

**TOWN COUNCIL MEETING**  
**April 5, 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: Vice Chairperson, Sean O’Keefe (9:00PM); Councilors: Mike Brown; Tom Dolan; John Farrell; Town Manager Dave Caron; Planning Board Secretary Cathy Dirsra.**

**CALL TO ORDER**

**Chairman DiMarco opened the meeting at 7:03 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**

**Londonderry Police Chief Bill Hart & Fire Chief MacCaffrie – National Public Safety Telecommunications Week**

Police Chief Hart and Fire Chief MacCaffrie took a few minutes to recognize the Telecommunications Officers working in the Police & Fire Department.

**Interview of Martin Srugis for an Alternate position on the Heritage Commission –**

Mr. Srugis, 17 Wimbleton Dr, expressed his interest in serving the community as an alternate member to the Heritage Commission. He said that he was involved in the mini-master plan for the northeast section of town. He is interested in preserving the historical character of the town. Councilor Dolan motioned to appoint Martin Srugis as an alternate to the Heritage Commission, second by Councilor Brown, vote 4-0-0

**OLD BUSINESS**

**None.**

**NEW BUSINESS**

**Resolution #2010-11 – Relative to Relocation of Tolls on the F. E. Everett Turnpike**

The Town Council at the March 15 meeting indicated a preference to take a formal position in opposition of a proposal to relocate the toll plaza, thus impacting travelers using the Airport Access Road. **Councilor Farrell made a motion to accept the Resolution, second Councilor Dolan.** Chairman DiMarco said that the Planning Board submitted a similar letter recently. **Council’s vote is 4-0-0.**

**Order #2010-08 – Relative to Expenditure of Maintenance Trust Funds for Various Projects**

An order seeking authorization to fund repairs to Leach Library in the amount of \$3,838.44.

**Councilor Dolan made a motion to accept the Resolution as amended, second Councilor Farrell. Council's vote is 4-0-0.**

**FY11 Goals and Objectives –**

Chairman DiMarco coordinated the Councilors' suggested goals and objectives. The Council also reviewed a status report on the FY10 Goals, Objectives and Tasks. He suggested the Council select about 5 common goals.

Chairman DiMarco said the most common goal amongst councilors was how to approach a budget goal for FY12 and what type of guidance they should give to Town Manager Caron.

Councilor Dolan said we can try to reduce taxes by choosing a flat budget, a flat tax rate or trying to reduce the tasks associated with government and see what the results would be. Councilor Farrell said a zero base budgeting approach means flattening it out, start at zero, understand exactly what we spend money on, not from a budget or department standpoint, but review accounts payable box to understand what we're spending money on. Councilor Dolan said that the thought of a budget freeze sounds good at first, but it also means freezing everything, including the things that we no longer need to be doing. We have obligations to our customers to analyze what we need to continue doing to meet our customers' needs and what services/tasks are no longer necessary. Less government will save us money. Councilor Brown said whether it's less government or a zero base budget methodology, he's fine with either one as long as it results in a flat tax rate/tax bill. Another one of his goals is to have Town Manager Caron continue to annually reorganize/restructure which results in the reduction of a position (not a person, but a position). Councilor Farrell said that he reviewed invoices of what has been spent over the last two years and he feels that we should look at what is being spent and see if there are ways to curtail some of those expenses, before making difficult decisions.

Chairman DiMarco said they should come up with a list of at least five goals for Town Manager Caron. Councilor Brown said he prefers to provide Town Manager Caron direction and let him make the decisions. Chairman DiMarco would like to see two different goals; give Town Manager Caron direction as to what budget they'll be looking for in the summer when they first start having those discussions and giving Town Manager Caron guidance on the tools they would like to see used in making the decisions. Town Manager Caron noted for example that the Town anticipates that retirement costs will be increasing in FY12. Councilor Farrell said we need to understand the restraints that Town Manager Caron is under. He has a certain amount of revenue and expenses, so when you ask for a zero percent budget (not a zero based budget) he has fixed costs and union contracts that will drive numbers up. We need to understand that what we will ultimately be asking for is a cut in services. We spent 2.5 million dollars for the NH retirement system each year and that is not going down. Councilor Brown said that restructuring, resulting in the reduction of a management position does reduce the retirement budget. Councilor Farrell said there is only 20 percent left that they can influence and Town Manager Caron is directly responsible for personnel. He said that before you can take services away from townspeople, who pay the taxes, who elected us, we need to understand the implication and be able to explain that to people. Town Manager Caron said this is the year that retirement rates are adjusted and they will be going up. For a number of years the state has promised to fund 35 percent of the retirement costs for police and fire on our side of the ledger and school employees on the school side of the ledger. The state has decided that is not fiscally convenient any longer, so they've

reduced that to 30 and 25 percent over the last two budget years. That law is currently written as the sunset being the end of FY11, so if not acted upon, the FY12 budget should return to the 35% level. The Town is part of the NH Municipal Association which has filed lawsuit on behalf its members against the state to force them to live up to their obligations. Health insurance costs this year were up significantly, however for the 3 previous years the average adjustment in health insurance rates was minus .03%. Also, we don't fully understand at this time any impacts of the new health legislation at the federal level. Fuel costs have been stable. On the revenue side, motor vehicle fees we believe bottomed out this year, possibly better next year and hopefully better into FY12. That is the largest non-property tax revenue (about 5-6 million dollars a year). Interest on deposits is very low, consequently that revenue stream has dried up and building permit fees are stagnant. Looking at a 0% tax rate increase, if the Town sees any kind of economic rebound then we'll have some other revenues to set against any expenditure increases. What some people don't realize initially is the private sector reduces its work force in economical distressing times due to a softening demand for their products. The town doesn't experience that; we have the same or an increased amount of services needed, which requires us to carry the same staffing levels, unless you want to reduce services. We do have some built-in costs associated with the employee level. There are a lot of different variables, so whatever the Council decides to set as a goal, we'll work hard to get there, but during the year if any of these different factors arise that may impact the FY12 budget we'll share that information with the Council, who can then consider it, not consider it, or remain with their original goal. With today's economy, it will be a moving target for us. In order to come in under the 2 percent directive from the Council in FY11 we reduced police and fire operations by \$70,000 each, which we believe will be taken from overtime. Overtime is filling shifts required by service demand and avoiding the expense of hiring additional employees. We've also had discussions with our neighboring communities about our reliance on mutual aid on the fire & EMS side and how that's happening more and more, which ties into the Council's discussion from a few meetings ago about looking at a long range plan to make sure we're adequately staffed. As we move through calendar year 2010 into 2011 we will be better positioned to advise the Council how all this may impact the development of an FY12 budget, under the guidelines established by the Council.

Councilor Farrell asked Town Manager Caron if he would prefer a budget number or a zero base. Town Manager Caron said a specific budget number would be difficult. He's asking that the Council consider all the variables and if the Council wants to establish a 0% tax rate increase, that's what they will work towards. He said that if he feels some issues would place our current service level in jeopardy, i.e. increased retirement costs, he would notify the Council of same to initiate a discussion on the impact to the Council's budget goals. The budget process is always a living, breathing document until it's finally accepted at town meeting, so he expects the interaction and discussions to occur even with greater frequency during these economic times. Chairman DiMarco said that one of his goals is to continue to review and update the strategic plan for insuring staffing of public safety, which we did this past fall and during the winter. Obviously providing public safety is one of the core services that we have to provide to the community. He said the budget could cause potential conflicts, so if we establish a goal now, we need to be cognizant of the unknowns.

Councilor Dolan suggested aspirational objectives with goals on how to get to the objectives. He gave the following example of an objective, which was embraced by all the Councilors; "Provide a cost effective government to achieve greatest value at lowest cost" with financial goals i.e.: goal (1) provide a zero percent tax increase; goal (2) reduce government to eliminate

unnecessary or outdated policies and laws; goal (3) maximize revenues to reduce residential tax impact. Councilor Farrell said we need to provide Town Manager Caron with strategic direction. Town Manager Caron said the Town completed a zero base budget exercise about 5 years ago for cable and fire and it wasn't particularly beneficial in identifying and eliminating waste. By looking at comparative information, industry standards and benchmarks, the results of the process led to the conclusion that the Fire Department was actually understaffed. The Town has not undertaken the approach of reviewing actual responsibilities, including regulations and policies, assign costs to those responsibilities to understand what the impact is. He suspects the end result of that process would be result in less positions, but may free up time for employees to focus on their primary job responsibilities. Councilor Dolan suggested asking accounting to look at the top line items and go from there. Councilor Farrell said we need to first understand all expenses and fixed costs, it becomes simpler to understand. Then if you don't have revenue coming in, you slice into muscle and then take out services. He doesn't want to change services in the town, i.e. first responders, etc. We understand the implication is that we have to raise more revenue. He said economic development won't come around for about 3-5 years, so what are we willing to sacrifice until we get there? It's a hard conversation to have, but that's the direction we should be giving Town Manager Caron from a strategic nature. If we tell him a zero percent increase, we're telling him the same thing, except telling him to be the bad guy. Councilor Dolan said there may be opportunities to stop doing some things that can become institutional as well, so it could be a cumulative affect. It may not result in a reduction in force, but it may also help not having to hire the next person as the overtime starts to grow. It may give us more "runway" before we have to hire that next person. Carron suggested that the Council review any accounts payables of \$25,000 or more; Councilor Farrell suggested making the amount \$15,000 and he suggested that Town Manager Caron educate the Councilors on exactly what revenue is comprised of. Town Manager Caron suggested providing the Council with an extensive report on both the revenue sources and the top accounts payable vendors (\$15,000 and over) by the first Council meeting in May. At that point, based on the information, Council could give Town Manager Caron the goal for the FY12 budget. Town Manager Caron said that historically the Council has given budget direction in August. Town Manager Caron usually meets with the department heads immediately thereafter, then it's presented in the first part of November. Consensus of the Council was for a "lofty" goal (4) of a flat tax rate. Councilor Brown said he would like Town Manager Caron to get data from staff on what we're doing, who's doing it, what the associated costs and if we don't do these things what the results would be. Town Manager Caron said he can get that information to the Council by mid summer. First he will have the department managers summarize what their Departments do; what they are required to do, and assign time allocations. On the second tier all will review town ordinances from their own prospective to see if there's any costs driven by ordinance or regulation. Councilor Dolan suggested asking the department heads, if they could stop doing 2 or 3 things that cost a lot of money or take a lot of your time, that they don't see a lot of value in, what would they be.

Councilor Brown said that another goal he would like to see under budget objectives is for Town Manager Caron to continue to look at ways of restructuring/reorganizing personnel annually. Councilor Dolan suggested setting a goal (5) that Town Manager Caron will provide options to the Council on restructuring staff. Council agreed.

Chairman DiMarco brought up another point in Councilor O'Keefe's absence. He had suggested discussing our IT contract. Town Manager Caron said the IT contract is annual and due for renewal in July every year. Chairman DiMarco said that 2 years ago one of the Council's goals was to work with the school and try to identify options. He suggested that perhaps we could

combine services. Town Manager Caron said that the town and school work well with the structure that is in place; that issued has been studied and the structure in place is the most cost effective and efficient. Councilor Dolan said he feels that we can strive to enhance our relationship between the town and school. Town Manager Caron said that our IT contract has been working out very well, but if the Council wants him to put it out to RFP, he would like to know now vs. in June. Council said they would like him to put IT out for RFP. Councilor Farrell recommended that Town Manager Caron do the RFP for more than an annual contract, to get more competitive bids. Consensus was for Town Manager Caron to put the RFP out for a 3 year IT contract. Councilor Farrell suggested an automatically renewable clause because it would be more competitive.

Councilor Dolan asked (in regards to the sub-goal about revenues) what the types of revenues that we forgo that could be on our menu, i.e. boat registrations, etc. Town Manager Caron said if boats get registered at a marina the revenue goes directly to the state and the town is bypassed. Councilor Dolan asked if we should start offering a service, i.e. boat registration, would that allow us to retain some portion of that boat registration revenue, instead of it going to the state. What additional work would it require from Meg Seymour's staff and would the additional revenue more than pay for that? Councilor Farrell said that one of other revenues that was discussed 3 or 4 years ago was actually having an active campaign around the rental car companies. Some towns do that already. Have we ever approached doing that? Town Manager Caron said that we already have most of the business for car rental companies in the State. Chairman DiMarco said that another budget goal will be to analyze our sources of revenue and some creative things we can do.

Councilor Dolan proposed another aspirational objective, around economic development: "To accelerate economic development to drive tax revenue, thereby reducing tax burdens while preserving Londonderry's quality of life". Some goals for that could be: goal (1) economic development monthly updates, focusing on business; goal (2) to continue to upgrade, expand and maintain our new marketing website; goal (3) develop a capture team approach to bring in new businesses to the community; goal (4) consider providing some "advantage scoring mechanisms" for local businesses. For example when the town puts things out for contract (i.e. IT) and we receive response for bids, they need to be scored based on a certain criteria. Councilor Dolan suggested giving higher scoring to Londonderry businesses for incoming bids and subsequent scoring for local businesses, NH businesses, etc. Councilor Farrell said this is fine "all things considered equal". Councilor Farrell suggested goal (5) to challenge the economic development staff: to eliminate economic development update and replace it with a detailed report of "what have we accomplished this month", so that we can get in the position of being very cognizant of what the economic development group is accomplishing, asking very pointed questions and also offering direction whether it be through Town Manager Caron or in the meeting. This would give Council a clearer idea of who the economic development director is talking to and what are they saying. Perhaps we could invite them to a meeting. This would also help us to know what businesses exist in town. In this way, the economic development director and his staff would be fully engaged and it would hold them accountable, not that they aren't already, but we're saying to let's really start generating some activity. The updates would also create a buzz and give it publicity. Councilor Farrell said he would also like to suggest to the Planning Board that they finish up the book of standards. As the liason to the Planning Board, he could talk to the Planning Board Chairman and suggest that they have some sort of community outreach, so that when they come in with developments of regional impact, that the Planning Board makes decisions about, they're more engaged than when something like that happens with

the community. Councilor Farrell suggested goal (6) would be to find funding alternatives for Pettengil Road vs the taxpayers. He feels that we have to accomplish that this year in order for that road to get built. Councilor Dolan agreed and Chairman DiMarco clarified that we need to accelerate economic development to grow our tax base, while maintaining the character of Londonderry. Councilor Farrell said that we just need to continue every month to reinforce the buzz. We have good people, so let's keep them in front of people, when they can.

***Councilor O'Keefe arrived at 9:00PM***

Councilor Dolan defined his term of having a "capture team approach" as one of the subgoals, was to help the staff and offer ourselves to pursue companies that may be considering Londonderry. This strategy should be considered a sales opportunity that would help to generate tax revenue. Councilor Brown would like to see the monthly update include a business representative coming to the Planning Board meeting.

Chairman DiMarco said they can review a final list of goals at the next meeting. He sees other potential goals; 1) continue the last Council's policy of managing meeting agendas with the goal of ending the meetings by 10:00pm. Councilor Brown mentioned charging a committee to revisit the 2006 open space task force report, for the purpose of reviewing & assessing whether the current goals & acquisition methodology are in-line with community goals and the town's financial position. Councilor Farrell suggested that all the members be new for a fresh prospective. Chairman DiMarco said the goal should be that we are looking for a fresh team with a new prospective. Councilor Dolan said that we need to address the goal and then define the objective. The last one was suggested by Councilor Dolan. To plan a community engagement process to increase citizen input to the community planning process. Output is a potential update/revision to the master plan. Town Manager Caron said he will meet with the Economic Development Director to see when they plan to address the master plan, so they can weave it together with this goal.

Councilor Farrell said he would like to see Public Works coordinate something with the drop off center and/or recycling center to allow residents to dump more than the normal amount at least once a year (maybe between Christmas and New Years). Perhaps some consideration could be given to those residents that have no means of loading and bringing oversize items to the drop-off center. Town Manager Caron said his previous experience is "spring cleaning" takes the Public Works Department about 6 weeks of its time to collect all the items. Town Manager Caron said that there was an issue to allow residents to purchase a 95 gallon barrel for a fee, but it determined by the Council to not offer that option. Councilor O'Keefe said he would like to see that issue revisited. Chairman DiMarco said we can review the costs and discuss it at a future meeting.

### **APPROVAL OF MINUTES**

**Minutes of Councils Public Organizational Meeting of 03/13/10, Public Meeting of 3/15/10 and Non-Public Meeting of 3/24/10.** Councilor Brown has a slight modification for March 13 minutes. Where it reads "Councilor O'Keefe made a motion to appoint Councilor Brown to the clerk position, seconded by Councilor Dolan" there is no vote registered. For clarification, the vote was 4-1-0.

**Councilor Dolan made a motion to adopt amended minutes for 3/13/10, second Councilor O'Keefe, Council's vote 5-0-0.**

**Councilor Farrell made a motion to adopt minutes for 3/15/10, second Councilor Dolan, Council's vote 5-0-0.**

**Councilor Farrell made a motion to adopt amended minutes for 3/24/10, second Councilor O'Keefe, Council's vote 5-0-0.**

### **OTHER BUSINESS**

**Liaison Reports –** Councilor Brown said at the last solid waste advisory committee meeting they gave an update on the Beautify Londonderry program, which is now a pure volunteer effort. In the spirit of volunteerism in Londonderry 3 citizens have stepped up and are now running the Beautify Londonderry program as volunteers, as a working committee for the Solid Waste Advisory Committee. The Solid Waste Advisory Committee still does what they're charged to do, but this group of 3 volunteers are doing a great job. We're going to get an update at their meeting on April 8. Councilor Brown will give an update at the next Town Council meeting.

### **Town Manager Reports –**

Town Manager Caron reported that Rockingham County has been declared a disaster after the storm of February 23 – March 3, which usually results into about 75 percent federal funding for any type of municipal related expenses for cleanup, not individual home owners, municipal costs only. We will start bringing candidates before the Council for Zoning Board and Planning Board positions on April 19.

### **Board/Committee Appointments/Reappointments -**

Resignation of John Farrell from the Planning Board, term to expire 12/31/10.

Resignation of Lara McIntyre as an Alternate on the Heritage Commission, term to expire 12/31/10.

Resignation of Deb Paul as a Full Member from the Heritage Commission, term to expire 12/31/10.

**Councilor Dolan made a motion to accept these resignations, second Councilor O'Keefe, Council's vote 5-0-0.**

Chairman DiMarco said that we now have a vacancy on the Heritage Commission for an alternate member.

The proposal is to move alternate member Tom Bianchi up into Deb Paul's vacant position, which will expire 12/31/10.

**Councilor O'Keefe made a motion to appoint Tom Bianchi to the Heritage Commission, seconded Councilor Brown, 5-0-0.**

Councilor Brown thanked 3 volunteers; Maureen Pawells, Carrie Stanley and Joel Sadler, for doing a great job with Beautify Londonderry

**ADJOURNMENT**

**Councilor Farrell motion to adjourn at 10:10PM, second Councilor O'Keefe, Council's vote 5-0-0**

**Notes and Tapes by: Cathy Dirsa Date: 04/05/10**

**Minutes Typed by: Cathy Dirsa Date: 04/ /10**

**Approved; Town Council Date: 04/19/10**