

TOWN COUNCIL MEETING
November 30, 2009

The Town Council meeting was held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry. Regular meetings are cablecast live and videotaped for the convenience of our viewers at home.

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

Budget Committee: Chairman Mark Oswald; Tom Dolan; Jay Hooley; Richard Dillon; Don Jorgenson. Absent: Todd Joncas

CALL TO ORDER – PUBLIC SESSION

Chairman Brown opened the meeting at 7:59 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country, firefighters and police officers serving this community and around the country.

Chairman Brown informed the public that this was a continuation of the budget process.

Town Manager Caron responded to questions about the maintenance costs/procedures for Town Hall. He passed a memo out to the Councilors that listed the maintenance/repair costs for town facilities with the various funding responsibilities. He also listed the funds as budgeted. He said the totals give a sense of what the budget is. He explained that the School District assists in maintenance services when their schedule allows it. If they are not allowed the Dir. of Building and Grounds, Chuck Zappala gives us guidance. Given the age of our building (5 years) everything is still new and this system has worked well for us. He said the last page of the memo lists the action plan that is in place. He said we need more coordination with the winter maintenance on sidewalks. That is currently worked out with the police department custodian and the SAU facilities director. The town and school continue to determine the most cost-effective method for building maintenance. Contracting janitorial services is the most cost efficient way to handle it. He said he does not have any plans to propose any additional town staff to perform those functions. Removing the school maintenance personnel from the library gives the library two choices: they can work with the town plan which is not necessarily the fastest time frame but the most cost efficient or the Trustees can hire a maintenance person from its appropriations as approved at the 2010 town meeting. Open for discussion Councilor Farmer asked for clarification of the custodial services at the Senior Center. Town Manager Caron said they rent that facility and take the revenues and pay for the janitorial services under their special revenue funds. Councilor O’Keefe said it looks like a good idea to consider before putting another position in place. We are better off to do more with what we have. Chairman Brown asked for clarification on what the protocol is that is in place now. Town Manager Caron explained that we have a software system that they can log onto and put in a repair request, it is managed by Carolyn O’Connor. If the repairs are critical it will be acted on immediately, if it is a non-emergency item it will be a coordinated effort. We have maintenance contracts in place

and most critical functions will be done in a day and a half. Chairman Brown asked if it was strictly the school that takes care of things; Town Manager Caron responded some issues our staff takes care of in addition to using the school personnel. Chairman Brown questioned if the library went with the option of participating in the town's current building repair protocol would it be less than \$18K a year. Town Manager Caron clarified with the Library Director that one of the proposed responsibilities of the maintenance person would involve moving books; she responded that was correct. Town Manager Caron said that request would not be fulfilled, it is not a service we expect the school to do. Councilor Farmer asked Town Manager Caron if there will be some savings on the Library's maintenance costs if they go with the current building repair protocol. Town Manager Caron responded the costs are out of pocket, there would not be any significant savings. If they hired someone else then they would add to their bottom line of \$130,307. Budget Committee member Don Jorgenson asked Town Manager Caron if he foresaw any problems with the current contractors taking on the added responsibility of the library. He responded there are two types of service contracts one is for the boilers and he said he presumed the library already had one. B. Holtkamp responded they do not have a boiler contract, too expensive. The costs are listed under the maintenance line item. Town Manager Caron said the next bid that goes out for heating is building specific if the library is included the price might be more favorable because we would have more buildings. It is based on a minimum response time, hourly basis during normal work hours and an hourly basis outside of work hours. D. Nowicki clarified that it would cost more money if the Library Trustees chose to hire a maintenance person, Town Manager Caron responded it will increase their budget by \$18K. Richard Matckie, Chair of the Library Trustees asked questions about replacing air filters and snow shoveling. Town Manager Caron said they were working on getting that resolved currently the police custodian and school personnel, will have final decision before it snows. He envisions having a set schedule. R. Matckie said it cost the town \$49K for a full-time maintenance person; he said the library's proposal is for \$18K. Councilor Farmer confirmed it is an additional cost in the budget, if it is not approved it will come from somewhere in the Trustees budget. R. Matckie said it is not a new position, it has been done by school. Councilor O'Keefe said it is a new position it is costing the town taxpayers an additional \$18K. Councilor O'Keefe said it is not a critical request, and as one taxpayer and one Councilor it is not reasonable at this time. He said the Town Manager is trying to make it feasible. Library Director Holtkamp said they looked at what was most cost effective for 18 hours a week. If the duties have to be contracted out it will be more money. B. Holtkamp said the Trustees will look at it at their next meeting. Councilor Wagner asked the Town Manager if all the other departments came in at 2%, he responded the bottom line is less than 2% on the overall budget. Councilor Wagner asked what the percentage rate increase was for the library. Councilor DiMarco responded that the Town Manager suggested 6.3% but a good portion of that was due to contractual obligations and health benefits. The actual proposed budget from the library was a 9.3% increase

PW Environmental Division – Public Works Director Janusz Czyzowski gave a PowerPoint presentation for the anticipated rate increases from the Manchester Water Works. He reminded everyone that the rates are supported by user fees in the Sanitary Sewer Special Revenue Fund. It is not supported by the taxpayers. The sewer fees consist of two fees: access fees and sewer user fees. He said that he would review the sewer rates and facility plan. He said a majority of the town is not connected to the sewer system; 87% have septic tanks. An annual average of 1.8M gallons of septage from Londonderry is treated at the Manchester Treatment Plant. He proceeded to review the existing sewer conditions: 40 miles of sewer, 5 pumping stations, 1,123 residential connections, 384 commercial connections, 63 industrial connections. They have 2 intermunicipal agreements one with Derry & the other with Manchester. He proceeded to review

the sewer systems for North and South Londonderry. He reviewed the current wastewater flows and listed the major industrial users that flow to Manchester. He listed the existing treatment capacity allocations to Manchester and Derry. He also reviewed the growth and future flow projections and stated that the sewer facility plan was last updated in 2005. The future needs were based on an updated Master Plan. The potential growth areas were identified for the next 20 years. Flow projections were based on 210 gpd for residential units, 700 gpd/acre for undeveloped commercial and industrial land, infiltration 150 gpd/acre. He said he looked at potential capacity to get future needs. He stated that he has only this one time to ask for additional flow. He is asking for an additional 1M gallons to cover future development. He reviewed the facility plan and its impact to existing facilities and future growth. The current sewer access fees are a one time fee when a new user connects to the sewer:

| | <u>After Sewer Available</u> | <u>Existing Unit</u> |
|-----------------------|------------------------------|--|
| Residential | \$ 3,467.00 | \$ 500.00 |
| Commercial/Industrial | \$16, 51/gpd | \$ 3.00/gpd North \$ 8.00/gpd South |

He reviewed what is included in the sewer user charge fees. Manchester changed the formula from 6% to 10%. Manchester will be bonding for the improvements and upgrades and passing the payments onto us. The rates are being adjusted periodically and it will be done in the next few months. Currently the residential sewer user fee is \$96.00 per qtr unit. It might go up 30%. The 2005 state wide average annual charge for residential sewer is \$426.51, we are still below the average. Commercial sewer user fees are currently \$96.00 per qtr with a minimum of up to 3,810 cubic feet per flow. Additional flow is \$2.52/100 cubic feet of flow. Industrial is \$187.20 per quarter with a minimum of up to 7,430 cubic feet. It is \$22.52/100 cubic feet for additional flow. The BOD and TSS surcharges are \$17.50 per 100/lb. Councilor DiMarco said the rates for residential is currently \$96.00, they will go up about 30% so it will be roughly \$128.00. J. Czynowski responded they will not go more than 30%, and it will not start until 7/10. D. Nowicki asked if every growth area was calculated, J. Czynowski responded yes. D. Nowicki asked if there was at least a year lead time to know how much to charge the new business for sewer usage. J. Czynowski responded we don't know exact numbers until the business applies for permits. The fees are projected; they are looked at every two years.

Fire Chief MacCaffrie on SAFER Grant - Chief MacCaffrie and Capt. Mark Tetrault were in attendance. Chief MacCaffrie explained the grant improves staffing & deployment capabilities so that the Fire Department can more effectively respond to emergencies. The grant changed from 08 to 09 and he listed the changes. Capt. Tetrault explained the program. Chairman Brown asked him to explain the term "performance period" listed in the grant. Capt. Tetrault explained it means the time period the grant is in effect. Capt. Tetrault said last year it was a 5 year grant this year it was reduced to 3 years. This year it is fully funded for two years with no match; the third year the town will pick up the tab. There is no salary and benefits cap this year. The total funds for hiring firefighters was reduced this year from \$152M to \$31.5M. He reviewed the grant requirements that list the town would have to keep current staffing levels for three years; the budget could not fall below 80% of the three years previous average. A NFPA physical is required as well as the "soft costs" that consist of protective clothing, uniforms, training and pre-employment physicals are not covered by the grant. Overtime costs are not covered by the grant. Last year according to the schedule the fire department drafted at the end of 5 years they would be budgeting \$1.5M for hiring 4 firefighter/EMT's. If they apply for the 2009 grant they are proposing hiring 4 firefighter/paramedics at the end of 3 years it would cost the town \$345,376.

If they propose 8 firefighter/paramedics at the end 3 years it would cost the town \$690,752. Chairman Brown asked Capt. Tetreault if the figures he quoted are costs that the town will pay annually, he responded yes. Chairman Brown asked if escalation was figured into that amount and he responded it was not figured into the price. Chief MacCaffrie said the grant requires the town to keep the personnel for three years, the decision after that is up to the town and the budget. Capt. Tetreault explained that with the 08 grant for 4 firefighters the grant over three years will pay 45% of salaries and benefits; the 09 grant over three years will pay 63% of salary and benefits for 4 and the 09 program for 8 firefighters over 3 years will pay 63% of salaries and benefits. Councilor Wagner asked if we go after the grant and receive it are we legally bound to accept it. Capt Tetreault said he was looking to Council to make a decision and the federal government is asking for a commitment. Chief MacCaffrie said the grant has to be submitted by 12/18, Council has to make a commitment to do it. If we deny the acceptance of one grant we might not be able to get another one in the future. Chairman Brown verified that the decision is not being made tonight. Councilor Wagner asked Town Manager Caron if we decide to go forward with this and we get the grant, will we gradually bring in the money. Town Manager Caron said it is a two year step-up. We should put some funds in the next two years into a capital reserve for the fire department so that in year 3 we are not going from no tax impact to \$345K in tax impacts. Over a three year period you might consider \$110K the first year and \$220K the second. He said they did that with a grant for the police 4-5 years ago. Councilor Wagner asked if it will affect the 2012 budget. Town Manager Caron said if the grant is granted in the spring it will take effect 7/10. It will impact FY11 but we have a couple of different options. Councilor O'Keefe asked the Chief if he applies for this grant would he expect the Over Time (OT) budget to be wiped out. Capt. MacCaffrie replied probably not. Councilor O'Keefe questioned why then would we go for this grant. Chief MacCaffrie responded it will give us staffing so we have the opportunity to reduce OT but not eliminate it. Councilor Farmer clarified that if we apply for the grant we have to roughly increase the budget by \$110K this year for future offsets. Town Manager Caron responded it was purely optional. Councilor Farmer responded the other option we have is we can apply for the grant and wait for the impact all at once. He said the other thing he hears is that there will not be a significant reduction in the OT. He said there are additional costs under other items like uniforms, travel, training etc. Councilor Farmer said he would like to see the soft costs spelled out to get the real impact and how to ramp up and what the impact will be. He also said he would like to see what you can save on the OT budget. He said he would like to see how this affects the strategic plan being proposed. Chairman Brown questioned the OT as well, he said he needs numbers to show either a decline or not. He clarified that the plan is to hire 4 people. Chief MacCaffrie explained they have 4 shifts with 10 people per shift, they will add 1 firefighter to each shift. Capt. Tetreault said if we are not adding 1 per shift it becomes a difficult task to explain the levels to the grant reviewer. Chairman Brown said the money is only for a short term, adding 4 people to the payroll for long terms is costly. If we add 4 people where is the reduction in payroll in the proposal? This is adding new people to the budget. Councilor DiMarco said if we see in our strategic plan that we need the 11th or 12th firefighter on board he would like to see it in the strategic plan. Councilor Wagner asked will the additional person on each shift allow us to reduce mutual aid. She brought up the fact that every time an ambulance goes to Elliott or Parkland it is income for the town. Capt. MacCaffrie said it will help. Budget Member Don Jorgenson said if in 3 years 3 people leave then the grant is gone. How does the fire department stack up to it now? Chief MacCaffrie responded they would rely on mutual aid; we may never meet the standard we are attempting to do it. Budget Member Tom Dolan said the key question asked by Councilor Wagner was how close to being revenue neutral would this be if we can fill in the additional revenue loss due to current staffing levels. He stated that in the revenue section of the budget in

the 09 actuals we had peaked at over \$600K in 09 revenues. Our projected budget is for \$400K he asked why the difference. Town Manager Caron explained that for the budget estimates he made his prediction with actual collectibles. S. Hickey explained they still have some old billings they are working with the old company on. T. Dolan said we have to consider what the potential revenue is and the projected actual revenue. Councilor Farmer asked Chief MacCaffrie with no salary and benefits cap are you restricted to just rank and file or are you looking at command staff, does the grant restrict you to just rank and file. He responded rank and file suits their purposes. Councilor Farmer asked does the grant restrict him to just that, he responded no. D. Nowicki stated the more staff we have the more safety is provided. She said the Council did not allow extra personnel for other departments, the grant does not show any savings to the town. Future costs have so many unknowns. Chief MacCaffrie said he would get estimates. Chairman Farmer asked Town Manager Caron if we know what the costs are and when we receive the grant can we do it without putting it in the budget by using a warrant article. He responded that is one option the other option depending upon the cost would be to have the fire department absorb those costs by re-prioritizing their current budget levels. Councilor Farmer said he would like to see some recommendation on that opportunity as well including projecting the offset costs and where can we save. Budget Member Richard Dillon asked if the grant limited him to only hiring newly trained firefighters or can they hire trained professionals. Chief MacCaffrie responded the only limit is that they have to be on the payroll in 90 days he said they have a list of people already pre-qualified. Most of them are already trained. R. Dillon asked wouldn't it be advantageous to cover just our OT costs instead of bringing in 4 people. Chief MacCaffrie said the way the grant is written it does not put in for a set of funds for OT. It is for the hiring of new personnel. Mark Oswald requested that the Chief add anticipated service calls to the projections. D. Jorgenson asked the Chief if we are looking forward to a more desired performance service level – Chief MacCaffrie responded yes. D. Jorgenson asked if we increased our staff, can we drive it to be revenue neutral based. Councilor Farmer asked Town Manager Caron if there is an insurance agency that gives us a score card audit. He responded it is an ISO ratings. Chief MacCaffrie responded he annually gives them our statistical information. About every 5-7 years they do a physical audit the next one will be in 2011 or 2012. Councilor Farmer explained it affects our homeowner's insurance rates. Councilor Wagner asked the Town Manager when the Strategic Plan was coming to us. Town Manager Caron responded he hoped to have it this weekend. Councilor Wagner stated that the call volume never goes down. Chief MacCaffrie said he will get the figures on the calls to the Elliot facility on Buttrick. D. Nowicki asked if the grant is an annual thing, could we hold off until another year. Capt. Tetrault said it is an annual thing and requirements could change. Chairman Brown said they will discuss this matter again at the next meeting.

Chairman Brown said we are scheduled to talk about the budget items tonight. The Town Manager came back with less than 2%; his recommendation was 1.88%. He also told us that we have two fact finders at town meeting that could affect the town tax rate at the town meeting. He asked if the Council was ready to formulate recommendations one of which could be that the Council is happy with the recommendation and is ready to go with the budget. Councilors Wagner and DiMarco said they are comfortable with the recommended budget and both complimented the Town Manager on a job well done. Councilor Farmer asked if there were any impacts in the coming fiscal year from the state level. Town Manager Caron said they knew the general revenue sharing was gone for the next two years; it is not included in the estimated revenue. Meals and rooms they have not heard anything; this year it will remain flat. Councilor Farmer said he agrees with Councilors Wagner and DiMarco and he stated he would like to hear from the Budget Committee. Councilor O'Keefe stated he is cautiously optimistic; he has

concerns with the two remaining Fact Finder reports. Chairman Brown said he agrees with everyone the 1.88% increase in the town tax rate which is 9 cents is a snapshot as of tonight. We will be asking a homeowner to pay \$27.more on a \$300K home. He asked the Town Manager what could change that in March. He responded there are three variables: a change in state revenues; adoption of one or 2 Fact Finder reports, or town meeting members could add or take away from the budget in March. Chairman Brown asked if we accept the fire grant how much would it add. Town Manager Caron responded it would add three cents to the rate it would be an increase of approximately 2.1% – 2.2%. The Council thanked D. Caron, S. Hickey and the Department Heads for their efforts on the budget.

Budget Chairman Mark Oswald thanked the Town Manager and his department heads for the work they did on the budget. He announced the next Budget meeting is scheduled for 12/14 at 6:00 PM to look at the final budget. He asked the Town Manager if he could guestimate at the Fact Finders reports and the SAFR grant. Town Manager Caron said he can't estimate the reports; he said he should have them close to the budget meeting. Councilor DiMarco asked the Budget Committee to update their taxpayer White Paper Report on the website to the current year.

Councilor Wagner made a motion to adjourn at 9:50 PM second, Councilor DiMarco. Councils vote 5-0-0.

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| Notes and Tapes by: | <u>Margo Lapietro</u> | Date: <u>11/30/09</u> |
| Minutes Typed by: | <u>Margo Lapietro</u> | Date: <u>12/03/09</u> |
| Approved; | <u>Town Council</u> | Date: <u>12/21/09</u> |