

**TOWN OF DERRY**

**Town Council  
Derry Municipal Center**

**March 24, 2015  
Tuesday - 7:30 PM**

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**Non-Public Session under RSA 91A:3 II (a)**

**Swearing in of newly elected Town Councilors:**

Councilor At Large: Phyllis Katsakiores and District #1 Councilor Richard Tripp

**Call to order**

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

**Roll Call:** Councilors Cardon, Fischer, Tripp, Bourdon, Dimmock, Katsakiores, and Chairman Osborne

**Chairman's Report –**

Chairman Osborne asked Galen Stearns to announce his recommendation for the new Fire Chief.

Mr. Stearns recommends Michael Gagnon as Derry's new Fire Chief

**Councilor Osborne made a motion to hire Michael Gagnon as Derry's Fire Chief, seconded by Councilor Katsakiores**

**Vote: 7-0-0**

Chief Gagnon gave thanks to the Town Council, his peers and family. This has been his goal. He will continue to work with his department to provide Derry with the best service possible.

**Petition - discussion**

Chairman Osborne acknowledged the receipt of the Group Petition. The legal opinion was received today.

**Move to schedule a public hearing on the petition on April 7, 2015, by Councilor Osborne, seconded by Councilor Cardon**

**Vote: 5-2-0 (Councilors Katsakiores & Bourdon)**

Chairman Osborne spoke regarding Section 8.7 of the Town Charter Non-Interference by individual members of the Town Council and their actions.

Chairman Osborne reviewed the Council's accomplishments over the past year. Last year the Council brought the tax rate down and the plan is to do so again for next fiscal year. He has been happy to have served as Chairman and thanked Sheila Bodenrader for her assistance while he was chairman.

**15-23 Election of Officers**

Council Chair- **Councilor Cardon 7-0-0**

Council Pro-Tem- **Councilor Dimmock 7-0-0**

Conservation Commission Representative – **Councilor Cardon**

Planning Board Council Representative – **Councilor Osborne**

Heritage Commission Council Representative – **Councilor Katsakiores**

Finance Committee Council Representative – **Councilor Cardon**

Audit Committee Council Representatives

**1) Councilor Fischer**

**2) Councilor Tripp**

**15-23 Election of Officers (continued)**

Derry Housing & Redevelopment Authority Council Representative- **Councilor Tripp**

Derry Downtown Committee Council Representative – **Councilor Bourdon**

Human Services Council Representative – **Councilor Bourdon**

Public Works Council Representative – **Councilor Dimmock**

Safety Departments Council Representative – **Councilor Bourdon**

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

Taylor Library Council Representative – **Councilor Tripp**

Energy / Environmental Advisory Committee Council Representative – **Councilor Cardon**

Legislative Delegation Council Representative – **Councilor Katsakiores**

Southern NH Hazardous Materials Mutual Aid District

1) **Councilor Bourdon**

2) Open

**School Board Council Representative – Councilor Tripp**

**New Business – (Part 1)**

**15-30** Appointments to Boards / Committees

**CONSERVATION**

**Chairman Cardon moved to appoint on April 1, 2015 for a term to expire on March 31, 2018 the following:**

Paul Dionne - as a member, **seconded by Councilor Katsakiores 7-0-0**

Marius Zainea- as a member, **seconded by Councilor Katsakiores 7-0-0**

Serge Michaud - as a member, **seconded by Councilor Katsakiores. 7-0-0**

Margaret Kinsella - as an alternate member, **seconded by Councilor Katsakiores 7-0-0**

Alan Camuso–alternate member, **seconded by Councilor Katsakiores 7-0-0**

**Chairman Cardon moved to appoint on April 1, 2015 for a term to expire on March 31, 2016 the following:**

Neil Wetherbee, alternate, **seconded by Councilor Katsakiores 7-0-0**

Open -1 Alternate member term to expire March 31, 2016

**PLANNING**

**Chairman Cardon moved to appoint on April 1, 2015 for a term to expire on March 31, 2018 the following:**

John O'Connor - as a member **seconded Councilor Dimmock 7-0-0**

Michael Fairbanks - as a member, **seconded by Councilor Osborne 7-0-0**

Frank Bartkiewicz - as an alternate member, **seconded by Councilor Katsakiores 7-0-0**

**ZONING**

**Chairman Cardon moved to appoint on April 1, 2015 for a term to expire on March 31, 2018 the following:**

Lynn Perkins – as a member **seconded by Councilor Dimmock 7-0-0**

Stephen Coppolo – as an alternate member **seconded by Councilor Dimmock 7-0-0**

Open - 1 Alternate member term to expire March 31, 2017

**DHRA**

**Chairman Cardon moved to appoint Robert DiNozzi as a member of the Derry Housing & Redevelopment, effective April 1, 2015, for a 5 year term to expire March 31, 2020, seconded by Councilor Katsakiores 7-0-0**

**EEAC**

**Chairman Cardon moved to appoint on April 1, 2015 for a term to expire on March 31, 2018 the following:**

Marc Flattes - as a member, **seconded by Councilor Katsakiores 7-0-0**

Marius Zainea - as a member, **seconded by Councilor Katsakiores 7-0-0**

Anthony Marciano - as an alternate member, **seconded by Councilor Bourdon 7-0-0**

### HERITAGE

Chairman Cardon moved to appoint Bonita Kershaw as an alternate member of the Heritage Commission, effective April 1, 2015, for a 3 year term to expire March 31, 2018, seconded by Councilor Katsakiores 7-0-0

### HIGHWAY SAFETY

Councilor Cardon moved to appoint on April 1, 2015, as members of the Highway Safety Committee, terms to expire March 31, 2016, seconded by Councilor Katsakiores 7-0-0 the following:

Thomas Caron, Randall Chase, Donald Burgess, Walter Deyo, Scott Savard.  
Open – 1 member

### PROPERTY MAINTENANCE

Councilor Cardon moved to appoint on April 1, 2015, as members of the Building & Property Maintenance Committee, terms to expire March 31, 2016, seconded by Councilor Dimmock 7-0-0 the following:

James Morgan, Serge Michaud and Janis DelPozzo

### REDC

Councilor Cardon moved to appoint on April 1, 2015, as members of the Derry REDC Loan Review Committee, terms to expire March 31, 2016, seconded by Councilor Katsakiores 7-0-0 the following:

Lauren Neves, Joel Olbricht, & Laura Frazer  
Open – 2 members

### SOUTHERN NH PLANNING

Move to appoint Jeff Moulton as a member of the Southern NH Planning Commission, term to expire June 30, 2016.

Move to appoint Joseph Donahue as an alternate member of Southern NH Planning, term to expire June 30, 2016.

### Consent Agenda -

- 15-24 Approve Non-Public Minutes - Session I – March 3, 2015 -  
**minutes sealed – Vote:5-0-2 (Councilors Bourdon, Tripp)**
- 15-25 Approve Non-Public Minutes – Session II – March 3, 2015  
**minutes sealed – Vote: 5-0-2 (Councilors Bourdon, Tripp)**
- 15-26 Approve Non-Public Minutes – Session III –  
March 3, 2015 – **Vote: 5-0-2 (Councilors Bourdon, Tripp)**
- 15-27 Approve Minutes – March 3, 2015 –  
**Vote: 5-0-2 Councilors Bourdon, Tripp)**
- 15-28 Schedule Public Hearing – April 7, 2015 – Hydrant Rental  
Charges and Retail Service Rates
- 15-29 Schedule Public Hearing – April 7, 2015 – Amend Article II  
Section 165-5, Definitions, to add definitions for Green  
Area/Space, Greenway/Greenbelt, Recreation Area/Space,  
Active Recreation, Passive Recreation, and Net Buildable  
Area, to amend Section 165-8 relating to the number of dwelling  
units on a lot, and to amend Article VI, Section 165-44, Multi-  
Family Residential (MFR), and Section 165-45, Medium High  
Density Residential District (MHDR) to revise the density  
calculations, parking calculations, green space and  
recreational space requirements for multifamily dwellings  
within the Town of Derry

**Accepted as Written 15-28 & 15-29 Vote: 7-0-0**

### **Town Administrator's Report –**

- Household Hazardous Waste Day is May 2, 2015 @ Londonderry High School
- Update on winter operations: 127% of budget \$778,445. The Governor has declared 1/26-1/28/15 a disaster and the town is eligible for 75% of reimbursement. The DPW budget can accommodate the present overage.
- New LED lights have been mounted on poles on East Broadway and Abbott Court parking lot. The PUC return on the investment is six years. Savings is \$5,415 dollars per year and \$100 rebate per fixture.

### **FY2016 Budget Presentation**

Galen Stearns presented an overview of the Preliminary Proposed Budget for FY2016 with the \$2.00 reduction in the tax rate showing cuts to staffing, elimination of court fees which produce revenue, and road maintenance. He will submit a budget by April 1, Public Hearing on April 21<sup>st</sup>, and final on May 31<sup>st</sup>. Approve budget by May  
Mr. Stearns stated, this \$2.00 is a drastic cut back he intends to take steps to meet the goal such as to increase revenue, increase tax base and reorganizing departments he requests the council revise its goal and do this over a four year period.

### **Public Forum**

#### **Open Public Forum 7-0-0**

Mike Hughes, asked Council not to reduce services. He submitted a petition to the Council. He then gave an overview of the petition and events regarding these cutbacks.

Helen Evans – Compared her last residence in New York vs. Derry. Do not dismantle my community.

Neil Wetherbee, Worthley Rd – read a statement. Addressed issue of transparency he feels the Council is not being transparent by not holding budget workshops.

Mike Gendron – Town has held a public workshop for 40 years. He asked Mr. Stearns to present a common sense budget for the Town.

Jay Madnick, Windham Depot Rd – shared stories of Derry Fire's expertise on three statistics on Windham Depot Rd accidents. Please don't wreck our town.

Janet Conroy, High St – Brought in and shared a 1995 news article twice weekly budget review. Preparing a budget without budget workshops is not heard of. She has never heard Council discuss our evaluations vs. other towns. The 2,200 apartment unit in our town affects our tax rate. Poor planning by various boards in the late 60's & 70's has come home to roost and that is the cause of our present tax rate.

Paul Needham, Orchard Dr – Believes Mr. Stearns was hired for his experience and he should not be attacked. We should be helping to make sure he succeeds. If you make these types of cuts it will dramatically hurt Town services. Suggested it is time to work with legislature in Concord on assessing practices.

Marc Flattes, Linlew Dr – Suggested contracting out ambulance services. Would like economic development put on the agenda after the budget session.

Craig Bulkley, Gervaise Dr – Spoke regarding the roadway management program. As a prior Town Administrator and Councilor he gave history of town costs associated with deteriorated roads and how the town had to bond to repair them. You are locked into union contracts and there is not much that can be done with that now.

Donald Burgess, High St – Spoke on cutting the budget regarding safety and roads. He has seen road patching down in other towns and this would not be cost effective for Derry. He made suggestions for union contracts like biweekly pay periods, this could reduce costs, and other projects like solar energy for Town buildings. You have to give some money to reduce costs.

Ron Sebastian Scenic Dr- He is President of Local # 4392 Professional Fire Fighters of Derry, last negotiated contract expired in 2011. This union has extended contract for another year they were told and agreed to wait for new Town Administrator. This union is willing to meet and begin negotiations. They have requested to resume negotiations. Mr. Stearns answered he was awaiting direction from the Town Council.

Mary Till, Old Chester Rd – Federal and State budgets are being cut. Derry has 10 representatives that we need to hold accountable and two Senators and a Congressman who need to make changes to legislation. A 20% cut is a risky experiment with a tax cap that limits increase at best to 2% per year.

Eleftheria Keans, Gervaise Dr. – The current portion of town's budget is reasonable especially given what we get for it. We are not in a fiscal crisis there is no need for the Council to act as if we are. Why not request a level fund budget, no cutting of services that is what we all want for our town.

(Bill Ruik), Gaita Dr. – Has been a resident for ten years. Spoke regarding cuts in police and fire, all this just to have \$500 tax cut. Supports avoiding further cuts of staff. Let's maintain Derry as the place to be not the place to avoid if you have an emergency. He would like to see enough staff to reactivate the water tanker as most homes are not in close proximity to fire hydrants.

Sara Morse, Hope Hill Rd – Told the story of her daughter's accident. She was informed by the hospital that if the Derry Firefighters hadn't had the skill and equipment at the scene she might not be alive today. She would gladly pay more taxes than see jobs cut.

Debbie Roy, Birch St – Moved here because of the sense of community and services offered. She has lived in Manchester and Concord. Closing a fire station will increase home owner insurance, crime goes up, car insurance goes up. Need to look at the effect of these cuts. Why are fireworks, DerryFest and Frost Festival still in the budget rather than the more important people and services?

Phil Brophy, Kilrea Rd – Moved to Derry for a better quality of life. The Derry Firefighters are incredibly trained in what they do. Actions have consequence. The Upper Room funding impacts lives. His daughter used their services. Derry has become an apartment mogul. How much is a burden on the tax rate. There are out of state cars parked in these apartments. Surrounding towns have higher revenue due to box stores.

Margaret Dowdy, Mary Jo Lane – Calvary Bible Church gets \$5,000 per year from the budget. She explained the homeless program used by Derry residents. She asked not to cut the Human Service budget.

Andrea Younie, Emerald Dr – Showed posters created by children who use the Upper Room and people who use the food pantry they are not just from apartments but own homes and have lost their jobs. The community of Derry benefit from these programs.

Pat Dowling, Sunset Ave – The Councilors represent all of the people of Derry not just taxpayers or voters. “If you change the way you look at things, the things you look at change.”

Ruth Marie Kay, Island Pond Rd – She lives at a dangerous curve on Island Pond Road and there have been many accidents in front of her home and the police and firefighters respond quickly to clear the road. She has worked at the Upper Room for 18 years and asked everyone in the room to stand up who supports the Upper Room.

Gordon Graham, Drake Lane – Regarding the cuts being considered for the community even if these tax cut were made the taxes would still be high. He reiterated Mrs. Conroy’s statement about property assessments. He spoke on new process of budget and is asking the Council to abandon this new process now. This goal is already losing talented people.

Joe DiChiaro, Humphrey Rd – Union Contracts can’t give raises without knowing what the economy is going to be like. Senior citizens get slight cost of living. Pensions are killing this country. Make raises for fire and police the same as what the military receives. Grandfather employees already in retirement program but going forward offer a 401K.

Mark Connors, Cabot Dr. – The question is - are we getting our money’s worth and is each department operating efficiently. Using national and state statics we should have 51-73 firefighters and police should have 63; in both cases we are short. Look at the data it doesn’t support this tax cut.

Galen Stearns - Ron Sebastian, President of Local 4392, was willing to meet with Mr. Stearns on behalf of the fire union. Mr. Stearns is awaiting directions from the Town Council. He has also looked into the effect of the bond rating if fund balance is brought from 12.5% down to 10%. This does not affect the credit rating.

Chairman Cardon thanked everyone who came and spoke  
**Motion to close public forum 7-0-0**

Councilor Fischer suggested that Council take care of the two other agenda items before Councilors respond to the Public Forum statements.

**Public Hearing –**

- 15-20** Amend Article III, General Provisions, Section 165-22, Building Permit; Construction Requirements, and Section 165-26, Modular or Pre-Built Site Housing and to amend Article VI, District Provisions, Section 165-44, Multi-Family Residential District (MFR) and Section 165-45, Medium-High Density Residential District (MHDR) to reference the applicable NH State Building Codes as adopted by the updated Chapter 30 of the Derry Code

George Sioras, Planning Director – this is a zoning ordinance update as it relates to the building & property maintenance approved by the Town Council.

Bob Mackey – this is to update the zoning ordinances and amendments to allow the committee to begin its list of properties. The Planning Board approved this on 2/18/15. This is just housekeeping to match the changes.

**Open Public Hearing Councilors Cardon & Bourdon**

No public input

**Close Public Hearing Councilors Katsakiores & Bourdon**

**Motion to amend Article III, General Provisions, Section 165-22, Building Permit; Construction Requirements, and Section 165-26, Modular or Pre-Built Site Housing and to amend Article VI, District Provisions, Section 165-44, Multi-Family Residential District (MFR) and Section 165-45, Medium High Density Residential District (MHDR) to reference the applicable New Hampshire State Building Codes as adopted by the recently updated Chapter 30 of the Town of Derry Code.**

**Moved by Councilor Osborne seconded by Councilor Bourdon**

**Vote: 7-0-0**

**New Business – (Part 2)**

**15-31 Accept NH Highway Safety Agency Seat Belt Grant**

Chief Garone explained that this a \$2,225.34 grant which will cover all salaries, related expenses and rollup costs of 30% for 36 hours of patrols.

**Move to grant authority to Town Administrator Galen Stearns to apply for, accept and expend on behalf of the Town, grant funds associated with the NH Highway Safety project titled Derry “Join the New Hampshire Clique” Seat Belt Campaign and to execute on behalf of the Town all contracts or documents associated without further Town Council action.**

**Motion by Councilor Dimmock, seconded by Councilor Katsakiores**

**Vote: 5-2-0 (Councilors Osborne & Cardon)**

**Motion to extend the meeting ten minutes was made by Councilors Dimmock & Bourdon**

**Vote: 7-0-0**

**Council Discussion on Public Forum**

Councilor Fischer – Read Prepared Remarks - see attached.

**Motion to extend the meeting ten minutes was made by Councilors Bourdon & Katsakiores**

**Vote: 7-0-0**

Councilor Tripp – Has read the economic development material and the Master Plan. There were a lot of ideas but no action. Due to the Town Council not providing leadership in doing these things, they did not get it done. However he applauds the Town Council for sewer and water project, but there is no economic development in place for that area. Other towns have Economic Development on their website, Derry has none. The Greater Derry/Londonderry Chamber of Commerce has economic development on their website. Does the Chamber do our economic development? This

problem didn't arise in two years and can't be solved in one year. He asked what the reason is for \$2.00 tax rate cut.

Councilor Katsakiores – the people sent a strong message that they are not satisfied with cuts. However it was only a proposal. In order to satisfy the will of the people, we need to have the open budget hearings. How can we set a budget if we don't know what the departments need?

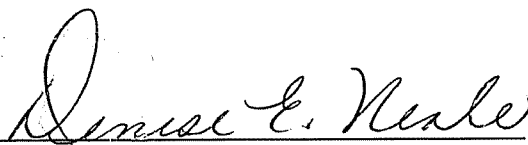
Councilor Dimmock – thanked people for coming. He has heard their concerns and will look over the proposal and he needs to answer questions people have asked in a fair and lucrative way. No one has told him that the Town is letting anyone go. He wants to cut the budget and look at every possible avenue.

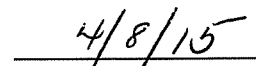
Councilor Bourdon – thanked everyone. There has not been careful planning. He cannot support the presentation. The issue with the tax rate in Derry is a bedroom community. There is a non-virtuous cycle. Without creativity, hard work and cooperation nothing is going to change. He believes there are bright spots in Derry as the town has a lot to offer. Concessions can be made.

Councilor Cardon – remembers the process last year regarding a long discussion on a lawnmower. He depends on department heads to tell the Council what they need. He was one who stated the departments do not need to be micro-managed and to change the review process. He thanked everyone for coming.

Richard Tripp – Regarding Section 8.7 of the Town Charter, he would like additional clarification as to what is permitted for council to talk to people of the town.

Adjournment 10:20 p.m.

  
\_\_\_\_\_  
Denise E Neale, Town Clerk

  
\_\_\_\_\_  
Date



## Town Council Meeting

March 24, 2015

Remarks by Councilor David N. Fischer

**Re: FY16 Budget**

Last year, we discussed and unanimously agreed as a Town Council to consider a different process for FY16 that would start earlier and focus on a goal that would be responsive to the community's top priority of reducing property taxes. Einstein once said "We cannot solve our problems with the same thinking we used to create them." He also defined insanity as "doing the same thing over and over again, and expecting different results". We must do things differently if we expect better outcomes.

The "what" of budget development is the Council's responsibility and the "how" is the Town Administrator's responsibility. The petition that has been circulating wants us to be more "transparent" and go back to the way we were doing things for the past 20 years, the line by line "dog and pony show" that maintains "the status quo", which is part of the reason we are in this financial mess. The issue of transparency can be solved by directing the Town Administrator to put the entire budget on line, including details about his proposals. The public forum on the budget is the community's opportunity to weigh-in on the Town Administrator's recommendations and to voice their support or suggestions for changes. Is there really anyone who would find the feedback by the department heads enlightening? Department heads should continue to meet with Mr. Stearns to explore practical cost saving strategies because it's his job to field those interests and concerns. It is inappropriate and unacceptable to continue to micromanage based on personal interests and emotion. The business of running the Town needs to stay out of the personal arena.

Without a systematic and unbiased way of identifying community needs and priorities, we are left with biased attempts of special interest groups that claim to represent the interests of the entire Derry community. Asking unbiased questions well in advance of the budget process might actually give us answers that the special interest groups are not interested in hearing.

Decisions about the budget should not be based on emotions or scare tactics – "No, the sky is not falling", and we will not allow our community to be unsafe. I believe that the pride and integrity of our town employees are such that they will not let crime run rampant in our Town or allow the Town to burn down.

Please note that by reducing our tax rate by \$2.00 we would still have the highest tax rate in the area. What does a \$2.00 tax rate decrease look like for Derry taxpayers in terms of cost savings?

| House assessed at:              | Savings |
|---------------------------------|---------|
| \$250,000 (amount used in FY15) | \$500   |

Maybe \$500 sounds insignificant to some people, but for those on fixed incomes, young families or couples starting out, it's a substantial amount of money that can be used for other living expenses.

I applaud Mr. Stearns for his efforts to reach out to employees to see if they were willing to make concessions to save jobs. However, I was disappointed to learn that there were certain groups that refused to even meet with Mr. Stearns to discuss possible concessions. What is the message to the Town when employee leaders refuse to meet with their supervisor to solve problems together? 67% of the Town budget is related to personnel costs, and one of the ways to be more cost effective is to consider cost saving measures in the area of personnel. In the absence of labor-management discussions and opportunities to reason and negotiate, staff and/or service cuts may be our only recourse to lower costs and reduce taxes. It is not our individual or collective interest to

lay off staff; in fact, we consider it a last resort. But without the cooperation and contributions of our employees to lower costs in order to reduce property taxes, we will be compelled do whatever is necessary and reasonable to meet the needs of our community.

When carefully developing the budget we must be aware of both fixed costs that are mandated by contractual obligations and variable costs that are not mandated, subsequently, at the discretion of the administration and/or the Town Council.

Examples of both costs include:

| Overtime (Variable Cost)   | Other Compensation (Fixed Cost)                |
|--|--|
| \$1,700,919  | \$1,471,184                                    |
| $\$88,000 = 1.0 \text{ F.T.E (cost of one full time equivalent position as per Mr. Sterns)}$ |  |
| $\$1,709,919 / \$88,000 = 19.3 \text{ F.T.E.}$   | $\$1,471,184 / \$88,000 = 16.7 \text{ F.T.E.}$ |

Another cost saving example is the unnecessary personal use of town vehicles by town employees. Reducing or eliminating this unnecessary perk would save lots of taxpayer money that could be used for other essential expenses.

Economic development can also be an effective strategy to keep our property taxes manageable. A lot of talk, not enough action. Lowering our tax rate will make Derry more attractive to businesses. The 4A advocates also believe that it will solve our fiscal problems. Again, too much talk; not enough action.

There are no “quick fix” solutions for our complex budget problems. People need to start to understand and accept that the answer to our complex financial problems will require careful planning, strong leadership and lots of hard work. Attending to cost effectiveness is unpopular, but essential.

“Stop the Madness” is a very apt slogan. I couldn’t agree more. The out-of-control, runaway train of a 57% increase in the tax rate in our Town over the last 10 years is “MADNESS” which needs to be stopped in its tracks before this town goes bankrupt. We need to work together to make living here affordable and also to maintain essential services that we all deserve and appreciate. Doing more with less is no longer optional; it is overdue, timely and the right thing to do!