

# **Town Council Meeting Minutes**



Thursday, November 7, 2019 at 7:00 PM, in the Matthew Thornton Room

Chairman Koenig called the meeting of the Town Council to order at 7:00 p.m. Present at the meeting were Vice Chairman Boyd, Councilor Albert, Councilor Harrington, Councilor Healey, Councilor Rothhaus, Councilor Woods, Town Manager, Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali.

# **Pledge of Allegiance**

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Chairman Koenig led in the Pledge of Allegiance.

# **Announcements**

Regular meetings of the Town Council will be conducted on Thursday, November 21<sup>st</sup> and December 5<sup>th</sup> and 19<sup>th</sup> at 7:00 p.m. in the Matthew Thornton Room.

The Department of Health and Human Services (DHHS) is holding a public meeting on Wednesday, November 20<sup>th</sup> at 5:30 p.m. in the cafeteria at the Merrimack High School. This is a 2<sup>nd</sup> meeting by the State to discuss the Perfluorinated chemicals, their numbers, and how they affect people's health. The

Maximum Contaminate Levels (MCLs) have been significantly dropped (lowest in nation), and there are questions related to how that will impact health.

2019 December tax bills will be mailed by November 15<sup>th</sup> and are due on December 16<sup>th</sup>. The tax rate has gone up by \$0.01. The rate represents a \$0.39 decrease for the Town, \$0.01 decrease for the County, and \$0.41 increase for the school.

Due to work being conducted at the Library, the turning lane on D.W. Highway turning right onto Baboosic Lake Road will be closed Monday, November 11<sup>th</sup> between 9:00 a.m. and Noon. It is anticipated to also be closed on November 13<sup>th</sup> and 14<sup>th</sup> between 8:00 a.m. - 4:00 p.m. Please expect delays, and seek an alternate route, if possible.

 Chairman Koenig noted the Governor's Advisory Council voted to suspend the tolls at exit 11 (northbound exit and southbound entrance) effective January 1<sup>st</sup>. That moved the matter to an Executive Council meeting later this month for an actual vote. Those on the Advisory Council are the same who are on the Executive Council. The Governor is supportive of the program.

# **Comments from the Press and Public**

Charles Lafond, 7 Linden Way

 Asked for clarification on the area by the library that will be closed, and was informed it is southbound on D.W. Highway turning right onto Baboosic Lake Road (right around the corner of the library).

# **Recognitions, Resignations and Retirements**

# 1. Recognition of Full-Time Years of Service of Town Employees

Submitted by Human Resources Coordinator Sharon Marunicz

The Town Council will present recognition awards to the following Town Employees:

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Collector's Office

Ms. DuLong was hired on May 31, 1994 as an Account Clerk II and promoted to Account Clerk III on June

Brenda S. DuLong – 25 years (5/31/1994) Worked for Finance, then transferred to Town Clerk/Tax

29, 1997. One year later she was promoted to an Accountant. Three years later she became an Accounting

Supervisor. In 2002, she received a Bachelor's Degree in Business Administration and Accounting (while working full-time and raising two children).

She has always been dedicated and committed to making Merrimack a better place to work and live. Her attention to detail has made her a valuable asset to both the Finance Department and now the Town Clerk/Tax Collector's Office. She has built a rapport with everyone she deals with. She transferred to the position of Deputy Town Clerk/Tax Collector on April 8, 2013 where she continues to foster those good relationships.

Diane Trippett, Town Clerk/Tax Collector, remarked, by any measure, 25 years of service at one place is a significant milestone deserving of thanks and recognition. She spoke of how thrilled and excited she was when Brenda applied for the position as she knew full well the caliber of employee she was. The Deputy Town Clerk/Tax Collector position is an appointed position. A recommendation for appointment is made by the Town Clerk/Tax Collector with final approval resting with the Town Council. At the time of her appointment, she was the only candidate to possess all of the requirements and qualifications of the position. She had experience working in the Finance Department and knowledge of Town and State Functions. She had prior experience working as an Assistant Town Clerk at polling locations, and had served as a Supervisor of the Checklist.

She has been instrumental in making changes that have benefitted both departments in easing the reconciliation process. She is always striving to learn and keep abreast of training and educational opportunities. She takes advantage of every training session offered to ensure she is up to date with recommended procedures and can offer the department and residents the very best. She completed Primex's supervisory academy (2014); an intensive, challenging three-day training program.

During her first year in the department she enrolled in the joint NH Town Clerk/Tax Collector certification program, which is an intensive four-year program (graduated in 2017). During her enrollment with this program, she caught the attention of her peers and was recognized as a leader for her skills and team player approach. She often volunteers not only at work but throughout the community, and was recognized for this and selected by her peers to take over the reins of the program. She will serve as Chair in 2020. This is a huge recognition and a great reflection on the Town of Merrimack to have her serving in this capacity overseeing the education of the State's town clerks and tax collectors. It speaks to the caliber of the person she is.

Chairman Koenig acknowledged and expressed appreciation for having Ms. Trippett in her role as Town Clerk/Tax Collector.

Diane M. Trippett – 30 years (5/8/1989) Town Clerk/Tax Collector's Office

Diane started her career in Merrimack in the Town Clerk/Tax Collector's office as a temporary employee

in 1989, and was soon given a full-time position. She was appointed as the Deputy Town Clerk/Tax Collector in August of 1993, and as Acting Town Clerk/Tax Collector in May of 1995. She was first elected to that position to fill out the remaining year of the three-year cycle, and has been re-elected every three years since (9 elections).

Although not reporting to the Town Manager, her position must work closely with the Town Manager and the entire staff to ensure the smooth functioning of our Town, which Diane does with grace. In addition to her duties as a Town Clerk/Tax Collector, she has been heavily involved across the State and region to ensure she is aware of the trends in the industry and in helping to ensure others are trained and aware of what it means to be a Town Clerk/Tax Collector.

She was recognized last year for 25 years as a member of the New Hampshire City and Town Clerk's Association for which she served as Secretary (2009-2010), 2<sup>nd</sup> Vice President (2010-2011), 1<sup>st</sup> Vice President (2011-2012), President (2012-2013), and past President (2013-2014) as well as serving on the following committees: Resolutions, Conference, and Finance and currently on the Legislative Residency Task Force and the Semi-Trailer Committees. She was also recognized for 25 years as a member of the New England Association of City and Town Clerks where she, as Chair of the Education Committee (2012-2014), was and is an integral part. She attends the annual new tax collector workshops to make sure those individuals who are newly in office have the knowledge it takes to hold the office of Tax Collector.

 She is out there representing the Town of Merrimack across the State and region in helping to ensure individuals are educated and able to do their jobs. She graduated from the Joint Certification Program of the NHCTA/NHCTCA as a New Hampshire Certified Town Clerk and Tax Collector. She is always on the lookout for better ways to serve the Town of Merrimack and her customers.

Diane is continually looking for ways to give back to the community, and pay it forward. She has worked long hours at every election to ensure fair and open elections. She is an amazing example of the right kind of people working in this town.

Ms. Trippett commented she has no idea where 30 years went, and feels like it was just last week she was recognized for 25 years. It is humbling, and an honor to serve the residents of this Town.

Ms. DuLong commented Ms. Trippett has been a wonderful mentor, is brilliant, has the best opinion for the Town, and looks out for all of its residents.

#### **Appointments**

# 1. Merrimack Public Library Update

Submitted by Library Board of Trustees Chair Debra Covell and Library Director Yvette Couser The Town Council will be presented with a Library update of the years past activities.

Debra Covell, Chair, Library Board of Trustees, spoke of the children's room window project, which was undertaken to address the flooding problem. The windows have been removed and bricks put in their place. She expressed appreciation for patience with the road being closed while the gulley is filled in.

Stibler Associates, LLC, a design firm located in Bedford, NH, was hired to conduct a space study. Over the past few months the Building Exploratory Committee has met to continue discussions of the program and what will happen with the building. They recently met with 3 architectural firms to gain an understanding of the process. The next step will be putting together an RFP.

Yvette Couser, Director, Merrimack Public Library, remarked one of the benefits that has come out of the space study is the opportunity for staff, Trustees, and the Friends of the Development Fund Committee to really analyze the current space and observe how the patrons are using it, e.g., in politically charged times,

there are few places where opposing viewpoints can be discussed. The public library is that space. They are trying to reflect the diverse groups that are in Merrimack in their choice of programs and collection.

They are pleased to continue working with Matt Casparius, Director, Parks and Recreation Department, with the summer reading program, summer reading concerts, and have started to do some new things responding to how they see the community moving and changing. Since May, the Library has been designated as a passport acceptance facility. Two staff members have been trained and certified to be passport acceptance agents (qualified to process passport applications). The service is by appointment only, and the fees are listed on the website. Thanks to a very generous grant from DCU and last year's Turkey Shoot Fundraiser, they were able to bring two best-selling authors to Merrimack. In May, they hosted Jarrett Krosoczka who is a children's and young adult author, an illustrator, and has written the Lunch Lady series, which is wildly popular. He also just published his own memoire telling the story of his childhood, which is winning a lot of awards. They also hosted Chris Bohjalian who is a NY Times Best Selling Author from Vermont. It was a wonderful event.

 Director Couser commented along the same lines, they are starting to rethink parts of their collection. Last year she worked with a Girl Scout working on her Silver Award who created the circulating cake bin collection, and this year she is working with another who is creating a circulating musical instrument collection. The name for this is a library of things. With each community it is different; there are communities that will lend out neck ties. She has read about libraries that lend out fishing gear. The idea is that anything is possible in how we partner with residents to meet the needs.

Ms. Covell noted Director Couser has reached her 10 year anniversary at the library.

Director Couser commented the library continues to have success with the summer intern program. They always hire a student to work in the children's room during the summer reading program. Now that they have done it for a few years she has had the opportunity to serve as a job reference for prior interns.

Ms. Covell noted in 2016 the Municipal Resources of Meredith New Hampshire conducted a salary study for the library. The data has been used to update the pay scale. They are hoping to implement it in the upcoming fiscal year.

The library received a very generous donation of \$5,000 from DCU for programs. The library also received a memorial donation of \$10,000 in honor of Barry Quimby, a long-time resident of Merrimack. Mr. Quimby's family has asked that the Library Trustees establish the Barry Quimby Memorial Fund (scope is not yet known). The library is very honored and grateful for their generosity.

The Turkey Shoot is scheduled for November 21<sup>st</sup>.

The question of a recognition for the donations was raised. The library will initiate that in whatever form they believe appropriate, and it will be endorsed by the Council. Members of the Council expressed their gratitude to those involved in making the library the wonderful resource it is for the community.

#### **Public Hearing**

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1. Public Hearing – Consideration of Changes to Chapter 178, Taxation, of the Merrimack Town **Code (Article VI, Optional Property Tax Credit – Service Connected Total Disability)** Submitted by Town Council Chairman Tom Koenig and Vice Chair Bill Boyd The Town Council will hold a public hearing to consider the recommended changes to Chapter 178, Taxation, of the Merrimack Town Code, with reference to Article VI, Optional Property Tax Credit (Service Connected Total Disability), pursuant to Charter Article V.

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Chairman Koenig declared the Public Hearing open at 7:53 p.m.

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Ben Niles, 11 Fernwood Drive

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Requested an explanation be provided of what the proposed exemption is.

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17 18 Chairman Koenig stated the Council has been asked to adopt a change to RSA 72:28-b, which allows the Town to increase the exemption for totally disabled veterans from the current \$2,000 to a maximum of \$4,000/year. There had to be a request, which must be moved forward by the Council in order for that adjustment to be made.

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Mr. Niles stated he is not a veteran, but respects all veterans, and it pains him to see people suffer from service injuries and disabilities. This is something our Town can do to help them, and he supports it 100%.

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Jeanine Notter, 19 Whittier Road

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Stated her support for the motion commenting we cannot do enough for our veterans.

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Chairman Koenig noted receipt of a letter from John and Rosemarie Rung, 21 Ministerial Drive, which reads:

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- "We're sorry that we will not be present for the Public Hearing on the property tax credit for disabled veterans. Please enter this into the official record as our testimony. We urge the Town Council to approve an increase of the property tax credit for disabled veterans from \$2,000/year to \$4,000/year. Both of us had fathers who were war veterans. John's father and step-father fought in WWII in the Army and Navy respectively. John's father was awarded the Purple Heart for injuries received in the European theatre. Rosemarie's father was a career Air Force Navigator flying bombing missions during the Vietnam War. He was awarded the Distinguished Flying Cross in addition to other honors. We are blessed by God's grace that our fathers returned from war without disability, but we know others are not as fortunate. Their sacrifices for our freedom can never be repaid. If Merrimack is enabled by New Hampshire law to provide a property tax credit we should apply that as a gesture
- 40 of gratitude and to help alleviate the burdens our disabled veterans face every day. Supporting those 41
- who suffer permanently from their service is a powerful way for Merrimack to demonstrate its values. 42
- For the record, we have lived in Merrimack for over 36 years. For your consideration, John and 43
- Rosemarie Rung" 44

Nancy Murphy, 20 Brenda Lane

Stated her support of the credit, and her hope the Town Council will do the same.

Charles Lafond, 7 Linden Way

Stated his support.

Chairman Koenig declared the Public Hearing closed at 7:58 p.m.

MOTION made by Vice Chairman Boyd and seconded by Councilor Albert that consideration of changes to Chapter 178, Taxation, of the Merrimack Town Code, with reference to Article VI, Optional Property Tax Credit (Service Connected Total Disability), be moved to the Consent Agenda for November 21, 2019. MOTION CARRIED 7-0-0

Chairman Koenig noted the matter will move to the Consent Agenda for the November 21, 2019 meeting. It will be up for a vote, and that will make it finalized. At that point, it will go into effect for the April tax bill of next year. Those who receive the tax credit at this time will automatically receive the increase. If you are a disabled veteran and could apply, you should do so before then.

Asked to provide additional clarification on the process, Chairman Koenig noted there was some confusion when the subject first came before the Council. What is looked to be accomplished is a change to the Town Code through an Ordinance change. The Town Council can do that; however, there is a three-step process for doing so. A proposed change has to be brought forward for a 1<sup>st</sup> reading, a Public Hearing conducted (2<sup>nd</sup> reading), and the item moved to a third reading, which is presentation at the next meeting. In this case, it has been moved to the Consent Agenda. Unless there is someone having a specific issue or desire to discuss it further (take it off the Consent Agenda), the Council will simply vote on the Consent Agenda, and it will pass or fail. He commented he has never seen one fail. At this point, the implication of it being on the Consent Agenda is that it is a done thing, and it will just go through.

# 2. Public Hearing – Consideration of Changes to Chapter 178, Taxation, of the Merrimack Town Code (Article IX, Solar Exemption)

Submitted by Town Council Chairman Tom Koenig and Vice Chair Bill Boyd The Town Council will hold a public hearing to consider the recommended changes to Chapter 178, Taxation, of the Merrimack Town Code, with reference to Article IX, Solar Exemption, pursuant to Charter Article V.

At its last meeting, the Council recommended the addition of:

"Article IX, Solar Exemption

A. Pursuant to RSA 72:27-a, the Town of Merrimack has adopted a solar energy systems real property tax exemption, based on assessed value, as follows:

(1) Solar energy system means a system which utilizes solar energy to heat or cool the interior of a building or to heat water for use in a building and which includes one or more collectors and a storage container. The term "solar energy system" also means a system, which provides electricity for a building by the use of photovoltaic panels.

- (2) Criteria for exemption. The exemption will be given if it follows the prescribed definition of the solar energy system as described in subsection (a) of this section and all necessary applications and information have been received from the applicant.
- (3) Amount of exemption. The exemption shall equal 100 percent of the total assessed value in the solar energy system, up to a maximum of \$25,000."

That is the wording put forward for a Public Hearing. It is not adopted at this point. At the conclusion of the Public Hearing, the Council will vote on whether to proceed to the next meeting. If passed, there would be a requirement to apply for an abatement by April of next year.

Assistant Town Manager/Finance Director Micali noted application would have to be made, and the application would stay with the owner of the residence. Were the property to be sold, the new owner would be required to make application.

Councilor Harrington commented on being pleased with the amount of email communication received.

Chairman Koenig declared the Public Hearing open at 8:06 p.m.

# Ben Niles, 11 Fernwood Drive

 Questioned how the \$25,000 cap is arrived at, and how it compares to surrounding towns, and was informed it is comparable to surrounding towns; some have 100% without a cap and some have caps at \$5,000 or \$10,000. The amount of \$25,000 seemed to be comparable and covers a majority of the standard types of installations seen around the region.

Mr. Niles supports the exemption, and believes \$25,000 makes sense as it is aimed at the residential installation. Corporations placing massive installations on their buildings/properties, have several tax credits and deductions amortized over the useful life allowing for recovering the full cost.

#### Natalia Bairamova, 26 Crosswoods Path

Stated there are 148 municipalities that address exemptions, 9 of which do not offer one (on property card with a zero value). The smaller towns have not yet addressed the issue. There are only two towns; Salem and Hooksett, that assess and don't offer exemptions. Their assessment is much more complicated and takes in to account kilowatts, depreciation, etc.

There isn't sufficient data to determine whether solar panels increase or decrease the value of a home. Mention has been made of the exemption benefiting 112 residents and putting the additional tax burden on the remaining tax base. She strongly disagrees with that knowing that solar energy benefits all. The change would correct an inaccuracy in the assessment of solar panels.

Jim Grady, 1 Mitchell Street

Made an investment (approx. \$24,000) 8-9 months ago in a solar electrical photovoltaic system. He was surprised and disappointed to hear he would have to pay an additional tax for helping all other systems of the region in regard to climate change issues. He and his wife are concerned with those issues, and wished to take some action. They did not anticipate having to pay an additional tax.

# Bill Goebel, 23 Parker Drive

Put a solar system in a little over 4 years ago. At the time, no tax impact was mentioned. He did so to reduce costs of maintaining his home. If the assessment is not reduced, the cost of installing the system will take significantly longer to recoup.

#### George Heavner, 29 Brieann Drive

Questioned how the assessed value is determined. Chairman Koenig stated the Assessor has a methodology by which she is assessing the value. He believes it to be a panel count times \$600 plus or minus some numbers that she will adjust as necessary.

Mr. Heavner questioned if it considers the efficiency of the system or the degradation of the system over time, and was informed it does not. Chairman Koenig stated there to be a depreciation of the system after 5 years when there is a reassessment. The Assessor doesn't try to go out and measure the kilowatt hours, power rating, etc.

Mr. Heavner stated a \$25,000 exemption for solar panels would be approx. 41-42 panels on a home, which is a pretty good size roof. He questioned what the difference would be in the tax base if the Town simply did not assess to residential customers. Chairman Koenig stated the Council could not exclude commercial only. There is the need to be fair and equal on how the Ordinance is established.

Chairman Koenig noted part of the reason this has been looked into is because there was uncertainty of the assessment accuracy, and a feeling we may be overtaxing those with solar.

Mr. Heaver stated he and his wife put in a solar system a little over 5 years ago. They have generated almost 62 megawatts of electricity, which, based on the carbon offset, works out to about 17,000 gallons of gasoline. It is a very good investment in the future.

Charles Lafond, 7 Linden Way

Robert Link, 1 Crestview Circle

Spoke of having obtained a quote by Solar City many years ago. They were never done, but the taxes for the panels were applied to his home. He went through a pretty traumatic reevaluation. He is a big proponent of solar panels. Residents of this Town were all lead to believe that they were doing something good for the country, world, Town. All thought they were getting subsidies, and that it was the right thing to do. He agrees a lot of the panels were over-assessed right off the bat and a lot of people were surprised. He suggested those who purchased solar panels under the Federal program receive an exemption. He does not believe the Town should be subsidizing solar panels on homes. Either the technology stands on its own or it does not. If it doesn't it shouldn't be subsidized, and we shouldn't be paying into it. If it adds value to a home, it gets assessed like everything else.

The number of municipalities providing an exemption is 148, which is over 61%. In Hillsborough County, 90% of residents get solar exemptions, many of which are 100%. The Merrimack Valley region is 86%. For Merrimack it is zero. That is a strong statement in terms of Merrimack being an outlier, and the Town needs to think about what it wants to stand for and on what issues it wants to be different from the other towns.

He did an initial calculation on whether it made sense to use solar when he purchased his panels. It was a borderline investment with 12 years' time to break even. Believing it the right thing to do, he went ahead. Once having them installed there was a change to the renewable energy credits. With those being only a fraction of what they were, his payback went out to 16 years. He believes his circumstance illustrates the fact that owning solar in Merrimack does not make sense. Whether intending to or not, the Town is taking a stance against solar by systematically making it unaffordable.

He does not believe the tax itself makes sense, and is more similar to taxing someone for having really good insulation. He does not believe there to be data available that identifies a value add.

# Lawrence Marquis, 19 Hillside Terrace

Has had solar panels for 3 years. He and his wife decided they wanted to do their part to help reduce pollution. They receive reports identifying the number of equivalent trees planted, amount of oil not burned to produce energy, etc. He encouraged the Council to approve the tax exemption. He has spoken to realtors relative to property value, and was told there is not sufficient data to make a determination.

# Emanuel Machado, 4 Spruce Street

 In February 2016, he signed a Power Purchase Agreement with Solar City. Installation and site design are included in the agreement. It is for a 20-year period and is somewhat flexible in that the panels can follow them should they choose to move, or the new owner could take over the agreement. After a long wait for the New Hampshire Legislature to lift a cap on the total solar production, they were able (October 2016) to flip the production switch to the on position. He remembers the pleasure of seeing the meter going backwards. A perk of the agreement is that power monitoring is included allowing users to see the amount of power used, and they can monitor and maintain the panels. As time passed, he was regularly logging into the monitoring application saving power wherever he could.

His account indicates he has saved a good deal since the installation. He still has to pay power to both companies, but the difference, should he choose to have a check, would not be worth the hassle. His wife set up a small vegetable garden. Every year she goes through the painstaking cycle of planting, protecting, worrying about pests, harvesting, processing, canning, and cleanup. She loves what she does, and he loves that she has their family's interest in mind, so they know what went into their food. They are not self-sufficient, but in spite of all the work she is happier to have a hand on and be closer to where the food is produced.

He is also happier to be closer to where the electricity is produced. They are not decoupled from the grid, they are just not using it as much, which reduced the load of their household on the full grid, especially at peak times, therefore reducing the need to invest in bigger power plants, keeping capital expenses smaller, and our utility rates lower.

He questioned why they should be taxed for that. If suddenly there was a craze about vegetable gardens, would residents like to be taxed because they grow their own food? Taxes are a necessary evil. If set wisely they can be made useful. However, if we need to tax shouldn't we tax what doesn't work, what pollutes, degrades, what we want to have less of and encourage what does work, what helps? He stated his hope the Council and Town will see the long-term benefits of solar and other types of energy in improving the quality of life of all inhabitants.

# Brian Timm, 10 Holts Landing

Echoed the remarks of the previous speakers.

# Mark Bishop, 2 Pine Tree Lane

Spoke of the number of people that have stopped by his home to discuss the benefits of solar since he had it installed. They are all excited until learning of the additional tax. The exemption may result in others taking advantage of solar. In terms of savings, he does not save a lot. He produces a lot of energy, but pays Solar City a lot of money during the summer time. He would not change it as he believes it the right thing to do for the environment.

He is not certain it is an added benefit to his home. They had to reinforce his roof, resulting in the loss of potential storage space. Perhaps he deserves a tax credit. He is hopeful the Council supports the exemption, that more residents get solar, and the Town becomes more progressive.

# Kevin Regan, 20 Riverside Drive

 When this was discussed last year, two long-time real estate agents came in and stated solar panels add no property value. He then went out and checked with several appraisers, and each one said the panels make no difference one way or the other. His home was just assessed for \$36,000, which is much more than the \$25,000. They had no control over the number of panels that went up on their roof. They came to them, said they would put them up at no cost, and all of a sudden there is \$36,000 assessed to them 6 months later on something that adds no value to their home should they sell it. He does not believe the \$25,000 is enough.

 He spoke of the discussions taking place on social media. He is uncertain where the tax came from. It appeared suddenly, and he does not believe anyone voted on it. It just materialized. He spoke of the electricity he produces that goes back into the grid. They are losing money. He pays \$0.24/kilowatt hour that he produces; not what he uses. Supposedly his meter will go backwards if he produces more than he uses. In the summer he is paying \$300/month to Solar City and he is still paying \$150-\$200 to Eversource. His meter has never gone backwards. They are losing more than the \$800. He strongly urged the Council at least approve the \$25,000 to take some of the pain off the backs of some of these homeowners.

# Rudy Bazelmans, 174 Naticook Road

Stated there to be an issue with how assessments are done. When his home was assessed they walked around and questioned the number of bedrooms, how much is finished, the kind of heating, and if the landscaping is nice. There is an inconsistency in how assessments for solar are done. Because of environmental rules, he had to put about \$35,000 into having a permeable driveway to his backyard and also to have a drywell so that all of the water from his home gets shunted to the earth. The \$35,000 was not assessed as part of his property. Anybody who buys his home doesn't really care that he spent \$35,000 on those two things. Just like his assessment doesn't go up if he has Italian marble. The difference is that on solar the Town is looking at the cost and trying to assess for the cost, but that is not the value of it.

In his case, 20% of his production is going to pay for taxes. He believes the exemption is the right thing to do. Rob is paying 27% and Natalia 211% of production in tax. Her payback is never.

Has had solar for about 4 years (owns the panels). There has been a lot stated about how the property tax is an economic factor. It also discourages people from going solar. He questioned if that is the desire of the Town. He grew up in Hawaii and spends quite a few winters there. In Hawaii, you pay \$0.36 - \$0.37/kilowatt hour. If you go solar there you recoup your costs in 5 years. They went through this property tax exemption issue. Because you can recoup the cost it made a lot of sense to not worry about it and just do it. One thing that has evolved over time is that now that they have over 15% penetration. That is a key threshold because when you hit that kind of number the grid has to figure out what to do with all of this energy. There are peak days when there is so much energy they shunt it into the ground because they don't know where to put it. Now battery technology is starting to absorb that energy and they can then use it to address peak utilization periods. That is now beginning to turn how, at least in certain communities, they are making an impact in the price of electricity overall (starting to drop). The key to all of this was the fact that the community already has a reasonable penetration. Until the grid can do more to accommodate a large population that is probably about as fast as they can go.

 New Hampshire has a program where they are trying to encourage a distributed energy resource type environment. If the Town does not have that solar foundation we will wind up playing catchup and other communities around us will be able to take more advantage of things that come down the road. From a community standpoint it is another area that makes a lot of sense.

He stated agreement with the cap of \$25,000. He asked about those who reside in condos, etc., that don't have the right roof configuration. If someone wanted to set up a COOP or if an apartment complex wanted to install solar for residents that wanted to participate in it, would that \$25,000 still apply? He questioned if that has been considered, and was informed it has not.

Mr. Nakamoto stated there to be a lot of lessons to be learned from Massachusetts, which has gone through this.

Chairman Koenig spoke of having received several emails from Steve Larson who wished to follow up with the Council on the results of an informal survey he conducted; 81 voting the solar exemption measure should go on the ballot while 8 voted the Town Council should decide. As expected, most of those 8 were also solar users. He argues we are giving people \$450 each on average and the rest of the Town is having a tax increase. Some have written asking that the measure be put in front of the Town, so everybody has a say. While some think solar is good for the nation others have pointed out negatives. It is not likely that many more will invest in solar in this Town as Merrimack is too wooded and most homes have roofs that are too old to have solar panels installed. Roofs must be 10-15 years old at a maximum. Adding \$15,000 to an initial investment of \$15,000 - \$22,000, after Federal tax credits, the RoI is over 10 years. Not a good investment in this day and age of people moving much more often due to job relocations. He hopes the Council will reconsider and move the measure to a ballot question.

Chairman Koenig and Vice Chairman Boyd continued reading into the record the transcript of emails received from residents:

There has been a lot of discussion about whether it is proper for you to vote on the solar exemption. I think it is proper. I also think the exemption is a very good idea.

I believe solar panels are like other appliances and should not be added to a home value. The town does not tax wide-screen televisions, washers and dryers, or any other appliance. A solar panel is not like a shed. It is more like insulation or an appliance, and I do not believe it should be taxed.

Furthermore, the tax affect keeps people from making the Green choice. We should be encouraging people to make choices that improve the ecological future for our children. Taxing solar panels makes them financially a loss instead of at least breaking even.

Louise Koutavas, 17 Davidson Avenue

 I am writing to you, to express my concern in regard to any decisions being made as it pertains to the taxation of solar panels for residents of Merrimack. This matter should be voted on by means of a ballot and should be decided by the residents of this town. I will not be able to attend the public hearing on Thursday and wanted to have my voice heard. If you have any questions, please let me know.

Tim Lewis, 200 Baboosic Lake Road

We are sorry that we will not be present for the Public Hearing on solar exemptions. Please enter this into the official record as our testimony. For the following reasons, we urge the Town Council to approve property tax solar exemptions:

The current solar panel assessments are arbitrary and not based on actual market or purchased value. To place a \$600 value per panel without regard to comparative properties, the actual purchase price of the panels or the utility savings they create for a property is unfair and inconsistent with how assessments are determined.

Considering the mounting evidence of climate change, all governments should be encouraging a reduction in fossil fuel consumption. Solar energy should be encouraged, not discouraged through taxation.

135 NH communities are already exempting solar from property taxes and some have done so for over 40 years. Our neighboring communities of Bedford, Amherst, Milford, Hollis, and Nashua provide exemptions. Providing this exemption enhances our reputation.

The more NH homes that transition to non-grid sources of energy, the lower the transmission rate charged to all NH ratepayers. Presently, NH pays the highest transmission rate because we have the greatest reliance on the Northeast grid to meet peak demand. We want Merrimack to be a community that does its part to lower rates for all NH ratepayers.

For the record, we have lived in Merrimack for over 36 years. We do not have solar panels and it is doubtful with our orientation and overhanging tree canopy that we ever will. Our advocacy stems from our commitment to do what is best for Merrimack and for our environment.

John and Rosemarie Rung, 21 Ministerial Drive

I wanted to weigh in on the decision you have regarding the exemption of solar panels. I fully support whatever decision you make as I voted for all of you to represent me. I have been proud to call Merrimack my home since 2003. I'm unable to attend the meeting on Thursday. My wife Emily is a

teacher at the High School and will be at parent/teacher conferences, and I am home with our kids. I did attend the last Town meeting on the issue.

I think an exemption makes sense because the value of solar panels to homes is being overly stated. I installed solar panels last year and purchased the system. Besides being environmentally friendly, the benefit I receive is no electricity bill. My average yearly electric bill for the past 6 years was \$1,800. Factoring in the cost of my system, my breakeven is 9 years. In 9 years, I will receive a benefit of \$1,800/year in savings for an undetermined amount of time. This is what the increased value is to my home. At the current tax rate of \$24, this should increase my tax bill by \$49/year. From what I understand, 112 homes with solar have seen an average tax increase of \$437. This is valuing solar too much based on the benefits I previously stated. I would like to see a change in how the assessed value is being calculated to correctly reflect the benefit I am receiving. However, given the complexity with valuing every home individual energy savings an exemption makes the most sense.

I am in favor of paying my fair share to make up for the lost revenue when exempting solar panels. Please contact me if you have any questions or want to discuss this further.

Derek Hartmann, 61 Mallard Point

Regarding the matter of our Town Council deciding whether or not to offer tax exceptions to property owners with solar energy, I strongly request, as I'm sure many others do, to put this on our town voting. This matter affects the entire town in some way, and I think we all deserve a say in it.

I will not be able to attend the meeting on 11/7, I ask that you please take into account our tax payers' opinions when considering this matter.

Michelle Wilson

 I was forced to assume the solar lease on my house when I bought here in Merrimack. I like the fact that they are green, but they don't really save me any money. I have to pay for them and pay the utility every month. I don't feel that they add any value to my house. Now I find out that they increase my already high property tax!

If I wouldn't pay a huge penalty to the solar panel company I'd have them removed. Thanks for listening .

Matthew Robichaud, 56 Daniel Webster Highway

I understand that an item on the town meeting agenda this week is a solar exemption. I am unable to participate in the meeting, so I am writing to you to express my support for a solar exemption.

 I have been a resident of Merrimack since 1991. I have seen a decline in the number of young adults who choose to stay and live in New Hampshire. My own 24-year old daughter has chosen to live and work in Massachusetts. Young adults such as she could be buying homes in towns like Merrimack, but they are choosing not to, in part, because Merrimack does not support clean energy and other green initiatives like some other towns in the State (and out of state).

A solar exemption in Merrimack sends the message that Merrimack is concerned about and supports clean energy initiatives. Clean energy initiatives help to reduce air and water pollution. They help reduce New Hampshire's dependency on fossil fuels imported from other states or countries.

A solar exemption is the right thing to do for our environment. Thank you very much for considering it.

Mary Beth Raven, 9 Four Winds Road

You know me well as someone who has been concerned about the PFAS in the water. But I got involved because we just had stopped Kinder Morgan from running a pipeline through our water supply. Let's be pro-active and prevent future fights by supporting a solar exemption in Merrimack.

I understand that an item on the town meeting agenda this week is a solar exemption. I am unable to participate in the meeting, so I am writing to you to express my support for a solar exemption.

 I've noticed when you drive around the State you see clusters of homes with solar panels. Are those towns allowing a solar exemption? The future of our economy and our independence is making our own energy with sun and solar, geothermal, etc. After what we've been through with Kinder Morgan and PFAS in our water, I would think the leaders of Merrimack would want to support clean energy and other green initiatives like some other towns in the State (and out of state).

 A solar exemption in Merrimack sends the message that Merrimack is concerned about and supports clean energy initiatives and it sends messages to other companies as well. Clean energy initiatives help to reduce air and water pollution, which we face right now. Let's not wait anymore. Let's work towards clean air and water and reduce our vulnerability to pipelines by decreasing need. Let's please reduce New Hampshire's dependency on fossil fuels imported from other states or countries.

A solar exemption is the right thing to do for our environment. Thank you for your consideration.

 Carol DiPirro, 10 Cambridge Drive

As a homeowner with solar panels to help alleviate our dependence on fossil fuels, we request your support of the proposed solar exemption ordinance.

After attending the public meeting this winter, many positive aspects to the solar panels were brought up, and the Council appeared to agree with many of these.

We look forward to the approval of this exemption, which has the potential to increase the use of solar power in Merrimack making us an environmentally-friendly community.

Brian & Joy , 21 Northwood Drive

I am writing to you regarding the Town Council meeting on November 7<sup>th</sup> on who should be making the decision to exempt solar panels from the home improvement part of the home property tax. A homeowner chooses to put solar panels on one's home and, therefore, should in no way cause other tax payers property taxes to go up. That being said, this is not a decision that should be made by the Town Council, and should be voted on bythe tax paying citizens of Merrimack.

The citizens of Merrimack are getting taxed out of their homes as is, and it is high time the Town Council works to reduce the taxes and to keep residents living in Merrimack. I have been a homeowner in Merrimack for 26 years and my husband an additional 10 years beyond that.

We have seen so many changes in this town, some good some not so good. It would be an absolute shame when we have to move because the taxes are just out of control.

Thank you for your town service and attention to this matter!

Eileen and Herb Martin, 29 Mallard Point Road

We are writing to encourage the Town Council to approve a property tax exemption on solar panels. We installed solar panels in July of this year, with the goal of reducing fossil fuel consumption and demand on New Hampshire's energy grid. We were surprised to learn that Merrimack is not one of the 135 New Hampshire towns exempting solar from property taxes. Given all that we are learning about the impact of climate change, it seems like New Hampshire communities should be encouraging the use of solar, rather than discouraging it through taxation.

We are especially concerned by the seemingly arbitrary assessments of solar panels. To value each panel at \$600 a piece does not take into consideration the actual market or purchased value of the panels, the energy different panels produce, or the savings these panels may or may not create for a property. This process seems unfair and different from how property assessments are typically determined.

We look forward to participating in the Town Meeting on Thursday, November 7<sup>th</sup>. Residents who install solar panels are trying to do the right thing, and have committed a significant amount of financial resources to reduce our carbon footprint. We hope that the Town Council views this issue as an opportunity to encourage the installation of solar panels across Merrimack and to communicate the Town's commitment to the use of clean energy.

Thank you for the work you do every day in support of the Town of Merrimack.

Carl and Maria Gagnon, 7 Stuart Drive

Chairman Koenig noted an email received after the start of the meeting:

I recently moved to Merrimack in October. I purchased my first home here using my VA Home Loan, and one of my primary search criteria was that the house has solar panels. I would like to formally state that I disagree on raising taxes on properties with solar panels. Speaking with real estate agents and private home sellers, I learned that solar panels do not in fact increase the monetary value of the home. The value comes from return on investment on electricity, which will take decades to come to light. I understand inflation and I also understand depreciation. Our economy is heading towards a greener future, and solar panels are a decent stepping stone for citizens to help make a difference in this world. Please help steer the Town in the right direction with your decision.

Spencer Soulard, 6 Haines Terrace

Ben Niles, 11 Fernwood Drive

Stated this to be the 2<sup>nd</sup> Town Council meeting in the last 3-4 months that he has attended where solar has come up. In both meetings and perhaps in some of these letters, he is hearing that there is an issue around how solar is assessed, and an arbitrary \$600/panel. Yet he heard from the prior meeting at least one gentleman and at this meeting at least 1-2 people mentioned that they are being assessed above the cost of the installation of the system. He believes there is a flaw in the assessment of solar in the Town. He asked that it be looked into, and that perhaps we direct the Assessor that it be assessed at the lower of \$600 or the cost of installation or that the assessment never exceed the cost of installation. That has to be fixed. It should never be assessed at above the cost of installation.

# Diane Link, 12 Parker Drive

Is in favor of the proposed ordinance. She believes it to be the right thing to do for the environment, our future, children, and grandchildren.

Chairman Koenig declared the Public Hearing closed at 9:05 p.m.

Councilor Rothhaus stated his transition and thought of this came about as a result of his belief the assessment is not accurate. It should have never been assessed the way it was. He does not believe any value add has been seen, as of yet, to properties that have sold having solar panels. If it had, it would be about the value. The value of the property should reflect the reality of today. These assessments can't be; \$25,000, \$36,000 worth of assessed value, another \$900 on your taxes for something that is just not real. Nobody has been able to prove that it is. He wishes the Town had not been assessing them because he wouldn't be voting to move this forward, but he believes he has to because people are being unfairly assessed. If you do have Italian quarry tiles you will be assessed higher. Your home will be more valuable, and that is the way it should be with how we assess our properties.

Councilor Albert stated agreement, the Town has been assessing it improperly. He thanked those who have advocated for this for bringing it to the Council's attention. Over the course of the past few meetings, he has become educated on the matter, and feels confident about the decision he has made in supporting the exemption.

Assistant Town Manager/Finance Director Micali stated, at the current tax rate of \$24.12, the tax impact, were the proposed exemption to be approved, would be roughly \$45,000 or barely over 1 1/3 cent/\$1,000 of assessed value. That amount would be assessed against all properties in Town, including those with solar.

Councilor Woods spoke of being conflicted on the matter with regard to the basis of assessment and value. He can understand the position of the environmental benefits, but he has an issue with what it is the Town is trying to tax.

Vice Chairman Boyd spoke of comments in the communication from Mr. Hartman regarding his yearly tax bill. The communication stated "My average yearly electric bill for the past 6 years was \$1,800. Factoring in the cost of my system my breakeven is 9 years. In 9 years I will receive a benefit of \$1,800/year in savings for an undetermined amount of time. This is what the increased value is to my home. At the current tax rate of \$24, this should increase my tax bill by \$49/year." While it is probably not part of the equation the Assessor would use, he believes it to be a salient point to consider.

On a \$300,000 home, the tax impact of 1 1/3 cent would be \$3.99. Part of the inability for the value of these devices to be fairly assessed is in the difficulty in identifying comps. He agrees there is an inequity in how the Town assesses solar panels.

3 h

 Councilor Harrington remarked for the longest time she felt this matter should be voted on by the voters because it has tax implications. She recently had an energy audit done on her home. She spent a lot of money upgrading her insulation, etc. Those are dollars she will not get back. It was the right thing to do; it saved her money in terms of her heating, but it also was the right thing to do. If selling her home, she would be able to tout its energy efficiency; however, her assessment is not going up as a result. The correlation helped changed her mind. The \$3.99 that she, as an individual homeowner, will pay in order to have a positive environmental impact, is a small price.

Just as the Council is making a decision concerning a tax exemption for veterans because it is felt important enough to be addressed in that manner, the same is true for this.

Vice Chairman Boyd commented he too had felt the matter belonged to the voters. At the end of the day, there was an inequity in how they were being assessed.

MOTION made by Vice Chairman Boyd and seconded by Councilor Healey to move consideration of the recommended changes to Chapter 178, Taxation, of the Merrimack Town Code, with reference to Article IX, Solar Exemption, pursuant to Charter Article V, to the Consent Agenda for the

November 21, 2019 meeting

ON THE QUESTION

Vice Chairman Boyd commented on the level of public participation concerning this matter.

 Chairman Koenig stated he has been promoting the idea that this Ordinance change be passed by the Council. As has been articulated by several, it is the right thing for the Council to be doing. The increased assessment will be spread across all taxpayers. Some may get a decrease because they will get an abatement on their solar, but we may have been over-assessing those properties. He personally feels that solar adds value to a house, but not necessarily at \$600/panel. He can't prove it and can't argue with the realtors that say they don't see it in the comps., etc. He believes this to be an important thing to do as a community, and that is why he is supporting it.

**MOTION CARRIED** 7-0-0

There being no objection, the Council recessed for two minutes at 9:11 p.m. The Council reconvened at 9:18 p.m.

#### **Legislative Updates from State Representatives**

Representative Kathryn Stack thanked all who worked diligently and feverishly on the suspension of the tolls for many many years.

The deadline for signing the Legislative Service Requests (LSRs) took place last week. Every Representative from Merrimack has submitted numerous bills.

47 She spoke of a bill she has concerning restricting Styrofoam in government facilities, e.g., schools.

48 Another bill concerns recreational trapping and another air quality standards. She had a bill pass

unanimously the prior day for private well testing for contaminants. Now, private wells will have to be tested for contaminates prior to a Certificate of Occupancy being issued.

A bill coming forward in the House Health, Human Services and Elder Affairs Committee is recommending the repeal of the Medicaid worker requirements (HB690).

Representative Nancy Murphy thanked the Council for its work on the tolls commented on the cooperative effort. She spoke of supporting the solar exemption.

follow the best available science.

New Hampshire was hit with a lawsuit over the new PFAS MCLs. The Plaintiffs are the Plymouth Village Water and Sewer District, 3M, which is the original maker of PFAS, and a farmer in Center Harbor. She recently spoke with the President of the Municipal Association about one of the bills she was bringing forward and was apprised they too have decided to join the lawsuit. New England Biosolids and Residuals Association, which works with some wastewater handlers say they too support the lawsuit. The Plaintiffs want the rules reconsidered calling them unconstitutional and an unfunded mandate, are arguing that NHDES didn't account for the cost of compliance during its public input process for the new standards, and 3M argues that New Hampshire's new PFAS limits fail to meet appropriate regulatory standards or to

Based on that and her understanding NHDES is very busy with all of that, she decided to delay the filing of a bill for some new MCLs for some of the other contaminants.

She has 24 bills, 4 of which she is the prime sponsor of, related to special education, mental health, health and the environment especially as it pertains to PFAS and clean water, protection of children and vulnerable adults. One of the bills is bringing our special education RSAs into compliance with Federal law. Right now when children turn 21 they are no longer eligible for a public education. The Federal mandate is up to their 22<sup>nd</sup> Birthday. The other three are related to environmental and health protections. Over the last three years it has been seen that health providers across the State have very limited knowledge of PFAS and the known associated health impacts. In concert with the New Hampshire Medical Society and a number of Physicians who are Legislators as well, she put an LSR in as a placeholder (will be amended). She is looking to create education, outreach and training programs for qualified medical professionals relative to environmental toxins and health.

Another LSR is for NHDES to create and maintain a public registry of GIS locations of class B firefighting foam storage, and use. When the data is available, there is the desire to overlay the maps with known health impacts. It has been stated you can't prove harm. It can't be proved because the tools with which to do so have been denied, e.g., blood testing, health study, etc.

Another LSR is relative to the current RSA language (under air and water). The regulations currently read PFCs. The challenge with that is NHDES will not be able to set MCLs on polyfluoroalkyl substances unless the language is changed.

She spoke of having been appointed to two commissions. The Commission to Study Environmentally Triggered Chronic Disease is looking at cancer rates across the State. The other is a 21-member commission investigating and analyzing the extent of PFAS contamination on our community and those of Bedford and Litchfield, and looking at the health impacts.

Jeanine Notter, Deputy Republican Floor Leader, commented on feedback she received after her last two times before the Council. One resident said you sound awfully partisan. Her response was she is partisan;

she ran as a conservative Republican and that is what her voting record shows. Those are her values, and that is the perspective she will bring forward when she comes here.

Looking through the meeting notes from October 9<sup>th</sup>, she noted the comment made by Chairman Koenig, and his request Representatives show a little decorum in their public announcements and statements. She stated the desire to talk about decorum. Representative Hinch, Republican Leader, sent out a press release because representative Lee used the "F' word when talking about private and religious schools. In the press release, Representative Hinch stated "It is more than very concerning to me that a member of the House Education Committee has used this type of vial language in a public format. It is also concerning to me that so many of her Democratic House colleagues commented on and liked the post. Private and religious schools play an important role in many New Hampshire family's lives." He went on to state that Speaker Shurtleff must remove this Representative from the House Education Committee, and he should, in the strongest terms, condemn this type of behavior from her. It was followed up with 600 petitions asking for the removal of this Representative from the Education Committee and the result was she got a slap on the wrist; was suspended for 3 months, which means she will be going back to the Education Committee.

One of the Republican members said a woman was easy on the eyes. They threw him off the Committee of Criminal Justice. He is one of the biggest advocates for the Second Amendment.

Chairman Koenig stated, during the Legislative Update period the Council would like to hear about what its Representatives are doing in the Legislature relative to Merrimack. He appreciates what she is talking about and thanked her for coming to do that. He requested she focus more on what she is doing for Merrimack and how that interacts with or helps the Town Council.

Representative Notter stated she brought it up because Representative Hinch is the Republican Leader and is from Merrimack.

 She went on to state a few weeks ago the Business Tax Foundation Report noted that the business tax cuts that took affect this past January made New Hampshire more economically competitive; now the 6<sup>th</sup> best business tax climate in the nation according to the Tax Foundation's 2019 rankings. This improvement is the result of the Republican Business Tax Reform passed in previous budgets. These tax cuts are important to our economy. With no broad based tax and regionally competitive business tax rates, an overall low tax burden is what ensures the New Hampshire advantage.

From January to June, sub-committees of the House meet to work on bills that have been retained. One of the most dangerous is HB687, the Red Flag Law. Anyone who supports the Second Amendment should pay attention to the votes on this bill. This bill would allow the removal of firearms from law abiding citizens based on just an accusation. If someone doesn't like you, they can accuse you of being mentally unstable. Just based on an accusation, authorities could remove your firearms. Proponents of the bill might say people could be suicidal, we have to protect them. In this bill, the way it is written, they don't take anything else out of the house. The roll call vote of the committee resulted in a 10/10 vote. It will go to the House floor with no recommendation.

 HB559 is enabling municipalities to ban single use source of plastic pollution. The bill would also ban paper bags unless made from 100% recyclable material. Retailers would be forced to charge consumers \$0.10 each up to \$0.50/trip for reusable recycled bags made of thicker plastic. Retailers will bear the brunt of the angry complaints from consumers even though the ban originates from the current majority in the NH House. Representative Notter went on to provide the remarks of Republican Leader Hinch regarding this bill.

 HB731 relative to a minimum hourly rate was party line split on the labor committee. They voted "ought to pass" yesterday morning. The bill increases the minimum wage to \$15/hour, allows municipalities to raise their minimum wage to greater than the State minimum wage and adds a few other job killing wage requirements on small businesses. New Hampshire's economy is booming, and this proposal will have a devastating impact especially on small businesses in rural areas that already operate on razor thin margins. Governor Sununu has already vetoed one minimum wage bill, and this one will likely have the same fate. The full House will vote on it in January.

At a previous meeting, she provided a list of the LSRs that have been submitted. Leader Hinch sent out a press release on November 4<sup>th</sup> to oppose LSR #2578. This is the Democrats proposed ski tax. This proposal would include ski area ticket sales under the Meals and Rooms Tax. The text for this LSR is not currently available. Representative Notter provided the names of the sponsor and a co-sponsor as well as the remarks made by Republican Leader Hinch relative to this LSR.

Chairman Koenig suggested, if having other things to present that are being brought to the Legislature she is trying to pass, the Council would be happy to hear about them. Representative Notter responded she is in the minority so the bills she put in were killed.

Chairman Koenig spoke of a <u>letter</u> received from Representative Rosemarie Rung, which states: "I'm going to be out of town on Thursday, but want to make sure you have this list of the two bills I am prime sponsor for, and others that I am co-sponsoring. The list is a bit long to take up time at a meeting anyway, but the next time I'm there, the 21<sup>st</sup>, please feel free to share any questions or comments that you have. Additionally, I may have information on other bills that may have an impact on Merrimack, and will make sure to share those with you. I will be sharing this list on my State Representative Facebook page so constituents can read it too.

On some of these bills, especially the PFAS labeling one, I may ask for your or staff's support either with a letter or public comment. You may be aware that the New Hampshire House Public Works and Highways Committee voted 19/2 on the SB300 exit 11 toll bill as inexpedient to legislate. That makes it nearly impossible to pass on the House floor."

Chairman Koenig noted she had a plan B that she sent in another email, and which has now been passed. The Executive Council is working on voting to zero out the tolls. The letter was sent to all members of the Council and includes a list of three pages of LSRs (copy attached).

Representative Nancy Murphy respectfully requested the Council have a conversation so that this forum is used not to bash a particular party or call out people. She commented we're here to talk about what we are doing for Merrimack, what help we can provide Merrimack. It is disconcerting to be in a forum like this where that really isn't always the focus of what is heard.

Councilor Rothhaus stated he would like all Legislatures to be sitting together when providing the updates. He wants it to be done as a team and not a partisan thing at all. It is just uncomfortable for him, and he is a partisan. He loves the politics, but not at Council meetings. He does not want that at all from anybody.

Chairman Koenig stated appreciation for Councilor Rothhaus' remarks. Vice Chairman Boyd stated agreement. Councilor Harrington commented it has been seen on both sides. She concurs with the remarks of the Council. She requested the Council consider time limits on the remarks provided, which will force

prioritization and encourage relaying those things specific to Merrimack only. Councilor Rothhaus was uncertain he could agree with a time limit.

Councilor Albert commented the Council has gone from not seeing anyone to having our Representatives before us. He would like to see a team approach. He is interested in hearing what will impact Merrimack. Councilor Healey stated agreement with enforcing a time limit on the remarks, and the desire to hear about the bills that will impact the residents of Merrimack, and what the Council can do for follow-up.

Councilor Rothhaus asked Representative Stack about the legislation being introduced on trapping. Representative Kathryn Stack stated it to be on recreational trapping. It would place limitations on what would be considered appropriate for recreational trapping, e.g., coyotes; would it be limited for a certain number of months.

# <u>Town Manager's Report</u> - None <u>Consent Agenda</u> - None

# Old Business - None

# **New Business**

# 1. Donation Acceptance for Wasserman Park

Submitted by Parks and Recreation Director Matthew Casparius
The Town Council to consider the acceptance and expenditure of a donation of surplus funds in the amount of \$152.90 from Boy Scout Benjamin Haddad to Wasserman Park for future Park

improvements, pursuant to RSA 31:95-b and Charter Article 8-15.

<u>MOTION</u> made by Vice Chairman Boyd and seconded by Councilor Woods to approve the acceptance and expenditure of a donation of surplus funds in the amount of One Hundred Fifty Two Dollars and Ninety Cents (\$152.90) from Boy Scout Benjamin Haddad to Wasserman Park for future Park improvements, pursuant to RSA 31:95-b and Charter Article 8-15

#### ON THE QUESTION

Vice Chairman Boyd thanked Boy Scout Benjamin Haddad. **MOTION CARRIED** 7-0-0

# 2. MACTAC Training Grant for the Merrimack Police Department

Submitted by Captain Matthew Tarleton

The Town Council to consider the acceptance and expenditure of a grant in the amount of \$4,000 made available through the New Hampshire Department of Safety, Division of Homeland Security & Emergency Management for MACTAC (Multi-Assault, Counter Terrorism Action Capabilities) training for the Merrimack Police Department's Special Response Team, pursuant to RSA 31:95-b and Charter Article 8-15.

Matthew Tarleton, Captain, Merrimack Police Department, stated \$4,000 was made available to the department through the Department of Homeland Security and Emergency Management. As the containment team is a part of the New Hampshire Tactical Officers Association, you are allotted so much funding each year depending on your team size, demographics, etc. The desire was for additional training for those on the team. In order to obtain the grant, it has to be terrorism based. He reached out to some of

the other teams and was pointed in the direction of the Sig Sauer Academy. They have this MACTAC training. It is an upgraded version of the active shooter training the department has been doing for some time. The focus is to educate in dealing with not just 1 threat, but multiple threats either happening simultaneously or in succession.

Vice Chairman Boyd questioned if it would be two days of field training, classroom training, or a combination of both. Captain Tarleton stated it to be two days; 8 hours/day and a mix of classroom and practical. It has been indicated training could be conducted at the Sig Sauer facility (spring of 2020 latest) or in Town.

Councilor Albert stated his support of what he believes to be great training. He noted the containment team would be called out in mutual aid to work with several other teams throughout the State. It is good that they are all getting the same training. We're part of an emergency response plan for the airport. These all work together and all of the different agencies work together.

 MOTION made by Councilor Woods and seconded by Councilor Healey to approve the acceptance and expenditure of a grant in the amount of Four Thousand Dollars (\$4,000) made available through the New Hampshire Department of Safety, Division of Homeland Security & Emergency Management for MACTAC (Multi-Assault, Counter Terrorism Action Capabilities) training for the Merrimack Police Department's Special Response Team, pursuant to RSA 31:95-b and Charter Article 8-15.

# ON THE QUESTION

Asked how many towns have this type of team, Captain Tarleton indicated the Nashua Police Department recently sent their officers to this training. The department has a close working relationship with them, and it would be beneficial for Merrimack to obtain the training as well and get on the same page.

# **MOTION CARRIED** 7-0-0

# 3. Merrimack Middle School Sewer Upgrade & Old Blood Road Agreement Discussions Submitted by Town Manager Eileen Cabanel The Town Council to discuss the following: a) Sewer Upgrade Developer Agreement b) School District Memorandum of Agreement (MOA)

 Town Manager Cabanel stated the Chestnut Hill subdivision is located off Old Blood Road near the Merrimack Middle School, and was approved by the Planning and Zoning boards for 60+ single-family homes. Old Blood Road would be extended to meet Madeline Bennett Lane (where Middle School is located). Conditions of approval for the project were the requirement to connect to public sewer and reconstruct and extend Old Blood Road.

The Town Council heard a great deal of public outcry in the area of Old Blood Road because of the deplorable conditions of the road, and kept telling the residents wait until this project comes to fruition because they have to pay to address that. Town Manager Cabanel was asked to approach the developer and question the status of a project that has been on the books for some time. The response was it has turned into something much more expensive than ever anticipated. There is the requirement to connect to public sewer, which normally would be a very simple thing, but in this case the sewer line was defective to the point where it needs to be reconstructed. The cost was somewhere around \$1.2 million just for that reconstruction work. The developer questioned why he would be responsible to pay for a sewer that was improperly constructed. He wanted to talk about cost sharing possibilities.

The section of the sewer between Jessica Drive and Madeline Bennett Lane was constructed in 2004 as part of the Merrimack Middle School Building Project. It was designed to be an Interceptor Sewer Line meaning of larger size not just connectivity from existing sewer to Middle School, but to accommodate these types of developments. That was what was paid for, but the construction company built a substandard sewer line that had multiple sags and insufficient slopes to the point where in order for it to be an interceptor sewer, it would have to be completely reconstructed.

When the School Districted requested the Town accept the sewer it declined. The school still owns the sewer line. The developer asked the Town to share in the cost of fixing the sewer line. Negotiations between the Town and developer went on over the course of several months. The Council is being asked to approve the results of those negotiations.

Through the agreement, the Town would receive \$1.2 million from the developer for the reconstruction of the sewer line. The Town would oversee the project. The Town would receive \$378,000 from the developer for the reconstruction of the developed portion of Old Blood Road. The Town would oversee the project. Town Manager Cabanel noted that was going to have to be done regardless, but the Council was interested in ensuring this moves forward as quickly as possible understanding the road is in terrible shape. The Developer was asked that the funds be provided the Town and that the project be put in with the Town's bids to ensure the project is completed.

Another benefit to the Town, as a whole, is that the developer will pay approximately \$6 million in tax revenue once all homes are constructed.

Benefits to the developer include the ability to build the subdivision, relief from oversight responsibilities of the sewer reconstruction project and reconstruction of the developed portion of Old Blood Road.

 Noted was that this is contingent on the developer's ability to add 6 additional building lots to the development as a means of recouping some of the expense. Town Manager Cabanel stated the desire to make it clear, as has been done with the developer, that the Town Council in no way endorses acceptance of the additional building lots. The Council in no way influences the Planning or Zoning Boards to do any of those kinds of things. This is simply a contingency that needs to be known so that if this falls through and the project does not go forward it could be because it did not receive approval for the additional lots.

Town Manager Cabanel stated she spoke privately to the Planning Board Chairman, and informed him of this agreement. She told him, if and when they see this agreement, it should be understood the Board needs to go forward in whatever manner it would have without any consideration to this agreement.

The school would benefit as it would no longer own the sewer line or Madeline Bennett Lane (Town had not been able to accept because of defective sewer) and would receive a permanent Certificate of Occupancy for the Merrimack Middle School.

The agreements before the Council include that with the developer as described and an agreement with the Merrimack School District for an easement to complete the sewer line reconstruction. Once the sewer is complete, the Council will accept the sewer and Madeline Bennett Lane.

Councilor Albert remarked there is currently a sewer line (owned by the School District) that has the potential of failure at some point. This agreement provides for avoidance of a future taxpayer expense.

Town Manager Cabanel restated it is a \$1.2 million burden that will not be placed on taxpayers.

Councilor Rothhaus noted he and Chairman Koenig had the opportunity to sit at the October 21<sup>st</sup> School Board meeting that dealt with this issue. The reason he feels he has to address it is because the Chairman, Shannon Barnes, took the opportunity at the start of the discussion to describe her feelings of what was wrong and whose fault it was. She had suggested the sewer line was in good working order and would work for the school district for a long long time. We know that is not true because in January of 2005, shortly after the construction, there was an acknowledgement by the administration of the School District that the system wasn't built properly and that because the original plans were not adhered to for the sewer lines there would be no cost to the Town for the reconstruction, that the contractor, Hutter Construction, was to pay for that. It went on to say that work would likely begin in late spring 2005 and be completed in a few months. That was an acknowledgement by the School District that it was a problem.

Chairman Barnes went on to say that the design was the Town's design, and that we just didn't want to accept it. That was not the case. If the design was followed, we would have accepted it. It was about a year later DES sent correspondence pointing out all of the substandard problems with it, and saying that these deficiencies conspired to reduce the sewer's hydraulic capacity and carriage water velocity while also increasing the likelihood of solid depositions, nuisance odors, corrosive sulfide gas that will attack the pipes, and they were concerned about pipe blockages as well as excessive maintenance. That was another reason we could not accept it. The chairman said the Town asked for it twice (2007 and 2011). Councilor Rothhaus stated he has no recollection the Council ever asked for the sewer line. He stated his belief there was talk of construction of the project being discussed tonight, and that project, for whatever reason was not willing to step to the plate for the sewer rebuild, and the Town was not going to accept it. Those two times never materialized.

Councilor Rothhaus stated the Town Manager and Chairman Koenig met with Mark McLaughlin, Superintendent, Chairman Barnes, and Matt Shevenell, Assistant Superintendent for Business, approx. 5 months ago. When they met he thought it would be an easy discussion; there was a contractor willing to provide \$1.2 million for a project that may cost a little bit more, but that was the agreement that had been reached. It turned into a fiasco. What he has learned recently is that the School Board did not get this Memorandum of Agreement. That night Chairman Barnes had it as she read from it. He was hearing questions that were covered in the agreement such as concerns with whether the Town would accept the line after the rebuild. He is uncertain why the Board was not provided with a copy of the Memorandum. It frustrated him immensely. He is happy that we have finally gotten to the point we are at today as it takes the burden of a potential repair off the backs of the taxpayers.

Vice Chairman Boyd questioned if the scenario was that one member of the School Board was privy to the information and the other four were not until later. Councilor Rothhaus responded he has spoken with a few, and they did not have it. He is uncertain why they wouldn't have it commenting on their level of involvement with the school district's daily operations. Vice Chairman Boyd commented what is troubling is the article that appeared in the Merrimack Journal back in 2005, which was alluded to by Assistant Superintendent Shevenell. It was public knowledge back then that it was failing. For those comments to be made was ill-suited.

Chairman Koenig commented on being pleased to have gotten to this point. The stress point that the Town Manager and Councilor Rothhaus have tried to make is this is an opportunity for the Town to get a completely correctly reconstructed sewer extension line that will allow neighborhoods to hook up to it, will allow the Town, if the funding were to somehow become available, to move up the Lake Road further with sewer should those areas become problems. There are benefits to the Town to having it as a future potential. He is pleased the developer is willing to go along with this and work with the Town. The Town

is taking over because it can work with all of the entities better than an individual can. He believes it to be a win/win.

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<u>MOTION</u> made by Councilor Harrington and seconded by Vice Chairman Boyd to authorize the Town Manager to sign the Memorandum of Agreement between the Chestnut Hill Development and the Town of Merrimack for the Merrimack Middle School Sewer Upgrade

6 the Town of Merrima7 ON THE QUESTION

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- 9 Chairman Koenig noted the Council has seen the agreement (copy attached) at various times. A copy will be posted on the Town's website.
- 11 MOTION CARRIED 7-0-0

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- 13 MOTION made by Councilor Harrington and seconded by Councilor Healey to authorize the Town
- 14 Manager to sign the Memorandum of Agreement between the Town of Merrimack and the
- 15 Merrimack School District regarding the Madeline Bennett Sewer Line

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# ON THE QUESTION

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Chairman Koenig stated the agreement, in summary, states the Town will repair the sewer line at an anticipated cost of \$1.2 million. There may or may not be overruns, but is believed fairly firmly that the \$1.2 million is sufficient. It also states the Town will receive an easement from the School District to do the work, and that after the work is completed the Town will take over the sewer and Madeline Bennett

23 Lane.

Councilor Albert requested the agreement (copy attached) be placed on the Town's website.
 MOTION CARRIED 7-0-0

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Chairman Koenig allowed the opportunity for public comment having seen a member of the audience wanting to address the Council.

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Charles Lafond, 7 Linden Way

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Suggested the Town not take stock in whatever cost was indicated for the repair of the sewer. That run of sewer that they did to that school was the most difficult run of sewer pipe ever run in Town. They had to blow that out 1' at a time. It took a long time. The intent had been if putting a sewer in there, they were going to do it right. He did not know it was done completely wrong. They did do that sewer twice. Hutter came back and tried to fix it.

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He commented he is terrified. If they are going to go down that road again, they will need to close the whole road and it will cost a lot more money than people believe as the area is solid ledge.

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Chairman Koenig remarked the Council thoroughly understands. The original price was expected to be about \$600,000, and has now gone up to \$1.2 million. A great deal of effort has been put into that estimate.

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Mr. Lafond asked for a lot of caution.

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# 4. Direction for 2020/2021 Budget

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

To ask the Town Council to contemplate budget parameters for the 2020/2021 budget season which will be discussed at a future meeting.

Total tax rate was \$24.12/\$1,000 and is increasing to \$24.13/\$1,000. Important to note is the breakdown; the Town's portion of the tax rate decreased by \$0.39/\$1,000, the portion attributed to the School District increased by \$0.41, and the County portion decreased by \$0.01. Those figures include the \$200,000 the Town received and the \$600,000± the School District received from the State. Had that revenue not been received, the tax rate would have been significantly higher.

Heading into budget discussions for FY21, what is known is that the Guaranteed Maximum Rate (GMR) increase for health insurance costs is 1.9%, the increase in property liability insurance is a not to exceed (NTE) amount of 3.1%, and the increase in Workers Compensation insurance an NTE amount of 11.7%. There are four union contracts that are in effect and have a 2% wage adjustment. A non-union wage increase needs to be considered should the Council take that direction.

Due to new long-term agreements for natural gas (ending 4/3/2021) and electric (ending 12/20/2023) there will be 0% increases for those items.

With regard to solid waste disposal, there will be a \$1/ton increase in the tipping fee for trash and \$56 to \$58/ton for recycling. Town Manager Cabanel spoke of having met with Waste Management earlier in the day in regard to the contract. The existing contract will expire on 11-30-20. The Town is running out of places to dispose of trash. They are not allowing any new landfills, incineration facilities. Consequently, tipping fees are increasing rapidly. They were told the City of Boston went out to bid for their disposal contract, which came to \$90/ton. The contract we are currently in is at \$73/ton. Advantages of a long-term contract include the relationship the Town has with Waste Management; have a placeholder in the landfill (not a new entity).

They will discuss recycling as well. The Town typically works with a company that goes out to the market on its behalf seeking the best deal for recycling materials. Recycling is becoming a very costly endeavor primarily because of the situation in China where they are no longer accepting recycling material to the previous degree. The representative has indicated there is starting to be an interest in the Midwest of taking over some of that recycling processing and using the materials in the United States.

Councilor Albert commented he has read articles regarding communities returning to separating recyclables as there is greater value in that. It may be the time to consider that. Town Manager Cabanel noted that approach could be less costly, but that it is not revenue generating. Councilor Albert stated a desire to understand the impact. Town Manager Cabanel has requested Kyle Fox, Director, Public Works Department, research that for a discussion during the budget process.

Councilor Healey spoke of the number of families on bottled water. One and 2.5 gallon bottles are being delivered that she believes are recyclable and picked up. There are a lot of crates of individual bottled water going out to households. She questioned if there is any kind of increase in that type of recycling. Town Manager Cabanel stated that would be looked into.

Chairman Koenig noted the contract for the electric rates ends in the middle of the coming fiscal year. Assistant Town Manager/Finance Director Micali stated he has negotiated a new contract that goes out to December of 2023, at a lower price. Asked about the cost of tipping fees for recycling, he noted the current contract expires 11-30-20. What the cost will be after that is not yet known.

Town Manager Cabanel remarked some of the items that need to be considered are State revenues, e.g., what Rooms & Meals Tax and Highway Block Grant will look like. Chairman Koenig noted the second year of the \$200,000 revenue will come in from the State. Also to be considered is whether or not to utilize fund balance to offset the tax rate. There are two union contracts that expire 6-30-20. As was stated, the tipping fee for recycling is not yet known.

The health insurance increase (1.9%) is approx. \$110,000 (\$0.04/\$1,000 impact on tax rate), property liability insurance increase (3.1%) \$7,448 (\$0.00), Workers Compensation increase (11.7%) \$38,559 (\$0.01), 4 union contracts \$141,831 (\$0.04), natural gas increase \$0, tipping fees \$8,500 (0.00), veteran credit \$98,000 (0.03), and the unknowns of 2 union contracts, non-union wage increases, solid waste recycling (1,500 tons), and whether the Town Council will vote to allocate a portion of the fund balance to offset the tax rate. Every \$34,000 has an impact of \$0.01/\$1,000.

Assistant Town Manager/Finance Director Micali stated when the Council discussed the fund balance during the MS4 process, there was talk of utilizing \$300,000 for FY21. In the tax year 2019-2020, the Council raised that to \$400,000. In the calculation, \$300,000 was utilized. Should the Council decide to utilize the additional \$100,000, the impact would be \$0.03/\$1,000.

With the projections provided, the effect on the tax rate is an increase of \$0.15/\$1,000.

Town Manager Cabanel requested direction from the Council.

Councilor Albert commented on the looking forward to the opportunity to view the requests of the department heads. Councilor Rothhaus spoke of the request made at the last meeting relative to the project of the Town Center Committee and the Town working towards completing sections of the project over time. Town Manager Cabanel indicated she plans on including that in the proposed budget. Councilor Rothhaus suggested consideration be given to the canoe launch at Depot Street. It was noted the project is included in the Capital Improvement Plan and in the budget for FY21.

Asked if staffing changes are anticipated, Town Manager Cabanel stated she is definitely anticipating that. They have decided to get the larger departments together and hash it out.

Chairman Koenig spoke of fluctuations in the wage and salary lines that typically result from retirements and new hires coming in at lesser salaries than the veteran employees who retired. He questioned if it is believed the delta will be sufficient to cover the cost of anticipated increases in staffing. Town Manager Cabanel spoke of the current age of employees, and the inability to quantify that. Chairman Koenig commented he was trying to get a better feel for the ability to project from tonight, where we might be going. There are non-union wage increases to think about, potential staffing, tipping fees, etc.

Councilor Healey questioned if it is believed property assessments will stay where they are now. Town Manager Cabanel remarked it is difficult to say. The values for residential properties are low. The Assessor has discussed the possibility of doing a mini revaluation this upcoming year. The equalized value should be at 100% and is getting down to 85%. She anticipates valuation increases with the new developments. As values go up collectively, the tax rate naturally goes down.

Councilor Harrington remarked even if assessments go up most of the time the tax rate will go down.

Assistant Town Manager/Finance Director Micali stated he spoke with the Assessor earlier in the day, and she intends to put together a proposal for the upcoming budget process.

Councilor Albert spoke of the Joint Loss Safety Committee and its ability to address and put in place 2 preventative measures to lessen workers compensation claims. Town Manager Cabanel stated there to be a 3 4 few claims that are in the \$300,000 range. Some are just really unfortunate events that occurred that were either unavoidable or could be and have been corrected. Noted was that Workers Compensation insurance 5 uses a three-year blended rate. If a claim occurred three years ago, we are still paying for it in the current 6 7

# 5. Review of 2020/2021 Budget Schedule

Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali The Town Council to review the 2020/21 budget schedule.

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Assistant Town Manager/Finance Director Micali noted the schedule included with the agenda packet. A request was made to swap the department reviews for January 8th and 15th and move Community Development to the 16<sup>th</sup>. There may be some additional changes in regard to when particular departments will present their requests.

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Asked if Charter amendments are anticipated, he commented on a situation in years past where items such as that were not anticipated in the schedule. The desire is to account for the possibility, and identify deadlines.

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#### **Minutes**

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MOTION made by Vice Chairman Boyd and seconded by Councilor Woods to take from the table acceptance of the minutes of the Town Council meeting of October 9, 2019. MOTION CARRIED 6-0-0

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Councilor Healey was not present at the time of the vote.

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October 9, 2019

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*The following amendments were offered:* 

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Page 10, Line 16; address the phrasing "was had when" and replace "Streeter" with "Wheeler" and "Danielson" with 'Daniels" Page 11, Line 24; replace "offramp" with "off-ramp"

minutes of the Town Council meeting of October 9, 2019, as amended. MOTION CARRIED 7-0-0

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MOTION made by Vice Chairman Boyd and seconded by Councilor Albert to approve the meeting

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October 23, 2019

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*The following amendments were offered:* 

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Page 1, Line 10; replace "A Scout" with "Boy Scout Fox" 44 Page 2, Line 47; replace "ascertains" with "assertions"

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MOTION made by Vice Chairman Boyd and seconded by Councilor Woods to approve the meeting 47 minutes of the Town Council meeting of October 23, 2019, as amended. MOTION CARRIED 5-0-2 48

Councilors Healey and Harrington Abstained 49

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2	Comments from the Press - None
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4	<u>Comments from the Public</u> - None
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6	Comments from the Council
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8	Councilor Albert suggested, in the future, written public comment be referenced and/or included with the
9	record of the minutes rather than each communication being read aloud. Chairman Koenig agreed it is
10	probably a good approach; however, in this instance he felt a little more was needed.
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12	Councilor Harrington wished her colleagues and residents of Merrimack a memorable Veterans Day. She
13	thanked all veterans for their service.
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15	Councilor Healey spoke of several establishments in Merrimack offering discounts for veterans.
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17	Karen Hudson, from the D.W. Diner contacted her to make her aware they will be serving a Thanksgiving
18	dinner on Thanksgiving day from 8:00 - 10:00 a.m. for those in need.
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20	Noted was that 7-2-21 is the Town's 275 <sup>th</sup> Anniversary.
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22	<u>Adjourn</u>
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24	MOTION made by Vice Chairman Boyd and seconded by Councilor Healey to adjourn the meeting.
25	MOTION CARRIED 7-0-0
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27	The November 7, 2019 meeting of the Town Council was adjourned at 11:12 p.m.
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31	Submitted by Dawn MacMillan