

**TOWN COUNCIL/BUDGET WORKSHOP**  
**November 26, 2012**

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

**PRESENT:** Chairman, John Farrell; Vice Chairman Tom Dolan; Councilors: Jim Butler; Joe Green; Tom Freda (7:02); Acting Town Manager, LPD Chief William R. Hart; Finance Director, Sue Hickey, Executive Assistant Margo Lapietro.

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

**Call to Order**

Chairman Farrell opened the meeting at 7:01PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country both here and abroad and for first responders.

Chairman Farrell announced at 7:02PM they were going into a non-public session according to RSA 91-A: 3 II (a) to discuss legal questions regarding labor contracts.

**Roll Call Vote: Aye Joe Green, Aye Tom Freda, Aye John Farrell, Aye Tom Dolan, Aye Jim Butler.**

Councilors resumed the public meeting at 7:21PM.

**Public Comment**

None

**Public Hearing**

None

**Old Business**

**FY14 Budget Follow-Up** – Acting Town Manager, LPD Chief Bill Hart addressed the prior questions.

Cemeteries – There are no statutes governing doubling up graves but the concerns we have are the depth requirement and safety concerns. An upgrade to heavier grade vaults might be necessary. These concerns were brought up 2 years ago by former Town Manager Dave Caron. A memo from Administrative Support Coordinator Steve Cotton is attached. The consensus was to table this item.

Management Services Comparison to Prior Years – Acting Town Manager, LPD Chief Hart stated that they did find a transcription error which reduced Management Services by \$9K which is included in the \$100K reduction. The police budget typically budgets around \$35,000, in the lean years the department has not hired new personnel. In 2012 they had a significant hiring process; they purchased their tests out of Florida and charged applicants \$25.00 for testing.

Those monies go to the town not to the police budget. That same year they changed their contract. The old procedure was to promote only when there was an open position and it was posted. In 2012 by agreement with the collective bargaining unit they have 2 promotions every year. Sergeants are in July which creates a year long list. In January a Detective is promoted. This took effect in 2012 which is why that year was up. Now we are back on track.

Finance – Finance Director, Sue Hickey explained that financial services increased in FY12 due to an account temp for a Payroll Clerk and from MRI for the controller position when both positions were vacant.

Acting Town Manager, LPD Chief Hart said other than those two variances everything in the Management Services Budget was the same. Councilor Green said the internet access was originally at \$950.00. It went up to \$11,400.00. S. Hickey explained that is part of the SilverTech website for Economic Development.

Councilor Butler asked if we are going to change the billing company we use under the fire department budget. Chairman Farrell stated the direction from the Council was to get more aggressive with the billing service. LFD Chief MacCaffrie said currently the billing services is 5% of whatever is collected; if they become aggressive they will collect more in that line item. We can go out to a RFP again but we went from 9% down to 5%, so we are up at the \$35K mark.

Budget member Todd Joncas said the impact between the FY13 budget and the FY14 is .002 cents per thousand. That is not a lot of money involved we should focus on larger dollar areas besides Management Services. Budget member John Curran questioned the Building Departments budget. Acting Town Manager, LPD Chief Hart explained that the Building Department has gone from Planning to Town Government and some matters stayed with Planning. Councilor Freda questioned why we have a yearly update on impact fees in the Planning & Economic Development Department. Acting Town Manager, LPD Chief said it is reviewed every few years, we need to redo some of those impacts for FY14 but he doesn't know about FY12.

Chairman Farrell said overtime in the past has been a one line item then we changed it to replacement time. He is talking about the combination of replacement time and over time. We are being notified when it reaches 75%. In the past we have been under budget in these lines are we still in that same position going forward. Acting Town Manager, LPD Chief Hart responded in the fire department generally yes. In the police department they are under budgeted in the line item if that line item is taken as overtime as a whole. We look at overtime slightly different based on division. There are two divisions that have overtime, the Uniformed Officers Division and Administration for general and specific events. He said the police department manages their overtime so we are a little over \$35K - \$50K.

Public Works Overtime – Public Works Director Janusz Czyzowski explained they have two line items; one is for their regular 5 hours each week which is part of their contract; they work 45 hours each week. Snow overtime is \$100K based on 22 storms but it varies year to year. We should be on budget. He said he has never gone over his budget in overtime; he will use other line items to cover it. Councilor Green talked about line items being budgeted to exactly what is spent. He stated that there is \$232K of inflated line items according to his research in line items. Department Heads should budget each line item to what the proper usage is going to be and not

over inflating them. Put the budget into the overtime. We should budget each line item to what we actually spend, if it is not used why budget for it. Chairman Farrell said the Management Service line was higher going into the budget season last year. We made adjustments last year and moved it to over time. S. Hickey responded they broke out over time between regular over time and replacement coverage to police, fire and public works. S. Hickey said looking at the FY12 audit results the total amount of expenditure turned back was \$124K which is extremely small for our budget. Councilor Dolan said the over time in this budget is coming down by \$82K and management services is coming down by \$52K according to a spreadsheet recently given to the Councilors. Acting Town Manager, LPD Chief Hart said approximately \$750K reflected increases from retirement and a proposed increase of health insurance. The department heads were challenged. The direction Council gave was that the taxpayers needed a budget that was below default. We are now about \$100K below default. It is less than the budget proposed last year. They looked at management services and overtime. Chairman Farrell clarified that the fire department is coming in over budget on over time and asked where the money was coming from. Acting Town Manager, LPD Chief Hart responded it will have to come from within his budget. Acting Town Manager, LPD Chief Hart said the direction to the Fire Chief and department heads is to be at or under budget for FY13. Fire Chief Kevin MacCaffrie said replacement costs and overtime have been underfunded for years. They hold off paying for an item and don't know what is going to happen in the future. He said he will do due diligence and keep the overtime money in line, he explained \$60K is coming back from grants. Councilor Green said the fiduciary responsibility of each department head is to come in under budget; the public deserves to see a budget that is clear. Councilor Dolan said we are trying to project out in the future. The line items will be expended, they will be zeroed out which creates a false history. They will be re-budgeted the following year. Budget member Chris Melcher asked the Acting Town Manager if he purposely over-budgeted line items to cover overtime, he responded no. S. Hickey stated the state RSA we operate under said if the bottom line budget that was approved by the taxpayers is over spent, if it goes below zero the Town Manager and the Finance Director can go to prison for over spending the budget. Councilor Freda said having overtime due to a storm is explainable; the problem is constantly being over budget. It is important to fund overtime so we can see what is going on. Councilor Green asked if we can use monies from the Undesignated Fund Balance (UFB) to make up for the shortages. S. Hickey responded it has to go through the tax payer. Councilor Dolan explained we would have to call a special town meeting to dip into UFB. Councilor Green asked how do you account for acts by "Mother Nature". Acting Town Manager, LPD Chief Hart said we hire competent department heads to plan for those extreme circumstances. He pointed out that J. Czynowski has never spent over his budget despite difficulties. The LPD has only been over budget once in seventeen years. We hire strong competent managers who can do the job.

Chairman Farrell said Council has a proposal from the Town Manager to bring the budget to \$110,600 below default. Open for discussion. Councilor Butler asked for a clarification of what exactly does the fleet manager of the LPD do with a part time job for \$55K. Acting Town Manager, LPD Chief Hart said the fleet manager has over 2 decades of experience managing a fleet of between 26 – 27 vehicles. He does maintenance on the vehicles and assures that mileage remains constant over the lease which allows the residual value of the vehicles to be high. We currently lease from 17 to 16. We pay about \$120K to lease the vehicles which is the same as the 1994 lease. They expect the lease prices might come down this year.

Budget Chair member Dan Lekos asked if there is anything on the list that will reduce services. Acting Town Manager Hart responded no. Budget member Chris Melcher asked the Acting Town Manager to explain the error. Acting Town Manager, LPD Chief Hart said an amount was listed as \$10K but it was only \$1K. C. Melcher suggested taking the Executive Assistant off the list for payroll cuts.

Chairman Farrell asked if we are at the appropriate amount for over time or do we need more. Acting Town Manager, LPD Chief Hart said the DPW is where they should be barring a lot of storms. He said the PD is \$35K - \$50K below where we think we are coming in. Capt. Gerry Dussault said we are running 5% better this year than we did last year. We will be over budget, but he can't estimate that yet. He explained they spend an average of 12,000 hours in over time.

Councilor Green questioned the over time salaries and replacement. Capt. Dussault explained they are doing things a bit different this year by splitting over time and replacement pay. It has not yet been split out for this budget year we are now in. Budget member Todd Joncas stated we are better off paying more in over time than hiring new people. He said he is leaning more towards putting it in the budget.

Chairman Farrell said most of the budget is for salaries, benefits, etc. He asked the Council to give direction to the Acting Town Manager that 25-40% of the amount we want to come in below default come from the employee line items. Acting Town Manager, LPD Chief clarified that the Council wants the 25-40% to come from this \$100K. These deductions will come from non-represented employees.

**Council Dolan made a motion to schedule a public hearing at the next council meeting announcing that the Town Manager budget of \$27,493,595 which is approximately \$140K below default is being proposed, second Councilor Butler.** Open for discussion. Discussion ensued about the correct amount of the budget. Budget member C. Melcher said that Council last week directed the Acting Town Manager to get \$100K below default which he did. Now you are saying you are not happy with what he did and are now telling him to take it from salaries. Chairman Farrell said that is correct. Council took a brief recess to verify the budget figure.

**Councilor Dolan withdrew his motion and Councilor Butler withdrew his second. Councils vote 5-0-0.**

**Councilor Dolan made a motion that we notice the public of the Town Manager's budget of \$27,525,281, second Councilor Freda.** Councilor Dolan stated that this figure is \$110,606 below default. Chairman Farrell clarified that \$727K came from health benefits and from downshifting of pensions. We need the public to come and talk to us at 12/3 and 12/17. **Councils vote 5-0-0.**

**NEW BUSINESS**

None

**APPROVAL OF MINUTES**

None

**OTHER BUSINESS**

**Liaison Reports** – None

**Town Manager Report** - None

**Board/Committee Appointments/Reappointments** - None

**ADJOURNMENT**

Councilor Dolan made a motion to adjourn at 8:45 PM, second Councilor Green.  
Council's vote 5-0-0.

Notes and Tapes by: **Margo Lapietro** Date: **11/26/12**

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

Approved by: **Town Council** Date: **12/17/12**