

TOWN COUNCIL MEETING
October 18, 2010

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

PRESENT: Town Council: Chairman Paul DiMarco: Councilors: Mike Brown; Tom Dolan; Town Manager Dave Caron; Executive Assistant, Margo Lapietro. Absent: Sean O’Keefe and John Farrell.

CALL TO ORDER

Chairman DiMarco opened the meeting at 7:00 PM with the Pledge of Allegiance. This was followed by a moment of silence for the men and women fighting for our country.

PUBLIC COMMENT

Re-Interview George Herrmann and Truda Bloom (Incumbents) to the Conservation Commission - Councilor Brown asked all the applicants for their views on stewardship and asked if they had ideas on what we can do for improvements. George Herrmann said maintaining our easements are held up to the standards that we expect it to be in. Inspections are done a lot; they are inspected at least once a year. The Rockingham Land Trust and the UNH Cooperative Extension have been checking the land. He said it has been 3-4 years since the last Open Space bond was approved and it is critical to continue. G. Herrmann said at some point we need professional people to provide the stewardship. We have to protect what we have with a full or part-time professional. Councilor Dolan and Chairman DiMarco thanked the volunteers for their time and the sacrifices made. Chairman DiMarco asked if there were any conflicts with the position and G. Herrmann responded no. Truda Bloom, 18 Windsor Blvd. was in attendance. Councilor Brown thanked her and asked how long she has served in the position on the Conservation Commission; she responded she was appointed in 2007. He asked her for her views on stewardship. She said she was walking the boundaries today and said it is important to maintain the atmosphere in town with these Open Spaces. Councilor DiMarco asked her if she had any conflict she responded no.

Jim Smith, 31 Elwood Road was seeking re-appointment to the ZBA, on which he has served for just over 2 years. Councilor Brown questioned his experience being a retired member of the Building/Code Enforcement Department Jim responded he has a history with the town and can bring information to the table. Councilor Dolan stated that he has the special technical knowledge; he is a real asset to community in his retirement. He thanked him for his time and effort. Chairman DiMarco thanked him for his volunteerism and asked if there were any conflicts, he responded no. Larry O’Sullivan, 27 Lawson Farm Rd. said it has been serving for about 10 years. Councilors Dolan and DiMarco thanked him for his many years of service. Chairman DiMarco asked him if there are any conflicts, he responded no.

Tom Bianchi, 16 Vista Ridge Drive was seeking re-appointment to the Heritage Commission for which he has served for one year. He said he likes the commission and he is learning a lot. Councilor Brown said the Heritage Commission plays a large part in the design review process

47 and asked him how he found it. He responded it is very interesting to be able to make design
48 changes to conform to the town image. Councilor Dolan thanked him for his services and
49 sacrifices he has made on the Heritage Commission. Chairman DiMarco also thanked him and
50 asked if there were any conflicts, he responded no.

51
52 Tim McKenney, 15 Davis Drive applied to the Open Space Taskforce. Councilor Brown asked
53 him about his background and his philosophy on Open Space. T. McKenney said he has lived in
54 town for 13 years. He said he would like to keep the character in town and find a good balance
55 to preserve the nature of the town. Councilor Dolan thanked him for volunteering and asked him
56 if he had any conflicts he responded he only owns his property that his house sits on and he
57 works for an engineering company in Concord that has no particular interest in land. Chairman
58 DiMarco thanked him for volunteering and asked where he would like to see the town in 20
59 years. T. McKenney responded the town will continue to grow and we should manage that
60 growth. He would like to see Londonderry keep its character, and make smart decisions on
61 growth.

62
63 Joe Green, 25 Mammoth Rd. was in attendance to be re-appointed to the ZBA. Councilor Brown
64 asked him how long he has been on the ZBA, he said one year. He said there is a lot to learn.
65 Councilor Dolan thanked him for his continued service. Chairman DiMarco thanked him and
66 asked if there was any potential for conflict, he said no but he was planning to run for Council
67 again.

68
69 Councilor Brown asked the Town Manager to explain the tax rate. Town Manager Caron
70 explained the State Department of Revenue Administration (DRA) calculated the tax rate. It is
71 made up of three components, the county assessment; the largest portion is the school and the
72 town portion. The tax bill due is 12/1; taxpayers pay twice a year, the bill in July is half of the
73 previous year's tax obligation. If the rate changes it will be included in the December bill. The
74 process to develop next year's tax rate begins in a month and runs through February at which
75 time the Council and Budget Committee review the town proposed budget, and the School Board
76 and Budget Committee review the school plan. All meetings are public and he invited people to
77 participate. Councilor Dolan pointed out that the total tax rate last year went up 6.5% and this
78 year it went up about 3.3%. The town government tax rate went up 1.9% over last year. He
79 calculated that if you have a \$300K home your taxes will go up approximately \$97.50 on the
80 December tax bill for all governments together.

81
82 **Councilor Dolan made a motion to enter into public hearing, second Councilor Brown.**
83 **Council's vote was 3-0-0.**

84
85 **PUBLIC HEARING**

86
87 **Receipt of three grants from the Department of Safety, Division of Homeland Security and**
88 **Emergency Management totaling \$22,990.09 for security improvements at Central Fire**
89 **Station, to update the Emergency Operations Plan and equipment for the Emergency**
90 **Operations Center.** – Londonderry Fire Department Chief MacCaffrie explained these grants
91 are 50/50 matching grants to 1) improve the Emergency Operation Center (EOC) at the
92 Londonderry Police Department (LPD). That grant is mostly for materials and equipment
93 designed to have all the tools for the EOC operations. The second part of the grant is to upgrade
94 the security at Central Fire Station, which houses the communication center and the secondary

95 EOC for the town. If renovations are planned in the future those areas will be in place without
96 any changes. Chief MacCaffrie said they are in their 5th year of completing their emergency
97 operations plan. Staff has been working on updating it and they have hired a consultant to write
98 the plan because the state has a specific way they want it done. He noted that updating this plan
99 will give us more eligibility for additional grants. Councilor Dolan asked if there are any strings
100 attached to the money if the purpose of the building changes. Chief MacCaffrie responded no,
101 with this particular grant it is for a one time usage only; as long as it is inventoried and in place it
102 is good. If we move, most of that equipment can be placed in a new building. Chief MacCaffrie
103 explained the local share for the fixed facilities grant will come out of the maintenance trust
104 funds and that matching funds for operational issues from LPD & LFD budgets. Chief
105 MacCaffrie further clarified to Councilor Brown's question that the EOC is at LPD, and the
106 emergency shelter is at the LHS. Chairman DiMarco asked the Chief what changes we will see
107 in the EOC room. He responded they will be separated into 4 work areas with a core group.
108 They will have basically movable cubicles. Chief MacCaffrie thanked Capt. Roger at the LFD
109 & Lt. Gandia from the LPD for assisting with this process.

110
111 **Hearing no public input, Councilor Dolan made a motion to accept the three grants**
112 **totaling \$22,990.09, second by Councilor Brown. Council's vote was 3-0-0.**

113
114 **Councilor Dolan made a motion to close the public hearing, second Councilor Brown.**
115 **Council's vote was 3-0-0.**

116
117 **OLD BUSINESS**
118

119 **Andre Garron, Community Development Director – Economic Development Update - A.**
120 Garron said tonight's discussion is focused on an article about the housing supply being at a 42
121 year low. He assembled a panel of people to talk about how this affects New Hampshire in
122 general and the Town of Londonderry in particular. The panel spoke about lack of builder
123 financing to very stringent buyer credit requirements. He introduced the panel consisting of
124 Giovanni Verani, VP of Londonderry's Prudential/Verani Real Estate. He noted that G. Verani
125 also served on our Housing Taskforce. Dick Anagnost, Pres. of Anagnost Companies, he is a
126 major for-profit developer in NH. His company was responsible for developing the Elliott
127 Medical Center in Londonderry and is currently working on Elliott's Riversedge project in
128 Manchester. He is also the recipient of the 2009 Manchester Chamber of Commerce annual
129 Citizen of the Year Award. Robert Tourigny, Executive Director for Neighborhood Works which
130 is a non-profitable affordable housing developer. He has been in Londonderry on many
131 occasions as a guest speaker for the Housing Taskforce and many other issues that Londonderry
132 has faced in regards to housing. G. Verani distributed statistical information to the Council. He
133 said the inventory on the market remains high for homes but new home inventory is way off.
134 The housing supply is level for both Rockingham County and Londonderry. He explained new
135 construction is off about 50%. The average price of new construction was at \$431K is now
136 down to \$307K. Credit scores necessary to secure financing used to be about 580 it is now up
137 to 640 for developers. D. Anagnost said he agreed with Giovanni, most of the lows are in the
138 new construction market. There is very little capital for builders and developers; not very much
139 speculative building is going on currently in the new market place. Construction lending has
140 gone down. Credit is tightening on the home buyers end; the score cannot be under 700 with
141 some private mortgagers. If you have under 640 you can't get a loan at this point. Underwriting
142 ratios have tightened up. There is no lending going on in the marketplace which drives new

143 construction. Another impediment in new construction is that it still costs the same to
144 construction a new home. Price stabilization has not occurred. Foreclosures are setting a lower
145 price point. The housing market runs in cycles and it will ultimately turn. It will increase the
146 housing crunch that we suffered in the last decade in NH. There are no new residential houses
147 being built so when it does turn around the houses already built will be very expensive. He
148 suggested looking closely at the Planning Board and Zoning Board ordinance regulations to
149 provide an expedited path so the Town will be prepared to encourage the type of housing they
150 want to see when the housing market does turns around. The town that gets through the planning
151 and zoning process the quickest is where the developers will be attracted to. He proceeded to
152 explain the influx of 55 and over housing and explained that they have saturated the market and
153 no bank lending is going on at this time for that segment of the market. Robert Tourigny said in
154 2005 the median sale price was \$335K, now it is at \$266K today. People are apprehensive about
155 moving into the homebuyer market right now. He said the biggest issue is the rental housing
156 market, they are seeing the greatest demand due to foreclosure, they have the lowest vacancy
157 rate. Because of the demand rentals rates are high. Home ownership as a national goal has come
158 to an end, not everybody needs to own a home. Councilor Dolan congratulated D. Anagnost on
159 his award from the Manchester Chamber. He asked what local types of regulations we should
160 look at for adjustments. D. Anagnost suggested looking at zoning regulations in areas that have
161 water and sewer and allow more rental units in that part. Streamline the development process, do
162 some proactive planning. G. Verani pointed out that there are two areas the town should be pro-
163 active in; some of the soft costs in the development process and timeframes. Timeframes if
164 shortened would help. Some engineering and infrastructure plans could be relaxed. New
165 construction inventory is down to about a 5 month supply of inventory. When the market does
166 turn you will see that inventory go quickly and the prices will jump. Councilor Dolan asked
167 what the debt to income ratio is. R. Tourigny said in the era of sub-prime lending borrowers had
168 ratios of 50% which is too high. Traditional it was around 36-41% for government programs for
169 total debt, the housing debt would be 28-30% of income. Councilor Brown said this was a great
170 idea hosting these professionals and he appreciates them coming in. He asked if this cyclical
171 occurrence is any different than what happened in the 80's. G. Verani responded the difference
172 now is that there was a push previously to nationalize banks. Real Estate is cyclical you are
173 seeing more government intervention now. A. Garron asked if there is an oversupply of houses
174 in NH, R. Tourigny said not in NH; we are different from other states, our unemployment rates
175 are on the low side compared to the national level. The moratorium on foreclosures nationwide
176 will slow things down. This downturn is predominately residential real estate not like the last
177 time which was commercial. G. Verani said his opinion is that the housing market has bottomed
178 out. After recessionary times and everything is on the upswing the real estate market comes
179 back fast. A. Garron said if people bought their house as an investment you will not gain that
180 value back for some time, if they bought it as a home they will just keep it until the recession is
181 over. Chairman DiMarco asked if rents have gone up in the past 2 years due to the foreclosures.
182 R. Tourigny said since 2008 rents have been flat, however, since Jan of 2010 there has been a
183 decrease in vacancies, there have been spikes in rentals and turn-overs have increased.
184 Councilor Dolan thanked the Town Manager, staff and the panelists for the information received
185 tonight. He said he received some strategic guidance and information tonight for setting policy.
186 He said we should maybe have a follow-up meeting with the Planning Board to talk about what
187 if any of our zoning policies should be adjusted. A. Garron said they will review the information
188 received tonight and see how that information relates to the ordinances and regulations we have.
189

190 Andre Garron proceeded to give an update on prospects looking to locate to Londonderry. Most
191 of the prospects either have been developers looking to occupy existing buildings or are existing
192 business looking to expand. There has been a suggestion to have an inventory of available
193 industrial buildings on our website. He is hoping to have that on the website by the end of the
194 year, the cost is fairly nominal. Councilor Dolan mentioned seeking a professional who will
195 generate more hits on the website. A. Garron responded he is continuing to work with Silvertch
196 and they are working with the idea of an “rsvp” to track hits. He also said that interested
197 developers are looking at what incentives we can offer them. He mentioned that he points out
198 the fact that if they are in the airport area they have the economic revitalization zone; the foreign
199 trade zone at the airport, the use of community development block grants, and the CDFA
200 enterprise energy fund. He also stated that we don’t have a lot of taxes here so that is another
201 advantage. He met with the CEO of Gourmet Giftbaskets. He asked him why he moved to
202 Londonderry and he responded it is close to the Boston market and a lot of his key people live in
203 Boston. He also said he has the ability of doubling his existing site for expansion in the near
204 future. He said the changes they made in the Community Development Department made it very
205 easy for them to move here. The Pettengill Rd project had two grants submitted. The Tiger II
206 grant for \$8M and an Economic Development Administration grant for the sewer portion has
207 been submitted, he has not heard anything yet. He said he will be back at the 11/15 meeting and
208 asked the Council what update they would like to see. Councilor Brown said he liked the idea of
209 having someone in the business community to come back in and tell the Council what their
210 experience was like coming to Londonderry, like the gift basket company. A. Garron mentioned
211 1.5 years ago he met with a company called Vulcanflex who was interested in relocating to
212 Londonderry. They moved into an existing building and just retrofitted it and are now having
213 their grand opening on 10/25 & 10/26.

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215
216 **NEW BUSINESS**
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218 **FY10 Year-End Review** Assistant Town Manager/Finance and Administration Director Sue
219 Hickey distributed the FY 10 CAFR Report. She said it will be uploaded to the town website.
220 The introduction starts on page one with a narrative viewpoint. Page 28 is the traditional balance
221 sheet showing assets and liabilities. The Undesignated Fund Balance for the year is \$3.9M.
222 Revenues and Expenditures combined were positive at a little over \$300K. Page 76 listed budget
223 vs. actual in revenues and page 78 listed the budget vs. actual in expenditures. On the revenue
224 side we had a deficit of \$251K for FY10. We had a lot of underperforming items including
225 motor vehicle permits, investment income and some other department incomes. On page 78
226 most departments adhered with the Town Manager policy to turn back 1.25% in anticipation of
227 the revenue deficits we were going to have. There was \$686K turned back to help to offset the
228 revenue deficits. Pages 89 and 99 have statistics for the past 10 years of history to include
229 Assessments; page 101 is the history of tax rates. Page 108 has the full time equivalents of town
230 employees over the last 10 years, page 110 lists the operating indicators. Councilor Dolan
231 asked if there is any opportunity to do more re-financing for long term debt. S. Hickey
232 responded that most of the long term debts that were at a high enough level to refinance and
233 make it worth our while we have already refinanced. Most of the bonds we have been selling are
234 in the 3% range right now they are in the 2% - 3% range. Councilor Dolan asked her if she
235 collaborated with Peter Curro on the school side and she responded they talk but are unable to do
236 anything together regarding re-financing because they are two separate tax entities. Town
237 Manager Caron suggested the Councilors to look at page 48 that lists our outstanding debts

238 obligations the rates are favorable between 2-3%. Councilor Brown referred to page 100 and
239 asked why a group of businesses listed on the bottom of the page didn't have an assessment. S.
240 Hickey responded they were previously ranked in the top ten and were no longer in it. Councilor
241 Brown asked Town Manager Caron to clarify page 101 that lists the property tax rates for the
242 past 10 years. Town Manager Caron responded it shows the allocation of the tax burden
243 between the town, county and school. It doesn't show you that when we rebalance our
244 assessments to adjust them to meet the market that may appear that there has been a significant
245 decrease in the tax rate and therefore the tax burden is not correct. He said to look on pg 98 for
246 the tax levies from year to year, that information will give you the amount of money which has
247 been required from year to year to sustain town government. He stated that there are a number
248 of different charts that provide different information for the last decade. Look at the assest value
249 on page 99 and compare it with the property tax on page 98 it will give you a correlation.
250 Councilor Dolan noted that on page 48 that lists our outstanding bonds we have 3 bonds coming
251 off the books in 2012, 2014 and 2015. One of the bonds was a "refunding" bond and he asked
252 what that was. S. Hickey explained it was a combination of old water, sewer and library bond
253 and a previous public improvement bond that was all collapsed into one bond and refinanced at a
254 lower rate. Councilor Dolan asked why we couldn't pay that bond down with some library
255 impact fees. Town Manager Caron said in the last several years the Town has allocated \$30K
256 annually from the library impact fees and \$50K from the police toward their respective debt
257 service. The police facility bond is found in the multi-purpose bond which has a maturity date of
258 10/1/2023.

259
260 **Staffing Levels – Finance and Administration Department** – Town Manager Caron said the
261 Town has had a recent vacancy in the Finance Office and in accordance with past practice, S.
262 Hickey has investigated the various alternatives for the position. S. Hickey's recommendation is
263 to reduce it to a part-time position. S. Hickey said she looked into different options to include
264 combining with the school district, outsourcing payroll to a payroll company, continuing as a full
265 time position, and shifting job responsibilities among the department. Her recommendation is to
266 reduce the position to 32 hours and allocate some responsibilities into the department.
267 Councilor Brown thanked the Town Manager and S. Hickey for their memo explaining their
268 recommendations. Consensus of the Council was to concur with the recommendation of a part-
269 time position.

270
271 **Resolution #2010-21 – A Resolution Relative to renaming of the lanes within the**
272 **Whispering Pines Trailer** Councilor Brown made a motion to accept the Resolution and
273 schedule a public hearing on November 1, second Councilor Dolan with discussion.
274 Councilor Dolan asked if all residents will be notified about the public meeting. Town Manager
275 Caron responded yes, a number of the streets extend into Derry and the Derry residents will be
276 invited. **Council's vote was 3-0-0.**

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APPROVAL OF MINUTES

281
282
283 **Minutes of Councils Public Meetings of 10/04/10.** Councilor Dolan made a motion to
284 accept the minutes, second Councilor Brown. **Council's vote was 3-0-0.**

285

286 **OTHER BUSINESS**

287
288 **Liaison Reports** - Chairman DiMarco said he attended the Library Trustees meeting which
289 focused around the upcoming budget. Councilor Brown said he went to the SWAC meeting and
290 they had a pre-planning discussion for the Beautify Londonderry group for 2011. The Indian
291 Pathfinders and ALERT were in attendance and they want to be more involved next year. The
292 anti-littering program has been taken on by SWAC. The committee had questions and follow-up
293 on discussion with Chief Hart about the awareness program with signage on key streets as a test;
294 they are going to do an awareness program with that. Councilor Brown asked the Town
295 Manager to follow up with the Chief to get it going. They are interested in asking for volunteers
296 to form a sub-committee to start the anti-littering program. Councilor Dolan spoke about the
297 possibility of considering having a barbeque for all the volunteers.
298

299 **Town Manager Reports** - Town Manager Caron said the intersection of Page & 28 is complete.
300 Litchfield Road was re-opened last week. Public Works is conducting its annual review of trash
301 containers for people who received their second container free of charge. About 20 residents
302 were non-responsive, so now they are sending out notifications by certified mail. He asked the
303 citizens to respond to the inquiry about their second barrels. N/W fire is in the final stages it will
304 be completed very shortly. He told the Council he is looking at options to re-use the old N/W
305 station. He does not see any municipal use for it other than providing extra parking for the
306 Senior Center. It is still the nexus of a groundwater management zone by NHDES.
307

308 **Board/Committee Appointments/Reappointments** -

309
310 Re-Appointment of George Herrmann as an Alternate Member to the Conservation Commission,
311 three year term to expire on 12/31/13.

312 Re-Appointment of Truda Bloom as a Full Member to the Conservation Commission, three year
313 term to expire on 12/31/13.

314 Re-Appointment of Jim Smith and Larry O’Sullivan as a Full Member to the ZBA, three year
315 term to expire on 12/31/13

316 Re-Appointment of Tom Bianchi as a Full Member to the Planning Board, three year terms to
317 expire on 12/31/13

318 Re-Appointment of Helen Conti, and Stacy Thrall as Full Members to the Elder Affairs
319 Committee, three year term to expire on 12/31/13.

320 Re-Appoint Sandra Weston as an Alternate Member to the Elder Affairs Committee, three year
321 term to expire 12/31/13.

322 Appoint Tim McKenney as an At-Large” member to the Open Space Taskforce, Ad Hoc
323 position.

324 Re-Appointment of Joe Green as an Alternate Member to the ZBA, three year term to expire on
325 12/31/13

326
327 **Councilor Dolan a made a motion to accept the appointments and re-appointments of all of**
328 **the above, second Councilor Brown. Council’s vote was 3-0-0.**
329

330 Councilor Brown said he is following up with the Charter requirement to meet with all the Chairs
331 of all boards/committees/commissions once a year. We need an action item when we have a full
332 board to discuss this possibly at the November meeting. We should have a discussion if we want
333 to change the Charter because we have about 14 different committees that would require 14

334 individuals to come in every year to give the Council updates. If the Charter is changed Town
335 Manager Caron said it is a Charter amendment not a revision it would require a public hearing
336 and Town Meeting vote.
337

338 Chairman DiMarco reminded everyone that with the exception of November 8 we are here every
339 Monday in November. He said the Town Council meetings will be on 11/1 and 11/15. The
340 Town Council/Budget Workshops are on 11/20, 11/22 & 11/29. Town Council will be on 12/6
341 and an additional budget workshop on 12/9. Town Manager Caron stated that the plan is to
342 present on the proposed FY12 budget on 11/15 and distribute the budget books at that meeting.
343

344 **ADJOURNMENT**

345
346 **Councilor Brown made a motion to adjourn at 9:40 PM, second Councilor Dolan.**
347 **Council's vote was 3-0-0.**
348

349 Notes and Tapes by: Margo Lapietro Date: 10/18/10

350
351 Minutes Typed by: Margo Lapietro Date: 10/20/10

352
353 Approved; Town Council Date:

DRAFT