

TOWN COUNCIL/BUDGET WORKSHOP
November 17, 2012

The Town Council meeting was held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry, NH at 8:00AM.

PRESENT: Chairman, John Farrell; Vice Chairman Tom Dolan; Councilors: Jim Butler; Joe Green; Tom Freda; Acting Town Manager, LPD Chief William R. Hart; Finance Director, Sue Hickey; Executive Assistant Margo Lapietro.

Budget Committee Members: Dan Lekas, Chairman; John Curran, Vice Chair; William Mee; Lisa Whittemore, (absent); Chris Melcher; Tom Dalton; Todd Joncas.

Chairman Farrell explained that the Londonderry Fire/Rescue, Public Works, Police Department and the Library will all have a 20 minute limit to present and there will be no questions until the presenter has finished. The order of questions will be Council, Chair of the Budget Committee and then the public will be allowed to speak.

Public Safety:

Londonderry/Fire/Rescue – Fire Chief Kevin MacCaffrie was in attendance. He reviewed staffing, and calls for service. The proposed FY budget is \$6,276,854.00 which is \$349,137.00 over this year's budget.

Outstanding Budget Issues:

- All increases in the proposed FY14 department head budget are due to contractual obligations and the increase of the town's portion of the NH Retirement System.
- Chief MacCaffrie suggested adding staff the same as he asked for last year. He explained they want staffing levels at 10 personnel per day.
- Replacement Coverage - The FY13 budget is maintaining 10 staff only 60% of the time and 9 staff the other 40% when personnel are out for contractual leave e.g., vacation, sick, personal, injury and training. If there are increased usage of contractual leave there may not be enough to maintain 9, which is severely restricting critical operations. The cost of additional personnel on replacement time is more cost effective than hiring of personnel due to recurring benefits packages.
- Training – they do a lot of in-house training but need to employ outside agencies to comply with the many certification requirements that are needed. There is no additional money in the budget to address that need.
- Utility Costs – Due to their being open 24/7/365 their utility costs are high and they try to be conservative but with the increases on the horizon they are going to strain their budget.

The proposed budget shows an increase over the FY13 budget for contractual items but leaves the expense side flat. With the rising costs of normal operations the ability to deliver critical

services in increasingly harder to accomplish. Acting Town Manager, LPD Chief Hart pointed out that their priority for FY14 is to maintain the existing level.

Councilor Freda asked Chief MacCaffrie to explain what a call for service is and the Chief explained the procedure. Chairman Farrell asked for an exact description of how a call for service is handled and the Chief explained. Discussion ensued about how ambulances are dispatched and how many personnel went with the ambulance on different types of calls. Councilor Green said the 6% increases are due to contractual items and asked the Chief what is the biggest contractual item. Chief MacCaffrie responded retirement and medical benefits are the highest. Retirement is up 7 ½% from last year, medical is close to 14%. They also have clothing allowances and some other benefits. The Chief said we have 1 less employee than we did two year ago. Acting Town Manager, LPD Chief Hart clarified that retirement went up 21% from last year because of the downshift of the state. It went up 26% plus for police, fire up 20% plus and teachers/civilian personnel went up in the 20's. Councilor Green asked for the dollar amount for fire. Acting Town Manager, LPD Chief Hart said he would find out and get back to him. Councilor Dolan asked Chief MacCaffrie if he had considered lowering utility costs by using other energy companies. Acting Town Manager, LPD Chief Hart responded we use some of those energy sources to lower cost, most departments if not all in town adhere to it. Councilor Dolan said the fire department has a large source of secondary revenues and asked to talk about it. Chief MacCaffrie responded there are three areas that take in revenues: ambulance service, fire prevention permit fees and miscellaneous items. He said they bill out about \$700K per year and take in about \$550K for collections on ambulance fees. Councilor Dolan asked if there was any FEMA reimbursement and Chief MacCaffrie responded we just requested around \$35K. Councilor Dolan inquired about the revenues we are receiving from the Elliot. Chief MacCaffrie responded we are down a little because they don't go there frequently; there are a lot more under insured or non-insured people due to the economy. We have a billing/collections service that handles that. Councilor Dolan asked if he had any ideas if the revenues will go down or up for FY14, Chief MacCaffrie responded it will probably remain level. Councilor Butler asked the Chief to explain the changes in staffing and equipment at the stations. Chief MacCaffrie said they did an analysis of where they do calls for the ambulance, 60% are generated in the south end; 30% is from the north end and 10% is from the center. There is an ambulance located at each station now which has reduced their ambulance response time by close to a minute. It puts 3 people on an ambulance and they are not sending an ambulance and an engine to most of the calls that do not require it. They are still sending engines to higher priority calls as well as the ambulance. It has cut down on fuel and wear and tear on equipment. Councilor Butler asked what the percentage of calls the command staff attended were; the Chief responded about 50% of the time. Budget member Todd Joncas asked about the equipment status and how has the equipment schedule changed. Chief MacCaffrie said currently we have a plan to short term lease vehicles that are currently in the replacement schedule, pushing out the other equipment to an 18 month schedule. They have added a tanker into their capital plan. Budget member John Curran said there is a spike in workman's comp by \$20K and asked for an explanation. Chief MacCaffrie responded it is across the board in general and it is about 8%. J. Curran asked if we use a collections agency to get unpaid ambulance fees. Capt. MacCaffrie responded we do have an agency but Council has not been aggressive about collections. Chairman Farrell queried the Council and they agreed that we should get more aggressive in that area.

At this point in the meeting Acting Town Manager, LPD Chief Hart informed the Council that the prior question to the increase in fire from the state pension is \$193,561.00 which is a 66% increase in retirement costs. The workman's comp premium has increased throughout the state, ours is almost exclusively because of the claims made and over the past few years we have had a spike. J. Curran asked how often are we going to see that. Finance Director Sue Hickey said we use Primex; it is an 8% max. J. Curran asked if there was any way to use call fire fighters without interfering with union members. Chief MacCaffrie said they are used for back-up only. Chairman Farrell asked what is the overtime year-to-date. The Chief responded they are about 40% into the year. Chairman Farrell asked if they are on or off budget. Acting Town Manager, LPD Chief Hart responded we are off budget. Chairman Farrell asked by how much and Acting Town Manager, LPD Chief Hart said he would get that information. Chairman Farrell said they can't go over budget; they need to fix the Elliot problem we need to find the extra \$150K.

Library – Library Director Barbara Ostertag-Holtkamp was in attendance along with Pauline Caron, the Chair of the Trustees of the Library – B. Holtkamp reviewed all the programs and provided statistical information for the library. She said the Acting Town Manager reduced her budget by \$30K to books and materials culminating in \$1,233,276.00 that included \$15K for Management Services that was removed. Including the Management Services their budget increased to 33,079.00 with \$27,359.00 for personnel. The largest percentage was for retirement which was \$10,558.00. Electricity was also a major increase of \$3,923.00. B. Holtkamp announced that Sally Nelson, Kathy Mague and herself have voluntarily taken a 5% reduction in their base pay and they will not be taking their 3% COLA's. This is a savings of \$22,759.00 which wipes out the increase in personnel and retirement increases. She explained that Management Services is used for all programming and all programming supplies. They had 260 programs last year with a total of 16,892 participants. The cost for each participant was \$1.24 from Management Services. Chairman Farrell explained that the Councilors asked for all Management Services to be moved into the Town Manager's budget. The reason for that was to put it all in one place so they could figure out what it is and what it was spent for; this was done for every department. Councilor Freda asked B. Holtkamp what her budget is, she responded including Management Services it is \$1,233,276.00. Default would have been \$1, 267,092.00. Councilor Dolan asked if the library is using an aggregator to reduce utilities. B. Holtkamp responded they were up until last year. They have done multiple energy audits to see if they could save any money but they have found they are well in line. She also said they do energy audits on a yearly basis. The HVAC is new and should cut down on electricity. Councilor Dolan pointed out that the price per k/w hour is supposed to be lower with an aggregator and he encouraged her to look at it. B. Holtkamp said she has looked at it, they are offering 9 cents per k/w hour, the library is currently paying about 8 cents. Councilor Dolan said if they combine with other departments in town they might save money as a large consumer. Pauline Caron asked if the whole town has gone with the energy aggregator and Acting Town Manager, LPD Chief Hart responded they have. He said that Steve Cotton reviews the rates on a regular basis to ensure that the town gets the best rate for electric power. P. Caron said the library was not informed of that fact. Councilor Dolan suggest they get involved in it. Budget member Todd Joncas asked if we have tried to coordinate with the School District. Acting Town Manager, LPD Chief Hart responded he does not know but will follow-up on it. T. Joncas asked B. Holtkamp how the maintenance is doing at the library, is the funding appropriate. B. Holtkamp responded they are doing okay but this year they don't have any expendable maintenance trust allocated, it was not approved this year. Every year in the past the Town Manager has given them a certain amount of money for repairs if needed. They have a tight budget and costs are

going up. The town has been very generous in helping out. Budget member John Curran asked questions about roof issues that have risen in the past year; discussion ensued. Budget Chair Dan Lekas asked B. Holtkamp what the library collected in fees and fines. She responded it is down from last year, it was \$22,227.97 but it is now down about \$1,807.68. They use those monies for books and materials. Budget member Chris Melcher asked if they lost personnel due to their extended hours on Saturday. B. Holtkamp said they did lose people but some people left, so they didn't have to lay people off. They don't have as many full-time staff as they used to have and they had to re-organize staff in order to extend their hours. C. Melcher said they spent \$22K more in their budget last year. Acting Town Manager, LPD Chief Hart stated that the town assisted the library in the replacement of the 40 ton HVAC system. The town worked with the library on that item and that portion represents the overage. If the town did not help out the Library would have been at or under budget this year. P. Caron mentioned that the Library employees have de-certified their union. The Library employees are satisfied with management. Councilor Dolan said the trend of talking books is getting more popular with the site-impaired he asked if it was more costly. B. Holtkamp said the circulation on e-books is going up but it is a small impact overall to the library. She said they participate in the NH Downloadable Consortium for e-books; costs will be based on population and percentage of usage, so our costs will go up because we are rated as the top 4 in the state. Councilor Dolan clarified that his question is books on tape for the sight impaired; are they anticipating the technology needs for seniors. B. Holtkamp responded they have an excellent selection on books on CD and tape, and also have a selection of large-print books. Discussion ensued about e-books.

Police Department – Lt. Chris Gandia presented for the Londonderry Police Department (LPD). He showed a picture of the new cruisers that are being purchased in March on a 3 year lease. They are a SUV style; they are larger than the Crown Vics and should work better in the snow. They will also have better fuel usage. Lt. Gandia reviewed the LPD's business strategies, their mission, their most valuable assets. They are a service organization, and their personnel costs represents 93% of their budget and they include contractual obligations, salaries/overtime rates health care and the NH Retirement system. Lt. Gandia explained that health care/dental and the retirement system are the major drivers in their budget. Combined, those items represent 30.4% of their budget. He showed graphs indicating the increases over the years and stated that those items are out of their control. He discussed discretionary expenses versus non-discretionary expenses and provided an analysis of them all. He pointed out that non-discretionary expenses make up 98% of their budget and they have no way to control them. He proceeded to review overtime management, workload management, written reports, calls for service, personnel workload, challenges, fiscal strategies applied, and on duty training. He summarized that their budget of \$7,765,128.00 is comprised of 93% for personnel costs and 98% for non-discretionary costs. Many costs are increasing and out of our control. They have demonstrated fiscal management; they have already reduced over time costs and reduced discretionary costs. Lt. Gandia stated that a reduction in personnel will be detrimental.

Acting Town Manager Hart provided the figure for over time in the fire department. Right now they should be around 38%. They are at about 50% in fire service, a portion of that is expected to be reimbursed through grant training. The administrative portion of the fire service they have expended about 25%. The consensus of the Council is that when the over time reaches 75% in used time they would like to be notified.

Councilor Green stated that according to the numbers the LPD has about \$5K more in this budget in over time. Lt. Gandia explained that vacation time is accumulating due to longevity which is why vacation costs are up. Councilor Green explained that last year Council asked that actual replacement coverage should be separate from actual over time so they can look at the actual over time figures versus just replacing. Councilor Green also said that tuition is up \$35K, dues and subscriptions are up \$4,200.00 and seminars are \$3K. Lt. Gandia said part of the tuition increase is due to negotiations that have been contractually set. It actually might go to \$45K but the extra \$10K will be absorbed within their budget. Seminars/workshops go to training under discretionary expenses. They can't eliminate all training. Councilor Green said when the SRO was reduced in last year's budget did it create additional cost; only one was assigned to the Londonderry High School as opposed to having one float around. Lt. Gandia said it does affect the budget if one SRO has a vacation or a day off; they have to have somebody else cover. The one SRO has to cover all schools. Acting Town Manager, LPD Chief Hart said in the last 5 years the cuts made do result in a reduction in service. Councilor Green asked if there was anything we can do about a partnership with the school to pay for additional SRO's. Chairman Farrell reminded everyone that the school was going to hire a Sheriff's Deputy when we wanted to take out all the SRO's. The cost for an additional SRO is \$100K. Chairman Farrell said it is an increase to the taxpayer but he will bring it up with the School Board again. Councilor Freda said the total town budget increase is expected to be \$648,853. The LPD is the largest with an increase of \$449,894.00 out of that \$329,597 is health/benefit/retirement costs. The total of other costs increased in the LPD is \$120K. Acting Town Manager, LPD Chief Hart informed the Council that this year they will be negotiating the AFSCME union contract and the unions have worked hard on the contract and the taxpayers can expect a favorable outcome. Councilor Dolan wanted more information on old and new fleet quantities. Acting Town Manager Hart, LPD Chief explained they looked at all police cars and wanted to hold to the \$120K price for cars. The Crown Vic is being discontinued and they felt the Ford SUV would be the best vehicle for use for the LPD. He said 21 cars in total are being swapped for 16 against the new lease. They can be used in all weather, they budgeted \$150K in lease costs; they expect it to be \$130K - \$140K or lower due to excellent leasing rates. As the patrol cars get high usage they are switched over to detective use so the mileage is kept low. He said they are on time and under budget. Councilor Dolan asked about maintaining the fleet. Lt. Gandia explained when they are halfway thru the lease they will rotate patrol cars out to detective's cars to keep the mileage down. He explained we have a fleet manager who maintains the vehicles. Councilor Dolan recommended finding room in this budget and future budgets to increase SRO staffing as the budget allows. Councilor Butler asked how many hours the fleet manager works, Lt. Gandia responded he believed it was 32 hours. Chairman Farrell asked for a description of the type of calls they get for service. Lt. Gandia said it depends on the nature of the call and explained. Chairman Farrell asked the Acting Town Manager Chief of LPD Hart where the overtime budget stood at this time. He responded they are within a percentage point of where we want to be, we are over in the number of dollars where they were last year but in terms of a percentage they are at about 38-39% which is where they expect to be right now. The consensus of Council is when they reach 75% to notify Council. Councilor Green pointed out that the overtime for crossing guards increased from \$1K to \$7K he questioned why did that happen when in fact they are part time people. Acting Town Manager, Chief of LPD Hart responded the over time is part of the services line item. The LPD is transferring to a paperless system. They are taking their existing records and transferring to a digitized format. They are trying to get up to speed on recovered property and evidence management which has been a priority item. Councilor Green suggested having other departments do that work and using that over time money for an SRO. Acting

Town Manager, LPD Chief Hart said the SRO's are important, and suggested having it as a warrant article and let the people decide. Chairman Farrell asked the Budget Committee members if they want a warrant article on the ballot for another SRO; their vote was 5-1. The consensus of the Council was to put a warrant article on the ballot and asking the taxpayers what they want. Budget Chair Dan Lekas asked Lt. Gandia if he was worried about having fewer cars in the fleet. Lt. Gandia said it will have no impact they will have enough to supply patrol services. D. Lekas asked if they anticipate more repairs due to fewer patrol cars. Lt. Gandia responded no because they rotate cars. Budget member John Curran talked about doing reports on laptops in the cruisers. Lt. Gandia said if they have an easy report it can be done in the cruiser, if the report is complicated they will come back to the station to do them. It is extremely important to keep them on the road. They are looking at a computer tablet system in the new cars. J. Curran asked if the tablets are part of fixed costs included in the cruisers, Lt Gandia responded yes. Budget member Tom Dalton asked if they have a dollar amount available per officer for the increases in health and retirement. Lt. Gandia said he doesn't have the exact costs. Acting Town Manager, LPD Chief Hart said the average cost per officer is \$15-\$16K in retirement increases. They don't have it for medical but will get that information. Councilor Butler asked Lt. Gandia if they target how many miles per shift a car is driven, Lt. Gandia responded no. T. Joncas asked for clarification on the shift differential. Acting Town Manager, LPD Chief said it goes to the uniform division only and is not included in salaries, it is listed separately. T. Joncas talked about burglaries increasing and how that issue was addressed. Acting Town Manager, LPD Chief Hart said they moved a person out of patrol and moved them into detective staffing. Burglaries have flattened out but are still high. The police have a high visibility in the community and he proceeded to explain staffing levels.

Public Works: Janusz Czyzowski Director of Public Works and Donna Limoli, Public Wrpls Administrative Assistant were in attendance. J. Czyzowski explained the responsibilities of the department. He said the FY13 budget was \$1,911,807 and the FY budget is \$1,926,351.

Environmental Div. – Solid Waste & Recycling is in a default budget and has remained the same as last year due to their contract with the recycling company. He reviewed the contract costs for curbside and Solid Waste

Sanitary Sewer – This is a special revenue account and does not affect taxes. The budget went from \$3,003,606 to \$2,661,129. He listed contractual items and reviewed non increased items. The town just signed a new agreement with the City of Manchester for sewerage, costs will increase. He reviewed non-contractual items with increased amounts which were for heat/fuel; water analysis and vehicle repairs.

Highway Division– The budget for last year was \$1,267,822 and the request for FY14 is \$1,242,340. He reviewed contractual items. Snow over time is calculated on 22 storms with a minimum average over time of 10 hours. He pointed out that fuel varies. Non-contractual items were decreased per the Town Manager budget. J. Czyzowski listed his gasoline budget for several years. Under street cleaning & maintenance he pointed out that they are getting half a million from the state in highway block grants which is being used for shim and overlay, guardrail repair, crack sealing, striping, ditch cleaning and tree trimming. He pointed out that the shim and overlay cycle is going back to the 100 year maintenance cycle by reducing the money;

previous years we were on a 12 year cycle. He listed the streets that were shimmed and overlaid in FY12. In the FY13 budget they had zero amounts in their budget and it is the same for FY14. Last year they had a Warrant Article for \$500K and a Roadway Maintenance Trust Fund had been established for \$250K. For FY14 this is being proposed for \$400K in that Trust Fund. He reviewed the costs of re-construction. Construction projects done in FY12-13 were Auburn Road intersection; Litchfield Road and Auburn/Wilson roads and he showed photos of before and after work on the roads. Proposed projects for FY14 are a section of Nelson Road, Stokes Road and sections of Litchfield Road. The salt budget for several prior years was listed. Councilor Freda said the total budget increase is \$6,660 and the health/retirement benefit increased \$10,186 he came in lower last year. Councilor Green commented it is a good budget. Budget member T. Joncas clarified that the sewer budget is self-funded; J. Czyzowski responded that is correct. Budget member C. Melcher said most of the un-designated fund balance is going into maintenance funds is that what should be happening. Councilor Freda said that is what we hope. Chairman Farrell said that service has to go down. If we don't decrease the debt service in bonding we won't be able to break even. Acting Town Manager, LPD Chief Hart commented that J. Czyzowski did an outstanding job on his budget.

Chairman Farrell explained that Finance Director Sue Hickey is presenting the rest of budget for the department heads. If there is anything else there that she cannot answer today they will be discussed at Monday night's Council meeting.

Acting Town Manager, LPD Chief Hart said he found some errors in the budget and he will provide that information to the Budget Committee and Councilors. The changes are less than a cent impact to taxpayers.

S. Hickey informed the Council that any increases are based on the NH retirement and medical insurance. All departments came in with the directive of below default budgets.

Planning & Economic Development: the total decrease from FY13 is \$5,783, or 1.4% Decreases are due to a department re-organization effective July 2012. Management Services have been pulled out and shown in the Town Manager budget for discussion purposes. If Management Services was included in the budget it would increase by \$11,217. The increases in the NH Retirement and health insurance is \$11,552. All remaining operational items are level funded. Chairman Farrell stated that the salary for the Planning and Economic Development Director is still in the budget books.

Zoning: increased by \$3,179 due to a request in more overtime due to more meetings and employee benefits such as the NH Retirement and health insurance. The remaining line items are flat.

Capital Improvements Plan (CIP): Acting Town Manager, LPD Chief Hart stated that the CIP recommended the Pettengill Road bonding project which is \$12,534K. In the last three months the town has been approached by more than one serious commercial interest in that area. The NH Wetlands permit expires on 7/22/14. To get that permit renewed will result in the expenditure of a significant amount of money and time. The Council might consider having further discussions about it. Chairman Farrell said he is a member of the CIP Committee and the Committee has never endorsed a bond for the taxpayers to pay it. The Committee has always

looked at it from the standpoint that it should be paid for by the people going in there. The building of a portion of the road is the preference for the CIP. Projects recommended by the CIP Committee include Open Space Bonding \$600K, Pettengill Road Bonding \$12,534K, Zoning Ordinance Update \$200K and Roadway Maintenance Trust Fund \$320K. The Town Manager recommends the Expendable Maintenance Trust Fund \$200K, Zoning Ordinance Update reduced to \$50K, \$30K will come from a grant and the Roadway Maintenance Trust Fund has been increased to \$400K with half of that coming from the Undesignated Fund Balance and the reduction of debt. Chairman Farrell stated that the Zoning Ordinance Update was never presented to the CIP Committee; it came in at the last minute in a Planning Board piece. They were told it was an expense line item and it should go into the Planning & Economic Development and not into the CIP. T. Joncas said the initial department head budget had about \$12,500,000 and it is zero in the Town Manager budget; it is the first time he saw it as a line item. S. Hickey said it was put initially in the department head budget; when it went to the Town Manager's budget it was zeroed out. It is a separate warrant article. C. Melcher asked if there is a separate warrant article for the zoning update; S. Hickey responded there is one for \$50K; \$30K will come from a state grant. Chairman Farrell said the Council has not discussed it.

Capital Reserve Funds is part of the CIP: The programs being recommended by the Town Manager include: Ambulance for \$75K; cable equipment for \$100K, it is shown as a separate warrant article because we don't have a capital reserve for cable; fire apparatus for \$335K; fire equipment for \$150K which was a warrant article passed at last year's town meeting; and Highway which is \$150K. In the past the Cable had their own Undesignated Fund Balance, last year that fund was dissolved and moved into the General Fund. This is to set up a fund for them to replace their cable equipment. Councilor Dolan questioned if the source of funding was from cable fees. S. Hickey replied the source is out of the Undesignated Fund Balance from the General Fund. Councilor Dolan clarified that there would be no tax impact. C. Melcher said they tried to do this at last year's town meeting so are you trying to do it again? S. Hickey responded when it was proposed last year it wasn't funded with Undesignated Fund Balance, it was solely a tax impact article.

General Government: the Town Manager's budget of \$404,659 increased by \$20,530 due to staff changes and contractual obligations. All operating costs are level funded. Councilor Green asked if there could be a comparison of Budget Transactions to see what it was last year. S. Hickey responded they could prepare something for the next meeting. Management Services was put under one listing. It increased by \$8,734 including IT software support. The IT budget's Management Services line went up about \$9K. That means the other Management Service lines located in the Town Manager budget for all the departments are flat. C. Melcher asked can you legally give the library the \$15K. S. Hickey explained all of Management Services will be taken out of the Town Manager budget and put back into their individual line items. Acting Town Manager, LPD Chief Hart stated the only increase from last year is the cost of licensing software packages which is listed under Management Services.

Town Council, Moderator and the Budget Committee are all level funded. Town Council went up \$3.00 based on workman's comp.

Legal Budget: Legal and general expense are funded at \$95K for FY14. It has a line item of \$9,500 for collective bargaining for 2 contracts being negotiated in FY14 and for miscellaneous personnel matters. Councilor Butler asked if we will have sufficient funds for the Woodmont issue. Chairman Farrell said he believes at this point within this fiscal year's budget we will spend the majority before the end of this budget's fiscal year of FY14. If something changes in the direction of which it is going now and we wind up in litigation than all bets are off. Acting Town Manager, LPD Chief Hart said both statements are correct. We built in some cost containment for that project based on the fact that it appears as though the project in terms of working with the Planning Board consistent with the legal obligations of the applicant and the reviewing body are going forward. Councilor Dolan said they have no intention of overspending our bottom line budget. Acting Town Manager, LPD Chief Hart said we through the expertise of Finance review the budget on a regular basis and they anticipate at this time they will be at or under budget on 6/30/13. J. Curran questioned the impact fee amount for FY12. S. Hickey said \$269K had to come out of the FY12 budget for impact fees, this figure is the amount of impact fees returned, it is not legal fees. There was approximately \$100K set aside to fund a liability for employees who leave for vacation and sick liability in that fund.

General Government Budget: it had a decrease of \$52,330 which was totally attributed to the Management Services line being moved to the Town Manager budget – all remaining line items are flat. Councilor Green wants more detail for the expended budget. S. Hickey said she can provide more detail.

Building Department: this department is now under General Government under the direction of the Town Manager. The budget increased \$6,963. If we include Management Services the increase would be \$13,963. Increases were due to contractual items – all remaining line items remain flat.

Information Technology: is now under General Government under the direction of the Town Manager. The total increase was \$26,715. This includes all software support fees, monthly fees for devices, internet access for all buildings and hosting fees for all of our websites. A break down for all departments was listed. Other operational items has been level funded with the exception of equipment. The detail of equipment by department is listed on page 52 of the budget book. The Town Manager reduction to this line is for the TV network storage device and computer replacement. The difference between the department head request and the Town Manager request is for those two items. Councilor Green said it makes it easier to list prior year's expenses on equipment in the budget book so we can compare the prior years. S. Hickey said last year we spent \$26, 600 on equipment purchases and she would provide details on that. S. Hickey said she would need a separate report on that due to computer limitations. Chairman Farrell said the industry normal increase is 3% every year for software. We are paying more than that so we need to look at it. S. Hickey said we have perpetual licenses, and she will review the contracts.

Finance Division: - the total increase from FY13 is \$7,636 due to the NH Retirement and health insurance. The decreases were due to the reduction of two positions from full time to part time and a re-organization of the department effective 7/12. Operational line items have been level

funded. Councilor Dolan asked if we have looked at any impacts in the part time benefit plan as it relates to Obamacare. S. Hickey responded that she and the HR Manager have reviewed but they are not prepared to present anything yet. The increases due to Obamacare are not included in this budget; we do not have a lot of part time personnel. Councilor Freda asked if personnel administration was broken out separately. S. Hickey responded on page 48 it was broken out and discussion ensued regarding the LGC Contribution Holiday of a credit of \$68K.

Human Resources: with the exception of the LGC Contribution Holiday and tuition reimbursements in accordance with union contracts are not included in the HR Division. S. Hickey provided the HR statistics for FY12. Councilor Dolan asked what are the projected employment numbers for next year; she responded it might be zero to minus 2.

At this point in the meeting everyone took a break for lunch at 11:40AM.

Human Services: the total budget is projected to be flat. Social Service Agency contributions may allow for a decrease to the budget by \$12,472. Operational line items have been level funded from FY13.

Assessing: the total budget increase is \$9,819 over the approved FY13 budget. Including Management Services the budget increase would be \$17,819. Increases are due to contractual obligations and mandatory benefits. Operational lines have remained flat.

Town Clerk/Tax Collector: the total budget increase is \$8,247. Including Management Services the increase is \$25,512. Increases include contractual obligations, mandatory benefits, travel/mileage and office supplies totaling \$25,781. Decreases are located in the voter section and are due to a decrease in elections for the FY14 totaling \$6,281. Chairman Farrell asked what portion of the \$25K is pension and benefits. S. Hickey responded she would have to run those numbers and she will bring them back. Chairman Farrell asked if there was a consensus of the Council to have the Town Manager and the Finance Director to look at properly staffing elections and adding funding to elections so we can improve our efficiency, customer service, closing of the polls at night, etc. The consensus was yes. Councilor Dolan said that future Councils when we anticipate general elections, which will be in another 4 years; we may consider that one polling facility has exceeded its capacity of 13,000K. A future Council might want to consider going to a second polling place at the next general election. Chairman Farrell summarized that we should get professional help and look at whether or not we are at our maximum capacity at the current facility. He asked the Town Manager to take that as an Action Item.

Debt Service: S. Hickey reviewed payments for that year; the net property tax supported debt is \$2,333,803. Outstanding bonds totaled \$18.370M. Chairman Farrell asked how much of the \$18M is actual Open Space bonds. S. Hickey said there is a bond amortization schedule in the Budget Book but she can provide that information on Monday.

Municipal Insurance: funds all casualty-liability, property, vehicle insurance. The town participates in a municipal pool with 200+ other entities. The budget request is about \$241K which is an increase of \$17,305. The not-to-exceed maximum increase for property liability insurance is 7% for FY14 and they are working on that right now. Any favorable performance can lower the percentage of increase.

Supervisors of the Checklist: total budget request is \$8,090 which is a decrease of \$6,612 due to fewer elections in FY14. There is only one election which is the town elections. Councilor Green said more people are needed. Town Clerk/Tax Collector Meg Seymour explained voter registration is through the Supervisors. Chairman Farrell said if people are trained properly we can shift people around. M. Seymour said they are trained separately. Voter check in is with the Town Clerk/Tax Collector. Councilor Dolan said the only issue is with the presidential elections. M. Seymour said the presidential election is the largest and additional paperwork is needed. C. Melcher said a lot of people who voted in 08 were purged. M. Seymour said there is a 10 year purge; letters were sent out last June, if they didn't respond to it then by state law they are removed from the checklist.

Cemeteries: flat lined same amount as FY13. Councilor Freda said in FY12 there was a \$9K increase; S. Hickey said she will look into it. Councilor Dolan said the cemeteries are getting full, is there anything prohibiting us from doubling up in plots. He asked S. Hickey to find out through research if that is a viable option. S. Hickey said she will get the information.

Cultural Activities: total is \$15,927 and there is no change from the FY13 budget. Chairman Farrell said over the past 5 years we have cut \$10K to \$6,650 from the Old Home Day budget. He asked the Councilors if they have any interest in restoring additional money to their program; they can get back to him on it.

Conservation Commission: the budget request is flat at \$3,300.00

Cable Department: the total budget request is a decrease of \$1,019. When Management Services is added back in it is an increase of \$3,981. The department has been re-organized effective 7/12 to 2 full time employees. Councilor Green asked are we funding their equipment, S. Hickey said they are setting up a separate warrant article to fund \$100K out of the Undesignated Fund Balance for cable equipment. C. Melcher asked if they don't get the warrant do they have money to get the equipment. Drew Caron, Director of the Cable Dept. said they do have the money in their budget to upgrade their hardware. They are planning on indexing meetings with another upgrade on mobile devices. They are working with the schools and they are cutting back on hiring people for installations because between the cable and the school district they can do it. All the money is going into servers. Councilor Green asked if he had the ages of the equipment and did he have any idea of when it would be of no use. D. Caron explained he is on top of all that.

Recreation: the FY14 budget request of \$147,421 is a \$78 increase over last year's budget. There are increases in contractual items only. All other line items are consistent with the FY13 approved budget.

Senior Affairs: S. Hickey said the Senior Affairs Director was not available today but there is a 1% budget increase and listed all the programs they have available. Chairman Farrell said if she wants to present at another time that would be acceptable. Councilor Dolan brought up the fact that the Senior Center is an aging facility and wanted to know if we have funding to maintain the facility. S. Hickey said that the elderly population is increasing and the programs at the Senior Center are expanding. The Director would like to have a part-time administrative assistant to help out which was not recommended by the Town Manager. They also need to improve the bathroom facilities. The plan to expand the center is still critical to the Director. Councilor Dolan asked if a warrant article is proposed by the Council from the Expendable Maintenance Trust and if it passes is there enough in that fund to handle these requests. S. Hickey responded she does not think so; she would have to discuss it with the Town Manager. Councilor Dolan said it is a 2 part question; the source of funding and do we support this work. Councilor Dolan said he supports it. S. Hickey said the CIP Committee allowed for \$600K in FY19. Councilor Butler asked if the bathrooms conform to ADA standards, S. Hickey responded they do not. Councilor Green asked if we get an idea of what it costs can we list it as part of an expendable item. S. Hickey said she would bring that to the Town Manager after finding out the cost. Councilor Green said we should definitely have to look at it.

Chairman Farrell said at this point we are \$140K under the Town Manager budget. Council is looking for \$200K under default. He asked the Town Manager to consider what would it look like if we reduce jobs and money.

The next budget meeting is 11/19/12, he suggested the Councilors look at their calendars for the 11/29/12 meeting which we might not need. Councilor Dolan said at their next meeting he would like to have a short discussion on the social service donations. He would like to know what those allocations are for versus our obligations to provide sources. What do we do internally and what is outsourced and what are our obligations. This has been scaled back but he would like a discussion. S. Hickey said she will have that analysis by Monday. C. Melcher asked are we supposed to be \$200K below default for just the budget or for all the warrant articles. Chairman Farrell responded a bottom line budget for the operating budget.

ADJOURNMENT

The meeting adjourned at 12:38PM.

Notes and Tapes by:	<u>Margo Lapietro</u>	Date: <u>11/17/12</u>
Minutes Typed by:	<u>Margo Lapietro</u>	Date: <u>11/21/12</u>
Approved by:	<u>Town Council</u>	Date: <u>12/03/12</u>