

<p style="text-align:center">TOWN COUNCIL BUDGET WORKSHOP MEETING November 23, 2009</p>

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

PRESENT: Town Council: Chairman Mike Brown: Vice Chairperson, Kathy Wagner; Councilors: Brian Farmer; Sean O’Keefe; Paul DiMarco; Town Manager Dave Caron; Assistant Town Manager, Finance Director, Sue Hickey; Executive Assistant, Margo Lapietro.

Budget Committee Members: Chairman Mark Oswald; Vice Chairman Tom Dolan; Secretary Todd Joncas; Richard Dillon; Jay Hooley; Don Jorgensen; Deborah Nowicki

CALL TO ORDER – PUBLIC SESSION

Chairman Brown opened the meeting at 7:02 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country.

Chairman Brown said we are meeting tonight for a follow-up to the Council/Budget Workshop held on Saturday 11/21/09. ATM/Finance Director Susan Hickey distributed a memo dated 11/23/09 where she listed follow-up questions from the 11/21/09 Budget Workshop. She proceeded to review the answers in the memo.

The total numbers of acres in Pillsbury Cemetery was a question asked by Council. The total is 2.10 acres; Phase I is .90 acres, Phase II is 1.2 acres.

Council requested the total salary for the school maintenance personnel assigned to the Library and the average number of hours worked per week at the Library. The employee worked at the Library approximately 6 hours per day, the total salary is \$42,178; benefits are \$23,751. The value of the library work is approximately \$49,447.

Request by Council to provide percentage increases from the FY11 budget to the FY10 budget by department and a spreadsheet was supplied.

Councilor Wagner said she would rather pay \$7K at the school if we can contract them vs. paying \$18K per year. Councilor O’Keefe agreed with that and asked why the school was going to discontinue the practice. Councilor Wagner said the School determined last year that was a figure in the budget that they did not want and they decided they could drop it and gave us a years notice. She said they are no longer offering paying for the service. Town Manager Caron said he spoke with SAU Business Administrator Peter Curro today and they will continue the service if the town will pay their portion of the share of that position. Councilor O’ Keefe stated he would like to keep it that way. Library Director Barbara Ostertag-Holtkamp asked if she could clarify. She said she got an e-mail from P. Curro where he stated the total cost of the school custodian is \$69,729 with salary and benefits. She said she gets approximately 5 hours a day from the maintenance person. The cost is really \$43,580 and the library is suggesting hiring someone for 20 hours per week at \$17.00/hr with the benefits it will only cost \$19K. She said if we contract with the school it will cost more money because they have to pay health insurance

and retirement. They actually pay the person \$20.28 per hour where we are looking to hire someone at \$17.00/hour, it is not cost effective to continue with the school. B. Holtkamp said the library would only be paying \$19K per year versus the \$49,447 being charged by the school. Budget member Todd Joncas suggested having a study on exactly what time is really needed; he said he does not think 6 hours a day is needed. B. Holtkamp said she can get that information based on the time sheets. Budget member Tom Dolan said the confusion in the discussion was the services of a custodian versus a maintenance services. B. Holtkamp verified the school district employee did not ever do any cleaning just an occasional emergency clean-up. The services for this position are strictly maintenance, they would only do small repairs. The Library changed the title to maintenance technician the position is not to do cleaning. They have the same cleaning company that the town hall has. She proceeded to list the duties of the position and all the repairs that they incurred this past year. She said this position has been a position for the past 10 years. Councilor Farmer clarified that this begins with the school district wanting to get this off their books. The Library Trustees want to have this position filled. He said he would like to see the time sheets and an analysis of the 20 hrs./week as well as look at an agreement that documents the position. Chairman Brown asked if the part-time person she is considering would be in a bargaining unit. B. Holtkamp responded that person would not be in a bargaining unit, they would not be eligible for any pro-rated vacation, holiday, sick time, etc. She stated that the 20 hours was based on the prior time sheets. If you hire your own employee than you can schedule them when you need them. Councilors Farmer and Brown questioned they would not be in a union. She said they would have to work at least 28 hours to receive pro-rated benefits. Budget member Rich Dillon said the duties listed require a person who is licensed. She said that they are trying to get someone who has a specific skill set. If they don't have that skill they have to have the knowledge to oversee what is going on. She further stated that she didn't know the rate of the school, now she is not sure if she can get that person for that amount of money. Budget member Deborah Nowicki said a lot of the items listed appeared to be quarterly inspections. B. Holtkamp said they were not included, she said she listed only the repairs. D. Nowicki said she wants everything broken down weekly, daily monthly and quarterly. D. Nowicki said it is unrealistic to get a plumber, electrician or a boiler expert for \$17.00/hr. Councilor DiMarco said that he remembered from last year that we as a town council provide the Library Trustees with a budget and it would be a bottom line budget, Town Manager Caron responded that is correct. He stated that the Town Manager's suggested budget is \$1,314,204. Councilor DiMarco said the Council directive was to develop a budget which results in no greater than a 2% increase. The budget proposed by the Library Director is a 6.3% increase, \$78K more than the prior year. He said the Library Director needs to cut her budget. B. Holtkamp responded that the major increases are due to health insurance, retirement increases and contractual costs. Budget member Mark Oswald said the position does not currently exist. He asked how did she arrive at the \$17.00 figure. She said she watched papers and contacted agencies to see what they were getting. M. Oswald asked if the hours could be flexible, she responded yes it is better for them. M. Oswald said he agrees with Councilor DiMarco 2% was the directive Council provided to the Town Manager. Chairman Brown said the directive was for the Town Manager to develop a budget which resulted in no greater than a 2% increase in the town portion of the tax rate which is different than the increase that he is showing us in this budget. Chairman Brown said that S. Hickey gave a spreadsheet showing the trend year over year of the increases and decreases to the budget by department level and it is actually showing a 2.9% increase from last year. The slide that was shown on Saturday says that you are meeting the directive of less than a 2% tax rate increase on the town side. Town Manager Caron said that was correct; his directive from the Council was to return with a budget showing no more than 2% on the tax rate. The variables are in three areas that impact the tax rate

1. General Fund
2. Capital Reserve & Maintenance
3. Overlay reserve fund

Direction to the departments was that finance will calculate personnel costs based on the current roster of employees. Operating costs were “trued up” during last year’s budget; he said he does not want to see an increase in the operating budget. Initially we carried forward the CIP recommendations for capital improvements. Insurance costs impacted small departments. Each department was reviewed on a department by department basis with the overall goal to meet the goal of less than a 2% rate increase. Councilor Brown said the general fund which is the operating budget as it was presented was a \$4.46 tax rate impact. Town Manager Caron explained the collective bargaining impact was 3 cents which was the police contract. The overlay and veterans was .18 which is a total tax increase of .09 and increase of 1.88% which is less than the directive as it stands today. Chairman Brown said some departments have more than 2%. Town Manager Caron said they also have to consider the amount of money being raised and offsetting revenues for net to be raised for taxation. Depending on what that net result will be against our assessment base will determine the tax rate. We had some reductions in estimated revenues and some increases in estimated revenues projected for FY11. That essentially softens the impact of 2.7% spending adjustment on the general fund. If our revenues are flat as predicted for FY11 you would see a larger tax rate increase. We have some revenues we think will increase in FY11, some will go down in FY09 & FY10 if you put all those into the mix it comes out of a net to be raised by taxation and that will impact taxes. Chairman Brown asked what can happen between now and when we finish this budget process that could cause that 1.88%. to go up above the directive Town Manager Caron responded we are currently in negotiation with 2 union contracts, if the Council recommended a Fact Finder Report or if either of those units negotiated with the town and the Council agreed to support those two warrant articles it would increase the budget. If we have any additional costs coming through which he said he did not anticipate at this point that would impact the taxes. The biggest impact right now is if the Council will agree to the two Fact Finders Reports and or subsequent collective bargaining agreements. Chairman Brown said it is important to know that this directive is on 1/3 of the tax payers’ tax bill Councilor O’Keefe asked Town Manager Caron what do we currently do on maintenance issues at the Cable Studio, Town Hall and the Police Station. He responded that the police have their own separate maintenance person. Carolyn O’Connor coordinates buildings grounds management. We have maintenance contracts on most of our mechanical equipment, (HVAC, Fire Alarm System, Fire Sprinkler System). Every two years she bids out contracts for plumbing and electrical. She also bids lawn maintenance for the school and town. The school has been very accommodating and does help with maintenance services, it is a common sense approach on how we handle issues, emergency things get done immediately if not an emergency we see if the school can accommodate us. We compile a “laundry list” for an outside contractor to handle things we can’t get done. Councilor O’Keefe asked if we could accommodate the library? Town Manager Caron responded we could accommodate them but we need a clear understanding of the expectation on when things will be completed. Councilor O’Keefe said he would be comfortable with working with what we have rather than going out and hiring someone else for the position. T. Dolan said he noted on Appendix B the difference between the Department Head budget and the Town Manager budget on the library is coincidentally almost the exact same amount of \$17K. B. Holtkamp clarified that the Town Manager cut \$20K from part-time and cut \$2,500 from management services, he cut \$2,230. from seminars/workshops, cut \$2K from maintenance and cut \$10K from books and periodicals.

Councilor Wagner asked Town Manager Caron how much the maintenance budget is on all facilities. He said he could get that figure, he does know we have raised \$100K from the Trust Fund. Out of the Trust Fund we budget between \$15K and \$20K for general building maintenance; he can get more information for next Monday. Councilor Wagner asked Library Director Holtkamp if she would be comfortable with this arrangement. She replied it depends on what the issue is because they have direct public contact. She said she would be thrilled if the School or Town could help them with the issue. T. Joncas said Councilor O’Keefe’s suggestion is good; using the common sense approach makes sense.

Councilor Brown said on slide 7 provided on Saturday the General Fund increased by 2.44%, but the spreadsheet tonight says 2.79%. Town Manager Caron said the slide presented on Saturday is the more accurate number. He said they are missing a line item somewhere and in order to create this spreadsheet they had to move information over from a different software package. He said he will go back and re-check but the 2.44% is correct. He explained the reason the spreadsheet was generated was that there was a question regarding how the departments performed by submitting budgets to the Town Manager and Finance. You will see with the operating costs a vast majority of the departments did not have extraordinary expenses. He proceeded to explain the changes in percentages but the costs are not up. Chairman Brown said the Department Heads did an excellent job of adhering to the flat line of operating costs. Chairman Brown said the total operating cost is just 2.2% and it was pretty good. Town Manager Caron said the personnel costs are total personnel costs not salary adjustments. All salary adjustments are directed by the different collective bargaining units. There are really three factors: salary adjustments, health insurance increases, retirement increases, all affect the police and fire. Municipal insurance is increased due to unemployment compensation.

T. Dolan said he had requested looking at those significant line items that are in excess of 2% and look at them only and spend the most time on them instead of spending a lot of time on the lesser line items.

Chairman Brown asked if the general public had any questions, none were asked.

Councilor Wagner asked Chief Hart if he had enough money in his budget for each cruiser to have a lock-out kit, camera with batteries and a memory chip. He said the suggestion was made for lock-out kits. He said it made sense because it was one of the best community tools they could have. They took a portion of drug money they received from drug arrests and on 11/30 every patrol car will have cameras with memory chip in each car. He said this was done at no cost to the taxpayers.

Chairman Brown said the next workshop is 11/30 action items will be looked at then. He noted that the first public hearing on the budget is on 1/4/10 or on 1/7/10.

Councilor O’Keefe made a motion to adjourn at 8:15 PM, second Councilor DiMarco. Council’s vote 5-0-0.

Notes and Tapes by: Margo Lapietro Date: 11/23/09

Minutes Typed by: Margo Lapietro Date: 11/ 24 /09

Approved; Town Council Date: 12/07/09