

**TOWN COUNCIL MEETING/SECOND BUDGET HEARING**  
**February 5, 2009**

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

**PRESENT: Town Council Chairman Brian Farmer; Vice Chairperson, Kathy Wagner, Paul DiMarco, Mike Brown; Town Manager, Dave Caron; ATM/Finance Dir., Sue Hickey and Margo Lapietro, Executive Assistant.**

**Budget Committee: Jay Hooley, Deborah Nowicki, Tom Freda, Mark Oswald; Joe Green**

**CALL TO ORDER – PUBLIC SESSION**

**Chairman Farmer 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.**

**Councilor Brown made a motion to go into public hearing. Seconded by Councilor DiMarco, Council’s vote 4-0-0.**

**PUBLIC HEARING**

**Warrant Articles:** Chairman Farmer said they would review each article and we would save Article 8 which deals with the operating budget until the end. The Budget Committee will be voting on these Articles this Friday evening after the School Deliberative Session.

**Article No. 2 Bond Issue for Replacement of North/West Substation** - Councilors support this Article 3-2-0. Chairman Bove’s departure from the Council does not change any of the votes, it was the vote of record and will stand. The only way the votes can be changed is if Council reconsiders it tonight. Open for discussion, none.

**Article No 3 Bond Issue for Highway Reconstruction** - Councilors supported this Article by a vote of 5-0-0. Councilor DiMarco noted a typo error in the written amount, should be One Million Forty Eight Thousand Dollars. Open for discussion, none.

**Article No. 4 Fund Special Revenue Accounts** – Councilors supported this Article by a vote of 5-0-0. Open for discussion, none.

**Article No. 5 Expendable Maintenance Trust Fund.** - Councilors supported this Article by a vote of 5-0-0. Open for discussion, none.

**Article No. 6 Creation of Special Revenue Fund to Support Town Common/Forest Activities** - Councilors supported this Article by a vote of 5-0-0. Chairman Farmer said this will be a ballot item to create an account for the next article which funds that account. Councilor Brown asked the Town Manger to give the public an update about the cell tower. Town Manager Caron explained the foundation is in, the electrical work is complete. They are working on the communications hut which will contain all the communications equipment. The

weather has delayed them, they expect to have the tower up and our fire communications equipment on the tower by the first quarter of this year. Chairman Farmer explained the tower is located out near the Nelson Field area. Open for discussion. Budget Committee member Tom Freda asked why there was a question mark at the end of the first sentence. Town Manager Caron said that was the way the statute was written but he will take a look at it. Councilor Wagner said that the sentence was a question and the question mark is appropriate.

**Article No. 7 Fund Special Revenue Account** – Chairman Farmer stated this is the actual funding for Article No 6. If Article 6 does not pass it will be skipped. Council supported this Article by a vote of 5-0-0. He explained the cell tower is a lease arrangement, the town receives revenue. Those revenues are special monies targeted for the town forest area. Open for discussion, none.

**Article No. 9 Appropriate Funds to Capital Reserve Funds to Replace Ambulances, Highway Heavy Equipment, Fire Trucks and Highway Trucks** - Council supported this Article by a vote of 5-0-0. Open for discussion, none.

**Article No. 10 Page Road/Rte 28 Intersection** - Council supported this Article by a vote of 5-0-0. Councilor Brown asked the Town Manager to explain to the public how we are going to be the project managers vs. the state. Town Manager Caron explained the Town will be the manager of the project, controlling time frame and bidding, the state will be reimbursing the Town. He said he is working with state representatives to ensure that the aid reconstruction fund remains in place during the current state budget deliberations. It will start this summer. Open for discussion. Town Clerk, Meg Seymour pointed out a typo in the written figure on this article.

**Article No. 11 Fire Facilities Relocation/Inspection/Equipment & Furnishing Costs** - Council supported this Article by a vote of 4-1-0. Open for discussion. Pauline Caron, 369 Mammoth Rd. asked if the fire station article does not pass what happens to this article. Chairman Farmer said it will be withdrawn on the floor at town meeting.

**Article No. 12 Fire Department Breathing Apparatus** -, Council supported this Article by a vote of 5-0-0. Open for discussion. Councilor Brown questioned that this was the 90/10 match; the Town Manager responded it was. Chairman Farmer explained that a substantial portion of this Article comes from a FEMA grant, the Town intends to use June 30 fund balance in the amount of \$25,280 so there is no property tax impact. We are taking advantage of the grant, but we have to approve a match before we can accept the grant. Open for discussion, none.

**Article No. 13 Ratify Collective Bargaining Agreement Between AFSCME Local 1801 and the Town of Londonderry** - Council supported this Article by a vote of 5-0-0. Open for discussion. None.

**Article No. 14 Ratify Factfinder Report for Collective Bargaining Agreement Between Londonderry Administrative Employees Association and the Town of Londonderry** - Council voted against this Article 5-0-0, they do not support it. Councilor DiMarco asked if the wording for the Town Council vote could be changed to Yes: 0-5-0 instead of No: 5-0-0. Open for discussion. Budget Member, Tom Freda questioned why we show the tax increases in the Article. Town Manager Caron said we show each year the collective bargaining agreement as it applies to and then the relative impact. If you read the body of the Article it states that we have to raise FY09 and FY10 expenses this year at town meeting. T. Freda also pointed out a typo

error where a parenthesis should be. Sean O’Keefe, 162 Mammoth Rd stated since this is a Factfinder Report, and did not pass last year, what are the differences between this years and last. Town Manager Caron responded there are two major points. It was a proposed agreement last year not a Factfinder report which was supported by Council but rejected at town meeting. The Council took that as directive that it was not their job to return to town meeting with the same agreement. The Association believed that that same agreement should be re-presented. The legislation has changed this year with respect to retirement expenses. In this particular agreement there is no language which protects the town against those extra expenses unlike Article 13. It would increase costs to the community which is the other major reason why the Council voted to reject the Factfinder report. S. O’Keefe said it is stubborn to not make any concessions and think that it would just pass at town meeting. Chris Davis, Perkins Rd. pointed out a typo on page 7, the tax rate increase should be \$0.21. Pauline Caron, 369 Mammoth Rd. asked how long is the agreement, Town Manager Caron responded 3 yrs, FY09, 10 and 11. P. Caron than asked how many employees will be eligible for retirement during that three year period, he responded there would be 7 or 8. P. Caron than asked if that would be divided into the \$575,805. Town Manager Caron responded it would not be evenly divided. She then asked if the retiring employees would be replaced. Town Manager Caron responded it depends on which positions are vacated and what direction he receives from Town Council. Don Jorgenson, 6 Rolling Ridge, said at the bottom of page 7 the wording should be “how many will be eligible.

**Article No. 15 Authorization for Special Meeting on Cost Items** - Chairman Farmer explained if one or more of Articles 13 & 14 are defeated it would authorize the Town Council to have one special meeting at its option to address Articles 13 & 14 separately. After the town meeting vote if the articles are defeated and Council comes to some other agreement with the collective bargaining agreements Council has the authority to have a special town meeting to have those articles reconsidered for approval. Councilor DiMarco said if we didn’t have this we would have to petition the Supreme Court for a hearing. Town Manager Caron said the Town Council has not voted on this article yet. Open for discussion. – none. **Councilor DiMarco made a motion that the Town Council supports Article No. 15 and bring it forward to the town meeting, seconded by Councilor Brown, Council’s vote 4-0-0.**

**Article No. 8 Fiscal Year 2010 Town Operating Budget** - Council supported this article by a vote 5-0-0, for a budget of \$25,534,434 which reflects a reduction asked at the last meeting of \$124,120 in personnel costs. Councilor Brown clarified that the operating budget will have a 1.76% increase. Councilor Brown asked if the 1.76% is under default by 2%, the Town Manager responded yes. Councilor Brown said the tax rate is going up by less than 1% He said that the operating budget is increasing by less than 2% and is 2% under default. Chairman Farmer said LAEA is not factored into it. Councilor Brown said he wants to know where the reductions are in personnel. He asked if it is appropriate to do that in this forum. He asked the Town Manager if Council could go into a Non-Public meeting right now to get the specifics on personnel rather talking about it in public under 91-A. Town Manager Caron responded they can go into a Non-Public Session. **Councilor Brown made a motion to convene to a Non-Public Session under 91A:3 II(A) to learn the specifics relative to the reductions. Councilor DiMarco seconded the motion. Roll Call Vote: Aye Mike Brown, Aye Brian Farmer, Aye Paul DiMarco, Aye Kathy Wagner at 7:30 P.M. Council reconvened at 7:46 P.M. Chairman Farmer stated that at the last public hearing Council had directed the Town Manager to make personnel reductions in the amount of \$124,120, they were non-specific about how he would do it. He stated that the Town Manager has presented Council with various scenarios that are still in the works. Council is comfortable with those scenarios and will not discuss them until they are finalized. Councilor**

**Wagner made a motion to reduce the operating budget of the Library by \$12K. Seconded Councilor Brown.** Open for discussion. Katherine Brinkhurst, 7 Welch Rd. asked the Council not to decrease services by reducing the Library budget. People have lost jobs resulting in cancellation of services in their homes. They are using the library more for entertainment, internet, CD's, DVD's, etc. She said the Library is an essential service to families, it is not an appropriate way to treat the community. Library Director Barbara Ostertag-Holtkamp also asked the Council not to make the reductions, they have had huge increases in usage. She said they saw a 47% increase in museum passes; children's program attendance went up 40%, etc. She proceeded to list all the increases. She said they are experiencing unprecedented usage at the library. Library Trustee, Richard Mackie reminded Council that last year they cut the budget by \$40K below default. He explained this year it will be cut \$24K below default. Gwen Watkins, Shenandoah Ave said her children use the internet all the time at the library because they have fallen on hard times at home. She said it would be a waste to reduce it more. Deb Nowicki, 89 Fieldstone Drive, said she is an avid user of the library, she stated that the Town is family and educationally driven. She said it does not make common sense to decrease the Library budget. The Impact is 1/3 of a penny on the tax rate. Pauline Caron, 369 Mammoth Rd. said that under the current taxes for a \$300K home the cost for the Library for a full year is \$63.00. Right now as it stands after the cuts already made the library is asking for an increase of \$51K. Because of increased usage of the library the costs for the library go up. She said in addition to the \$12K cut the library has to absorb \$8K in benefits because an employee changed her insurance status. They have had a lot of building problems lately at which point Library Trustee, Dick Matchie asked B. Holtkamp to outline the maintenance problems. Councilor Wagner asked where the \$24K in cuts were and Barbara proceeded to tell her. Chairman Farmer said the library presented a budget of \$1,256,000, the Town Manager reduced it by approximately \$2K. The Council had only reduced the Library budget by \$2K up to this point. Other departments in Town have experienced the same problems as the Library. Town Manager Caron said the initial department head budget has zero for tuition re-imbusement. B. Holtkamp said it was \$4,500. they would not have zeroed it out, it could have been a typo.. Councilor DiMarco asked B. Holtkamp what was the original budget request. She responded \$1,256,181 it had \$4,500 in it for tuition reimbursement. Councilor DiMarco said the fiscal 09 budget was \$1,203,024. The new budget with \$12K reduction will be 1,242,056 which is an increase of \$39, 032. He said he wanted to point out that it is an increase over last year's budget. Councilor Wagner said every department was asked to reduce. The \$12K was a percentage that was expected from every budget in town. Chairman Farmer said Council wanted 2% below default, that was the direction given to the Town Manager and he was instructed to reduce personnel. B. Holtkamp said the decrease is a disservice to the community; it is not a wise decision. Councilor Wagner explained it is part of the \$124K reduction. Chairman Farmer explained her reduction is one part of the budget. Councilor Brown said he hoped the School District, County and Town will make reductions, he is well aware that it will affect services. Chairman Farmer said the unions including the library rejected pay freezes, therefore the cuts have to be made elsewhere. B. Holtkamp said last year they had to cut a full time position per council directive and council made a comment that it would be the last time. Chairman Farmer said things have changed since then. Dick Matchie said they need the \$4,500 for an employee's tuition and asked for that money. The current budget recommended by the Town Manager for the Library is \$1,254,056 with a \$12K reduction it will be \$1,242,056. **Councilor DiMarco made a motion to amend a reduction from \$12K to \$7,500. No second, motion to amend dies.** The motion to decrease the library budget by \$12K still remains. **Council's vote is 4-0-0 to amend the library budget by \$12K.**

Budget Member, Tom Freda, asked if this is the only opportunity to discuss the \$124K personnel cuts. Town Manager Caron said he will have a plan to the Council before Town Meeting so the voters will know what the final impact will be. T. Freda said he has to vote tomorrow night if he approves the bottom line budget. He said he wants information to be able to vote on it and asked how and when are the citizens going to have the information. Chairman Farmer said the budget committee can go into Non-Public Session and can have the Town Manager present options without being specific. That way you could have knowledge. He said the public will have their information before voting at town meeting. T. Freda said if it affects someone's job, they have a right to campaign at town meeting to save their job. Town Manager Caron said as soon as a decision is made he will speak to the affected employees. T. Freda talked about the newly created Controller position in the Finance Dept. He suggested using the School's Finance Manager instead of hiring a new person. They manage a \$60M budget and have nine people in the department. He said he didn't see the need of a Controller when the job was filled with an accountant at lower salary. He said the department received awards while employing a town accountant making \$55K. ATM/Finance Director Sue Hickey explained that the school is different than the Town. All revenues are taken in by the Finance Dept., all billings are done in the Finance Dept. She explained she has over 137 bank accounts with well over \$100M a year being accounted for by two employees, herself and a controller. The other two people are a payroll clerk and an accounts payable clerk. T. Freda made the point that a few years ago when the Finance Dept. was taking in \$80 - \$90 million dollars they were doing it with an accountant being paid \$55K. S. Hickey said that the position was upgraded based on opinions received in the MRI Report and feedback from our auditors. Sean O'Keefe asked if the position has been filled, S. Hickey responded yes. He said the Town has both a Finance Manager and a Controller, and asked does it make sense. Chairman Farmer responded, yes. He explained that S. Hickey has additional jobs. He said the Council made a policy decision to review every open position in public. Council looks at attrition at every opportunity and they unanimously approved the position. Paul Margolin, questioned if the \$12K taken from the library budget was part of the \$124K and Chairman Farmer replied it was. P. Margolin said he had concerns about the reductions in staff and services and asked if he could talk about specific positions. Chairman Farmer said he could talk about them but Council will not respond. . He said we are a community of 25,000, a lot of people are satisfied with the level of services received in town. He said there is no need for further cuts. He asked what the risk would be if the part time position in the Town Clerk's office is lost. Chairman Farmer said we likely will lose rental cars if service is not provided to them. The probability is unknown. P. Margolin asked Town Clerk/Tax Collector Meg Seymour what businesses registered a lot of vehicles with us and she proceeded to list them. P. Margolin asked if you lose a big account what is the loss in revenues. M. Seymour said if we lose Enterprise it will be a \$1.7M loss P. Margolin said the Admin Support Specialist position is another proposed cut and asked if there has been any discussion about what the Town Manager will do with the loss of that position. Chairman Farmer said yes there has been discussion, the Energy Taskforce can be picked-up by another staff member or volunteer or it will be stopped. If it does not work out it can be changed.. P. Margolin said SWAC is going out to bid for trash removal, results will be in before day one of the new fiscal year. If the contracts show significant deductions more than \$124K can the Town Manager come back to Town Council with reductions and have additional appropriations. Chairman Farmer said no but it would be a decision made at that time Deb Nowicki said the probability if someone is not getting services rendered is that they will leave. Cutting the position in the Town Clerk's office is less than one penny on a \$300K house. The loss of \$1.7M from the Town Clerk's office would be an increase of \$151.00 for a \$300K house. Eric Warren, 528 Mammoth Rd asked if all Articles have been decided on. Chairman Farmer explained they are Council's

recommendations to the voters. Some will appear on the Tuesday ballot and the balance will be decided on at town meeting. Councilor Brown said the Budget Committee will also make a recommendation. They will have a public meeting and it is being held right after the School deliberative session tomorrow night. Reed Page Clark, III said to bring 499 friends to the school deliberative session tomorrow night.

Chairman Farmer verified with the Town Manager that the amount on Article 8 is correct. He responded it is. Chairman Farmer asked if there are any motions to other changes in the budget. Article 8 will appear on the budget as written. Tom Freda asked to change the word on Article 8 where Council voted to “yes”

**Councilor Wagner made a motion to come out of public and adjourn at 9:15. Seconded by Councilor DiMarco, Council’s vote 4-0-0.**

**Notes and Tapes by: Margo Lapietro Date: 02/05/09**

**Minutes Typed by: Margo Lapietro Date: 02/11/09**

**Approved; Town Council Date: 03/02/09**