

LONDONDERRY TOWN COUNCIL MEETING MINUTES

1 June 18, 2018

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3 The Town Council meeting was held in the Moose Hill Council Chambers, Town Hall,
4 268B Mammoth Road, Londonderry, NH.

5
6 Present: Chairman John Farrell; Vice-Chairman Joe Green; Councilors Tom Dolan & Jim
7 Butler; Town Manager Kevin Smith; Assistant Town Manager Lisa Drabik; Executive
8 Assistant Kirby Brown; Absent; Councilor Ted Combes

9
10 CALL TO ORDER

11
12 Chairman Farrell called the Town Council special meeting to order and led the Pledge of
13 Allegiance. This was followed by a moment of silence for those who serve us both here
14 and abroad.

15
16 PUBLIC COMMENT

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18 The Town Council presented a Proclamation for an outstanding citizen. Andy Soucy is
19 retiring at the Londonderry High School Music Department Director. The Council read the
20 Proclamation out loud and presented Mr. Soucy with it. Mr. Soucy is known all over the
21 United States for leading the Londonderry High School band to the Rose Bowl a few times.
22 Mr. Soucy said a few words and thanked the Council for the recognition.

23
24 Chairman Farrell introduced the presentation of a new School District building presented
25 by Bob Slater. How the Town can collaborate with the school and help the taxpayer. See
26 attached for the PowerPoint. Bob Slater, 1 Stonehenge Rd, presented his ideas to the
27 Council. Slater said that he has already give the School District and outline of the idea but
28 the School District voted not to pursue it at this time. The Town Council save a lot of
29 money getting out of the ten-year lease.

30
31 PUBLIC HEARING

32
33 Motion to enter public hearing made by Vice Chairman Green and second by Councilor
34 Dolan. Chair votes 4-0-0.

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36 Londonderry Building Inspectors Richard Canuel introduced Ordinance #2018-03 which
37 is an amendment to the Municipal Code Title IV, Public Health, Safety and Welfare,
38 Chapter XI Itinerant Vendors, Hawkers and Peddlers, relating to the reduction in license
39 fees for Itinerant Vendors. Canuel stated that his memo to the Council is clear and he's
40 looking to provide relief for small businesses and vendors.

41

42 There was no public comment.

43

44 Motion to approve Ordinance #2018-03 made by Councilor Dolan and second by Vice
45 Chairman Green. Chair votes 4-0-0. Motion to close public hearing made by Vice
46 Chairman Green and second by Councilor Dolan. Chair votes 4-0-0.

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OLD BUSINESS

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NONE

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NEW BUSINESS

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54 Chairman Farrell introduced Order #2018-11 and Order 2018-12, the licensing of a junkyard
55 pursuant to RSA 236 for S & S Metals and Murray's Auto. Canuel stated that there are no
56 issues with either right now. Canuel recommended that both the license be renewed. Motion
57 to approve Order #2018-11 and Order 2018-12 made by Councilor Dolan and second by
58 Councilor Butler. Chair votes 4-0-0.

59

60 Chairman Farrell introduced Resolution #2018-06, the acceptance of non-monetary
61 donations under RSA 31:95-e. Finance Director Doug Smith discussed that this happens
62 annual. We have two items this year. One is a 2003 Trailblazer donated to the Police
63 Department by Auto Auction of New England. The second is a collapsible tent donated by
64 Charles George Trucking. Motion to accept Resolution #2018-06 made by Councilor Dolan
65 and second by Vice Chairman Green. Chair votes 4-0-0.

66

67 Finance Director Doug Smith went over the possible changes to the Financial Management
68 Policy. The Council discussed that it will look it over and discuss at the next meeting to
69 figure out a plan going forward. Last time it was updated in 2003. It will be a formal
70 discussion at the next meeting.

71

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APPROVAL OF MINUTES

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74 Motion to Approve Town Council minutes from June 4, 2018 made by Councilor Dolan
75 and second by Vice Chairman Green. Chair votes 3-0-0. Chairman Farrell abstained due to
76 his absence last meeting.

77

78

APPOINTMENTS/RE-APPOINTMENTS

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80 Chairman Farrell introduced Suzanna Ogara and John Wilson to be appointed as new
81 alternates to the Senior Recourses Committee, Doug Thomas (present alternate) as a full-
82 time member of the Senior Resources Committee and Jason Knight as an alternate and new
83 member of the Heritage Commission. Motion to make all of the appointments made by
84 Councilor Green and second by Councilor Dolan. Chair votes 4-0-0.

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86

ADJOURNMENT

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88 Motion to adjourn made by Councilor Dolan and second by Vice Chairman Green. Chair
89 votes 4-0-0.

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91

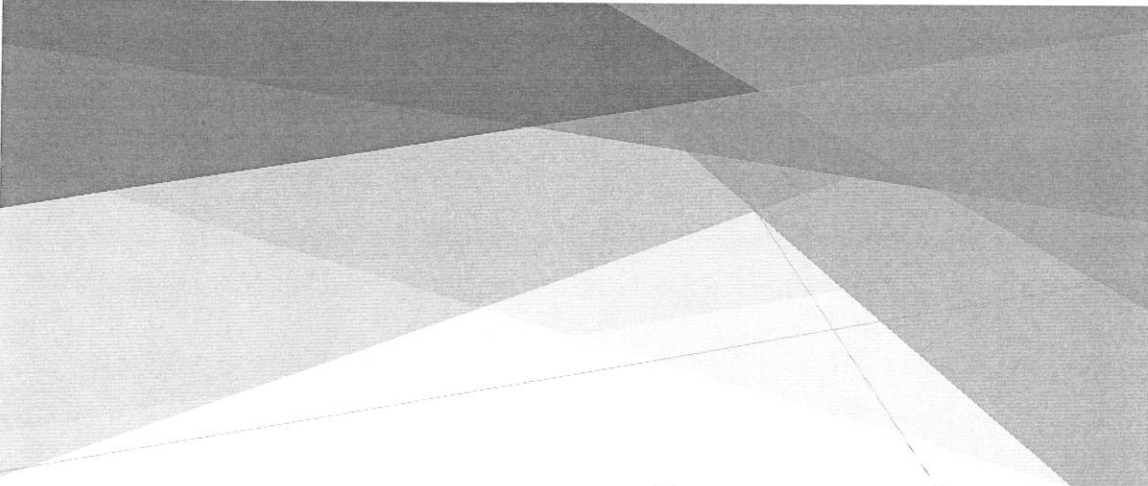
92	Notes and Tapes by:	Kirby Brown	Date: 06/18/2018
93	Minutes Typed by:	Kirby Brown	Date: 06/24/2018
94	Approved by:	Town Council	Date: 07/16/2018

New SAU Building



Cost Breakdown

YEAR	Lease Payment (1)	Property Tax Est. (2)	Fit Up Fee (3)
1.	\$123,015.75 - \$123,015.75	\$19,522.00	\$40,700.00
2.	\$125,476.07 - \$127,936.38	\$24,674.00	\$40,700.00
3.	\$127,985.59 - \$133,053.84	\$24,674.00	\$40,700.00
4.	\$130,545.30 - \$138,375.99	\$27,385.00	\$40,700.00
5.	\$133,156.21 - \$143,911.03	\$27,385.00	\$40,700.00
6.	\$135,819.33 - \$149,667.47	\$27,385.00	\$40,700.00
7.	\$138,535.72 - \$155,654.17	\$27,385.00	\$40,700.00
8.	\$141,306.43 - \$161,880.34	\$27,385.00	\$40,700.00
9.	\$144,132.56 - \$168,355.55	\$27,385.00	\$40,700.00
10.	<u>\$147,015.21 - \$175,089.77</u>	<u>\$27,385.00</u>	<u>\$40,700.00</u>
	\$1,346,988.17 - \$1,476,940.29	\$260,565.00	\$407,000.00

- 
- ▶ 1. The variance in the yearly lease amount is the annual increase allowed per year, at a minimum of 2% and a maximum of 4%.
 - ▶ 2. The property taxes are estimated. Based on a tax rate of \$21.61. Chances are the total paid in 10 years will be higher than the estimate. I feel the estimate is conservative.
 - ▶ 3. The total fit up fee of \$407,000.00 is to be paid, regardless of the length of the lease. The balance owed becomes due in full if the lease is ended early.

Below are numbers based on keeping the lease for only three years, and building a new SAU building on the old building's site:

- ▶ 1) Savings on lease payments years 4 thru 10- \$970,510.76 - \$1,092,934.32.

* Lease may be terminated for convenience at any time with an 8 month notice.

- ▶ 2) Savings on property tax payments year 4 thru 10 - \$191,695.00.

* When the school is leasing the building, the taxes get paid out of their pocket, go into the town's pocket, and then the school gets a portion back, but if the school isn't leasing the property, then the taxes are paid by a different entity resulting in more money to the town and school which is the reason it is being included as a savings.

- ▶ 3) Penalty- Security Deposit of \$13,642.98 may be kept by the Landlord.

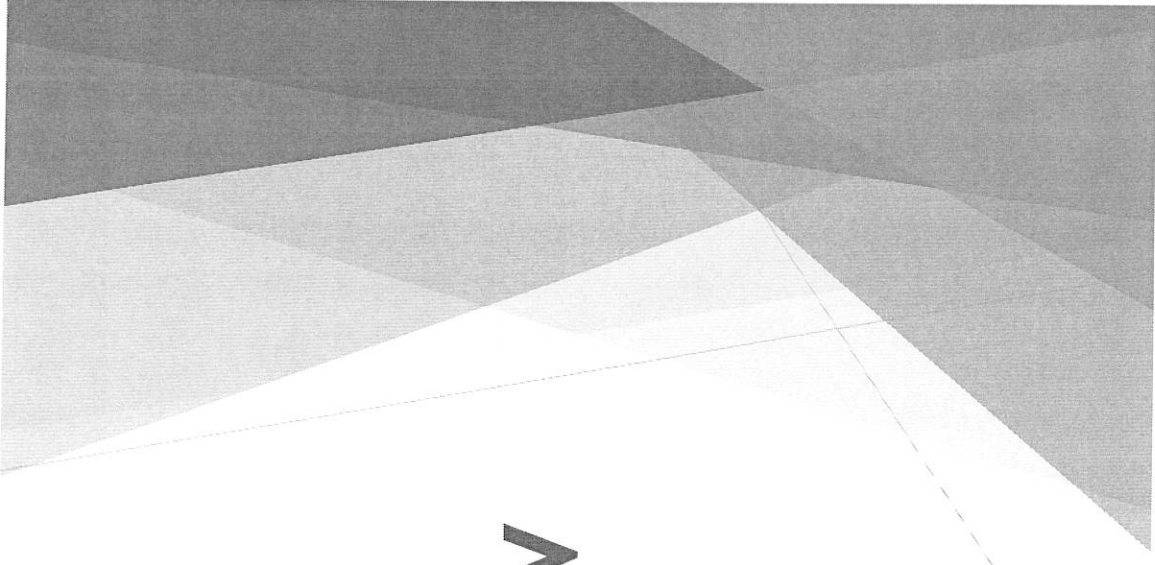
- ▶ 4) Penalty- 7 years of realtor's commission \$28,000.00 (\$4,000 per year).

- ▶ The previous slide shows a savings of approximately \$1.2 Million that could be used towards building the new SAU Office.
- ▶ Approximately another \$811,000.00 in interest savings* for a total of over 2 Million in savings, if the town is willing, and able, to build it without a bond, or with a smaller bond amount for any excess cost above the 2.5 million.
- ▶ This savings would possibly pay for 1/2 to 2/3 of the cost of the new building.

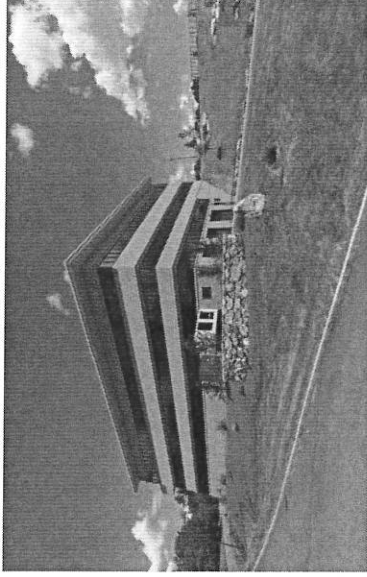
* based on a bond amount of 2.5 million for a 20 year term @ current interest rate.



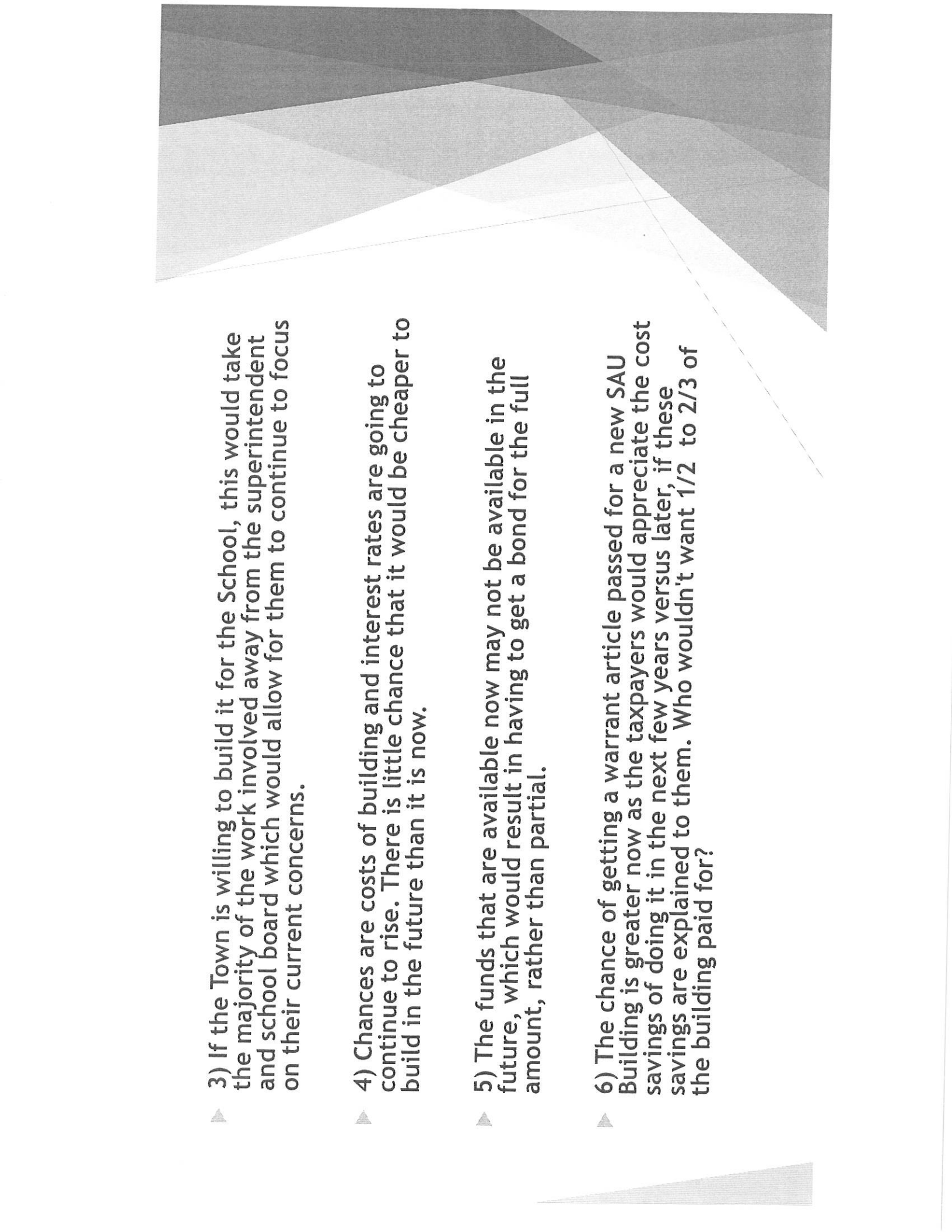
**Benefits to having
the town build a new
SAU Office soon....**



- ▶ 1) The rental of the Kitty Hawk property is just a temporary fix. We would still need to build a new building in the future. Every year sooner that we can end the lease results in more money that can go towards the building of the new office (an asset for the town/school), rather than spent on rent.



- ▶ 2) If we wait, the town/school may not have a piece of property to build the SAU Office on. This could result in having to buy and develop a piece of land. This would add on substantial costs to the price of building the SAU office.

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- ▶ 3) If the Town is willing to build it for the School, this would take the majority of the work involved away from the superintendent and school board which would allow for them to continue to focus on their current concerns.
 - ▶ 4) Chances are costs of building and interest rates are going to continue to rise. There is little chance that it would be cheaper to build in the future than it is now.
 - ▶ 5) The funds that are available now may not be available in the future, which would result in having to get a bond for the full amount, rather than partial.
 - ▶ 6) The chance of getting a warrant article passed for a new SAU Building is greater now as the taxpayers would appreciate the cost savings of doing it in the next few years versus later, if these savings are explained to them. Who wouldn't want 1/2 to 2/3 of the building paid for?

QUESTIONS OR CONCERNS?

