



Town Council Meeting Minutes



Thursday, December 16, 2021, at 7:00 PM, in the Matthew Thornton Room

Chairman Koenig called the meeting to order at 7:00 pm. Present at the meeting were Chairman Koenig, Councilor Harrington, Councilor Healey, Councilor Hunter, Councilor Murphy, Councilor Woods, and Town Manager Paul Micali. Vice Chair Rothhaus was excused.

Pledge of Allegiance

Chairman Koenig led the Pledge of Allegiance.

Announcements

The Town offices will be closed on Friday, December 24th for the observance of Christmas as well as on Friday, December 31st for the observance of New Year's Day.

Upcoming Town Council Meetings:

- Thursday, January 6, 2021, 6:30 PM Budget meeting
- Wednesday, January 12, 2021, 6:30 PM Budget meeting
- Thursday, January 13, 2021, 7:00 PM Regular meeting

Property tax bills are due by December 30th. Property owners who have not received a bill should contact the Tax Collector's office to arrange for a duplicate bill.

The Transfer Station will be closing its gate at 3:15 PM on Friday, December 24th.

Comments from the Press and Public

None.

Recognitions, Resignations and Retirements

None.

Appointments

None.

Public Hearing

1. Public Hearing - Consideration of Changes to the Town of Merrimack Charter

Submitted by Town Council Chair Tom Koenig and Vice Chair Finlay Rothhaus

The Town Council will conduct a public hearing to consider the recommended changes to Article VI, Section 6-2 (A) Trustees of Trust Funds, of the Town of Merrimack Charter, pursuant to New Hampshire RSA 49-B:5. The Town Council seeks this Charter amendment to authorize the appointing of alternate members for a one-year term.

Councilor Harrington shared that she is in agreement with this, and Mr. Micali stated that Chris Christensen is in favor of this and would like the wording to say that "the Trustee of Trust Funds would nominate to the Town Council before appointment". Mr. Micali then stated that he does not think this is necessary, because they will be sitting when the Council does this. Chairman Koenig shared that he is comfortable with the wording as it has been vetted by attorneys and stated there was originally a miscommunication issue between the Trustees of the Trust Funds and Town Council about who to appoint for the term.

The public hearing was opened at 7:08pm and closed at 7:09pm.

MOTION made by Councilor Woods and seconded by Councilor Harrington to move the Charter Amendment to the Town Clerk for her to submit to the appropriate authorities at the state for review to be included in the April 2022 ballot vote.

Before voting took place, Chairman Koenig explained the recommended changes to Article VI, Section 6-2 (A) and what this means to the public for the record.

MOTION CARRIES 6-0-0

Legislative Updates from State Representatives

None.

Town Manager's Report

- Work is now starting on the Wasserman Park Beach Renovation Project. The contractors are on site and the dredging portion of the project will be starting soon. The work is scheduled to occur over the next few months. In the spring, they will begin to rebuild the beach which will be done in time for summer. This project when complete; will provide residents with a much nicer swimming area.
- Merrimack TV will premiere JMUES, Middle School, and High School winter concerts this Friday, December 17th beginning at 7PM on CH21 and HD 1071. Each concert was recorded with multiple cameras by Media Division staff with assistance from volunteer, Greg Cunningham. These concerts will play throughout the holiday season and made available on the Merrimack TV YouTube channel and streaming devices over the weekend.
- The Solid Waste Division will be taking delivery of two new live floor trailers next week. The trailers are used to haul trash and other wastes from the Transfer Station to the disposal location. This will complete the 5 year planned program for replacement of the original four live floor trailers. The remaining two original trailers will be traded in as part of the transaction.

Consent Agenda

None.

Old Business

None.

New Business

1. Committee Appointments

Submitted by Town Council Chair Tom Koenig and Vice Chair Finlay Rothhaus

The Town Council to consider appointing the following individual to Town committees, pursuant to Charter Article 4-8:

➤ **David Trippett** – Conservation Commission (*Alternate member*)

MOTION made by Councilor Hunter and seconded by Councilor Murphy to appoint David Trippett as an Alternate member to the Conservation Commission.

MOTION CARRIES 6-0-0

2. 2022-2028 Capital Improvements Program (CIP) Presentation

Submitted by Town Manager Paul T. Micali and Finance Director Thomas Boland

The Town Council to be presented with the details of the 2022-2028 CIP.

Town Manager Paul Micali began the presentation by giving a brief overview of the CIP, which included PowerPoint slides highlighting information such as:

- The Planning Board was directed by the 1984 Town Meeting to prepare and maintain a six-year capital improvements program ("CIP") to aid with the capital needs of the annual budget. Related to the preparation of this CIP, RSA 674:7 requires municipal departments, the school board, the library, and the water district to submit statements of proposed capital expenditures to the Planning Board.
- For CIP purposes, the Planning Board defines "capital expenditure" as the purchase, construction, or improvement of land, buildings, infrastructure, or equipment having an associated cost of \$100,000 or more and an estimated useful life of at least seven years.
- Major Projects - Depicts the annual expenditures or cash flow for proposed projects, which will cost \$100,000 or more and will be evaluated by the Planning Board. Regardless of the related cost, the Planning Board is generally not interested in the purchase of equipment. Its objective is to evaluate proposed building and infrastructure projects on the basis of the Master Plan and the Build-Out Study.
- Minor Projects - Depicts the annual expenditures or cash flow for proposed projects, which will cost at least \$10,000 but will not be subject to Planning Board evaluation.

Mr. Micali then moved on to discuss CRF Funding Projections, which are deposits that are similar to savings. He then shared that it is important to put money into CRF funding deposits because it smooths out a tax rate, meaning that there will not be spikes one year and drops the next year from equipment or other purchases. He then shared the projection for 2021-2022, which is that \$1,870,000 is in the capital reserve fund through the general fund.

Mr. Micali then discussed the difference between the general fund and the sewer fund, clarifying that the sewer fund is an enterprise fund in which users pay costs. He also shared that the sewer fund has \$500,000 going in this year into the sewer infrastructure to complete projects and replace pump stations. He then highlighted various deposits from year to year, such as ambulance, communication equipment, computer equipment, etc., and compared how they have increased from the previous year.

Councilor Harrington shared that one major reason capital reserve funds were established was to help prevent bonding and it helps the town's rating, with which Mr. Micali agreed and elaborated more on capital reserve funding and how it benefits the town.

Mr. Micali then shared a slide highlighting the 28 major projects that went in front of the Planning Board this year. He then provided a break down of each project and the funding for the current year, upcoming year, and one additional year after that for the future. One of the major projects involves conducting a firehouse location study, in which the town will hire a firm to compile information and determine the best locations for firehouses to reduce response times. Chairman Koenig asked what the status is on the south station, as he has heard there are serious structural issues that need to be dealt with, and he also asked if they can afford to push it out to 2023 or 2024 before they do anything with it. Mr. Micali shared that the fire department is getting by, and it is a smaller crew comprised of 3 firefighters, so they are able to manage its current state, but there are issues with the kitchen being inadequate and the bays being a little tight for the trucks and ambulance.

Mr. Micali then wanted to discuss sidewalks, stating that there was a recommendation to put sidewalks in the 2022-2023 budget, but he personally moved it out to 2023-2024 because the Town Center Committee has a plan for a specific sidewalk, so he wants to see how that pans out before they spend any money. Councilor Healey asked Mr. Micali if he alerted the Committee that the sidewalk project has been moved to a later date,

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in which he said he has not had a chance to talk to the Committee yet, but he does plan on discussing this with them. Councilor Healey then asked if Sklar Park was on the budget list, in which Mr. Micali shared that that project is planned in the out years, and this presentation only highlights upcoming projects within the next few years.

Next, Mr. Micali highlighted the Woodland Drive area drainage improvements, stating that they have \$375,000 over a number of years to do the drainage improvements in the neighborhood. Mr. Micali also wanted to bring the Council's attention to road improvement registration fee, which he bumped up \$10,000 because they received information that they are hitting about \$135,000 due to the increase in apartments.

Another big project Mr. Micali discussed was the fuel tank replacements and piping island with the canopy at the highway garage, which is in the 2023-2024 budget and is \$1.4 million dollars. He then elaborated that there are still a few years left on the fuel tanks, however the piping, conduits, and wiring are starting to wear down and it does not make sense to just replace these parts without replacing the fuel tanks as well. He then stated that this will be discussed further at the Council retreat. Mr. Micali then shared that the library has had a HVAC problem for years and their chiller is on its last leg, so there is \$100,000 in next year's budget to replace these.

Councilor Harrington asked how many of these projects are MS4 related, in which Mr. Micali stated that the Woodland Drive project and stormwater drainage improvement project are. Councilor Hunter shared that he believes the south fire station definitely needs maintenance/improvements, and a decision needs to be made to make some preventative maintenance so it can be a facility the town can be proud of. Councilor Harrington and Mr. Micali both shared that some maintenance was done on the building a few years ago, such as redoing the windows, backdoor, and some internal improvements with the bathroom and bedrooms.

Mr. Micali then began presenting on the Wastewater Treatment Facility funds and the upcoming projects in the next 2-3 years. Major projects include a relocation of a sewer connector underneath the FE Everett Turnpike (which is in conjunction with the widening of the turnpike), the \$22.22 million dollar Wastewater Treatment phase 3 and pump station upgrade that is currently happening. Chairman Koenig asked to clarify why the turnpike sewer connector project is being done, in which DPW Director Kyle Fox shared that the sewer pipe runs through a culvert that carries Naticook Brook under the turnpike, which is no longer ideal since regulations have changed. Further, since the DOT is doing the widening project, the pipe needs to be fixed. Mr. Fox then shared that once they build the new culvert, they may put the brook back to where it originally was, which would leave the existing corridor for our pipe, making the project much cheaper. Mr. Micali then discussed the screenings building, stating that they are looking at new options as some bond options fell through. One requirement for any funding is that this has to be done as a SRF bond, and then it will be principle forgiveness of up to 20%.

Mr. Micali then presented some projects set to begin from 2024-2028, beginning with the bridge project replacement of US3 bridge over by MYA which will be funded from the state and not federal, but it will be an 80/20 split so they will have to cover some of the costs. Additionally, the Winwood Drive area drainage projects are scheduled to begin, and some of the roads are part of MS4. Councilor Harrington asked if there are federal regulations they have to respond to, in which Mr. Micali stated yes, and they have hired an engineer and storm water foreman to help assist with these projects and track all outfalls. Mr. Micali then highlighted some TAP Grant funded projects, such as Wire Rd and the Merrimack River boat ramp access improvements on Griffin St.

Mr. Micali then discussed some sewer line projects slated to begin in 2024-2025, such as the McQuestion Rd area and Mayflower Dr near the middle school. He then shared that there are some sewer line extension projects for that area as well, but they will have to look at bonding the area of town to increase the sewer. He

also stated that sewer falls under the general funds because in the 70s there was an agreement made that any sewer line extension would have to be paid by taxpayers, and once the sewer line is extended, then wastewater treatment or sewer system can take over those lines. Councilor Harrington asked on what basis are sewer line extensions made, in which Mr. Micali stated that there was a study done that highlighted sewer line extension projects, and Mr. Micali is trying to get some of the lesser expensive projects done first. Councilor Murphy asked that when new developments come in if developers are paying any type of fee to extend sewer lines. Mr. Micali responded by stating that if it is an existing home, the existing homeowner pays the impact fee, but if there is a new neighborhood that is built the fee is included in the price of the house because the developer does pay a fee. Mr. Micali then talked about the pedestrian bridge over Souhegan River, stating that it will cost \$1 million to replace it and they are trying to get it on the bridge plan with the state, but they are not accepting new bridges at this time. He then stated that there are other funding sources they can look into, but many of them have a lot of strings attached.

Mr. Micali then moved on to discuss upcoming minor projects, which includes vehicles and equipment that are less than \$100,000. He then discussed the Simulcast System design, which is scheduled for 2022-2023 budget year and is \$762,000. He clarified that this is phase two of the radio system upgrade for the 800megahertz system. He then shared that another project on the radar for 2022-2023 is a new ladder truck for the fire department, which is \$1.5 million. Although at first he was uncertain this was necessary, due to the increase in apartment buildings in town he believes this is a crucial purchase. The current ladder truck is a 2000 American LaFrance, and this company went bankrupt a few years ago so it is difficult to find parts for this model. Additionally, there is a lot of rust starting to develop on the truck, and they spent about \$30,000 last year on repairs. For a newer truck, they are looking at a potential bond option as well as trying to get better cost and pricing, which will be discussed further during the fire budget presentation in January.

Mr. Micali then discussed body cameras, stating that he has been talking to the police chief and they will discuss this further at the Council retreat, but he just wanted to get the conversation started for transparency. Chairman Koenig asked if they were spending \$100,000 on body cameras this year, in which Mr. Micali stated that they are currently looking into it. Chief Levesque was in the audience and shared that this is a significant purchase and is usually a 5 year subscription, so he wanted to put some money towards that so when they decide to move forward with it, they have some money set aside for it and are not spending the total price up front.

Mr. Micali then moved on to discuss highway equipment, stating that they are looking to replace one of the pickup trucks, two 6-wheel dump trucks, one tractor, and a message board. He then stated that the cost of trucks has gone up drastically, almost doubling within the last 5-7 years. He then shared some minor projects planned for the library, police, and parks and recreation departments, as well as some user fees for the wastewater treatment facility. There was then some discussion between the Council regarding sidewalk projects and the south fire station, with more discussions to take place during upcoming budget meetings.

MOTION made by Councilor Harrington and seconded by Councilor Hunter to accept the CIP as a planning tool as presented by the Town Manager.

MOTION CARRIES 6-0-0

3. Presentation of Proposed 2022/2023 Town Manager Budget

Submitted by Town Manager Paul T. Micali and Finance Director Thomas Boland

Town Manager will present his recommended 2022/2023 budget to the Town Council.

Town Manager Paul Micali began his presentation by thanking the town departments for their efforts in creating this budget document with him, stating that it was a team effort and everyone focused on the needs

rather than the wants of each respective department. He then stated to the Council that he wants them to think of the budget as a fork, stating that they have appropriations and revenues, and the appropriations are what gets voted on in April whereas the revenues get brought in front of the Council in September to be reviewed and approved. However, the grand picture of this has been to look at what the increase is on the tax rate, in which you need to look at both revenues and expenditures to determine. He then shared that one major update this year is that the capital reserve funding has its own tab now in the budget process and is no longer included in budgets anymore. He then shared that there is also a tax rate as an overall tax rate to include capital reserve and general fund and operating expenses of the town, as well as a tax rate for the capital reserve funds.

Mr. Micali then began his presentation, starting with revenues. Overall, there was an increase in the Planning Board revenue and several decreases, such as interest, tax bill interest, current use, admin charges, solid waste, and miscellaneous. Another increase in revenue was the SAFER grant, which has increased by \$853,082.

Next, Mr. Micali discussed budget highlights, which included:

- CRF deposits \$122,500
- Computer supplies \$21,000
- Sand & salt \$61,000
- General insurance \$30,200
- Library materials \$11,500
- Patrol vehicles \$21,000
- Solid waste tipping fees \$38,000
 - Recycling \$19,500
 - Disposal \$57,500
- Operating supplies \$26,800
- Postage \$8,600
- Utilities increase (gas, water, sewer) \$17,850
- Maintenance office equipment \$114,200
- Communication equipment \$827,000
 - Police/Fire \$762,800
 - Fire radios \$36,200
 - Highway \$28,000
- Vehicle fuel \$29,400
- Maintenance of vehicle \$30,300
- MYA maintenance \$20,250
- Legal \$30,000
- Elections \$18,575
- Outside services \$22,875
- Miscellaneous \$21,830
- Compensated absences \$21,600
- Union wages (including steps) \$230,700
- 53rd week of Payroll \$278,150
- Education \$10,800
- Uniforms \$13,900

Staffing

- 4 additional Firefighters- SAFER Grant \$395,750
- Highway- Equipment Operator 1 \$79,600
- Dispatcher \$79,200
- Overtime Fire \$28,600
- PT Cleaning Highway \$10,850
- PT Code Enforcement \$11,150

Total: \$2,033,680

Savings:

- Health insurance decrease \$34,625
- Infrastructure \$80,000
- Streetlights \$8,000

Total GF increase: \$1,911,055

Mr. Micali then shared a slide highlighting the proposed budget for the general fund, with each department broken down into total expenditures (grand total of \$36,227,005), CRF deposits (grand total of \$2,502,500), other capital (grand total of \$1,061,264), roads/sidewalk infrastructure (grand total of \$1,060,000), CRF expenditures (grand total of \$853,082), state and federal grants (grand total of \$0), and TM operating request (grand total of \$33,152,659). The entire total of this is \$38,729,505.

After clarifying some questions from the Council, Mr. Micali then moved on to discuss the appropriations general fund, stating that appropriations went up \$158,000 and operating costs went up \$150,509. The capital reserve funds deposits went up \$122,500, and other capital went up \$856,000. Infrastructure went down \$80,000, and the SAFER Grant is at \$853,000. Councilor Healey stated that for fire equipment and costs there are two trust funds dedicated to the fire department, and she is wondering if those can be tapped into to help lower costs. Mr. Micali clarified that the trust funds are specific to an area of town, so if they were to purchase radios for the fire department, they would have to be picked up and dropped off at that specific area of town.

Mr. Micali then discussed the 2022 proposed tax rate, sharing highlights such as:

- General fund operating went up \$158,000
- Capital reserve funds went up \$122,000
- Other capital went up \$856,000
- Road infrastructure/sidewalk expansion went down \$80,00
- SAFER grant went up \$853,000
- Self-supporting funds went down \$176,000
- Total net difference in operating appropriations= \$1,735,010
- Revenues for general fund non-tax revenues (car/boat registrations, ambulance fees, interest on income, etc.) is \$11,201,584.
- Fund balance usage went down \$300,000
- Motor vehicle registration went up \$10,000
- Total revenue = \$19,662,742

Mr. Micali then shared some pending budget items:

- State Budget (2nd year of Biennial budget)

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- State Revenues
 - Rooms & Meals
 - Highway Block Grant
- Non-Union Raises
- Two Union Contracts (AFSCME 2986 & Teamsters)

Minutes

Approve the minutes from the following Town Council meeting:

♦ November 18, 2021

♦ December 2, 2021

MOTION made by Councilor Harrington and seconded by Councilor Healey to approve the minutes of November 18, 2021, as written.

MOTION CARRIES 6-0-0

MOTION made by Councilor Woods and seconded by Councilor Harrington to approve the minutes of December 2, 2021, as amended.

Amendments:

Page 4 Line 8: “Chairman Koenig requested to remove agenda item” should say “move agenda item”

Page 6 Lines 20-36: Handling fee should be \$55, not \$50. Chairman Koenig submitted a paragraph stating: “While Chairman Koenig is comfortable with the \$50 overhead rate for commercial waste, perhaps an incremental raise to \$55 would be acceptable for now pending further re-evaluation”. He would like this added in around line 37 or as a new paragraph prior to the motion. He would also like the table of recommended increases that Mr. Fox gave the Council included in the minutes. Councilor Harrington suggested a note stating “see attachment 1” at the end of the comment from Chairman Koenig.

Page 7 Line 37: This motion carries “6-0-1” should say “6-0-0”

MOTION CARRIES 5-0-1 *with Councilor Hunter abstaining*

Comments from the Press

None.

Comments from the Public

None.

Comments from the Council

Councilor Murphy commented how great it was to see everyone at the Christmas Lighting Ceremony. She also wanted to mention that this Saturday, Wreaths Across America will be at Last Rest Cemetery at noon time. She then wanted to give an update on behalf of the HB737 Commission regarding the PFAS cancer study that recently came out. The study shared that Merrimack has a higher than expected number of people with kidney and renal pelvis cancers between the years of 2009 and 2018. This is concerning but does not necessarily indicate a cancer cluster, so conclusions cannot be drawn just yet without further research. She then shared information she received during a presentation at a recent Commission meeting, highlighting that other cancers (such as Non-hodgkin's lymphoma and prostate cancer) were also high, and she suggested we keep this on our radar as there needs to be more data collection done. She also shared a release from ATSDR about the private drinking water wells in the area after the Commission requested a health evaluation study for the community. She stated that the study is not complete as they are awaiting information on the public wells.

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Councilor Healey wanted to share that it would be helpful for DHHS to create a map showing where the cancer cases are and to see if they align with the consent decree. Also, she suggested sharing the report with the town health officer as well as Merrimack Visiting Nurses and Hospice so they have it on their radar as well.

Councilor Harrington wanted to wish a Merry Christmas and Happy Holidays to the town.

Councilor Woods also wished Happy Holidays to the Council and the town.

Adjourn

MOTION made by Councilor Woods and seconded by Councilor Healey to adjourn the meeting.

MOTION CARRIES 6-0-0

The meeting adjourned at 9:46 pm.

Respectfully submitted by Jennifer Steagald