

**Londonderry Budget Committee  
(Draft) Minutes  
December 15, 2011**

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

Committee Members present: Todd Joncas (chair), Rich Dillon (vice-chair), Lisa Whittemore (secretary), John Curran, Dan Lekas, Chris Melcher and Tom Dalton.

7:00 PM I. CALL TO ORDER

Meeting called to order by Chair Todd Joncas.

II. PLEDGE OF ALLEGIANCE

III. PUBLIC COMMENT

Jerry Connor expressed concern over the use of the cable fund to offset town expenses; this practice allows our local town tax rate to appear lower than it really is. The funds in this account are ‘the safety net for our community television’ and are necessary to pay for future expenses, equipment upgrades and training.

Conner noted that the studio is usually filled with volunteers and high school students, trained by staff, who learn valuable lifetime communication skills. New equipment is costly and the studio is in need of a technology upgrade from tape to digital. We have three cameras around ten years old, at a cost of thousands of dollars each; a single remote camera is \$5000. He urges the town to allow these designated cable funds to be used for the purpose they were originally set aside

IV. COMMITTEE BUSINESS: Meeting Schedule

- Monday, December 19, 2011: Town Budget Hearing, 7p, Moose Hill Conference Room, Town Hall
- Wednesday, December 28, 2011: Town Bond Hearing, Review of Town Warrant Articles – 7p, MHCR.
- Tuesday, January 3, 2012: School District Budget Workshop, 7p, MCR.
- Tuesday, January 10, 2011: Budget Committee Meeting, 7p.
- Thursday, January 12, 2012: Second Town Budget Hearing, Warrant Review: Preliminary Adoption of FY 2013 Town Budget – MHCR.

**Deliberative Sessions:**

Monday, February 6, 2012: Town Deliberative Session – 7pm, LHS Cafeteria

Friday, February 10, 2012: School District Deliberative Session – 7pm, LHS Cafeteria

**Town Meeting – Election Day**

Tuesday, March 13, 2012

7am – 8pm

Londonderry High School Gymnasium

**V. NEW BUSINESS**

**A. General Budget Discussion –**

John Curran noted that the school district came in with a budget under default while the town has proposed a budget above the default budget. The committee will need more time to become familiar with the details of the town proposal.

Rich Dillon noted that that the committee’s task is to question particular line items, and recommend a budget amount; the administrators at the town and school district will determine how the dollars are spent.

The committee will be seeking items that are not part of the core mission, such as technology upgrades and items that are not critical for functioning of major departments or objectives.

Default Budget:

Curran raised the issue of RSA 40:14-b, which relates to municipal budget committees and their potential power to create default budgets. Lisa Whittemore noted that the power to create default budget is currently - as defined under the statute - in the control of the governing body. It was noted under the charter adopted by the town, the term ‘governing body’ is no longer defined as the voters at the town meeting.

The default budget is now created by administrators in the school and town departments. Londonderry does not have a municipal budget committee as defined under the law.

Preparation for Recommendations:

In order to create the bottom line budget recommendations for school and town budgets, chair Joncas requested that the committee send their list of potential cuts to the secretary, and that we utilize that list at the next meeting for review and recommendations. He suggested that we use this list as the foundation for our bottom line budget number.

The committee was encouraged to address questions about specific line items directly to the administrators involved, to ask questions and receive answers in public.

School District Budgets:

Per Pupil Cost:

Chairman Joncas offered a per-pupil cost analysis of educating students in Londonderry compared to area communities of similar size and number of schools. Given a range of over \$15k in Windham and Merrimack, and a low end of \$11k in Hudson and Dover – Londonderry is in the reasonable range at \$13k.

Our graduation rates and the number of students continuing on to two- and four-year institutions are examples of the value we are getting for our dollar.

Potential Cuts:

Tom Dalton noted that we can target accounts that are not critical in this time of economic hardship. He and Dan Lekas selected funds for the sound system in the gymnasium and wrestling mats as unnecessary. Chris Melcher also questioned the sound system and stated that the capital lease program is a prime target for him, including technology upgrades.

Joncas stated that the major areas of increase are usually contractual/debt service and mandatory. He noted that our students must be prepared to enter the highly competitive world economy and if we are not prepared to invest in their education, they will be left behind.

Public Comment:

Mike Brown referenced the discussion relating to the creation of the default budget, and commented that we have adopted a charter form of government, not a municipal form of government. The budget committee is not a municipal budget committee as defined by statute RSA 40:14-b.

Brown noted that the charter states that we have a budget committee and that it shall be advisory. The charter defines the role of the budget committee and the town may vote to convene a charter commission to change the role of the budget committee by the legal process required by law.

Support staff: Brown did not attend the SAU workshop related to personnel, and questioned the value of office/clerical positions. He defined the management/support at his private place of business as a model for the school district.

Joncas stated that managing Londonderry's students requires a different model for support staff, particularly as it relates to previous severe cuts, and that in this instance the private model may not apply.

Reduction in student population: Whittemore noted that the district had responded to the lower enrollments by offering the deletion of 3.6 staff, which represents a reduction of one full-time certified teacher per 19.27% drop in enrollment and a reduction of a non-certified teacher per 12.5% drop in enrollment. This appeared to be a responsible reaction to having fewer students.

Martin Sreugis noted he arrived in town in 1992, and experienced the building of LHS, South School, and remodeling of Matthew Thornton and North School. He targeted vice-principals, assistants, secretaries and the capital lease program as areas which can be cut or reduced.

Cost Avoidance: Sreugis questioned the validity of the cost avoidance programs in place at the school district level – ie, special education students. Joncas noted that the formula used to determine the cost savings simply compares the cost to tuition-out students with transportation and related costs, as opposed to what it costs to provide an education in-district. The difference in expense to the taxpayer is considerable.

Sreugis stated his belief that the numbers of learning disabled is inflated and that classroom size should be adjusted to 30 – 35. Lexas responded that class size is mandated by the state, and that there is a formula for the number of administrators is also a state standard for the education of New Hampshire.

State aid is dependent on our meeting certain educational minimum. Sreugis has approached our state representatives with a request to lower the state standards for educating our students, including class size mandates.

Lekas commented that in the past, certain special needs children would have been institutionalized, and he would like to think that we are more compassionate than that. Sreugis wants the school budget to come in with zero increase.

In response to remarks regarding the need for administration and related support staff, Melcher stated that the administrators are shouldering considerable new duties as a result of previous cuts.

In discussion of increasing class size, Melcher noted that parents are a powerful constituency in our community and could be motivated to rally around an issue such as this; Curran noted that safety is also an issue that impacts how we determine maximum class size.

### Town Budget

#### Leach Library:

Joncas gave an overview of average cost of operating eight area libraries. Using a method of calculating cost per open hour as the basis of comparison, he stated that Leach Library has a top cost of \$482 per open hour as compared to Hudson at \$266 and Concord at \$466. Joncas stated his view that the library should be open at least 67 hours/week, based on an average cost per hour of operation of \$370.

Lekas commented that we should consider the number of programs, square footage, electricity and staffing levels.

Curran noted the inconsistency of asking the library to close more hours as a cost-saving measure and now asking them to be open more hours. He questioned the number of periodicals onsite and requested creative ways to save money, such as asking residents to donate books.

Joncas said he has no concern about the bottom line budget number, and does not oppose that figure. He does wish to hear an explanation of why our operating hours are as low as they are.

Curran noted that using only 'hours open' the analysis does not offer a complete view of what we are offered by our library; there are in addition fixed costs that should be considered. Melcher noted that we should be aware of the number of registered users of each library as a part of analyzing efficiency.

Whittemore noted that the library budget as submitted for FY 2013 is \$10k under their default budget number.

#### Economic Development:

Curran raised the issue of continuing the marketing of our community during this time of reduced business activity.

Whittemore asserted opposition to cutting this account, noting the importance of the Rte. 93 expansion; Exits 4, 5 and 4a; and the new access road to Route 3 across the Merrimack River. These are ideal opportunities that come to us just once in the lifetime of a community.

This is a pivotal time for our town and we will be making some momentous decisions in the next five years.

Melcher questioned the need for the study for Route 102, Warrant Article 9. Whittemore commented that her understanding is that this study has been waiting funding for some time; the Woodmont project will be placing pressure on that main east-west roadway and we need to prepare for that and other developments around Exit 4. Londonderry can use this time to prepare for the time when the economy does come to life, and developers will want to move forward quickly with plans.

#### Budget Committee Communication:

Chair Joncas requested that committee members contribute ideas for discussion by emailing secretary Whittemore who will compile a list. That list will be debated and voted on at the next meeting of the budget committee. The committee recommendation will be a part of the warrant at town and school district deliberative sessions. Curran clarified that the committee will forward bullet points via email, but not engage in discussion or debate.

#### Police, Fire, Public Works:

Joncas presented a rough comparison of Londonderry, Windham, Salem, Derry, Concord, Bedford and Merrimack; he used the budget amount per square mile as a cost basis analysis. In doing so, he found our police, fire and public works departments to be in the middle of the cost per square mile.

Police: The cost per square mile in Londonderry was calculated at \$178k (\*see below), close to the average of \$176k per sq mile. Dillon noted that Salem, with a high cost of \$313k/square mile, deals with proximity to an urban area, population density and cluster of retail establishments, all of which increase the potential for enforcement issues.

Dillon pointed out that the airport division, which is self-sustaining, should be excluded from the calculation, thereby lowering our average cost per square mile. Exclusive of airport detail, Londonderry's cost per square mile is \$117k/sq mile\*, well below the average for similar area communities.

Staffing: Dalton questioned the statement that it is cheaper to pay overtime – at one and a half time - than it is to hire an additional person. Melcher noted that the additional cost relates to the training required for qualified personnel in police and fire. Curran does not view this as a perk, but rather what is necessary when you have line personnel who need time away the level of training is required.

Fire: Dillon that the model that police and fire utilize – ie, using overtime to fill shifts - works on a small scale. He suggested that the new hires work the flexible schedule at various time slots and be trained at each of those responsibilities.

Dillon noted that our firemen are trained paramedics; he said that about  $\frac{3}{4}$  of the ambulance transports do not utilize paramedic skills, but are served at the emt level of skill.

Dalton noted the high cost of new hires, and stated that the cost of adding the overtime limits the number of people we can hire. The level of skills required is much higher now than ever before and he supports the training costs. Melcher pointed out that we are now covering four shifts as a result of a vote several years ago. Dalton encouraged the use of part-time workers as a method of adding personnel and of reducing overtime accounts.

Dillon noted that the budgets are built on one-for-one replacement practice. The default budget does not account for one-for-one, but is at 2.5% increase over the previous fiscal year, less one-time expenditures. Melcher noted that the overtime will be spent with or without accounting for it in the budget.

Police, Fire, Public Works:

Joncas presented a rough comparison of Londonderry, Windham, Salem, Derry, Concord, Bedford and Merrimack using the budget amount per square mile as a cost basis analysis. In doing so, he found our police, fire and public works departments – known as public safety – to be in the middle of the cost per square mile.

Police:

The chair's calculations showed that the cost per square mile in Londonderry came in at \$178k (\* see below), close to the average of \$176k per square mile. Dillon noted that Salem, with a high cost of \$313k/square mile, deals with proximity to an urban area, population density and cluster of retail establishments, all of which increase the potential for enforcement issues.

Dillon also noted that the airport division of the police force, which is self-sustaining, should be excluded from the calculation, thereby lowering our average cost per square mile. Exclusive of airport detail, Londonderry's cost per square mile is \$117k/sq mile\*, well below the average for similar area communities.

Fire: The Londonderry fire department is significantly below the average cost for providing that service to similar communities.

Public Works: Joncas noted that this department is 'off the charts' below the average budget for communities of our size, miles of roadway and population.

Joncas: discussions could relate to how the community will move forward from this point on, but he does not support cutting the police, fire or public works budgets at this time due to their proven efficiency and effectiveness.

Dillon noted that the town faces decisions beyond the operating budgets being currently discussed, including contracts and warrant articles.

Next Committee Meeting:

Committee will forward its suggestions for cuts in school and town budgets directly to secretary to build a discussion list to determine our final recommendations for FY 2013. The warrant will be voted on at this time. We will use the debate to determine the bottom line number that the committee believes provides the best level of service for the community.

Public Comment:

Town Councilor Green encouraged the committee to review even last year’s budget as a source for potential cuts and cautioned that the department heads will ask for whatever they think they need. The recommendation of the budget committee will be significant in councilor Greene’s decisions.

Green encouraged Curran to investigate the possibility of convening a charter commission to review a proposal to designate the budget committee as authorized to define the default budget. The budget committee has not voted to pursue this issue at this time.

Mike Brown stated that priorities for him are the essential services, defined as fire, police and roads. Brown asserted that everything outside of these three areas should be subject to an annual review to restructuring it, consolidating it, reducing it, eliminating it – every year.

He targeted cable, library and charity as being outside of the definition of essential. He questioned the requests relating to capital reserve and maintenance trust funds and noted that there are a number of contracts that will add to the tax rate. Curran noted that employees at the cable station are paid by the taxpayer and outside the definition of ‘self-sustaining.

VI. ADJOURNMENT

On a motion by Dillon/Curran the committee voted to adjourn.

Member	For	Against	Abstain	Absent
Todd Joncas	X			
Rich Dillon	X			
Lisa Whittemore	X			
John Curran	X			
Dan Lekas	X			
Chris Melcher	X			
Tom Dalton	X			



The committee adjourned at 10:35pm.

**Note of interest:**

- Town Hall will be closing at noon on Friday, December 23, and will reopen Tuesday, December 27, 2011.
- Saturday, January 7, 2012: Town Forum re October Storm and Power Outage – 8am, Moose Hill Conference Room.

Residents may access video record of budget committee meetings at [lactv.com](http://lactv.com), Gov-22, (View).

**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 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.**