

Approved: March 23, 2017

Posted: March 27, 2017



Town Council Special Meeting Minutes

Thursday, February 16, 2017, at 7:00 PM, in the Matthew Thornton Room



Chairman Harrington called the meeting of the Town Council to order at 7:00 p.m. Present at the meeting were Vice Chairman Rothhaus, Councilor Boyd (participated electronically), Councilor Flood, Councilor Koenig, Councilor Mahon, Town Manager Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali.

Councilor Dwyer was excused

Pledge of Allegiance

Chairman Harrington led in the Pledge of Allegiance.

Announcements

As Councilor Boyd was participating electronically, In accordance with RSA 91:A:2 III, Chairman Harrington noted Councilor Boyd attendance in person was not reasonably practical, and reminded the Council all votes would be taken by Roll Call. Chairman Harrington noted that the votes will be called in the same pattern every time.

The Town Offices will be closed on Monday, February 20th, for the observance of President's Day. The Filing period for Town Offices to be elected at the April 11th Town Meeting will be held from Wednesday, February 22 to Friday, March 3 at 5:00 PM. Interested candidates must file with the Town Clerk to have their name placed on the ballot and must be a registered voter and domiciled in Merrimack. (RSA 669:6, 669:19) Candidates for Town Council must also have been domiciled in Merrimack for at least one year. (Town Charter Article 3-4, C). For a list of open positions please see the Town website or contact the Town Clerk's office.

The Town Council is scheduled to meet on the following dates:

Thursday, February 23, 2017, 7:00 PM: This meeting has been cancelled as there was only one non time sensitive item on this agenda.

Thursday, March 9, 2017, 7:00 PM, in the Matthew Thornton Room: Regular meeting

Wednesday, March 15, 2017, 7:00 PM, in the James Masticola Upper Elementary School All-purpose Room located at 26 Baboosic Lake Road: **Deliberative Session**

Thursday, March 23, 2017, 7:00 PM, in the Matthew Thornton Room: Regular meeting

PFOA Update- None

Comments from the Press and Public-None

Recognitions, Resignations and Retirements-None

Appointments-None

Public Hearing

1. Public Hearing – Proposed Municipal 2017-18 Operating Budget and Warrant Articles

Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali

These hearings are being held pursuant to the requirements of NH RSA 33:8-a (I), NH RSA 32:5, I, NH RSA 21:35, NH RSA 40:13 II-b and Town of Merrimack Charter Article 8-3.

Chairman Harrington stated that each item will be taking one item at a time, followed by a presentation, the Public Hearing will be opened for public comment, hearing will be closed, followed by a motion. The proposed issuance of Debt will not be discussed during this Public Hearing but will have its own.

The Town Council will hold a public hearing to discuss the following:

- 2017/18 Proposed Municipal Operating Budget

Chairman Harrington provided a PowerPoint presentation (attached) highlighting the Town Councils budget. Chairman Harrington pointed out that although the budget is currently \$34,828,035 the amount that needs to be raised by taxes is \$17,148,760 the difference is covered by revenues. This will put the **estimated** tax rate at \$5.21 an increase of \$0.30. Chairman Harrington also spoke about the Capital Reserve Fund which is to purchase larger items that the town has saved for. The Capital Reserve Fund is one of the main reasons Merrimack does not need to take out many Bonds. Chairman Harrington ended her presentation with important dates. **Deliberative Session** will be Wednesday, March 15, 2017, 7:00 PM at the James Masticola Upper Elementary School all Purpose Room where the highlights of the determined budget will be presented. **Annual Voting Day** will be on Tuesday, April 11, 2017, 7:00 AM to 7:00 PM at the three voting places. If you do not know where you vote call the Town Clerks office.

Chairman Harrington declared the Public Hearing opened at 7:20 p.m.

Rick Barnes: Chairman of the Library Board of Trustees:

On Tuesday February 14, 2017 the Library Board of Trustees voted to request the sum of \$11,863. In order to provide a 2% cost of living increase for employees. The Board originally refrained from adding an increase to stay in line with other non-union town employees. Upon learning the non-union town employees will be receiving a 2% increase as a result of changing to cheaper health insurance the Board now feels that it is appropriate to have the same increase for the Library. In 2016, the Library also changed its health insurance to a plan comparable to the towns.

Chairman Harrington declared the Public Hearing closed at 7:25 p.m.

MOTION made by Councilor Koenig and seconded by Councilor Flood to move \$11,863 be added to the Library line item to service an employee wage increase.

ON THE QUESTION: Vice Chairman Rothhaus asked Town Manager Cabanel if the numbers for the non-union town employees and Library employees line up. Town Manager Cabanel stated that yes the

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numbers line up. Finance Director Micali did all the calculations after speaking with Mr. Barnes.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

Assistant Town Manager/ Finance Director Micali stated that the new bottom line number for the budget is \$34,839,898. Town Manager Cabanel stated that this change raises the tax rate by \$0.01. The New estimated tax rate is \$5.22.

Vice Chairman Rothhaus had previously asked Police Chief Doyle for additional information regarding maintenance of the patrol fleet. If Chairman Harrington did not object could Chief Doyle come up and speak to that. With no objection from Chairman Harrington Chief Doyle stated that they are still in the middle of getting a history of each vehicle in order to give the progressive costs as they age. Vice Chairman Rothhaus was thinking that there might be a cost savings available by purchasing one less patrol car, considering the way vehicles are made today and the maintenance that the department does. Vice Chairman Rothhaus wanted to see the information from Chief Doyle before making any recommendation. Finance Director Micali said that at the Deliberative session a change could be made.

MOTION made by Councilor Mahon and seconded by Vice Chairman Rothhaus to move the Municipal Operating Budget in the amount of Thirty Four Million Eight Hundred and Thirty Nine Thousand, Eight Hundred and Ninety Eight Dollars (\$34,839,898) to the Warrant as presented and modified.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

- Collective Bargaining Agreement(s), if any

Finance Director Micali stated that out of the six (6) collective Bargaining agreements with the town only one (1) needs to go to the Warrant. The New England Police Benevolent Association's contract is similar to the other five (5) contracts passed last year. The contract is for four (4) years beginning FY2016-2017 with no increase in wages. Effective July 2, 2017 a 3% increase in wages and effective July 1, 2017 health insurance will change to higher deductibles to be in line with the rest of the town employees. FY2018-2019 a 3% increase in wages, and FY2019-2020 a 2% increase in wages. The total cost for FY2017-2018 is \$58,975

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Chairman Harrington declared the Public Hearing open at 7:35 p.m.

No public comment was offered.

Chairman Harrington declared the Public Hearing closed at 7:36 p.m.

No vote is needed this was already voted on.

- Proposed Issuance of Debt
-Highway Garage: This item will have its own Public Hearing and is the next item on the agenda.

- Petitioned Bonds, if any- None
- Other Petitioned Warrant Articles, if any – None
- Proposed Charter Amendment:

Finance Director Micali read the Proposed Charter Article for the public's benefit. This is another Article that has had a public hearing already and has been moved to the Warrant.

Treasurer. There shall be a Town Treasurer (hereinafter called "Treasurer") who shall have all the powers and duties granted by this Charter and New Hampshire state law; provided, however, that in making investments of Town funds, the Treasurer shall follow the written investment policy as adopted or modified by the Town Council. The Treasurer shall be appointed by the Town Council on the basis of merit and fitness and in accordance with RSA 41:57-a shall serve until the appointment and qualification of his/her successor. ~~The Treasurer shall be elected on an at-large basis to a term of three years at Town election.~~ Vacancies in the office of Treasurer shall be filled pursuant to New Hampshire state law.

Chairman Harrington declared the Public Hearing open at 7:37 p.m.

No public comment was offered.

Chairman Harrington declared the Public Hearing closed at 7:38 p.m.

No vote needed.

2. Public Hearing – Proposed Issuance of Municipal Bonds & Notes

Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali

The Town Council will hold a public hearing to discuss the proposed issuance of municipal bonds and notes in the amount of \$3,300,000 to finance the Highway Garage facility project, pursuant to RSA 33:8-a (1).

Public Works Director Kyle Fox presented a power point presentation (attached) on the history and challenges of the current Garage, and plans for future renovation and new building. Director Fox demonstrated the need for an updated Highway complex siting the increases in Merrimack's population, roadway infrastructure, employees, and the changes in building codes since the Garage was erected in 1973. Renovating the existing building to provide indoor storage for the \$4 million fleet, and improve response time during winter storms. The new building will be broken into three spaces

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Administration, Common, and Maintenance Bays. The total cost for the renovation of existing building, new building and site improvements will come to \$3,300,000.

Finance Director Micali spoke about the town's current debt and pointed out that one bond is retiring this summer. The bond for the highway garage would replace the retiring bond and there would be no change to the tax rate.

Chairman Harrington declared the Public Hearing open at 7:57 p.m.

No public comment was offered.

Chairman Harrington declared the Public Hearing closed at 7:58 p.m.

Councilors Koenig, Flood and Chairman Harrington all stated their belief that this is the correct approach and time for the updated Highway Garage.

MOTION made by Councilor Mahon and seconded by Councilor Koenig to move the Highway Garage bond for the amount of \$3,300,000 to the warrant.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

Legislative Updates from State Representatives – None

Town Manager's Report – None

Consent Agenda – None

Old Business

1. Adoption of Optional Property Tax Exemption for Solar Installation

Submitted by James Bernard

The Town Council to consider the adoption of optional property tax exemption for solar installation, pursuant to Town of Merrimack Charter Article 10-1.

Councilor Flood Recused herself.

Mr. Bernard spoke of the need for the Town of Merrimack to adopt a tax exemption for solar systems. Currently homes with solar panels are being assessed as having a higher value. Mr. Bernard's home assessment was increased by \$30,400.00 based on the installation of leased solar panels. That increase equals a \$57.73/month tax increase based on the new tax rate of \$22.79. Mr. Bernard's solar panels

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save approximately \$36.00/month in electric cost so the assessed value is negating any potential cost savings he might see.

Mr. Bernard pointed out that The State of New Hampshire has set a goal of producing 25% of its power from renewable sources by the year 2025. New Hampshire RSA 72:61-72 permits cities and towns to offer exemptions from local property taxes for certain renewable energy installations including solar systems. Assessing property tax on Solar Systems is a huge disincentive and runs counter to the overall goal of the state. Mr. Bernard wants the Town of Merrimack to adopt a 100% tax exemption of the assessed value for solar systems.

This item was brought up at the December 15, 2016 Town Council meeting. Many of the same questions are still unanswered such as should the cost of the system itself or the assessed value of the system be exempt and at what percentage. Chairman Harrington said back in December she stated her support of a Citizen Petition Warrant Article. That option was not utilized and the Council is now being asked at the last minute to put forward a Warrant Article. The timing and lack of historical information regarding assessed values of solar systems makes this a very tough decision for the Council.

Discussion ensued regarding what the solar exemption amounts are of other cities and towns similar to Merrimack, and how we should approach this. The main consensus is that a solar system exemption would not be tax neutral so any exemption should not be 100%.

MOTION: made by Councilor Boyd and Seconded by Councilor Koenig that the Town Council enact the RSA 72 or the Solar Energy Exemption at 50% of assessed value of the solar capped at \$5, 000.00.

ON THE MOTION: Councilor Koenig stated that the 50% may be considered a token amount but it is something. He was really hoping to be able to get more information over this coming year, however, since this is before the Council now 50% is what he is willing to approve.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Councilor Boyd, Councilor Harrington

3

Nay: Vice Chairman Rothhaus, Councilor Mahon

2

MOTION CARRIED 3-2-0

Chairman Harrington stated that she is begrudgingly voting yes. This number of 50% is a token and a tax exemption would be an incentive for more people to look into solar, and that is what tipped the scale for her.

Finance Director Micali read what the Warrant Article will be to make sure the Council agrees with the language:

To see if the Town will vote to adopt the provisions of RSA 72:61 through RSA 72:64 inclusive which would provide an optional solar property tax exemption for properties assessed value

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for property tax purpose for the persons owning real property which is equipped with solar energy systems intended for use at the immediate site. Such property tax exemption shall be in the amount of equal to 50% of the assessed value capped at up to \$5,000 of qualifying equipment under these Statutes.

The Council talked about The Warrant language such as qualifying equipment and asked Fire Chief Currier to speak about permitting. Chief Currier stated that a town ordinance on solar systems was completed that day and now needs to go through extensive vetting. The wording that you are looking for could be different based on the system. We are still going to need to address this next year if there is confusion because we are making a Warrant Article based on an ordinance that is not written.

MOTION made by Chairman Harrington and seconded by Councilor Koenig to reconsider the previous vote.

ON THE QUESTION: Councilor Boyd asked Chairman Harrington to clarify her reason for making a motion to reconsider? Chairman Harrington stated that after hearing from Chief Currier about the effect the unfinished town ordinance may have on this action there are too many factors to make this a clear Warrant Article.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Mahon, Councilor Harrington

4

Nay: Councilor Boyd

1

MOTION CARRIED 4-1-0

Councilor Koenig reiterated he was hoping that we could get something worded that could work for a year, however, it is clear that there are too many challenges to make this pass legal muster. Due to this reason he can no longer support going forward.

RECONSIDERATION OF ORIGINAL MOTION: that the Town Council enact the RSA 72 or the Solar Energy Exemption at 50% of assessed value of the solar capped at \$5, 000.00.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Boyd

1

Nay: Councilor Koenig, Vice Chairman Rothhaus, Councilor Mahon, Councilor Harrington

4

MOTION DENIED 1-4-0

Chairman Harrington expressed her hope that Mr. Bernard not give up and hopefully next year there will be enough public signatures for a Citizen Petition Warrant Article.

Councilor Flood rejoined the Council

There being no objection, the Council took a three-minutes recess at 8:40 p.m. The Council reconvened at 8:42 p.m.

New Business

1. Acceptance of Homeland Security Grant for Merrimack Fire Department

Submitted by Fire Chief Michael Currier

Town Council to consider the acceptance and expenditure of a Homeland Security Grant in the amount of \$6,000 for the Merrimack Fire Department to be used for the purchase of EMS equipment and protective gear to begin outfitting personnel to work as part of the Rescue Task Force teams with the Police to provide early lifesaving care to victims of a hostile mass casualty incident, pursuant to RSA 31:95-b and Charter Article 8-15.

Fire Chief Currier stated that the department intends to use these funds to enhance our efficiencies working with the Merrimack Police for a hostile mass causality incident supporting Emergency Medical Services. Since 2014, the Committee on Tactical Emergency Casualty Care (C-TECC) has developed a fluid set of documents to guide responders in the best practices for saving savable lives in the critical first minutes of an event. Merrimack has been participating in this program for over a year, and the entire department is trained on the introduction to Warm Zone (an area of indirect threat that can be considered clear but not secure). 1/3 of the department has completed the 16 hour TECC training, and now they are looking at equipment.

Councilor Koenig asked about the life expectancy of this equipment. Chief Currier stated that the softer equipment that won't be in regular use is 5-7 years, for the Helmets and ballistic plates 10-12 years. These items would be purchased with the police so they are expecting a fairly decent price. All equipment is stored on rescue vehicles in designated bags per incidents.

MOTION made by Councilor Mahon and seconded by Vice Chairman Rothhaus to accept and expend a Homeland Security Grant in the amount of \$6,000 for the Merrimack Fire Department to be used for the purchase of EMS equipment and protective gear to begin outfitting personnel to work as part of the Rescue Task Force teams with the Police to provide early lifesaving care to victims of a hostile mass casualty incident, pursuant to RSA 31:95-b and Charter Article 8-15., and to authorize the town manager or her designee to sign all documents.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

2. Review of the 2017-2018 Default Budget

Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali

The Town Council will review the 2017-2018 Default Budget.

Finance Director Micali explained that if the citizens of Merrimack vote down the Town Councils proposed budget there needs to be a default budget to run the town. The calculation for the default budget is operating budget from the previous year plus any contractual obligations. From there you reduce the number by the one-time purchases from the prior year. Debt service is looked at next;

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including General Fund and Wastewater. The FY17 debt is subtracted out and the FY18 debt payment is added. The result is a total default budget for FY18 of \$30,286,895.

MOTION made by Councilor Mahon and seconded by Councilor Koenig to move the 2017-2018 default budget in the amount of \$30,286,895 to the Warrant.

On the Question: Councilor Boyd asked if the voters defeat the contract for the New England Police Benevolent Association, Local 12; will that change the default budget the Council is voting on. Finance Director Micali stated that since this is a separate Warrant Article the default budget will not change. If the Warrant Article is approved by the voters, the amount will be added to the default budget.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

3. Review of 2017 Town Warrant

Submitted by Finance Director Paul T. Micali

The Town Council to review and make recommendations on each article of the 2017 Town Warrant.

This is where the Town Council chooses to recommend each Warrant Article or not to recommend. Chairman Harrington read each Warrant Article for review.

Article 1

To choose all necessary town officers for the ensuing year.

This is not something the Town Council weighs in on

Article 2

Shall the Town vote to raise and appropriate the sum of \$3,300,000 for Highway garage upgrades and installation, and to authorize the issuance of not more than \$3,300,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Town Council to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to take any other action or to pass any other measure relative to said purpose and financing; and to further authorize the Town Council to apply for and accept any federal, state or private grants that may be made available; and to authorize the Town Council to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest, the maturity, and other terms pertaining thereto; and to authorize the Town Council to take any other action or to pass any other measure relative to said purpose and financing? (2/3rds ballot vote required for approval) (Recommended by the Town Council February 16, 2017)

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MOTION: made by Councilor Mahon and seconded by Vice Chairman Rothhaus to move to recommend Article 2 as stated.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

On the Question: Councilor Mahon asked if the financial amount needed to be spelled out anymore. Finance Director Micali stated that it does not. He also stated that all of the Warrant Articles have gone before the NH Department of Revenue Administration (DRA) and Town's legal counsel.

Article 3

Shall the Town vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$34,839,098. Should this article be defeated, the default budget shall be \$30,286,895, which is the same as last year, with certain adjustments required by previous action of the Town or by law; or the Town Council may hold one (1) special meeting, in accordance with RSA 40:13,X and XVI, to take up the issue of a revised operating budget only. (Recommended by the Town Council February 16, 2017)

MOTION: made by Councilor Koenig and seconded by Councilor Mahon to move to recommend Article 3 as stated.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

Article 4

Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining agreement reached between the Merrimack Town Council and the New England Police Benevolent Association, Local 12, which calls for the following increases in salaries and benefits at the current staffing levels:

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And further to raise and appropriate the sum of \$58,975 for the ensuing fiscal year (2017-2018), such sum representing the anticipated increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels? The passage of this article will result in employees covered by the collective bargaining agreement changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay and \$1,000/\$3,000 deductible plan. These savings have been factored into the anticipated increase set forth above. **This collective bargaining agreement covers Police Officers, Sergeants and Detectives of the Police Department.** (Recommended by the Town Council February 16, 2017)

Councilor Boyd arrived in person at 9:22 pm

MOTION: made by Councilor Mahon and seconded by Vice Chairman Rothhaus to move to recommend Article 4 as modified.

Councilor Koenig asked if the Warrant should read This collective bargaining agreement covers Police Officers, Sergeants and Detectives of the Police Department.

A Voice Roll Call was taken, which resulted as follows:

Yea: Councilor Koenig, Vice Chairman Rothhaus, Councilor Flood, Councilor Mahon, Councilor Boyd, Councilor Harrington

6

Nay: 0

MOTION CARRIED 6-0-0

Article 5

Shall the Town of Merrimack approve the charter amendment reprinted below?

Finance Director Micali stated that Article already had a public hear and does not need to be read.

8-18 Town Treasurer.

- A. Treasurer. There shall be a Town Treasurer (hereinafter called "Treasurer") who shall have all the powers and duties granted by this Charter and New Hampshire state law; provided, however, that in making investments of Town funds, the Treasurer shall follow the written investment policy as adopted or modified by the Town Council. The Treasurer shall be appointed by the Town Council on the basis of merit and fitness and in accordance with RSA 41:57-a shall serve until the appointment and qualification of his/her successor. ~~The Treasurer shall be elected on an at-large basis to a term of three years at Town election.~~ Vacancies in the office of Treasurer shall be filled pursuant to New Hampshire state law.

MOTION: made by Councilor Koenig and seconded by Councilor Boyd to move to recommend Article 5 as stated. **MOTION CARRIED: 6-0-0**

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Finance Director Micali will have everything the council needs to sign in the office. The Town Warrant needs to be posted by February 27, 2017.

Minutes – None

Comments from the Press – None

Comments from the Public – None

Comments from the Council – None

Adjourn

**MOTION made by Councilor Boyd and seconded by Councilor Mahon to adjourn the meeting.
MOTION CARRIED 6-0-0**

The February 16, 2017 meeting on the Town Council was adjourned at 9:32 pm

Submitted by Amy Casparius