



TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, **including back up information**, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION

Date Submitted: May 3, 2024
 Submitted by: Town Manager Paul T. Micali
 Department: General Government
 Speakers:

Date of Meeting: May 9, 2024
 Time Required: 20 minutes
 Background Info. Supplied: Yes: No:

CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/Retirement:	<input type="checkbox"/>
Public Hearing:	<input type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input checked="" type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

TITLE OF ITEM

Default Budget Presentation ** Backup will be handed out during the meeting **

DESCRIPTION OF ITEM

The Town Manager to present the 2024-25 Default Budget to the Town Council for their approval, per Town vote on April 9, 2024

REFERENCE (IF KNOWN)

RSA: _____ Warrant Article: _____
 Charter Article: _____ Town Meeting: _____
 Other: _____ N/A

EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

CONTACT INFORMATION

Name: Paul T. Micali Address: 6 Baboosic Lake Road
 Phone Number: 603-424-2331 Email Address: pmicali@merrimacknh.gov

APPROVAL

Town Manager: Yes No: Chair/Vice Chair: Yes No:
 Hold for Meeting Date: _____

Memo



TO: Town Council

FROM: Town Manager Paul T. Micali

DATE: May 7, 2024

RE: **Default Budget 2024-25**

On April 11 the residents of Merrimack voted. At the election the budget failed by 128 votes. While it is disappointing that the budget failed, we understand that the new budget will be \$38,484,241. The difference between the Town Council proposed budget and the default budget was \$1,294,315. Below you will see line item adjustments per department. I have made some adjustments across all departments, such as Health Insurance and wages, which I will summarize.

The budget has 205 full-time employees who are eligible for Health Insurance. As of May 1st, we have approximately 15 vacancies. The Town uses an average for health insurance based on current census and budgeting for vacancies at the 2-person plan rates. During the initial default budget talks it was brought to my attention that maybe the Town should look at utilizing a budgeting factor for the open positions recognizing the time to fill a vacancy. In addition, Healthtrust came in below their Guarantee Maximum Rate (GMR). Combining the reduction in GMR and the new way to calculate the open positions the savings is \$161,665. Payroll savings were calculated:

There are 5 open position at the PD. Even though they have a new contract, we are advertising the openings now. The police chief and I came to the conclusion that out of the 5 openings it would be reasonable to see 3 new police officers by July 1st. With the two that are graduating from the police academy (very soon) that would be 5 new police officers to be paired with training officers. Even if we find certified officers we believe that it would take at least 2 months to learn the streets of Merrimack. So with that being said, the remaining 2 officers were budgeted 10/12 of a year. This was a savings of approximately 28,600. Also in the police department, the Animal Control Officer was moving from part-time to full-time. Since we are in default budget that position was reduced back to part-time saving approximately \$41,700.

In looking at Fire and Code Enforcement Departments: Code Enforcement has an open part-time position. In discussing this with the Fire Chief we came to the agreement that with the new building permit software coming on line shortly the part-time code secretary is no longer needed at this time. This was a savings of approximately \$31,300. We also discussed reducing the Fire overtime. The Chief felt best if we reduce the live fire training at this time. This is estimated to save approximately \$41,500.

Because we are in a default budget and the TC/TC salary is voted annually during the budget process (The TC/TC salary is set by the voters (which is subsumed in the operating budget but this means the salary is as set in the OB, no ups or down without voter approval)) The salary for the TC/TC is set to the previous years approved budget saving around \$4,100.

In General Government I had a incentive line item with \$55,000 in it. I could use this line item to increase rates of pay of employees who are underpaid based on a five community average or when hiring a new employee to make up the difference between what was budgeted and what the new pay rate is. I have reduced that line item by \$30,300.

As the Council is aware, I brought forward one new position this year in the budget. I still believe that the Assistant Tech Coordinator – Communications is a need for this Town. We only have two employees to handle a number highly technical systems all the servers and individual laptops and desktops. Now that we are progressing with 800MHz system for Police and Fire I think this position is a need not a want. As such I was able to find money for the position. I am recommending a January 1st start date for the position. This saves approximately \$50,100.

The final adjustments to the salary line items are the nonunion wage increases. It was clear by the vote in April that the tax payers wanted to give employees a raise. They voted for the three union contracts which passed by a combined average of 63%. In talking to my senior staff everyone wanted the Non-union to still get the 4% that was discussed during the budget. In conjunction with the department heads I asked them to find the budget cuts so that we could support a 4% raise. The department heads all worked together to come up with cuts to allow me to still offer the 4% raise to the non-union employees. Total salary and benefit savings (not including Health Insurance) throughout the budget was \$ 187,626.

On the next pages you will find the individual line item detail savings of the all other and capital cost in the budget.

Account Code	Description	Fund	Dept.	Code	TC Budget	Default Budget	Difference	Total by Department
01.01.8201.0.4199	Office Supplies	01	01	8201	18,500	15,000	(3,500)	
01.01.8293.0.4199	Legal-General Litigation	01	01	8293	155,000	130,000	(25,000)	
01.01.8300.0.4199	Travel & Meetings	01	01	8300	1,750	1,500	(250)	
01.01.8353.0.4199	Computer Services/Supplies	01	01	8353	195,433	185,433	(10,000)	
01.01.8359.0.4199	Other Outside Services	01	01	8359	138,200	133,200	(5,000)	
01.01.8405.0.4199	Nashua Transit System	01	01	8405	73,212	43,116	(30,096)	
01.01.8460.0.4199	Misc Operating Expenses	01	01	8460	19,500	16,000	(3,500)	
01.01.8504.0.4902	Office Equipment	01	01	8504	4,500	3,500	(1,000)	(78,346)
01.02.8359.0.4152	Other Outside Services	01	02	8359	46,000	45,600	(400)	
01.02.8504.0.4902	Office Equipment	01	02	8504	3,000	-	(3,000)	(3,400)
01.03.8204.0.4220	Uniforms	01	03	8204	138,750	123,750	(15,000)	
01.03.8321.0.4220	Mntc-Buildings/Grounds	01	03	8321	25,000	10,000	(15,000)	
01.03.8331.0.4220	Mntc-Machinery/Equip	01	03	8331	12,500	10,000	(2,500)	
01.03.8332.0.4220	Mntc-Vehicles	01	03	8332	100,000	90,000	(10,000)	
01.03.8336.0.4220	Mntc-Other	01	03	8336	19,950	14,950	(5,000)	
01.03.8352.0.4220	Education & Training	01	03	8352	73,518	58,542	(14,976)	
01.03.8406.0.4290	Emergency Management	01	03	8406	7,330	6,430	(900)	
01.03.8420.0.4220	Advertising	01	03	8420	700	-	(700)	
01.03.8502.0.4903	Buildings	01	03	8502	1,400	-	(1,400)	
01.03.8504.0.4902	Office Equipment	01	03	8504	2,500	1,250	(1,250)	
01.03.8506.0.4902	Communications Equipment	01	03	8506	56,000	-	(56,000)	(122,726)
01.04.8203.0.4210	Operating Supplies	01	04	8203	37,700	17,700	(20,000)	
01.04.8300.0.4210	Travel & Meetings	01	04	8300	12,350	10,350	(2,000)	
01.04.8321.0.4210	Mntc - buildings	01	04	8321	15,000	12,500	(2,500)	
01.04.8332.0.4210	Mntc-Vehicles	01	04	8332	45,000	40,000	(5,000)	
01.04.8352.0.4210	Education & Training	01	04	8352	59,000	49,000	(10,000)	
01.04.8430.0.4210	Dog Pound	01	04	8430	1,100	500	(600)	
01.04.8460.0.4210	Misc Operating Expenses	01	04	8460	20,037	18,537	(1,500)	
01.04.8503.0.4902	Vehicles	01	04	8503	135,000	90,000	(45,000)	(86,600)
01.05.8352.0.4299	Education & Training	01	05	8352	11,000	8,000	(3,000)	(3,000)
01.07.8203.0.4311	Operating Supplies	01	07	8203	1,250	500	(750)	(750)
01.08.8321.0.4312	Mntc-Buildings/Grounds	01	08	8321	15,000	9,000	(6,000)	
01.08.8322.0.4312	Mntc-Grounds	01	08	8322	20,050	10,050	(10,000)	
01.08.8341.0.4312	Salt & Sand	01	08	8341	201,885	183,440	(18,445)	
01.08.8359.0.4312	Other Outside Services	01	08	8359	132,795	102,795	(30,000)	
01.08.8502.0.4903	Buildings	01	08	8502	12,000	-	(12,000)	
01.08.8505.0.4909	Infrastructure	01	08	8505	1,635,000	1,485,000	(150,000)	
01.08.8508.0.4902	Operating Equipment	01	08	8508	8,000	-	(8,000)	(234,445)
01.09.8321.0.4324	Mntc-Buildings/Grounds	01	09	8321	10,500	6,500	(4,000)	
01.09.8388.0.4324	Special Handling	01	09	8388	76,700	41,700	(35,000)	
01.09.8502.0.4903	Buildings	01	09	8502	27,000	-	(27,000)	(66,000)

