

TOWN COUNCIL/BUDGET WORKSHOP
December 14, 2009

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; Councilor: Paul DiMarco; Town Manager Dave Caron; Assistant Town Manager, Finance & Administration, Sue Hickey; Executive Assistant, Margo Lapietro. Absent: Councilors Sean O’Keefe and Brian Farmer.

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

CALL TO ORDER – PUBLIC SESSION

Chairman Brown opened the meeting at 7:07 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 explained this workshop is a continuation of the budget process. Town Manager Dave Caron reviewed the draft 2010 Warrant. The budget was first presented in November by the Department Head, and now preparing for the first hearing of the budget. Historically the Council has scheduled two hearings, one in January and a final hearing the first week in February after the deadline to submit petitioned warrant articles. He stated that the first meeting will be held on either 1/4/10 or 1/7/10. Tonight’s goal is establish what budget the Council wants to present for the hearing. The process has been managed in two separate ways in the past:

- 1) The Council and Budget Committee focused exclusively on the Operating Budget which is Article 6 in the Warrant.
- 2) Both the Council and Budget Committee believed it was beneficial to present an overall budget picture by making recommendations on all the articles on the warrant.

Articles 1 & 2 need no action because they are ballot, non-budget issues so neither the Council or the Budget Committee attaches their recommendations. Article 3 deals with a bond issue for highway reconstruction. By law the Town is required to hold a separate public hearing, which has been tentatively scheduled for 1/18/10. Articles 10 & 11 are unfinished articles, as both parties await the completion of Fact Finder Reports, therefore no action is required at this time. Article 12 also relates to collective bargaining agreements, with incomplete information at this time. Council and the Budget Committee have two options tonight: Focus on Article 6 which is the Operating Budget or to review and make recommendations on Articles 4-9. Those articles consist of all the non-bond, monetary issues which the voters will be considering in March. Chairman Brown said due to the fact that there are only 3 Council members if there was a consensus to go through each of the Articles when would the missing councilors make their thoughts know. Town Manager Caron replied they can make their wishes know at either the next Council meeting on 12/21 or at the budget hearing in January. At the final public hearing the Council can revoke on the Articles; if there are no changes from the recommendations then

that is the Warrant the voters will consider. The consensus of the Council was to review and act upon each budget article. Budget Committee Chairman Mark Oswald stated the Budget Committee was in agreement to review all articles.

Article 4 – Fund Special Revenue Account – Chairman Brown stated that this article is user fee based with no property tax support. It is funded from Sewer Division Funds; Cable Franchise Fee Funds and Police Outside Detail Funds. **Councilor DiMarco made a motion to support Article 4 as written, second Councilor Wagner. Council’s vote 3-0-0. Budget Committee member Todd Joncas made a motion to move the Article, second Don Jorgenson. Budget Committee’s vote 6-0-0.**

Article 5 – Expendable Maintenance Trust Fund – If passed this article will require the Town to raise \$50K in property taxes, resulting in a tax rate impact of .01 in FY11 based upon projected assessed values. Town Manager Caron explained this will increase the level of funding back to what the level was prior to the FY10 reductions due to the difficult economy. **Councilor DiMarco made a motion to support Article 5 as written, second Councilor Wagner. Council’s vote 3-0-0. Budget Committee member Don Jorgenson made a motion to move the Article, second, Todd Joncas. Budget Committee’s vote 6-0-0.**

Article 6 – Fiscal Year 2011 Town Operating Budget - If passed this article will require the Town to raise \$14,848,486 in property taxes resulting in a tax rate impact of \$4.44 in FY11 based upon projected assessed values. Town Manager Caron reviewed a spreadsheet that compares the FY10 budget with the FY11 proposed budget. If the warrant does not change the Town can anticipate a .65% increase in the tax rate or about 3 cents. He referred to a page in the handout that summarized the department budgets for the FY 10 and FY11 budget. It compared the differences and showed that the FY11 proposed budget is up 2.44% increase. Chairman Brown stated that the direction given to the Town Manager was that the tax rate impact would not increase more than 2% overall. Even though we are seeing an increase in the Operating Budget of more than that the direction was the tax rate piece. Budget Committee member Tom Dolan questioned if Article 3 does impact the operating budget, if it does not pass at Town Meeting is the Council considering increasing the operating budget to make compensation for lack of highway maintenance funds. If it does pass will the town operating budget be reduced. He asked if Council was giving that some consideration. Town Manager Caron said in some previous years the Council did place a contingent warrant article on the Saturday session which gave voters the opportunity to raise highway construction dollars off the tax rate. Chairman Brown told T. Dolan that Council has not discussed that option. T. Dolan recommended that be considered at a future meeting. T. Dolan said he looked at the top 6 line items in the operating budget because they are the most impact full. He said he looked at them to see which if any are increasing at an unacceptable rate or acceptable rate. Debt service goes down by 1.2%, Solid Waste increases by less than 1%, Highway Dept. increased by about 2.1%; the police at 3.4%, fire at 4% and library at 6.3%, all are above 2%. The top three, Police, Fire and Library the Town Manager and Dept. Heads have done a good job. The Library increased by 6.3%, and in this economy he said he would support an increase of 6.3% but he said he would recommend that the Council not support anymore increases. **Councilor DiMarco made a motion to support Article 6 as written, second Councilor Wagner. Council’s vote 3-0-0. Budget Committee member Deb Nowicki made a motion to support the Article, second Rich Dillon. Budget Committee’s vote 6-0-0.**

Article 7 - Appropriate Funds to Capital Reserve Funds to Replace Ambulances, Highway Heavy Equipment, Fire Trucks and Highway Trucks. If passed this article will require the Town to raise \$175K in property taxes, resulting in a tax rate impact of .05 in FY11 based upon projected assessed values. Councilor DiMarco asked if there is any catch up we need to do with this article. Town Manager Caron said last year we only raised \$225K, in FY09 the Town invested \$325K, and the FY11 budget proposes to restore funding back to \$325K. **Councilor DiMarco made a motion to support Article 7 as written, second Councilor Wagner. Council's vote 3-0-0. Budget Committee Member Tom Dolan made a motion to support the Article, second Todd Joncas. Budget Committee's vote 6-0-0.**

Article 8 – North/West Fire Station Construction and Associated Costs – If passed this article will require the Town to raise no money in property taxes resulting in a tax rate impact of zero in FY11 based upon projected assessed values. Councilor Wagner asked the Town Manger if we have started the bid process. He responded the Architect is finishing work on the drawings, the project will be bid in January; with results in February. Councilor Wagner questioned the wording on the warrant after the bid is awarded because any savings will go to the cemetery. Chairman Brown confirmed the bidding will be done in January and we should have a number by the February public hearing. Town Manager Caron said he wants to have a firm number by the 2/4/10 Council public meeting. **Councilor DiMarco made a motion to support Article 8 as written, second Councilor Wagner. Council's vote 3-0-0. Budget Committee member Todd Joncas made a motion to support the Article, second by Don Jorgenson. Budget Committee's vote 6-0-0.**

Article 9 – Establish Capital Reserve Fund for Pillsbury Cemetery Expansion – If passed, this article will require the Town to raise \$1K in property taxes, resulting in a tax rate impact of less than 1 cent in FY11 based upon projected assessed values. Budget Committee member Deb Nowicki asked if there should be any kind of verbiage relating to Article 8 about the overflow going into this fund. Town Manager Caron responded the goal is to know that prior to our final public hearing. **Councilor DiMarco made a motion to support Article 9 to read \$1K, second Councilor Wagner. Council's vote 3-0-0. Budget Committee member Don Joncas made a motion to support the Article, second by Tom Dolan. Budget Committee's vote 6-0-0.**

Chairman Brown said depending on how the 12/21/09 Council meeting progresses the Council may be in a position to hold the first public meeting on 1/4/10.

Chairman Brown opened up the meeting to the public for questions. Pauline Caron, 369 Mammoth Rd. referenced Article 9 and questioned if Council has thought about “double burying”? Councilor Wagner said the plots are basically sold out so we could not do that now. We have to build a new facility and that may be something the Trustees of the Trust Fund should consider for the new section. Chairman Brown also asked the Town Manager to find out if Council is in a position to make that decision. Councilor Wagner said it might be the Trustees of the Trust Fund that make that decision.

Chairman Brown said the Budget Committee will meet tomorrow at 7:00 PM to review and come to a consensus on the School Budget. Budget Committee Chair Mark Oswald said he will allow Jay Hooley to go on record for tonight's vote at that meeting.

Chairman Brown said the next Council meeting is 12/21/09

Councilor Wagner made a motion to adjourn at 7:45 PM second, Councilor Paul. Council's vote 3-0-0.

Notes and Tapes by: Margo Lapietro Date: 12/14/09

Minutes Typed by: Margo Lapietro Date: 12/15 /09

Approved; Town Council Date: 12/21/09