

TOWN COUNCIL/BUDGET HEARING

February 4, 2010

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: Sean O’Keefe; Paul DiMarco; Brian Farmer; Town Manager Dave Caron; Executive Assistant, Margo Lapietro.

Budget Committee Members in Attendance: Chairman Mark Oswald; Vice Chairman Tom Dolan; Richard Dillon; Jay Hooley, and Deborah Nowicki. Don Jorgenson and Todd Joncas were absent.

CALL TO ORDER – PUBLIC SESSION

Chairman Brown opened the meeting at 7: 05 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country.

PUBLIC HEARING

Chairman Brown explained that tonight’s meeting is the final public hearing to review the FY11 town budget, and warrant articles. Most of the articles have been voted on by the Council and the Budget Committee; some require adjustments and the Councilors and Budget Committee can revote on un-changed articles should they choose. Town Manager Caron explained that at the Council meeting on 2/8/10 the Councilors will sign the warrant which will then be posted on 2/9/10.

All Articles were read by Chairman Brown:

Article #3 – Bond Issue for Highway Reconstruction - \$1,048,000 - One Councilor did not vote on this Article so it was re-opened for a re- vote. Hearing no public comment, **Councilor DiMarco made a motion to support Article #3, second Councilor Farmer. Councilor Brown said the tax rate is “0” in FY11, \$140K in property taxes is equal to an anticipated \$0.04 tax rate impact in FY12 and \$136K in property taxes equal to \$0.04 in FY13. **Council’s vote 5-0-0. The Budget Committee previously voted to support 7-0-0.****

Article #4 – Fund Special Revenue Accounts - \$3,504,311 - This article was previously voted on by both groups. This item is funded through user fees and requires no property tax support. No public input was offered.

Article 5 - Expendable Maintenance Trust Fund - \$200,000 - This article was previously voted on by both groups. If passed, this article will require the Town to raise \$50,000 in property taxes, resulting in a tax rate impact of \$0.01 in FY11 based upon projected assessed values. No public input was offered.

Article #6 – Fiscal Year 2011 Town Operating Budget - This article was previously voted on by both groups. 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. No public input was offered.

Article #7 – Appropriate Funds to Capital Reserve Funds to Replace Ambulances, Highway Heavy Equipment, Fire Trucks and Highway Trucks – \$325,000 – This article was previously voted on by both groups. Councilor Wagner said that she thought the order of the Articles was going to be revised. Town Manager Caron said at the end of the meeting the Council can make a final determination on the order of the warrant articles. If passed, this article will require the Town to raise \$175,000.00 in property taxes, resulting in a tax rate impact of \$0.05 in FY11 based upon projected assessed values. No public input was offered.

Article #8 – North/West Fire Station Construction and Associated Costs - \$650,000 - Chairman Brown stated this article would be re-opened for a re-vote. Town Manager Caron explained that the Town received a federal grant for this project. Ten bids were opened on Tuesday, resulting in very competitive pricing. The anticipated project cost was \$2.4M; after bidding now anticipated being \$1.865M. Staff is recommending carrying \$1.55M for the actual construction of the facility, until the process of reviewing the three lowest bids is complete. A final recommendation will be offered at Town Meeting floor. He recommended at this point in the process that the amount to be used from the Undesignated Fund Balance be reduced from \$650,000 to \$163,456. He also recommended that Council vote to support to raise \$163,456. **Councilor DiMarco made a motion to support Article #8, for \$163,456 from the Undesignated Fund Balance, second Councilor O’Keefe. Council’s vote 5-0-0. Budget Member Tom Dolan made a motion to support Article #8 at \$163,456 second Rich Dillon. Budget Committee’s vote 5-0-0.** No public input was offered.

Article #9 – Establish Capital Reserve Fund for Pillsbury Cemetery - \$1,000 – Chairman Brown stated that the project budget is estimated at \$210,000. Town Manager Caron said the Trustees have alerted the Town Council that the cemetery will need an expansion due to the fact that they will run out of space by 2014. The cost estimate is currently \$210,000. Previously the Council had spoken about the possibility of the bids for the Fire Station coming in lower than the anticipated costs. If the bids come in favorably for the Fire Station project, staff would recommend a re-vote to establish a Capital Reserve Fund of \$210,000. Even if this is approved at Town Meeting based upon the Fire Station bid the Town will be able to retain \$277,000 in the Undesignated Fund Balance more than what was previously anticipated under the original Fire Station Project Budget. Chairman Brown explained that both groups had previously voted on this article for \$1,000 as a placeholder. Pauline Caron, 369 Mammoth Rd. mentioned she had posed the question of double burying in the lots at the 1/4/10 meeting. Town Manager Caron said the Town Sexton researched the question by conferring with other cemetery sextants, funeral directors and the people who perform the actual interments. The Sexton recommends against double burials, due to the frost issue in NH, the burials would have to be excavated down to 10 ft; all believe there would be a significant danger by impacting nearby graves, cave-ins, and safety issues. P. Caron asked if it was just ashes could it be done. Town Manager Caron responded that multiple urns are currently interred in one plot. **Councilor DiMarco made a motion to support Article #9 with the modification to increase the budget to \$210,000 from the June 30 Undesignated Fund Balance, second Councilor Farmer. Council’s vote 5-0-0. Budget Committee Member Jay Hooley made a motion to support Article #9 at \$210,000, second Tom Dolan. Budget Committee’s vote 5-0-0.**

Article #10 – Ratify Collective Bargaining Agreement Between AFSCME Local 3657 and the Town of Londonderry - \$104,980 for FY11 which will result in a \$0.03 tax rate increase. The balance of the appropriation, \$55,759 shall be funded by the Manchester-Boston Regional Airport law enforcement agreement. Chairman Brown stated the Council has reached an agreement with this bargaining unit. Only 4 Councilors voted on this and they will re-vote tonight. The Budget Committee has not voted yet. Peg Connell, 3 Hidden Meadow asked what the future tax impacts would be. Town Manager Caron explained it is listed in the Warrant; for FY11, 12 and 13 it increases every year by 3 cents. **Councilor DiMarco made a motion that the Town Council support Article #10 the Collective Bargaining Agreement between AFSCME Local 3657 and the Town of Londonderry, second Councilor O’Keefe. Council’s vote 5-0-0. Budget Committee Member Tom Dolan made a motion to support Article #10, second Deb Nowicki. Budget Committee’s vote 5-0-0.**

Article #11 – Ratify the Factfinder Report for Collective Bargaining Agreement Between Londonderry Administrative Employees Association and the Town of Londonderry - \$121,717 which will result in a \$0.04 tax rate increase for FY11. Town Manager Caron said there is a slight reduction on the original amount requested. The amount to be raised as a result of the Fact Finder Report will be \$117,852 in FY11 and \$118,468 in FY12. No public input was offered. **Councilor DiMarco made a motion to support Article #11 and reflect the change in the amount and the property taxes in FY11 to be \$117,852 and \$118,468 in FY12, second Councilor O’Keefe. Council’s vote 0-5-0. Budget Committee member Tom Dolan made a motion to support the Article, second Rick Dillon. Budget Committee’s vote 0-5-0.**

Article #12 – Ratify Factfinder Report for Collective Bargaining Agreement Between Londonderry Executive Association and the Town of Londonderry - \$25,180 which will result in a tax rate increase of \$0.01 in FY11 based upon projected assessed values. Open for discussion. **Councilor DiMarco made a motion to support Article 12 second Councilor O’Keefe. Council’s vote 0-5-0. Budget Committee member Jay Hooley made a motion to support Article #12, second Tom Dolan. Budget Committee’s vote 0-5-0.**

Article #13 – Authorization for Special Meeting on Cost Items – Chairman Brown explained if Article #10 is defeated the voters will be requested to authorize a special meeting. If the Article is passed it will have no tax impact. It was previously voted on by Council 5-0-0 but the Budget Committee has not voted on it. No public input was offered. **Budget Committee member Deb Nowicki made a motion to support Article #13 second, Rich Dillon. Budget Committee’s vote 5-0-0.**

Article 14 – Appropriation of Land Use Change Taxes to the Conservation Fund and the General Fund – Town Manager Caron stated this is a Citizens’ Petition received within the last week. The Supervisors of the Checklist have determined it contains the requisite number of signatures. It has been reviewed by Town Counsel and determined to be in correct form. He further stated that staff has developed an 11 year analysis of the revenues from this source; it has averaged about \$216K - \$217K per year, the low was \$16K in 2005, the high was \$516K in 2006. Conservation Commission member Deb Lievens, 105 Gilcrest reviewed the history of Londonderry Open Space and the Londonderry Land Use Change Tax (LUCT). She said the tax is important to the Open Space Conservation fund. The LUCT was originally used to support matches to grants for large and small purchases. It was the Open Space Program funding and it became a supplement during the bond years. She estimated that the cost is \$8 a year on a per

capita basis. Removing 80% of the LUCT from the Conservation Fund will effectively end the Open Space Program as a functioning program. Londonderry has been proactive in Open Space and is a roll model for other towns. She further stated that the land analysis method developed by the 2006 Taskforce and town staff has been adopted by the Southern NH Planning Commission as a model for other communities. She asked the Council to support a no-vote on the petition. Dan Hicks, 127 High Range Rd. said he fully supports the LUCT for the Conservation Comm. Conservation Commission alternate member Mike Speltz 18 Sugarplum Lane presented a slide presentation. One main reason for opposing this petition is that these taxes are an extremely unpredictable source of income; it will diminish what remains in the fund balance at the end of the year. He further stated that you can't budget something that you are not sure is coming in. He said that the Open Space Program is not finished yet. M. Speltz proceeded to present a slide show showing residential growth which he projected to increase on a regular basis. He reviewed the CIP plan and the projected build-outs. He also reviewed the Open Space Plan, why it is important and where the open space land is located. He said the program has 3,000 acres left to protect; the Town has already protected 3,800. He reviewed the conservation land by protection type. The goal was to protect water, productive soils and the quality of life, making these resources self-sustaining. He showed a chart of currently protected land and said in order to keep open space in town we need LUC to conserve the resources in town. He cautioned the Council to act today to protect the land for future generations and if we don't our future will be very different. Pauline Caron, 369 Mammoth Rd. pointed out a typo error on the pass-out received tonight on Article 13.

Jay Hooley, 22 W. Yellowstone Drive, a petitioner of Article 14 stepped down from the dais. He said the intent of the article was because of a comment made last year that in a year like this everything is on the table there are no sacred cows. One of the presentations made by the Town Manager that year was to look next year at the LUC; procedurally it has to be voted on at Town Meeting. He clarified that nothing in the article says everything in the Open Space program must be discontinued. He said he is not sure if the money should automatically go into that fund. There might be years where we decide we do not want to put all the money in that fund. He said a certain amount of money should stay in the fund some years if a purchase seems eminent then we could increase that line item or make a separate warrant article. He said this article just says that 100% of the money is not on "auto pilot" and we should look at it. Councilor Farmer questioned the 20% to 80% ration. J. Hooley said it was based on the amount of money needed for appraisals. Tom Dolan, 19 Isabella stepped down from the dais and said he disagreed with the petition. He does support the right for citizens to vote on it. At full build out if we add another 1,800 school kids at \$10K each we are talking about \$18M being added to the school budget which is the biggest part of the tax bill. This is a serious issue, and he urged Council to not support the petition. Budget Chairman Mark Oswald said the Town has have taken almost 5 years off from approving new Open Space bonds; it was originally only supposed to be for 1 yr. The process has been in the public eye for years and the Town is getting a terrific return. Deb Lievens stated if the Fund continues to receive \$200K per year they would expect to continue a small form of an Open Space Plan. She explained it would give Cons. Comm flexibility. Councilor Farmer asked her if last year the Town had a 30-40 acre parcel that the LUC helped pay for. She said it was a \$7K piece and they had the money to purchase it. Councilor Farmer said he was the Councilor who said to take a break for a year on Open Space Bonds. He supports at the right time going forward with additional bonding for additional purchases. He does not support the petition. He suggested taking a look at the process and see if it can be improved. Councilor DiMarco said the citizens have already put their signature on it. Nobody likes seeing taxes; LUCT is money that discourages people from taking land out of current use

which is essentially conservation land. When they do, that money will be used to protect other lands. He stated he will not support this article because of this. Chairman Brown said this was on the table the first year due to a \$1.3M shortfall from state revenue. If we had the ability to grab that \$200K last year they would have gladly grabbed it but they were told they couldn't. Open Space bonds did not get mentioned this year during the budget process. He said he has supported Open Space in the past, the last 4-5 yrs the Town had infrastructure projects that took precedence. He stated he does not support it for the reasons given. Council gave the Town Manager the order to meet a goal of a budget of less than 2% increase in the tax rate, he is against it. Town Meeting will make the final decision. Councilor O'Keefe said he looks at it as a 2 pocket situation between the school and the town. He said he will support the article because we are taking another tax hit on the other pocket. Budget Committee member Rick Dillon said 20% will stay with the Conservation fund 80% goes to the General Fund. He asked the question how does Cons. Comm get more money if they need it? Councilor Farmer said we either give it to them through the budget process or another vote at Town Meeting. Budget Committee member Tom Dolan said it is currently structured through the Town Meeting vote from several years ago. The money goes into the Conservation Fund then is "fenced off" from the rest of the budget. When fenced off the Cons. Comm. is the only one who can expend it. If the change does pass at Town Meeting the same amount of money can still be spent but now the Council can get at it and do it or not do it. He agrees with what Councilor Farmer said it is the political will. Councilor Wagner said it will get complicated because it is not guaranteed what the Council will do. Councilor Farmer said it will happen only one time a year. Town Manager Caron said it will recorded as unanticipated revenue the first year but if passed a line item on the revenue side with an estimated amount would appear in subsequent budgets. J. Hooley told the Town Manager if this passes and next year the Council picked the number of \$200K as a budget line item for Cons. Comm with the intent of putting it into their account you would accomplish the same thing. Town Manager Caron responded that is correct. J. Hooley said in theory in any given year that number could be greater than what you are going to get in LUCT. Councilor Wagner said if we keep our current form of government somebody could take that \$200K out of Conservation and put it back into the general fund. Councilor DiMarco said they could take it out but it is a bottom line budget they couldn't specify that it could come from a specific group. Budget Committee member Rick Dillon said historically it averages about \$216K that is collected he asked how much of it has been spent. Deb Lievens said all of the bonds, all of the LUC money has been commingled for 15 years, she couldn't say. The first five years they spent \$723K and all of it went to grants, small and medium size projects. There was no other money coming in until they started doing the bond articles. Budget Committee member Mark Oswald said there is a safeguard in place with this process. They have public hearings and come to the Council for project approval. Councilor O'Keefe asked Town Manager Caron if this article passes at Town Meeting will it be just for next year's budget or will it go forward unless it is changed again. Town Manager Caron responded unless it will remain as approved by Town Meeting unless changed in the future. He further clarified that if the article does pass the 80% goes in the General Fund like any other revenue does at the end of the fiscal year. The general process regarding expensing ConsCom Funds is that grants are project specific, then bond proceeds to insure compliance with IRS arbitrage regulations, and finally current use or another donation revenues last. Deb Nowicki applauded Jay Hooley for his work but she agrees with Chairman Brown; we met the 2% budgetary requirement. She said she opposes it for the quality of life. **Councilor DiMarco made a motion to support Article 14, second Councilor O'Keefe Council's vote 1-4-0. Budget Committee member Tom Dolan made a motion to support, second Deb Nowicki. Budget Committee's vote 1-4-0.**

Discussion ensued about re-aligning the Articles on the Warrant by having items with the greatest tax impact acted upon earlier in the meeting. Consensus was to re-align the Articles.

Councilor DiMarco made a motion to close the public hearing, second Councilor Farmer. Council's vote 5-0-0

ADJOURNMENT

Councilor Farmer made a motion to adjourn at 8:45PM, second, Councilor DiMarco. Council's vote 5-0-0. Budget Committee member Tom Dolan made a motion to adjourn, second Deb Nowicki. Budget Committee's vote 5-0-0.

Notes and Tapes by: Margo Lapietro Date: 02/04/10

Minutes Typed by: Margo Lapietro Date: 02/12/10

Approved; Town Council Date: 03/01/10