



Town Council Meeting Minutes



Thursday, January 19, 2012, at 6:00 PM, in the Town Hall Meeting Room

Chairman Rothhaus called the meeting to order 6:00 pm. Present were Chairman Rothhaus, Vice Chair Boyd, Councilor Mahon, Councilor Koenig, Councilor Yakuboff, Councilor Flood and Town Manager Eileen Cabanel. Councilor Dwyer arrived at 6:11 pm.

Chairman Rothhaus made the following announcements: Upcoming Budget meeting on January 23rd at 6:00 pm. Regular Town Council meetings on January 26th, February 9th and February 23rd at 7:00 pm.

The Town Council held a public meeting to review the 2012/13 budget, to include the following departments:

Public Comment

None

Assessing: Town Manager Eileen Cabanel advised the Council that the operating expenses for the Assessing Department budget decreased \$4,031. She advised the Council that there is a CRF deposit of \$15,000 for the next revaluation and \$5,000 for a new copier. Avitar Associates Assessing Operations President Loren Martin echoed Town Manager Eileen Cabanel's comments. Vice Chair Boyd thanked Loren Martin for her efforts during the recent Town-wide revaluation.

Community Development: Town Manager Eileen Cabanel stated that the Community Development Department budget decreased by \$9,532. She stated that economic development has increased by \$7,000. Community Development Director Tim Thompson advised the Council that he combed through the budget and made adjustments to more accurately reflect what was spent in hopes that the savings could be put towards economic development and training. Mr. Thompson advised the Council that the \$7,000 could be spent on the initial work to develop a separate website focused on Merrimack's economic development. Another option is to advertise in the New England Real Estate Journal that is distributed to real estate professionals. Councilor Mahon asked about clerical support for the Conservation Commission. Mr. Thompson stated that currently the minutes are being done by the recording secretary for the Planning Board. He indicated that in the future he would like to add another person who could be a backup person for the current recording secretary, and also be responsible for the Conservation Commission. Vice Chair Boyd appreciates the idea of a website focused on economic development. Vice Chair Boyd inquired about the role of the NRPC and the support they offer as it relates to the \$21,000 allocation. Mr. Thompson advised the Council that the NRPC's primary function for Merrimack is working on regional transportation issues being the MPO (Metropolitan Planning Organization) for the region. He stated that the NRPC maintains a traffic model for the community.

Councilor Koenig questioned the lack of funding for GIS. Mr. Thompson is hoping to establish a CRF for updating and maintenance for GIS. Paul Micali advised the Council that most of the funding has been dedicated to the Public Works Department because that was where most of the work was being done.

Media: Town Manager Eileen Cabanel advised the Council that the Media Department operating budget has decreased by \$8,801. Town Manager Eileen Cabanel stressed that this is a self supporting fund from the Cable Franchise fees. Media Services Coordinator Nicholas Lavallee

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Posted: February 13, 2012

spoke about the need for renovations to address safety issues relating to the closet/taping room in the other building. He advised the Council that the proposed Media budget is in-line with the 5 year plan he presented last winter. Councilor Flood questioned the funding structure of the Media Department. Finance Director Paul Micali explained that the Cable TV Franchise Fund is a special revenue fund. He explained that if the Media Department has a surplus, the funds are put into the CATV Fund. Paul Micali stated that those funds were used to upgrade the Town Hall meeting room and studio. Mr. Lavallee stated that for two years the Town successfully negotiated a lower franchise fee. He stated that he is trying to budget to mirror the amount received from Comcast. Mr. Lavallee advised the Council that Comcast has experienced a significant drop in subscribers. He cautioned that funding could change in future years. Councilor Dwyer hopes that future Town Councilors will value the Media Department and fund the department if funding from Comcast continues to decline.

Vice Chair Boyd questioned if there are any logistical challenges to tape meetings in the other building from the studio in this building. Mr. Lavallee stressed there are many benefits of having a Media Technician close to the meeting.

General Government: Town Manager Eileen Cabanel advised the Council that operating expenses increased by \$80,750. She explained that the compensated absences line item increased because the number of employees eligible for retirement has increased. Town Manager Eileen Cabanel stated that legal services have decreased by \$15,000. She advised that the Council that software upgrades are desperately needed and highly recommended by the Technology Committee. She stated that \$35,000 is proposed as a CRF deposit and an expenditure of \$45,000.

Vice Chair Boyd asked about budget adjustments to reflect the change from three polling places to two. Town Manager Eileen Cabanel indicated that savings (\$5,000 to \$7,000) would be put towards the \$86,000 shortfall in revenue related to the Highway Block Grant.

Proposed Issuance of Debt: Paul Micali advised the Council that there are two projects coming forward this year, the \$4.2 million dollar Phase II upgrades at the Wastewater Treatment Facility and the \$2.8 million dollar improvement project at the Compost Facility. Paul Micali stated that both projects are included in the rate study. He explained that the Phase II project would be a 20 year bond and the Compost Facility would be a 15 year bond. Councilor Yakuboff inquired on the interest rates. Paul Micali advised the Council that the 20 year bond (SRF) is 3.014% and the 15 year bond (open market) is 2.9%. Councilor Dwyer asked if there was funding available for some repairs and the Town could avoid bonding. Town Manager Eileen Cabanel indicated that is not an option because the funds are not available.

Councilor Koenig questioned if upgrades to the Compost Facility is in the Town's best interest. Paul Micali explained that if the material is shipped out, the Town would pay a tipping fee of \$63 to \$64 per ton and there would be a loss of revenue of approximately \$70,000. Chairman Rothhaus asked for clarification on the tonnage that the Town would ship annually. Town Manager Eileen Cabanel assured the Council that she would provide additional information regarding the cost benefits of upgrading verses shutting the facility down in an effort to assist the Council in their decision.

Revenues: Town Manager Eileen Cabanel advised the Council that the 2012-13 non-property tax revenue is projected at \$8,195,000, which is a \$19,000 decrease from last year. She stated that interest income is estimated more realistically at \$64,000. She explained that the administration of other funds revenue decreased by \$18,000; recycling revenue is down \$16,000. Town Manager Eileen Cabanel stated that building permits are projected to increase and interest on delinquent taxes is projected to increase.

Town Manager Eileen Cabanel stressed that the Town is facing a decrease in the Highway Block Grant in the amount of \$86,000. She advised the Council that the revenue projections are very tight. She stated that she will have to find the \$86,000, but it will not be pretty. She stated that the Police union contract would be another \$31,000. She suggested the Police union contract be put before the voters and let the voters decide. She advised the Council that the Rotary wants \$10,000 up front to organize the 4th of July midway. Town Manager Eileen Cabanel stressed to the Council that there is no more that can be found. She explained that she has been working with budgets for 20 years and she believes that all efficiencies have been found. Town Manager Eileen Cabanel stated that it is time to consider services or laying people off. Chairman Rothhaus asked for a list of services and the impact. Town Manager Eileen Cabanel asked the Council to go to the voters for the Police contract \$31,000. She stressed that the \$86,000 is going to be hard to find. Councilor Dwyer indicated that cuts can be made to achieve the \$150,000 without going to the voters. Councilor Mahon cautioned against that position because of the possibility of other Warrant Articles and union contracts. The Council agreed.

Councilor Koenig stated that over the past few years the Council has made significant efforts to stabilize the cost of running the Town. He said that costs go up for the Town just as it does for individuals. He stated that the budget does not reflect any wage adjustments for any employees other than the 1 year Police contract. Councilor Koenig supports putting the contract to the voters. Councilor Dwyer agreed with Councilor Koenig.

MOTION was made by Councilor Mahon and seconded by Councilor Dwyer to adjourn the meeting. MOTION CARRIES 6-1-0 Vice Chair Boyd voted in the negative

Submitted by Tracy Doherty