

TOWN OF DERRY

Town Council
Derry Municipal Center

March 15, 2016
Tuesday - 7:30 PM

6:45 PM RSA 91A:3 II (a)

Councilor Bourdon moved to seal the minutes, seconded by Councilor Tripp

Vote: 7-0-0

Roll Call: Councilors Tripp, Katsakiores, Morgan, Fischer, Foote, Chirichiello, and Chairman Bourdon

Present: ITA Stephen Daly, Town Clerk Daniel Healey

Chairman Bourdon motion to close non-public, seconded by Councilor Morgan

Vote: 7-0-0

Town Clerk Daniel Healey swore in newly elected Town Councilors Morgan, Foote, and Chirichiello

Call to order

Pledge of Allegiance, warning of fire exits, handicap access, & turn off all cell phones

Roll Call: Councilors Tripp, Katsakiores, Morgan, Fischer, Foote, Chirichiello, and Chairman Bourdon

16-34 Election of Officers

Councilor Katsakiores nominates Councilor Chirichiello for Chair, seconded by Councilor Morgan

Councilor Fischer nominates Councilor Tripp for Council Chair, seconded by Councilor Bourdon

Councilor Fischer suggests the two nominees share their opinion on the role of the chair and how they would conduct themselves. Councilor Chirichiello states he is not biased or a micro manager, Councilor Tripp states discussions would be encouraged.

Chairman Bourdon puts the chair to vote

Councilor Tripp: Tripp

Councilor Katsakiores: Chirichiello

Councilor Morgan: Chirichiello

Councilor Bourdon: Tripp

Councilor Chirichiello: Chirichiello

Councilor Foote: Chirichiello

Councilor Fischer: Tripp

Vote: 4-3-0, Councilor Chirichiello is the new Council Chair

Chairman Chirichiello gives a statement on being the new chair and asks the council for a nominee for Council Chair Pro Tem, Councilor Morgan nominates Bourdon, seconded by Tripp

Vote: 7-0-0

Council Chair Pro Tem: Councilor Bourdon

Audit Committee Council Representatives

1. **Councilor Fischer**
2. **Councilor Tripp**

Building/Property Maintenance Committee Council Representative: **Councilor Morgan**

Conservation Commission Council Representative: **Councilor Foote**

Derry Housing & Redevelopment Authority Council Representative: **Councilor Foote**

Derry Public Library Council Representative: **Councilor Fischer**

Economic Development Committee Council Representative: **Councilors Tripp & Morgan**

Energy/Environmental Advisory Committee Council Representative: **Councilor Bourdon**

Finance Committee Council Representative: **Councilor Tripp**

Heritage Commission Council Representative: **Councilor Katsakiores**

Human Services Council Representative: **Councilor Bourdon**

Legislative Delegation Representative Council Representative: **Councilor Katsakiores**

Net Zero Task Force Council Representative: **Councilor Bourdon**

Planning Board Council Representative: **Councilor Foote**

Public Works Council Representative: **Councilor Foote**

Safety Departments Council Representative: **Councilor Katsakiores**

School Board Council Representative: **Councilor Morgan**

SNH Hazardous Materials Mutual Aid District Council Representative: **Councilor Chirichiello**

Taylor Library Council Representative: **Councilor Foote**

Chairman Chirichiello motions to accept liaisons onto boards and committees, seconded by Councilor Katsakiores

Vote: 7-0-0

Consent Agenda –

16-35 Approve Non-Public Minutes – March 1, 2016 – **minutes sealed**

16-36 Approve Minutes – March 1, 2016

Consent agenda approved.

Vote: 4-0-3 (Councilor Foote, Morgan, and Chairman Chirichiello abstained)

Chairman's Report – Brian Chirichiello

Anyone interested in an appointment to a board or committee should apply under the Boards and Committees tab on the Town Clerk's website by March 28th. Current appointees with terms set to expire need to reapply by March 28th. At the April 5th meeting interested parties will be appointed. For additional information contact Sheila Bodenrader at 432-6100

Town Administrator's Report – Stephen Daly

The unemployment rate is down, better than last year. Beaver Lake Meadow may be spot-treated with an environmentally safe herbicide by NHDES this spring to eradicate Milfoil that has spread there from Beaver Lake. The abutters have been notified. The project is a State of New Hampshire initiative since Beaver Lake is a public water body that the town has no jurisdiction over. The new ambulance that was approved has been ordered and will be available in a few months. It is a clone of one already in service.

Public Forum - *30 Minutes*

Open Public Forum – all agreed

Al Dimmock, High St. – Thanked the Town of Derry but was curious why new councilor's voted before being sworn in. He was informed that all new councilors were sworn in publicly already and again during the meeting for ceremonial reasons.

Bernie St. Peters, Sunset Ave – He appreciates former councilor's Cardon and Dimmock's service and has faith in the new councilors to do the right thing. He also stated that economic development is a big thing in town. Commented that the tax rate has gone up and that the school needs to tell us how they are spending the money to work together.

Motion by Councilor Katsakiores to close public forum, seconded by Councilor Fischer – all agreed

Old Business –

16-14 Net Zero Task Force

Councilor Bourdon provided some background on the current status of the Net Zero Task force. Chairman Chirichiello made a motion to move to appoint Ken Linehan as a representative of the School Board to the Net Zero Task Force, seconded by Councilor Katsakiores

16-37 Honor Flights for Veterans

Interim Town Administrator Daly stated that the Honor Flights for Veterans program is here to ask the Derry Council to support and encourage the use of the program. The program takes veterans to Washington, D.C. where they visit the Veteran's memorials. Daly then introduces Joe Byron, an Honor Flight for Veterans New England representative.

Joe Byron provides additional information about the program and says that he was formerly in law enforcement. An 11 minute video plays while Mr. Byron narrates certain parts of the video. After the video is over Councilor Katsakiores says that it is nice to see Joe and that her and her husband took this trip and that people can go with a family member and that it is a nice send off. Councilor Katsakiores thanks Mr. Byron and suggests that the video air on Channel 23.

Mr. Bryon asked for anyone requiring additional information to visit honorflightnewengland.org or to call 603-518-5368. The next flight is scheduled for May 22nd out of Manchester and is 100% free for Veterans.

New Business –

16-38 FY2017 Budget Overview Presentation

Interim Town Administrator Daly asks Chief Financial Officer Susan Hickey to join him while he presents a walk-through for the Council of the main elements of the FY2017 town budget and plans to show the means of meeting the \$0.01 tax rate reduction requested by the Council on Feb 26. This presentation is a macro approach to arriving at the requested target tax rate of \$9.15.

In Section 9.4(A) – Action on the Budget, the town charter limits the annual increase of the tax rate to the prior year's percentage change in a specific consumer price index (CPI) for the Northeast region of the country. For 2015, that rate was +0.07%, which translates to a charter allowable tax rate increase of \$0.06. Adding that to the current rate of \$9.16, the charter allowed tax rate ceiling for FY2017 is \$9.22 absent any exceptions made by the Council under charter section 9.4(B). When applied to a home valued at \$250,000, the annual increase in property tax would be \$15.

The goal will be a \$0.01 decrease in the tax rate, which produces a \$2.50 annual property tax reduction and applied to the same \$250,000 property. The target base maximum allowable tax levy exceeded the levy that would be necessary to support a status quo approach to managing town's finances. The tax rate formula is as follows: Expenses - revenues = tax levy. The tax levy/ equalized valuation = tax rate. The overage in this proposed plan was \$1,000,000. The challenge then is how to sustain the town's existing array of services at their current levels.

Revenues left unadjusted include receipts collected for services performed, such as auto registration fees, etc. (\$13.8M) and the capital reserve program funding available for FY2017 (\$1.7M) for a total of \$15.5M. Expenses that were not adjusted, i.e. those categorized as non-discretionary, include the cost of veteran's tax credits (\$0.49M), debt service (\$0.78M), retirees' health insurance (\$0.31M) and certain other mandatory obligations such as state retirement system contributions, etc. (\$0.65M), totaling \$2.22M.

The proposal to add staff coming from the fire department to add 4 firefighters at a cost of \$350k was deleted. That reduced the imbalance to \$50K. The final piece used to balance the budget was a reduction of \$50k to the overlay account, which is set aside to replace abated property taxes and has recently tracked at or below \$250k per year.

There is a discussion on Mr. Daly's presentation. Counselor Fischer starts off by complementing the thorough overview of the budget. The Councilors then ask targeted questions on the specifics of the budget. They gather that the veterans credit does not reflect an increase from last year, that this budget was drafted after October 2015, that the amount of the fund balance money is to fund the capital fund and they will consider leasing to buy, that a bonding rate of less than 2% was not looked at, a budget to pay off debt instead of adding new expenses was not looked at, that the unassigned fund balance is used to reduce tax rate for emergencies and legal settlements, that this is just a plan of action and it is important for the councilors to talk about what needs to be done.

Mr. Daly informs the councilors that there are two options to stay the course or something different.

Councilor Bourdon states that it is important to give the new councilors time to get up to speed.

Councilor Fischer stated that April 1st Mr. Daly wants to give a proposed budget to the councilors and if the other councilors agree Mr. Daly continues preparing the current budget.

Councilor Morgan would like a forecasted budget 2-3 years from now.

Councilor Bourdon says this budget is the past councilor's goal and it can change.

Motion by Councilor Fischer to MOVE THAT THE TOWN COUNCIL adopt a target FY2017 tax rate of \$9.15 and direct the Town Administrator to: Provide the Council by April 1st with a budget that reflects a tax rate of \$9.15, seconded by Councilor Tripp.

Vote: 7-0-0

Councilor Fischer suggests instead of holding additional meetings to hear budget presentations, that they be added to the agenda at the end of currently scheduled meetings. This plan will be attempted but Chairman Chirichiello states Saturday meetings may still be an option.

16-39 (Water Commissioners) Rte. 28 Water System Expansion

Councilor Bourdon moves that the Derry Town Council, acting as Water Commissioners, move to schedule a public hearing pursuant to Section 9.6 of the Town Charter - Appropriations After Adoption of the Budget, for April 5th, 2016 to be held in the Main Meeting Room of the Derry Municipal Center, and to begin no sooner than 7:45 p.m., for the purpose of hearing testimony regarding the Council's intent to appropriate \$3,005,000 to fund the Route 28 Corridor Water Line Extension - Phase 1C Project, involving portions of Route 28, Frost Road, Lawrence Road, and Stark Rd, seconded by Councilor Katsakiores.

Vote: 7-0-0

Public Works Director Mr. Fowler & Deputy Director of Public Works Mr. Carrier present the Route 28 Water System Expansion project. The report is meant to inform the Council of an opportunity available to the Town of Derry to extend its municipal water system some 8,000 linear feet along Route 28 south of Berry Road and branching onto Frost Road, Lawrence and Stark Roads in order to provide municipal water to properties contaminated with the gasoline ingredient, MtBE.

The project addresses a groundwater contamination issue and provides access to the municipal water system for multiple residential and nonresidential properties. NHDES has already conducted a private well sampling of 148 homes in the Route 28/Blunt Drive area of Derry due to the detection of MtBE in the groundwater in the area of the Metro Plaza on Ryan's Hill. With this sampling, NHDES concluded that MtBE is substantially present in groundwater in this area of Route 28. In 2014, the Town Council approved the first phase (1A) of this project by ——— extending water along Route 28 to Berry Road.

DPW and NHDES believe the best long-term solution is to seek Town Council authorization to extend municipal water down Route 28 to Ryan's Hill, and along portions of Lawrence Road, Blunt Drive, Frost Road and Stark Road with an interconnection with the Woodland Community Water System. 171 properties may then be serviced by the new main extension

The estimated project cost is \$3,005,000. This cost includes capacity for future expansion and fire flow, those costs for which the town will be responsible. The State would reimburse \$2,491,000 leaving a balance of \$514,000 to be paid by the Water Enterprise Fund. This will result in no impact to tax rates.

The Town will be required to appropriate the full project cost, which will be used to initially pay for the project, will be reimbursed by the State of New Hampshire during FY2017. The project will have no negative impact on the tax rate and it will open up 63 commercially zoned acres to municipal water which could enhance development of the area having a positive impact on future tax revenues.

There is a discussion between the Council and DPW staff present. The Council is informed that there will be no town water rate increase. They are also informed that MtBE is different from radon since radon is naturally occurring while MtBE is man-made. The Council questions if the source of the MtBE has been identified and are told that it was likely the gas station nearby that is gone now. The Council is also informed that the homeowners pay the connecting fee and that larger pipes are needed to ensure proper water pressure since the lines will be over 3 miles long.

The DPW staff recommends that the Town Council acting as the Water Commissioners, schedule a public hearing at its next scheduled meeting for a supplemental appropriation and bond authorization.

Council Requests / Open Discussion

Councilor Fischer – Wants to add something to next meeting's agenda; thanks former town council members.

Councilor Tripp – Questions what to do with Abbott Court and wants to look at zoning in certain areas of town.


Councilor Bourdon – Thanked former councilor members specifically former Councilor Osbourne; excited for new council and wants to get to the master goal.

Councilor Morgan – Thanked the voters of Derry; suggests people use public forum to inform council of any issues.


Councilor Foote – Thanked the voters of Derry; would like residents to approach the councilors with their concerns; acknowledged the past councilors.

Councilor Chirichiello – Thanked the voters for the turnout; asks for committee members to keep him updated.

Adjournment 9:35 p.m.



Town Clerk



Date

Recording & Transcription by: Daniel Healey, Town Clerk