



Town Manager Annual Report
STATE OF THE TOWN ADDRESS
KEVIN H. SMITH
2021

Members of the Town Council, the Budget Committee, other elected officials, Town employees, and citizens of Londonderry:

When I stood before you this time last year to deliver my State of the Town, never could I have imagined what was about to unfold a little more than a month later. When the Covid-19 pandemic engulfed the globe and brought the world to a stand-still, we immediately began making contingency plans for the continuity of Town operations on an unprecedented level. I can recall vividly sitting in Chief O'Brien's office on a Saturday afternoon in March along with Chairman Farrell and Assistant Manager, Lisa Drabik, going over every facet of not only how our daily operations were going to change, but how we were going to communicate all Covid-related information to the residents in Town in a timely and efficient manner. And as Chief O'Brien, who also serves as the Town's Emergency Management Director, will tell you, while the Town had spent many years and countless hours of training and policy writing preparing for all various kinds of emergencies, there simply was no playbook on how the Town would handle a global pandemic when it meant shutting down our facilities to the public, shutting down almost every business in Town, providing our first responders with enough PPE to ensure they could continue to do their jobs safely, and yet still figuring out a way to deliver Town

services virtually on almost a moment's notice.

Renowned author, Helen Keller, is quoted as saying, *“Character cannot be developed in ease and quiet. Only through experience of trial and suffering can the soul be strengthened, ambition inspired, and success achieved.”*

I use this quote because what I witnessed in the days, weeks, and months that followed on the part of our Town employees, elected officials and the residents of this Town was truly remarkable and a testament to their resiliency. As the saying goes, there is no “I” in team, and fortunately I had a great team of people around me, led by the aforementioned folks of Darren O’Brien, Lisa Drabik, John Farrell, as well as Police Chief, Bill Hart. Through all of our collective efforts, and team of dedicated employees who we each supervise in our respective departments, in what felt like the flip of a switch, we were able to transform nearly all of our Town services into a virtual Town Hall overnight; had a stream of steady information that flowed to residents in the form of press releases, post card mailings, and PSA’s on cable tv; participated in countless amounts of daily briefings from the state; participated in zoom calls with our congressional leaders and the media; and provided reams of policy guidance for our employees on an almost weekly basis (an effort spearheaded by Assistant Manager Drabik). And when it finally came time to reopen, thanks to the huge efforts of Steve Cotton and our DPW employees, we were ready with shields, signage and sanitary stations all throughout Town Hall; PPE provided to each employee; our Planning and Building Departments worked diligently to help businesses around town, especially our struggling restaurants to re-open in a manner that was consistent with the Governor’s Emergency Orders and provided more outdoor eating space than what otherwise would have been provided under their normal approvals; and as a Town, we used a portion of the Covid relief funds we received to award over \$50,000 in

grants to local businesses to help offset some of the costs of doing business related to the pandemic.

It's truly amazing to think that all of this and so much more was executed almost seamlessly. Almost...

You see I would be remiss if I did not remind us all of our very first Town Council meeting over zoom which, shall we say, was colorful enough that it landed us on WMUR as well as on the front page of the Union Leader as the poster child for zoom bombing; who will ever forget the looks of horror on the faces of Kirby and Steve Cotton! But frankly the laugh it provided was a welcome one at that time!

And while at the time of this writing the state has begun administering vaccinations to our first responders and the most vulnerable in our community, and the numbers of residents infected and hospitalized with the virus has started to decrease, signaling there may finally be light at the end of the tunnel, collectively we will continue to be vigilant in our approach and cautious in our actions as we look toward resuming life to some sense of normalcy in the near future. I personally would love nothing more to be standing up here a year from now declaring the pandemic behind us, and tackling a new issue like an invasion of murder hornets. Hopefully not!

Needless to say, with the disruption the pandemic caused in the business community, the conventional wisdom at the time was that development might come to a stand still, while revenue to the Town would take a sharp dive. Fortunately and very surprisingly, neither came to pass.

On the development front, Pettengill Rd. saw the construction and completion of the latest distribution warehouse and headquarters to locate there, in the way of Bellavance Beverage Company. Additionally, a brand-new Convenient MD, Citizens Bank, and another tenant to be named later, constructed three new buildings on a redeveloped site at the entrance to the Market Basket plaza. Meanwhile, even our existing shopping plazas held fairly steady with the addition of a few new tenants at the Apple Tree Plaza including gym giant, Planet Fitness, and a new sports bar and restaurant, Game Changers, which seems to already be a local favorite. And while the Pandemic did slow development in terms of construction at Woodmont Commons in 2020, the high-end multi-million dollar independent living community, dubbed The Baldwin, received their approvals and will be under construction in 2021, while a planned 40,000 plus square foot office building for Derry Medical Center is currently under design review and could perhaps be under construction later this year. Finally, though not a commercial development project, it should be noted that construction of the largest municipal capital project in over ten years, a brand-new Central Fire Station, was completed in the summer of 2020. No sooner was the station completed, it was given the Gold Standard Award in Renovations from Fire House Magazine, and it's easy to see why, as the station's design and functionality is one that Londonderry residents can be incredibly proud of, and proof of this is how often we are complimented by both residents and out-of-towners on how nice the station came out. The real recognition here though, goes to the clerk of the works on the project, Steve Cotton, and Chief Darren O'Brien, who had a vision for a Central Station the citizenry would admire as they drove through the center of Town; high compliments to them for making this vision a reality from start to finish.

On the residential front, development hardly slowed in Town as demand for singly family

and elderly housing continues to be at an all-time high while inventory remains very low. This dichotomy can no better be seen than looking at real estate transactions in town with most new construction homes selling in excess of half a million dollars, while older existing homes continue to sell in some cases well above their assessed value despite the most recent revaluation in 2019. As mentioned, this is in part, a supply and demand issue, as well as the fact that Londonderry is a much sought-after desirable community where people want to live and raise their families, especially urban dwellers seeking a better quality of life outside of the cities post-pandemic.

With regard to the FY20 budget, we prepared for the worst and hoped for the best, expecting the bottom to drop out on revenues once the pandemic hit. However, not only did our worst fears never materialize, but in some respects, it was a banner year for the Town on the revenue side. The audited numbers for fiscal year 2020 show that we ended the year with a surplus of about \$1.3 million dollars, of which \$640,000 represents revenues that came in over estimates. These increased revenues were mostly realized in the way of stronger returns on our investments, reimbursement of Covid related expenses, and as it turns out, many people may have used their stimulus checks to buy new cars as revenue from car registrations surged. On the expenditure side of the ledger, because of tight controls we put on the budget at the start of the pandemic, essentially freezing all non-essential purchases, we ended the year \$680,000 below budgeted expenditures. It should be noted however that a sizable amount of the surplus, roughly one-million dollars, was put aside in a restricted account to proactively plan for any kind of settlement agreement that may result from the ongoing negotiations with Granite Ridge Energy over their disputed valuation. Additionally, in an effort to plan for what we expect to be lower than anticipated revenues from the state in next year's budget, we've reduced the FY22 default budget by \$150,000 and have pledged to freeze an additional \$100,000 until the

revenue picture becomes more clear this fall. This budget reduction combined with the spending freeze represents an increase of just 1.48% or \$525,700 over last year's approved budget, all of which represents the increase to NH Retirement. In fact, had there been no increase in our contribution to the state retirement, we would be \$3000 below the previous year's budget

Perhaps the single largest looming financial liability in town though is a matter that is somewhat out of our control right now – and that is the quality of our residents' well water and the Town's aquifers. A little more than three years ago, we first came to learn of a contaminant chemical known as PFOA or PFOS. This was first brought to our attention when the Department of Environmental Services sued the Saint Gobain Plant in Merrimack for emitting PFOA's into the air which eventually settled into the ground, contaminating ground water supplies in Merrimack, Litchfield, Bedford, and Londonderry. At the time, DES considered a well to be contaminated if it tested at or above 70ppt for PFOA's. Because very few wells in Londonderry tested at those levels at the time, it seemed as though Londonderry had weathered this storm rather unscathed. That was until DES revised their limits on what they considered to be a contaminated well to 12ppt. Upon doing so, the Saint Gobain Groundwater Management Zone was immediately extended to include a large portion of Londonderry, mostly the geographic area west of High Range Rd. In addition to this, the state began testing additional wells both inside and outside of the GMZ, as did residents on their own. In doing so, it was discovered that the PFOA/PFOS well contamination in Town extends far beyond the borders of the GMZ, though the source of the contamination is not exactly known in all cases, especially since many of these wells have just been recently tested and there still is not enough data. In response to this growing problem, Town Council and Town Staff have been in close contact with NHDES for about a year with the goal of putting together both short and long

term mitigation plans. The Londonderry Town Council recently passed a resolution forming a Town-wide Task Force to thoroughly investigate the matter further and present the Council with recommendations on how best to proceed, while NHDES has pledged their complete support to the Town, calling us their “number one priority” in the State. On a more micro scale, the Town was made aware in 2019 of a PFAS contamination issue that appears to have originated from the Apple Tree Plaza whereby PFAS contaminates most likely leached into the groundwater and contaminated the wells of residents living on Lancaster Drive behind the mall. After months of discussions and negotiations on how best to mitigate the issue and provide the residents of that area with clean drinking water, a cost sharing agreement was worked out whereby if the voters approve Article 13 at the ballot box this March, the Town and the Owner of the mall would each pay roughly 50% of the costs associated with bringing a municipal water line to the neighborhood, while the residents with the contaminated wells would also be paying a portion of the costs to hook into the public water line. This article is unanimously supported by both the Town Council and the Budget Committee, and it is my strong recommendation that the voters give it their utmost consideration.

Moving onto another subject matter, I could not provide an account of the previous year’s highlights, if you will, without mentioning the monumental task that was undertaken in 2020 by our Town Clerk, Sherry Farrell, her Deputy, Christie Campbell, our admired and now deceased former Town Moderator, Tom Freda, his Deputy, Cindy Rice-Conley, and interim Town Moderator who literally stepped in on a moment’s notice having never done the job before, Jonathan Kipp. These dedicated servants of the Town, along our Supervisors of the Checklist, the clerks at Town Hall, and a cadre of ballot clerks and volunteers following their lead, not only flawlessly pulled off four elections in one calendar year, but they did so under the most difficult of conditions for three of those

elections as a result of the Covid-19 pandemic. The challenges were many: processing by far the most ever requested mail-in absentee ballots for the primary and general elections, ensuring the protection of the staff working the elections, as well as the safety of everyone voting, all the while moving them in and out of the gymnasium in the most efficient manner possible. This was no easy feat, but with the help of our ALERT Team, along with members of LPD and LFD, it ran like a well-oiled machine, and in the end, Londonderry processed and counted the votes of over 17,000 voters in the November Presidential election, the most ever recorded; and unlike some states, even with a machine malfunction that caused us to have to re-count every ballot very early that morning, we were still able to report those results before the sun rose the next day! Sherry, Jonathan – it's an understatement to simply say you and your teams are to be commended on a job very well done!

Lastly, I always like to conclude with something that caught my attention during the past year that I think really exemplifies the spirit and character of our community; something that I think sets us apart from other towns around the state or even the country. The tragic death of George Floyd at the hands of police officers in Minneapolis last May set off protests and rallies around the country. Many of these protests were organized around the theme Black Lives Matter, and while they originated in mostly large cities across America, eventually organizers planned events in smaller states like New Hampshire, and even in suburban communities such as Londonderry. Now, despite the demographics of Londonderry not being what most would consider as necessarily diverse, the fact that a peaceful BLM rally was held in our community isn't in and of itself what I think is extraordinary. Rather, what was notable to me was that the first person the event organizers reached out to, was in fact, our own Police Chief, Bill Hart. And perhaps even more remarkable than that, is after speaking with him initially, those in charge of the event

asked if *he* would be the keynote speaker for the event. I just can't imagine this happened in too many communities across America at the height of these protests. But here in Londonderry, it did. And to me, that is a testament to the extraordinary relationship that the men and women serving in our police department, under the direction and leadership of Chief Hart, have built with the community over many years. The whole idea of "community policing" is not something tangible that's built overnight or a simple post on Facebook. No, rather it is intentional, it's deliberate and eventually creates a culture that permeates throughout the department and is on display whenever the men and women in blue are out serving citizens and visitors alike in our cherished community. The words Chief Hart spoke that day at the BLM rally I believe should resonate with all of us, no matter the time nor circumstance; He appealed to the crowd of 300 that day, "We must see each other not as enemies, but as family, as friends in common purpose. We must treat each other every day with kindness and decency, respect and empathy, always. We must open our ears to listen to the other's point of view; we must hear their opinion, no matter how difficult or challenging to our beliefs. We must hear with an open heart, believing that their motive is the same as ours: a desire for a more fair, a more decent country in which we are free to dream and become, our success in those dreams as Dr. King said, based 'not on the color of your skin but the content of your character.'

Ladies and Gentlemen, the phrase "Londonderry Leads", as coined by Captain Cheetham, is more than a hashtag on twitter or a catchy slogan, it is a way of life every time we don the uniforms of a police officer or firefighter, or plow the roads, or serve the residents at Town Hall, the senior center, or the cable studio. It's in everything we do as employees and public servants, and everything we strive for as a community.

I thank you all for your indulgence this morning. It continues to be an honor and privilege to serve you as Town Manager. May God bless our great community and state.

