



## **Town Council Meeting Minutes**

Thursday December 21, 2017, at 7:00 PM, in the Matthew Thornton Room

Chairman Harrington called the meeting of the Town Council to order at 7:08 p.m. Present at the meeting were Vice Chairman Rothhaus, Councilor Albert, Councilor Boyd, Councilor Koenig, Councilor Thornton, Town Manager Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali. Councilor Flood was excused.

### **Pledge of Allegiance**

Chairman Harrington led in the Pledge of Allegiance.

### **Announcements**

Town Hall Offices will be closed on Monday, December 25<sup>th</sup>, in observance of Christmas, and Monday, January 1, 2018 in observance of New Year's Day.

Budget meetings will be conducted by the Town Council on Monday January 8, Thursday, January 18, and Monday, January 22<sup>nd</sup> at 6:00 p.m. in the Matthew Thornton Room.

Regular meetings of the Town Council will be conducted on Thursday, January 11<sup>th</sup>, and 25<sup>th</sup> at 7:00 p.m. in the Matthew Thornton Room.

The Merrimack Police Department has a few more openings for the upcoming Citizen's Police Academy. If you would like to learn more about the Merrimack Police Department, please contact Officer Rob Kelleher or stop by the station for an application. The group meets every Wednesday from 6:00 - 9:00 p.m. for 10 weeks starting at the end of January.

*The Council observed a moment of silence in memory of Kathryn H. Woods.*

### **Perfluorooctanoic Acid (PFOA) Information Update**

Councilor Boyd noted the New Hampshire Drinking and Groundwater Commission will reconvene during the month of January. Councilor Albert stated he and Councilor Boyd would be meeting with the Merrimack Citizens for Clean Water group at the end of January.

Town Manager Cabanel informed the Council she continues to call Clark Freise, Assistant Commissioner, NH Department of Environmental Services, each week looking for updates. During their last discussion, he relayed he cannot say anything.

### **Highway Garage Project Update**

Vice Chairman Rothhaus noted the Highway Garage Committee met on the 13<sup>th</sup>, and finalized the floorplans for the facility. A representative was available to discuss the possibility of utilizing solar energy. The project is moving along in a timely fashion.

**Comments from the Press and Public** – None

**Recognitions, Resignations and Retirements** – None

**Appointments** – None

**Public Hearing**

**1. Public Hearing - Consideration of Changes to Chapters of the Merrimack Town Code**

*Submitted by Town Council Chair Nancy Harrington and Vice Chair Finlay Rothhaus*

Town Council will hold a public hearing to consider the acceptance of the recommended changes to Chapter 81, Waterlines, of the Merrimack Town Code, pursuant to Charter Article V.

No changes have been proposed since the time of the first reading.

*Chairman Harrington declared the Public Hearing open at 7:13 p.m.*

No public comment was offered.

*Chairman Harrington declared the Public Hearing closed at 7:14 p.m.*

**MOTION** made by Councilor Boyd and seconded by Councilor Albert to move Chapter 81 to the Consent Agenda. **MOTION CARRIED** 6-0-0

**Legislative Updates from State Representatives** - None

**Town Manager's Report**

Merrimack Police want to remind everyone that there is no overnight parking on any Town street from now until April 15<sup>th</sup>.

The Planning Board will have an initial public hearing for the site plan of the mixed-use development near the Merrimack Premium Outlets in January. The site plan calls for 372,800 square feet of development including retail, hotel/event center, restaurant, office, multi-family residential uses, in accordance with the mixed-use development conditional use permit approved by the Planning Board on January 17, 2017.

The initial Public Hearing for the site plan for the multi-family development on Executive Park Drive will take place on January 2<sup>nd</sup>. Staff expects this project will require multiple hearings before a vote is taken by the Board, so that input from the public, staff, the Town's engineering review consultant, and State agencies can be considered.

The Planning Board met with staff from Nashua Regional Planning Commission (NRPC) on December 5<sup>th</sup> to discuss the initial progress on the Route 3 Pedestrian and Bicycle Plan. Information

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(including the map of the existing conditions of the corridor) can be found on the Planning Board page of the Town website, under News & Events.

The Annual Holiday Parade and Tree Lighting was held on December 3<sup>rd</sup>. There were fewer floats this year, but there were more than 600 people in attendance. Abbie Griffin Park was packed, and the event went smoothly.

### **Consent Agenda**

#### **1. Consideration of Changes to Chapters of the Merrimack Town Code [Final Reading]**

*Submitted by Town Council Chair Nancy Harrington and Vice Chair Finlay Rothhaus*

The Town Council to consider the acceptance of recommended changes to Chapters 119, 128 and 181 of the Merrimack Town Code, pursuant to Charter Article V.

**MOTION made by Councilor Boyd and seconded by Councilor Rothhaus to move Chapter 119 of the Merrimack Town Code, pursuant to Charter Article V. MOTION CARRIED 6-0-0**

**MOTION made by Councilor Boyd and seconded by Councilor Albert to move Chapter 128 of the Merrimack Town Code, pursuant to Charter Article V. MOTION CARRIED 6-0-0**

**MOTION made by Councilor Boyd and seconded by Councilor Thornton to move Chapter 181 of the Merrimack Town Code, pursuant to Charter Article V. MOTION CARRIED 6-0-0**

Councilor Koenig wished to note the items had been before the Council twice before. As they had been placed on the Consent Agenda, there was no need for additional discussion, absent any concerns.

### **Old Business**

#### **1. Post-Issuance Tax Compliance Policy – NH Municipal Bond Bank Bonds**

*Submitted by Finance Director/Assistant Town Manager Paul T. Micali*

The Town Council to consider approving a bond post-issuance policy.

The bond bank intends to go out to bid with these bonds by January 15<sup>th</sup>. An assurance that is required to be provided to those who would be investing in the bonds is that they will be tax exempt (so that tax exempt interest could be gained as an investment).

To do this, the Town can adopt, by Resolution, Post-Issuance Tax Compliance Policies and Procedures. Legal counsel has provided a memorandum summarizing the process (attached to [agenda](#)). By adopting the policy and procedures, you ensure proper use of proceeds. For example, if the monies are borrowed at an interest rate of 2%, they cannot be retained in a manner that generates 5% interest; the Town cannot earn money from the borrowed monies.

In addition, because the monies are borrowed to pay for a municipal project, and the municipality is used as the reason for tax exemption, if at some point in the future the facility constructed with the funds was to be sold to a private company, the sale would have to be reported and the bond would no longer have tax-exempt status.

The documents look for the identification of a Compliance Coordinator.

The Resolution reads as follows:

“WHEREAS, the Town of Merrimack, New Hampshire (the “Town”) from time to time, on a tax-exempt basis, issues (i) bonds and bond anticipation notes to finance capital projects, (ii) tax anticipation notes to pay the Town’s maintenance and operation expenses and (iii) municipal leases to finance the lease-purchase of certain equipment, all pursuant to the provisions of New Hampshire RSA Chapter 33, as amended;

WHEREAS, the federal income tax laws included in the Internal Revenue Code of 1986, as amended (the “Code”), require that issuers of tax-exempt debt comply with certain post-issuance requirements set forth in the Code;

WHEREAS, for purposes of maximizing the likelihood that the Town complies with such requirements of the Code, the Town Council of the Town (the “Council”) desires to adopt the Post-Issuance Tax Compliance Policies and Procedures, attached hereto as Exhibit A;

NOW THEREFORE, BE IT RESOLVED by the Council as follows:

VOTED: That the Post-Issuance Tax Compliance Policies and Procedures, attached hereto as Exhibit A are hereby approved.

VOTED: That the Council hereby names the Finance Director as the “Coordinator” under the Post-Issuance Tax Compliance Policies and Procedures and that the Finance Director has accepted such nomination.

VOTED: That this resolution shall take effect from and after its adoption.”

**MOTION made by Councilor Boyd and seconded by Councilor Rothhaus to adopt the Resolution as read. MOTION CARRIED 6-0-0**

### **New Business**

#### **1. Warrant Article to Study the Feasibility of Developing Offshore Wind Power**

*Submitted by Mary Beth Raven*

Resident Math Beth Raven requests that the Town Council consider putting a warrant article on the ballot for the spring of 2018, which relates to joining existing efforts in Massachusetts and Maine to study the feasibility of developing offshore wind power in the Gulf of Maine.

Chairman Harrington spoke of a communication received from the Town Manager, notifying her a Town resident has reached out wishing to get the matter on the ballot as a warrant article. Ms. Raven was informed, were she to bring the matter before the Council with a request that the Council write a

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letter of support to the Governor, if granted, that would be all that was necessary. It was indicated the communities of Dover, Durham and Portsmouth have already provided support in this fashion.

Ms. Raven was informed she could request the matter be placed on the ballot as a Warrant Article, which would require 50 signatures of support from registered voters in the Town. From that point, the Town Council would conduct a Public Hearing. By this method, the Council retains the ability to decide whether the matter would appear on the ballot.

Another option is to obtain 500 signatures of support from registered voters in the Town. The Town Council would conduct a Public Hearing. The Town Council should choose whether to endorse the request, and it would be placed on the ballot.

Town Manager Cabanel added, because the Town Council has authority over anything that is not related to finances, the Council would not be obligated to send a letter even if 500 signatures were garnered, and the item appeared on the ballot and passed by a vote of the citizenry.

Town Manager Cabanel recommended Ms. Raven appear before the Council with a request for a letter of support.

Mary Beth Raven stated the most expedient option that sends the kind of message she is in favor of would be for the Town Council to send a letter to the Governor supporting a feasibility study.

Ms. Raven provided a PowerPoint presentation, which noted offshore wind has been identified by a legislative study committee as one of the best options for renewable energy in the State. That committee recommended the Governor (in 2014) request this task force, which did not occur. It is believed the coastal wind of NH could produce 2,600 Megawatts of energy, which may be sufficient to provide almost all of NH with electricity. To bring offshore wind to NH, the Governor would have to request a task force be convened. The request would have to be made of the Bureau of Ocean Energy Management to study the feasibility of offshore wind in NH. That task force would also talk to stakeholders, start the leasing process for the area where the wind turbines would be located, and be staffed partly with NH residents (legislators, PUC, SEC, or others). The only cost to the State would be in the time the individuals would have to invest in being on the task force.

The Governor has publicly stated: "If folks want to bring it up and they want to try to make that case in NH, I'm not opposing it."

Ms. Raven spoke of potential benefits to Merrimack such as local jobs and economic benefit and local power. She spoke of how offshore wind has advanced in the past few years, and the cost of generating electricity from wind has declined. The study would identify whether it would be feasible; what the cost of energy would be with the turbines in place, what the break-even point would be, etc. Although offshore wind is relatively new to the United States, it is not new to the rest of the world. Other countries who use this source of energy generation can be looked to for best practices.

Councilor Koenig spoke of some of the known concerns that have been expressed about wind farms, and asked if those issues could be addressed. Ms. Raven noted research done on bird deaths in Canada and the U.S., which indicates wind turbines kill 400,000 birds/year. Collisions with buildings result in over 1 million bird deaths. The National Wildlife Federation has been paying close attention to the

Block Island Wind Farm. They were very concerned about marine life, particularly marine life that uses sonar, e.g., whales and dolphins. During the construction, they had someone on hand full-time to watch for whales and dolphins, and if any blasting was to occur it had to be put on hold until the animals left the area. The ones in Block Island are in relatively shallow water and sunk into the ground. They are watching what is occurring there. Mussels and barnacles have started growing, which is a good thing. The turbines that may or may not end up offshore in NH would likely be in deeper water, and may be floating turbines that are tethered to the ground. That could result in different impacts. Other than bird deaths, there is nothing that is clearly detrimental.

Chairman Harrington stated her support of requesting a feasibility study. Councilor Boyd stated agreement. Councilor Albert questioned the rationale for offshore versus on land. Ms. Raven stated her understanding there are other efforts for onshore wind, but in the initial studies the estimates are that a great deal more energy generation would come from offshore. Vice Chairman Rothhaus recalled a community in MA had a few onshore turbines, and a warrant article was put forward to shut them down. There were concerns with impact on birds and marine life. Councilor Thornton stated he would support the request to write a letter of support for a feasibility study. However, noted he is unclear how this would result in economic benefit to Merrimack.

Vice Chairman Rothhaus questioned putting the matter on the ballot to seek resident input. Ms. Raven was asked if there is any sense of urgency in getting a letter to the Governor, which might determine whether action should be postponed until after the Town Meeting.

Councilor Albert commented what is being considered is a study, and he feels if it is something that can be addressed at this time, he is acceptable to that.

**MOTION made by Councilor Boyd and seconded by Councilor Albert that the Council authorize the Town Manager and/or her proxy to write a letter urging Governor Sununu to request the formation of an intergovernmental task force focused on studying the feasibility of developing offshore wind power in the Gulf of Maine**

#### **ON THE QUESTION**

Town Manager Cabanel stated the need for the letter to come from the Council. She could draft it, but the Council will have to sign it. Councilor Boyd noted agreement.

**MOTION CARRIED 6-0-0**

#### **2. Donation Acceptance for the Merrimack Fire Department**

*Submitted by Assistant Fire Chief Brian Borneman*

Town Council will consider the acceptance and expenditure of several donations made to the Merrimack Fire Department in memory of Isabel Duxbury in the amount of \$295.00 and in memory of George H. Shapiro in the amount of \$325.00, pursuant to RSA 31:95-b and Charter Article 8-15.

Brian Borneman, Assistant Fire Chief, Merrimack Fire Department, spoke of the passing of Isabel Duxbury (wife of former Fire Chief Herb Duxbury). In lieu of flowers, a request was made that donations be made to the Merrimack Fire Department. Donations totaled \$295.00.

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George Shapiro was a resident of Merrimack, and was involved with Nashua and Merrimack youth; most specifically in Merrimack YMCA team nights, coached boys' basketball at the high school as well as softball. His family requested donations be made, in his memory, to the Merrimack Fire Department.

**MOTION made by Councilor Boyd and seconded by Councilor Albert to approve the acceptance and expenditure of several donations made to the Merrimack Fire Department in memory of Isabel Duxbury in the amount of Two Hundred Ninety-Five Dollars (\$295.00) and in memory of George H. Shapiro in the amount of Three Hundred Twenty-Five Dollars (\$325.00), pursuant to RSA 31:95-b and Charter Article 8-15, and furthermore that the Town Manager and/or her proxy be authorized to sign any documents necessary to accept and expend. MOTION CARRIED 6-0-0**

### **3. Donation Acceptance for the Merrimack Fire Department**

*Submitted by Assistant Fire Chief Brian Borneman*

Town Council to consider the acceptance and expenditure of a donation from Anne Moran in the amount of \$150.00 to the Merrimack Fire Department, pursuant to RSA 31:95-b and Charter Article 8-15.

Assistant Chief Borneman informed the Council Mrs. Anne Moran was in a significant motor vehicle accident in Merrimack in 2016. Her Husband came in approximately a year later, made the donation, and thanked the department for the care the firefighters and EMS personnel gave her that day, which he believes made a significant impact in her ultimate recovery and convalescence.

**MOTION made by Councilor Boyd and seconded by Councilor Koenig to approve the acceptance and expenditure of a donation from Anne Moran in the amount of One Hundred Fifty Dollars (\$150.00) to the Merrimack Fire Department, pursuant to RSA 31:95-b and Charter Article 8-15, and furthermore that the Town Manager and/or her proxy be authorized to sign any documents necessary to accept and expend. MOTION CARRIED 6-0-0**

### **4. Donation Acceptance for the Merrimack Fire Department**

*Submitted by Assistant Fire Chief Brian Borneman*

Town Council to consider the acceptance and expenditure of a donation from Digital Federal Credit Union to the Merrimack Fire Department in the amount of \$3,500, pursuant to RSA 31:95-b and Charter Article 8-15.

Assistant Chief Borneman stated this is the 2<sup>nd</sup> year of this unsolicited donation from the credit union. Their program it to assist the department in public safety in making a difference in the community. The department has not yet identified the use for the funds.

Assistant Town Manager/Finance Director Micali noted the Digital Federal Credit Union also donated \$3,500 to the Police Department.

Chairman Harrington spoke of a suggestion made by Councilor Albert that the Town have plaques made in recognition of entities that support the Town in this way. Town Manager Cabanel suggested

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the departments write letters of gratitude to the Digital Federal Credit Union informing them of how the monies are utilized.

Chairman Harrington requested the Town Manager provide information as to cost, language, and funding mechanism for plaques.

**MOTION made by Councilor Boyd and seconded by Councilor Thornton to approve the acceptance and expenditure of a donation from Digital Federal Credit Union to the Merrimack Fire Department in the amount of Three Thousand Five Hundred Dollars (\$3,500), pursuant to RSA 31:95-b and Charter Article 8-15, and furthermore that the Town Manager and/or her proxy be authorized to sign any documents necessary to accept and expend, and further authorized to provide a suitable plaque with language to the Digital Federal Credit Union to express the Council's sincerest gratitude for being a strong corporate partner in the community. MOTION CARRIED 6-0-0**

#### **5. Presentation of Proposed 2018/19 Town Manager Budget**

*Submitted by Town Manager Eileen Cabanel*

Town Manager will present her recommended 2018/19 budget to the Town Council.

Town Manager Cabanel provided a PowerPoint presentation summarizing the proposed FY19 budget.

When identifying the tax rate, you subtract from the proposed budget revenue received from other sources; \$8-9 million; primary source being motor vehicle fees, which this year is estimated at \$5.2 million.

In the FY19 proposed budget, estimated increases to revenue total \$468,470. The largest portion being motor vehicles (\$300,000 increase). The proposed budget estimates revenue going from \$4.9 million last year to \$5.2 million in the coming year.

Revenue received from sale of property is difficult to pinpoint. It often has to do with tax deeded property being sold at which time the Town receives all taxes owed on the property, and the property owner the remainder of the revenue generated from the sale.

A decrease is anticipated as the Town will not receive the Convincer Grant in FY19. Councilor Albert questioned, and was informed the Chief hoped to keep the device and rent it out to other communities. They feel it is of great value to keep it going. The officers that are familiar with the operation would accompany the device, and their time would be paid for by the requesting community.

An additional means of reducing the tax rate is utilizing unexpended appropriations at year end. That decision must be made by the Council. Over the past few years the Council has voted to utilize \$300,000 of the fund balance. Last year the Council voted to utilize \$450,000. Three hundred thousand was used in the proposed budget as a placeholder (an additional \$150,000 would represent a \$0.04 reduction to the tax rate).

In terms of appropriations, anticipated are increases totaling \$1,663,000. An increase in the cost of health insurance is anticipated (\$282,000 or 8.5%). Although a good deal of effort has gone into



lowering the amount of increases in the cost of health insurance, some of the unions did not start their new health insurance, nor did they get their raises, until January. Those who had procedures that needed to be done did so before the deductibles kicked in. It also takes several years before the insurance company can have a handle on what the experience will be.

Short Term Disability (STD) has two components; one being approx. a \$12,000 increase, which simply represents an increase in the cost of coverage, and the other, \$26,000, is to assist the employees who make more money than the \$700/week provided by STD. For example, someone making more than the \$700/week provided would have to utilize sick and/or vacation time. She stated the desire for employees of all different wage categories to get the same percentage of STD. That is something new, and something the Council will need to consider. When asked, Town Manager Cabanel stated if it is determined there is an illness that will go beyond the 5-day waiting period, STD insurance kicks in where an employee receives 70% (up to \$700) a week. The remainder to make up 100% of the weekly salary would come from sick and/or vacation time. Town Manager Cabanel noted an employee who makes less than \$700/week receives 100% of wages on STD.

Overtime in the Fire Department has been increased by \$27,000, which relates to the increase in calls. It was reduced last year because of the 4 new firefighters (hired later than expected). The increase also represents increases in wages. Vice Chairman Rothhaus requested information on workers' compensation and overtime budgets for last year. Town Manager Cabanel noted workers' compensation, in general, is calculated by taking each category of employee, e.g., police with a high risk or office worker with lower risk. Each has its own category of cost. You take all wages, multiply them by those factors, and it is then modified based on the individual Town's experience. Rather than being at 100%, the Town is at 68%. The experience has been worse in the past year or so. The rates for the State categories increased.

Councilor Albert questioned if the Town looks at the injuries that have occurred and for means of correcting any issues that be may be correlated to the injuries. Town Manager Cabanel spoke of the Joint Loss Safety Committee, which includes representation from Primex (insurance company). The committee reviews every claim and environment, and considers whether any practices can be modified or put in place to avoid future incidents.

The amount under compensated absences is a figure that is determined by the Finance Director and auditors, and is based on the age of the current workforce. For employees reaching the age of retirement, monies are set aside to cover the cost to the Town should the individual(s) choose to retire, and a payout need to be made of accrued sick and vacation time.

Property and liability insurance cost increased. Tipping fees have been increased \$1/ton (\$8,500). Recycling tipping fee is \$54/ton (\$42,500). Town Manager Cabanel commented the Town previously received a small amount of revenue for recycling. As recycling has become more popular and easier to do, there is a larger amount of that product on the market, which makes it less valuable. Instead of receiving a little revenue for recycling, it is now costing the Town \$54/ton. Councilor Koenig had questioned if this is approaching the cost to dispose of regular trash. The answer is that we're paying \$61/ton for the tipping fee for regular trash, and \$54 for recycling, but recycling takes it off the property as well. If you put it into the regular stream it costs \$61/ton plus another \$60 to transport it out of Merrimack and bring it to the landfill at Turnkey.

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The budget for legal costs has been increased by \$25,000. There is a matter with a particular company that will incur legal costs. Most of the cost is related to five union contracts coming up.

The allocation identified for voting booths is intended to cover the cost of purchasing additional booths.

Naticook Lake Dredging & Docks (\$92,000). The cost is intended to cover work needed at Naticook Lake at Wasserman Park.

Paving Infrastructure proposes an increase of \$50,000. When asked what the appropriate amount is to budget for road paving, Kyle Fox, Director, Public Works Department, responded \$2.1 million. The budget now includes \$800,000 for road paving.

HVAC Town Hall (\$150,000) is intended to cover the cost of needed replacement. Town Manager Cabanel spoke of the old heating units in the building, which have limited adjustment options, and, over this past year, have started to catch on fire.

Elections (1 additional election) has an increased allocation of \$16,000.

Maintenance of vehicles has an increase of \$50,000. Town Manager Cabanel spoke of the ladder truck, which requires a good deal of maintenance as it ages.

Under debt services, there is an increase proposed of \$11,000.

Under union wages, the identified increase (\$413,000) includes all benefits associated with wage increases as well as steps. Steps are higher than expected because of the number of new employees.

Town Manager Cabanel stated the desire to add the position of Deputy Police Chief (\$21,000) back into the budget. The position was eliminated in favor of hiring a prosecutor. The Deputy Chief position would be non-union, and would be confidential in nature. The position is clearly that of the second in command. As a means of minimizing the cost impact of adding the position, also being proposed is the elimination of the position of Administrative Lieutenant.

Part-Time Account Clerk III in Tax Collector/Town Clerk Office (\$37,000 (fully-loaded)). It may be a position going from part-time to full-time. Town Manager Cabanel spoke of turnover experienced in the past few years, and the cost involved in training individual(s) just to have them leave the part-time position for a full-time position elsewhere.

Full-Time Custodian (\$62,000 (fully loaded)) position is being proposed. The Town has temporarily hired an individual to help at Town Hall and the Police Station. The individual has been working out magnificently.

A new Sargent position is proposed for Special Investigations in the Police Department (\$133,000). The dollar amount represents the fully-loaded position. The position is primarily warranted to address drug related issues.

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Capital Reserve Funding (CRF) has increased by \$43,000. Town Manager Cabanel noted she has worked towards getting the amount set aside in this funding so that it is truly representative of a savings account rather than funding at the same level that is needed to expend each year.

Maintenance - Office Equipment shows a decrease (\$24,000). Maintenance - Buildings and Grounds shows a decrease (\$11,000). The Convincer Grant shows a reduction of \$20,000. Under Miscellaneous, there is a reduction shown of \$22,000, which is intended to capture numerous smaller reduction amounts in the various line items throughout the budget.

The result of all increases and reductions is an overall increase to the General Fund of \$1,586,000.

Town Manager Cabanel reiterated that amount represents expenses, and is decreased by the amount of revenue.

Chairman Harrington explained, although all expenditures and revenue will be identified throughout the budget process, the amount that must be raised by taxes does not include all the amounts reflected. As an example, the cost of planned capital projects will be shown in the budget, but will not have to be raised through taxes as the needed funds have been saved over time, and will be addressed through the CRF. Another example is the cost associated with sewer projects, which will be identified in the budget process, but covered through sewer user fees. For items such as these, the cost as well as the offsetting revenue are listed in the budget.

A spreadsheet was displayed, which identified the total expenditures for the general fund (\$28,642,267) and the self-supporting funds (5,903,104), e.g., outside details (when hired for outside details, the cost of that officer is paid/offset by the company requesting the detail). The total \$34,545,371 is reduced by items that are not operating expenses, CRF deposits, other capital, e.g., one-time or non-recurring items, road infrastructure, CRF expenditures (which are offset by CRF deposits), and State and Federal grant dollars. Once those items are removed, what remains is operating expenses.

Outlined were the proposed appropriations from the general fund, and the difference between the approved FY18 budget and the proposed FY19 budget. Chairman Harrington stressed what was being presented was a summary of the proposed budget. The next step in the process would include a review of each of the line items in each of the department's budgets.

CRF deposits, e.g. monies that are deposited into accounts for long-term planning/saving for capital projects, were discussed. The accounts were established by the voters for specific purposes, e.g., fire trucks, ambulances, public works equipment, etc. By planning for capital projects/expenses in this way, the Town avoids the need to bond for large expenses.

The total proposed general fund budget for FY19 is \$27,087,956, which represents an increase of \$1,586,853 (of 6.22%) over the FY18 approved budget.

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Assistant Town Manager/Finance Director Micali remarked the Town is required to abide by regulations from the State to gross appropriate meaning the budget must show anticipated revenue from all sources, not just taxes.

Spreadsheets were displayed that outlined proposed expenditures from the CRF in FY19. Some examples include a telephone system upgrade at Town Hall (\$71,311). The existing equipment is no longer supported/available. Monies allocated toward the South Fire Station needs assessment (\$25,000) would be combined with another allocation (\$25,000) from the police budget or general government. The assessment would identify the feasibility and space needs for a public safety complex, which was a subject discussed at the Retreat. Portable radio replacement for the Fire Department (\$298,000) has been discussed for many years. The existing equipment is no longer manufactured making it difficult to obtain even replacement parts.

Self-supporting funds include items such as outside details for the Police Department, media department at Town Hall (funded through franchise fees), etc.

The FY19 tax rate proposal is \$5.27, which represents an increase of \$0.37.

Town Manager Cabanel provided a graph that identified the portions/percentages of the tax bill as they relate to municipal, school, and county.

Chairman Harrington requested a chart be provided showing communities of comparable size in the State, and the breakdown of percentages for the portion of the tax bill attributed to City/Town, school, and county.

Councilor Albert stated a desire to understand how the amount needed to be raised through taxes could be lowered using unreserved fund balance. Assistant Town Manager/Finance Director Micali stated the approximate numbers to be every \$30,000 has a \$0.01 impact on the tax rate.

Vice Chairman Rothhaus stated a desire to receive, as part of the presentation on the HVAC system at Town Hall, comparisons in terms of potential energy savings gained by replacing the outdated equipment.

## **6. Consideration of Changes to Chapters of the Merrimack Town Code [First Reading]**

*Submitted by Town Council Chair Nancy Harrington and Vice Chair Finlay Rothhaus*

The Town Council to consider the acceptance of recommended changes to Chapters 34, 66, 92, 145 and 180 of the Merrimack Town Code, pursuant to Charter Article V.

### Chapter 34; Library

No changes are proposed.

**MOTION made by Councilor Boyd and seconded by Councilor Albert to move Chapter 34 to a Public Hearing. MOTION CARRIED 6-0-0**

### Chapter 66; Town Council

Noted was of the 6 articles, 5 have been superseded.

**MOTION made by Councilor Boyd and seconded by Councilor Rothhaus to move Chapter 66 to a Public Hearing. MOTION CARRIED 6-0-0**

Chapter 92; Amusement Devices

Language is proposed that would state no person under the age of 16 would be allowed to use an amusement device without a parent or guardian.

Councilor Koenig commented when first reading the language, it appeared as if it was trying to suggest that people can't put amusement devices in a back room that would be hidden by public view, and therefore would be conducive to illegal gambling or something like that. That seems to have been totally thrown out by the attorney.

Assistant Town Manager/Finance Director Micali suggested that sentence could be retained and placed following the proposed revised language. Councilor Albert agreed with retaining the language.

**MOTION made by Councilor Boyd and seconded by Councilor Koenig to move Chapter 92 to a Public Hearing, as amended. MOTION CARRIED 6-0-0**

Chapter 145; Peddling and Soliciting

"Chief of Police" should be amended to read "Police Chief".

Mention was made of the City of Manchester being sued by a panhandler who was successful in his/her suit. Councilor Albert suggested the chapter be reviewed by legal counsel.

**MOTION made by Councilor Boyd and seconded by Councilor Thornton to move Chapter 145 to a Public Hearing subject to review by legal counsel. MOTION CARRIED 6-0-0**

Chapter 180; Temporary Sales Locations and Vendors

Assistant Town Manager/Finance Director Micali explained 180-3 proposes the addition of #3, which gives the license exception to itinerant vendors who operate a business in the State.

Under 180-6, item H, vendors at the event would be allowed to have criminal background requirements waived. That would remove a layer of redundancy as vendors are already under the umbrella of the event sponsor and the property owner. For many events it has been found to be cost prohibitive for vendors making it difficult for small event sponsors to attract vendors. Chief Roy and Captain Dudash agree with the proposed change.

Under 180-7, being proposed is the change of the annual license expiration date from December 31<sup>st</sup> to one year from date of approval. In its current form it unfairly punishes those who have events later in the year.

**Approved: January 11, 2018**

**Posted: January 17, 2018**

Councilor Koenig noted under 180-6 I, the first line reads: “A completed motor vehicle record dated within the last (6) provided by the applicant in writing.” It was indicated the “(6)” should be replaced with “six (6) months”.

Under annual licenses, the addition proposed is one year from date of approval unless an earlier exception date was established. Councilor Koenig questioned if it should say earlier expiration date. Assistant Town Manager/Finance Director Micali agreed “exception” should be replaced with “expiration”.

**MOTION made by Councilor Boyd and seconded by Councilor Thornton to move Chapter 180 to a Public Hearing, as amended. MOTION CARRIED 6-0-0**

## **7. First Quarter Financial Review**

*Submitted by Finance Director Paul T. Micali*

Finance Director Paul Micali will review the key financial information of the quarter ending September 30, 2017.

Assistant Town Manager/Finance Director Micali stated the Town is in a very good financial state nearing the end of the 2<sup>nd</sup> quarter. There are sufficient appropriations, and revenues are coming in higher than expected.

*The presentation provided a year-to-year comparison of costs for the first quarter (July 1<sup>st</sup> - September 30<sup>th</sup>) of FY17 and the first quarter of FY18.*

In health insurance, the overall cost to the Town has decreased from \$760,688.51 to \$740,008.53. That is a result of changes made in contract language. Also, there were several open positions in FY17. New Hampshire retirement costs show a decrease in all areas. The largest factor is the number of open positions in the first quarter of the current fiscal year. Eight positions have been filled in the Fire Department in the second quarter and two positions in the Police Department (an additional officer just graduated the academy).

Under overtime, shown is an overall reduction of approx. \$25,000 in the first quarter, which is the result of shortages. During the first quarter of last year a lot of the shifts in the Fire Department were covered with overtime. The same is the case for the first quarter of the current fiscal year in the Police Department.

Revenue shows an increase in interest earned, a reduction in building permits, and an increase in auto registration revenue.

Assistant Town Manager/Finance Director Micali stated the audit for FY17 is wrapping up. The report is expected mid to late January.

## **Minutes**

December 7, 2017

*The following amendments were offered:*

Page 1, Line 6, replace “Vice Chairman Rothhaus” with “Chairman Harrington”

Page 4, Line 46; correct the spelling of “Wilfram von Schoen”

Page 13, Line 38; insert a comma after “problem is”

**MOTION made by Councilor Boyd and seconded by Councilor Thornton to accept the meeting minutes of the December 7, 2017, as amended. MOTION CARRIED 5-0-1**

*Councilor Harrington Abstained*

**Comments from the Press** - None

**Comments from the Public** - None

**Comments from the Council**

Councilor Boyd offered condolences to the Halverson family who lost their Son Saturday night. Sincerest condolences, prayers, and thoughts go out to the family in this difficult time.

Councilor Boyd noted the NRPC met the previous night and addressed an amendment to the Nashua Metropolitan Area 2017-2020 Transportation Improvement Program (TIP). Brought to his attention was the overhead tolling plaza that had planned for construction to begin in 2018, and has been bumped out to 2019. The cost has increased from \$10.1 million to \$17.1 million. The amendment note that provided indicated rehabilitation required is greater than expected. He questioned what needs to be rehabilitated as the toll plaza is a relatively new structure.

In addition, original estimates for the widening of the F.E. Everett Turnpike (\$81.9 million) had to be reworked after completion of the field survey and engineering work, which identified culverts along the way need to be upgraded to bridges and existing bridges need to be reconstructed. The revised estimate is \$153.5 million.

Councilor Boyd commented when a presentation was made to the Council 9-12 months ago he argued that they ought to move to 4 lanes. The response was they don't have the land. If increasing the estimate by close to 100%, and the project to include major re-engineering of culverts to bridges and existing to new bridges, they ought to revisit widening the entire road to four lanes. He will be sending an email to the Town Manager requesting she ask the Public Works Department to have that conversation when meeting as part of the Transportation Technical Advisory Committee at the NRPC.

Assistant Town Manager/Finance Director Micali questioned if the increased estimates include the back end of Concord that was put on the TIP with the toll increase. Councilor Boyd stated his understanding those stretches of road would be purchased by the Turnpike, and, consequently, those projects would be under the auspice of the Turnpike and Turnpike monies.

Councilor Koenig stated the \$153.5 million estimate is just for the widening between Nashua and Manchester.

**Approved: January 11, 2018**

**Posted: January 17, 2018**

Councilor Boyd remarked because the Turnpike is purchasing those roads, it will free up \$210 million to be allocated towards bridges that have been red listed, and other roadways. Councilor Koenig commented it is a clever way to use tolls to pay for other things.

Councilor Boyd stated they were going to do some improvement work along 101 between Continental Boulevard, Boston Post Road, and Craftsman Lane. They will be widening that stretch of road, and adding turn lanes to increase flow of traffic. One of the items proposed was a sidewalk on the south side of 101A, which made no sense to him. He suggested it be on the north side to be able to link Pennichuck Square and walk down to Joey's Diner. They will be making that amendment to the plan. Proposed construction, pending completion of engineering, is 2020.

Councilor Koenig spoke of the recent Planning Board meeting during which a presentation was provided for the 280 units in the area of the former Merrimack Hotel. A formal application is expected in January. The plans look positive overall, e.g., ample parking at least for the first 3 buildings that are up by the WoodSpring. The questionable piece right now is the two additional buildings that would be in between Cinemagic and where the old hotel was. When thinking of 280 units and of them all in one spot where the hotel was, it is a huge concentration. If you realize that they are putting 100± in the two buildings that are off in the next piece down the road, you see they are not all stacked on top of each other. They are also proposing mostly 1 and some 2-bedroom units. Everything they talked about sounded as though they are sensitive to the overall environment, including the additional commercial property in the area and parking requirements.

The traffic issue will likely be improved with the recommendations being discussed. It is predicated on the State working with them on the lighted Executive Park Drive and other intersections to try and alleviate some of the issues. They will not make it any worse than it is. The applicant was asked to visit other units like this in terms of size, density, and access with just one road in, and do an actual traffic count on an existing facility. That was done, and the traffic counts resulted in numbers less than the traffic counts that were predicted.

### **Adjourn**

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

*The December 21, 2017 meeting of the Town Council was adjourned at 10:12 p.m.*

Submitted by Dawn MacMillan