

**Approved: May 23, 2019**

**Posted: May 28, 2019**



## **Town Council Meeting Minutes**

Thursday May 9, 2019 at 7:00 PM, in the Matthew Thornton Room

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

### **Pledge of Allegiance**

Chairman Koenig led in the Pledge of Allegiance.

### **Announcements**

Regular meetings of the Town Council will be conducted on Thursday May 23<sup>rd</sup> and June 13<sup>th</sup> and 27<sup>th</sup> at 7:00 p.m. in the Matthew Thornton Room. The Town Council will conduct its Retreat/Work Session on Monday, June 17<sup>th</sup> from 9:00 a.m. - 4:00 p.m. at the Carriage Shed at Buckley's Great Steaks.

The Transfer Station's summer hours (open until 7:00 p.m. on Thursdays) begin today and run through September 12<sup>th</sup>. The Transfer Station will be closed Wednesday, May 22<sup>nd</sup>, for employee training.

The Public Works Department will be hosting an Open House at the new Highway Facility, 76 Turkey Hill Rd., on Saturday, May 18<sup>th</sup>, from 9:00 a.m. to noon. The event will feature a ceremony to recognize the achievement of the new facility, a touch-a-truck event, and other fun activities for kids and adults alike. Town Manager Cabanel spoke of the level of interest, noting there have been 4,200 hits on the Facebook page for this event.

Dog licenses were due April 30<sup>th</sup>. Approximately 1,000 dogs have not been licensed. Final reminder notices are being issued within the next week or so. Dog fines and late fees begin June 1<sup>st</sup>.

### **Comments from the Press and Public**

#### Laurene Allen, 16 French Court

Spoke of discussions over the past 6<sup>±</sup> weeks with the State Departments of Health & Human Services (DHHS) and Environmental Services (DES) and Boston University, regarding applying for one of the Agency of Toxic and Substances Disease Registry (ATSDR) national grants. Selected will be 6 sites across the country that come from PFAS impacted communities. Merrimack is an ATSDR designated site.

The grant seeks to recruit families, children, and adults, will offer urine and blood samples, and collect health data. The goal of the grant is data gathering. Cancers are not included as the "why" is very hard to quantify. What is included are issues that can be verified with dose reconstruction. Analyzed will be levels of exposure, etc.

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Information sought will look at areas such as cholesterol, immune functioning, and neuropsychological. Research is based on the Center for Disease Control (CDC) science. They have available research that associates the class of chemicals with certain disorders. The citizen group has been tasked as investigators, meaning they will seek to answer research questions. The grant is very specific although there is the possibility of adding in one variable; may look at the impact of air depository.

The Council was asked to submit a letter of support for the grant. Ms. Allen spoke of the level of community involvement. Application strengths include the State data as well as the ability to engage.

Ms. Allen commented on the efforts that had to be put in place prior to grant submission noting if there are to be 6 sites selected across the country, they are going to do this fairly regionally. There are two applications coming out of Massachusetts. The consensus with the university folks is that we should be a standalone study. If approved, we stand to gain a good piece of science. If not approved, they remain committed, and she suspects they would then look at a National Institute of Health (NIH) grant, which would give them and the State a little more leeway with some of the things they would like to know.

Town Manager Cabanel questioned if an executive summary of the grant is available for review by the Council. Ms. Allen stated the Request for Application (RFA) can be provided. Asked about the timeframe, Ms. Allen stated the letter is desired as quickly as possible (they had hoped to have it by the following day).

Asked who is administering the grant, Ms. Allen remarked the State is the supporter. The grant goes through Boston University, and they conduct it. A group called Eastern Research Group will do data collection and be a partner in this. The citizens group is named, and will be provided a budget for things such as copying, mailing, etc.

Councilor Harrington commented she sees no reason not to support the endeavor, but would not be able to prior to a review of the requested information. It was noted the item was not on the agenda. Councilor Harrington stated a willingness to motion for support of such a letter contingent upon the appropriateness of it, and questioned who would make that decision when the letter is needed by the following day.

Ms. Allen stated she had been provided the following day as a desired date, but understands this would go into the start of the following week. Councilor Harrington spoke of the difficulty that comes from Councilors not being able to engage in discussion of the item. Asked if she was looking for individuals or the Council to sign the letter, Ms. Allen spoke of the improved chances of success if supported by the community.

When asked, she noted both the DHHS and DES are writing letters of support. Regarding the communities of Bedford and Litchfield, Ms. Allen stated those communities were just approved to be added on late yesterday afternoon. She has talked to and asked Representative Wendy Thomas to speak with the State Representatives from those communities. Asked if she has spoken with the Bedford Town Council and Litchfield Board of Selectmen, she indicated she has not. The DHHS has indicated they would be the liaison with those two communities. She commented DHHS has asked if Boston University could write a part-time position for DHHS into the grant.

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Councilor Harrington suggested contacting DHHS and DES to learn of their level of review of the grant application, their impressions, etc. as a way to provide more of a comfort level in terms of the potential unintended consequences.

Ms. Allen stated she could leave the draft language for the letter and provide the full RFA. Town Manager Cabanel requested a higher-level summary be provided as well.

Katharine Hodge, 44 Belmont Drive

Stated the application is 246 pages in length, the first 44 of which contain the pertinent information. The majority of the document is forms to be completed by physicians, etc.

Councilor Healey questioned the name of the group the letter is to be addressed to, and was informed it is Dr. Heiger-Bernays, School of Environmental Health, Boston University. The title of the proposal will be Health Implications of Exposure to PFAS Contaminated Drinking Water in the Merrimack New Hampshire Area in Response to the Centers for Disease Control ATSDR Intramural Research Program Office. It is a Boston University Grant. That is the academic partner. Eastern Research Group will be doing the data collection.

Ms. Allen stated it to be a grant from the CDC; federally appropriated funding. She spoke of the multi-site exposure study that was done, which focused on military sites only. Then came this health study that included industry impacted (not only DOD sites).

Town Manager Cabanel asked for clarification there are grants from the CDC for this purpose and the university is applying for them. Ms. Allen stated the university is the primary applicant.

Councilor Harrington commented Boston University would receive the funding and be responsible for that portion of the grant.

Chairman Koenig requested the data be provided noting the Council will react to it the best it can.

**MOTION made by Councilor Healey and seconded by Councilor Harrington to send a letter of support for the Boston University study with Dr. Heiger-Bernays in support of obtaining the grant from the CDC, after successful verification and validation of the information indicating this is appropriate for Merrimack**

#### ON THE QUESTION

Chairman Koenig clarified the language of the motion would have the Council sending the letter after the material requested has been received and reviewed by the Council and a determination made that this is in the best interest of Merrimack. Doing so in a timeframe that would be beneficial would require the Council to call a special meeting to be able to conduct a vote on the matter.

Town Manager Cabanel read a paragraph from the draft language provided noting it appears as though it is asking the Council to endorse the Citizens for Clean Water as the Town's representatives.

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Councilor Harrington stated there to be discussions needed to ensure the letter is written in such a way that the Council, as a whole, will be supportive of.

**AMENDED MOTION made by Councilor Healey and seconded by Councilor Harrington to send a letter of support for the Boston University study with Dr. Heiger-Bernays in support of obtaining the grant from the CDC, after successful verification and validation of the information indicating this is appropriate for Merrimack. A separate vote will be taken by a quorum of the Town Council regarding the actual writing and sending of the support letter**

**ON THE QUESTION**

Councilor Woods asked for clarification if successful passage of the motion would obligate the Council to send a letter. Chairman Koenig stated it would obligate the Council to consider writing a letter and then get together to make a clarifying vote that a letter would be sent.

**MOTION CARRIED 5-1-0**

*Councilor Woods voted in opposition*

**Recognitions, Resignations and Retirements**

**1. Resignation of Town Committee Member**

Submitted by Town Council Chairman Tom Koenig and Vice Chair Bill Boyd

The Town Council to accept the resignation of Michael Redding as a member of the Planning Board.

Chairman Koenig spoke of the Council's receipt of a letter of resignation from a member of the Planning Board, Michael Redding.

**MOTION made by Vice Chairman Boyd and seconded by Councilor Harrington to accept, with regret, the letter of resignation received from Michael Redding from his position on the Merrimack Planning Board, effective immediately**

**ON THE QUESTION**

Vice Chairman Boyd remarked it is a huge loss not just for the Planning Board, but for the community. He spoke of how effective Mr. Redding has been as a member of the Planning Board noting his feedback and participation has had a positive impact on a lot of the growth the Town has experienced over the past couple of years.

Chairman Koenig echoed the remarks. He spoke of having worked with Mr. Redding on the Planning Board and commented on his knowledge and thoroughness.

A certificate in recognition of his service to the community will be presented, and was read into the record:

*"Presented to Michael Redding in recognition for his service as a member of the Planning Board. In recognition of your dedication and commitment to public service during your appointment as a member of the Planning Board. Your service and devotion to the Planning Board has had a valuable*

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*effect upon this community, and we wish to extend to you our sincere appreciation for your outstanding performance of duty from June of 2011 to April of 2019."*

**MOTION CARRIED**

**6-0-0**

**Appointments**

**1. Annual Review with the Planning Board**

Submitted by Planning Board Chair Robert Best

Per Town of Merrimack Charter Section 6-6, at least annually, there should be an annual review with the Planning Board. This agenda item is to highlight the board's significant actions, current projects, anticipated actions, and to raise any concerns the Council should know or could act on.

Robert Best, Chairman, Merrimack Planning Board, noted the membership of the board and the amount of work involved in serving the community in this way. He spoke of the fantastic staff in the Community Development Department and the level of support they provide the board. Mr. Best commented Planning Board members are very interested and supportive of the trial effort to be a member of the New Hampshire Municipal Association and look to identify the value that can be received from the services they offer.

During the period of May 1, 2018 to present, the Planning Board has had 21 meetings, conditionally approved 18 site plans and waivers of full site plan review, and conditionally approved 10 subdivisions and lot line adjustments. Some of those were commercial, but there were 5 that created new residential building lots. The board conditionally approved two Conditional Use Permits (CUPs), which created 45 multi-family affordable housing units, 121 multi-family elderly housing units, and 221 conventional multi-family housing units.

Mr. Best spoke of additional work underway. Tim Thompson, Director, Community Development. has lead an effort to review the regulations. Traditionally, the document has been a combination of subdivision and site plan regulations. As they are truly two separate matters, they should have separate regulations. Director Thompson has gone through the process of creating a separate document for site plan regulations. The Planning Board just began the review of the first few chapters of that. The hope is that can be reviewed over the next few meetings and put in place.

He spoke of the benefits of the project commenting on the requirements of the United States EPA with the MS4 drainage regulations. This effort goes a long way towards preparing the Town for the future of that, and being compliant with where we need to be from a site plan regulations standpoint. It also checks off a lot of items in the 2013 Masterplan project in terms of how we will approach and look at site plan regulations in the business district (D.W. Highway).

With the resignation, there is an open full-time position as well as several vacant alternate positions. The Planning Board has staggered three-year terms. Mr. Best noted his term as well as those of Alastair Millns and Nelson Disco are all up this year. He believes each will submit their names for consideration of re-appointment.

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**Public Hearing** - None

**Legislative Updates from State Representatives** – None

**Town Manager's Report**

On Saturday, April 27<sup>th</sup>, Parks and Recreation held their 2<sup>nd</sup> Annual Community Clean-up Day. Fourteen groups came out on a cold and rainy Saturday to clean up 12 different parks and conservation areas in Merrimack.

May 8<sup>th</sup> marked Town Clerk/Tax Collector Diane Trippett's 30<sup>th</sup> anniversary with the Town of Merrimack.

On May 7<sup>th</sup>, the Planning Board continued discussions on a comprehensive overhaul of the Town's Site Plan Regulations. A third workshop meeting on the proposed regulations will take place in June, with hopes of a public hearing and adoption by August.

Merrimack Village District will be working on the Town Water System; the water main will be shut down from Priscilla Lane to the Bedford Town line along D.W. Highway. The shutdown is scheduled for approximately 11:00 p.m. on Saturday night, May 11<sup>th</sup>, for 4 to 8 hours. They are tying together the 16" and 12" lines running along the east and west sides of D.W. Highway for redundancy.

The water will not be shut off. Water will be provided from Bedford. Pressure may be found to be lower, but there will be water.

**Consent Agenda** - None

**Old Business** - None

**New Business**

**1. National Public Works Week Proclamation**

Submitted by Public Works Director Kyle Fox

The Town Council to designate the week of May 19 - 25, 2019, as National Public Works Week.

Chairman Koenig read the Proclamation into the record:

***"WHEREAS, public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people of MERRIMACK NH; and***

***"WHEREAS, these infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers and employees at all levels of government and the private sector, who are responsible for rebuilding, improving and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and,***

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**WHEREAS, it is in the public interest for the citizens, civic leaders and children in MERRIMACK, NH to gain knowledge of and to maintain a progressive interest and understanding of the importance of public works and public works programs in their respective communities; and,**

**WHEREAS, the year 2019 marks the 59<sup>th</sup> annual National Public Works Week sponsored by the American Public Works Association/Canadian Public Works Association be it now,**

**RESOLVED, WE, THE MERRIMACK TOWN COUNCIL, do hereby designate the week May 19 - 25, 2019, as National Public Works Week; we urge all citizens to join with representatives of the American Public Works Association/Canadian Public Works Association and government agencies in activities, events and ceremonies designed to pay tribute to our public works professionals, engineers, managers and employees and to recognize the substantial contributions they make to protecting our national health, safety, and quality of life.**

**IN WITNESS WHEREOF, we have hereunto set the Seal of the Town of Merrimack to be affixed, on this 9<sup>th</sup> day of May 2019.”**

**MOTION made by Vice Chairman Boyd and seconded by Councilor Healey to designate the week of May 19 - 25, 2019, as National Public Works Week**

**ON THE QUESTION**

Councilor Rothhaus remarked it is amazing what Public Works departments get accomplished. He stated appreciation, particularly in our community, of what the Public Works Department does. Chairman Koenig echoed the remarks stating appreciation for the work done.

**MOTION CARRIED 6-0-0**

**2. Wastewater Treatment Facility LED Lighting Upgrade**

Submitted by Finance Director Paul T. Micali

The Town Council to review and consider the recommended options to move forward with the Wastewater Treatment Facility's lighting upgrade/retrofit project budgeted for \$48,000 in the 18-19 budget.

Assistant Town Manager/Finance Director Micali spoke about the opportunity to learn about the benefits of LED lighting that occurred as a result of the Highway Garage project. Director Fox took the information learned back to his department seeking ways in which the Town could reduce its carbon footprint.

Noted was the streetlight upgrade the Town conducted a few years back and the resulting savings; kilowatt hours (KWH) were cut from 230,000 as of March 2017 to 90,000 in March 2019. In addition, KWH associated with traffic lights has been flatlined from 5-6 years ago.

The Wastewater Treatment Facility (WWTF) reached out to Eversource looking for information on upgrading to LED lighting. A free audit was done of the entire facility. The lifespan of the common 60w bulb (1,200 hours) and the 12.5w AmbientLED bulb (25,000 hours).

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The FY19 budget included \$48,000 for a lighting upgrade/retrofit project at the WWTF. Eversource completed the audit; replace 325 fixtures. Total cost of project is \$69,000.

Asked if the amount covers the cost of fixture replacement or bulb replacement, Assistant Town Manager/Finance Director Micali stated there to be a combination; retrofitting for fluorescent lights, bulb replacement, and fixture replacements.

Eversource provides incentives for projects like this. Offered is a \$17,000 incentive, which would reduce the net cost to \$52,000 or \$4,000 over budget. Projected is an estimated kilowatt savings per year of 195,982 KWH, \$14,000 annual savings; however, the estimates were based on the Eversource charge (10.5 cents/KWH) as opposed to the Town's fixed rate of 7.2 cents/KWH (until 11-2020). Return on Investment (ROI) is roughly 3.7 years.

Assistant Town Manager/Finance Director Micali stated he, Director Fox, and Sarita Croce, Assistant Director, PWD, Wastewater, sat down with Eversource and the engineer. Questioned was the options after implementation. What was learned was the Town could hire an electrician to do the project with Wastewater as the Clerk of Works, could hire an electrician and a Clerk of Works or could hire a full-service contractor who would oversee the entirety of the project and still retain the same ROI. The 3.7-year ROI was based on that scenario. He spoke of difficulties with hiring mechanics in the maintenance area of the Wastewater Department noting an individual would have to be dedicated to watch over the electricians, etc., and stated his recommendation for a full-service contractor.

The project is a turnkey lighting upgrade where the contractor would be providing detailed information of work to be completed, oversee installation with subcontractors, proper disposal of all waste with certificates of recycling and disposal provided, licensed electricians completing all work, weekly updates, and pre and post walk through with Eversource for final approvals. Warranty information for each aspect of the project, e.g. equipment and workmanship, was cited. A copy of the presentation provided can be viewed [here](#), and is attached.

Asked about the timeframe and whether it would interfere with other projects planned by the WWTF, Director Fox stated the work would be done over the summer. It would not interfere with other planned projects.

Chairman Koenig noted part of the upgrade involves electrical work, and questioned if both planned projects would be doing the same thing. Director Fox stated the bulk of the electrical work that will be in the Phase III upgrade is the sub-code electrical for the heavy equipment. The project would not be duplication or interference of work. Asked about a breakdown of costs, Director Fox indicated the project was quoted as a lump sum price.

It was noted the difference in overall cost could be addressed through savings achieved in other line items in the department's budget. Also noted was that Wastewater is self-supporting.

Director Fox remarked these kind of upgrades have been done previously, e.g., Highway Garage and Transfer Station. In addition to the monetary savings, the lighting is vastly improved resulting in a safer working environment.

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Asked if there remain other facilities within Town that should be considered for lighting replacement/retrofit, Assistant Town Manager/Finance Director Micali stated discussions are underway with Eversource regarding a study on the east and west wings of Town Hall, the MYA building, and Central Fire Station. The audit is free. They are holding off on the Police Station and South Fire Station given the start of discussions around a safety complex. He has reached out to the Library to see if there is interest there. Eversource has stated there to be funding for municipal upgrades in this project.

**MOTION made by Councilor Harrington and seconded by Councilor Woods to approve the recommended options to move forward with the Wastewater Treatment Facility's lighting upgrade/retrofit project budgeted for Forty-Eight Thousand Dollars (\$48,000) in the 18-19 budget, and authorize the Town Manager or her designee to sign any and all documents necessary to affect the transaction**

**MOTION CARRIED 6-0-0**

### **3. State Revolving Fund (SRF) WWTF Phase III Upgrades**

Submitted by Finance Director Paul T. Micali

The Town Council to consider authorizing the Town Manager to apply for and sign the required paperwork related to the New Hampshire Department of Environmental Services Water Division's State Revolving Fund for funding for the Wastewater Treatment Facility Phase III upgrade, which were approved by the voters at the 2019 Merrimack Annual Town Meeting.

Town Manager Cabanel noted the requirement to provide a copy of the meeting minutes that include the vote of the Council authorizing her to sign on its behalf.

**MOTION made by Councilor Woods and seconded by Councilor Harrington to authorize the Town Manager to apply for and sign the required paperwork related to the New Hampshire Department of Environmental Services Water Division's State Revolving Fund for funding for the Wastewater Treatment Facility Phase III upgrade, which were approved by the voters at the 2019 Merrimack Annual Town Meeting. MOTION CARRIED 6-0-0**

*There being no objection, the Council went out of the regular order of business by postponing agenda Item #4 until representatives from the MYA were in attendance.*

### **5. Proposal to Simplify the Process for Food Trucks**

Submitted by Town Councilor Barbara Healey

A proposal to simplify the process for both Town employees and the smallest or our small business men and women, Food Truck owners/operators by taking advantage of regulations and work already performed by the State of New Hampshire.

Councilor Healey requested the item be tabled. She commented on the outreach efforts of Town staff, and the desire to review the information gathered.

*There being no objection, the item was tabled.*

*The order of business was further adjusted by taking up Item #7 prior to Item #6.*

## **7. 3rd Quarter Financial Review**

Submitted by Finance Director Paul T. Micali

Finance Director Paul Micali will review the key financial information of the quarter ending March 31, 2019.

Deputy Finance Director, Tom Boland, stated the Town is in very good shape in regard to both appropriations and revenue through the first three quarters of the fiscal year (FY). It is projected there will be sufficient appropriations to cover the planned operations of the Town through the end of the FY. The FY may end with a surplus in appropriations, which would be largely the result of savings in salaries and wages. There have been a number of retirements in the current fiscal year, and while that creates some operational challenges to hire and train new personnel, it does create some cost savings as the positions go unfilled for a short period of time.

In terms of health insurance, there was a downturn when the programs were restructured three years ago. Since that time, premium costs have increased; up about 8% overall through the first 9 months of the FY. That was anticipated, and the Town is currently running slightly below budget due to retirements, etc.

It is a similar story with the New Hampshire Retirement System (NHRS) costs. The Town's contributions have increased as a result of staffing level increases as well as overall salary increases. These were expected, budgeted, and are running slightly below for the year.

Chairman Koenig questioned why the contributions to the NHRS for the Police Department were not changed last year, but increased this year. Deputy Director Boland stated the change to be a result of staffing increases. Assistant Town Manager/Finance Director Micali spoke of the new positions approved for the Special Investigation Unit (SIU). At the start of FY18 there were a significant number of openings in the department. Those positions were filled this year, which resulted in the increased cost. Town Manager Cabanel noted the amount of overtime in the department's budget was reduced this year as a result of approval of the additional positions in the SIU.

Deputy Director Boland stated overtime costs are down in almost all departments compared to the prior year. The most notable decline is in the Fire Department, which was expected as a result of the additional staffing allocated to the department. Overtime in the Police Department is down compared to the prior year although still running high compared to several prior years, and is as a result of the additional overtime allotted to the SIU. Overtime in the Highway Department is usually a function of the number and severity of winter storms. The Solid Waste Department is the only one where the overtime through the first 9 months and what will be seen for the full FY will probably be higher than what was budgeted, and that is strictly a function of turnover in that department. Savings in the wage and salaries lines will more than offset the increased overtime cost. He explained the current cost is running less than last year, but more than what had been budgeted for. Also noted was a resignation at the beginning of April resulting in Saturday shifts being filled with overtime. It is believed the overtime will increase.

With regard to electrical use, KWHs used by the various departments are mostly up compared to prior years with the notable exception of street and traffic lights. Chairman Koenig questioned if a trend is being seen in increased usage and asked for clarification the increase is in terms of usage not cost. Deputy Director Boland stated the increase is in usage. The cost is fixed for a period. It does seem as

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though it is consistently higher use. A similar scenario is seen with natural gas. From what they can ascertain, a lot of the increase is the function of a colder winter. He pointed out the increase in the Highway Department in terms of therm usage is a bit misleading given they had two buildings for most of this winter.

Councilor Healey questioned if the Town has mechanisms for controlling some of the off-hour usage, and was informed there is a policy in Town Hall to throw back the thermostats to 65 in a room that is not being used. Although an increase across all three of the Fire Department buildings, there was a significantly higher increase at Station 3 as a result of issues with weather stripping, insulation, etc. Noted was the type of usage the buildings have, the need to maintain a certain temperature for the equipment, etc.

The largest non-property tax revenue is auto registrations. It appears that area will be right on target with the \$5.2 million budget estimate. The budget is tracking in terms of building permit revenue and interest on the Town's cash balances.

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

#### **4. MYA Audit / Financial Discussion**

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

The Town Council to review the Town's current contract with the Merrimack Youth Association that is due to expire on June 30th and consider the recommendation that the MYA hire a part-time bookkeeper.

Assistant Town Manager/Finance Director Micali noted he has been speaking with Holly Golden, Treasurer, MYA on and off since November 1, 2018 regarding the audit. The MYA is an organization with about \$500,000 going through it each year with numerous programs available. They are a volunteer organization and have volunteer treasurers in the different programs.

The auditors have stated the internal controls are great on paper; however, some of the treasurers are not adhering to them 100%.

Back in January, he was informed of the need for additional information from one of the program treasurers in order to complete the audit. That volunteer/program treasurer works as a tax accountant during the season, and was unable to provide the information, which resulted in a delay until April 15<sup>th</sup>.

The Town Manager sent a letter to the MYA providing notification of non-compliance with the agreement with the Town, and indicating, in accordance with the agreement, payments from November 1, 2018 through April 1, 2018 would be withheld.

Assistant Town Manager/Finance Director Micali stated his recommendation that the MYA hire a bookkeeper/treasurer. By doing so they could ensure all internal controls are adhered to, and in the same manner, and would avoid 5-6 different individual volunteers fulfilling those duties. There are some logistics that would have to be worked out. He has spoken with several accounting firms to understand the full ramifications of such a change. He stated his opinion with the right management/incentive to put it in place, the programs will not see a difference other than receipt of

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reports, etc. in a timelier manner. He stated his belief the current MYA Bylaws state the organization cannot have a position. He suggested it could be a consultant or contractor.

Town Manager Cabanel suggested a bookkeeper could be hired on a contract basis to work a few hours/month. From the Town's perspective, there is appreciation for everything the organization does.

Assistant Town Manager/Finance Director Micali reiterated the efforts of Ms. Golden to gather the required information. The current auditing firm is their third, and all three have stated the same thing; it is not at the executive board level, it is at the program level. To have a \$500,000 organization that is supported by the Town (\$72,000) and to have volunteers in a key position such as treasurer, may need to be looked at in the future. He indicated he has not seen this year's audit report. He is aware they spoke with Ms. Golden earlier in the day and had findings similar to what is being discussed. Town Manager Cabanel remarked in regard to the audit, it is really just a compilation with no opinion on it because the internal controls aren't being followed. Even if you get the audit it doesn't really mean anything.

Ms. Golden stated her disappointment given how hard she had worked and had hoped this year would be better. She has known for a while there is the need for a single person. She believes it would be a part-time job. When each program is in season they have referees they pay, and items that are addressed on a consistent basis. She believes the programs are trying to do what they need to, but the treasurer position is someone without the accounting background to be able to understand when she tries to explain what is needed and why. There is also an issue of turnover. She remarked she cannot believe they have run the program the way they have, with all of this money going through it, successfully. It is great to have volunteers stepping up, but with 7 hands in the pot it is just not a good idea. She believes that to be why the audit comes back all the time; with 7 treasurers it is hard to keep control over all of them and they all have their own sense of their finances.

She reiterated her opinion there is the need for a part-time individual. She commented they really have a profit and loss statement, they don't have a balance sheet, and they should. The individual treasurers view it on a cash basis. There is equipment that is owned, and the executive board needs to look at things differently. The biggest thing is lack of consistency, e.g., what she sees as an office expense another may see differently. They are unable to look at trends as the same item is placed in different categories.

Assistant Town Manager/Finance Director Micali remarked Ms. Golden has made some great strides; she brought up the financial software (QuickBooks) and has consolidated from having 12 different bank accounts down to 3 or 4. He reiterated his opinion this is the next step.

Councilor Harrington asked if the suggestion was that the Council make the part-time position part of the contract (current contract expires June 30<sup>th</sup>), and was informed that is the case.

Brian Harris, President, MYA, remarked the red flags that have come up have been around areas such as concessions (collect cash). He questioned how having a paid position would rectify that. Assistant Town Manager/Finance Director Micali responded those are some of the internal control details he could help work out with the individual in that position. Were there a paid position the individual could say at the night of concession, you close at 8:30 p.m. I expect an envelope with the amount of cash collected in the slot at the MYA so that when he/she arrives in the office in the a.m. the cash

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receipt can be reconciled with the cash. If it is not there, that individual could chase it down. It gives the Treasurer the authority to enforce, and if not responded to, the ability to look to the President of the MYA and the executive board to make a decision relative to the practices of that program.

Mr. Harris questioned if the same red flags could come back up during next year's audit even if there is a Treasurer in place. Ms. Golden stated they most definitely would because June is next month. Mr. Harris commented they have discussed, in the past, that the audit is due at the same time the budgets are due. He questioned if the new contract could include language that would have those separated by 6 months.

Assistant Town Manager/Finance Director Micali stated they could bring anything forward to the Town Manager.

Mr. Harris commented it is a lot of work for the volunteers to get all of it done. They do put a lot of pressure on them, but it obviously has not happened. Town Manager Cabanel remarked that is the reason for the position; you don't have to do it. She stated her opinion there is already a reasonable amount of time allocated for the audit to be completed. With an individual tracking the information on a regular basis, it should be easily pulled together for the audit.

Ms. Golden commented if all of the paperwork were available when the auditor came to conduct the audit, the auditor would have been able to come back to her in August and they would have been done. There will always be that small overlap to the year, e.g., they want to see what you did in July and August so that you are not moving money to July because you know they are only looking at last year. That is why she continually tells the program treasurers she needs all of the paperwork by the end of June.

Mr. Harris stated concern with asking the hired Treasurer position to do the budget and audit at the same time. Town Manager Cabanel stated the bookkeeper would do the books and the President the budget. She stated the desire to not have too much time go by without a firm deadline. The experience being had is that these things aren't happening, and the Council has a responsibility to ensure the accounting is handled through best management practices.

Councilor Rothhaus questioned if the intent is that, once the audit is provided, the payments would be disbursed to the MYA. He questioned when the information would be submitted.

Ms. Golden stated the paperwork has been completed. Everything is done, but the information received last year in the Management Report is the same; they are saying they will not make an opinion on the financials.

Councilor Rothhaus questioned if that satisfies the requirements for the release of funds, and was informed the decision is that of the Council.

Town Manager Cabanel remarked it is not about being late, it is about having financial statements that mean something. Councilor Rothhaus stated an understanding of the fact that was the situation that was faced last year, and the funds were released; however, he did not recall the discussion that lead up to release of the funds. He does not understand why a program would not try and cooperate understanding the position it puts the MYA in as a whole, but he does understand it is a volunteer

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organization. To drop off the information just to get it to someone so they can get that wrapped up seems like it should not be that difficult. He would like to see the MYA get the funding some how and he understands it will not be a qualified audit. He would like to get it going forward for them because they do use the funding for a good purpose.

Town Manager Cabanel stated her understanding the Council has never not given the funding to the MYA. It has been withheld for periods of time. She understands they cannot go back retroactively and change things that occurred this past year, but if they hire a bookkeeper it is a good way to show that moving forward the audits will be qualified and the internal controls will be followed. She stated her support of releasing the funds once the Council is in receipt of the audit.

Chairman Koenig noted the Council needs to receive the audit for this past year. Next month will close out their books for this year. The audit for this year would be very difficult given they haven't been able to move forward with the previous year. This is the third year in the contract, and the Council has been trying to help them get better controls and handles on the finances. It is a little frustrating, from the Town's perspective, that this isn't working out better. He believes what has been suggested of a professional bookkeeper should help to encourage and teach people of the need to provide the information. Because it is a \$500,000 organization, those things need to happen.

Ms. Golden commented it is just a matter of not being consistent. Although they see revenue coming in, what the treasurers don't understand is pre-paid money. When the year ends, June 30<sup>th</sup>, they have some registration money that comes in, but it is for August or September. What they are saying is we are really overstating our revenue for June 30<sup>th</sup>. They are, but they are not. She does not think what they are saying they have is not what they have. They do have it; it is just not being stated properly with the revenue recognition you are supposed to have. From a financial perspective, it should be on a balance sheet not on a profit and loss statement as revenue because it is not earned yet. She believes that to be the issue with the revenue piece.

Assistant Town Manager/Finance Director Micali stated the main issue to be that of internal controls. They are in place and need to be followed. Some of the programs are not following them.

Chairman Koenig noted that at some point between now and June 30<sup>th</sup>, there is the need to come up with a new contract.

Councilors expressed appreciation for the MYA, the program they put on, and the level of volunteerism.

## **6. Town Council Retreat / Goal Session Topic Discussion**

Submitted by Town Council Chairman Tom Koenig and Vice Chair Bill Boyd

The Town Council to review the proposed topics of discussion for the upcoming Town Council Retreat / Goal Session scheduled for Monday, June 17, 2019.

The Town Council will conduct its Retreat/Work Session on Monday, June 17<sup>th</sup> from 9:00 a.m. - 4:00 p.m. at the Carriage Shed at Buckley's Great Steaks.

Chairman Koenig spoke of having gathered input received to prepare the draft [agenda](#) (copy attached). He questioned the will of the Council relative to amendments.

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Councilor Rothhaus suggested adding “or other lands” under the heading of Town Buildings. There is the desire to discuss the potential of lands being donated. Those types of transactions could benefit the Town and property owner.

Town Manager Cabanel spoke of the discussion of a possible public safety building, noting any locations being considered must be looked at in regard to response times, etc.

Asked if the Town conducts reviews of the facilities to understand the needs, Town Manager Cabanel spoke of the monitoring that occurs.

Asked about the items under the heading of “Fund Balance”, Assistant Town Manager/Finance Director Micali spoke of the target range for the fund balance (8% of the total budget). The balance is nearing the target. There is a policy around use of the funds. The agenda item is intended to generate a discussion of the possible uses.

Chairman Koenig noted the agenda includes several long-range budget issues. He questioned if Councilors had additional long-range items to add to the discussion.

Councilor Harrington requested a presentation be provided at a future meeting relative to gravel/paved roads, e.g., how the status/condition of a road is determined, decisions made around repair, etc. Town Manager Cabanel noted the presentation has been prepared.

Asked what is sought for information around wages/benefits, Chairman Koenig stated the desire for information to be provided around planned future efforts, e.g., health insurance, tax exemptions.

Chairman Koenig remarked discussion of athletic fields comes up often. The agenda item is intended to generate discussion around land and whether there is the desire to put a committee together to look into that. Vice Chairman Boyd commented on the study that was done previously, and the desire to have that information available for the discussion.

Regarding the Comcast contract, Councilor Healey stated her understanding the revisions the committee recommended were forwarded to legal counsel and an opinion is expected. Comcast has reviewed a preliminary version and is in agreement.

Councilor Rothhaus spoke of the suggestion to prioritize the agenda items understanding the number of items and the timeframe for discussion. It was suggested the discussion of roads, bridges and infrastructure follow the discussion of Town buildings. Councilor Healey suggested moving the discussion of fund balance further down in the agenda.

Town Manager Cabanel noted there to be updates identified on the agenda, which could be provided at future meetings. The Council agreed those items could be towards the end of the agenda.

## **Minutes**

April 25, 2019

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*The following amendments were offered:*

Page 3, Line 26; should identify the return of Vice Chairman Boyd to the Chamber and the following vote reflect his attendance

Page 4, Lines 11, 29, and 33; replace “William” with “Bill”

Page 5, Line 29; replace “stated his recollection” with “acknowledged”

Page 5, Line 38; replace “that” with “the”

Page 6, Line 15; replace “sympoimology” with “symptomatology”

Page 7, Line 38; insert quotations around “The Devil we Know”

Page 8, Line 14; delete “made” and insert “documented in a local newspaper” before “that children”

Page 9, Line 39; delete “in” following “in”

Page 11, Line 4; replace “Councilor Boyd” with “Vice Chairman Boyd”

Page 13, Line 30; capitalize “Tesla”

Page 15, Line 31 and 32; correct spacing

Page 18, Line 24; insert “that” before “crushed” and “was” before “being”

Page 18, Line 33; insert a period following “clarification” and capitalize “The”

Page 20, Line 5; insert “about” following “call”

Page 21, Lines 22 and 23; correct spacing

Page 20, Line 28; inset “walk” before “-thru”

Page 21, Line 39; replace “to be” with “was”

Page 23, Line 42; replace ‘Michelle” with “Michele”

Throughout the document, insert the first names of individuals holding elected positions

**MOTION made by Vice Chairman Boyd and seconded by Councilor Healey to approve the meeting minutes of the Town Council meeting of April 25, 2019, as amended. MOTION CARRIED**

**5-0-1** Councilor Rothhaus Abstained

**Comments from the Press** - None

**Comments from the Public** - None

**Comments from the Council**

Vice Chairman Boyd spoke of National Nurse’s Week, commenting, without the dedicated services of the men and women in that profession, our healthcare system would not function the way it does today.

Vice Chairman Boyd stated the desire to recognize Merrimack resident, Chris Wyman, Call Lieutenant with the Merrimack Fire Department and an employee of the State Fire Marshall’s Office. Mr. Wyman was recognized after 20 years of service. He has been given a credential by the Center for Public Safety Excellence; Fire Marshall designation. He is one of 158 people in the world to have the designation and the 4<sup>th</sup> in the State. He commended Mr. Wyman for his commitment to the community of Merrimack and the State of New Hampshire.

Councilor Rothhaus spoke of the 50<sup>th</sup> anniversary celebration of the MYA on Saturday, May 18<sup>th</sup> from 6:00 - 9:00 p.m. at the beer garden. Tickets are \$30/each. The vast majority of monies collected will go towards helping children who might otherwise not be able to participate in the programs offered.

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Councilor Rothhaus spoke of the recognition of the Police, Fire, and EMT of the Year.

The Public Works Department will be hosting an Open House at the new Highway Facility at 76 Turkey Hill Road on Saturday, May 18<sup>th</sup>, from 9:00 a.m. to noon.

**Adjourn**

**MOTION made by Vice Chairman Boyd and seconded by Councilor Healey to adjourn the meeting. MOTION CARRIED 6-0-0**

*The May 9, 2019 meeting of the Town Council was adjourned at 9:51 p.m.*

Submitted by Dawn MacMillan