

**TOWN OF BEDFORD
TOWN COUNCIL MEETING
January 25 2012
BEDFORD MEETING ROOM
10 MEETINGHOUSE ROAD**

A meeting of the Bedford Town Council was held on Wednesday, January 25, 2012 at the Bedford Meeting Room, 10 Meetinghouse Road. Present were Councilors: Bill Dermody (Chairman), Chris Bandazian (Vice Chairman), Ken Peterson, Jason Carrier, Paul Roy, Norm Longval, and Jim Scanlon. Also present was Acting Town Manager Crystal Dionne.

Chairman Dermody opened the meeting at 7:04pm.

PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was led by Chairman Dermody.

APPROVAL OF MINUTES

Public Session – January 11, 2012 – MOTION by Councilor Peterson to approve the minutes of the January 11, 2012 Public Session. Seconded by Councilor Longval. Vote taken – Motion Passed – 6-0-1 (Councilor Roy abstained as he was not present at that meeting).

PUBLIC HEARINGS

2012 Operating Budget

Chairman Dermody gave a background on the budget process. He stated that after the public hearing the Council will have an agenda item discussion of what they heard in the two public hearings and will consider what had been suggested to them; then they will finalize the budget that will be presented at the Budgetary Town Meeting on Wednesday, March 7th @ 7:00pm in the high school theatre. He encouraged voters to come to the Town Meeting so they could vote on the budget.

Chairman Dermody referred to the front page of the Budget handout and explained the following:

There is an estimated tax increase of \$0.16 in the
Town's portion of the property tax rate for this
budget. The *estimated tax rate* for the Town portion
is \$4.39 per \$1,000 assessed valuation.
(\$0.10 operating increase/\$0.06 State of NH & Bond Interest)

Chairman Dermody referred to page 3 of the Budget handout, which shows the Warrant articles: Election of Town officers, Zoning Amendments, and Town Operating Budget. The Operating Budget will be voted on at the Budgetary Town Meeting.

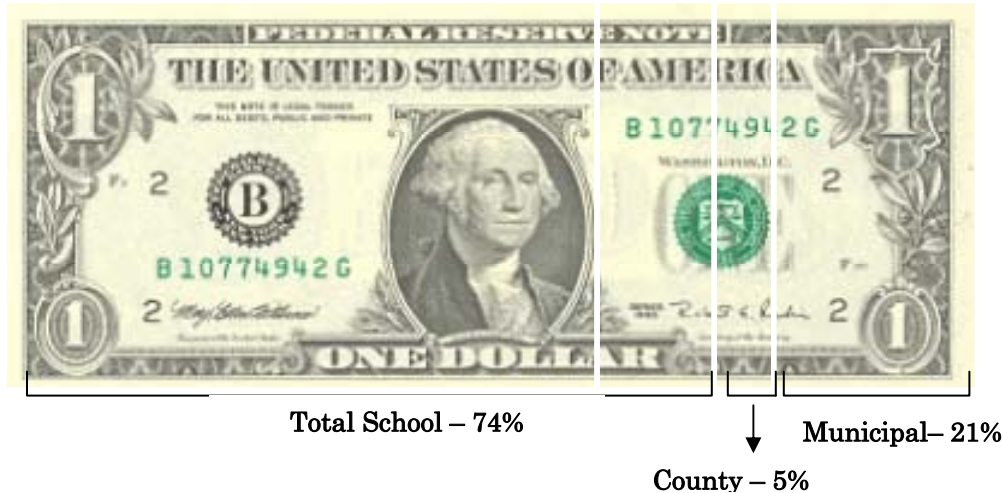
General Fund	\$21,899,915
Police Special Detail	502,158
Recreation Day Camp	105,825
Bedford Comm. TV	357,534
Special Revenue Funds	48,000
Sewer Fund	1,272,638
Total Appropriation	<u>\$24,186,070</u>

Chairman Dermody referred to pages 4 & 5, which show an explanation of the budget increases in some of the departments. Also on page 5 is an explanation of how the taxes can be increased or decreased and where the money is going.

MOTION by Councilor Longval to open the public hearing. Seconded by Councilor Carrier. Vote taken – Motion Passed – 7-0.

Chairman Dermody explained that page 6 showed the appropriations by function and a pie chart explaining how the money is spent. He also explained that the picture of the dollar bill is a graphic way of showing that 21 cents out of every tax dollar they pay to the Town.

BREAKDOWN OF YOUR TAX DOLLAR



Chairman Dermody read the 2012 Proposed Appropriations:

(See next page)

**TOWN OF BEDFORD
2012 PROPOSED APPROPRIATIONS**

DEPARTMENT	2011 WORKING BUDGET	2012 MANAGER RECOMMENDED	2012 COUNCIL RECOMMENDED
GENERAL GOVERNMENT			
TOWN COUNCIL	23,306	15,806	21,806
TOWN MANAGER	245,898	238,401	242,916
VOTER REGISTRATION	15,241	12,251	12,251
ELECTION	3,713	25,712	25,712
TOWN CLERK	97,512	96,280	97,467
INFORMATION SYSTEMS	380,764	418,200	420,000
TAX COLLECTOR	160,658	152,065	152,065
FINANCE/PERSONNEL	348,924	355,100	447,970
ASSESSING	200,249	200,176	203,434
LEGAL EXPENSE	120,000	120,000	120,000
PLANNING BOARD	25,933	20,395	20,395
ZONING BOARD	6,073	5,804	5,804
HISTORIC DISTRICT COMMISSION	1,991	1,994	1,994
PLANNING	324,833	302,486	324,002
TOWN HALL	22,000	23,200	23,200
BUILDING MAINTENANCE	257,132	254,938	254,938
PUBLIC SAFETY COMPLEX	133,955	142,837	142,837
CEMETERIES	29,480	26,330	26,330
INSURANCE	2,200,575	2,341,934	2,293,934
NH MUNICIPAL ASSOCIATION	17,000	17,000	17,000
SOUTHERN NH PLANNING	14,207	14,419	14,419
PAYROLL ADJUSTMENTS	-	218,700	-
FUND BALANCE RESERVE	300,000	300,000	300,000
UNALLOCATED RESERVE	48,300	50,000	50,000
POLICE			
Administration	494,088	471,456	595,082
Communications	615,000	615,002	615,002
Patrol	1,784,097	1,927,435	1,927,435
Detectives	781,129	648,405	648,405
Animal Control	41,582	42,936	42,936
Subtotal Police	\$ 3,715,896	\$ 3,705,234	\$ 3,828,860
FIRE			
Administration	666,007	418,069	462,833
Operations	2,566,376	2,598,905	2,598,905
Building Inspection	165,841	163,754	163,754
Health Department	24,159	24,126	24,126
Hydrant Rental	276,600	286,000	286,000
Subtotal Fire	\$ 3,698,983	\$ 3,490,854	\$ 3,535,618
PUBLIC WORKS			
Administration	296,173	327,723	356,130
Local Road Maintenance	1,000,000	1,000,000	1,000,000
Highway	1,883,615	1,915,367	1,915,367
Winter Maintenance	482,097	481,103	481,103
Traffic Control	94,000	96,000	96,000
Solid Waste	1,032,219	1,017,114	1,017,114
Subtotal Public Works	\$ 4,788,104	\$ 4,837,307	\$ 4,865,714

**TOWN OF BEDFORD
2012 PROPOSED APPROPRIATIONS**

DEPARTMENT	2011 WORKING BUDGET	2012 MANAGER RECOMMENDED	2012 COUNCIL RECOMMENDED
GENERAL GOVERNMENT			
GENERAL ASSISTANCE	25,000	15,000	15,000
SOCIAL SERVICE AGENCY	-	-	-
RECREATION			
Administration	93,265	92,640	94,645
Programs	46,647	44,949	44,949
Pool	90,831	97,060	97,060
Fields	195,400	212,400	212,400
Subtotal Recreation	\$ 426,143	\$ 447,049	\$ 449,054
LIBRARY	980,650	967,493	986,545
TOWN EVENTS	2,000	200	2,200
CONSERVATION COMMISSION	244,586	244,370	244,370
DEBT SERVICE	2,746,914	2,866,765	2,754,080
TOTAL GENERAL FUND APPROPRIATIONS	\$ 21,606,020	\$ 21,928,300	\$ 21,899,915
ENTERPRISE FUNDS			
Police Special Detail	519,018	502,158	502,158
Recreation Day Camp	106,062	105,825	105,825
Bedford Community Television	313,906	353,034	357,534
Sewer Fund	1,180,194	1,272,638	1,272,638
SPECIAL REVENUE FUNDS			
Other Special Revenue Funds	48,000	48,000	48,000
TOTAL MUNICIPAL BUDGET APPROPRIATIONS	\$ 23,773,200	\$ 24,209,955	\$ 24,186,070

* Preliminary/Unaudited

Joan McMahan, Supervisor of the Checklist, stated that after looking at the numbers they had projected in their budget that they were grossly underfunded for the year. They are requesting an additional 550 hours for the year, which is a total of \$5,200 and that includes FICA. She explained that they based their budget on the 2010 primary election. She explained some of the differences between then and now and the additional work that they now have to do, which is why they need the additional hours.

MOTION by Councilor Bandazian to close the public hearing. Seconded by Councilor Carrier. Vote taken – Motion Passed – 7-0.

MOTION by Councilor Roy to reopen the public hearing. Seconded by Councilor Longval. Vote taken – Motion Passed – 7-0.

Roy Stewart, 19 Hickory Lane, had received an email from a BTA member regarding Capital Reserves and read it for the Council:

\$5 million seems like an awful lot in the Capital Reserves; almost 10 year's worth at the current rate of deposits. The little question in my mind that the existence of that fund promotes more capital expenditure than is absolutely necessary. Two possible suggestions; one, only accrue reserves for items more than \$100,000; If it's a car or backhoe, which is less than \$100,000 put it in the regular budget when it comes time to replace. That would generate more scrutiny as to what is absolutely essential. Number two; right now give the Town a 2-year holiday from deposits while the economy is bad from increasing their reserves. In the next year, you're only withdrawing \$200,000, so the principle in the fund really wouldn't be reduced that much so you're not in a real precarious situation. But I would eliminate deposits for this year, 2012, and look at it again next year to resume putting deposits in.

Ms. Dionne stated that the deposits that the Town plans for, for Capital Reserves, are pursuant to a very well thought out designed plan for purchases of large heavy equipment and vehicles. They all go through a review on an annual basis. They include any item that is greater than \$10,000 and has a useful life of 3 years or more. Those are the types of equipment purchases that go into the Capital Plan. She mentioned that there were copies of spreadsheets available at the meeting that shows a 10-year summary of what the projects are and how they have been designed for deposits and withdrawals of those funds when the project or equipment purchase comes due. On the Town website there is an 80-page report that has detailed description of the replacement program for all of those equipment purchases. It is pursuant to a very well thought out designed plan. Mr. Stewart stated that policies are subject to change; the Council could change the policy right now. The person who wrote the email is suggesting for one year to withhold some or all of the deposits they are putting in or instead of \$10,000 and a 3-year life, he's suggesting \$100,000 and the little items you pay for them the year you buy it. Mr. Stewart wasn't saying they should or they shouldn't, but it seemed to him that it would make sense to do one or the other. Chairman Dermody explained that there is a process that is gone through with the Town Manager and the Planning Board and then it's presented to the Council. This isn't something that the Council does any business with at their workshops. If they want to change the policy, it's going to have to go through a public hearing process. The Council can't sit there tonight and say they are going to change the policy. They have to go back through the Planning Board as a minimum to get their concurrence. It goes to the Planning Board for their agreement before it comes to the Town Council. It might be something they can think about for next year.

Councilor Bandazian mentioned that they scrutinize all capital expenditures whether they come out of the general operating budget or are paid for by Capital Reserves. He pointed out that over the past two years they have overestimated the useful life of some capital assets to reduce the amounts placed in Capital Reserves and placed the Town at some risk of tax spiking in the future as a result of equipment breakdowns and system failures. Chairman Dermody gave some examples from the Public Works Department. It's something that the Council may want to revisit next year with advise from the Planning Board.

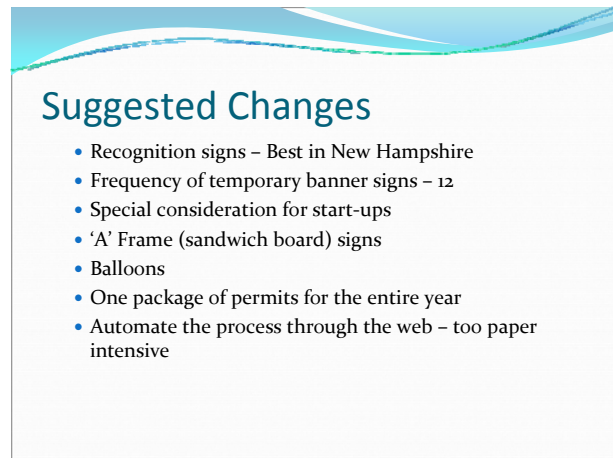
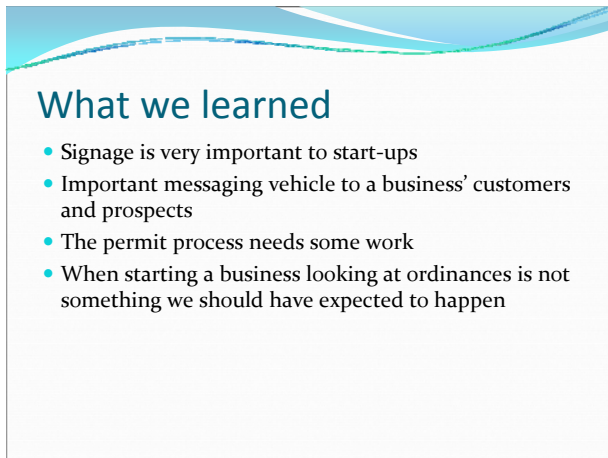
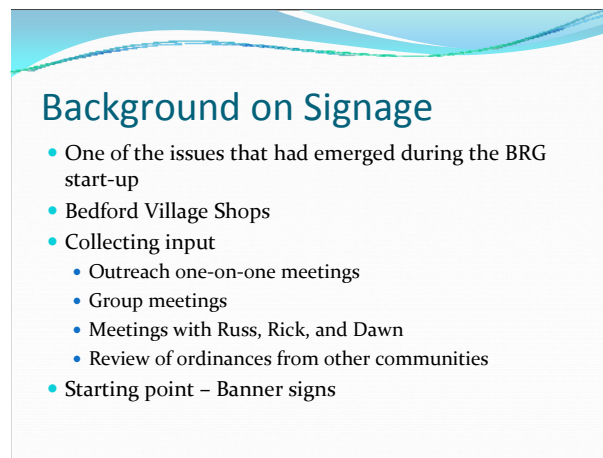
MOTION by Councilor Longval to close the public hearing. Seconded by Councilor Carrier. Vote taken – Motion Passed – 7-0.

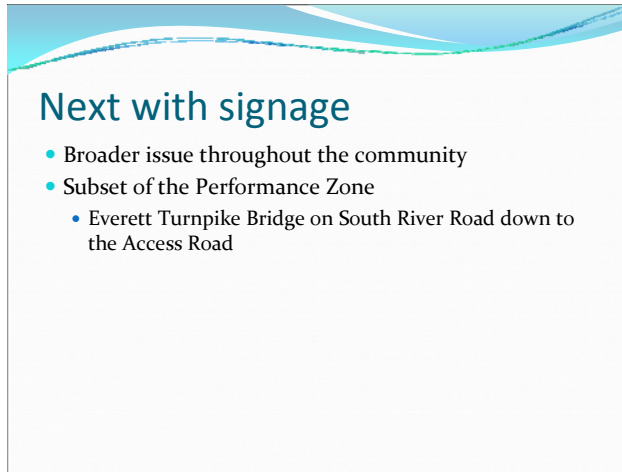
PUBLIC COMMENTS – None

AGENDA

Discussion with the BRG regarding Special Event Sign Ordinance

Doug Pearson and Rob McCarthy from the Bedford Business Resource Group came forward to update the Council and went through a Powerpoint presentation. Other BRG members in the audience were Dana Wallace, Sue Butler and Steve Lawrence.





Next with signage

- Broader issue throughout the community
- Subset of the Performance Zone
 - Everett Turnpike Bridge on South River Road down to the Access Road

Councilor Carrier mentioned that the draft ordinance that has been worked on by the group defines some of the parameters better and addresses those issues. That should be sent to the Council in the near future so they have a chance to look at it.

Councilor Scanlon mentioned that one of the new businesses, the Purple Finch, had requested a 5th sign. He wanted to clarify that the BRG is recommending 12 and if that was 6 before opening and 6 after opening and Mr. McCarthy responded no; one a month two weeks before.

Councilor Longval wanted to know who was going to police the signs and whether they are legal or not and if they are going to need to create a job just to police signs in Town. Councilor Carrier mentioned that it's the responsibility of the Town already. Councilor Longval responded, but it's not being done. Councilor Carrier stated that that's not the responsibility of the BRG. Councilor Longval stated that if they are going to have an ordinance in Town, somebody has to enforce it and the Town doesn't have anybody that has the time to drive around and do it. Mr. Pearson stated that this is a change to the existing ordinance, but whether it's enforceable or not is not something they deal with. It doesn't change the enforcement issue. Councilor Longval stated that the people that pull permits and someone needs to overlook and enforce those. He doesn't know if the Town would hire someone just to do that or give extra time to a current Town worker to go around policing signs. Chairman Dermody questioned Ms. Dionne as to whether this was the subject of a discussion going on now amongst a couple of departments about 'teeth' to the ordinances and Ms. Dionne responded yes.

Councilor Carrier thought that if anything changes there are going to be less people in violation of the ordinance because it expands the rights of local businesses.

Mr. Pearson mentioned that gas stations weren't allowed to have changeable signs to advertise the price of their gas. Councilor Bandazian pointed out that the Irving Oil on White Ave. applied for a variance and received it to do just that, so there are mechanisms in place.

Chairman Dermody mentioned the 12 banner permits, 1 a month, suggested by the BRG. Being able to have them up two weeks prior and throughout their event, he

thought it would become a permanent banner. Councilor Carrier explained that it's only for the first year of operation. He thought the best thing to do is to get the draft ordinance out to the Council and then the BRG could come back for further discussion.

Chairman Dermody thanked the BRG for the work they've done. He suggested that maybe the BRG put together a flyer regarding signage for businesses that come to Town. Mr. Pearson mentioned having an article in the local paper once a month to alert and education businesses that are new to Town. Councilor Carrier mentioned that there are some marketing efforts that the BRG is starting to focus on for new businesses and existing businesses. Mr. Pearson stated that they will have the first newsletter out in February.

Councilor Peterson thought it was a good discussion, but they need to see each line item and how they want to change it. Mr. Pearson responded that they have that in place, but wanted to just to show the high level points first.

Councilor Scanlon thought that signage is a critical for new and existing businesses and thanked them for what they brought forward.

Discussion with Friends of Bedford Canine Corner regarding use of Nashua Road site for a dog park

Ms. Dionne stated that the Dog Park Subcommittee was established by the Town Council back in 2007 and they were tasked to find a suitable location for a dog park in Town. They looked at many different locations, and the Nashua Road site is the recommended location for the dog park. The Subcommittee has requested that the Council approve the usage of that site for the construction of a dog park. On April 13th the Council held a public hearing and several concerns were brought up including the noise levels and possible restrictions on the property. It was found that there are no restrictions on that property and a sound study was done in August. The Subcommittee had gone before the Parks & Rec. Commission back in March and they recommended approval of the site. They went before the Planning Board as well and it was recommended by Town staff that they be allowed to use that property. The Subcommittee has met all of the requirements that have been put before them.

Councilor Peterson stated that his concern throughout the process was to protect as much as possible those who would abut a dog park. He's tried to look at wants and needs and he would categorize the dog park as a want as opposed to a need. He did a small survey of people in Town he saw with a dog and he called residents in Town that he knew had a dog. He asked them if there was a dog park would they use it. Out of the 19 people, 18 said 'no' and 1 said they probably would. He thinks the concept of a dog park without any responsibility of the Town is workable; it's a fair proposal. He thinks the option of a signed lease where there is no responsibility for the Town is a win-win. Those who want a dog park are responsible for it. He would vote for a proposal where the park is on a lease situation where the group takes full responsibility for it.

Councilor Longval stated that the group didn't want to sign a lease because they would have to provide insurance and that would be detrimental to the dog park. He mentioned

that other playgrounds throughout the Town are being taken care of and all covered by the Town's insurance policy. He stated that if someone gets bit they can't sue the Town because the Town issues dog licenses. He spoke to Jim Stanford and he had no issue with going over to the dog park once a week and emptying the trash.

Chairman Dermody wanted to know if it was the Town's position that the Town would operate the dog park. Ms. Dionne responded that from town management perspective, they are concerned about that. It had originally been proposed that it would be operated by a separate entity and there would be no cost to the Town and no involvement of the Town. It's her understanding that the Subcommittee would like that part to be controlled and operated by the Town. That would mean the Town would be responsible for maintenance. The Subcommittee has committed to ongoing fundraising to assist with the maintenance costs, but it certainly isn't a guarantee to the Town and that is a concern. In addition to the maintenance, the Town would be responsible for picking up the garbage, repairing of the fence, monitoring the animals, which ones were licensed and that would fall on the Animal Control Officer. It's her understanding is the way that it is currently proposed, it would involve a significant amount of involvement of the Town and that is a concern because they don't currently have the staffing to monitor that, to manage that park, and they don't have the funds.

Councilor Longval stated that once the park is up and running, they already talked about establishing a dog park commission, which would be made up of three people; the Animal Control Officer would be in charge and who would be visiting the park 3, 4, or 5 times a day, along with two people from the community. They have a volunteer from the Pinecrest neighborhood to sit on that commission and they would need another person. Their purpose would be to check in on the park, which the dog officer would be doing every day to begin with. If there is any vandalism going on or something needs to be addressed, then it will be brought to the commission by the dog officer and the problem will be taken care of immediately.

Councilor Carrier wanted to know if the Town entered into a lease with the Friends of Canine Corner, would they have the ability to maintain the park themselves. Councilor Longval stated that the park itself is going to maintain itself. It's going to belong to the Town, but it's going to be maintained by the people who are involved in the park. Councilor Carrier wanted to know if that would be included in the lease. Councilor Longval responded that there are three options and they don't want the lease option because they would have to carry insurance to cover themselves. They can incorporate it into the Town's insurance that they have. Councilor Peterson was under the impression that with a lease, the Town could still cover the park under its existing insurance policy without any premium increases. Ms. Dionne responded that if the Town is not controlling the park, if it's a separate entity operating and controlling the park, then no.

Councilor Carrier stated that as long there is no major cost associated to the Town, and as long as the sound issues are within everyone's comfort level as adequately being addressed, then he's fine with the proposal, but he would very much lean toward the lease option. Councilor Longval stated that they do have an understanding with the

people of Pinecrest if there is a noise issue that if need be, they can get some soundproof fencing to put up there.

Councilor Roy stated that everything that the Town has asked them to do they've done. He doesn't have an issue with the trash getting picked up by the Town because they are there anyways, but with the maintenance, where the group has set up a fund for the maintenance, then that group should take on that responsibility of maintaining and overseeing that, whether or not there is a lease. If there is an agreement that they are going to do the maintenance and the upkeep and they are going to raise the funds so it's not going to impact the taxpayers, he thinks it's a great thing.

Councilor Scanlon stated that Bedford has 21 athletic fields, 8 parks and trails, 5 play areas, 9 tennis courts, 4 basketball courts, 2 track & field areas, a skate park, a Town pool, and an ice skating park. Not counting the Bedford Village Common, they have 52 separate recreational facilities. Each of them have also been adequately provisioned by Town and School budgets to cover the cost of insurance liability and annual maintenance costs. The operational costs for both the Town and the School for 2011 was just over \$312,000, not including the monies raised and invested in the fields by various sports leagues. He pointed out that the Bedford Canine Corner is not a group of private citizens coming to the Town Council looking for a dog park. It is a committee of Town residents solicited and appointed by the Council, working under the Council's directive to find a location for the dog park. The Committee was told to find a location, which they did, but they were also being asked to handle the building and maintenance, which they intend to do. He explained that in the beginning, the committee volunteered that the park would be built with taxpayer funds. Now the Town Council has requested that the park also be maintained without taxpayer funds and that has been put on the shoulders of the dog park committee. They formed a 501c3 for that maintenance issue. The Town Council requested the set up of the non-profit and it has been set up to handle all of the fundraising for the construction and maintenance of the park. The provision is to be addressed through the fundraising activities to create a \$10,000 cushion for maintenance, which is assessed to be about \$3,000 a year if they did 100% of the maintenance. The assumption being made by the 501c3 is to raise funds and to maintain the park. He sees an anomaly when they treat 52 previously created parks and fields for the Town in a manner totally different from the way they look at the dog park. He stated that the dog park committee originally conveyed to the Town Council that it does not intend or plan to operate the dog park. It does plan to fund it, build it, and maintain it, but it does not plan to operate it. The minimal maintenance is looked to be taken up by the Town. There is not an assumption being made by the Canine Corner that this is an onerous operating entity. It is a minimal cost entity to operate.

Councilor Peterson responded to Councilor Scanlon that in these very austere times, if they were talking about opening up new soccer fields or baseball fields or tennis courts or buildings they wouldn't be doing it because they don't have the money. The concept is well argued and he can support it when it's at no cost to the Town. He finds it interesting juxtaposition between paying for the maintenance but not operating it. It would require almost another employee or half and employee of the Town to do it. Ms. Dionne stated that at this point they are not able to say whether it's going to be a half an

employee; it wouldn't be a full-time employee. The expectation is that the ACO is going to be at the park 4 or 5 times a day. She's not certain the ACO has the time to be there 4 or 5 times a day. They would require some staff hours, but how much that is they aren't prepared to say at this time. Councilor Longval stated that he had conversations with Steve Paul, the Animal Control Officer, and he has no problem going down there 4 or 5 times a day, he's not busy 24/7, and observing and seeing if there are things that need to be addressed. He would be working with the committee and if he were to see something that needs to be addressed then that committee would get together and they would address it. Council Peterson stated that that's every hour and a half that the ACO would be down there. Councilor Longval responded not every hour and a half. The park is going to open around 9:00 in the morning and close at sunset, so every two hours. There are going to have bags for picking up feces and a lot of people that go to dog parks police one another. If need be, he'll go down and do some cleaning up if it's necessary.

Councilor Bandazian stated that he would separate it out. The use of the land with the sound mitigation and the research that's been done and the reaching out to the residents of Pinecrest he's fine with. In terms of use of Town land, there are lease models; the XCSC, the EFJH, and the Stevens-Buswell School. Those entities carry the insurance. There is also the model of the Bedford Village Common where funds were raised to develop a Town asset and then it's turned over to the Town for management. He would easily agree with the lease concept if it came along. For a fundraising entity, they would have to look at staff impact. The Parks & Rec. Director position was lost due to attrition so they came down to one person. They also had seasonal employees doing maintenance of facilities and they don't have them now, so there is less staff. They will be taking on a fully developed and active Bedford Village Common and he doesn't know where they put that extra work. To look at the big picture you have to take into account the additional expense the Town is going to take on for administration and staffing. He thinks the Town is stretched beyond their ability to take care of what they have. That's his concern, but he's willing to look at a proposal.

Councilor Roy asked about a maintenance agreement where the Bedford Canine Group signs an agreement saying that they are responsible for the maintenance. It would still be the Town's property but the Bedford Canine Group would sign an agreement with the Town saying that they are responsible for the maintenance and upkeep of the park. Councilor Longval responded that they expect to and they would also be willing to hire a company for waste removal.

Councilor Scanlon mentioned that there were three options. Option #3 is there is no dog park and the dog park subcommittee is disbanded. Option #1 is the Town gives the land to the Friends of Canine Corner and they sign a lease. Option #2 is let the Town operate the park on its own, but it's maintained and built by the Dog Park Committee. He doesn't expect to see an operating cost for the park if the Canine Corner is maintaining it. Chairman Dermody mentioned the cost of the ACO that is going to go to the park every two hours daily. Councilor Scanlon doesn't believe the ACO needs to or will go to the dog park 5 times a day. If the ACO has indicated to Councilor Longval a willingness to support it and get it into his schedule, he trusts that he has the ability to do that. Councilor Longval stated that the ACO's duty would be to keep an eye on the

place and see that nothing has been destroyed, vandalism, beer cans, etc. Chairman Dermody responded that that's not the ACO's responsibility. Councilor Longval stated that it his responsibility because there are going to be animals there.

Chairman Dermody wanted to know the Acting Town Manager's understanding of what operating the park means and would she allow dogs from Nashua. Ms. Dionne couldn't see how they could prevent out of town residents from coming into the park unless they had someone there to monitor dog tags. There was a concept about charging a membership fee, but that opens the Town up to liability if they charge a fee to enter the park. She doesn't believe they would be able to police that. They don't have the staff to police that. Chairman Dermody wanted to know if the Town is going to operate it, is it under Town rules or the Dog Park Subcommittee rules. Councilor Scanlon responded that the Dog Park Subcommittee built a set of rules that the Parks & Recreation has reviewed and found appropriate and acceptable.

Councilor Longval stated that an easy resolve to this is when people go to license their dogs; they can be asked if they have any intention of using the dog park. If they say yes, they are issued an additional tag that is different that signifies that they are a Bedford resident. The Town can charge for the additional tag or not charge. Ms. Dionne responded that the license that is currently issued does designate that it is a Bedford license, so the concern is still who would monitor it.

Chairman Dermody stated that the question for the Council is are they going to allow the use of that land. The question that the Council is interested in hearing is the answer to is how the Town wants to see this park run and if it's going to involve taxpayer money. The Town Council, the Town and the Dog Park Subcommittee have told the taxpayers previously that it's not going to cost the taxpayers any money going forward. He wants to make sure that there is some kind of understanding between the Town and the Dog Park Committee so that the Town is assured that the Town will be reimbursed or paid in advance for maintenance and operations costs. Councilor Scanlon assured them that the definition of operations and maintenance where it involves the US Dollar will be picked up and held accountable for by the Friends of Canine Corner and that would be written into whatever document they need that written into. They do not intend for the Town to pay to operate or maintain the dog park.

Councilor Roy thought if they drafted an agreement similar to what they do with Einstein to do the maintenance at the Cemetery, they would have an agreement with Friends of Canine Corner that they are going to maintain and operate the dog park. The Town still maintains the ownership of the property, they are just signing the agreement with the Town that they are going to maintain and operate it; a contract.

Councilor Scanlon stated that he is indebted to the hard work that Councilor Longval has done and thought he should make the motion.

Councilor Peterson received an email, but it was decided that they weren't going to read any public input. He mentioned that both Nashua and Manchester have leases for their dog parks and wanted to know if either Councilor Scanlon or Councilor Longval had read those leases and the response was no. Councilor Scanlon stated that the 501c3

undertakes to maintain and operate and fund the park, but it does not plan to operate it in accord with the way those leases are drawn up.

MOTION by Councilor Longval that the Bedford Town Council approve the use of a parcel, 20-11, located on Nashua Road in Bedford for the use of a dog park. It is understood that the construction costs of the park and maintenance costs for up to three years will be provided by the fundraising efforts of the Friends of Canine Corner. The monitoring, enforcement, ongoing maintenance, and park scheduling will be the responsibility of the Town. Seconded by Councilor Scanlon.

Councilor Peterson stated that if the motion was modified slightly he could support it; if they eliminated 'for up to three years' and 'ongoing maintenance'. Councilor Peterson read an amended motion:

MOTION by Councilor Peterson that the Bedford Town Council approve the use of parcel 20-11, located on Nashua Road in Bedford for the use of a dog park. It is understood that the construction costs of the park and maintenance costs will be provided by the fundraising efforts of the Friends of Canine Corner. The monitoring, enforcement, and park scheduling will be the responsibility of the Town.

Councilors Longval and Scanlon had no problem with the amended motion.

Councilor Carrier made an alternate motion:

MOTION by Councilor Carrier that the Bedford Town Council approve the use of parcel 20-11, located on Nashua Road in Bedford for the use of a dog park. It is understood that the construction costs, with the exception of the Animal Control Officer, and maintenance costs of the park will be provided by the fundraising efforts of the Friends of Canine Corner and consummated by way of contract. The Town will maintain ownership of the property. Scheduling will be the responsibility of the Town.

Councilor Peterson questioned the wording, so Councilor Carrier reworded the motion:

MOTION by Councilor Carrier that the Bedford Town Council approve the use of parcel 20-11, located on Nashua Road in Bedford for the use of a dog park. It is understood that the construction costs and maintenance costs, with the exception of the Animal Control Officer, will be provided by the fundraising efforts of the Friends of Canine Corner and consummated by way of contract. The Town will maintain ownership of the property. Scheduling will be the responsibility of the Town.

Councilor Bandazian wanted to know where the operational expense goes. Councilor Peterson stated that they have to add operation costs somewhere. Councilor Bandazian stated that it either goes on the Town in the motion or it goes on the Friends of Canine Corner.

Chairman Dermody thought it needed to be codified. There needs to be another sentence that says it will all show up in an agreement.

Councilor Bandazian stated that it should be crystal clear who has the responsibility for ongoing operational expenses. He suggested, 'the construction costs of the park, maintenance costs, and operational costs will be provided by the fundraising efforts of the Friends of Canine Corner.' Operating costs are inclusive of monitoring. He didn't understand what was meant by scheduling in the last sentence. Councilor Roy stated hours of operation. Councilor Bandazian suggested sentence three should be 'the enforcement and open hours will be the responsibility of the Town' or 'the termination of the open hours will be the responsibility of the Town'. Also, 'Motion to be memorialized by a mutually agreeable contract between the Town of Bedford and Friends of Canine Corner.

Councilor Peterson wanted to know if it would be possible for the Animal Control Officer to deputize and train one of the people to look over the park. Councilor Longval thought that was a matter they would have to talk to the Police Department about. It was mentioned that the ACO is a police officer, but he isn't sworn.

Councilor Longval rescinded his motion.

Councilor Bandazian read the revised motion:

MOTION by Councilor Bandazian that the Bedford Town Council approve the use of parcel 20-11, located on Nashua Road in Bedford for the use of a dog park subject to the agreed to sound mitigation being performed. It is understood that the construction costs of the park, maintenance costs, and operational costs including monitoring will be provided by the fundraising efforts of the Friends of Canine Corner. The enforcement and determination of park hours will be the responsibility of the Town. This motion to be subject to a mutually agreeable contract between the Town of Bedford and the Friends of Canine Corner. Seconded by Councilor Peterson.

John Deachman, Pinecrest Drive, didn't think there were any teeth in the 501c3. When the folks lose interest in the 501c3 five years from now, but the fences are there and the containers are there and the rest of it is there, who was going to pay to maintain and operate the park. He also questioned if a child gets bit, where does the mother go to get money for medical expenses and Councilor Bandazian responded that she would have to go to the owner of the dog that did the biting.

Doug Blais, 46 Pinecrest Drive, is an abutter and a member of the Dog Park Subcommittee. He stated that some residents were still concerned about sound and sound mitigation. In earlier discussions it came across that everything was fine, but he

is still concerned and had expressed that to Councilor Scanlon and Councilor Longval. He also thought there was some confusion with the Dog Park Commission. It was his understanding that the Commission would oversee it, but not be directly responsible for it. He thought Councilor Longval made it sound like the Commission would be directly responsible for those operations. When he was asked to be on the Commission, he had the understanding that the Commission would oversee it, not be directly for; it would be the Town's responsibility. He thought Councilor Longval said that the Commission would be directly responsible for the operation and maintenance. Councilor Longval responded yes. Mr. Blais stated that that wasn't what he thought he was signing up for. He stated that he's not in favor of the dog park even though he's a member of the dog park committee. He would like to see more of the sound mitigation discussion in the motion. Councilor Roy pointed out that Councilor Bandazian did put that in the motion and it's the Friends of Canine Corner's responsibility if it needs to be done. He also asked about the reserves. Councilor Bandazian responded that it's not specifically in the motion, but everybody has agreed to it and when they draw up the contract details, they will make sure that is in there.

Vote taken – Motion Passed – 7-0.

Councilor Longval thanked Doug Blais in his assistance and all of the members of the Dog Park Committee. He mentioned that they can move on to a fundraising committee and disband the Dog Park Committee.

Approval of Collective Bargaining Agreement with Bedford Fire Union Local 3639

Ms. Dionne explained that they began the negotiations along with the assistance of a professional negotiator in August of 2011. They came to an agreement, which is a 3-year extension with some minor changes. The union was agreeable to what the Town had proposed. It included a wage adjustment over the 3-year contract term; an across the board 2% in year one, 2% in year two, and 2½% in year three. It mirrors the Public Works Union Contract. They have also agreed to the Town's requested change in the health insurance plan design, which is going to save the Town money. It includes a \$50 increase in the clothing allowance. The Town felt that was a reasonable request of the Union because the clothing requirements have changed. It also includes two additional educational incentives for up to four members of the department; one is for the child seat safety technician and one is for the SCBA Repair Technician. Another change was the design of the days allotted for them to conduct Union business. It does not increase the total number of days in a year; it just redefines which events they are able to attend. Ms. Dionne thanked the Fire Union. They were very agreeable and open to listen to what they had to propose.

Councilor Peterson thought they did a good job in negotiating with both sides.

Councilor Carrier believed that they should pay for performance.

Councilor Bandazian thought it was going to be a challenge for management to recognize excellence and to motivate those who need motivation under this contract, but he has faith in both management and labor in this situation. He's glad they can put

this behind them and show their appreciation to the firefighters for the fine work that they do.

Chairman Dermody asked about the annual clothing allowance and if it was replaced every year. Ms. Dionne explained that they don't replace all of the articles every year. There are several pieces of an outfit that they may not be able to buy all of it in one year. It's not just replacing the outer gear, it's replacing those plus other uniform items that are a much greater cost that they add to their wardrobe each year. Councilor Peterson stated that the turnout, just the jacket and the pants, are more than \$1,000. Ms. Dionne responded that those are provided by the Town.

MOTION by Councilor Peterson that the Bedford Town Council approve the Bedford Fire Union, IAFF Local 3639, Collective Bargaining Agreement as presented for the three year period commencing on January 1, 2012 and concluding on December 31, 2014 and authorize the Acting Town Manager to sign in acceptance of the agreement. Seconded by Councilor Longval. Vote taken – Motion Passed – 6-1 (Councilor Carrier- no).

Update on status of Bedford Cross Country Ski Club

Ms. Dionne explained that at the last Council meeting, the Council made a motion to allow the BXCSC to continue to use Legacy Park for the remainder of the 2011/2012 ski season, which would end around March 31st. The motion was pursuant to their adherence to guidelines stipulated by the Town. The BXCSC has signed the interim usage guidelines that the Town put forth. Some of the guidelines were that the cease & desist that was ordered in December was still in effect and they are prohibited from performing any work whatsoever on the trails with the exception of grooming that is limited to hand removal of fallen branches that are on the trails. The guidelines also stipulate that the BXCSC is responsible for payment of all remediation efforts, studies, work required by the Town to repair the damage that the club had done without the authorization of the Town. The use of the property will cease at the end of the current ski season and that date shall not extend beyond March 31, 2012 and future use of the property shall be subject to a formalized MOU, which is approved by the Bedford Town Council. The guidelines further stipulated that the BXCSC shall maintain liability coverage with a certificate of insurance naming the Town as an additional insured. The Town has that certificate of insurance, but that requires that they maintain it. They will also provide the Town with their ski events and practice schedule. The BXCSC has addressed the safety concerns regarding the warming hut so that will be allowed to remain open. Ms. Dionne stated that the Town has not incurred any additional expenses than what was previously reported. She explained that they need to let the ground thaw. They also need some type of master plan from the BXCSC that defines what their intent is for use of the property for the next 5 – 10 years and whether they are going to request any modifications be made. They need that prior to going to DES in order to pull a permit. They can pull an after the fact permit for the damage that was done, but if they do that, they can't go back and make additional modifications that they need a permit for; it needs to be done simultaneously. They don't believe that DES will issue any fines to the Town because they are self reporting. The Town met with the

Chair of the Parks & Recreation Commission and they discussed the responsibilities and a timeline for creating an MOU between the Town and the BXCSC. It was determined that the Parks & Recreation Commission would take the lead on drafting the MOU; a subcommittee will be set up to gather the necessary information and draft the MOU.

Michelle Casale, Chair of the Parks & Recreation Commission, stated that they have an MOU that was drafted by the BXCSC and so they are going to use that one as well as some other sample MOU's that they have and draft one. There is a small working group made up of herself, Dennis McMahan, Dennis Tokac, Councilor Longval, Jane O'Brien, and Jim Stanford. They are meeting next Monday. They were charged with having it done by July 1st, but she sees them having it done before then. It would go through an approval process of their committee, then back to Chairman Dermody, Crystal Dionne, and Councilor Bandazian and then the BXCSC, then the full Parks & Recreation Commission and then back to the Town Council.

Councilor Scanlon had an email from a constituent having to do with clean-up and wanted to know if there was some thought about the clean-up of what's been done to the park. Ms. Casale responded that it was her understanding that the BXCSC would clean it up in the spring and moving forward they would have a Town representative walk it twice a year, before and after the season and address such issues. That would be worked into the MOU. Councilor Peterson thought that they BXCSC would pay to have it cleaned up; the Town didn't want the liability of young people out there with chainsaws and trucks and stuff cleaning up all the felled trees.

Alan Goedecke didn't know why the BXCSC wouldn't want to clean it up themselves. They have always cleaned up the trees; they fill up their fire wood bins every year; why would that suddenly change. That's how they maintain trails. Councilor Peterson thought the concern was for the safety of the non-professionals going in there with chainsaws. That's what his understanding was during the discussion on the 11th; that cutting up large trees and disposing of them was something that shouldn't be done by amateurs. Mr. Goedecke responded that if the Town has some certification program that someone needs to go through, they will do it. Right now, some of them are signed up for a disaster certification program so that they can be certified for use with chainsaws. They take safety seriously and in the 17 years they've maintained the trails they have taken down some big trees and no one has ever been hurt or close to being hurt. Councilor Peterson stated that the conversation was about students, teenagers out there using heavy equipment. Mr. Goedecke stated that they aren't there. When a big tree is taken down, the students don't use the chainsaws; they move branches. Councilor Peterson stated that he was just relaying what was in the conversation about the fact that there was serious cleaning up that needed to be done. Mr. Goedecke responded that that was an accusation. He didn't think that anyone came up with a recommendation; that was more surmised than fact, because there has never been anyone hurt on their trails on their clean-up days. Chairman Dermody thought Mr. Stanford needed to get back in to the subject and make some decisions whether they are certified or whether the Town could allow that to happen or whether the Town prefers to do it on their own for liability reasons. Mr. Goedecke stated that they are also covered by their insurance policy for any damage and liability. Chairman Dermody stated that one of the concerns that was expressed at the last meeting is that the Town

has to make sure that things are being done by qualified people. He doesn't think that anyone is questioning that the BXCSC aren't qualified, but he thinks they need to make sure that the people that are doing dangerous work with chainsaws are qualified, knowledgeable, maybe over the age of 18. Mr. Goedecke stated that if that's what they want to make the requirement then they will get certified. Ms. Dionne believes that they can work an agreeable solution between the Town, the DPW, and the BXCSC. They recognize that the clean-up needs to happen. The Town doesn't know what the trails looked like before, so there is a concern about exactly what it is that needs to be cleaned. She believes there needs to be walk through with the BXCSC and the DPW Director and then they will determine who is best suited to do those clean-up efforts. If it is the Town, then that is how they will proceed and bill the BXCSC. If there is work that can reasonably be done by the BXCSC and the Town is in agreement, then they can move forward with that.

Councilor Longval wanted to know who was doing the certification that he mentioned. Mr. Goedecke responded that several of them are signed up for a Southern Baptist convention. They have a disaster team that is certified and works with FEMA and the state agencies, and they are certified in chainsaw work, food preparation for emergency relief, and mud outs. They have a program for those three areas and at least two of them are signed up and there will be some signed up as well.

Councilor Bandazian appreciated everybody that jumped into action to address the immediate safety concerns at the warming hut. He appreciated Ms. Dionne, Ms. Casala, Parks & Rec., Jim Stanford and the BXCSC in getting that done. Also, the Rotary is stepping up and helping to fund some of those efforts going forward. It was also mentioned that the BXCSC had a meet over the weekend and Bedford won.

Mr. Goedecke mentioned that there was no one on the committee for the MOU that knows anything about skiing. He could give them names of some technical delegates and people that are totally unrelated to the BXCSC and have an idea of what is required for trails, because that's the one thing that's lacking. Ms. Casale responded that they would use the MOU that he put together as a starting point. They are not suggesting redoing any trails; they are just going to put together an agreement based on what he's given them and he would certainly see it before it goes to the Parks & Recreation Commission or the Town Council. They will seek his input and he can have it for several weeks to review and get back to them.

Councilor Scanlon mentioned that there were disagreements among the BXCSC, the Town and the Parks & Recreation Commission as to what could or should be done, but everybody is prepared to cooperate and work with each other and that's a positive thing. He hopes that the misimpression that the relationship between them has been rancorous and filled with frustration, anger and discord and that compromise and cooperative efforts was not possible has been corrected by what's been said tonight.

Town Manager Search Update

Chairman Dermody stated that they held a workshop and they now have five remaining applicants. They went back through the 'unqualified' applications and found an

applicant that met all of the educational requirements, but they didn't have the local government experience. That applicant is one of the five remaining applicants. They have received the essay questions back from all five applicants. The plan now is to initiate telephone interviews of all the personal references that were provided by the applicants. They are expecting to have those completed by next Wednesday. The Council will have a personnel workshop next Wednesday and are expecting to narrow it down to three remaining applicants. Councilor Bandazian is putting together a stress question, which will be timed. It poses a series of everyday experiences that a Town Manager might experience. After they have narrowed it down to three final applicants, they will be subjected to a background investigation as is done with all Town employees. The applicants will be here for a Council interview on three successive days. While they are here, each applicant will meet with the Department Heads. They will also be subjected to the stress question and then have an interview with the Council. After that, one of them will be identified and offered a contract that will be negotiated successfully, hopefully. The Council expects that very early in March, a week before the Budgetary Town Meeting, they should be able to announce a new town manager. That's if all goes well. They are on schedule with the process and schedule they put together back in December. It is the same process, except for the fact that they documented it, which brought three prior town managers to Bedford. They aren't taking their own course; it's a course that's been tried and proven. They have embellished it a bit by going out for internet searches on the candidates.

Approval of 2012 Council Recommended Municipal Budget

Chairman Dermody stated that at the first public hearing there was a recommendation made that they consider not budgeting \$300,000 this year to Fund Balance Reserve. When the question was raised in the first meeting, Ms. Dionne made a comment that they might be able to forgo the \$300,000 this year. That sparked a few questions that he went back to her with, which she answered. In further discussion with her he suggested that she do a tutorial to the Council as far as the Fund Balance.

While Ms. Dionne was setting up her presentation, the following motions were made:

MOTION by Chairman Dermody that the Bedford Town Council add \$164,500 to the Police Administration Grant/Donation Appropriation and to add \$164,500 to the Police Administration Grant Revenue for purposes of accepting and subsequently expending grant awarded funds which may become available during 2012. This budget change has no impact on the estimated municipal tax rate. Seconded by Councilor Carrier. Vote taken – Motion Passed – 7-0.

MOTION by Chairman Dermody that the Bedford Town Council add \$21,988 to the Library Property Repairs and Maintenance Appropriation and to add \$21,988 to the Library Transfers from Capital Reserve Revenue for the purpose of offsetting additional costs identified for the roof replacement and insulation project. This budget change has no impact on the estimated municipal tax rate. Seconded by Councilor Roy. Vote taken – Motion Passed – 7-0.

MOTION by Chairman Dermody that the Bedford Town Council add \$14,411 to the Conservation Commission Land Appropriation and add \$14,411 to the Conservation Commission Transfer from Capital Reserve Revenue for the purposes of expending available reserve funds in the event that a parcel of land becomes available for purchase in which the Commission deems appropriate to their mission. This budget change has no impact on the estimated municipal tax rate. Seconded by Councilor Longval. Vote taken – Motion Passed – 7-0.

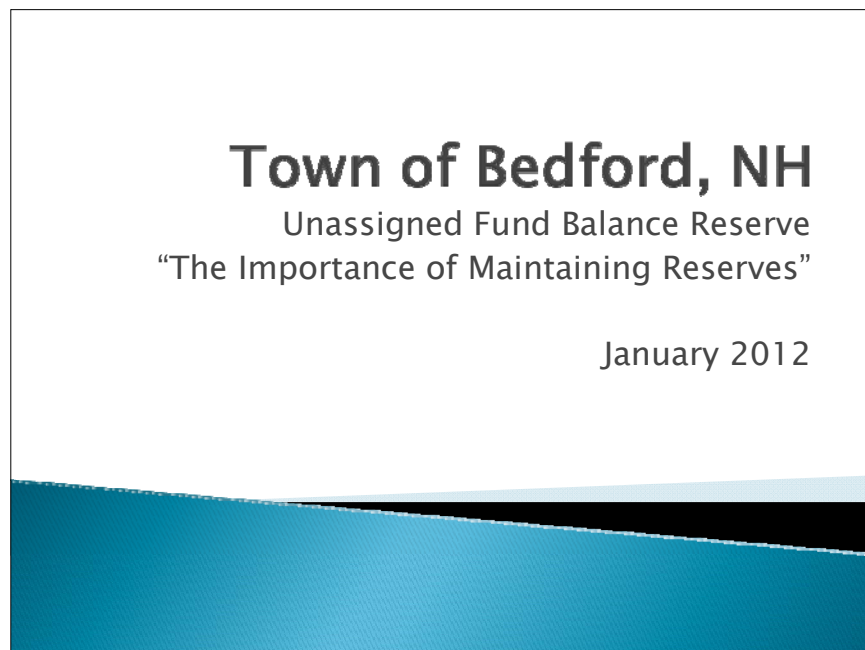
Councilor Roy wanted to know if the \$14,411 was the interest from the Trust Fund. Ms. Dionne responded that it was the interest from the Trust Fund as well as the very small portion that gets transferred; it's 70% of the current use revenues that are collected, but they collected next to nothing this year, so the vast majority is the interest.

MOTION by Chairman Dermody that the Bedford Town Council add \$5,200 to the Voter Registration appropriation for the purposes of covering additional payroll hours for the 2012 elections, which were unanticipated during the budget preparation in August. Seconded by Councilor Peterson.

Councilor Peterson believes they should support the privilege and responsibility of voting and believes it is an appropriate amount of money to spend and he endorses it.

Vote taken – Motion Passed – 7-0.

Ms. Dionne showed and explained a Powerpoint presentation regarding the Unassigned Fund Balance Reserve.



Unassigned Fund Balance Reserve – January 2012

- Government Finance Officers Association (GFOA) Best Practices (revised 2009)
- Essential for governments to maintain adequate levels of fund balance:
 - To mitigate risk (revenue shortfalls/unanticipated expenses)
 - To ensure stable tax rates
 - For Long-Term Financial Planning
 - For Exceptional Creditworthiness/Economic Condition
- Adequate Levels Defined: MINIMUM 2 months of operating expenditures or between 8 – 17%

Unassigned Fund Balance Reserve – January 2012

- Policy should encompass these factors:
 - Predictability of revenues and volatility of expenditures
 - Perceived exposure to significant one-time outlays (ie. disasters, immediate capital needs, budget crisis)
 - Drains on general fund resources or availability of resources in other funds.
 - Liquidity (timing and availability of funds due tax billing in arrears)
 - Commitments and assignments of fund balance imposed by the governing body
 - Desirable levels of unrestricted fund balance
 - Plan for replenishment of fund balance levels

Unassigned Fund Balance Reserve – January 2012

- **Town of Bedford – Fund Balance Policy:**
 - 2003 withdrawal for Assessment Revaluation
 - 2004 withdrawal for Magazine Street Water Issue
 - 2005 Adopted Formal Policy in March
 - Minimum balance of 5%; Target balance of 8%
 - Inclusive of the Municipal, School and County budgets
 - Building and Replenishing FB to be accomplished by conservatively estimating revenues and/or adding a line item to the annual budget
 - Defines allowable uses of FB
 - Excess FB above target can be used to offset taxes
 - FB (even below target) can be used for emergency purposes
 - Offsetting taxes or mismanagement of funds is NOT deemed an emergency.

Unassigned Fund Balance Reserve – January 2012

- **WHY does Bedford maintain a Fund Balance?**
 - Financial Protection/Stability
 - Declines in economically sensitive revenues (interest, MV) and unanticipated cuts in State revenue sharing
 - **Internal benefits:**
 - *Cash flow needs until major tax revenues are received*
 - *Reduces or eliminates need for cash flow borrowing (TANs)*
 - *Provides funding to leverage state or federal grants*
 - *Provides for the unexpected*
 - **External benefits:**
 - *Reserves are viewed favorably by investors/rating agencies*
 - *Benefits our credit rating and thus borrowing rate*

Ms. Dionne mentioned that at the last meeting she didn't say that they could forgo a deposit to the Fund Balance Reserve; she did say that she didn't believe if they did not put that deposit in the Reserve that it would affect their credit rating initially. She talked to their financial advisor to get his take on how it would be viewed by the investment community, by the credit rating community. His response was while it may not affect you in the immediate term, it is certainly is a major red flag for why they would abandon a policy they have been so steadfast in maintaining six months after they were upgraded to Aaa. It certainly does send up a red flag and should be of a concern.

Unassigned Fund Balance Reserve – January 2012

- How is the Target Goal of 8% Calculated?
 - Example: 2011
 - Municipal General Fund Budget = \$21,606,020
 - School Net Budget (to be raised by taxes) = \$51,076,581
 - County Portion (to be raised by taxes) = \$3,651,317
 - Gross Appropriations = \$76,333,918
 - 8% of Gross Appropriations = **\$6,106,713**
 - Estimated Fund Balance 2011: **\$6,593,207 (8.64%)**

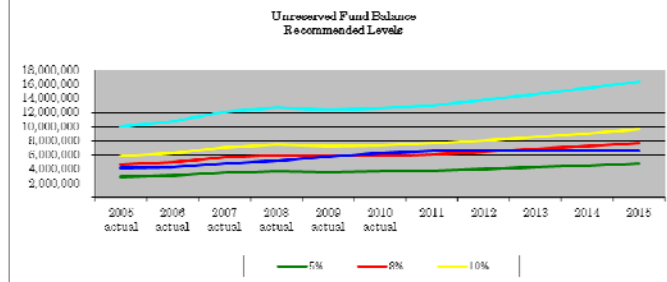
- Why do we need to increase Fund Balance annually?
 - Budgets for the Municipal, School and County increase annually, therefore the percentage is calculated on a higher gross appropriation each year.
 - If the 2012 appropriation of \$300,000 were eliminated our balance would drop to 8.15%; if there were no appropriation in 2013, our balance would drop to 7.7%
(this percent is based on estimated budgets for the town/school/county)

Ms. Dionne mentioned that they would see the effect of not funding that Fund Balance and they may over 8% now, but by 2015, which was their 10-year goal, they won't be there.

Unassigned Fund Balance Reserve – January 2012

➤ Fund Balance – CURRENT FUNDING PLAN

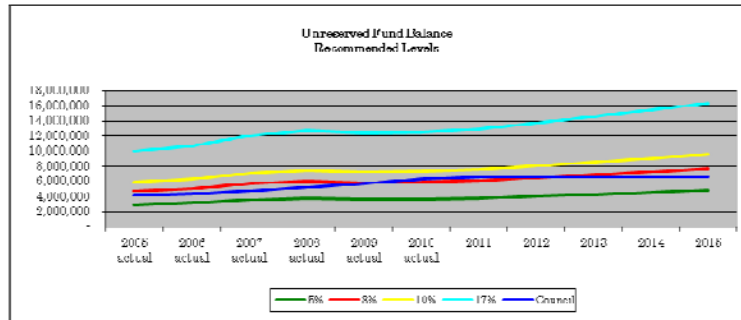
Year	Estimated Gross Appropriations *	Target Fund Balance - 8%	Council Budget Appropriation	Excess Rev/ Unspent Approp	Estimated Fund Balance	Actual %
2005 actual	58,926,572	4,714,126	430,000	-	4,213,841	7.15%
2006 actual	63,179,736	5,054,379	353,749	(208,535)	4,359,055	6.90%
2007 actual	71,274,360	5,701,949	278,749	148,758	4,786,562	6.72%
2008 actual	74,869,996	5,989,600	430,000	25,754	5,242,316	7.00%
2009 actual	73,253,355	5,860,268	430,000	104,183	5,776,499	7.89%
2010 actual	74,098,785	5,927,903	430,000	86,708	6,293,207	8.49%
2011	76,333,918	6,106,713	300,000	-	6,593,207	8.64%
2012	80,913,953	6,473,116	300,000	-	6,893,207	8.52%
2013	85,768,790	6,861,503	300,000	-	7,193,207	8.39%
2014	90,914,918	7,273,193	300,000	-	7,493,207	8.24%
2015	96,369,813	7,709,585	300,000	-	7,793,207	8.09%



Unassigned Fund Balance Reserve – January 2012

➤ Fund Balance – ELIMINATING RESERVES

Year	Estimated Gross Appropriations *	Target Fund Balance - 8%	Council Budget Appropriation	Excess Rev/ Unspent Approp	Estimated Fund Balance	Actual %
2005 actual	58,926,572	4,714,126	430,000	-	4,213,841	7.15%
2006 actual	63,179,736	5,054,379	353,749	(208,535)	4,359,055	6.90%
2007 actual	71,274,360	5,701,949	278,749	148,758	4,786,562	6.72%
2008 actual	74,869,996	5,989,600	430,000	25,754	5,242,316	7.00%
2009 actual	73,253,355	5,860,268	430,000	104,183	5,776,499	7.89%
2010 actual	74,098,785	5,927,903	430,000	86,708	6,293,207	8.49%
2011	76,333,918	6,106,713	300,000	-	6,593,207	8.64%
2012	80,913,953	6,473,116	-	-	6,593,207	8.15%
2013	85,768,790	6,861,503	-	-	6,593,207	7.69%
2014	90,914,918	7,273,193	-	-	6,593,207	7.25%
2015	96,369,813	7,709,585	-	-	6,593,207	6.84%



Ms. Dionne explained the chart shown on the screen. She explained that they started in 2005 needing an appropriation of \$430,000 for 10 years. That \$430,000 was initially in that appropriation column for all 10 years in order to get to 8% by 2015. As actual numbers came in, they were able to reduce that to the \$300,000 mark, which is where they are now. If they continually fund it at \$300,000, by 2015 they will be at 8.09%.

Councilor Peterson wanted to know if that was predicated on the budgets going up at a certain rate every year and Ms Dionne responded that that was correct. Councilor Peterson wanted to know at what rate and Ms. Dionne responded 5%; a 5% budget increase every year.

Ms. Dionne referred to the chart and explained that if they take out that \$300,000 appropriation in 2012, they are down to 8.15%, but in 2013 they would have already dropped below where their target was. By their 10-year target, 2015, they are down to 6.8%. There is certainly an effect of not funding it.

Councilor Roy thought those numbers were predicated on the fact that there is no reserve at the end of the year. Ms. Dionne responded that is correct. Councilor Roy stated that in most years there has been. Ms. Dionne agreed; they do try to budget very conservatively, but there are years where changes occur, they may have a vacancy that would create a surplus, so those surpluses do happen. It's up to the Council whether or not they want to count on that.

Councilor Peterson stated that the 2012 proposed budget as it sits now is not even close to being 5% greater than the 2011 budget and Ms. Dionne agreed that it is not. Councilor Carrier wanted to know if it included infrastructure bonds and payments that they are making or strictly the currently budget. Ms. Dionne responded that it is the full budget, so it would include bond payments as well.

Unassigned Fund Balance Reserve - January 2012

- Where is the Town's Fund Balance?
 - There is no separate bank account which holds \$6+million of the Town's fund balance.
 - All general fund revenues collected and expended to pay our obligations flow through one operating account.
 - Fund Balance represents the 'Equity' of the Town.
 - If the Town were to collect all receivables owed to it
 - If the Town were to pay all its current year obligations
 - The amount remaining in the bank account would be our Fund Balance figure.

Ms. Dionne pointed out that there are many times during the year where they need to rely on that reserve account for cash flow purposes. If they are coming up to a tax collection, they are fairly depleted in cash reserves at that point. The Fund Balance Reserve essentially kicks in and provides that liquidity for them. It is important to note that there is not a separate account with just this money sitting in it.

Councilor Peterson clarified for the public that there is a bank account in Citizens Bank that has millions of dollars in it and every night at midnight it's swept into the Bank of New York to come back out the next day. So the money exists, it's in an account, it's just not in a separate account. Ms. Dionne responded that that's correct, but it is not there all the time.

Unassigned Fund Balance Reserve – January 2012

- Final Thoughts on Fund Balance
 - Formal reserve policies are viewed favorably
 - They minimize political considerations
 - Keep the Town focused on providing structural balance
 - Less dependence on one-time influxes of revenues
 - The Town Council has the ability to modify the Fund Balance Policy if they so choose.

Chairman Dermody stated that he was totally unaware of the 2005 Council policy. The policy that was presented in 2005 tells you how to get to the 8%, but it doesn't tell you where to go after that; it just says to get to 8%. He thought the projections need to be refined since they are not seeing 5% increases in the budget. Maybe the answer is not \$300,000; maybe it's less than that. He thought that the next Council should revisit that 2005 policy, refine it, and maybe restate what the target is; it may no longer be 8%. He thought Ms. Dionne would like to see them have more in there than that. If the Council thinks that 8% is still a good safe place to be, then they should fine tune future contributions based on what they can project to be the gross appropriates for the next subsequent years. They should also say in any revision to that policy, that that policy should be revisited on some kind of a scheduled basis. It should be revisited maybe every two or three years just to look at the assumptions that go in to the estimated appropriations to see if their projections they would make continue to be valid and possibly beyond 2015. When he, Councilor Bandazian, and Ms. Dionne were talking about it, he stated that they are over the goal line. Ms. Dionne objected and said no, your foot is still on the chalk; you're not in the end zone. Chairman Dermody thought they could forgo it this year, but it has to be understood that this is just a hiatus; a 1-year hiatus if the Council agrees with it. They aren't going to just drop the Fund Balance Reserve policy. It has to be revisited and updated.

Councilor Scanlon stated that the \$300,000 could be eliminated this year, because they are over the goal, but they are over the 8% when the norm per the GFOA is two months worth of revenues and they are about a month or month and a half. If they want to get to the two months worth of revenues, they need to be larger than 8% goal. Conversely, it is very easy to remove something once with the best intentions to replace it. There are some that say that this is our permanent economy for many years forward. They are not looking to do something this year because this is a bad year, but next year will be better. Next year will be the same as this year and maybe for the next three years. To

preempt \$300,000 from that budget this year on the argument that it will be better next year and they can easily restore, he's uncomfortable with that argument because he knows the nature of human behavior. He's not comfortable with removing that amount on the premise that it will come back next year. Chairman Dermody agreed that if they take it out there is going to be opposition to putting it back in. If the Council would consider taking it out, there would have to be a very strong emphasis on the fact that they would reinitiate a refined Fund Balance Reserve policy next year. He's certainly not suggesting that they just forget further contributions. He didn't think that it had to be \$300,000 every year. He thought they needed to look at it on an annual basis as part of the budgeting process.

Councilor Roy wanted to know if Ms. Dionne had any idea of what is anticipated to have for a surplus. Ms. Dionne responded that she likes to be accurate when she gives numbers to the Council and it's too early right now; they haven't even closed the books yet for 2011. Councilor Roy wanted to know if it would be fair to say there would be a surplus. Ms. Dionne responded that she's confident there will be a surplus; she just doesn't know what it will be.

Council Peterson read from the Undesignated Fund Balance Policy of March 2005:

The general purpose of this policy is to improve the Town of Bedford's financial stability by protecting itself against emergencies and economic downturns. Minimum Balance – the Town shall achieve and maintain a minimum undesignated Fund Balance of 5% of the general fund's annual budget including Town, School, and County appropriations. Target Balance – The Town shall work toward maintaining a Undesignated Fund Balance of at least 8% of the general fund's annual budget including Town, School, and County appropriations.

Councilor Peterson doesn't believe it was done in a vacuum. He believes it was done with good accounting practices. He realizes that they are in tough times now, but they do a budget one year at a time. They can look at that line item every single year. The estimated Fund Balance for 2011 is 8.64%. He thought that they would be complying with the policy if they stay at 8%. If their goal is to stay at that 8% line, then they have complied with the policy set forth in 2005. He would be in favor of if not totally eliminating, reducing the \$300,000 for just one year. He would reduce it to \$1, but keep the line item and then revisit it year after year to make sure that they are on or slightly above that target line of 8% until it is shown to them that 8% isn't good enough.

Chairman Dermody stated that they have to write that into the action item memo for the next Council. That 2005 has to be revisited because they have accomplished what that policy told them to do.

MOTION by Councilor Peterson that the 2012 Fund Balance Reserve line item be reduced to \$1. Seconded by Councilor Roy.

Councilor Carrier stated that they can't assume that over the course of the next 5 years that everything is going to remain flat and that inflation or costs will not change. The argument is always going to be made that there is never a good time to go ahead and

put this money off to the side. If they keep \$300,000 it continues to depreciate over time, getting lower and they will go below 8% strictly as a function of inflation. They have a financial advisor that told them and indicated that unless they have solid rationale for abandoning the policy, especially since just receiving their Aaa upgrade, there would be red flags thrown and major concerns and considerations. He thought that they would be paying more because of a higher interest rate. He wouldn't be adverse to evaluating looking at a lower amount from the \$300,000, but he would not approve cutting it down to \$1. Chairman Dermody wanted his counter thought to the \$1. Councilor Carrier wouldn't be adverse along the lines of \$150,000 - \$200,000.

Councilor Roy stated that they are looking at 8.64% and there is going to be an additional amount put into that. If they reduce the \$300,000 and add the \$5,200, they are looking at \$21,605,114; last year it was \$21,606,020. They can't get any flatter than that and he thought they should do it this year.

Councilor Longval stated that he could go along with taking out half of the \$300,000; \$150,000. He believes that they would still be adding a significant amount of money to what is already there and minimizing red flags.

Councilor Scanlon thought it was unwise to go from \$300,000 to \$1. He doesn't believe it's appropriate to throw out \$300,000, but he would support \$150,000 as a compromise.

Councilor Bandazian stated that when they looked at it in 2005 they looked at 8% as a target, but it was also the minimum of an accounting standard range. They have reached that and it is time to have a more considered discussion about what their policy should be going forward. He took a look at the NH Public Finance Consortium site and the State average in NH is 10.94%. He also looked at some surrounding communities; Goffstown – 9.6%, Derry – 14.35%, Manchester – .98%. He doesn't know that they have hit the prudent finish line, but they have hit a finish line. He's not in favor of zero. He's concerned about what their bond consultant told them about raising red flags. They are going out to bond on two major issues in the near future; one is the 2nd half of the infrastructure bond and the other is the TIF bond. He thought an adverse impact on bond ratings in the next two years would be to the material detriment of the Town. Whether it's justified by Moody's or not, they see what they do with governments they can do what they will and read into what they will. He thought it would be a little imprudent to do away with it entirely. They do not budget with surpluses in mind. The only surplus they have that they can count on is the Unallocated Reserve. Everything else is from Department Heads being prudent over the course of the year and not funding some things until the last minute and then hoping in the last month or two of the year to get all of the bills in to try and pay for what they have reserved within their own departments, but they do not budget for surpluses. You can count on those in the future. He thought going forward, he didn't know if they were at the finish line. The Accounting Standard tells them they are not at the finish line and the State average tells them that they are not at the finish line. He thought for this year they could do \$150,000 and not wreck the policy or their bond rating.

Chairman Dermody is confident that they are going to see an impressive surplus. He thought \$100,000 plus what they are going to see in surplus would give them 2/3 of that

\$300,000. He didn't think they had a policy to justify anything more that's in there now. He thought the question about how much money they put in the Fund Balance Reserve should have been had months ago, because they were beyond the policy limits or the target stated by the policy. He has no concept of where Russ was intending to take the Fund Balance Reserve, but it should have been brought to the Council's attention at the beginning of the budget discussions. He believes they are going to see at least \$100,000 in surplus and with \$100,000 in reserves he thinks they are going to be safe. They are not intending to abandon the policy. He suggested that in any motion have that they are not going to abandon the policy of Fund Balance Reserve. He can go for \$100,000 for the Fund Balance Reserve plus the surplus.

Councilor Peterson reiterated that they are not abandoning the policy, they are following the policy, and they are a one-year budget. He would still vote for the \$1.

Councilor Roy stated that he would still support that. He wanted to know what it would be if they did \$1 and the calculation came out to 8.27%. Chairman Dermody wanted to know what it would be if they did \$100,000. Councilor Scanlon didn't think that the \$300,000 in or out would affect the tax rate. Ms. Dionne clarified that it's not the cause of the increase in the budget. It is proposed level funded from 2011 to 2012, so it does affect the proposed increase. They are essentially robbing Peter to pay Paul. They are using it to offset the increases in the operating expense. Councilor Roy thought that if they removed the \$300,000, the tax rate on the Town side would remain the same. Ms. Dionne responded that if they cut the \$300,000, the tax rate would go down. Councilor Roy wanted to know if they are coming down with the same budget number they had last year, how does it increase. Ms. Dionne responded that it's for that one line item appropriation. It was \$300,000 in 2011, it was proposed \$300,000 in 2012, so that was level funded; it was already built into the tax rate for 2011. It's not part of the increase for 2012. Councilor Roy stated that the 2012 General Fund revenues is \$21,899,915. If they take that \$300,000 that brings you down to just under what was proposed for 2011. Ms. Dionne explained that there are several factors that go into calculating the tax rate; it's not simply the appropriations. They have to account for their revenue side, what their assessments are, what their exemptions and credits are; so the calculation of the tax rate is a little more complicated than just the appropriations. Councilor Carrier wanted to know if they took \$150,000 from the \$300,000, what affect would that have on the 16 cents per \$1,000 tax rate; how much would that decrease. Ms. Dionne explained that the entire \$300,000 is 9 cents, so if they drop it down to \$150,000, it would be 4½ cents.

Vote taken – Motion Failed – 2-5 (yes – Peterson, Roy; no – Carrier, Dermody, Bandazian, Scanlon, Longval).

Councilor Scanlon wanted to know if they should compromise between \$150,000 and Chairman Dermody's suggested \$100,000 and do \$125,000. Chairman Dermody responded that he can vote no on the \$100,000 if he wants to.

MOTION by Chairman Dermody that the 2012 Fund Balance Reserve line item be reduced to \$100,000. Seconded by Councilor Peterson.

Vote taken – Motion Passed – 5-2 (yes – Peterson, Roy, Dermody, Scanlon, Longval; no – Carrier, Bandazian).

Ms. Dionne calculated the new changes and the net change is \$6,099, which brings the General Fund total to \$21,906,014.

MOTION by Councilor Bandazian that the Bedford Town Council approve the changes to the 2012 Municipal Budget as discussed and moved upon tonight and to move the amended budget forward to Town Meeting scheduled for March 7, 2012 in the following amounts:

General Fund	\$21, 906,014
Police Special Detail	502,158
Recreation Day Camp	105,825
Bedford Comm. TV	357,534
Special Revenue Funds	48,000
Sewer Fund	1,272,638
Total Appropriation	\$24,192,169

Seconded by Councilor Peterson. Vote taken – Motion Passed – 7-0.

MOTION by Councilor Longval that whereas it is after 10:00 that they dispense with New Business. Seconded by Councilor Carrier.

Councilor Bandazian mentioned all of the attention brought to maintaining the social services line at zero and that the Bedford taxpayers and Town Council being unfairly characterized as miserly. He explained that tax credits and tax exemptions that they grant don't show up as appropriations, but it's a cost and it has just as much effect on the bottom line. The Town currently exempts from assessed valuation for the elderly about \$13.5 million. The total value for elderly exemptions, blind, deaf and disabled is \$311,000 and they grant veteran's credits of \$550,000, so that's \$861,000. He thinks that's very generous of the Town to give that type of assistance to the deserving. He thinks it's an impressive total and one that the taxpayers are to be commended for. They deserve the credit. It's not publicized in the budget process. Those are all mechanisms approved by the Legislature signed into law for giving money to the deserving. The focus has been given to the \$15,000 that they didn't fund, but it's pretty close to \$1 million that does get funded.

ADJOURNMENT

MOTION by Councilor Roy to adjourn. Seconded by Councilor Bandazian. Vote taken – Motion Passed – 7-0.

The meeting adjourned at 10:40 pm.

Submitted by Dawn Boufford.