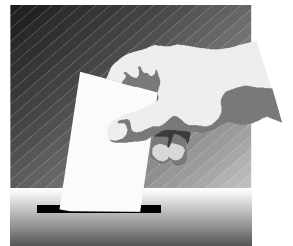
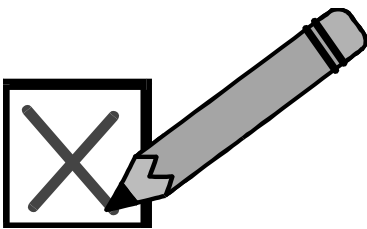


VOTER'S GUIDE TO **2023 OFFICIAL BALLOT**



Town of Merrimack
April 11, 2023

Merrimack residents will have an opportunity to vote on the proposed budget and other Town matters on Tuesday, April 11, 2023, at the annual election to be held between 7:00 AM and 7:00 PM. There are three polling places in Merrimack:

- James Mastricola Upper Elementary School - All-Purpose Room at 26 Baboosic Lake Road
 - St. John Neumann Church, 708 Milford Road (Route 101A)
 - Merrimack Middle School, 31 Madeline Bennett Lane
-

The following information is provided as a public service to enable citizens to better understand the matters on which they will be voting. Additional information may be obtained by calling the Town Manager's office at (603) 424-2331, or by visiting the Town's website at www.merrimacknh.gov.

ARTICLE 1

Election of Public Officials

To vote, completely fill in the oval next to your choice on the ballot. Follow the directions as to the number of candidates to be marked for each office. To vote for a person whose name is not printed on the ballot, write the candidate's name on the line provided and completely fill in the oval.

ARTICLE 2

Municipal Operating Budget

The Municipal Operating Budget, which is the subject of Article 2, funds the general costs of operating all Town departments.

The recommended 2023-24 Municipal Operating Budget is \$38,801,878. These appropriations do not include any capital reserve purchases (these purchases have been saved for over several years and are already funded through the Capital Reserve Fund (CRF) accounts). The Town Council, as agents to expend the capital reserve funds, holds meetings to discuss and approve these purchases outside the budget. Due to a law change in a prior year, the 2023-24 Operating Budget does not include Capital Reserve Fund (CRF) deposits. These will be voted on separately in Articles 3 and 4.

The 2023-24 appropriations are \$2,583,038 or 7.13% greater than in 2022-23.

Included in the 2023-24 Budget are increases in estimated revenues. Those revenue increases include:

- C.O.S.S.A.P. Grant for Police Dept. \$112,200 (**Note: Offset by expenses**)
- Interest on Pooled Cash \$261,000
- Solid Waste Revenues \$190,800
- Use of Fund Balance \$1,034,500

There were some revenues that decreased that offset the before mentioned increases. Those reductions include:

- Building Permits \$64,500
 - Current Use Taxes \$50,000
 - State contribution to retirement \$179,000
- expenses

Personal Services Costs

Of the Town's six union contracts, one expired on June 30, 2022, two expire on June 30, 2023, two expire on June 30, 2024 and one expires on June 30, 2025. The Town has reached a tentative agreement with all three of the unions whose contracts expire on or before June 30, 2023. These tentative agreements are put forth for voter approval in Articles 5-7. Each of the three unions that are already under contract will receive a 3% pay increase for the 2023-24 year. In addition, there is a proposed 3.5% raise for non-union employees in the 2023-24 Budget.

The Town Council's Budget includes one (1) new full-time position and one (1) upgraded position. In addition, two (2) full-time positions were not funded in the current budget. The Town Council has also increased the Fire and Police overtime budgets by \$23,000 and \$21,000, respectively. Below is a breakout of the net cost for the new positions less the non-funded positions totaling \$17,000:

- 1 New Police Officer - \$112,000 (*Note: Paid for by C.O.S.S.A.P. Grant*)
- 1 Position Upgrade – DPW Administration: Environmental Director - \$40,000
- 1 Police Records Secretary eliminated – (\$71,000)
- 1 Town Clerk/Tax Collector Clerk Position not funded – (\$64,000)

In summary, the 2023-24 proposed budget contains a net increase for personnel costs and benefits of approximately \$408,000, primarily as the result of contractual raises of \$187,000, non-union pay increases of \$171,000, increases to health insurance costs of \$270,000, the staffing changes listed above of \$17,000, and the increases to fire and police overtime of \$23,000 and \$21,000, respectively. These increases were partially offset by decreases in required retirement contributions and compensated absences of \$177,000 and \$100,000, respectively. The remaining balance consists of benefit adjustments and the costs associated with current employees.

Other Operating Expenditures

Appropriations for other operating expenditures of the Town Departments increased by approximately \$511,000 in the proposed 2023-24 budget compared to the budget for the prior year. These increases are generally the result of material, service and utility price increases that are anticipated to occur due to the surge in inflationary pressures that are being experienced nationwide. In addition, the Town is increasing its budget for Information Technology by approximately \$45,000 as a result of necessary enhancements to internet security, antivirus protection, and data backup expenses.

Capital Outlay

The Town of Merrimack uses Capital Reserve Funds as a cost-effective method of financing the purchase or replacement of facilities, equipment and infrastructure. Consistent amounts have been included in annual budgets for transfer to Capital Reserve Funds (similar to savings accounts) in past years, so that sufficient monies are available in these funds when purchases or replacements are required. This spreads the related cost over the funding period, rather than requiring a large appropriation in the year of purchase or replacement, and thereby helps to stabilize property tax rates. Also, interest earned on monies held in Capital Reserve Funds offsets a portion of the purchase or replacement cost and/or serves as a hedge against inflation. These Capital Reserve Funds provide for the replacement of fire trucks, bridges, ambulances, police communication equipment, Highway Division trucks and heavy equipment, as well as for other major capital outlay needs. The deposits into CRF's are voted on separately in Articles 3 and 4.

In addition, other proposed capital outlays of \$3,872,424 consist of the following:

Buildings & Grounds - Town Hall Sprinkler System	\$150,000
Buildings & Grounds - Parking Lot reconstruction	\$92,424
Police - Vehicles	\$150,000
Highway - Updated Fuel Distribution System	\$1,400,000
Highway - Brine Storage Tank	\$25,000
Solid Waste - New Office Trailer	\$95,000
Road Infrastructure	<u>\$1,960,000</u>
Total	\$3,872,424

Debt Service

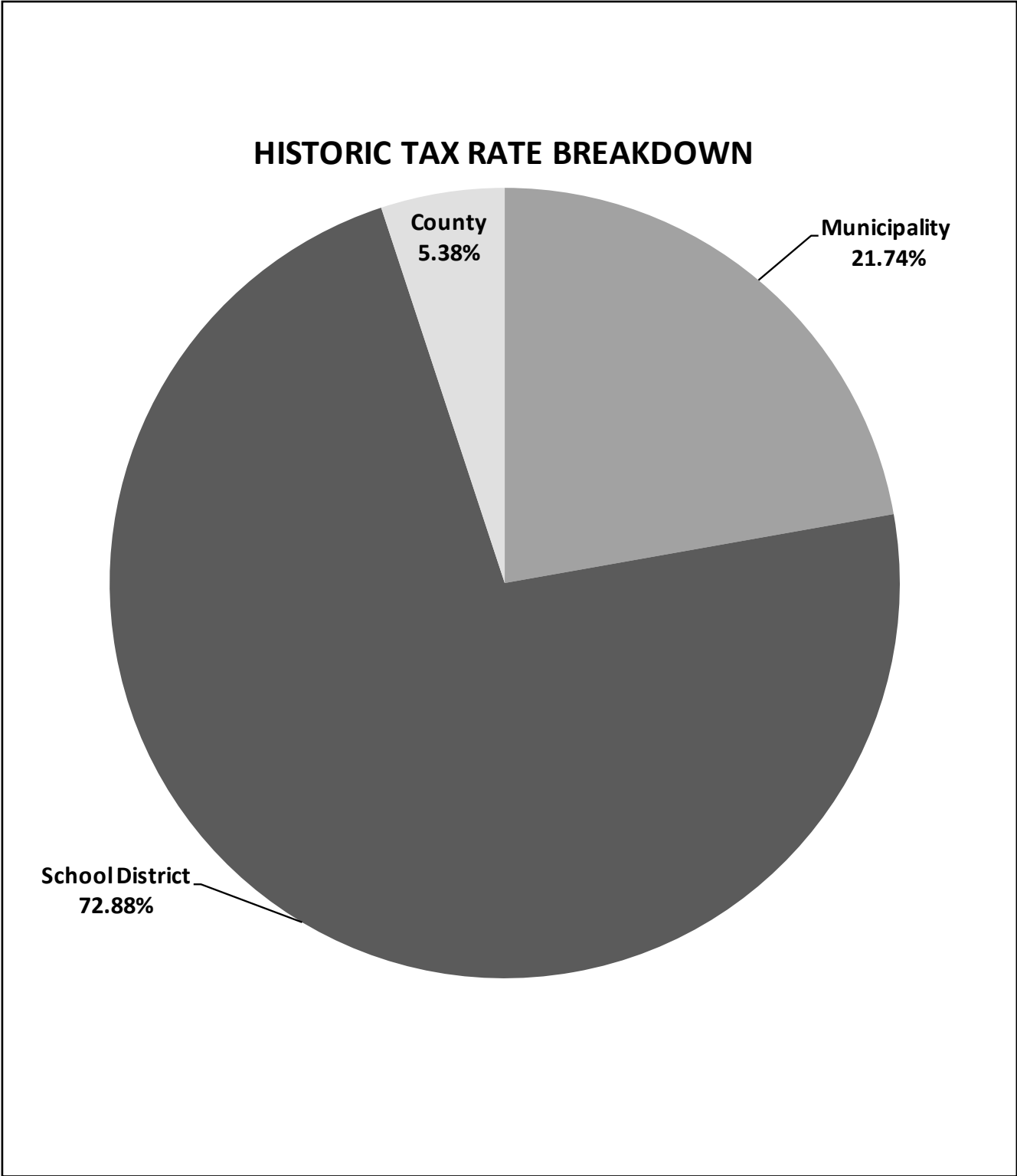
There are 4 outstanding bond issues (5 in the prior year): 2015 Phase II Wastewater Treatment Facility (WWTF) upgrade - \$2,361,747; 2015 Compost Facility Upgrade - \$2,158,342; 2017 Highway Garage Bond - \$2,270,000; and 2019-2021 Phase III-V Wastewater Treatment Facility (WWTF) upgrade - \$30,722,750 (no debt service until 1 year from the date of substantial completion of the improvement project – scheduled for 2024). Debt service costs for 2023-24 represent a decrease of \$173,540 and consist of the following:

2015 Phase II Upgrade WWTF Facility	228,908
2015 Compost Upgrade	209,193
2017 Highway Garage Bond	244,145
Contingency for tax anticipation notes	<u>1</u>
Total	\$682,247

Projected Tax Rate

Based on the recommended budget (Article 2) and current estimates of 2023 net assessed valuations and 2023-24 non-tax revenues, the municipal portion of the 2023 property tax rate is expected to be \$3.64, which correlates to a tax bill of \$364 per \$100,000 of assessed valuation. This would represent an increase of \$0.17 or 4.90% compared to the 2022 rate.

The chart below is a historic representation of how your tax bill is broken down.



Default Budget

If the proposed budget of \$38,801,878 in Article 2 should fail, an appropriation of \$35,300,821 (Chart 3) would automatically become effective in accordance with New Hampshire Statutes. The Town Council would then be responsible for either holding a special meeting at which a revised Municipal Operating Budget appropriation would be considered or developing a revised Municipal Operating Budget within this amount.

To compute the default budget, the Department of Revenue Administration has given specific guidelines for towns and schools to use: begin with the prior year operating warrant article, add in any previously approved warrant articles that may affect the current year budget (such as collective bargaining agreements), subtract any one time purchases (such as capital expenditures), then net the difference in debt payments to come up with the default budget.

In calculating the 2023-24 Default Budget, the difference between the default budget and the current operating budget of \$38,801,878 is (\$3,501,057).

Chart 3 - Default Calculations		
	2022-23	2023-24
	<u>Voted Budget</u>	<u>Default Budget</u>
General Town operations and charges - Article 4	36,218,840	36,268,599
Union Contracts:		
NEPBA 112 (article 6 2020-21)		18,296
NEPBA 12 (article 7 2020-21)		133,348
Teamsters (article 7 2022-23)	49,759	35,555
Union Contract Benefit Increases (decreases) {2023-24}		
Health Insurance		190,000
NHRS Decrease (2023)		(189,981)
Workers Comp		(15,543)
Eliminated Position (2023-24)		
Police Department - Detective's Secretary		(71,140)
Town Clerk - Tax Collector - Account Clerk II		(64,009)
One Time Purchases (2022-23)		
One Time Capital Expenses		(830,764)
Debt service:		
2022-23		(855,787)
2023-24	-	<u>682,247</u>
	36,268,599	35,300,821
Default Appropriations		35,300,821
Proposed Council 2023-24 budget		<u>38,801,878</u>
Difference		(3,501,057)

Default Calculations		
	2022-23	2023-24
	<u>Voted Budget</u>	<u>Default Budget</u>
General Town operations and charges - Article 4	36,218,840	36,268,599
Union Contracts:		
NEPBA 112 (article 6 2020-21)		18,296
NEPBA 12 (article 7 2020-21)		133,348
Teamsters (article 7 2022-23)	49,759	35,555
Union Contract Benefit Increases (decreases) {2023-24}		
Health Insurance		190,000
NHRS Decrease (2023)		(189,981)
Workers Comp		(15,543)
Eliminated Positions (2023-24)		
Police Department - Detective's Secretary		(71,140)
Town Clerk - Tax Collector - Account Clerk II		(64,009)
One Time Purchases (2022-23)		
One Time Capital Expenses		(830,764)
Debt service:		
2022-23		(855,787)
2023-24	-	682,247
Total	36,268,599	35,300,821
2023-24 Default Tax Rate Comparison		
		Est. Default
		<u>2023 Tax Rate</u>
Default Appropriations		35,300,821
Estimated Default Revenues (see below)		(19,150,214)
Use of Fund balance		
Tax overlay		350,000
Veterans exemptions		837,080
Property tax levy		17,337,687
Valuation for property tax rate		5,062,905.168
Default property tax rate		3.42
Proposed Budget tax rate		3.64
Variance		(0.22)
Revenue comparison:		
2023-24 revenue Proposed Budget	(21,534,714)	
Less:		
Use of Fund balance	2,384,500	
		(19,150,214)
Appropriation Comparison		
2023-24 Proposed Budget Comparison		38,801,878
Default Budget (from above)		35,300,821
Decrease in appropriations (default verses proposed budget)		(3,501,057)
Tax Rate variance Appropriations		(0.69)
Tax Rate variance Revenue (Use of Fund Balance)		0.47
Overall tax rate variance		(0.22)

ARTICLE 3
General Fund Deposits into Capital Reserve Funds

These are deposits into General Fund Capital Reserve Funds (CRF) that in prior years had been included into the operating Budget. In recent years there was a change to RSA 35-5 that states we need to have a separate warrant article from the operating budget for CRF deposits. The chart below shows a comparison from the 2022-23 budget to the 2023-24 proposed budget.

2023-24 Proposed Capital Reserve Deposits					
	2022-23	EST. 2023-24		\$\$ Diff	% Diff
Liability Trust Fund	10,000	10,000		-	0.00%
Ambulance	115,000	115,000		-	0.00%
Communications Equipment	100,000	100,000		-	0.00%
Computer Equipment	35,000	35,000		-	0.00%
Daniel Webster Highway	50,000	50,000		-	0.00%
Fire Equipment	400,000	400,000		-	0.00%
Highway Equipment	425,000	425,000		-	0.00%
Library Building Maintenance Fund	75,000	75,000		-	0.00%
Property Revaluation	17,250	17,250		-	0.00%
Solid Waste Disposal	100,000	100,000		-	0.00%
Traffic Signal Pre-emption	5,000	5,000		-	0.00%
GIS	5,000	5,000		-	0.00%
Road Infrastructure CRF	595,000	595,000		-	0.00%
Atheletic Fields CRF	5,000	5,000		-	-
Total CRF	1,937,250	1,937,250		-	0.00%
Milfoil	10,000	10,000		-	0.00%
Total GENERAL FUND	1,947,250	1,947,250		-	0.00%

Estimated 2023 Property Tax Bill Impact: - \$0.39

ARTICLE 4
Wastewater Treatment Fund Capital Reserve Fund (CRF) Deposits

Funding for Article 4 comes from sewer user fees, NOT TAXES.

Sewer Fund Deposits into Capital Reserve Funds

Like Article 3, Article 4 is the Sewer Fund (Waste Water Treatment Plant) deposits into the Capital Reserve Fund (CRF) that in prior years had been included into the operating Budget. In recent years there was a change to RSA 35-5 that states we need to have a separate warrant article from the operating budget for CRF deposits. The chart below shows a comparison from the 2022-23 budget to the 2023-24 proposed budget.

2023-24 Proposed Capital Reserve Deposits					
	2022-23	EST. 2023-24		\$\$ Diff	% Diff
				-	
Sewer Infrastructure Improvements	<u>500,000</u>	<u>550,000</u>		<u>50,000</u>	10.00%

Estimated 2023 Property Tax Bill Impact: None

ARTICLE 5
IAFF, Local 2904, Collective Bargaining Agreement

By approving Article 5, the Town would ratify the proposed Collective Bargaining Agreement between the Town of Merrimack and the International Association of Firefighters (IAFF) Local 2904 and approve the wage and benefit adjustments contained therein for a three year contract ending on June 30, 2026. This agreement covers the Firefighters and Paramedics of the Fire Department. Included is a 3% wage increase in the each year of the contract. In addition, all union members will receive an increase to their base hourly rate of \$0.10 per hour for the first full pay period upon the inception of the contract and certain stipends previously paid separately upon the achievement of certain certifications will be incorporated into the employee's base rate of pay prior to the wage increase of 3% described above. The negotiated contract also includes some changes to uniform allowances and an increase in benefits from Town funded life insurance for employees and their dependents.

The associated cost has been estimated at \$154,367 in the first year. The following is a breakdown of the IAFF Local 2904 Contract cost for fiscal year 2023-24:

	Cost	
Wage Adjustments	\$ 47,023	
Overtime + Benefits	\$ 13,548	
Annual Wage Increase	\$ 93,796	
Total Year 1		\$ 154,367

Estimated 2023 Property Tax Bill Impact: - \$0.03

ARTICLE 6
AFSCME, Local 3657, Collective Bargaining Agreement

By approving Article 6, the Town would ratify the proposed Collective Bargaining Agreement between the Town of Merrimack and the American Federation of State, County, and Municipal Employees (AFSCME) Local 3657 and approve the wage and benefit adjustments contained therein for a four year contract ending on June 30, 2027. This agreement covers the supervisory employees of the Fire and Police Departments. Included is a 3% wage increase in each year of the contract. In addition, all union members will receive an increase to their base hourly rate of \$2.00 per hour for the first full pay period upon the inception of the contract prior to the wage increase of 3% described above. In Year 2, Fire Captains will receive an additional increase of \$1.50 per hour prior to the 3% increase described above. In Year 3, Fire Captains will receive an additional increase of \$1.00 per hour and Police Supervisors will receive an increase of \$0.50 per hour prior to the 3% increase described above. Also, certain stipends previously paid separately upon the achievement of certain certifications will be incorporated in the employee's base rate of pay. There is also an increase in the maximum weekly disability insurance benefit payment, from \$600 to \$700, to bring these employees in line with what other Town employees are eligible for.

The associated cost has been estimated at \$153,941 in the first year. The following is a breakdown of the AFSCME Local 3657 Contract cost for fiscal year 2023-24:

	Cost	
Wage Adjustments	\$ 92,715	
Overtime + Benefits	\$ 5,563	
Annual Wage Increase	\$ 55,663	
Total Year 1		\$ 153,941

Estimated 2023 Property Tax Bill Impact: - \$0.03

ARTICLE 7
AFSCME, Local 2986, Collective Bargaining Agreement

By approving Article 7, the Town would ratify the proposed Collective Bargaining Agreement between the Town of Merrimack and the American Federation of State, County, and Municipal Employees (AFSCME) Local 2986 and approve the wage and benefit adjustments contained therein for a three year contract ending on June 30, 2026. This agreement covers the laborers of the Highway, Solid Waste Disposal, Wastewater Treatment and Equipment Maintenance Divisions of the Public Works Department. Included is a 3% increase in Year 2 of the contract and a 3% increase in Year 3. In addition, the hourly pay scale for all union members will be increased by an average of \$1.33 per hour for the first full pay period upon the inception of the contract, and by an additional average of \$0.72 per hour in Year 2, and new step wage increases will be incorporated into the pay scale. The negotiated contract also includes some changes to uniform allowances, overtime requirements, vacation, and on-call provisions, and an increase in benefits from Town funded life insurance for employees and their dependents. There is also an increase in the maximum weekly disability insurance benefit payment, from \$600 to \$700, to bring these employees in line with what other Town employees are eligible for.

The associated cost has been estimated at \$162,748 in the first year. Of this total, the amount of \$59,980 towards the first year's payment will come from sewer fees from the Waste Water Enterprise Fund. The following is a breakdown of the AFSCME Local 2986 Contract cost for fiscal year 2023-24:

	Cost	
Step Wage Increases	\$ 52,785	
Wage Scale Adjustments	<u>\$109,963</u>	
Total Year 1		\$ 162,748

Estimated 2023 Property Tax Bill Impact: - \$0.02



SAMPLE BALLOT

ANNUAL TOWN ELECTION
MERRIMACK, NEW HAMPSHIRE
APRIL 11, 2023

Diane Trippett
TOWN CLERK

INSTRUCTIONS TO VOTERS

- A. TO VOTE, completely fill in the OVAL to the RIGHT of your choice(s) like this:
B. Follow directions as to the number of candidates to be marked for each office.
C. To vote for a person whose name is not printed on the ballot, write the candidate's name on the line provided and completely fill in the OVAL.

Grid for voting on Town Councilor, Ethics Committee Member, Trustee of the Trust Funds, and Library Trustees. Includes names like Charles Lafond, Jennifer McCormack, Elizabeth Petrides, Robert Reisman, and Jennifer Jobin.

QUESTIONS

Article 2
Shall the Town raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$38,801,878? Should this article be defeated, the default budget shall be \$35,300,821, which is the same as last year, with certain adjustments required by previous action of the Town or by law; or the Town Council may hold one (1) special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

(Recommended by the Town Council 7-0-0) (Majority vote required.)

Article 3
To see if the town will vote to raise and appropriate the sum of \$1,947,250 to be added to the following Capital Reserve/Expendable Trust Funds previously established for the purposes for which they were created and to apportion the sum among the several funds as listed below:

Table listing various funds and amounts: Liability Trust Fund (10,000), Ambulance (115,000), Communications Equipment (100,000), Computer Equipment (35,000), Daniel Webster Highway (50,000), Fire Equipment (400,000), Highway Equipment (425,000), Library Building Maintenance Fund (75,000), Property Revaluation (17,250), Soild Waste Disposal (100,000), Traffic Signal Pre-emption (5,000), GIS (5,000), Road Infrastructure CRF (595,000), Athletic Fields CRF (5,000), Total CRF (1,937,250), Milfoil (10,000), Total GENERAL FUND (1,947,250).

These appropriations are not included in the total town operating budget warrant article 2. (Recommended by the Town Council 7-0-0) (Majority vote required.)

VOTE BOTH SIDES OF BALLOT

QUESTIONS CONTINUED

Article 4

To see if the town will vote to raise and appropriate the sum of \$550,000 to be added to the Sewer Infrastructure Capital Reserve Fund previously established with said amount to come from sewer fees and no amount to come from taxation.

YES
NO

(Recommended by the Town Council 7-0-0) (Majority vote required.)

Article 5

Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining agreement reached between the Merrimack Town Council and the IAFF, Local 2904, which calls for the following increases in salaries and benefits at the current staffing levels:

<u>Fiscal Year</u>	<u>Wage and Benefit Costs Increase</u>
2023-24	\$ 154,367
2024-25	106,788
2025-26	100,613

and further to raise and appropriate the sum of \$154,367 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels? This collective bargaining agreement covers the Firefighters and Paramedics of the Fire Department.

YES
NO

(Recommended by the Town Council 7-0-0) (Majority vote required.)

Article 6

Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining agreement reached between the Merrimack Town Council and the American Federation of State, County and Municipal Employees 93, Local 3657, which calls for the following increases in salaries and benefits at the current staffing levels:

<u>Fiscal Year</u>	<u>Wage and Benefit Costs Increase</u>
2023-24	\$ 153,941
2024-25	76,059
2025-26	80,757
2026-27	62,039

and further to raise and appropriate the sum of \$153,941 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels? This collective bargaining agreement covers the supervisory employees of the Fire and Police Departments.

YES
NO

(Recommended by the Town Council 7-0-0) (Majority vote required.)

Article 7

Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining agreement reached between the Merrimack Town Council and American Federation of State, County and Municipal Employees 93, Local 2986, which calls for the following increases in salaries and benefits at the current staffing levels:

<u>Fiscal Year</u>	<u>Wage and Benefit Costs Increase</u>
2023-24	\$ 162,748
2024-25	130,167
2025-26	82,414

and further to raise and appropriate the sum of \$162,748 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels? \$59,980 towards the first year's payment to come from sewer fees from the Waste Water Enterprise Fund. This collective bargaining agreement covers laborers of the Highway, Solid Waste Disposal, Wastewater Treatment, and Equipment Maintenance Divisions of the Public Works Department.

YES
NO

(Recommended by the Town Council 7-0-0) (Majority vote required.)

VOTE BOTH SIDES OF THE BALLOT



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PERMIT #20

*****ECRWSS*****

Local
Postal Customer

Review of 2023 Proposed Tax Rate

Article 2	Operating Budget	\$3.64
Article 3&4	Deposits into CRF	\$0.39
Article 5	IAFF Local 2904 Collective Bargaining Agreement	\$0.03
Article 6	AFSCME Local 3657 Collective Bargaining Agreement	\$0.03
Article 7	AFSCME Local 2986 Collective Bargaining Agreement	<u>\$0.02</u>
Projected 2023 Tax Rate		\$4.11
2022 Tax Rate		\$3.86
Proposed \$0.25 increase in the municipal portion of the tax rate		

VOTE