



## **Town Council Meeting Minutes**

Monday, January 13, 2014, at 6:00 PM, in the Matthew Thornton Room

Chairman Rothhaus called the meeting of the Town Council to order at 6:00 p.m. Present at the meeting were Vice Chairman Yakuboff, Councilor Boyd, Councilor Dwyer, Councilor Harrington, Councilor Koenig, Councilor Mahon, Town Manager Eileen Cabanel, and Finance Director Paul Micali.

### **Pledge of Allegiance**

Cub Scouts from Troop 424 lead in the Pledge of Allegiance.

Chairman Rothhaus stated the order of business would be adjusted by placing Solid Waste Disposal as the last item.

Town Manager Cabanel remarked the budget is relatively flat in terms of operating costs. Health insurance has increased approximately 5%, Worker's Compensation costs have decreased approximately 5%, natural gas has an approximate 15% increase, and the increase in electricity is approximately 9%. In addition, the Capital Reserve Fund has a proposed increase; road repairs/paving by \$100,000, \$75,000 has been added to cover the cost of the gas pumps at the Public Works facility to address safety concern, etc.

She commented, although the budget appears to be larger from a gross appropriation perspective, there is also offsetting revenue. She explained transfers/purchases out of the Capital Reserve Fund are made through funds already raised through prior years' taxes. In the FY15 proposed budget, those transfers/purchases equate to \$1.2 million. She reiterated those funds have already been raised, have been set aside, and are now being incorporated into the budget for expenditure.

The overall budget represents an increase of \$.10 in operating expenses and the addition of 10% in new capital outlay.

### **Review of Proposed FY15 Budget**

#### **Parks and Recreation**

Director Micali noted Matthew Casparius, Director, Parks & Recreation, has been with the Town for one week, and would not be asked to present the proposed departmental budget. Also noted was the attendance of Andrew Steeves, Rotary Club President, who was available to address any questioned regarding the 4<sup>th</sup> of July event, Larry Vigezzi, Chairman, and Norm Carr, Vice Chairman, Board of Directors, John O'Leary Adult Community Center, Michelle Walters-Byrne, President, Merrimack Youth Association, and Chris Christensen, Chairman, Parks & Recreation Committee.

Director Micali stated the budget to be basically flat with the exception of a few increases; salary differential between the former and current manager, increase in electricity costs of approximately \$5,000, and the addition of approximately \$10,000 for improvements throughout the park system (not specifically earmarked for any individual park/project).

Chairman Rothhaus questioned the increase in electricity, and was informed the projected increase is based on estimates of increased electrical costs across the board.

Director Micali stated Mr. Steeves was also in attendance to address seed monies, which had been set aside a few years prior for the Midway. Those funds were removed from the budget last year and not incorporated in the proposed budget for FY15. Town Manager Cabanel received a request for reinstatement of those funds (\$10,000) for the 2014 July 4<sup>th</sup> event. Town Manager Cabanel stated there to be the possibility the funds would not in fact be seed monies, but would be needed for anticipated expenses. The event has proved to be a great deal of work for a few individuals.

Vice Chairman Yakuboff stated his support and knowledge of the favorable position citizens have taken with regard to the Midway. He stated concern if the funds were not budgeted it would be difficult to get someone onboard to begin the process from scratch.

Councilor Koenig questioned the increase in electricity and whether the anticipated increase is for the same level of usage. Director Micali stated there to be some additional usage for some of the fields, which was taken into account during review of the proposed budget. He added a spreadsheet was prepared itemizing usage from the last two years. There was increased usage particularly at the Bise Field area, which was under-funded previously as well as increased usage at Wasserman Park.

Andrew Steeves, President, Rotary Club

Remarked in its first year, the July 4<sup>th</sup> event just about broke even and this past year resulted in a small amount of revenue. However, in 2014 the success of the event would not only depend on weather conditions but also attendance; falls on a Friday, which may result in reduced attendance if families choose to travel out of Town. The requested funds would go toward ensuring the infrastructure is in place, e.g., tents, staging etc.

He informed the Council the Club would be voting on whether or not it is believed they could conduct a successful event at its January 30, 2014 meeting, and stated the desire for funding to be available should it be needed.

Chris Christensen, Chairman, Parks & Recreation Committee

Stated an area he believes to require consideration is the \$10,000 earmarked for maintenance and improvements within the park system, and commented there are many places where maintenance costs could easily exceed that amount. A few years back the Committee presented the Council with a revised Master Plan for Wasserman Park and requested \$5,000 for an engineering study to address safety issues related to water and fire prevention around the park and \$10,000 the following year for surveying and engineering work to improve the transportation system/roadway through the park. At that time, there was widespread agreement, which continues today, that the biggest problem with use of the park is the inability to get in and out. The Committee would like to see that \$15,000 incorporated into the budget. He suggested unexpended appropriations resulting from salary line items could be used as the funding source.

If not, he would like the Council to give consideration to how the \$10,000 budgeted amount might be

augmented to at least get some of the engineering work completed. He noted an area of concern continues to be changes/additions to the parks without the benefit of long-term planning. Engineering studies have to be completed in order for a big picture view.

Councilor Koenig questioned what the anticipated cost would be for the installation of the roadway. Mr. Christensen remarked it is difficult to estimate without the benefit of the engineering work; however, he believes it could be in the neighborhood of \$300,000 - \$400,000 depending upon the level of roadway constructed, e.g. type of surface, etc. The plan considered by the Committee would include several pods for parking in the picnic area, beach area, etc. Some pod areas are present currently; however, constructed of gravel. If they were to be paved there would be a greater cost involved.

Councilor Koenig stated he is pleased with the plan; however, his concern has been with how to fund it. Until a determination is made on how the project would be funded, he finds it difficult to justify expending \$5,000 - \$10,000 on engineering studies. Mr. Christensen responded the other consideration is the fact monies are not being put into maintenance resulting in the need to expend monies on major projects to correct what has not been maintained. He provided the example of the demolition of the dining hall. He noted erosion problems existing around the roadway area as it approaches the beach. Chairman Rothhaus stated his anticipation of the need for improved access.

Councilor Boyd questioned the increase in Line Item 01-13-8322-0 Maintenance-Grounds (\$2,000). Director Micali stated the monies are intended for basic upkeep of the grounds, installation of a flower bed near the Director's office, and repairs, if needed; raking, clearing, etc. Director Casparius will work closely with members of the Parks & Recreation Committee who perform some of the needed work.

Councilor Dwyer stated his desire to earmark \$8,000 for electricity for the pavilion at Watson Park. He suggested the Council look to address issues at Watson Park on a yearly basis; the first being the raising of the dining hall this year. He suggested road infrastructure could be the next issue discussed. He stated his hope the road would never be paved; would be too costly. He remarked he would not anticipate an expenditure of \$300,000 - \$400,000 for road infrastructure or \$10,000 for an engineering study.

#### Summer Day Camp

Director Micali stated the budget to be flat with no anticipated increase in fees. The Camp is self-funded.

#### Wastewater Treatment Fund

Town Manager Cabanel noted increases in costs associated with health insurance, electricity, gasoline, and diesel.

Rick Seymour Jr., Director, Public Works Department (PWD), stated there to be no additional staffing in any of the PWD divisions and no contracted salary increases. Utility increases and benefits make up the majority of the increase.

With regard to the Wastewater Treatment Fund, he noted the operation budget is a reduction of 4% from the FY14 budget. There will be no sewer rate increase for FY15. He noted a significant reduction in the chemical budget (approximately \$6,000); a testament to the way the plant is run. Two capital fund purchases are planned; grinder for Thornton Ferry Pump Station (\$50,000) and manhole sewer line rehabilitation (\$25,000).

Councilor Boyd noted the decrease in electricity costs (\$15,000), and questioned whether that represents a trend. James Taylor, Assistant Director, responded he would anticipate the trend would continue downward; however, managing the waste load from Anheuser Busch is always a variable. Depending on how well they run their process will in turn drive electrical costs. He noted changes in the operation, which resulted in a reduction to the budget (pump speeds reduced).

Councilor Harrington questioned Line Item 31-10-8245-0 Sewer; \$40,000 payment to City of Nashua. Assistant Director Taylor explained the line item relates to an inter-municipal agreement the Town has with the City of Nashua. The Pennichuck pumping station takes in approximately 400 residences and a few businesses in south Merrimack. That sewerage is pumped into the City of Nashua's treatment facility. A fee is paid to the City for that service. Plans to construct a Pennichuck interceptor were brought forward in the '70s. However, the project was cost prohibitive and never constructed. Residents in that area had failing systems and the arrangement was the best and least expensive option. When asked, he stated it would be costly to redirect residences/businesses to the Merrimack plant (several million). Chairman Rothhaus noted the Town also has a similar agreement (revenue generating) with the Town of Bedford, which utilizes Merrimack facilities.

Councilor Koenig questioned the rationale behind Line Item 31-10-8142-0 Compensated Absences. Director Micali remarked by general accounting standards, as employees reach the age of 60, monies are moved over into an account to cover costs associated with retirement. Doing so avoids large fluctuations when individuals retire and are paid for unused vacation and sick time. The reason for the identified increase is the occurrence of two employees reaching the age of 60. He stated there to be a different allotment each year dependent on the number of employees reaching the age of 60.

Councilor Koenig remarked Line Item 31-10-8205-0 Laboratory Supplies, is increasing despite a reduction in chemical supply costs. Assistant Director Taylor noted chemicals are for process, which is separate from the laboratory. The laboratory costs are increasing due to increases in product costs. There is also a new permit requirement to monitor for total phosphorous. The department has been gearing up for that additional testing.

Councilor Koenig noted the reduction in Line Item 31-10-8250-0 Vehicle Fuel, despite statements indicating rising costs. Assistant Director Taylor responded they essentially allocated the same amount for both gas and diesel. Director Micali noted the use of more efficient vehicles.

When asked about the fluctuation in Line Item 1-10-8359-0 Other Outside Services; increased in FY14 by approximately \$28,000 and proposed FY15 reduction of approximately \$17,000, Assistant Director Taylor stated the main driver to be the administrative cost charge to the wastewater fund for services rendered by the general fund. He explained he and Director Micali work on that each year; they have a formula to calculate the figure, which can fluctuate up or down depending on the year. Director Micali added last year there were bonds in place. With the additional administration through general

government, costs were greater. With projects working themselves through the system that figure was able to be reduced. Councilor Koenig noted the net result is a slight reduction in the overall budget.

### Highway

Director Seymour stated the budget to be up 1.48%; due in large part to increases in costs associated with benefits and utilities.

The paving budget has increased to \$800,000 (\$100,000 over FY14). Seventy five thousand (\$75,000) was budgeted for a fuel island, canopy, and fire suppression system. Twelve thousand (\$12,000) has been budgeted for a Fleet Automatic Vehicle Location system.

Noted were savings achieved (approximately \$3,500) in switching off some of the fertilizers to compost that can be obtained at no cost from the Wastewater facility. Of the \$1.168 million identified for the sewer line extension project, \$868,000 is being transferred from the Capital Reserve Fund. The project is a sewer line extension in the Naticook Lake East area; Dawn Ave., Sunset Drive, Highnoon Ave., and possibly some of Ingham Road, and includes four utility upgrades; sewer, drainage, paving, and water lines.

Councilor Harrington questioned Line Item 01-08-8105-0 Overtime – Supervisory; specifically whether the overtime was related to salaried as opposed to hourly employees. Adam Jacobs, Operations Manager stated that to be accurate. He added it includes two Foremen and the Secretary who acts as a dispatcher during storm events.

Councilor Boyd questioned the comfort level behind the decision to reduce Line Item 01-08-8341-0 Sand & Salt, by \$28,554. Mr. Jacobs stated he and Director Seymour discussed the line item at length and agreed upon the budgeted figure. He explained the department generally fills up after the end of a season. The line item does not typically get expended until the April-June timeframe. Should they experience a particularly bad year there would be sufficient time to acquire additional salt by expending funds from the budget earlier than planned.

Councilor Koenig questioned the thought process behind the fluctuations in Line Item 01-08-8250-0 Vehicle Fuel, from year to year. Mr. Jacobs explained the quantities were reduced slightly. The Finance Director, when locking in a vehicle contract for fuel, will pre-populate the line based on the average fuel consumption. He spoke of the Automatic Vehicle Locator pilot program in place and the hope dividends will be shown (reduction in idling time, etc.). Quantities were reduced to reflect a 5% savings, which is believed to be achievable.

Councilor Koenig questioned Line Item 01-08-8359-0 Other Outside Services; department request was for \$111,730 (\$25,730 increase over FY14) and the proposed budget is \$91,730. Mr. Jacobs stated the main three drivers to be; pavement markings, asphalt crushing pile, and street sweeping contract (requirement under MS4 permit). Initially proposed was \$20,000 for crushing. Large road debris that is stockpiled is crushed and turned into reusable material for Town projects, e.g., refill, backfill materials, etc. (portable asphalt crushing plant comes onsite). After the first review of the budget, it was stated, by the department, the expense could be put off for an additional year, if needed.

Councilor Dwyer questioned the \$53,460 allocated for street sweeping. When asked for his opinion on the value of using an outside contractor, Mr. Jacobs stated it to be a big job, and noted, per the MS4 permit the Town is required to sweep every street in Town. The contractor typically sends 2-3 machines to Town. The crew is accompanied by an Operator/Town employee who is in charge of turning valves at the hydrants to fill up the machines, track water usage, and track the hours the machines are actually sweeping. He touched on the level of sand in the streets as well as fallen leaves, etc. He stated there to be a major benefit; it offsets the cost of cleaning out catch basins, etc. In his opinion, it is money well spent particularly from an environmental standpoint.

Director Seymour added the material being swept up has a high pollutant content, metal, materials coming off vehicles, etc. The desire is to pull that off the street before it makes it way to the outfall where it might discharge into a stream or river. If testing of the waterways indicates a high level of copper or zinc coming out of a discharge, it becomes necessary to trace it back through the system. It is easier and cost effective to prevent it.

Councilor Harrington commented she resides in a no salt area where a good deal of sand is utilized. It gets to the point where it becomes a danger; motorists sliding on the sand.

Councilor Koenig questioned the man hour cost. Mr. Jacobs stated a seasoned operator is used to supervise the work resulting in a relatively low per-hour labor cost. There is a small amount of overtime involved; few thousand dollars over the 6-8 week period.

Chairman Rothhaus questioned how the material is disposed. Mr. Jacobs stated the New Hampshire Department of Environmental Services (NHDES) allows for stockpiling of materials providing testing is done; initially on annual basis and bi-annually after several years of satisfactory testing. If the material is deemed satisfactory (depending on levels, e.g., heavy metals, carcinogens, etc.) it can be re-used. Materials can be used in different areas for different applications depending on the levels. Presently, testing has shown some contaminant levels, but none above the limits NHDES sets. The Town currently has unrestricted use of cleanings.

***The Council recessed at 6:54 p.m.***

***The Council reconvened at 6:56 p.m.***

***There being no objection, the Council went out of the regular order of business to take up Equipment Maintenance.***

#### Equipment Maintenance

Director Seymour stated the budget to be up 1.78%. The differences are related to increases in costs associated with benefits, utilities, etc.

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

#### Public Works Administration

Director Seymour stated the budget to represent an increase of 1.32% over the FY14 budget. The differences are in Line Item 01-07-8203 Operating Supplies; \$1,000 added for survey materials, safety supplies, paint, etc. and Line Item 01-07-8359-0 Other Outside Services; GIS support. Two thousand (\$2,000) was added for the consultant who will upgrade software, provide server support, link Town software with GIS system, etc.

When asked to elaborate on the system, Director Seymour stated the Geographical Information System (GIS) is basically a base map of the Town. The system consists of many layers, which can be utilized to identify areas of sewer (manholes, lines, etc.), drainage, streets, centerlines, outfalls, etc.

Information can be incorporated for use in numerous applications. As an example, he spoke of interns gathering GPS data to identify location of signage throughout the Town. Director Seymour stated the system to be fairly sophisticated. It utilizes the flyover photography done over the years and digitizes the data relative to driveways, streets, homes, etc. From those maps information can be gained on a home's value, lot lines, plot lines, elevations, etc.

He stated the desire for additional portability so that the system could be accessed through handheld devices to allow for review in the field, e.g., could be onsite at a manhole and be able to pull up information on its depth, where the inverts/pipes are within the manhole, right-of-way information, etc.

Chairman Rothhaus stated difficulties he has experienced with the system whereby the search feature does not search by map/parcel. He is of the impression the information has been entered in different ways and the search feature is unable to identify information unless an exact match. He questioned whether that could be addressed internally. Director Seymour stated his agreement searching by map and parcel is difficult. There is the ability to search by street, address, or name. The issue will be raised with the consultant.

Councilor Boyd questioned Line Item 01-07-8107-0 Wages - Part-Time; Summer Engineering Student. Last year \$8,800 was allocated (\$10/hour) and the proposal is to increase the line to \$9,680 (\$11/hour). It was communicated last year that the student was tasked with a specific project. Councilor Boyd questioned whether the project was successful and if the intent is to have the student fulfill a task that will add value to the community.

Deputy Director Fox responded the intern program began in 2005 and the rate was \$10/hour. There have been two students each summer since that time. Proposed is a \$1/hour increase to try to keep pace with what other towns are paying. Over the years, students have done great work on stormwater; locating outfalls, pavement inspections, surveying work in preparation of drainage projects, etc. He provided the example of going out to bid for the Hillside Terrace drainage improvement project, which was largely drafted by the students. They conducted the baseline survey work and most of the CAD work so that a proposal could be put out. The contract was awarded and work will begin in April. He stated that to be a tangible benefit. Councilor Boyd questioned what the cost would have been if CLD were to have done the bid work, and was informed it would have cost a great deal more than the budgeted \$9,680.

Councilor Boyd spoke of improvements to the street signs in Town, and questioned whether that would continue. Director Seymour stated when signage is replaced it is done with the right reflectivity. He spoke of the minimal budget and remarked in instances where signs are damaged, .e.g., motor vehicle

accidents, etc. revenue is received. Deputy Director Fox added, as part of the paving program, when streets are resurfaced, signage is upgraded. Director Micali noted old signs are being auctioned off in blocks.

When asked, Deputy Director Fox stated not all of the stop signs, etc. have been changed; however, Mr. Jacobs has been working on replacing some each year. The requirements remain in the Manual of Uniform Traffic Control Devices (MUTCD); however, the compliance deadline has been removed.

### Buildings and Grounds

Director Seymour stated there to be a proposed increase of 5%. Monies have been included to address capital needs such as a new roof for the ambulance building (\$6,000) as well as windows and doors. During FY15 a fire sprinkler system obstruction test has to be performed, which is quite expensive. He explained the test is a five-year test where they basically pressurize the system and look to determine whether there are any obstructions. There is the need to ensure the system is free from obstruction so that when the sprinkler heads open up they don't immediately clog. The test also ensures the complicated piping system does not clog or break.

He noted contracted cleaning services were removed from last year's budget, and utilizing part-time employees has worked well as an alternative. Councilor Mahon questioned Line Item 01-17-8245-0 Sewer. Director Micali stated there to be a per connection fee.

### Solid Waste Disposal

Director Seymour stated the budget to be up 2.9% if not considering capital projects. The tipping fee paid at the remote disposal site is increasing \$1/ton, which is part of an agreement that results in an increase of \$1/ton per year for the next few years. It equates to an approximately \$7,500 increase. With regard to single-stream, it continues to grow (5.5% increase or \$5,000/year savings). The budget indicates a reduction in diesel fuel. Some of the decreases are the result of shipping less material to the remote disposal site and the use of diesel friendly equipment, etc.

Councilor Koenig noted the budget increase in Line Item 01-09-8388-0 Special Waste Disposal, for items such as refrigerators, air conditioners, tire removal, etc. Director Seymour stated materials such as refrigerators and air conditioners have a cost associated with Freon removal. The same is the case for tires and electronics as there is a cost for their removal. The budget is adjusted based on anticipated volume, determined by prior year's average. Director Micali noted the offsetting revenue line in the budget. Residents dropping off such materials are charged the disposal fee, e.g., \$10/refrigerator, etc.

The department had requested additional funds for brush grinding (requested \$25,000/recommended \$20,000). Brush has to be ground by a professional company. Director Seymour stated his belief the \$20,000 allocation should be sufficient.

Councilor Koenig commented on ongoing discussions of increasing the amount of recycling, and questioned what is being done in terms of education. Director Seymour responded several efforts have been made this year; moved the swap area, which allowed for greater ease through the recycling



Approved: February 18, 2014

Posted: February 19, 2014

facility, meetings conducted with the school and the Northeast Resource Recovery Association (NRRA) who will work with the Town to put together an education program in the coming year. New signage has been placed at the transfer station. He noted the Town just received an award from the NRRA for most material recycled per person in a town of our size (10,000+).

When asked for his opinion of the trailer, Director Seymour stated he believes it is working as well as anticipated. Chairman Rothhaus stated a concern the trailer would begin to collect things that would otherwise have incurred a disposal fee. He remarked during a visit to the trailer he witnessed a small television onsite. Director Seymour stated there to be individuals that believe small televisions are not considered electronic goods. If they are seen putting the material into the trailer they are informed of the \$10 fee. He stated the biggest gain in the process to have been the opening up of the space in the recycling building. He remarked personnel enter the trailer on a weekly basis and clean out items that are not truly reusable. When asked, he stated one individual might go into the trailer to clean on a slow day.

Director Micali commented the 180 day review period is fast approaching, and a full report will be brought forward to the Council likely during the first meeting in February.

Director Micali stated a desire to clarify information that has been in newsprint. He stated the Town, by State Statute, has to gross appropriate. What that means is that the Town has to take 100% of an expense and place it on the budget. That expense cannot be netted out with revenue offsets. That has to be done through the revenue budget. The information stated in newsprint is accurate; the budget presented by the Town Manager is \$30,786,992, which is a 6.14% increase. However, the more important number is the amount to be raised by taxes. That number is \$652,000 or a 2.88% increase or \$.20 on the tax rate. Half of that money is done through capital increases such as the gas pumps, road paving, Milfoil Capital Reserve Fund Expendable Trust, Capital Reserve Fund increases, and potentially a new website for the Town of Merrimack. While the paper was right in stating that the overall amount to be spent is going up 6.14%, the amount to be raised by taxes is only going up 2.8% in the budget the Town Manager has presented to the Town Council at this time.

Councilor Dwyer provided an example of the Town constructing a \$5 million bridge having saved for it for ten years. Although the monies would be expended in a particular year and funds allocated to the budget for the year the expenditure would occur, that does not mean taxes would be impacted by that \$5 million expenditure. He added although the current proposal is an increase to the tax rate of \$.20, \$.10 of that is savings for future projects.

Chairman Rothhaus stated the next budget meeting to be scheduled for 6:00 p.m. on Thursday, January 16, 2014 in the Matthew Thornton Room.

**MOTION made by Councilor Mahon and seconded by Councilor Dwyer to adjourn the meeting.  
MOTION CARRIED 7-0-0**

*The January 13, 2014 meeting of the Town Council was adjourned at 7:33 p.m.*

Submitted by Dawn MacMillan