



## Town Council Meeting Minutes



Monday, January 23, 2012, at 6:00 PM, in the Town Hall Meeting Room

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

Chairman Rothhaus made the following announcements: Upcoming meeting schedule; Regular Town Council meetings on Thursday January 26<sup>th</sup>, February 9<sup>th</sup> and 23<sup>rd</sup> at 7:00 pm. February 14<sup>th</sup> is the last day for petitioned warrant articles. February 16<sup>th</sup> is the public hearing on the budget.

### Public Comment

None

The Town Council deliberated on the 2012/13 Budget and Special Warrant Articles. Town Manager Eileen Cabanel reviewed materials that outlined the proposed budget. She explained that all capital projects had been removed from the budget. She stated that the proposed operating budget was decreased by \$266,839. The proposed budget included \$398,040 in capital reserve deposits, \$88,000 decrease in other capital expenditures and an additional \$125,000 in road resurfacing expenditures. Town Manager Eileen Cabanel reviewed revenue adjustments. Town Manager Eileen Cabanel stated that the proposed budget does not change the Town's portion of the tax rate. She explained that the State later informed the Town that the expected revenue would be decreased by \$86,000, which had to be made up by making additional cuts. Town Manager Eileen Cabanel provided the Town Council with additional cuts to account for the loss of \$86,000 in State revenue, which include the elimination of one of the polling locations, the elimination of part time staff in the Police Department, electricity savings in various departments, the Communications Department will utilize part time employees rather than hiring full time employees and the Tax Collector's office will defer payment for software until next year. Town Manager Eileen Cabanel advised the Council that if they accept these adjustments, the tax rate would remain the same. Finance Director Paul Micali explained that he secured a significant rate reduction for electricity.

**MOTION was made by Councilor Mahon and seconded by Vice Chair Boyd to accept the proposed budget changes as proposed by the Town Manager as a reduction in the amount of \$86,071, reflecting an adjusted budget in the amount of \$29,826,963. MOTION CARRIES 7-0-0**

Chairman Rothhaus opened the floor to Council input on department budgets.

General Government: No questions or adjustments

Assessing: No questions or adjustments

Fire Department: No questions or adjustments

Police Department: No questions or adjustments

Communications: No questions or adjustments

Code Enforcement: No questions or adjustments

PWD: No questions or adjustments

Highway: No questions or adjustments

Solid Waste: No questions or adjustments

Parks Maintenance: No questions or adjustments

Parks and Recreation:

**MOTION was made by Vice Chair Boyd and seconded by Councilor Yakuboff to eliminate the line item for the coordinator/subcontractor of the John O'Leary Adult Community Center in the amount of \$10,500. MOTION FAILS 1-6-0 Chairman Rothhaus, Councilor Mahon, Councilor Koenig, Councilor Yakuboff, Councilor Dwyer and Councilor Flood voted in the negative**

Vice Chair Boyd explained that the coordinator at the O'Leary Center is responsible for securing rental income. He suggested establishing a pay for performance plan. He is in favor of reallocating the Town Manager's original proposal of \$4,290, leaving a difference of \$6,210 to be distributed to either the General Fund, paving or the playground Capital Reserve Fund. Councilor Flood believes the \$10,500 is for more than just securing rental agreements. She stated that the Council does not have enough information to determine how to spend tax payer money. She stressed that more information is critical. She would prefer to allow the proposed funding, but would like it to be understood that more financial disclosure needs to be made by the O'Leary Center. She would like to have a serious discussion to determine the best use of the facility. Councilor Flood politely asked that the recycling bins be removed. Councilor Mahon said it is a fundamental question that the Town needs to address whether the Town should rely on volunteers in this case. He stressed that there is no threat to close the center. He believes that this has gotten beyond what the Town can ask a group of volunteers to accomplish. He does not believe that it should be put off until next year. He suggested asking the volunteers if they want the Town to assume the responsibilities for the facility. Councilor Mahon stated that it getting more and more difficult for the volunteers to manage this. Chairman Rothhaus would like the group to contact the Town Manager with their position and thoughts. Councilor Yakuboff would like to hear from them tonight. Councilor Yakuboff stressed that the Senior Center will remain open and functioning as usual. Councilor Dwyer reiterated the intent is not to close the Senior Center but to determine the best way to run the facility. Councilor Flood stated that the current lease does not expire until June 2013. Councilor Koenig stated that he is not in favor of this motion because he does not have an understanding of where the numbers are coming from.

Mr. Norm Carr addressed the Council. Mr. Carr believes and agrees that the center should be run in a break-even manner. He stated that has occurred up until 2 years ago. Mr. Carr stated that up until recently, the building had been maintained by the center. He stated that the economy and the loss of rental income contributed to the center's need for more Town funding. Terry Bittel reviewed the center's financial situation reflecting income and expenses for the last 6 months. She reviewed the improvements that the center has made. Councilor Dwyer stated that the Council is trying to determine the best use of the facility. Mr. Dan Bittel stated the Town's costs would increase if the Parks and Recreation Department took over. Councilor Yakuboff asked for the center's feelings regarding the motion. Mr. Carr understands the Council's position and he believes the Town's costs would significantly increase if the Parks and Recreation Department assumed the management of the center. Councilor Yakuboff would support another 6 months to see if the center can be self-sustaining. Mr. Bittel is reluctant to move in that direction; he would like a clear outline of what the Council wants from them. Councilor Yakuboff stated that he wants the center to be profitable or break-even. Mr. Carr believes the Town retains the asset (the building) and the Town has a contractual obligation to maintain the building. Mr. Carr stated that the Town has not been asked to keep up with that obligation because the center has been maintaining the building until 2 years ago. Mr. Carr explained that the current economy does not permit the center to continue in that manner. He stated that if the Council believes the center can be better managed by Town employees, they are welcome to try. Mr. Carr stressed to the Council that there is a much bigger picture than \$10,500

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for a coordinator to handle the rental aspect. He assured the Council that the coordinator is responsible for much more than just rentals. Mr. Bittel asked the Council to define what they would like the group to do. He stated that the group would tell the Council if they could not accomplish their desires. Chairman Rothhaus stated that he does not support the motion. He explained that the Council would like the Senior Center to be self-sufficient. He recognized that the Town has a responsibility to maintain the building. Chairman Rothhaus would prefer an agenda item to discuss the future of the Senior Center. Councilor Mahon stated that he understands why and appreciates the center for their efforts relating to the maintenance of the facility, but by doing that it does not give the Town Council a clear picture of the needs at the facility. Town Manager Eileen Cabanel stated that if the Council had 4 or 5 years of financial statements, there would be a clear picture of the history.

Councilor Mahon asked if there is a proposal from the Rotary for the 4<sup>th</sup> of July. Town Manager Eileen Cabanel stated that the Rotary has graciously agreed to coordinate the midway. She advised the Council that the Rotary would like \$10,000 as seed money with the hopes of giving it all back. She thanked the Rotary for their efforts.

**MOTION was made by Councilor Mahon and seconded by Councilor Yakuboff to add \$10,000 to line item 8372. MOTION CARRIES 6-1-0 Councilor Koenig voted in the negative**

Councilor Mahon feels that the midway is important to the community. Chairman Rothhaus echoed the comments of Councilor Mahon. Councilor Dwyer would prefer the funding go toward the fireworks. Councilor Flood expressed her gratitude to the Rotary. Councilor Yakuboff praised the Rotary for their community service. Councilor Koenig asked for clarification on the need for \$10,000 when it will be spent before this budget is in effect. Town Manager Eileen Cabanel stated that it is her intention to come up with \$10,000 in the current budget to plan this year's Midway in the hopes of giving it all back. She explained that the budget increase of \$10,000 is for the following year. Councilor Koenig would like more justification to support the motion. Chairman Rothhaus stated that historically the Rotary has returned funds.

Councilor Flood would like to relocate the Parks and Recreation office out at Wasserman Park. She would like to reinstate \$11,000 to the Parks and Recreation budget for heating. Paul Micali advised the Council that he spoke to several contractors and was informed that the current furnace can not be used to heat the upstairs for safety reasons. He stated that it would cost \$8,000 to \$12,000 to upgrade the facility.

**MOTION was made by Councilor Flood and seconded by Councilor Yakuboff to reinstate \$11,318 to the Parks and Recreation budget for heating and move the Parks and Recreation office back to Wasserman Park. MOTION FAILS 1-6-0 Chairman Rothhaus, Vice Chair Boyd, Councilor Mahon, Councilor Koenig, Councilor Yakuboff and Councilor Dwyer voted in the negative**

Councilor Koenig asked for clarification on the motion and purpose of the \$11,000 and how much the Town saved by moving the office to the Town Hall. Paul Micali advised the Council that the Town saved \$7,600 in heating costs. Sherry Kalish asked if that amount included the function hall. Paul Micali stated that it was for all heating expenses at Wasserman Park. Vice Chair Boyd asked if there would be an offset by moving the office back to Wasserman Park. Paul Micali advised the Council that the Town Hall attic would still be heated because it houses

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other offices. Councilor Flood stated that the offset would be the savings of winterizing the Parks and Recreation office each year. She stressed that the value is to keep the Parks and Recreation office at the park. Town Manager Eileen Cabanel does not like the idea of having employees at the park alone. Police Chief Doyle stated that during the winter the calls for service increase at night. He does agree with Town Manager Eileen Cabanel regarding the isolation of the department versus being at Town Hall. He strongly advised against the move. Councilor Mahon asked how often Sherry Kalish goes out to the park now. She stated that she limits her trips out to the park and typically makes the trip once every couple of weeks. Councilor Mahon asked how often she came to Town Hall prior to the relocation. Sherry Kalish stated that she came to Town Hall twice a week for mail and payroll.

**MOTION was made by Councilor Mahon and seconded by Councilor Yakuboff to add \$1,300 to line item 8374 for bandstand concerts. MOTION CARRIES 5-2-0 Councilor Koenig and Chairman Rothhaus voted in the negative.**

Library:

Councilor Yakuboff stated that he has done a lot of homework on the Library recently but he has a few questions. Members of the Library Board of Trustees and Library Director Janet Angus addressed the Council. Councilor Yakuboff asked if the Library has a mission statement. Barbara Tucker advised the Council that they are in the process of rewriting their mission statement. She recapped portions of the current mission statement. Janet advised the Council that they do have one but it is outdated. Councilor Yakuboff asked for clarification on where the library is going in the future. He stated that in the past few years there have been many jobs cuts of Town staff. He stated that he has looked at the American Library Association data which reflects wages should be around 62% and the Merrimack Library is approaching 90%. He stated that in recent years, the library cut three positions but restored two positions at a higher salary.

Councilor Yakuboff explained that he questions the staff level at the library. He spoke about cuts that have been made in other departments. Councilor Yakuboff asked what affect a cut in the amount of \$125,000 would have on the library. Barbara Tucker stated a cut of that size would be devastating. She stated that the library serves the entire community. She agreed that the Library is very labor intensive. She disputed the numbers that were mentioned referring to the American Library Association. She stated that Merrimack's Library is comparable to libraries in surrounding communities. She stated that the library has taken significant cuts. She reviewed the areas that the library has cut back on. Barbara Tucker would be very disappointed if the library were closed. Councilor Yakuboff clarified that the library is not being closed. Janet Angus advised the Council that they did scrutinize their operations to find efficiencies. She urged the Council to visit the library to see their operations.

Councilor Yakuboff asked the Library representatives if they agreed with him that the public would make adjustments to visit the library during business hours should the library reduce their hours. Janet Angus indicated that she suspects they would. Councilor Yakuboff spoke about the priority of public safety versus hours of operation at the library. He proposed that the library could close one day and it would not impact the level of business. Barbara Tucker spoke about the value of the library to the community and the importance of being open for the community. Mr. Pat McGrath stated that the proposed library budget was in response to the needs of the community. He spoke about the statutory requirements of the library. Mr. McGrath believes that closing the library would be in violation of the statute. Councilor Mahon stated that a library is not a requirement. He asked for a percentage of the library circulation is ebooks and downloadable audio. Janet stated that 3,750 downloadable audio and 1,162 ebooks.

Vice Chair Boyd stated that as testified, foot traffic is down and he believes the library could absorb a reduction in hours. Councilor Dwyer stated that the only way the Council can force the library to make a policy change is to impact their funding. He stated that it is his opinion that the library has not changed in years. Councilor Dwyer stated that he supports what Councilor Yakuboff suggested because he wants funding for the bandstand concerts, the 4<sup>th</sup> of July festivities and other quality of life items. He stated that he can not take more from Police and Fire. He urged them to think outside the box and not to focus on the brick and mortar of a new library.

Councilor Flood stated that the number of library card holders equals half the Town. She recognized the value of the library to the community. She would appreciate a report from the library as to their future plans and visions for a library. Janet stated that staff at the library is currently sorting through the reference materials. She advised the Council that the library is also expanding the teen area and materials. Janet stated that the library is increasing space for laptop stations. Janet believes that more people are reading and the need for a library is not going away. She spoke about increasing programs for students and their parents to encourage reading. Janet stressed that the library is trying very hard to stay relevant. She expressed her frustration that the library is not being seen as relevant. Councilor Flood recognized the space constraints facing the library. She spoke about her regret that two firefighter positions were cut and the difficulty to fund the basic police, fire and infrastructure needs.

**MOTION was made by Councilor Flood and seconded by Councilor Dwyer to cut \$40,000 from the Library budget.**

Councilor Flood stressed that this is a very difficult thing. She is great believer in a strong library and all departments of the Town. She hopes that next year the Town will be in a stronger position after the mall is open. She reiterated her request for a formal report from the library. Councilor Dwyer explained that he seconded the motion for discussion but does not support it because he believes \$40,000 is not enough for the change that is needed. He is looking for a radical change from where it currently is. Councilor Yakuboff said he would support the motion if amended to \$75,000. Councilor Flood stated that she came tonight to do whatever was needed to level fund the budget; she feels that good work was done by staff to find other areas reducing the need to make such a drastic cut. Councilor Yakuboff stated that \$75,000 would not require the library to close a day. Councilor Koenig stated that he is not prepared to support either amount. He expressed disappointment that the library wasn't more forthcoming in adjusting their budget when asked by the Town Manager. He is disappointed that there is a possibility of a warrant article coming forward asking the voters for \$90,000 to initiate the study for a new library. He questioned the appropriateness of that warrant article at this time. Councilor Koenig stated that he is not prepared at this time to make additional cuts to the library without a better understanding of the impacts.

**MOTION was made by Councilor Mahon and seconded by Vice Chair Boyd to amend the amount from \$40,000 to \$50,000. MOTION CARRIES 5-2-0 Chairman Rothhaus and Councilor Koenig voted in the negative**

Councilor Mahon stated that the average hourly rate for a part time position at the library is \$14.60. He stated that does not include social security or workers compensation. He believes that the library could absorb a \$50,000 cut if they were to readjust their salary schedule. Councilor Mahon stated that it would not require the library to close or cut back on their hours of

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operation. Councilor Dwyer stressed that the Town is spending \$1 million on salaries and benefits. He spoke about money spent on videos when there are better sources available. He spoke about the number of janitors employed at the library. Councilor Dwyer stated that the amount of change at the library is miniscule compared to other departments that are feeling the ax. Vice Chair Boyd agrees with Councilor Dwyer. He stated that he has not heard from the library wanting to make significant changes. He believes the first step to make significant changes is recognizing that the mission has dramatically changed for the library. He believes in the value of a community library. He would appreciate the library coming forward with a plan that reflects that they are embracing change. Library Board of Trustee Martha Wagner assured the Council that behind the scenes, so much work is going on to address the need for changes. She stressed that they are not resisting change, they are changing. She asked the Council to give them a chance to show them their plans. She stated that if the Council cut the library \$40,000, \$75,000 or \$125,000, it would make the Merrimack library the lowest funded library in the area. She stated that it would be an embarrassment. She believes that the library contributes to the integrity of the community. Councilor Dwyer clarified that the library budget includes \$947,000 in salaries and benefits when the cut is \$40,000 to \$50,000. He asked if the library could absorb that cut. She stated that she feels the library is bare bones now.

**AMENDED MOTION by Councilor Flood and seconded by Councilor Dwyer to cut \$50,000 from the Library budget. AMENDED MOTION CARRIES 5-2-0 Chairman Rothhaus and Councilor Koenig voted in the negative**

**MOTION was made by Councilor Yakuboff and seconded by Vice Chair Boyd to cut the Library budget \$25,000. MOTION FAILED 3-4-0 Chairman Rothhaus, Councilor Mahon, Councilor Koenig and Councilor Flood voted in the negative**

Councilor Yakuboff reiterated his position that \$50,000 is not enough. He spoke about the need to make tough decisions and assure the community that the basic needs are going to be met. He expressed frustration that 88% of the library budget is wages. He hopes the Council will support his motion. Susan Gustafson advised the Council that as benefit costs continue to rise, they have less and less for materials. She agrees that the library is changing but one thing the library does not need is more cuts. She stated that all materials cost money. Vice Chair Boyd stated that he will support the motion. He stated that he does not feel a sense of willingness to embrace the change and work with the Council. Councilor Koenig spoke about the Council's earlier decision to add money for a 4<sup>th</sup> of July midway and band concerts as being out of line. He does not support a cut of \$75,000.

**MOTION was made by Councilor Dwyer and seconded by Councilor Yakuboff to cut \$17,000 from the Library budget. MOTION FAILED 3-4-0 Chairman Rothhaus, Councilor Mahon, Councilor Koenig and Councilor Flood voted in the negative**

Barbara Tucker would like an agenda item to discuss the library's vision. She would like this discussion to take place prior to introducing their warrant article. She advised the Council that it has not been brought forward only because they were not ready. Barbara Tucker asserted that there is a complete misconception about the library. Chairman Rothhaus asked all parties to contact Town staff to schedule a discussion. Councilor Dwyer and Vice Chair Boyd expressed their frustration with the lack of communication from the library. Councilor Dwyer stated that he would like to hear the library's future plans in hopes that he could change his mind and become an advocate for the library. Vice Chair Boyd stressed that next year, the budget process will be extremely difficult due to the lack of state funding. He stated that having a strategic plan would

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assist the Council when reviewing the library's budget. Councilor Mahon stated that budget presentations from the library have been status quo, to hang on to what they have. He pointed out that budget presentations would be an opportunity for the library to share their plans and visions. Councilor Mahon suggested the discussion be a special meeting, separate from their regular agenda. Town Manager Eileen Cabanel asked that the library provide the Council with backup materials prior to the meeting so they can be reviewed.

Equipment Maintenance: No questions or adjustments

Building and Grounds: No questions or adjustments

Community Development: No questions or adjustments

Town Clerk Tax Collector: Councilor Koenig asked Diane Trippett to give him a better understanding of the deferment of payment for her new software as presented tonight. Diane Trippett stated that it has been a difficult process and adjustment. She has concerns with the Town Clerk aspect of the software and she would like hold off another year before transitioning completely. Diane Trippett stated that by her count, this is the 7<sup>th</sup> difficult budget. She advised the Council that this budget that been very difficult for all department heads. She assured the Council that every department has made significant concessions and should be acknowledged for that.

Welfare: No questions or adjustments

**MOTION was made by Councilor Yakuboff and seconded by Councilor Dwyer to add \$31,352.88 for the purpose of a 1% pay raise for non-union employees. MOTION CARRIES 6-0-1 Councilor Mahon abstained**

Councilor Yakuboff stated that non-union employees have been paying 10% of their health and dental insurance. He stated that in 2009 they received an up to 1% pay raise while the unions were getting 3%. Councilor Yakuboff stated that it has been this Council's desire to treat all employees the same. He advised the Council that while not receiving any adjustment in the pay, their cost for insurance has increased resulting in a pay reduction. Councilor Yakuboff stated that they have also lost 2 days of sick time. Councilor Mahon clarified that this would be a merit increase up to 1%. Councilor Yakuboff agreed. Town Manager Eileen Cabanel explained that she is concerned that additional unions are forming because the non-union employees are not being treated fairly. Chairman Rothhaus stated that he is in favor of a wage adjustment for the non-union employees, not a merit raise of up to 1%. Councilor Yakuboff stated that he would support a 1% wage adjustment for non-union employees. Councilor Dwyer stated that he supports the 1% wage adjustment. He stated that it is miniscule, almost an embarrassment.

*Chairman Rothhaus called a brief recess*

Town Manager Eileen Cabanel spoke about the compost issue. She reviewed the 3 options that the Town has to dispose of the sludge generated by the Wastewater Facility. 1) Use the existing compost facility 2) Merrimack's compost facility could be run by a private company 3) Disposal of the sludge in a landfill. A consultant was hired to review the Town's operations. Previous proposals were reviewed. Town Manager Eileen Cabanel advised the Council that the current operations are slightly lower than the lowest proposal received and it brought in some revenue.

Councilor Dwyer questioned A) How much does it cost to run the facility per year, B) How much would it cost to ship out, and C) The factor of borrowing money to upgrade the facility with a possible bond. Town Manager Eileen Cabanel stated that it is all included, including the bond payments. She advised the Council that it will cost \$787,000 to ship it out. She stated that if the upgrades are made and the bond was issued, it would cost \$646,000. Councilor Dwyer stated that based on the numbers provided, it would be in the Town's best interest to continue

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with the Compost Facility. Councilor Koenig questioned the decrease in compost revenue. Town Manager Eileen Cabanel will get more information from Mr. Seymour and provide it to the Council.

Waste Water: No questions or adjustments

Media: No questions or adjustments

Fire Protection: No questions or adjustments

Special Revenue

Outside Details: No question or adjustments

Day Camp: No question or adjustments

Revenue: Town Manager Eileen Cabanel advised the Council that she will deduct the \$86,000 from the revenue because it was made up in expenditures. Paul Micali advised the Council that the budget is currently at \$29,819,616

**MOTION was made by Vice Chair Boyd and seconded by Councilor Mahon to move the budget of \$29,819,616 to a public hearing. MOTION CARRIES 7-0-0**

Vice Chair Boyd explained that the Town Manager and staff met the goals of the Town Council. He stated that the budget preserves services and focuses on the infrastructure needs of the community. Councilor Mahon thanked the department heads for their hard work and sacrifices. Councilor Koenig thanked the department heads and the Town Manager. Councilor Koenig stated that this is a budget, not set in stone; it will be adjusted to meet the financial challenges.

## **ADJOURN**

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