

TOWN OF DERRY

Town Council  
Derry Municipal Center

May 12, 2015  
Tuesday - 7:30 PM

SPECIAL MEETING

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**At the request of the Council Chair Thomas Cardon, pursuant to the Derry Town Charter Section 5.9, a special meeting will be held.**

The purpose of the special meeting is to provide each Councilor an opportunity to present his/her intentions regarding the Fiscal Year 2016 budget for each Town Department, in a public non-binding discussion.

**Call to Order 7:30**

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

Chairman Cardon announced the purpose of meeting. He stated the last Council meeting did not end well and asked the audience to please be respectful. He asked that there be no clapping or cheering. He didn't want to have to ask anyone leave for not respecting the rules of this meeting.

**Councilor Tripp** – Presented a PowerPoint presentation based on justification for a tax cut. The presentation reviewed a timeline of requests by Council for preliminary scenarios of tax reductions leading up to the Town Administrator's budget presentation. The presentation included the ten year tax history of Derry's tax rate from 2005 @ \$26.93 through 2015 @ \$29.07 which equated to a 10% increase. He reviewed Derry to six other towns and provided statistical data. Derry comes in 5<sup>th</sup> in cost per/person. He understands some of the Council promised citizens while campaigning that their top priority was to reduce taxes. He doesn't believe Councilors should not be able to speak with department heads as they are trying to understand their department's needs.

On Economic Development – he searched for discussion on Economic Development in Council agendas and through minutes and concluded it doesn't look like it had been discussed that much. He questioned 'is the tax rate too high', yes but why it appears so high is due to a high population and evaluations that are too low.

Solutions: do nothing, reduce tax rate, increase business to reduce tax rate and increase business valuation, or look at budget and see where cuts can be made.

Accepts proposed budget with exceptions: remove use of unreserved fund to offset tax cut, have Council establish a committee to study economic development and submit recommendations with a plan. Council can then fund the committee's recommendations and regularly monitor economic development. The Town needs to be run like a business.

**Councilor Fischer** – Last year he became concerned with line by line review of the budget. Council listened to the interests of the department heads and stated that there needs to be an open line of communication. Some of the people do not understand line by line. This is not something that is practical or useful and this raised many questions. We get a book with 300 pages. What are the cost effective strategies? He has a concern about the process and it is extremely important for administration and department heads to look at both strategies and practical ideas and costs. When he

shared data using Salem, Hudson, Londonderry and Bedford with Derry's tax rate, there was an average difference of \$3.33. He requested the administrator consider looking at \$2.50 and then it was agreed to reduce it to \$2.00. In no way did anyone say this was the preoccupation of everyone on the Council. He believes this budget process should go on all year long not just for a few months. Data differences should be supplied and we, as a Town, should look towards a process that makes sense, which is responsive to the need to reduce property taxes and provide cost effective services. Mr. Fischer's concerns with the Town Administrator's budget is the use of fund balance. Fund balance should be set aside for future major concerns, he is not in favor either of the hydrant fee proposal. He is dismayed when it was discussed that 49 positions were going to be cut and yet in the proposed budget, a position is being added for Economic Development. No one is opposed to economic development but there is no plan and there's been no discussion on the subject with the Planning Director. He has not heard any practical cost saving suggestions. He is concerned about the process. He would not support 49 positions being lost or cutting the library hours nor reducing paving. He believes where ever we land on this budget, it is going to be unpopular. People asked to reduce the tax rate and level fund budget. The Town needs to talk about cost effectiveness. Without any serious suggestions or ideas, the Council is compelled to cut things. He is not pre-occupied with a \$2 tax cut he was concerned that there were no cost effective ways for reductions.

**Councilor Osborne** – Thanked Councilor Fischer & Councilor Tripp for their input. Mr. Osborne did his own research and found that the NH Department of Revenue has 260 municipalities and there are only 19 that have a higher tax rate than Derry and 9 still have overall a rate lower. He was glad to see the room filled with people, this shows that it matters. The municipal government is as close to a democracy as we can get in this country. We are held accountable. It bothered him when he heard that the Town Administrator took the Town Council's goal to the department heads/senior staff and it was rejected knowing the Council all wanted a tax cut. He feels the Town Administrator had a right to ask for those department heads/senior staff for their resignations. It was offensive that department heads/senior staff advocated for their own departments instead of the Town first. There has been a lot of talk heard regarding transparency and he asked, "Do you remember last time Council talked about budget goal this long and wanted people to talk about it." We need to continue to do so. He spoke about the process that in a budget year where Council wanted to see the tax rate go down he learned that \$78,000 of step raises was built into this budget. Increase to salaries was never made obvious in the line items. We are not contractually obligated. There are a number of things that can improve. He is against the water fees and the use of fund balance.

**Councilor Katsakiores** – appreciated thoughts and words from citizens and she knows they meant what they said. She thanked the loyal and professional department heads in their presentations to protect and save our community. They are the experts and are required to do what's in the best interest. She also thanked everyone who had spoken during the public forum and wanted them to know they were heard. Most residents do not want to close a fire station. Council received a letter from the Parkland Medical Center's CEO, Chris Accashian. Ms. Katsakiores read highlights from the letter such as; they understand the tax reduction but encourage the Town to do what is necessary to keep their CAAS staffed. They cannot support a tax cut that would jeopardize our community. Ms. Katsakiores thanked the Town Administrator for his budget presentation. She supports level funding the budget to continue services and funding Human Services. She has listened to the voices of people.

**Councilor Dimmock** – He has listened to other Councilors. The public has been misinformed. There should not be funds taken from the fund balance. In his opinion, there have been a lot of scare tactics in the Town Administrator's budget. Everyone has been going on assumptions and that is wrong. He feels level funding the budget is not doing your job. Past Councils have only pushed for benefits for themselves. This Council is trying to do what is right for the Town of Derry.

**Councilor Bourdon** – Thanked the taxpayers for coming and the Town Administrator for his efforts and the Chairman for calling this special meeting. He would like all the money put back into general fund, and agrees placing the hydrants on the water users was nothing more than a shell game. He does not believe the hydrant fees should be left in fire departments budget they should be moved to water. The Human Service Department has proven to be highly efficient and trust worthy and he was told by Jill Jamro there was an extra \$15,000 that could be put back into budget. Community Development is an important role for the town, it should be marketing existing business, utilizing the website, planning events, filming events and putting it on social media. The Town could run contests making Derry "The Place To Be". There should be financial incentives for this position. Mr. Bourdon would like to earmark a 3 year contract and form a committee to create a job description, with a benchmark for a modest salary. The Committee could consist of 2 councilors, Human Resource Director and the Town Administrator. We could use the general fund for a 3 year contract as an investment. The website needs a facelift which could cost approximately \$65,000 to fund. LED lighting is most efficient and Mr. Bourdon recommends Mike Fowler's suggestion to fully fund immediately and complete as quickly as possible the rest of the Town. Whatever unions are not under contract the Town needs to get under contract as soon as possible. He cannot support a raise for anyone not under contract. His last idea with regards to Parks and Recreation is the Splash Pad which is listed as one of the top 10 places in NH. There is an opportunity here for season or day passes and by placing parking meters for day use there. Offer a season pass. Let's form a committee to see if we can pull this off.

**Councilor Cardon** – Thanked fellow councilors and he did not have anything new to add. This process has been difficult we need to write down a list of what was good and bad about it and get some suggestions for next year's Council. The vision was to go to department heads but there wasn't a lot of input from them. Mr. Cardon believes a \$2.50 cut was way too much and a \$2.00 cut is unrealistic; however, a \$.84 is not enough. He did receive an email stating, "You were the last hope for a tax cut." The idea of an Economic Development Director position is good but not at this time. It is realistic to form a committee and have them report back to Council by Sept 1<sup>st</sup>. Odds are against us with economic development. He does not see \$1M coming out of paving budget, a \$175,000 out of Human Services, or shifting the fire hydrants cost to the water users. He does see maybe using a portion of fund balance. He doesn't have any specifics.

Chairman Cardon thanked the people who come out tonight.

Motion to adjourn 8:40 p.m.

Denise E Neale  
Town Clerk

June 3, 2015  
Date

Recording & Transcription by: Denise E Neale, Town Clerk

