

Approved: April 19, 2012

Posted: May 1, 2012



## Town Council Meeting Minutes



Thursday, February 16, 2012, at 7:00 PM, in the Town Hall Meeting Room

Chairman Rothhaus called the meeting to order at 7:00 pm. Present at the meeting were Chairman Rothhaus, Vice Chair Boyd, Councilor Mahon, Councilor Koenig, Councilor Dwyer, Councilor Yakuboff, Councilor Flood, Town Manager Eileen Cabanel and Finance Director Paul Micali.

### **Pledge of Allegiance**

### **Announcements**

Upcoming meeting schedule: Regular Town Council meetings are scheduled for February 23<sup>rd</sup> at 7:00 pm, March 8<sup>th</sup> at 7:00 pm and March 22<sup>nd</sup> at 7:00 pm.

Annual Meeting – Deliberative Session: March 14<sup>th</sup> at 7:00 pm at James Masticola Upper Elementary School.

- Chairman Rothhaus stated that the Chamber of Commerce is holding their 48<sup>th</sup> Annual Awards Banquet and Scholarship Fundraiser on March 15<sup>th</sup> at the Crowne Plaza Hotel.

### **Recognitions, Resignations and Retirements**

None

### **Appointments**

None

### **Comments from the Press and Public**

*Mr. Ramesh Patel of 42 Dahl Road* expressed concerns over the eliminated firefighter positions, especially because of the mall opening.

### **Public Hearing**

#### **Proposed Municipal 2012-13 Operating Budget and Warrant Articles**

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

The Town Council held a public hearing, pursuant to NH RSA 40:13 II-b, NH RSA 33:8-a (I) and Town of Merrimack Charter Article 8-3, to discuss the following:

- Article 4 - 2012/13 Proposed Municipal Operating Budget
- Article 5 - Collective Bargaining Agreements: NEPBA Local 12 - Patrol Division/Police Department
- Article 6 - NEPBA Local 112, Dispatchers and Office Staff – Police Department
- Article 2 - Proposed Issuance of Debt: Wastewater Treatment Facility Upgrades Phase II - \$4,200,000
- Article 3 - Wastewater Compost Facility Upgrades – \$2,875,000
- Petitioned Bonds, if any, and Other Petitioned Warrant Articles

Town Manager Eileen Cabanel explained that she broke capital project expenditures out of the budget to better see what is going on year to year. She stated that her charge from the Council was to have a level tax rate and add money into roads and capital projects. She then went on to review the proposed operating budget. She stressed that the reduction of two firefighters was due to retirements and that they are not being filled for the time being but it will continue to be looked at, especially after the mall opens.

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#### Article 4 - 2012/13 Proposed Municipal Operating Budget

*Chairman Rothhaus opened the public hearing at 7:31 pm*

*Patricia Flynn of 20 Dunbarton Drive* spoke highly about the Merrimack Public Library, the services they offer and its importance to the community. She believes that Merrimack needs a new library. She asked the Council to reconsider their cuts to the Library's budget.

*Alyssa Jobin of 42 Merrymeeting Drive* spoke about why she feels the Library should have a portion of money back into their budget.

*Mr. Ramesh Patel of 42 Dahl Road* feels that the Library is very important to the community and feels their budget should not be cut.

*Janet Cormier of 29 Walnut Circle* commended the Town Manager on breaking out the Summer Camp budget because it helped show residents that it is revenue neutral. She mentioned that Town sponsored bus trips are also revenue neutral and are cancelled if they do not pay for themselves with revenue.

*Michael O'Connell of 5 Bernards Road #4* asked the Council to reconsider its budget cuts to the Library and discussed why he feels that way.

*Deborah Phelps of 1 Heather Circle* discussed why she feels the Library's budget should not be cut.

*Dennis King of 10 Derry Street* spoke in support of the Library's budget cuts. He also offered input on building a fire station near the Outlet Mall. He expressed his support of the Police Department hiring a prosecutor.

*Chairman Rothhaus closed the public hearing at 8:11pm*

Finance Director Paul Micali explained that he found out from the New Hampshire Department of Environmental Services that a payment of \$311,176 is due September 12<sup>th</sup> for principal and interest on the State Revolving Fund (SRF) Dewatering Upgrade loan. He stated the other SRF loan the Town has for the Interceptor project was readjusted and the principal and interest increased by \$3,000. These two items were not in the initial budget presented to the Town Council or through the deliberations with the Town Council because he just found out. He stated the budget needs to increase by those amounts so the debt payments can be made for those loans. The total appropriation amount is \$30,130,792.

**MOTION was made by Councilor Mahon and seconded by Vice Chair Boyd to add \$311,176 to debt service payments for the Dewatering project. MOTION CARRIES 7-0-0**

*Discussion on the motion*

Councilor Mahon explained that this is an item that comes out of the Sewer fund and it had been factored in already to the rate so there will be no change on the rates. The Sewer fund is funded through user fees and has no impact on the tax rate. Councilor Koenig asked for more information about the Dewatering debt. Finance Director Paul Micali said the Dewatering project was approved by voters 2 years ago for \$2,824,000. The Town went out to bond with the State Revolving Fund Loan Program. Essentially, the SRF gives you a "checkbook" you can use to pay for the project up to the \$2,824,000 as work progresses. One year after substantial completion, you need to start paying back the debt. When the bond paperwork was signed the Town received a tentative debt schedule, but not a payment start date since they do not know when the one year substantial completion date will be. Mr. Micali asked the State when he would have to start paying it back and that is when they gave the September 12 date. Mr. Micali said it is a 10-year note with 1.94% interest and the annual payments are around \$308,000. He stated that the Dewatering Upgrade has been successful – it has reduced the amount of water in our compost stream at the Wastewater Facility.

**MOTION was made Councilor Mahon and seconded by Vice Chair Boyd to move \$30,130,792 as the recommended operating budget for the purposes of the Deliberative Session. MOTION CARRIES 6-1-0 with Councilor Koenig voting in the negative**

*Discussion on the motion*

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Councilor Mahon stated this budget is very effective for the Town and it achieves the goal of a level tax rate which is important because there will be issues next year, especially with the Retirement System when contribution rates will increase by a fair amount. Also, the Council is trying to maintain the Town's services and address infrastructure issues. He said the budget meets those needs in a frugal and practical manner.

**MOTION made by Councilor Flood and seconded by Councilor Koenig to restore \$14,846 to the Library's budget. MOTION FAILS 2-5-0 with Councilor Mahon, Councilor Dwyer, Vice Chair Boyd, Chairman Rothhaus and Councilor Yakuboff voting in the negative**

*Discussion on the motion*

Councilor Flood stated that she does support some cuts to the Library but that she hoped they would do a staffing cut. She feels that the Library followed through and some of the money should be restored. She would like to see them restore the 6 hours, plus 2 more if possible. Councilor Flood said she has received numerous letters from residents about the importance of the Library. Councilor Koenig stated that he was against the extent of the cuts – he didn't feel the additional \$50,000 cut was appropriate. Councilor Flood said this would be half a cent on the tax rate; however it won't move the tax rate as the budget stands at this point. Councilor Yakuboff asked Library Director Janet Angus to come before the Council. Janet passed a handout to the Town Council. Councilor Yakuboff asked Janet why when Paul Micali asked Ms. Angus to compile information about staffing and hours at the request of the Council, did one of the Library Trustees tell her not to. She stated the reason was that they didn't have time because they received the request yesterday. She said that the Trustee was saying the information was there but they needed to get it and that they felt it should be seen by the other Trustees as well. She stated that they did complete it; however, it is a lot of information and time consuming to compile it in a way that makes sense. She said that the Trustee who said that was Mr. McGrath. Councilor Yakuboff asked why the Library custodians work more hours than the Library is open. Ms. Angus said that the full-time custodian works 40 hours per week and the part-time custodian works 15 hours per week. Chairman Rothhaus clarified that it is 55 total hours that the custodians work. Councilor Yakuboff said that it is over budgeted by roughly \$11,000. Councilor Yakuboff asked Janet Angus how many people work at the Library each day. Ms. Angus explained a chart that she passed out to the Council. She said on Sundays there is a bare bones staff and they couldn't work at that level all week. There are 5 people total that work that day and they average 153 people coming to the Library on Sundays and on Mondays, 20 people work during open hours. She discussed the different departments and what people working in those departments do. Many of the people that work are part-time. She mentioned that the custodian does more than just custodial work – he builds furniture, does minor plumbing and electrical work, maintains the grounds, as well as other things. Councilor Yakuboff asked what is the absolute minimum staffing level. Ms. Angus replied that what is in front of the Council now is the minimum. She doesn't think they could operate with less than that. She feels that cutting the staff on the Circulation Desk would cut customer service to the community. Councilor Yakuboff asked if a person is replaced when a position is lost to retirement. Ms. Angus said it would depend on the person. Last year, the Library had a full-time person retire but she ended up coming back 15 hours per week. She stated that the same thing will happen again this year, however the person from last year is leaving and her position will not be filled.

Councilor Yakuboff asked if it is true that the Library Trustees have \$177,000 in their checkbook and what is it used for. Ms. Angus stated that it is Fine Money and can only be used for materials, supplies and some building things. It can't be used for salaries or programming and some of the money is invested. Ms. Angus stated there is \$30,000 in a trust in Geraldine Watson's memory. Councilor Yakuboff stated that the issue he has with the Library is not giving them the million dollars, but how they are spending the money. He feels the Library does not have a vision or focus of direction for the future. Janet Angus stated that a 1, 3 and 5 year plan was discussed in January. She stated that she and her staff have been working hard on creating those. She stated that each member of the Council who hasn't already done so, should stop by and take a tour

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of the Library. She explained how their organizational chart will change this year and read the mission statement that they have been working on.

Councilor Dwyer stated that he appreciates what Councilor Flood is doing but that he can't support it. He feels there is a misconception that the Council is going to and wants to close the Library. He explained that the Town Council does not have any control over the Library, only the Library Trustees do. Councilor Dwyer went on to discuss detail of the Library's million dollar budget. The main problem that he has is that of that million, \$900,000 goes towards labor. He stressed that the Council does not have the power to open or close the Library's doors. Councilor Koenig stated that he appreciates the input of his fellow Councilors. He feels that they will see change from the Library in the future. Vice Chair Boyd stated that he cannot support Councilor Flood's motion. He explained that he researched surrounding communities with libraries and gave examples of those with comparable budgets that allocate significantly less to wages than the Merrimack Library. He said that there needs to be radical change at the Library.

Article 5 - Collective Bargaining Agreement: NEPBA Local 12, Patrol Division – Police Department  
Chairman Rothhaus explained the details of the Collective Bargaining Agreement of NEPBA Local 12, Patrol Division within the Police Department. Under the Health Plan, office and prescription co-pays increase: from \$5 to \$10 for Office Visit, from \$0/15/15 to \$0/20/30 for Pharmacy, and from \$0/1/1 to \$0/20/30 for Mail Order Pharmacy. The employee cost share will increase for those hired before July 1, 2006, from 10% of the premium with a cap of up to 2% of base wage to 10% of the premium with a cap of up to 3% of base wage. Steps based on the current wage scale resume with no retroactive pay. The union agrees to begin bi-weekly pay once all unions agree. There will be a 0% wage adjustment for 2011-12 and 1% wage adjustment for all members for 2012-13. All reference to IBPO will be changed to NEPBA and the agreement includes bid shift language that will be added to the contract and is a no cost item. The total cost to the Town will be \$31,916.14.

*Chairman Rothhaus opened the public hearing at 9:23 pm*

No one from the public addressed the Collective Bargaining Agreement of NEPBA Local 12, Patrol Division

*Chairman Rothhaus closed the public hearing at 9:24 pm*

**MOTION made by Vice Chair Boyd and seconded by Councilor Dwyer to move the Tentative Agreement with NEPBA, Local 12 in the amount of \$31,916 to the Town Warrant. MOTION CARRIES 7-0-0**

*Discussion on the motion*

Vice Chair Boyd commended Town Manager Eileen Cabanel and the Police Department for working out the agreement and he believes it is fair and sets a good tone for future negotiations. Chairman Rothhaus thanked the union for stepping to the plate.

Article 6 - Collective Bargaining Agreement: NEPBA Local 112, Dispatchers and Office Staff – Police Department

Chairman Rothhaus explained the details of the Collective Bargaining Agreement of NEPBA Local 112, Dispatchers and Office Staff within the Police Department. Under the Health Plan, office and prescription co-pays change: from \$15 to \$10 for Office Visit, from \$0/15/15 to \$0/20/30 for Pharmacy, and from \$0/1/1 to \$0/20/30 for Mail Order Pharmacy. Employees pay 10% of the premium for primary HMO coverage and pay 10% of the dental premium. Uniform allowance is \$400 for full-time dispatchers and animal control officer and \$200 for part-time dispatchers. There will be a 1% wage adjustment effective July 1, 2012. Annual sick leave buyout changes from 66% to 50% of hours over 240 and sick leave buyout at separation changes from 66% to 50%. Sick leave accrual changes from 1.85 to 1.54 per week for full-time members hired after July 1, 2012 and remains at 1.85 for those hired before July 1, 2012. Time paid but not worked is not included in overtime calculation (except Holiday) and overtime is paid after 40 hours worked in a week

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instead of 8 hours worked in a day. The union agrees to begin bi-weekly pay once all unions agree. Part-time dispatchers have been added to the union with the same wage scale as full-time, without benefits and shall not work more than 32 hours per week unless an emergency or extenuating circumstances arise. The total cost to the Town will be \$2,920.56.

*Chairman Rothhaus opened the public hearing at 9:29 pm*

No one from the public addressed the Collective Bargaining Agreement of NEPBA Local 112, Dispatchers and Office Staff

*Chairman Rothhaus closed the public hearing at 9:30 pm*

**MOTION made by Councilor Koenig and seconded by Councilor Yakuboff to move the Tentative Agreement with NEPBA, Local 112 in the amount of \$2,921 to the Town Warrant. MOTION CARRIES 7-0-0**

*Discussion on the motion*

Councilor Koenig asked the significance of bi-weekly pay in the agreements. Town Manager Eileen Cabanel stated that by moving to bi-weekly pay it would help with the processing time of payroll and that the Town cannot switch over to bi-weekly pay until all the unions agree. Councilor Koenig clarified by stating that it would free up manpower and resources in the Finance Department since 1-3 days per week is spent processing payroll. Vice Chair Boyd asked why the Animal Control Officer is part of this union and not the Patrol Division union. Town Manager Eileen Cabanel stated that it is most likely because this union needed the position to help meet the minimum number of members of 10 needed to form a union. Councilor Mahon stated that when this was adopted a couple of weeks ago, it was conditioned on getting other approvals for language by June 30. The Council is essentially agreeing to only the cost items at this point. If the language issues do not get worked out by June 30, there will be no contract.

*Chairman Rothhaus called a 5 minute recess*

Vice Chair Boyd publically apologized to resident Dennis King for misunderstanding his earlier comments.

Article 2 - Proposed Issuance of Debt: Wastewater Treatment Facility Upgrades Phase II - \$4,200,000 Public Works Assistant Director/Wastewater James Taylor and Public Works Director Richard Seymour reviewed the proposed upgrades, the estimated anticipated savings and the financing for the Wastewater Treatment Facility Phase II upgrades.

*Chairman Rothhaus opened up the public hearing at 9:58 pm*

No one from the public addressed the Proposed Issuance of Debt: Wastewater Treatment Facility Upgrades Phase II - \$4,200,000.

*Chairman Rothhaus closed the public hearing at 9:58 pm*

**MOTION made by Vice Chair Boyd and seconded by Councilor Yakuboff to move Proposed Issuance of Debt: Wastewater Treatment Facility Upgrades Phase II - \$4,200,000 to the Town Warrant.**

**MOTION CARRIES 7-0-0**

*Discussion on the motion*

Councilor Flood asked for clarification about the funding for the Upgrade. Public Works Director Richard Seymour explained the SRF (State Revolving Loan Fund) program still exists, however the State Aid Grant program has been suspended. He said there has been talk that the program may be resumed in the future.

Article 3 - Proposed Issuance of Debt: Wastewater Compost Facility Upgrades – \$2,875,000

Assistant Director/Wastewater James Taylor and Public Works Director Richard Seymour reviewed the proposed upgrades and the financing for the Compost Facility upgrades. Chairman Rothhaus asked about the corrosion on the Compost building. Mr. Taylor said that it appears to be surface corrosion.

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*Chairman Rothhaus opened the public hearing at 10:11 pm*

No one from the public addressed the Proposed Issuance of Debt: Wastewater Compost Facility Upgrades – \$2,875,000

*Chairman Rothhaus closed the public hearing at 10:11 pm*

**MOTION made by Vice Chair Boyd and seconded by Councilor Dwyer to move Proposed Issuance of Debt: Wastewater Compost Facility Upgrades - \$2,875,000 to the Town Warrant. MOTION CARRIES 7-0-0**

**MOTION made by Vice Chair Boyd and seconded by Councilor Mahon to continue the Public Hearing. MOTION CARRIED 6-1-0 with Councilor Koenig voting in the negative**

There were no Petitioned Bonds or Other Petitioned Warrant Articles.

**Legislative Updates from State Representatives**

None

**Town Manager's Report**

None

**Consent Agenda**

None

**Old Business**

None

**New Business**

**Review of the 2012-2013 Default Budget**

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

The Town Council reviewed the 2012-2013 Default Budget. Finance Director Paul Micali explained the details of the default budget. The amount of the default budget is \$27,534,939. This is the amount of the appropriation warrant article on the ballot. He stated that if the default budget is accepted, the tax rate would be \$5.34, compared to \$5.24 for the operating budget moved to the Town Warrant tonight.

**MOTION made by Councilor Mahon and seconded by Vice Chair Boyd to move the Default Budget of \$27,534,939 to the Town Warrant. MOTION CARRIES 7-0-0**

**Minutes**

None

**Comments from the Press**

None

**Comments from the Public**

None

**Comments from the Council**

Councilor Mahon announced he has been named as Chairman of the Board Directors of the NH Rail Transit Authority.

**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**

Submitted by Kristin Wardner