

Approved: April 14, 2016

Posted: April 19, 2016



## Town Council Meeting Minutes

Thursday February 11, 2016, 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 Vaillancourt, Town Manager Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali. Councilors Koenig and Rothhaus were excused.

### Pledge of Allegiance

Chairman Harrington led in the Pledge of Allegiance.

### Announcements

Town Hall Offices will be closed on Monday, February 15<sup>th</sup> in observance of the Presidents' Day holiday.

The filing period for candidates running for Town Offices begins on Wednesday, February 24<sup>th</sup> and ends at 5:00 p.m. on Friday, March 4<sup>th</sup>.

Regular meetings of the Town Council will be conducted on Thursday, February 25<sup>th</sup> and March 24<sup>th</sup> at 7:00 p.m. in the Matthew Thornton Room.

The Deliberative Session (first session) of the Annual Meeting is scheduled for Thursday, March 10<sup>th</sup> at 7:00 p.m. at the James Masticola Upper Elementary School All-Purpose Room located at 26 Baboosic Lake Road.

Chairman Harrington read the following statement to the Town and its citizens into the record:

*"First of all allow me to acknowledge that the citizen complaints regarding the traffic difficulties during the Presidential Primary have been heard, and that the Town accepts full collective responsibility. Allow me to also apologize, and say that we are sorry for the great inconveniences experienced by our citizens. Regardless of the many variables that might have been involved, the bottom line is it shouldn't have happened."*

*As a result, the Council has directed the election officials and the Police Department to analyze the causes of the difficulties and come before the Council with solutions in order to avoid this problem, as much as possible, in the future. I have asked that any and all options be examined including need for additional resources, improved signage, handicap accessibility, and the use of more than one polling site. This information will be scheduled as an agenda item at a Town Council meeting, and will be discussed in this public forum. Hopefully this will occur at the end of March or no later than early April."*

*Today a link was created on the Town of Merrimack website homepage at MerrimackNH.Gov to accept suggestions and ideas from the public."*

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Chairman Harrington stated there have been a good many questions as to how this came about. She noted the process was discussed during the Town Council meetings of June 28, 2012, September 13, 2012, and September 28, 2012. In addition, discussion was also had at the joint meeting of the School Board and Town Council conducted on September 6, 2012. Minutes of these meetings are posted on the Town's website.

Chairman Harrington noted, at this point in the agenda, the Council typically opens the floor for public comment related to items appearing on the agenda. However, believing there were members of the public present wishing to discuss this topic, she opened the floor to all public comment.

Rosemarie Rung, 21 Ministerial Drive

Stated she had the privilege of working the election as a Ballot Clerk, and saw firsthand voters that had come in frustrated with the traffic situation. Despite that frustration, they were pleasant. She remarked we have a lot to be proud of in Merrimack, and commented on how impressed she was with the professionalism displayed by the Town employees who worked the election. She added Moderator Christensen was stellar. Although she is aware there were frustrations related to the traffic, and that some voters never made it to the polls, there were a lot of good things that occurred that she would not want to be forgotten.

Ms. Rung stated she had promised residents she would do whatever she could to improve upon the process in the future, and offered to provide whatever support she could.

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

Chairman Harrington stated there to be nothing new to report.

**Comments From the Press and Public** - None

**Recognitions, Resignations and Retirements** - None

**Appointments** - None

*There being no objection, the Council went out of the regular order of business to take up the first item under New Business.*

**1. Eagle Scout Project Proposal for Wasserman Park**

*Submitted by Nick LaRoche*

Eagle Scout candidate Nick LaRoche is proposing to build a pathway of solar powered lamp posts from the Function Hall towards the Visitor Parking Lot.

Eagle Scout Candidate Nick LaRoche informed the Council the proposed project consists of the construction of a pathway of solar powered lamp posts from the Function Hall towards the visitor parking lot at Wasserman Park. There is virtually no light in that area at this time.

He provided a diagram that depicted the area where he proposes installing 4x4 posts with beveled edges that would be painted in whatever color is preferable. A solar powered floodlight would be mounted to each post. The posts would be dug 3' into the ground and cemented in. There are two

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areas where he would connect two posts to existing posts utilizing lag bolts, and thereby reducing the need for digging. The signage in the area of the restroom is in danger of falling. The intent is to replace that with one of the posts and bolt the restroom signage to the new post.

The solar powered floodlight is LED lighting. It was noted an LED could be left on continuously for ten years without burning out. Assuming the floodlights run for 3 hours/night (motion sensors) the anticipated lifespan would be 33 years. The solar panels can be programmed to stay on for varying lengths of time, hold a charge, and are very durable. Although optimal, the panels do not require direct sunlight.

Councilor Vaillancourt questioned if the park is currently open after dusk. Matthew Casparius, Director, Parks and Recreation Department, stated the project came about during the time the Town began the process of opening the Function Hall up to rentals. If rented in the evening, current conditions don't provide for lighting in the area. This project would address that problem. Generally the park, like all other parks, closes at dusk, but if the facility is being rented that would change.

Vice Chairman Mahon commented the rule of thumb has traditionally been to dig 4' because of the frost line. Eagle Scout Candidate LaRoche remarked, if constructing a building, 4' is recommended. However, where what is proposed is placement of a post (in cement), that may change the depth requirement. It was suggested he check with the Building Inspector.

Councilor Dwyer thanked Eagle Scout Candidate LaRoche, and commented on the number of projects the scouts have provided the Town. This project is another step towards the continued improvements at Wasserman Park.

**MOTION made by Councilor Boyd and seconded by Councilor Mahon that the Town Council approve the solar power pathway proposed by Eagle Scout Candidate Nick LaRoche, Troop 24. Eight – eleven solar powered posts would be placed in a staggered pattern going up the hill from the Function Hall towards the Visitor Parking Lot at Wasserman Park to provide visibility to the park users who are there for sports, function hall rentals, and other evening activities, and furthermore, that, if necessary, the Town Manager be authorized to sign any documents necessary, and that the project specifications regarding depth of posts be reviewed by the Building Inspector. MOTION CARRIED 5-0-0**

*The Council recessed at 7:19 p.m.*

*The Council reconvened at 7:24 p.m.*

*The Council returned to the regular order of business.*

## **Public Hearing**

### **1. Public Hearing – Parks and Recreation Department Revolving Fund**

*Submitted by Parks and Recreation Director Matthew Casparius*

The Town Council will hold a public hearing to consider establishing a Recreation Revolving Fund in accordance with 35-B:2, and to designate the Director of Parks & Recreation as agent of proposed Fund.

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Director Casparius provided a PowerPoint [presentation](#) on the establishment of a revolving fund, which would provide a system that would encourage self-funding of programs while promoting a creative and flexible approach to recreation. The Council was provided with a breakdown of how the revolving fund works. It was noted the policy is modeled after other communities including Nashua, Amherst, and Peterborough who have all had this in place for a number of years.

A revolving fund would benefit the Parks and Recreation Department as well as the taxpayers. It provides greater flexibility to add new programs and services throughout the year and allows the department to be more responsive to changing community needs. The department submits a budget in October of each year that ultimately goes before the voters in the spring. The department is submitting in October for July 2016-June 2017, and trying to guess what community needs might be. For most departments that is not a big issue as their needs might not change in a major way in that timespan. For the Parks and Recreation Department it is restrictive, which is why the State Legislature created this type of funding mechanism.

Through the budget process, residents are essentially prefunding all of the department's programs. When revenue is received for the programs it returns to the general fund essentially reimbursing the taxpayers. With a revolving fund the taxpayers are taken out of the loop. Money comes into the revolving fund for program registration fees and is expended from the fund to cover program costs. Taxpayers would no longer be fronting the money for those programs, but would also not be receiving surplus revenues at year end.

With the fund, as long as revenue is coming in for new programs, programs can be added throughout the year instead of waiting for that next 18 month window to add something new. Programs are designed to be self-supporting. Programs that could not generate enough revenue to be self-funded would be cancelled.

In the current proposed budget for FY17, there is \$234,918 related to program expenses, e.g., salaries for camps, tennis lessons, swimming, etc. With the establishment of a revolving fund, those line items from within the budget would be zeroed out.

Town Manager Cabanel reiterated with the establishment of a revolving fund the expenditures as well as revenues would be removed from the budget. With the establishment of a revolving fund there comes flexibility that does not exist currently. She provided the example of the senior population expressing a desire for a particular trip, the cost of which would ultimately be covered by the fees paid by the participants, if there is not sufficient monies budgeted within the budget to cover the initial expense, that trip could not take place.

Director Casparius provided the example of summer camp, which ended 3 ½ weeks before the start of the school year leaving parents looking for programs. Because there was no line item within the existing budget to cover the initial costs, that service could not be offered.

With a Recreation Revolving Fund, funding would come primarily through program registration fees, but could also, in the future, be in the form of sponsorships, donations, etc. Monies in the fund would be allowed to accumulate year to year, but are not considered part of the Town's general surplus. The Town Treasurer shall have custody of all monies in the fund.

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Funds may be expended only for the direct and indirect costs of a program, e.g., salaries, supplies, marketing expenses, registration software, etc. Director Casparius provided the example of the summer camp; significant portion of his salary is built into the cost of what summer camp offers. That kind of expenditure is allowed. The revolving fund cannot be used in any way to create a liability within the Town, e.g., cannot accept a grant that would require matching funds from the Town. It is also not designed to cover the cost of large capital purchases. Those types of projects would continue to be addressed through the Capital Improvement Plan (CIP).

In the event of a surplus at year end, a determination would be made as to how to best utilize the funds, e.g., investment in equipment for the following year's program, etc. If expenditure of revenue is recommended it would be reported to the Parks & Recreation Committee, the Town Manager, and the Town Council.

In terms of the overall budget process, the department would submit the remainder of its department budget in the fall, but would include with it a summary of the prior year's programs as a way to update the Council and citizenry in addition to any new programs planned for the coming year.

Director Casparius stated if new programs were being recommended, the Director would make a proposal to the Parks & Recreation Committee, they would vet the program and make a recommendation to the Town Council. It is possible that would result in the Director coming before the Council on a monthly basis to discuss potential new programs or the Council could choose to give that approval authority to the Parks & Recreation Committee. A list was provided of new program possibilities that could get off the ground in the coming year. Although not a comprehensive list, it is one of program possibilities that could be easily activated.

Director Casparius commented if approved by the Council and then by the voters in April, the revolving fund would become active in July, which would be during the busiest season for the department. He and Paul Micali, Assistant Town Manager/Finance Director have discussed full implementation for fall programming. There is a clear break from when summer activities come to a close and fall activities begin, which would provide for revenues to offset new program costs. At that point, the department would no longer expend from the general fund accounts. The revolving fund does not require any seed money to get up and running.

Director Casparius reiterated in next year's budget the department would have zeroed out all of the programming line items, which equate to approximately \$234,000. The way he and others view the program is as a win/win; taxpayers no longer front the money, and the department gains the flexibility to begin adding additional programs on a much faster pace to better serve the public.

***Chairman Harrington declared the Public Hearing open at 7:43 p.m.***

Rosemarie Rung, 21 Ministerial Drive

Noted one of the proposed activities for adults was listed as pickle ball. She requested a definition of that activity. Director Casparius responded pickle ball is like tennis but on a smaller scale. It is one of the more popular programs, particularly among older adults. It uses a court that is smaller than a tennis court and has a different shape of a paddle. There have already been a number of requests for it.

***Chairman Harrington declared the Public Hearing closed at 7:44 p.m.***

Vice Chairman Mahon provided the scenario of a trip to Las Vegas, which typically requires a commitment for a particular number of participants in order to achieve a favorable rate, and questioned what would occur if the required number of participants was not reached. Director Casparius responded, in that instance, the trip would be cancelled.

Town Manager Cabanel stated her opinion within the policy, under authority, the language should read: "The Treasurer of the Town of Merrimack shall have control of all monies in the fund and shall only remit the equal amount upon the direct order by the Town Manager."

Councilor Boyd commented, under authority, the first sentence reads: "To propose to the Town of Merrimack if the citizens of the Town will consider a vote to create a Recreation revolving Fund." That states the Director is seeking approval of a particular fund. In that instance, why would that language be necessary in the policy? Vice Chairman Mahon responded because the Town Council is the legislative body, and since it is not a direct appropriation it does not have to go to the voters to establish the account. Assistant Town Manager/Finance Director Micali stated a revolving fund needs to be established by the residents in a ballot vote. It has to be on a warrant article on the ballot.

Councilor Boyd stated the agenda item reads in part "the Town Council will conduct a public hearing to consider the establishment of a Recreation Revolving Fund....." He reads that as if the Town Council is the legislative body to establish this fund. The language says this has to go to the voters and the voters have to decide whether or not they want this fund. It is contradictory. Assistant Town Manager/Finance Director Micali stated with a revolving fund there is the requirement to conduct a Public Hearing, the Town Council has to approve the special revenue fund and then place it in the warrant to move forward to a ballot vote.

Town Manager Cabanel stated the Public Hearing is in keeping with the other public hearings the Council has on the agenda. The subjects of both public hearings will be on the ballot.

When asked, Assistant Town Manager/Finance Director Micali stated the motion would be to move to the Warrant. Vice Chairman Mahon stated the Statute does not say that. Assistant Town Manager/Finance Director Micali stated legal counsel has advised the matter had to be brought forward to the Town Council in a Public Hearing, for the Town Council to accept the establishment of the revolving fund, and then it has to be moved to the Warrant for the townspeople to vote whether or not they want to establish a revolving fund just as they had to vote to establish SB2, etc. Vice Chairman Mahon stated agreement noting the language in 35-B:2 reads in part: "by the board or body having control over the finances of a political subdivision ..." That is not the Town Council.

Councilor Boyd reiterated that is not what the agenda reads. Vice Chairman Mahon remarked the agenda states that will be taken care of during the Public Hearing. This is to solicit public comment and then take the action of the Council, which is required, that it be moved to the Warrant. Councilor Boyd stated based on what he has read and what was provided in the packet, he is operating under the premise that the Town Council has authority to act on this. Chairman Harrington stated the Council could establish a revolving fund, but it has to be approved by the public. Councilor Boyd stated that was not clear to him.

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Chairman Harrington stated agreement the description does not note the item is for consideration as a warrant article. Councilor Boyd stated he was of the opinion the Council had the ability to act on this, that he would be voting this up or down. He had no indication that ultimately the voters would have a final say. When he read the legislative intent regarding political subdivision he was thinking he has a say. It was simply a matter of being confused.

Councilor Vaillancourt requested the Town Manager re-read the sentence she wished to be revised. Town Manager Cabanel stated the language in the last sentence of the first paragraph under the heading of authority currently reads: "The Treasurer of the Town of Merrimack shall have control of all moneys in the fund and shall only remit the equal amount upon direct order by Director of Parks & Recreation subject to the approval of the Town Council." She would like it to be amended to state "upon direct order of the Town Manager...." Councilor Vaillancourt stated her desire to see that amendment made.

Councilor Vaillancourt requested clarification of the meaning of the sentence, which reads: "After creation of such recreation revolving fund, the moneys in such fund shall not need further Town approval to be expended." Chairman Harrington explained it is intended to mean there is no requirement to appear before the Town Council for each expenditure from the fund. The expenditures could be approved by the Town Manager.

Councilor Vaillancourt stated her understanding the policy languages states the expenditure of any surplus would come before the Town Manager and Town Council prior to being expended. Director Casparius and Town Manager Cabanel stated that to be correct.

Councilor Vaillancourt questioned if it was the appropriate time to discuss the process for implementing new programs, and was informed that should be discussed under a specific agenda item on a future agenda. When asked, she stated she would like to ensure there is some kind of process in place to determine the scope of new programs. She stated she would strongly oppose the idea of giving the authority to the Parks & Recreation Committee particularly at the onset. She recommended the process come before the Town Council. She has concerns with the after school/childcare program that had been mentioned for school vacation weeks. She stated her opinion that type of program goes beyond the department's typical programming.

Vice Chairman Mahon commented there are many other communities where a Park & Recreation Department runs an after school program. It is not done here and perhaps not in some of the surrounding towns, but there are a number of places where that is done. That is something that would be discussed with the Town Council.

Councilor Boyd asked for additional information on the identification of Director's salary allocation expenses listed in the last sentence of the second paragraph on page 1 under the heading of authority. Director Casparius responded presently approximately \$35,000 comes out of the revenue generated from the summer camp program to go towards the Director's salary. Although the desire is to move the summer camp program over to a revolving fund, he would anticipate that allocation would continue to occur. Assistant Town Manager/Finance Director Micali commented similar to what occurs with outside details for the Police Department and at the wastewater treatment plant, there is an administrative allocation from the program. In the Parks & Recreation department there are two people for whom a portion of their salaries are allocated from program funds. During the summer

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months the department Secretary is dedicated to the day camp program. As a result the full amount of her salary for those 12 weeks is funded by that program. With regard to the Director, the day camp consumes his time beyond when it is in session, and a portion of his salary is allocated from program funds.

Councilor Boyd questioned if associated costs such as healthcare, retirement contributions, etc., for those positions are included in the allocations and was informed they are. Town Manager Cabanel stated it is a long established practice and methodology that is used to determine the allocations for each of the funds. There is an administrative cost the general fund receives in as revenue from these other funds. It is the same practice and formula for each fund.

With gross appropriating the Director's entire salary would be shown in the Parks and Recreation department of the general fund inclusive of all benefits. Within revenues there would be a line that says administrative costs from the day camp fund. The net result is the general fund is essentially reimbursed for a portion of the salary and benefits. The intent is to provide transparency, e.g., if an individual were interested in knowing the Director's salary the entirety of that would be listed in the general fund.

Town Manager Cabanel explained these types of allocations occur throughout the budget. She provided the example of outside details for the Police Department. The biggest is the sewer fund. That department is staffed, but does not have anyone performing payroll functions, human resource functions, purchasing functions, etc. When those functions are needed they are provided by other Town personnel. The Assistant Town Manager/Finance Director has a formula by which he determines how much of his time and that of other Town employees is allocated to that fund as a result of providing those services. Although his salary and those of the other Town employees are identified in total within the general fund, the sewer fund contributes the amount determined by the formula, which is accounted for under revenue. It is simply a manner by which to clearly identify the salaries of individual Town employees.

Chairman Harrington questioned if the policy required adoption by the Council, as amended. It was suggested that the policy portion of the revolving fund be tabled until after the vote by the townspeople on the fund itself.

**MOTION made by Councilor Vaillancourt and seconded by Councilor Mahon to move to establish a Recreation Revolving Fund in accordance with RSA 35-B:2, to designate the Town Manager as agent of proposed Fund, and to move to the Warrant. MOTION CARRIED 5-0-0**

Town Manager Cabanel stated the point of the revolving fund is to allow for flexibility in establishing taxpayer paid programs. It has nothing to do with the tax rate. It comes down to a group of citizens wishing to have a program in place, paying the associated costs, and the department using those funds to facilitate the program. It is for the benefit of the taxpayers, allows the department to react to opportunities that arise, etc.

## **2. Public Hearing - Proposed Municipal 2016-17 Operating Budget and Warrant Articles**

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

Town Council will hold a public hearing to discuss the following:



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- 2016/17 Proposed Municipal Operating Budget (*NH RSA 32:5, I & NH RSA 40:13 II-b*)

Chairman Harrington provided a PowerPoint [presentation](#) outlining the budget approved by the Town Council at its January 25<sup>th</sup> meeting. The presentation included a summary of appropriations, which included Capital Reserve Fund (CRF) expenditures as well as self-supporting fund appropriations. It was noted those dollars do not impact the tax rate; CRF expenditures are funded through existing dollars in the corresponding CRF (withdrawals), and self-supporting fund appropriations are funded with revenue received from self-supporting funds (revenue), e.g., for every dollar expended there is a corresponding withdrawal from an existing account or revenue placed into the budget from self-supporting funds. The total of appropriations is reduced by various revenue sources. The proposed FY17 budget reflects a 1.6% increase (or \$0.09 per \$1,000 valuation) over the FY16 budget. The FY16 tax rate was \$5.49 and the proposed FY17 tax rate is \$5.58/\$1,000 valuation.

Chairman Harrington noted the proposed budget excludes any changes resulting from Collective Bargaining Agreement (CBA) Warrant Articles.

A slide was projected that displayed the items that affect the tax rate, which are essentially the items listed under appropriations and revenues minus the CRF expenditures and withdrawals and the self-supporting fund appropriations and revenue. The line item for CRF deposits proposes an 11.48% (\$166,000) increase over the previous year's appropriation. Total proposed increase in appropriations is \$611,701 (2.56%) and total revenues have increased by \$260,552 (1.60%).

Under the category of revenues, the line for General Fund – Insurance Rebate shows a reduction of \$300,000. The rebate occurred in FY16, and cannot be reflected in FY17.

A number of slides were shown depicting the various increases and decreases in the proposed FY17 budget in comparison to the FY16 budget (detailed explanation of total expenditures/appropriations (rounded to \$612,000)). Chairman Harrington noted the proposed \$97,000 increase in overtime in the Fire Department budget was discussed at length during the Council's deliberations. Another item that was discussed at length was the increase in payroll resulting from a 53<sup>rd</sup> week. Chairman Harrington commented every 6 or 7 years there is a 53<sup>rd</sup> week of payroll. That increase (\$225,000) will be taken from the FY16 unexpended fund balance. Vice Chairman Mahon noted the \$5,000 appropriation identified for the Last Rest Cemetery is a new appropriation in FY17. It is intended to cover the maintenance cost for the Town tomb in the front area of the Last Rest Cemetery.

Town Manager Cabanel stated this year was one where very significant changes to health insurance were sought during negotiations of contracts. Health insurance for all of the union contracts as well as non-union employees were proposed to change from no deductible to a \$1,000/\$3,000 deductible, which is a huge change, and represents a large savings. She stated her proposal includes changing the health insurance for non-union employees. Health insurance is an area where costs cannot be controlled. In an attempt to manage that cost, having a \$1,000/\$3,000 deductible, the employee now has skin in the game and needs to make decisions with regard to his/her choices. The intent is to save money, but also to change the way people look at and use their health insurance.

Also proposed is a 5% raise for non-union employees, e.g., department heads, staff in Town Hall, Wastewater Treatment Facility employees, etc. (total of 59 employees). This group of employees has not had a salary increase in 5 years with the exception of a \$1,500 raise received in FY13. In addition

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to that is the request being made for employees to make an enormous change in their health insurance, and unlike the union contracts that have several successive years where they have negotiated increases, non-union employees can only be offered that on a yearly basis.

A slide was shown depicting the increases/decreases associated with revenues. Capital Purchases proposed for FY17 were depicted. Chairman Harrington spoke of the line item for the Souhegan River Trail listed under Road Infrastructure with an associated cost of \$586,000, noting that amount includes an 80% Federal match from Transportation Alternative Program Funds in the amount of \$436,000. It is the difference between the total cost and the revenue received from the Federal match that has to be raised in taxes (\$150,000). Vice Chairman Mahon added with the project being done in conjunction with the Chamberlain Bridge Work, there will be a savings achieved through economy of scale (approx. \$200,000).

Chairman Harrington noted the Bedford Road Bridge Replacement listed at a cost of \$2,727,500 includes 80% State match from the State Bridge Aid in the amount of \$2,182,000. Although gross budgeting dictates that the total expenditure of \$2,727,500 be identified in the budget, only the difference (\$545,500) has to be raised through taxes.

With regard to CRF deposits, a slide was displayed identifying the areas for which funds were being saved (future capital expenses).

The Deliberative Session is scheduled for Thursday, March 10, 2016 at 7:00 p.m. at the James Masticola Upper Elementary School All Purpose Room. Annual voting day is Tuesday, April 12, 2016 between the hours of 7:00 a.m. and 7:00 p.m. at the James Masticola Upper Elementary School located at 26 Baboosic Lake Road.

***Chairman Harrington declared the Public Hearing open at 8:33 p.m.***

No public comment was offered.

***Chairman Harrington declared the Public Hearing closed at 8:34 p.m.***

**MOTION made by Councilor Boyd and seconded by Councilor Dwyer to move the Municipal Operating Budget in the amount of Thirty Four Million Two Hundred and Seventy Three Thousand, Six Hundred and Twenty Five Dollars (\$34,273,625) to the Warrant. MOTION CARRIED 5-0-0**

- Collective Bargaining Agreement(s), if any (*RSA 40:13 II-b*)

Vice Chairman Mahon stated there to be six Collective Bargaining units in Town. This year five (5) additional Warrant Articles will be presented for the 5 agreements that have been negotiated. All of the agreements reached are for three-year periods (July 1, 2016 to June 30, 2019).

The first is for the Supervisors of Police and Fire (AFSCME 93, Local 3657). This contract covers 17 employees, and includes a wage adjustment, effective July 3, 2016, of 3% to remain competitive for retention and recruitment in these job classifications, and a wage increase of 3%. Effective July 1, 2016 is the new health plan, which adds a mail prescription component and the deductibles discussed

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earlier \$1,000/member and \$3,000/family per year. Effective July 2, 2017 there will be a wage increase of 3% and effective July 1, 2018 (3<sup>rd</sup> year of contract), there will be a wage increase of 3%. Employee life insurance changes from a flat \$10,000 to a 1X base yearly wage. Employee accidental death and dismemberment coverage will change from a flat \$10,000 amount to 1X base yearly wage. The cost impact in the first year of the contract is \$47,896 (\$0.02 impact on tax rate).

*Chairman Harrington declared the Public Hearing open at 8:37 p.m.*

No public comment was offered.

*Chairman Harrington declared the Public Hearing closed at 8:38 p.m.*

**MOTION made by Councilor Mahon and seconded by Councilor Vaillancourt that the Collective Bargaining Agreement between the Town of Merrimack and AFSCME 93, Local 3657 in the amount of Forty Seven Thousand Eight Hundred and Ninety Six (\$47,896) be moved to the Warrant. MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition*

The contract for the Dispatchers and Office Staff of the Police Department (NEPBA 112) covers 12 employees and includes a wage increase, effective July 3, 2016, of 3%, effective July 1, 2016 is the change in deductibles to \$1,000/member and \$3,000/family per year. Effective July 2, 2017 and July 1, 2018 there will be a wage increase of 3%. The contract also includes the addition of \$2,000/year for tuition assistance. The net impact in the first year of the contract is a reduction of \$3,186 ((\$0.00) impact on tax rate).

*Chairman Harrington declared the Public Hearing open at 8:39 p.m.*

No public comment was offered.

*Chairman Harrington declared the Public Hearing closed at 8:40 p.m.*

**MOTION made by Councilor Dwyer and seconded by Councilor Mahon to move the Collective Bargaining Agreement between the Town of Merrimack and NEPBA 112 in the amount of a negative Three Thousand One Hundred and Eighty Six Dollars (-\$3,186) to the Warrant. MOTION CARRIED 5-0-0**

The contract for the Supervisory and clerical employees of the Public Works Department (Teamsters Local 633) covers 11 employees and includes a wage increase, effective July 3, 2016, of 3%, effective July 3, 2016 the change in deductibles to \$1,000/member and \$3,000/family per year. Effective July 2, 2017 and July 1, 2018 there will be a wage increase of 3%. The cost impact in the first year of the contract is \$3,778 (\$0.00 impact on tax rate).

*Chairman Harrington declared the Public Hearing open at 8:41p.m.*

No public comment was offered.

*Chairman Harrington declared the Public Hearing closed at 8:42 p.m.*

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**MOTION made by Councilor Mahon and seconded by Councilor Vaillancourt to move the Collective Bargaining Agreement between the Town of Merrimack and Teamsters Local 633 in the amount of Three Thousand Seven Hundred and Seventy Eight Dollars (\$3,778) to the Warrant. MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition*

The contract for the Labors of the Public Works Department (AFSCME 93, Local 2986) covers 40 employees and includes a wage increase, effective July 3, 2016, of 1%, a wage increase, effective January 1, 2017, of 3%, change in deductibles to \$1,000/member and \$3,000/family per year, effective January 1, 2017, a wage increase of 3% effective July 2, 2017 and July 1, 2018, increase wing rate from \$1.00 to \$2.00 per hour, an increase in the Saturday/Sunday differential from \$.50 to \$.75/hour, and a meal allowance of \$10.00 for every 14 hours of work during a winter event or emergency. The cost impact in the first year of the contract is \$11,466 (\$0.00 impact on tax rate).

***Chairman Harrington declared the Public Hearing open at 8:45 p.m.***

Jim Ferreira, 7 Maryann Lane

Questioned the meaning of wing rate. Assistant Town Manager/Finance Director Micali explained on all of the major dump trucks (6-wheel and 10-wheel) there is an additional wing plow that comes down. When they are plowing with that additional wing plow it is more difficult than plowing with the front plow only, and requires additional expertise and challenge. When plowing with the wing down there is an additional \$2.00/hour paid.

Mr. Ferreira questioned if the intent is a 6% wage increase in 2017. It was explained the percentage in July of 2016 is 1% and the percentage in July of 2017 is 3%.

***Chairman Harrington declared the Public Hearing closed at 8:47 p.m.***

**MOTION made by Councilor Mahon and seconded by Councilor Boyd to move the Collective Bargaining Agreement between the Town of Merrimack and AFSCME 93, Local 2986 in the amount of Eleven Thousand Four Hundred Sixty Six Dollars (\$11,466) to the Warrant.**

**MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition*

The contract for the Firefighters and Paramedics of the Fire Department (IAFF Local 2904) covers 24 employees and includes, effective July 1, 2016, the removal of the paramedic stipend and inclusion of an initial \$3,500 (\$1.60/hour) added to the base rate of pay for Firefighter/Paramedic and Master Firefighter/Paramedic, effective January 1, 2017 a wage increase of 3%, effective January 1, 2017 the change in deductibles to \$1,000/member and \$3,000/family per year, effective July 2, 2017 and July 1, 2018 a wage increase of 3%, and effective July 1, 2016 an increase in the maximum short-term disability insurance weekly benefit from 70% of base up to \$600 per week to 70% of base up to \$700. The cost impact in the first year of the contract is a reduction of \$29,264 (\$0.01 impact on tax rate).

***Chairman Harrington declared the Public Hearing open at 8:49 p.m.***

No public comment was offered.

*Chairman Harrington declared the Public Hearing closed at 8:50 p.m.*

**MOTION made by Councilor Boyd and seconded by Councilor Vaillancourt to move the Collective Bargaining Agreement between the Town of Merrimack and IAFF Local 2904 in the amount of Twenty Nine Thousand Two Hundred Sixty Four Dollars (\$29,264) to the Warrant.**

**MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition.*

Vice Chairman Mahon stated all unions have agreed the Town will be moving to a bi-weekly payroll cycle sometime after July 1, 2016.

Total fiscal impact of all CBAs, if approved by the voters, is \$89,218 or \$0.03/\$1,000.

Councilor Vaillancourt expressed gratitude to all who participated in the negotiations and the union and non-union personnel who agreed to substantial healthcare concessions. She spoke of cost avoidance that will be seen in future years as a result.

Chairman Harrington commented on the Affordable Care Act in terms of Cadillac plans. Town Manager Cabanel stated that was something that was initially targeted. The health insurance plans have gotten so costly due to the richness of the plans that they were already getting up to the point where the Town was going to be penalized by 40% for any amount over the cost of the Cadillac tax. That has now been pushed off to 2020 and beyond. The Cadillac tax issue isn't immediately looming, but the issue of reducing the cost of health insurance is of critical importance.

Chairman Harrington expressed gratitude for the tremendous amount of work that went into these negotiations, and the resulting cost savings to the taxpayers.

- Proposed Issuance of Debt, if any (*RSA 33:8-a (I)*) - None
- Petitioned Bonds, if any (*NH RSA 33:8-a (I)*) - None
- Other Petitioned Warrant Articles, if any (*RSA 40:13 II-b*) - None

**Legislative Updates from State Representatives** - None

**Town Manager's Report** - None

**Consent Agenda** - None

**Old Business** - None

**New Business**

## **2. Review of the 2016-2017 Default Budget**

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

The Town Council will review the 2016-2017 Default Budget.

**Approved: April 14, 2016**

**Posted: April 19, 2016**

Assistant Town Manager/Finance Director Micali stated the default budget is statutory in nature for all SB2 districts (ballot vote). In the traditional Deliberative Session form of government the merits of the budget are discussed, there would be motions from the floor to move it in one direction or the other, and the end result is the budget. With a ballot vote, if the proposed operating budget were not approved, there needs to be a default budget number for the Town to operate under for the coming year.

The baseline for the default budget is the previous year's approved budget number. Added to that are any contractual obligations. The FY16 budget was \$31,507,148. From there you add and decrease for union benefits that were not in contract. Currently there are 6 unions that are not in contract. The biggest expense on those union contracts is health insurance. If none of the union contracts were to pass and the default budget were to come into play, that increase in the health insurance would be needed. Therefore, the \$31,507,148 is allowed to be increased by \$67,000. From there you reduce the number by the one-time purchases from the prior year (\$2,907,334).

FY17 includes a 53<sup>rd</sup> week of payroll as well as an additional election. Those figures are added in as a one-time unusual purchase. From there debt service is looked at; includes both General Fund and Wastewater. The FY16 debt is subtracted out and the FY17 debt payment is added. The result is a total default budget for FY17 of \$29,384,969.

The CRF purchases that were backed out of appropriations have to have a corresponding reduction in revenues. That brings the revenue down to \$14,470,343. The property tax levy would be \$15,980,626 divided by the valuation for a default property tax rate of \$5.38/\$1000 or a \$0.20 differential.

Chairman Harrington questioned what would happen to the Souhegan River Trail and the Chamberlain Bridge project if the default budget were adopted. Assistant Town Manager/Finance Director stated, because the Council is the agent to expend on the CRFs, the departments and the Town Manager would come back to the Council and request expenditure of those funds out of the CRFs. When asked what would occur with the proposed CRF deposits, he stated, if the default budget were enacted, a meeting would be conducted to allow the Town Manager to come before the Council with recommendations on how to fund the budget within the \$29,384,969. Town Manager Cabanel stated should the default budget be enacted she would have to come before the Council with recommendations for reductions in the amount of \$582,156.

**MOTION made by Councilor Boyd and seconded by Councilor Mahon to move the 2016-2017 default budget in the amount of Twenty Nine Million Three Hundred Eighty Four Thousand Nine Hundred Sixty Nine Dollars (\$29,384,969) to the Warrant. MOTION CARRIED 5-0-0**

### **3. Review of 2016 Town Warrant**

*Submitted by Town Manager Eileen Cabanel*

The Town Council to review and make recommendations on each article of the 2016 Town Warrant.

Chairman Harrington read the following into the record:

The State of New Hampshire

**Approved: April 14, 2016**

**Posted: April 19, 2016**

To the inhabitants of the Town of Merrimack in the County of Hillsborough in said state, qualified to vote in town affairs:

You are hereby notified that the First Session (*Deliberative*) of the Annual Meeting of the Town of Merrimack will be held at the Mastricola Upper Elementary School's All-Purpose Room on Baboosic Lake Road in said Merrimack on Thursday, March 10, 2016, at 7:00 o'clock in the evening (pm) for explanation, discussion, and debate of each Warrant Article. Warrant Articles may be amended at this session per RSA 40:13, IV.

You are hereby notified that the Second Session (*Ballot Voting*) of the Annual Meeting of the Town of Merrimack will be held on Tuesday, April 8, 2016, at 7:00 o'clock in the forenoon (am) for the choice of town officers elected by official ballot, to vote on questions required by law to be inserted on the Official Ballot, and to vote on all Warrant Articles from the First Session on Official Ballot per RSA 40:13, VII. The polling place for the election of town officers, and other actions required to be inserted on the ballot, will open on said date at 7:00 o'clock in the forenoon (am) and will not close earlier than 7:00 o'clock in the evening (pm).

The aforementioned polling place will be as follows:

James Mastricola Upper Elementary School All-Purpose Room, 26 Baboosic Lake Road

### Article 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 \$34,273,625. Should this article be defeated, the default budget shall be \$29,384,969, 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 Mahon to recommend Article 2 as stated. MOTION CARRIED 5-0-0**

Vice Chairman Mahon noted the vote to recommend may be changed after the Deliberative Session. The Council typically meets immediately following the Deliberative Session to go back through this for the final Warrant that will be presented to the voters for the April voting.

### Article 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 3657, which calls for the following increases in salaries and benefits at the current staffing levels:

<b>Fiscal Year</b>	<b>Wage Increase</b>	<b>Benefit Costs</b>
<b>2016-17</b>	<b>91,516</b>	<b>(43,620)</b>
<b>2017-18</b>	<b>46,984</b>	

2018-19	48,496	
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and further to raise and appropriate the sum of \$47,896, 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 changing their health care to \$20 office visit \$10/\$25/\$40 pharmacy co-pay, \$10/\$40/\$70 mail-in, and \$1,000/\$3,000 deductible plan. These savings have been factored into the estimated fiscal impact set forth above. This collective bargaining agreement covers supervisory employees of the Fire and Police Departments.

**MOTION made by Councilor Mahon and seconded by Councilor Vaillancourt to recommend Article 3 as stated. MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition*

#### Article 4

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 New England Police Benevolent Association Local 112, which calls for the following increases in salaries and benefits at the current staffing levels:

Fiscal Year	Wage Increase	Benefit Costs
2016-17	15,630	(18,816)
2017-18	15,779	
2018-19	16,282	

and further to raise and appropriate the sum of \$0.00, 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 changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay, \$1,000/\$3,000 deductible plan. These savings have been factored into the estimated fiscal impact set forth above. This collective bargaining agreement covers Dispatchers and Office Staff of the Police Department.

**MOTION made by Councilor Mahon and seconded by Councilor Boyd to recommend Article 4 as stated. MOTION CARRIED 5-0-0**

#### Article 5



Approved: April 14, 2016

Posted: April 19, 2016

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 Teamsters Local 633, which calls for the following increases in salaries and benefits at the current staffing levels:

<b>Fiscal Year</b>	<b>Wage Increase</b>	<b>Benefit Costs</b>
<b>2016-17</b>	<b>22,461</b>	<b>(18,683)</b>
<b>2017-18</b>	<b>23,137</b>	
<b>2018-19</b>	<b>23,864</b>	

and further to raise and appropriate the sum of \$3,778, 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 changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay, \$1,000/\$3,000 deductible plan. These savings have been factored into the estimated fiscal impact set forth above. This collective bargaining agreement covers Supervisory and Clerical employees of the Highway, Solid Waste Disposal, Wastewater Treatment, and Equipment Maintenance Divisions of the Public Works Department.

**MOTION made by Councilor Mahon and seconded by Councilor Boyd to recommend Article 5 as stated. MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition*

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

<b>Fiscal Year</b>	<b>Wage Increase</b>	<b>Benefit Costs</b>
<b>2016-17</b>	<b>60,042</b>	<b>(48,576)</b>
<b>2017-18</b>	<b>33,702</b>	
<b>2018-19</b>	<b>86,808</b>	

and further to raise and appropriate the sum of \$11,466, 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 changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay and \$1,000/\$3,000 deductible plan on January 1, 2017. These savings have been factored into the estimated fiscal impact set forth above. This collective bargaining agreement covers the laborers of the Public Works Department to include Highway, Wastewater, Solid Waste, and Equipment Maintenance Divisions.

**MOTION made by Councilor Boyd and seconded by Councilor Vaillancourt to recommend Article 6 as stated. MOTION CARRIED 4-1-0**

Approved: April 14, 2016

Posted: April 19, 2016

*Councilor Dwyer voted in opposition*

#### 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 the International Association of Fire Fighters, Local 2904, which calls for the following increases in salaries and benefits at the current staffing levels:

<b>Fiscal Year</b>	<b>Wage Increase</b>	<b>Benefit Costs</b>
<b>2016-17</b>	<b>49,928</b>	<b>(20,064)</b>
<b>2017-18</b>	<b>41,006</b>	
<b>2018-19</b>	<b>69,421</b>	

and further to raise and appropriate the sum of \$29,864, 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 changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay and \$1,000/\$3,000 deductible plan on January 1, 2017. These savings have been factored into the estimated fiscal impact set forth above. This collective bargaining agreement covers the Firefighters and Paramedics of the Fire Department.

**MOTION made by Councilor Boyd and seconded by Councilor Vaillancourt to recommend Article 7 as stated. MOTION CARRIED 4-1-0**

*Councilor Dwyer voted in opposition*

#### Minutes

Approve the minutes from the Town Council meetings of January 21, 2016, January 25, 2016, and January 28, 2016.

**MOTION made by Councilor Mahon and seconded by Councilor Boyd to table acceptance of the meeting minutes until the Council's next regularly scheduled meeting. MOTION CARRIED 5-0-0**

**Comments from the Press** - None

#### **Comments from the Public**

Yvette Couser, 11 Currier Road

Stated Warrant Article 1 identified the Second Session of the Annual Meeting is to occur on April 8, 2016. The Town calendar identifies it as April 12, 2016.

Assistant Town Manager/Finance Director Micali stated the correct date is April 12, 2016.

#### **Comments from the Council**

**Approved: April 14, 2016**

**Posted: April 19, 2016**

Vice Chairman Mahon announced he will not be seeking re-election.

Councilor Dwyer spoke of Vice Chairman Mahon having been a great mentor and having an abundance of historical and procedural knowledge.

Councilor Boyd echoed the remarks of Councilor Dwyer. When he joined the Council in 2011 Vice Chairman Mahon acted as a mentor to him as well. He stated it has been a privilege to learn from him and work with him.

Councilor Vaillancourt thanked Vice Chairman Mahon for his service to the community.

Councilor Vaillancourt noted the Conservation Commission met on February 1<sup>st</sup>. The newly appointed Alternate Member, Gina Rosati, was present and participated. There were a few members of the audience who expressed interest in participating on the sub-committees. There remains a full-time opening on the Commission as well as two Alternate positions.

Town Manager Cabanel commented it is a very exciting time to be on the Conservation Commission as a great deal is being accomplished. There are a number of mentors on the Commission who can provide a great deal of assistance to new members.

### **Adjourn**

**MOTION made by Councilor Boyd and seconded by Councilor Mahon to adjourn the meeting.**

**MOTION CARRIED 5-0-0**

*The February 11, 2016 meeting of the Town Council was adjourned at 9:30 p.m.*

Submitted by Dawn MacMillan