

Approved: February 14, 2019

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Town Council Meeting Minutes

Thursday, January 17, 2019 at 6:30 PM, in the Matthew Thornton Room



Chairman Rothhaus called the meeting of the Town Council to order at 6:30 p.m. Present at the meeting were Vice Chairman Koenig, Councilor Albert, Councilor Boyd, Councilor Harrington, Councilor Healey, Councilor Thornton, Town Manager, Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali.

Pledge of Allegiance

Chairman Rothhaus led in the Pledge of Allegiance.

Public Comment - None

Assessing

Loren Martin, Assessor, remarked the budget is near flat.

Councilor Boyd requested, denial letters sent to residents seeking an abatement be in the form of a typewritten letter providing an explanation as to why the request resulted in a denial, and include a brief synopsis of the methodology along with the competing comps used in the analysis.

Ms. Martin stated that could be done. There is a form letter that indicates whether a request was granted or denied along with a copy of the abatement; however, the department can do a typewritten letter that is more detailed.

Councilor Healey commented Line Item 01-02-8352-0 Education & Training, has historically been at a cost less than \$500. She questioned if the proposed increase is due to anticipation of additional training in the next year.

Town Manager Cabanel stated the training is for staff. Ms. Martin is the contracted Assessor.

Ms. Martin stated the line item has been consistent. Training is particularly for DRA seminars and education for the Assistant Assessor who must keep up his certification.

Town Clerk/Tax Collector

Diane Trippett, Town Clerk/Tax Collector, stated the budget to be comprised of staff and supplies and is near flat.

Parks and Recreation

Matthew Casparius, Director, Parks and Recreation, stated the department exists specifically to provide quality of life improvements to the residents of Merrimack. They do that by providing a wide range of recreational programs and special events, which are held in safe and well-maintained recreational facilities.

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In 2018, the department offered 186 different programs, activities, and special events. This number is down slightly from the year before in part due to the departure of the department Coordinator and the position being filled at the end of the summer.

Aside from the growing popularity of the programs, they are seeing record attendance at some of the special events (upwards of 800-1000 attendees).

The budget has very few changes. It is broken into two components; taxpayer funded and the Recreation Revolving Fund. On the taxpayer side, 01-13-8504-0 Office Equipment, has been zeroed out. The line is related to the registration software used to manage and maintain all programs, facilities, rentals, etc. The allocation moved from the taxpayer side and put in the programming side (revolving fund) so that the programs are paying for that software.

There are two large projects under 01-13-8505-0 Infrastructure. A PowerPoint presentation was provided (can be viewed [here](#)).

Councilor Healey questioned if Watson Park is included under 01-13-8321-0 Maintenance-Buildings, and was told that is covered within the Public Works budget.

Councilor Boyd spoke of the skatepark ramp questioning if the allocation is tentative for the current location, and was informed that is the case. Asked if the Skatelite material would be enough to improve the ramps and maintain the level of safety, Director Casparius stated it would. Fourteen panels were done at the end of this summer as a result of the conversations with the School District. He is hopeful that will be sufficient until almost into FY21.

Asked, Director Casparius stated his belief this is the 4th year without the monitor. Asked if there has been any uptick in problematic activity, he responded he does not believe there to have been. He can only think of 1 or 2 cases of more significant vandalism, but even that is less common.

Director Casparius addressed the waterfront reconstruction project at Watson Park. The waterfront area is the only official swimming area in the Town. Significant erosion has occurred over the years. In addition to the aesthetics of the beach, the exposed tree root system from the two giant pine trees that are in the middle of the beach, have created significant safety hazards.

The proposal looks to solve the erosion issues as well as address the safety issue while providing better recreational access to the lake. Prior to 2015, approx. 30 people/day (weekends) were using the area. In 2015 the new parking lot was put in. Since that time use has increased tremendously (averaging 100/day on weekends). On weekdays there are about 200/day (includes campers). Many residents have stated they don't come to the beach because of the existing conditions. A lot of residents choose to go to Baboosic Lake in Amherst and pay a fee to get in. Amherst doesn't allow non-residents on weekends or holidays.

To address the issue of erosion, the proposal would remove the two pine trees. A grass line swale would be established across the back side of the beach, which will help divert erosion coming down the hill away from the waterfront. From there they establish a perched beach (depicted in photo). A perched beach is a retaining wall followed by a smooth and flat section of sand followed by another retaining wall. By the time you get to the water's edge you have a flat transition into the water. Each

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of those sections of retaining wall prevent anything from coming down the hill; if the swale doesn't stop it, the retaining wall does. Once the beach is established, they would reintroduce its 80 cubic yards of sand to complete the land portion of the project.

The front section of beach used to be a nice wading area. Markings on the dock indicate the water level used to be 2'. Over the past few years it has dropped down to about 1', and in this case it is down to about 3" by the time we get to the end of the summer. What little water there is sits on top of several inches of mud/muck.

The water portion of the project is dealing with the existing conditions of the lake itself; trying to bring it back to what it used to be. A temporary cofferdam would be installed (80' x 90'). The waterfront is placed in dry dock temporarily. An excavator is brought in and the mud, organics, etc. that have accumulated over the years are dredged out (materials taken offsite) returning the area to good clean beach water conditions. Once that has completed, the cofferdam is removed, the water comes back in, and the beach is fully restored. Cost estimates are \$92,025.00.

Director Casparius addressed questions he believed would be asked. Regarding why the project needs to be done, he noted existing conditions, residents going elsewhere, erosion and safety concerns. The State allows the addition of 10 yards of sand every six years. The problem is in order to obtain the permit to do that you have to guarantee that 10 yards of sand won't wash into the lake. Even if you could prevent the erosion, current conditions require 80 yards of sand.

Considering breaking down the project into phases to reduce the cost in the FY20 budget, he indicated the land-based portion of the project could be done to address erosion and safety issues caused by the runoff and tree roots, but the State won't provide a permit to dredge the lake unless we have dealt with the erosion. We can't clean up the lake unless we fix the land. We could, in theory, just do the land-based portion if money was an issue.

If separating out the dredging portion, cost estimate is \$70,125. If choosing to do the dredging phase later, the cost would be \$34,870 as you would have to add back in mobilization costs, etc. The result would be an approximate \$12,000 additional cost to the total project.

Councilor Thornton questioned the depth of the water off the dock, and was told if kids are jumping off the section that goes across the middle of the H dock, and into deeper water, it is about 5'. After the dredging, the depth would be approx. 8'.

Were the project approved, work would begin with the Public Works Department (PWD) and the permitting process with the idea of going out for bids to begin work in the summer and get it done in the fall to be ready for the summer of 2020.

Vice Chairman Koenig noted existing condition is not shown. The photos of the tree and beach don't really show where the sand beach is in front of the water to the docks. He questioned where the trees are coming from. Director Casparius stated they are at the end of the yellow mark in the diagram provided. There are two sections of the beach; directly in front of the H dock (to the right of the tree) and the open water area, which is still roped off for swimming, is to the left side of the beach. The erosion problems are centered more on the right-hand side of the tree, but the roots extend out. Asked if the wooden fence prohibits access from other areas, Director Casparius stated the fence was put in

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temporarily to keep users away from the worst part of the roots. There is still access off to the right-hand side.

Vice Chairman Koenig recalled conversations last year or the year prior regarding replacing the dock. Director Casparius stated that has not yet occurred; pushed out a few years. It is being fixed on a regular basis as necessary. The desire is to deal with these aspects first.

Vice Chairman Koenig questioned the cost of replacing the dock, and was told last year they realized the estimates were off. To replace all three sections of the dock is approx. \$40,000. Vice Chairman Koenig stated his surprise as he was not aware this would come forward. He agrees it needs to be done. He does not believe there to be enough information provided identifying current conditions and proposed outcome.

Councilor Albert commented on this having been removed from the budget last year. He has visited the area, and is aware of the need. He believes there to be enough information provided and supports the project. He stated concern with liability.

Councilor Healey questioned if non-residents are seen using the area during the summer. Director Casparius stated that is not really seen, however, noted, technically they are not allowed to ask according to direction received from the Police Department. The Police have said they do not have the right to ask unless they have probable cause. Police do patrol the area and do look for stickers, etc. Chairman Rothhaus stated the comment from the Police Department to be interesting noting that is done at the landfill. Councilors Boyd and Harrington both commented on that being news to them. Councilor Boyd stated the area is for residents only. He would expect the Police Department to be validating users. Councilor Healy remarked especially with the issues at Watson Park regarding residents of other towns and state using that facility.

Councilor Albert stated uniformed police officers must have a reason to approach individuals. It may be different for staff than it is for law enforcement. Chairman Rothhaus stated agreement; he would not want the Police Department doing that. Councilor Harrington noted the area is posted for residents only. She spoke of a section of Wasserman Park that was purchased with the use of Federal Funds, which prohibits the restriction (trails not beach).

Town Manager Cabanel stated her understanding the parking lot put in where the function hall was, is meant for residents only.

Director Casparius noted the parking lot is well signed for residents only. The Police do come through periodically and will issue tickets. If staff witnesses a vehicle without a sticker a notice will be put on the car noting the absence of a sticker. That is all staff can do. For the few times they have had bigger issues they called the Police and let them address it.

Councilor Boyd questioned who is responsible for enforcing the rules in all Town parks, and was told it is the Police Department. He remarked if it is their responsibility to enforce the rules why are they not allowed to monitor whether a person is a resident. Councilor Albert stated they can walk up to a person and engage in a conversation, but can't walk up and ask for identification for no general purpose just to say I'm checking your ID to see if you should be in this park. Asked how it is

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unreasonable, Councilor Albert stated it is against the law. It violates Constitutional rights. Chairman Rothhaus remarked it is the thought they are guilty before any evidence of anything is there.

Vice Chairman Koenig questioned if the work related to the dredging portion is contracted out at the \$35,000 estimate, and was informed it is. Asked if cofferdams are required, Director Casparius responded, according to the Town Engineer, they are.

Under 01-13-8505-0 Infrastructure, the MYA cabin has an associated cost of \$8,000. The \$8,000 was allocated a year ago to either repair or tear down the old MYA cabin, which has been sitting vacant for about 10 years. The project went out to bid last year, and prices came in closer to \$15,000. Right around that same time issues arose with the floor in the function hall. The previously approved funds were utilized to address that. The request for funds to tear down the last cabin is now being made again.

Councilor Albert questioned if the cabin has running water and electricity, and was told it has electricity although the wiring is 30 years old and completely out of date. Councilor Albert questioned why the PWD couldn't demolish the structure. Director Casparius stated the cost to be based on experience with demolishing other cabins in the park. The cost includes disposal.

Assistant Town Manager/Finance Director Micali noted the foundation is half cinder block/half stone. There could be other issues related to the age of the cabin, e.g., asbestos, lead paint. The cost provided is not a lot of money to have a contractor come in. The materials are loaded in Town vehicles and taken to the landfill, etc. It is the other issues that are unknown; lead, asbestos, disposing of the foundation, capping the sewer, water and electricity.

Councilor Boyd questioned if the Fire Department could do a controlled burn, and was told that was looked at with one of the other cabins and they could not do it because of the number of fire hydrants. That could be looked at again. There is still the need to review the possibility of lead, asbestos, etc.

Vice Chairman Koenig questioned the MYA budget. He noted the increase in the budget, and asked for clarification.

Councilor Thornton noted the only increase to be in the area of soccer. For the past two years soccer did not take funding from the Town as they had ample funding in their bank account.

Brian Harris, President, Merrimack Youth Association (MYA), stated soccer made a request for \$12,000 which was cut back to \$8,000. They are asking for several things this year, e.g., training for kids on both recreation and travel teams. New soccer rules coming up this year require them to change about 7 sets of nets each having a cost of approx. \$5,000.

Recreation soccer currently costs \$65/participant, and the desire is to keep that cost from increasing.

Town Manager Cabanel noted gross expenditures are listed as well as revenue received. Their budget is \$507,691 and their revenues \$435,595 resulting in a net cost of \$72,096 to the Town.

Holly Golden, Treasurer, MYA, spoke of the implementation of a winter league that has not been added to the budget. The hope is that it goes well. If that is the case, they will have to increase fees

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next year. They have taken in a lot of debt. She has asked them, because they are holding a lot of money, to do something with it to make the program better for the kids. They are spending money on goals. The NHSL has increased their fees every year, and they have tried to foot the bill. Parents are also wanting the recreation program to be a bit more than it has been. The desire is for the rec. team to receive the same training as the travel team. That is hard when not increasing the cost.

Mr. Harris stated something that had never been offered in the past on the rec. side was the training. A lot of parents have questioned that. The soccer director decided to offer it to all participants. This year he is trying to spend down available funds. He is spending \$20,000 on training. This is being tried on a trial basis while funding is available. Next year, both the rec. and travel teams will have to pay the cost.

Funds are looked for to improve fields. Although there is an agreement for field use, the upkeep is the financial responsibility of the MYA. The parking area has diminished, and needs to be graded. The hope is the Town can assist with that, but there would still be a cost.

In the spring, there will be soccer and the two softball fields. Parking in the parking lot during the week is difficult. The condition of the lot makes areas inaccessible during periods of rain, etc.

Councilor Albert questioned if changes have been seen in the baseball program, e.g., he has heard numbers are dwindling, yet it is one of the larger costs in the budget.

Mr. Harris stated it has reduced slightly, but has moved to Lacrosse. They still have approx. 250 participants in baseball. Not considered with the budget is the new condos coming in. The impact is unknown. Vice Chairman Koenig commented on the condos being 1 and 2 bedroom; lot of reasons to believe it would not produce a great number of kids.

Councilor Healey questioned the number of participants in the MYA programs, and was told there is overlap. Soccer is approx. 800, baseball 250, Lacrosse 250-300, football is about 300, basketball is 400-500, wrestling is about 50.

Town Manager Cabanel noted members of the Rotary were present to discuss the 4th of July activities. The total listed under 01-13-8372-0 Fourth of July (\$40,000) does not all go to the Rotary for their Family Fun Day. Fifteen thousand is for fireworks, \$15,000 is for the parade, and \$10,000 is what the Rotary is asking for.

Neil Anketell stated his understanding the Rotary has been doing this for the past 8-10 years, and has received the same amount of funds during that time. Due to cost increases, concerns about electrical distribution, and the desire to expand the event to include more performances/demonstrations/games of chance. The cost has increased since the event began 10 years ago. The desire is for additional funding.

Town Manager Cabanel stated it does not appear, in the budget, that the amount requested has increased. When the budget was first submitted it was for \$10,000. They did not meet until recently and were not able to get additional requests into the budget. She stated her belief the request is now for \$20,000, which, if granted, would result in the line item being increased from \$40,000 to \$50,000.

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Mr. Anketell stated the increased cost has been something the Rotary has covered. The cost to put the event on is approx. \$21,000. With new concerns and the desire to make the event bigger and better, there are substantial costs the Rotary cannot cover.

Robert Best commented the expenses associated with the Rotary event include costs for tents, tables, chairs, generators, power infrastructure, bands, staging music, etc. Asked if they have seen an uptick in attendance the response was when the weather is good attendance increases.

Vice Chairman Koenig noted requested is a 100% increase in funding to cover costs. This has always been a fundraiser event for the Rotary; at least the pancake breakfast and things that are run at the start. He remarked for the different groups/organizations that come in to run the different bounce houses, etc., it is an opportunity for them to fundraise as well. Mr. Best stated there is fundraising that occurs from pancake breakfast, ticket sales from the bounce houses, and sponsorships that are solicited to try to support the event. Some of that has been how they have been able to cover the additional costs, and some is intended to give them a little that can be used around the community for the charitable causes they contribute to. He commented on the numerous Rotary projects around Town.

They don't combine their operating budget for the club with fundraising budget. Whatever is earned through fundraising (every penny), goes back towards charitable causes from scholarships to pure water to Coats for Kids, etc.

A large portion of the money raised during that day goes right back to the volunteer organizations that come in and help with the event.

It is a 100% increase and a big ask, but there have not been any increases in a long period.

Assistant Town Manager/Finance Director Micali commented in years past, the power generation came from Nashua Rotary West. Because they are no longer doing the Ribfest, they sold off their power distribution trailer (equipment). That is one of the challenges. That used to be provided every year at no cost. A cost analysis identified the cost to rent that equipment to be \$4,000 - \$5,000. Mr. Best commented they have come up with a solution that won't cost that much.

Vice Chairman Koenig stated agreement the Rotary is doing great things and he is appreciative. He is a bit surprised at the 100% increase. He questioned if there is some cost the Rotary would have put in when doing any fundraising effort. He wants to be able to support the effort and wants to understand what the right number is.

Mr. Best spoke of other fundraising events. The Turkey Trot 5K Race on Thanksgiving, which for one half of a day and four hours in the morning earns the same amount for the club as the entire 4th of July event. They spend a month in December selling Christmas trees. Christmas trees out perform the 4th of July. This is by far the biggest work effort mobilization they do, and that is what makes it a real struggle. If all they were doing was trying to figure out how to raise money for the club there are much easier ways. It is in part giving back to the community; bringing everybody together on a holiday and having fellowship together.

Councilor Albert stated his support of the request. He too commented on the number of wonderful things the Rotary has done around the community. He is aware of the amount of time and effort involved in the event.

Councilor Harrington spoke of being the Town Council Representative for the John O'Leary Adult Community Center. Steve Denbow, Rental Coordinator, was unable to attend, and wished to have a statement read into the record:

"On behalf of Larry Vigezzi who is the Board Chairman of the John O'Leary Adult Community Center and is on a business trip and, in my absence, out of State, I wish to briefly state a few things for the record. First off, things are going well at the John O'Leary Center.

Rentals continue to grow as more and more individuals and organizations recognize the flexibility, affordability, and warm atmosphere the center has to offer. Our recent renovations are paying off. Yet there are more items on our wish list that we would like to address; replacement of the flooring in the kitchen and restrooms, fixture and partition replacements in the restrooms and rebalancing of the HVAC system flow to the restrooms are priorities. The dance floor is pretty much near the end of its useful life, and badly needs what we have been told will be its final resurfacing.

The parking lot, long a major area of concern due to reoccurring potholes, cracks, and uneven surfaces exacerbated by the nature of our New England weather, poses continued trip and fall hazards to the seniors and other patrons of the center. Wooden components of the exterior are badly peeling and in need of attention. Although not at all crucial to the physical plant itself, the landscaping surrounding the building is unquestionably sad and pales in comparison to the Town Hall and Police Station; both of which are maintained superbly, and which represent the Town proudly.

Over the past two years, we have unfortunately experienced several unpleasant issues regarding adherence of our rental policies from a couple of casual or one-off tenants. To address this, the Board has voted to increase the refundable security deposit portion of each rental as an inducement for tenants to conform to the terms of their rental agreement as well as requiring tenants to provide a photocopy of their driver's license or I.D. proving positive identification of those who sign rental agreements and who are financially responsible. There have been no problems since these changes were implemented a few months ago, and tenants have thus far cooperated with these changes to our rental policies.

We continue to make the center available for use as our schedule allows and to accommodate our Town resources such as police, fire, and school when such entities are in need of meeting space. To conclude, the Board is proud to provide this essential component of our Town's infrastructure for the benefit of our townspeople and others. We are well aware that there is nothing comparable in Merrimack or for that matter in our surrounding towns, and we are most grateful to the Town Council, Town Manager, and taxpayers for their continued support of our efforts. Respectfully submitted, Steven Denbow, Center Coordinator"

Councilor Harrington commented on instances where individuals from out of Town rented and trashed the place. When they sought them out, they discovered they had provided incorrect information.

Assistant Town Manager/Finance Director Micali stated the parking lot pavement is included in the Capital Improvement Plan for FY21.

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Councilor Harrington commented on discussion with the PWD on the area from the parking lot across into the front entrance (paving must be fixed). Assistant Town Manager/Finance Director Micali stated his belief the PWD has been in contact.

Vice Chairman Koenig stated the letter indicates the income is increasing yet there is no change in the revenue line in the budget. Assistant Town Manager/Finance Director Micali remarked what he has been told is that while some of the revenues have been increasing, they lost some long-term rentals.

Councilor Harrington stated her belief rental for events is increasing. Asked if maintenance items are all wrapped into building improvements under 01-13-8377-0 Adult Community Center (\$5,241), Assistant Town Manager/Finance Director Micali stated there are some things they look at fixing and maintenance they do internally. The Town owns the building. There are some issues the Town is asked to address, e.g., with the last renovation the Town did the ceiling tile, they did the lights, painted, etc.

Items such as the bathrooms, they might go ahead and do that, but because it is the Town's building, they need to inform of the intent. They will ask for help in the next year or so to redo the bathrooms.

Councilor Healey questioned if the issues related to landscaping or the parking lot are reflected in this budget or in Buildings & Grounds. Assistant Town Manager/Finance Director Micali stated the parking lot will appear in a future budget. He does not understand the issue of landscaping; there isn't much that can happen. There is not a lot of expense. At their last meeting, Councilor Harrington spoke about contacting the Boys Scouts and Girl Scouts.

Town Manager Cabanel stated the allocation listed for building improvements is a placeholder used every year. They do whatever they can. Some of the labor is provided by PWD, etc. What is listed does not represent the total cost. There are other expenses throughout the budget such as in PWD where they contribute labor, etc.

Vice Chairman Koenig commented it is curious when there is a \$7,500 line in FY18, and it goes down to \$5,000 and this year it is at \$5,241. Town Manager Cabanel stated they want to keep their budget the same. They may need more, but they want to keep it the same. Vice Chairman Koenig commented given all the things pointed out in the letter, he questions if the amount is enough to start to address those issues. Councilor Harrington has made them aware of the need to obtain specific bids to support requests.

Councilor Healey questioned the post office box (\$140). Assistant Town Manager/Finance Director Micali stated they are an individual organization and there are a lot of different people that go through there. To have the mail pile up in the front lobby is not desirable.

Summer Day Camp

Three years ago the Town approved the establishment of the Parks & Recreation Revolving Fund. All programs run are now self-supporting and in this fund.

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Aside from the direct cost to the programs, all programs cover a portion of the salary and benefits for the Director and Program Coordinator positions. In the current FY, that cost was \$40,295. For the FY20 budget, the allocation is \$59,166.

The registration software is being included in the fund as well. The \$59,166 and the added cost of the software totals \$62,646. The way they spread that cost is by taking the seven largest programs, the ones they know will run, and divide the cost amongst those. Not everything offered runs from year to year and some barely break even. Naticook day camp is shouldering the largest portion of that cost (73%).

The Council was provided information on last year's programming and this summer's camp numbers. It provides a sense of incoming expenses from the various categories and at the bottom the \$40,250 for the current FY. There was not a lot of funding remaining to carry into the next year.

In the first year of renting the Function Hall out, revenue was approx. \$1,200. This past year \$2,500 was gained, and year to date for the current fiscal year rental revenue is up to about \$4,100. The goal is that by next year revenue will cover the cost of heat, electricity, etc.

Councilor Healey noted 89-89-8375-0 Day Camp has an allocation for an EMT. Director Casparius stated that is for the summer camp. You can have an EMT, Nurse, LPN, or Doctor. The Town has had the same EMT for the past 3 years. He covers the day camp and all the concurrent summer programs.

Councilor Boyd questioned if there is 1 Lifeguard for the 764 campers at the Naticook Day Camp. Director Casparius stated there are technically 4. The Town splits the cost of Lifeguards (general fund budget). The Waterfront Director's salary is paid 50/50 by the camp and taxpayers. It is a public beach which is open to the public at the same time camp is running. There is a total of 3 lifeguards and the Waterfront Director, who is also a lifeguard.

Councilor Boyd remarked 4 lifeguards for 764 campers is an average of 191 campers/lifeguard. Director Casparius noted the 764 campers is a total for the summer. The average is about 100/week, but swim times are divided up so that at any given time there are only 30 at the waterfront. Councilor Boyd questioned if the day camp is staggered, e.g., different number of attendees each week. Director Casparius stated the average to be 90-100 kids/week total for Naticook. Within each individual activity the kids are divided into individual age groups. While one group of 20 kids is at the waterfront swimming and taking swimming lessons, another group might be in arts & crafts, etc. The ratio is 1 lifeguard for every 25 people in the water.

Media

Nicholas Lavalley, Media Services Coordinator, remarked there are no significant changes in the beginning of their budget. Under 32-32-8504-0 Office Equipment; an increase of \$35,000. The bulk of the media equipment comes from an \$80,000 project where we will upgrade the head-end/cablecast system. There are many pieces of equipment that are essentially the brain of Merrimack TV. The expectation is the Town will have an HD channel (4th Merrimack TV channel). There are pieces of equipment that need to be compatible. The cameras are in HD, the news switches both on the public channel side and the control room for the Matthew Thornton Room are all in HD. All the meetings

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that occur are now uploaded to the YouTube channel on HD. What is not in HD is mostly everything that is in the head end. There are pieces of equipment that are just not compatible with any HD gear.

With the purchase, any of the programs played will be shot in HD, the video file itself will be in HD so that for the 1 HD channel we have you will be able to view it in HD.

The project will include a video server. You will not only be able to view content on YouTube, you will also be able to see any content that is on the video server in HD linked from the MerrimackTV website. The Cablecast unit has a service called Reflect. Using the Reflect service you would be able to see the MerrimackTV content via an Apple TV device.

Upgrades have been made to the head end over the past ten years, but it has been piecemeal and small upgrades. This is a complete overhaul.

Councilor Albert commented on meetings held in the Memorial Conference Room, and the inability for utilizing computers to project presentations so that the television viewing audience can see the presentations. Mr. Lavallee responded there is room in the current FY to make additions to that room.

Councilor Harrington commented residents having questions about the quality of the video can contact Nicholas Lavallee at 423-8524. The general office number is 423-8561.

Councilor Harrington stated concern revenue generated from the Comcast franchise fee will lessen over time. She believes now to be the time to address equipment needs.

Councilor Healey questioned the \$2,300 identified as Comcast under 32-32-8260-0 Telephone. She was informed of the need to upgrade the internet service coming out of the head end. With live streaming of channels onto the website there is the need for more bandwidth. Asked if the Town could get that at no cost, Mr. Lavallee stated it could not because of the business class speed. He spoke of meeting last month with the Adhoc media group to discuss the franchise agreement as well as other media needs. They also discussed what the media department offers and what it could do to further engage public interest.

Town Manager Cabanel spoke of the franchise fees. In FY14 the fees totaled \$311,000/year to a peak in FY17 at \$424,000. Now we're at about \$405,000. We are not seeing very serious declines.

Mr. Lavallee commented on how much the industry has changed. There is legislation in front of the FCC; the cable company may not have to necessarily offer in-kind services. What those in-kind services are hasn't been specified, but they may include such things as services for municipalities, basic cable television for police, fire, municipal and school buildings and may also put a price tag on the cost of a community television channel or the value of an actual channel. It may be a long way off.

Town Manager Cabanel provide the Council with a spreadsheet identifying revenues generated from franchise fees since FY14 and other revenue received from interest and other services. Total of expenses being proposed is \$342,592, then there is an offset from revenue of \$200,000. The bottom of the sheet shows what is occurring with fund balance. It has gotten to a really good size.

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The fund balance as of 6-30-13 was \$709,227. The adjustments represent the cumulative increases/decreases to the fund balance through FY18. Fund balance as of 6-30-18 was \$836,453. The Town started buying that down; FY19 \$151,312 and FY20 \$132,592. The estimated fund balance as of 6-30-19 is \$554,936. There will be revenue coming in, expenses, amount that goes over to the general fund. Trying to make a deficit every year so that the general fund can have offsetting revenue for this.

Asked to clarify, Town Manager Cabanel stated the general fund is where the tax rate is derived. The Council determined the franchise fee did not have to be 100% dedicated to the Media Division, it could be used for media needs and the balance given back to taxpayers. Proposed is for a little over half of the franchise fees to be returned to the general fund to offset the amount that must be raised through taxes. Those monies will appear in the general fund revenue.

General Government

Town Manager Cabanel stated General Government includes her office, the Finance Office, legal fees, compensated absences, etc.

01-01-8142-0 Compensated Absences shows a decrease of \$160,406. The amount of the allocation is determined by the Finance Director and endorsed by the auditors to ensure the fund is enough to cover the cost of accumulated sick, vacation pay that must be paid out when employees retire (based on retirement eligibility).

01-01-8351-0 Consultants is budgeted at \$25,000 in the current year (as is the line in the fire department's budget) to cover the cost of a space needs study for the Public Safety Facility. In FY20, that has been reduced to \$5,000.

01-01-8359-0 Other Outside Services has an increase of \$22,359 mostly due to ambulance fees. The outside service charges 6.5% to do the ambulance billing. Last year they billed roughly \$1 million after contractual adjustments. The Town collected about \$770,000. The outside contractor was paid roughly \$48,000 last year. As a result, the line was increased. Assistant Town Manager/Finance Director Micali stated the \$12,909 allocated for collection agency – delinquent ambulance bills, was a number that was misinterpreted, and can be reduced back down to the FY19 figure of \$3,700. The collection agency is used for people who are out-of-Town or people for whom addresses cannot be found.

Councilor Albert questioned 01-01-8460-0 Other Operating Expenses - \$5,000 allocated to public relations, and was told that covers the cost of expressions of sympathy sent when an employee suffers the loss of a relative.

Councilor Boyd questioned 01-01-8107-0 Wages - Part-Time; if 225 hours were utilized in the preparation of meeting minutes. He questioned if the individual does the minutes for any other committee/board/commission, and was told there are others who do minutes, and the individual who does the Town Council minutes does those alone. Asked if the individuals are employees of the Town, Assistant Town Manager/Finance Director Micali stated they are and have been for several years. Councilor Boyd questioned if the cost for preparing all the meeting minutes of the various

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boards/committees/commissions are co-mingled in that line. He noted a review of the Community Development budget did not indicate a cost for that.

Assistant Town Manager/Finance Director Micali noted the cost listed under 01-21-8107-0 Wages - Part-Time for the Planning & Zoning Board Recording Secretary is for preparing of meeting minutes for those boards plus the Conservation Commission. The 225 hours in General Government is just for the Town Council.

Councilor Healey questioned the cost allocated to 01-01-8405-0 Nashua Transit System. Councilor Boyd stated it to be the Nashua Regional Transit Authority that provides the paratransit services. She spoke of other places she has lived where the user paid that cost. Vice Chairman Koenig stated the users pay a few dollars. Town Manager Cabanel noted the cost is reviewed by the Welfare Department, e.g., the company has to provide information on ridership.

Fire Protection

Has a decrease of \$11,427. A section of Town is covered by Pennichuck Water Works, and that cost is paid 100% by residents in that area as a special tax on their tax bill. Revenues have built up and the cost remains constant. The decision was reached to utilize some of the revenue to offset cost.

Fire Detail

Noted was the revenue and expense allocated to fire protection. Revenue offsets expenses similarly to the police detail in that the group/entity receiving the service pays the cost. Also noted was that the bulk of that cost is associated with an EMT at Ribfest, which will no longer be the case. It was suggested the amounts could be lowered. Town Manager Cabanel indicated she would speak with the Fire Chief regarding the amount associated with Ribfest. There would be no difference in the bottom line as the fund is self-supporting (brings in the same amount in revenue as is expended).

Proposed Issuance of Debt

Town Manager Cabanel stated the only one to be for the wastewater treatment plant.

Revenues

Town Manager Cabanel stated revenues are shown in two different ways. The first two pages are a consolidation of the following pages.

Revenues generated from Wastewater, Media Department (franchise fees), Fire detail, Police detail, day camp match the expenditures.

Under General Fund what is listed is revenues that offset the amount to be raised through taxes. From the General Fund \$10.2 million is received in other revenues. The largest by far is motor vehicle permit revenue, which is in the area of \$5.2 million.

Transfers from Capital Reserve Funds (CRF) are revenues that come in to offset the expenditures.

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Councilor Healey questioned if the Town receives funds from the State on the gasoline tax. Town Manager Cabanel stated it is meant to have a simple formula that is calculated every year, but the State adjusts those numbers to balance its own budget. If we received the monies we are entitled to for schools and these fees, we would be getting a great deal more.

Assistant Town Manager/Finance Director Micali stated there to be two ways the funds come back; bridge aide and a formula based on a calculation sheet. They come out in October to tell you what the next year is and then by April they change the rates around after they audit it. Town Manager Cabanel added they also truncate whatever it is based on what they want to pay you.

Councilor Boyd noted, under auto registrations, budgeted last year was \$5.2 million and that same amount again this year. He questioned where the total stands at this time, and was told it is tracking about the same, but from month to month you never really know. In prior years the budget had not kept up with how it was trending (were conservative). That is no longer the case.

Town Manager Cabanel spoke of news received from Workers' Compensation; the town is entitled to \$116,000 for refund of premiums. It is uncertain how that will come into the budget; revenue or expenditure reduction.

Assistant Town Manager/Finance Director Micali stated any deposits made into Capital Reserve Funds must be put on a Warrant Article; individually or grouped together. He questioned the will of the Council. Proposed for FY20 is an allocation of \$2 million into the capital reserve funds (\$350,000 is wastewater).

Town Manager Cabanel stated, in years prior, the Town has included these within the operating budget warrant article. She spoke of the importance of getting information out to the voters to educate taxpayers as to the intended uses (savings). There is concern if in a single article and not passing, everything would be lost.

The Council discussed concerns relative to both combining and separating out of the desired deposits.

Councilor Albert spoke of the need for detailed discussion to occur at the Deliberative Session to educate the voters on the process.

Asked to explain again how the change in how the Town handles came about, Assistant Town Manager/Finance Director Micali stated RSA 35:5 identifies the process to be followed. Asked who made the Town aware of that process, he indicated it was the DRA. Asked if they provided direction as to how this should be accounted for, Town Manager Cabanel stated the advice to be the warrant article process. The Town was trying to address this through a Charter change whereby the Charter would not refer to an RSA but instead a process. They are not allowing that to occur. A Charter change cannot address the situation.

The consensus of the Council was to put forward a single Warrant Article for CRF deposits.

Vice Chairman Koenig questioned if information continues to be sought regarding potential costs related to the New Hampshire Municipal Association (NHMA) membership dues. Town Manager Cabanel responded when the question came up of whether benefits employees gained through

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membership were being missed or things they cannot get elsewhere, she sent an email to department heads posing the question of them. She received mixed responses.

She spoke with a representative of NHMA and learned the fee would be based on population. The Town does not use their legal services where some smaller towns use that exclusively. There is the need to measure the worth of membership compared to what is gained. She stated her opinion the Town has not been paying its fair share on work they do in the Legislature to ensure work is being done on Rooms & Meals taxes whereby the Town would receive a significant amount of money as well as grant opportunities. They do a lot of work in that regard.

If not members, you do not get the benefit of legal services, there isn't an a la carte menu, they are now starting to charge for programs. You can go to the annual conference (motivational speakers, vendor hall) and pay \$75 if you are a member and \$150 if not a member. There are nuances to consider.

Vice Chairman Koenig stated the programs that are offered are of interest to members of the Planning Board who were told they could not attend. Town Manager Cabanel remarked in order to keep the large communities in the NHMA, they put a cap on it. Nashua is paying \$28,000, Concord is paying \$28,000, Manchester is paying \$28,000, and they want Merrimack to pay \$25,000. During her conversation with the NHMA representative, she stated the cost to be too great. Tomorrow the individual will go to her board to see if she can provide the Town an introductory fee of \$17,000 for one year. Town Manager Cabanel provided her the emails from the department heads so that she can review them and be able to identify other programs that would meet the Town's needs.

Vice Chairman Koenig stated appreciation for the efforts regarding price. The Planning Board specifically requested the Town rejoin the NHMA. There are programs, features, etc. they had gotten used to being able to use. They had been told, when the Town first stopped participating, that they could pay an extra fee. They have since been told Merrimack cannot attend at all. They have requested he advocate to bring it back.

There are programs that are useful, but \$24,000 is a hard number to swallow. If able to get a reduction, it might be valuable to go back for a year to see if, during that time, we can assess more carefully how much value we get out of it. He believes it a worthwhile endeavor to consider.

Councilor Boyd commented the \$22,000 paid to the Nashua Regional Planning Commission is money well spent because of the value we get in return; specifically in transportation planning services. That alone has been invaluable to the Planning Board and the Community Development Department. When putting a price tag on a value, he cannot justify \$17,000 just so that our Planning Board members can then pay \$50 to go to a conference.

Vice Chairman Koenig stated his belief it is a lot different than that.

Comments from the Press - None

Comments from the Public - None

Comments from the Council – None

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Adjourn

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

The January 17, 2019 meeting of the Town Council was adjourned at 9:30 p.m.

Submitted by Dawn MacMillan