



Town Council Meeting Minutes

Thursday February 12, 2015, at 7:00 PM, in the Matthew Thornton Room



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

Pledge of Allegiance

Chairman Harrington led in the Pledge of Allegiance.

Chairman Harrington requested the Council consider suspending the rules to amend the agenda by moving Item #1 under Old Business ahead of Appointments. She stated the desire for all future information presented regarding this matter to be addressed in the same order on agendas into the foreseeable future.

MOTION made by Councilor Woods and seconded by Councilor Boyd to amend the agenda to take up the item related to the Proposed Northeast Energy Direct (NED) Pipeline Project prior to Appointments, and that information relative to this item be placed in the same order on agendas into the foreseeable future. MOTION CARRIED 7-0-0

Councilor Koenig questioned whether the intent was to move the item before Appointments or Announcements. Chairman Harrington clarified she intended to request the item be moved to appear before Announcements.

AMENDED MOTION made by Councilor Woods and seconded by Councilor Boyd to amend the agenda to take up the item related to the Proposed Northeast Energy Direct (NED) Pipeline Project prior to Announcements, and that information relative to this item be placed in the same order on agendas into the foreseeable future. MOTION CARRIED 7-0-0

Old Business

1. Kinder Morgan – Proposed Northeast Energy Direct (NED) Pipeline Project

Submitted by Town Council Chairman Nancy Harrington and Vice Chair Tom Mahon

• Informational Reports and Updates

- To allow Kinder Morgan to survey (4) Town parcels (survey letters)

A letter was received from Kinder Morgan requesting the Town give permission to survey four (4) Town owned parcels. The parcels are identified within the backup information included with the agenda. A copy of the letter is also included.

The Town has referred the request to Counsel and is awaiting guidance/direction.

- Request for Information - AECOM

Chairman Harrington stated AECOM is an environmental contractor of Kinder Morgan. The letter received requested information regarding sensitive environmental areas. Members of the Council met with an environmental attorney the previous Wednesday. Others in attendance included representatives of the Merrimack Village District (MVD), Conservation Commission, Community Development Department, Sewer Department, Fire Department, and the Nashua Regional Planning Commission (NRPC). The request from AECOM was one of the issues discussed. It was determined Counsel would gather information and provide guidance as to whether the Town should respond, and, if so, in what way.

Councilor Koenig requested members of the Council that were in attendance be identified. Chairman Harrington stated Vice Chairman Mahon was in attendance on behalf of the Council and Councilor Woods was in attendance in his role on the MVD Commission.

- Section 106 of the National Historic Preservation Act of 1966 (NHPA)

Chairman Harrington stated at some point in the process the Federal Energy Regulatory Commission (FERC) will initiate Section 106 of the NHPA, which is something the Town will want to keep an eye on. The item will be placed on the action list to be tracked.

Chairman Harrington remarked, during the meeting with the environmental attorney, Joanna Tourangeau of Drummond Woodsum, the entire process was discussed including survey letters, the AECOM letter, timing, process, and the expectations and responsibilities of the Town, Kinder Morgan, and FERC. The process is both lengthy and complex. Attorney Tourangeau has 15 years of experience with FERC. The Town has engaged her services to guide the Town through the process, protect the interests of the Town, and provide information so that all partners are well informed, kept aware of timelines, and that deliberate and educated decisions are made. During the meeting, Attorney Tourangeau stated she is pleased to be engaged in the process, and that she will be able to be of assistance beginning at this very early stage. Chairman Harrington commented that statement made her more comfortable knowing action is being taken early on in the process. As information is received, it will be posted to the Town's website.

- **Action Items**

- Continue to press Kinder Morgan for public meeting in Merrimack

Town Manager Cabanel stated she received a call from Matt Abdifar, Kinder Morgan, on February 2, 2015. He stated "we are still on for March". When asked for a date, he was unable to provide one.

- Request the Council to take no action regarding request from Kinder Morgan to survey Town-owned parcels until Merrimack public meeting.

Chairman Harrington noted counsel has been retained, and no action will be taken until guidance/direction is provided.

- Place NED Pipeline Update on future Council agendas

Completed.

- Update list of properties that directly abut proposed pipeline route with a list of properties that fall into pipeline hazard zone.

Town Manager Cabanel stated that has been done; properties were identified 200' on either side of the study corridor. She has spoken with a representative of Kinder Morgan and requested a copy of their list, which has not yet been received. Once received, the two lists will be compared.

- Consider consultant to:
 - Research communities property value effects of recent pipeline installations
 - Evaluate impacts on sewer line

Chairman Harrington stated Avitar Associates of New England, the contractor who currently performs Town assessments, has been hired to complete that research.

Vice Chairman Mahon noted the Public Works Department (PWD) has engaged Wright-Pierce.

- Support Conservation Commission's efforts to update data for environmental impacts on HHNP and Gilmore Woods Memorial Forest.

Vice Chairman Mahon noted the Conservation Commission is moving ahead with its efforts. If the Council's assistance is needed/requested, it will be provided.

- Support Merrimack Village District's efforts to protect Wellhead Protection Zone and Aquifer Protection Zone.

Chairman Harrington noted representatives of the MVD were in attendance at the meeting with the environmental attorney. Councilor Woods noted the MVD and Conservation Commission have agreed the MVD will also utilize the Commission's ecological consultant for any land owned/managed by the MVD, which abuts conservation land.

- Request Kinder Morgan list of abutters notified of project and requests for permission to survey.

In process.

- Work with property owners to develop a list of who has been notified of the project and requests for surveys.

Once the information is received from Kinder Morgan the lists can be compared. Chairman Harrington commented it would be helpful if any property owner that knows they are an abutter and has not received any information would contact the Town Hall.

- Maintain contacts at FERC and NH Congressional Delegation

Ongoing.

- Consult with Public Service of New Hampshire (PSNH) regarding where they are in the process with Kinder Morgan and the Public Utilities Commission (PUC).

PSNH has been notified. To date, no information has been received.

- Consult and share information with large companies (Anheuser Busch/InBev, Elbit Systems, Premium Outlets, Fidelity, PanAm Railways, PSNH, Pennichuck, etc.).

A meeting has been scheduled for February 26, 2015 to which all local companies in the area have been invited.

- Section 106 of the National Historic Preservation Act of 1966 (NHPA)

Chairman Harrington opened the floor for public comment.

No one from the public expressed a desire to provide comment.

Announcements

Town Hall Offices will be closed on Monday, February 16, 2015 in observance of President's Day.

A regular meeting of the Town Council will be conducted on Thursday February 26th at 7:00 p.m. in the Matthew Thornton Room. The First Session of the Annual Meeting will be conducted on Wednesday, March 11th at 7:00 p.m. in the James Masticola Upper Elementary School All Purpose Room. A regular meeting of the Town Council will be conducted on Thursday March 12th at 7:00 p.m. in the Matthew Thornton Room.

2015 Dog Licenses are available at the Town Clerk's Office. Please register dogs four (4) months and older by May 1st. If you no longer have your dog, please contact the Town Clerk's Office at 424-3651 so that they may update their records. Records that are not updated result in the Tax Office having to follow up on an unlicensed dog wasting valuable time and tax dollars.

The 23rd Annual Winter Carnival will take place on Saturday February 21st from 12:00 - 3:00 p.m. There will be plenty of snow, and free family activities for the day. Please contact the Parks & Recreation Department at 882-1046 with any questions.

Public Comment - None

Recognitions, Resignations and Retirements - None

Appointments – None

Public Hearing

1. Public Hearing – Proposed Municipal 2015-16 Operating Budget and Warrant Articles

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

The Town Council will hold a public hearing, pursuant to NH RSA 33:8-a (I), NH RSA 32:5, I, NH RSA 21:35, NH RSA 40:13 II-b, and the Town of Merrimack Charter Article 8-3, to discuss the following:

There being no objection, the Council recessed at 7:18 p.m.

The Council reconvened at 7:28 p.m.

2015/16 Proposed Municipal Operating Budget

Town Manager Cabanel stated department heads submitted their individual budgets and the Finance Director prepared all salary and benefit information for each of the departments. That information was reviewed by her, and adjustments made. The Town Manager's proposed budget was brought before the Town Council for consideration.

Adjustments made by the Council have been incorporated, and before the Council for consideration/action was the Town Council's FY16 proposed operating budget.

Town Manager Cabanel provided a PowerPoint presentation (can be viewed [here](#)). She commented as Capital Reserve Fund (CRF) deposits, revenue, expenditures, etc., can make individual budgets appear much larger or smaller in comparison to prior years, attempts were made to break down the budget by category.

The FY15 General Fund Operation Budget was \$21,221,200. The proposed budget for FY16 is \$21,448,186, which is an increase of \$226,986 or 1.07%.

CRF deposits were increased, which is in keeping with efforts that have been made, over the past 3-4 years, to build the funds up as they had reached the point of being depleted. A large part of the increase is the \$200,000 added to the road infrastructure capital reserve. The Town normally deposits \$600,000 into that fund each year. Last year it was reduced to \$400,000. Proposed for FY16 is a return to the \$600,000 allocation. Those funds are used to offset the bridge aid program (\$300,000 represents the Town's 20% cost for one bridge).

Other capital expenditures include road resurfacing proposed at \$750,000 in FY16. That was modified to add some funds for Watson Park renovations as well as monies for consultants and attorneys to address issues/concerns related to the pipeline project.

Town Manager Cabanel stated when looking at CRFs it is important to understand the same amount identified under appropriation is also listed under revenue. As those monies come and go out of the budget without impact on the tax rate for the particular year, they were removed from the budget. Self-supporting funds are primarily Wastewater funds; however, also include special details for the Police Department, summer camp, water district, etc. Those are again seen on both sides of the ledger.

Appropriations are what the Council is voting on. To identify the tax rate, you subtract from the appropriations revenues received from sources other than property tax, and add in abatements and veterans' credits. The net amount is what is to be raised by taxes. That is divided by the Town's value (currently \$2,945,686,660) and then by 1,000 to identify the projected tax rate of \$5.54 (Town's portion), which represents an increase of \$0.08 or 1.41%.

Town Manager Cabanel noted contributing factors to the increases/decreases include the addition of part-time positions at the Transfer Station, Tax Collector's Office, and Code Enforcement, two new police officer positions (\$158,178), and the change at the Library in moving two part-time positions to a single full-time position, which adds costs associated with benefits. New Hampshire Retirement rates have gone up. Health insurance costs have shown a significant savings due to five Collective Bargaining Agreements (CBAs) being in the third year of a three-year contract that provides for a significant change to details and benefits of health insurance. Another area was the increase in capital reserve fund deposits (\$369,000).

Town Manager Cabanel noted monies have been set aside in CRFs that have already been appropriated by placing them in the budget. They are identified in an area she referred to as a savings account. When the monies are needed they are taken out. The money comes in as revenue and goes out as an expense, but it was already set aside (saved) in previous years.

Proposed CRF expenses in the General Fund total \$2,722,334, which includes State bridge aid on the Bean Road Bridge. The Town's portion is \$320,000 (20%) and the State's portion \$1,280,000 (80%). Those funds are coming in and going out. Because we gross appropriate, it needs to be identified.

Capital purchases include the continuation of upgrading of licenses and computer-server (\$35,000). The sum of \$82,334 has been identified for Self-Contained Breathing Apparatus (SCBA) breathing apparatus for the Fire Department. A grant has been applied for; however, the outcome will not be known until the June timeframe. Monies were included in the budget in case the Town is not successful in its grant application. Deposits into the CRF have been increased as well. Costs for a replacement Ambulance have been included (\$200,000). Other road infrastructure includes drainage improvements (done every year). Enough funds have been saved to pave the remainder of the Town's responsibility for the D.W. Highway, within the urban compact from Chamberlain Bridge to Reeds Ferry Lumber (\$400,000). Expenditures are identified for a six-wheel dump truck (\$155,000) and a front end loader for the Highway Department (\$150,000).

From the Sewer Infrastructure CRF are proposed expenditures for a F250 4x4 pickup with plow (\$35,000), manhole/sewer line repair (\$75,000), and a Bobcat Toolcat for cross-country sewer maintenance (\$75,000). Town Manager Cabanel reiterated the CRF is funded through sewer user fees.

Total of proposed expenditures from existing CRFs is \$2,907,334.

Town Manager Cabanel explained deposits into Capital Reserve Funds impact the tax rate. Monies are being allocated/set aside as a means of saving for future capital expenses. A slide was provided indicating all proposed allocations. Those that differ from FY15 include General Government - Milfoil (\$10,000 below FY15 allocation), Fire Department - Ambulance (\$10,000 above FY15 allocation), Fire Department - Equipment (\$20,000 above FY15 allocation), Communications -

Equipment, which is a large increase (\$121,000 above FY15 allocation) due to the overhaul of the Police communication system. Discussions took place during budget deliberations around purchasing the first component this year (\$54,000), and beginning to save for the second component and then the third (total anticipated expenditure of \$500,000). Additionally, Public Works Department (PWD) - Roads & Bridges (\$200,000 above FY15 allocation), Solid Waste - Equipment (\$30,000 below FY15 allocation), which is the result of relining trailers rather than purchasing new (expect additional 4-5 year lifespan), Traffic Signal Preemption (\$10,000 above FY15 allocation, which was \$0), GIS (\$55,000 above FY15 allocation), and Library (\$7,000 below FY15 allocation). Total proposed allocation to CRFs is \$1,446,000, which is an increase of \$369,000 or 34.26% over FY15 allocations.

Town Manager Cabanel stated a fly-over would be conducted in FY16 to update aerial photos for the Geographic Information System (GIS) system. Vice Chairman Mahon commented, during the meeting held the prior Wednesday, Tim Roache, Interim Executive Director/MPO Coordinator, NRPC, informed participants of all the towns in Hillsborough County and those within the Nashua Regional Planning District, only Merrimack and Hudson are positioned to take advantage of the information because of the investment made in the GIS system. That puts the Town in a much better position to be able to delineate zones and areas with the various layers in the system. The previous investment is already paying off.

Town Manager Cabanel stated the tax rate can only be determined by reducing the amount of expenditures by revenues received from other sources. The largest source of revenue the Town receives, that is not property tax, is motor vehicle permit revenues, which totals nearly \$4 million of the \$8 million the Town takes in. The Town has seen increases on tax liens, an increase in the State Rooms & Meals taxes, Current Use Change Tax, and Motor Vehicle Permits. A large increase is being received this year from the Health Trust as a result of the lawsuit, and an even larger one in FY16 (approx. \$350,000). That is one-time revenue. Decreases were seen in administration for other funds, e.g., other funds are charged for time expended by Director Micali and the Director of Public Works. Decreases have also been seen in motor vehicle road infrastructure revenue. Director Micali stated that to be associated with the special RSA the Town voted on for the \$5 charge per registration. Even though revenue associated with motor vehicle registrations are increasing, the number of vehicles that are being registered has remained constant. The proposed decrease reflects actuals.

Town Manager Cabanel reiterated the proposed increase on the tax rate is \$0.08 or 1.4%. The Deliberative Session is scheduled for Wednesday March 11, 2015. The annual voting day is Tuesday April 14th from 7:00 a.m. to 7:00 p.m., at the James Masticola Upper Elementary School located at 26 Baboosic Lake Road.

Chairman Harrington opened the Public Hearing at 8:02 p.m.

Jennifer Jobin, Chair, Library Board of Trustees

Stated the Library Board of Trustees would like to restate the request for the Council to consider adding funds to the library budget to cover the cost of a \$0.73 raise for part-time employees. As previously stated, the \$0.73 is an effort to achieve wage parity with other part-time, non-union employees. The last raise this group received was in 2010. The \$0.73 comes from 2012 wage increases for non-union Town employees. The full-time employees, including library employees,

received a \$1,500 increase. At that time, part-time, non-union Town employees received a \$0.73 increase, which was not reflected in the library budget for part-time employees.

Ms. Jobin provided the Council with a spreadsheet, which included information on current wages for part-time employees, what the wage would be inclusive of the \$0.73 increase, and a comparison to similar positions at other libraries in the area.

Ms. Jobin commented, during the departmental review, a question was raised regarding one of the aides in the Circulation Department. The individual has been with the library since 1996. When the Town changed the retirement plan not to include part-time employees, an agreement was reached, which increased the individual's rate of pay by \$0.72/hour.

Juni Pierce, 30 Turkey Hill Road

Stated she was informed by multiple people if she were to speak up for the skate park it would appear as though she desires the Town to continue to fund a job for her. She stated she never intended to do the job forever although she has given up 7 summers to the skate park, and has received enough compliments to last her a lifetime.

Ms. Pierce remarked a few weeks ago a comment was made that Meredith is the only Town that has an attendant at its skate park, and that is only on weekends. She stated she has a letter from the Park & Recreation Department that states differently; that there are other attendants.

Ms. Pierce stated, to her knowledge, no one on the Town Council has spent quality time at the skate park to see what really goes on there. She has put in 3,500 hours at the skate park, and has never been approached by anyone from the Town. She stated her belief the decision is being made based solely on the comments of one individual.

Ms. Pierce noted the reputation of the skate park is great. She has been told Merrimack has the best skate park in the State. She has been told by Massachusetts residents that Merrimack has the best skate park within a 100-mile radius of Boston.

She remarked, if the skate park were to be vandalized it would not be by those children who utilize it, it would be by a small group of people. She questioned if it is fair to punish all for what a small group does. Ms. Pierce noted the Towns of Windham and Hudson have closed their skate parks due to lack of respect, drug activity, vandalism, and trash. Merrimack's skate park is a place where the children feel safe as they feel there is someone there who cares. She questioned where the children would go in the summer months if not for the park.

She commented in the past 3 years a huge number of smaller children have begun utilizing the skate park. She believes they have come because they have heard it is fun, and that it is supervised. She spoke of skills developed by the children while using the park. She questioned what would come of the atmosphere if there were no attendant. She spoke of a skate park that chose to utilize cameras, which were torn down and destroyed. She remarked if unsupervised she believes undesirable activities will occur at the park. She spoke of her first two years at the park, and how difficult it was. By the 5th

year those utilizing the park had come to understand and abide by the rules. She stated concern that positive behavior will again be lost if no supervision is provided.

Ms. Pierce spoke of the importance of the park to children who may feel as if they don't belong/fit in. She spoke of the small amount of money involved, and stated her belief those children who need the skate park should not be penalized. She stated her estimate 150-180 different individuals utilized the skate park last year. She questioned whether the Town of Merrimack should lower its values and reputation because of what other skate parks do. Ms. Pierce spoke of the use the park receives during holidays, etc.

Lea St. Laurent, 32 Currier Road

Stated her support of the skate park being open for longer hours; however, to have it open to the public and unsupervised for that time is something she does not believe to be safe. She remarked the attendants do a wonderful job. She has asked other townspeople how they would feel if the park were to be open to the public and unsupervised, and received responses such as it will end up like Wasserman Park did or how the park was when it first opened. She stated concern with the park being located across from the elementary schools, and commented opening the park up from 7:00 a.m. to 7:00 p.m. on weekends would be one thing, but what would happen when school is in session? People could be coming in from neighboring towns or states. She questioned if that atmosphere would be good for the district's children.

She stated attendants are at the park from 3:00 p.m. to dusk during the school week, and the situation is ideal, e.g., children are out of school, bus traffic has gone, it is supervised, and those children not in organized sports can ride their bicycles over there and enjoy the park.

Ms. St. Laurent stated her belief more important than the aspect of supervision is that of the safety that is provided with an attendant onsite. She elaborated the safety is for the smaller children utilizing the park as well as the other children who could be influenced by others without some level of supervision.

Mark Tyers

Noted he works part-time as an Attendant at the skate park, and agrees with remarks made by Ms. Pierce regarding the supervision of the users of the park. He believes it would be a safety concern if attendants were not onsite. He suggested, if the decision were to no longer have attendants at the park, he would like to see the Council identify an alternative plan. He reiterated concerns for safety, vandalism, etc.

Juni Pierce, 30 Turkey Hill Road

In addressing infrastructure at the skate park stated if the Stride Rite is not touching, water seeps in and rots the wood. This is what has happened to the left side of the pyramid. She has spoken with skate park experts in South Nashua, and been informed the Stride Rite needs to be taken off carefully, the wood frame replaced, and the Stride Rite put back on. She was told the cost for one half of the pyramid is minimal. She noted there are three structures at the skate park in addition to the wood house. It is the middle structure where the wood is rotting.

Chairman Harrington closed the Public Hearing at 8:26 p.m.

Councilor Rothhaus spoke of the footbridge at the Merrill's Marauders Bridge stating it appears to him to be in need of some rehab. He commented he neglected to bring the issue forward during budget deliberations, and, if able to gain additional information, would likely bring it forward during Deliberative Session. Rick Seymour, Director, Public Works Department, stated the bridge was looked at a few weeks ago. A lot of what appears to be rust is actually natural oxidation. He stated his belief a few pieces of wooden boards were ordered to replace missing pieces. There is nothing substantial to be addressed.

Councilor Rothhaus stated a desire for additional information on the proposed flyover for the GIS system overlay; specifically associated costs and what the information/photos would be utilized for. Timothy Thompson, Director, Community Development Division, responded the estimate he has from the current GIS consultant is \$75,000 - \$100,000 for the aerial photography and the orthophoto development. That is not proposed to take place now, it would be once the GIS capital reserve fund were fully funded (another year or two). The aerial photography is converted into what is called digital ortho photography, which is images that are tied to specific points on the earth's surface so that you can use GPS coordinates, and tied specifically to the geography of the earth. From those photos you can then update all of the data layers that are in the GIS, e.g., building envelopes, parking lot edges, roads, topography, water, wetlands, etc. All of those types of things you can get from the aerial photography would then be used to update the data layers within the GIS itself. Currently the Town is utilizing photography from 2005.

When asked, he stated digital ortho photography is very specific. The resolution in a typical municipal GIS is that a pixel is roughly a meter on the ground. When asked if the information would be useful in the Planning Department, Director Thompson stated it would be useful Town-wide, e.g., Fire Department, Police Department, Public Works, etc. For all of the departments that can utilize geospatial data this type of information is invaluable.

Councilor Rothhaus remarked the library proposal is something he believes the Council would be supportive of. He requested additional information. Town Manager Cabanel responded from a concept perspective she believes it makes sense, and she is supportive of it from that perspective. There would be the need to compare what other communities are paying for similar positions. Although the \$0.73 increase made sense to her from an equitability perspective, if the positions and ranges are reviewed, it would skew the rates beyond where many of the communities are at. She supports the idea of it, but does not support it on paper when rates are compared with other communities.

Councilor Dwyer commented on the information provided and stated his belief hourly wages ranging from \$14 - \$17/hour is a good wage for the work performed. He commented the Library is a nice environment to work in. He would have preferred to have further discussion; however, with a presentation at crunch time, he felt the only option presented was the \$0.73. Going back to the nature and the positions there, he feels as though they are good jobs and the employees are compensated well. He added considering the changing of the health care issue he would agree in concept he would be for the increase. He reiterated he is having a hard time wrapping his head around the \$0.73.

Councilor Koenig stated it is pointed out in the information provided that the last raise was in 2010. He questioned if Town employees received raises at that same time. He stated his understanding, at that time, when the Library employees received a 1.5% Cost of Living Adjustment (COLA), Town employees did not. Director Micali stated Town employees did not receive an increase at that time. Councilor Koenig remarked if Library employees received an increase in 2010 and Town employees did not, when the Town employees received an increase in 2012 perhaps that was compensation for the fact Library employees received an increase in 2010. To suggest in 2015 that we are out of balance because of raises here and there leaves him believing there is the need to understand the issue in greater detail than what has been presented. He stated he was not prepared to make any motions related to the request.

Chairman Harrington noted, as proposed, the budget would be \$31,472,126.

MOTION made by Councilor Mahon and seconded by Councilor Boyd to move the Municipal Operating Budget in the amount of Thirty One Million Four Hundred Seventy Two Thousand One Hundred Twenty Six Dollars (\$31,472,126) to the Warrant. MOTION CARRIED 7-0-0

There being no objection, the Council recessed at 8:40 p.m.

The Council reconvened at 8:50 p.m.

Collective Bargaining Agreement(s)

Town Manager Cabanel stated the Town has six unions. For the first year of the contract, year ending June 30, 2013, five of the unions settled for a three-year contract. The only one that did not settle their contract was AFSCME 93, Local 2986. At that time, she had just started in the Town and had identified a plan for negotiation terms. She met with this group, and within 15 minutes they had signed a tentative agreement. The union body voted it down almost unanimously. Negotiations have continued for nearly four years.

What the contract represents is a one-year agreement. As has been discussed previously, the issue of the Cadillac tax is one that will have to be addressed in 2018. Provisions need to be made for that as it relates to all unions. It is her desire to negotiate all contracts in one year. The agreement reached would end at the same time as the other five union contracts.

The contract mirrors what every other union has agreed to: \$1,500/year added to base pay, which is \$0.73/hour. This union will change their health insurance a great deal. They had the most luxurious plan that the Town offered or really that anyone offers in a municipality in this State, and members were paying very little in terms of contribution towards premium. As an example, she noted there were employees who had a plan costing \$27,000, and contract language stated the employee would pay no more than 2% of base wage towards health insurance. Conceivably a person could pay \$500/year for a \$27,000 plan. With the proposed contract language, that same individual would be required to contribute \$2,700 towards a lesser plan that has higher deductibles albeit still generous, and higher prescription co-pays.

The prior contracted ended on June 30, 2010; however, some provisions continued on, which include the health insurance. Throughout this time those employees had a health insurance plan where they

were paying \$1 for any prescription (3-month supply). What was discussed when identifying negotiation parameters was if people don't have any skin in the game or any knowledge of what the costs are by having to share in them, then overall costs will never decrease.

Town Manager Cabanel stated her pleasure with the contract being approved by the membership. It consists of three things; \$0.73/hour or \$1,500/year raise, and changing the percentage of the health insurance premium contribution (no longer tied to wages but instead 10% of premium cost) and 10% of dental costs. Added is a 20-year step at 1.5% of base pay. That currently involves 4 individuals for a total cost of approx. \$3,000.

Town Manager Cabanel remarked the figures are shocking because the contract has languished for so many years. The wage increase totals \$72,834, step increases total \$97,000, and the 20-year step increase totals \$3,206. The large savings seen (\$138,425) is gained as a result of changing health insurance and contributing more. Net increase/cost is \$35,022, which represents about \$0.01 cents on the tax rate.

Chairman Harrington opened the Public Hearing at 8:56 p.m.

No public comment was offered.

Chairman Harrington closed the Public Hearing at 8:57 p.m.

Councilor Boyd questioned what the contract does in terms of setting the Town up for future negotiations, budget planning, etc. Town Manager Cabanel responded it is very important as it is the last contract. She remarked when union contracts expire the existing health insurance remains. If overall costs increase, those employees remain tied to the terms of the previous agreement and the Town is responsible for the increase. In municipalities in the State of New Hampshire there are not a lot of options to go out to bid for health insurance because there aren't that many pools that have the types of health insurance plans that are embedded in the union contracts. Having all of the unions under the same health insurance plan makes it possible for the Town to go out to bid with at least one other carrier.

Town Manager Cabanel noted there are 40 employees in this union, and the current health insurance carrier requires at least 75% of those eligible for health insurance coverage on the plan. The Town could not leave this group with them and move to another group because the other group doesn't offer that rich of a benefit.

MOTION made by Councilor Mahon and seconded by Councilor Boyd to move the Collective Bargaining Agreement to the Warrant. MOTION CARRIED 7-0-0

Proposed Issuance of Debt – None

Petitioned Bonds – None

Other Petitioned Warrant Articles - None

Legislative Updates from State Representatives - None

Town Manager's Report

Assistant Town Manager/Finance Director Paul Micali informed the Council prior to Monday's storm, approximately 33% of the overtime budget remained and about 30% of the vehicle maintenance budget as it relates to snow equipment. There are 7 weeks or 41% remaining of the 17-week winter season. The salt shed is about 50% filled. There are purchase orders in place and monies encumbered for salt delivery.

If a 24" storm had occurred as predicted, Mr. Jacobs, Operations Manager, PWD, projected the overtime budget would be about 90% expended. There would be about \$27,000 left in total overtime. Although the 24" storm did not come to fruition, it was a 3-day storm. There is roughly 10% remaining in the overtime budget with additional storms projected.

Director Micali noted there have been vacancies in the Highway Department and the Equipment Maintenance Department. Savings resulting from those vacancies could be utilized to offset some of the overtime costs. Town Manager Cabanel commented the Town is in good financial condition with the overall budget.

Consent Agenda - None

New Business

1. 2015 Milfoil Grant Funds for Horseshoe Pond

Submitted by Assistant Planner Donna Pohli

To ask the Town Council to accept and authorize the expenditure of up to \$1,075.00 of the grant from NHDES for milfoil control via Diver Assisted Suction Harvesting (DASH) in addition to the Town's matching share of \$6,865 this fiscal year for DASH for variable milfoil control efforts in portions of Horseshoe Pond. This totals \$7,940. We ask that the Town's share be expended from the Milfoil Capital Reserve fund. This request represents funding to allow for treatment in 2015 to control milfoil, pursuant to Charter Article 8-15 and RSA 31:95-b.

Speaking to Item #s 1 and 2; Horseshoe Pond and Naticook Lake, Donna Pohli, Assistant Planner, noted requests for Milfoil treatment have been before the Council in the past. This year herbicide treatment is not proposed. What is being proposed is Diver Assisted Suction Harvesting (DASH). This year's match from the New Hampshire Department of Environmental Services (NHDES) is 25%, which is lower than what was provided in previous years. Waterbodies all over New Hampshire are looking to NHDES for funding, which has resulted in available funding being spread out over a greater number of communities.

Total cost for Horseshoe Pond is \$7,940 of which \$1,075.00 represents the 25% match from NHDES. The balance of \$6,865 is requested to be expended from the Milfoil CRF. Total cost for Naticook Lake is \$10,649.50 of which \$2,412.50 represents the 25% match from NHDES. The balance of \$8,237 is requested to be expended from the Milfoil CRF.

When asked about her impression of the work the vendor has performed to date, Ms. Pohli responded last year the Town utilized AB Aquatics to perform the DASH function. That vendor would return and perform the work on Naticook Lake. Aqualogic, Inc. will be the vendor utilized for the work at Horseshoe Pond, and is a vendor the Town has utilized in the past. Ms. Pohli stated she has received very positive feedback on both. Residents in the areas of both waterbodies have been diligent marking the areas of Milfoil so that when divers are present they are able to be efficient with their time.

Councilor Koenig asked for clarification the only activity that would occur is DASH. Ms. Pohli stated that to be correct. Councilor Dwyer questioned whether there would be the opportunity/funding to react should there be a major infestation, etc. Ms. Pohli stated that contingency has been built in (have planned for ten days (10) of DASH). Last year diving took place on 4 days at Naticook Lake and on Horseshoe Pond diving occurred for two days and herbicide treatment was done on a single day.

MOTION made by Councilor Boyd and seconded by Councilor Woods to accept and authorize the expenditure of up to \$1,075.00 of the grant from NHDES for milfoil control via Diver Assisted Suction Harvesting (DASH) in addition to the Town's matching share of \$6,865 this fiscal year for DASH for variable milfoil control efforts in portions of Horseshoe Pond. The total request is \$7,940. Furthermore, that the Town's share be expended from the Milfoil Capital Reserve fund. This request represents funding to allow for treatment in 2015 to control milfoil, pursuant to Charter Article 8-15 and RSA 31:95-b; and furthermore, that the Town Manager and/or her proxy be authorized to sign any and all documents necessary to perfect the application. MOTION CARRIED 7-0-0

2. 2015 Milfoil Grant Funds Naticook Lake

Submitted by Assistant Planner Donna Pohli

To ask the Town Council to accept and authorize the expenditure of up to \$2,412.50 of the grant from NHDES for milfoil control via Diver Assisted Suction Harvesting (DASH) in addition to the Town's matching share of \$8,237 this fiscal year for DASH for variable milfoil control efforts in portions of Naticook Lake. This totals \$10,649.50. We ask that the Town's share be expended from the Milfoil Capital Reserve Fund. This request represents funding to allow for treatment in 2015 to control milfoil, pursuant to Charter Article 8-15 and RSA 31:95-b.

MOTION made by Councilor Boyd and seconded by Councilor Dwyer to accept and authorize the expenditure of up to \$2,412.50 of the grant from NHDES for milfoil control via Diver Assisted Suction Harvesting (DASH) in addition to the Town's matching share of \$8,237 this fiscal year for DASH for variable milfoil control efforts in portions of Naticook Lake. The total request is \$10,649.50. Furthermore, that the Town's share be expended from the Milfoil Capital Reserve Fund. This request represents funding to allow for treatment in 2015 to control milfoil, pursuant to Charter Article 8-15 and RSA 31:95-b; and furthermore, that the Town Manager and/or her proxy be authorized to sign any and all documents necessary to perfect the application. MOTION CARRIED 7-0-0

3. Review of the 2015-2016 Default Budget

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

The Town Council will review the 2015-2016 Default Budget.

Default budget means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget.

The prior year's approved operating budget was \$31,979,257. Typically one would add to that figure costs associated with bargaining agreements. As a result of savings achieved in the area of health insurance, this third year of the CBAs represents a savings. For the FY16 default budget the savings associated with the CBAs is subtracted. When the CBAs were approved by the voters, estimated costs/savings were identified for each of the three years. Those figures were estimates and the actual savings was greater (\$298,084). Having subtracted out the actual savings, you then add increased costs associated with the New Hampshire Retirement System (\$92,671), subtract the savings achieved through the CBAs for other insurance benefits (\$31,974), subtract one-time purchases (CRF purchases) from FY15 (\$3,711,000), and subtract debt service payment for last year (\$1,196,030) and add the FY16 debt service payment (\$811,495). The total default budget for FY16 is \$27,646,335.

Director Micali explained to get an apples-to-apples comparison of the proposed budget and the default budget, it is necessary to back out of the default budget amount CRF expenditures identified within the FY16 budget. When doing that it is also necessary to back out the revenue. Currently estimated in the proposed budget is \$16,187,461 in revenue. By backing out the \$2,907,334 in CRFs, the resulting revenue is \$13,280,127.

Taking the default appropriation of \$27,646,335, subtracting default revenues of \$13,280,127, and adding back in Veterans exemptions (\$325,000) and property tax levy (\$704,000) results in a figure of \$15,395,208. That is divided by the overall valuation of the Town (\$2,945,686,660), which results in a default property tax rate of \$5.23. The proposed FY budget has a tax rate of \$5.54. The difference is \$0.31.

If the proposed FY16 budget amount of \$31,472,126 were reduced by the amount associated with CRF purchases (\$2,907,334) the total proposed budget would have been \$28,564,792. The difference between the FY16 proposed budget and the default budget is \$918,457.

It was noted voters will see on the Warrant Article \$27,646,335 for the default budget and a Council approved budget of \$31,472,126. The difference is \$3,825,791. What needs to be made clear is the true difference is \$918,457. The way you get to that figure is by backing out the CRF purchases (both sides of equation; \$2,907,334).

Councilor Dwyer remarked if nothing were to change the \$27,646,335 is the figure that would appear on the ballot. Director Micali stated that to be correct. Councilor Woods asked for confirmation the default budget would put off deposits into CRFs for improvements to the communications equipment, the SCBA equipment, etc. Director Micali stated that to be correct.

Councilor Dwyer commented in years prior the difference has been a lot smaller. This could be a tough year if voters are not made aware of what is being proposed. Chairman Harrington remarked part of the Council's responsibility during the Deliberative Session is to ensure the voters are aware of how the figure is derived.

MOTION made by Councilor Dwyer and seconded by Councilor Mahon to move the 2015/2016 default budget in the amount of Twenty Seven Million Six Hundred Forty Six Thousand Three Hundred Thirty Five Dollars (\$27,646,335) to the Warrant. MOTION CARRIED 7-0-0

4. Review of 2015 Town Warrant

Submitted by Finance Director Paul T. Micali

The Town Council to review and make recommendations on each article of the 2015 Town Warrant.

2. Shall the Town vote to 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 \$31,472,126. Should this article be defeated, the default budget shall be \$27,646,335, 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.

MOTION made by Councilor Boyd and seconded by Councilor Rothhaus to recommend Article 2 as stated. MOTION CARRIED 7-0-0

3. 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 2986, which calls for the following increases in salaries and benefits at the current staffing levels:

Fiscal Year	Wage Increase	Wage and Benefit Costs
2015-16	173,451	(138,425)

and further to raise and appropriate the sum of \$35,022, such sum representing the anticipated increase in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal year? The passage of this article will result in employees covered by the collective bargaining agreement contributing 10% towards health and dental insurance premiums and changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay. These savings have been factored into the estimated increases/decreases set forth above. This collective bargaining agreement covers the labors of the Public Works Department to include Highway, Waste Water, Solid Waste, and Equipment Maintenance Divisions.

Approved: February 26, 2015

Posted: February 27, 2015

**MOTION made by Councilor Mahon and seconded by Councilor Boyd to recommend Article 3 as stated
ON THE QUESTION**

Councilor Rothhaus stated concern with the way the article identified wage and benefit costs as a negative amount. He stated his understanding the savings are the result of a reduction in benefit costs, and perhaps the negative amount should be identified as benefit costs not wage and benefit costs.

The consensus of the Council was to amend the column heading by removing the words “Wage and”.

MOTION CARRIED 7-0-0

Minutes

Approve the minutes from the following Town Council meetings: January 12, 2015, January 15, 2015, January 19, 2015, January 22, 2015, January 26, 2015, and January 29, 2015

January 12, 2015

MOTION made by Councilor Boyd and seconded by Councilor Woods to approve the minutes of the January 12, 2015 Town Council Meeting as presented. MOTION CARRIED 6-0-1
Councilor Rothhaus Abstained

January 15, 2015

The following amendment was offered:

Page 4, Line 18; replace “perse” with “per se”

MOTION made by Councilor Boyd and seconded by Councilor Woods to approve the minutes of the January 15, 2015 Town Council Meeting as amended. MOTION CARRIED 5-0-2
Councilors Dwyer and Koenig Abstained

January 19, 2015

The following amendment was offered:

Page 1, Line 2; replace “Thursday” with “Monday”

MOTION made by Councilor Boyd and seconded by Councilor Woods to approve the minutes of the January 19, 2015 Town Council Meeting as amended. MOTION CARRIED 6-0-1
Councilor Harrington Abstained

January 22, 2015

The following amendment was offered:

Town Council Meeting Minutes – February 12, 2015

Approved: February 26, 2015

Posted: February 27, 2015

Page 12, Line 17; replace “Boyd” with “Dwyer”

Page 13, Line 20; replace “Caron” with “Mahon”

Page 18, Line 44; replace “service” with “disservice”

MOTION made by Councilor Boyd and seconded by Councilor Woods to approve the minutes of the January 22, 2015 Town Council Meeting as amended. MOTION CARRIED 6-0-1

Councilor Harrington Abstained

January 26, 2015

The following amendment was offered:

Page 1, Line 2; replace “Thursday” with “Monday”

MOTION made by Councilor Boyd and seconded by Councilor Mahon to approve the minutes of the January 26, 2015 Town Council Meeting as amended. MOTION CARRIED 6-0-1

Councilor Harrington Abstained

January 29, 2015

The following amendment was offered:

Throughout the document; replace “SEC” with “NHSEC”

MOTION made by Councilor Boyd and seconded by Councilor Woods to approve the minutes of the January 29, 2015 Town Council Meeting as presented. MOTION CARRIED 6-0-1

Councilor Harrington Abstained

Comments from the Press - None

Comments from the Public - None

Comments from the Council

Councilor Rothhaus thanked the Public Works Department personnel for their efforts during the recent storms.

MOTION made by Councilor Woods and seconded by Councilor Boyd to adjourn the meeting. MOTION CARRIED 7-0-0

The February 12, 2015 special meeting of the Town Council was adjourned at 9:45 p.m.

Submitted by Dawn MacMillan