485,633	16,141	31,583
Salem	3,396	\$1,420,249	\$418	289,106	5,361	5,456

Public Libraries are classified into specific population categories across the country for consistency. Londonderry is in the 18,001 - 30,000 population category.

Three major benchmarks are used when comparing libraries: circulation, program attendance and reference questions.

In terms of overall circulation (a measure of how many items that the library has loaned), Londonderry is ranked 3 out of 8 in our population category.

In overall program attendance (adult, young adult, and children), Londonderry is ranked 3 out of 8 in our population category.

Londonderry is ranked 5 out of 8 in our population category for the number of reference questions handled by the reference staff.

* From 2010 New Hampshire Public Library Annual Report