

DRAFT

LONDONDERRY BUDGET COMMITTEE (draft) Minutes May 28, 2009

The Budget Committee meeting was held in the Moose Hill Conference Room, 268B Mammoth Road, Londonderry NH 03053.

Committee Members Present: Richard Dillon, Tom Dolan, Jay Hooley, Todd Joncas, Don Jorgensen, Deb Nowicki, Mark Oswald.

7:00 PM I. CALL TO ORDER

The meeting was called to order by Mr. Oswald at 7:05 pm.

II. PUBLIC COMMENT

A. None

III. COMMITTEE BUSINESS

A. A motion was made by Don Jorgensen 2nd by Deb Nowicki to approve the minutes of March 26, 2009.

Member	For	Against	Abstain	Absent
Richard Dillon	X			
Tom Dolan	X			
Jay Hooley	X			
Todd Joncas	X			
Don Jorgensen	X			
Deb Nowicki	X			
Mark Oswald	X			
Totals	7	0	0	0

B. Liaison Reports.

A briefing of the highlights from the School Board Meetings of April 7th, 21st, May 5th and 19th was provided by Todd Joncas. Highlights mentioned:

- The “Info Site” tool and how useful and highly recommended this tool is without the need for additional server equipment.
- School District Budget netting favorable for FY 2009 by at least \$300K
- \$50 Annual Parking Fee at the high school that was not implemented. It was further explained that if we started having parking fees then this could become a “slippery slope”. The reason is that once we start having fees for one thing, it has the potential to quickly spread to other things such as student athletics, events or perhaps even riding a school bus. Although parking fees may be tempting to help offset costs

DRAFT

associated with parking at the high school and perhaps very slightly diminish the burden to the tax payers, it was the opinion of Todd Joncas that this was not the type of town Londonderry wanted to become.

C. Next Meeting scheduled for July 23, 2009

Mark Oswald asked if he could have any inputs forwarded to him and copy to Todd Joncas by July 7th or 8th for agenda items in preparation to the July 23rd meeting.

IV. OLD BUSINESS

A. CIP review and tour: August 24 & 26, 2009 - to be confirmed with CIP Committee

Nate Greenberg made it a point to invite the Budget Committee to join him in a tour of the School District and confirmed the proposed dates with Peter Curro.

B. Mark Oswald proposed a tour of new development sites around town with David Caron.

David Caron and Mark Oswald plan to coordinate a time for this tour of North Fire Station and perhaps Pettengil Road project perhaps for the August / September timeframe.

V. NEW BUSINESS

A. Workforce Housing Overview – Andre Garron, Director, Community Development

Andre Garron provided a presentation of Workforce Housing, what it meant, why we are planning for it, NH State statute and timelines, as well as what it takes to comply with the Workforce housing planned statute. We currently have approximate 300 units in the Town of Londonderry that fall within the range to be considered at Workforce Housing. According to the State study, Londonderry should have approximately 1330 units in total to comply.

There were numerous questions from the Budget Committee captured as follows:

Q: Mark Oswald asked how subsidized housing affects Workforce Housing.

A: The short answer is that all subsidized housing can be considered “Workforce Housing”.

Q: Deb Nowicki asked if any financial studies have been performed as to the potential total of Workforce Housing in Londonderry.

A: Based upon a build out analysis, an additional 1792 units could be generated *if* every acreage was to *instantly* be developed right now. Obviously that can't happen and it would take time if it did.

Q: Rich Dillon asked whether if and how the lower values of homes in a recession are taken into account when considering Workforce Housing.

A: It is based upon the last census and would be based upon the next census input coming a couple years. It could be adjusted based upon the outcome of the next census.

DRAFT

Q: Don Jorgensen asked whether the lowering of values of homes for some could be considered as Workforce Housing.

A: If the house falls within the range then yes. But, if sold at some point for more than the range, then it would no longer be considered as Workforce Housing.

Q: Mark Oswald asked if there is a proforma model in current dollars tax base/cost per household (school/police/fire/library etc...) cost that takes into account revenue/expense impacts to tax payers and the community.

A: The town needs to look into the impacts to the community and see if there is a model out there as to the fiscal impact to a community.

Q: Mark Oswald asked what communities, comparable to Londonderry already comply.

A: Manchester and Derry already comply with more than their share of Workforce Housing.

Q: Todd Joncas asked what economic studies have been performed to understand impacts to the town, school and other impacts such as infrastructure; water, sewer, road expansions, etc... so that we can understand the cost to the town associated with compliance.

A: These will be examined.

Q: Rich Dillon asked if the town can adjust ordinances to better accommodate zones that may accommodate Workforce Housing in the form of ranches/capes instead of garden style condos, etc...?

A: The overlay district's intent for Workforce Housing is/was to introduce single family housing.

Mark Oswald commented that the fact is that to get to 1300 units, they will most likely have to be something like a "Vista Ridge" with water / sewer to get to that number.

Andre Garron indicated that deeper discussion with legal council is underway.

Q: Deb Nowicki asked whether or not elderly housing be included?

A: No it is specifically excluded.

The deadline for compliance with Workforce Housing will be known by July 2009.

B. Discussion on proposed condensed budget schedule – Budget Committee
The request was made and agreed.

C. FEMA funds for ice storm in December, 2008 – Susan Hickey
Total cost to the town was \$427K, FEMA to provide \$292K, town short by ~\$135K to be funded by the 2% being saved by each town department. Some funding may be provided by the State if the State determines it is allowable. If so, the state may provide a grant for 12.5% of the short fall.

D. Town and School Budget forecast for year end 2009 – Susan Hickey and Peter Curro

DRAFT

School Budget Summary – Peter Curro

School estimated to come in around \$350K favorable.

- Amount of interest on investments was much lower than anticipated.
- Energy usage at School was far less than expected with the new addition's efficiencies of energy consumption.
- Oil prices drops also helped.
- Everything else came in more or less as expected.

Nate Greenberg added that negotiations in Concord could impact the budget for FY 2010 – how much will be paid to the town is in question (to what level is state funded). We should know within the next couple of weeks for such items as Catastrophic aid (Catastrophic aid is for special education – 80% currently funded by the state of the cost incurred by the school district) and retirement costs which could result in the town having to find another \$150 to \$180K.

Support Staff contract is coming up in FY2010. Generally, contracts are set up for 3 years.

Town Budget Summary – David Caron:

For the Expense side of the budget:

- A 2% challenge was given to all departments to cut costs resulting in approximately a \$500K surplus on the expense side of the budget.
- Major impacts were:
 - Lower trash costs – over 2% savings here expected.
 - Legal was expended or over expended.
- Rest is tracking well.

For the Revenue side:

- It looks like we will have a \$250K deficit
- Interest on invest low – economy
- Building Permit fees
- Motor vehicle permit fees are lower not for fewer permits, but due to older vehicles. Depending on the age of the vehicle it could be 17% to 50% less per vehicle. Also, car rental agencies are not turning over their cars to newer models as much as they have previously.
- Cash will come from carrying forward undesignated fund balance to cover the revenue short fall.

Other Budget Comments for the Town:

- From the State side, we are losing “General Revenue Sharing”
- The budget was reduced by \$295K which more than covers the loss of the general revenue sharing state funds.
- \$286K savings from the solid waste contract next year.
- Retirement cost coverage by the state is in question and is a concern. An additional \$75K to \$85K is needed for fire/police retirements. It is not certain at this time how much will be covered by the State.
- Paige Road warrant was for \$1.75M with the expectation to see 2/3 of the cost funded by the State. The State will pay \$1.5M so we will see more from the State

DRAFT

than expected. This should help to a certain degree to go to the undesignated fund balance. (This will be years away, however)

Q: Will the town be leasing the barrels (containers)?

A: New Trash Contract: Container costs for the new containers will not cost the tax payers anything for the containers. The exception would be if the same resident has to replace their container numerous times due to apparent abuse of the container(s).

Q: Deb Nowicki asked if there are any discussions that take place with respect to the reductions in the car rental airport fleet... with the economy the way it is... and asked if the revenue deficit was impacted by any lagging Rental Car registration revenue shortfall from the airport rentals.

A: We have seen a little of that over the last 3-4 years. But Londonderry's largest customer is not with the airport rentals. Londonderry not only handles local registrations for car rental companies, but many state wide for insurance companies are processed through Londonderry. Although everyone has been hit by the economy, we have not seen a significant drop from this particular segment of the revenue.

E. Proposed budgetary opportunities for consideration – Budget Committee

None at this time.

VI. ADJOURNMENT

A motion was made by Deb Nowicki at 8:39 pm to adjourn the meeting, 2nd by Todd Joncas. The vote on the motion was as follows.

Member	For	Against	Abstain	Absent
Richard Dillon	X			
Tom Dolan	X			
Jay Hooley	X			
Todd Joncas	X			
Don Jorgensen	X			
Deb Nowicki	X			
Mark Oswald	X			
Totals	7	0	0	0

RSA: 91-A:2 Meetings Open to Public. –

II. All public proceedings shall be open to the public, and all persons shall be permitted to attend any meetings of those bodies or agencies. Except for town meetings, school district meetings and elections, no vote while in open session may be taken by secret ballot. Any person shall be permitted to use recording devices, including, but not limited to, tape recorders, cameras

DRAFT

and videotape equipment, at such meetings. Minutes of all such meetings, including names of members, persons appearing before the bodies or agencies, and a brief description of the subject matter discussed and final decisions, shall be promptly recorded and open to public inspection within 144 hours of the public meeting, except as provided in RSA 91-A:6, and shall be treated as permanent records of any body or agency, or any subordinate body thereof, without exception.
