



Town Council Meeting Minutes



Wednesday, January 19, 2022, at 6:30 PM, in the Matthew Thornton Room

Chairman Koenig called the meeting to order at 6:34 pm. Present at the meeting were Chairman Koenig, Vice Chair Rothhaus, Councilor Harrington, Councilor Healey, Councilor Hunter, Councilor Murphy, Councilor Woods, and Town Manager Paul Micali.

The Town Council will hold a public meeting to review the 2022/23 budget, to include the following departments:

Public Comment

None.

Welfare

Mr. Micali began by stating that the Welfare budget is a pretty flatline budget that went up \$196, however social and health services went up about \$1,700. Patricia Murphy then took over, beginning by stating to the public that the general assistance budget within the municipalities is a mandated function within the state, so they have to provide an estimate of what they think people may need for basic needs (housing, food, prescriptions, etc.) and they have to estimate these costs that individuals are expected to spend. Chairman Koenig wanted to share that if they do not budget for this correctly, then the town is required by state law to pay for certain things and come up with the money if they go over their budget. Ms. Murphy then shared that she was concerned about the cost of heating elements because heating costs have greatly increased, so those costs have gone up in the budget. Additionally, she shared that there are issues with affordable housing, as many individuals are facing homelessness or living in hotels. She then shared that the child tax credit has been an amazing help for families with kids and has helped pay for basic necessities and lowered rental requests.

Ms. Murphy then shared with the Council that the largest budget increase for the year was in the social and health donation account, largely due to multiple agencies requesting assistance that provide services to the town. These programs can save the town money and provide important services such as transportation, housing, and recovery efforts. Councilor Healey shared that two services on this list, the American Red Cross and the Big Brothers Big Sisters programs are nationally known for fundraising, whereas the rest of the list are local programs that do not have the big connections to get more donations. She would rather see the money (\$2,000) go to local programs such as the Soup Kitchen or the VA. Ms. Murphy responded, stating that they are only getting \$1,000 each, and the Red Cross provides assistance to individuals who have been involved with fires, which immediate assistance can be very costly. Big Brothers Big Sisters is a tertiary type of agency, meaning it does not provide basic services so that is why it only gets \$1,000 as well. Mr. Micali wanted to thank the agencies that help the Welfare office out, such as the Lions and Lioness Clubs, Friends and Family, the Rotary Club, Parks and Recreation, and other agencies in the town that provide support.

Chairman Koenig wanted to ask about the housing budget, specifically how it is budgeted for \$35,000 this year and last year \$21,000 was spent, in which Ms. Murphy replied that they have only spent \$4,875 but she does expect they will spend a lot less, mostly due to the child tax credit. However, this ended in December so it will be interesting to see what will happen now that this has transpired and that evictions are reinstated. She then shared that rent has significantly increased and there is not a lot of affordable housing in the town, so it will be hard to determine the exact amount of money that will be used in the budget for this.

Library

Mr. Micali wanted to clarify that with the library, the Council has the ability to make an adjustment to the bottom line of the budget, meaning that the budget can be cut or added on to, but it is up to the library trustees as to where that money comes from or what it goes into. Deborah Covell, chair of the library board of trustees, was present with Yvette Couser to discuss the budget in more detail. The first item Ms. Covell discussed was salaries and wages, which increased after a study determined that the current library wages were not competitive with surrounding areas. She also shared that the board is going to be contributing \$12,000 from the trust funds towards the budget for this year. Vice Chair Rothhaus asked about the executive department head position and if this is a stipend that somebody will be getting, in which Ms. Covell replied that there was a staff member serving this function that left, so they did not include this function in the person hired to replace her. Because of this, they are currently seeing if there are internal candidates that would like to apply for this, but the job market is very competitive. Additionally, this position is in place of a stipend, as there had previously been a stipend at one point, but it is better fitted to have this be part of someone's duties in the role. Vice Chair Rothhaus then asked if it was safe to assume that the head of circulation salary of \$42,900 is reflective of a \$5,000 deduction for the person who's currently holding it, in which Ms. Covell stated that yes, this is a placeholder and whoever takes on this role will get the stipend.

Chairman Koenig asked Ms. Covell to explain the library materials increasing by \$11,000, in which Mr. Micali stated that the amount did not increase by \$11,000, but rather decreased by \$500 because the trustees gave \$12,000 of their trustee funds and a majority of that money goes into library materials. The actual number is \$125,558. Ms. Couser then wanted to take a moment to clarify why there is a trustee board that is separate from the Council. One of the reasons for this is because the Council is voted on from a political ticket, whereas the trustees do not run on a political ticket. Additionally, the library services everyone in the community regardless of politics, so the trustees serve as a non-partisan buffer that allows the library to collect materials for all beliefs. Chairman Koenig wanted to share that the Council members did not run on a political ticket, but they are there to serve the community also regardless of political beliefs.

Parks and Recreation

Mr. Micali stated that for the Parks and Recreation department, it looks like there are several open positions, but these are for summer day camp positions/summer programs and there are only 2 full-time positions and 1 part-time position year round. He then shared that the budget is also pretty much level-funded, and Mr. Casparius took into account putting some initiatives forward, such as the community gardens and farmer's market, and also increased hours for camp maintenance. Mr. Casparius then shared that the Parks and Recreation exists for quality of life issues and keeping parks and public spaces safe and well-maintained. He then shared that the department took a hit in 2020 when Covid struck, and they spent the better part of last year trying to rebuild to where they had been prior to Covid. He stated one of the highlights from last year was getting camp up and running again, which took additional time and effort to ensure they maintained CDC guidelines. Another big event was the town's 275th anniversary, and there were an additional 32 different events that were successfully put on last year. Mr. Casparius then shared the budget with the Council, which is broken down into two compartments: taxpayer funded, and recreation revolving fund, which is the programming side. For the taxpayer side, there were increases that they do not have control over, such as natural gas, water, insurance, etc. He then stated that for the park attendant position, they noticed there was not a lot of foot traffic during the weekday, so the position has changed to weekends from Friday night from 4-8 pm and Saturday and Sunday from 11am- 6pm and is budgeted at \$12,049.

Mr. Casparius then shared that they recently started to take function hall rentals again, and although this has been very successful so far, he is having difficulty getting these functions done as there are no employees to help set up the events every weekend. For the budget this year, he is proposing some hours (about 80 hours total) to have the park attendant help out with this and keep her on part-time year round. He then discussed the lifeguard position, stating that last year they were budgeted at \$11,042 and he could not find any employees and only has two lifeguards. Because of this, they bumped the pay up to \$15/hr and were able to hire two more lifeguards. Additionally, there is a waterfront director position that is split between the day camp and the town, and when the lifeguard pay increased, they had to increase this salary as well. Mr. Casparius then shared that their maintainer position is a year round part-time maintenance person who works 18 hours a week during the school year and 25 hours a week during the summer, which is still not enough as there are 16 buildings in Wasserman Park to maintain. He is proposing raising this position to 25 hours a week year round to eliminate the need to hire outside companies for work that cannot get done in a timely manner. Mr. Casparius then discussed the community garden and farmer's market, stating that he will discuss this plan with the Council in February, but wanted to propose hiring a second part-time 20 hours a week position in the summer to help out with these tasks. Lastly, Mr. Casparius discussed a farmer's market attendant, which is 48 hours for the summer and is \$600 in the budget.

Mr. Casparius then shared that there was a \$500 increase in travel due to his program coordinator getting certifications and needing to travel to maintain certification. He also discussed how that for recreation programs, the budget mostly stayed the same except for the potential cost for the farmer's market, such as signage, supplies, and finding space to host if it's raining. Lastly, Mr. Casparius shared the infrastructure line item, stating that this is for 5 roofs for the Wasserman cabins that need to be replaced that will cost \$32,000 total. Chairman Koenig asked why there is a \$62,000 difference between the department ask and the town manager, in which Mr. Micali stated this is because there was a request for irrigation at Wasserman Park and he is not sure if they should go for an irrigation system at the park as he does not think it'll help the fields. Mr. Casparius then shared that this request came from the MYA, and they have had issues with the Norma French playground area being primarily dirt and being difficult for kids to play in.

Chairman Koenig asked Mr. Casparius to follow up on the maintenance costs, in which Mr. Casparius stated this went up \$5,000 largely due to the costs of repairs, the cost of a dumpster at Veterans Park, and the addition of extra porta potties at Watson. Councilor Murphy asked for clarification on the funding source and who does the work for certain areas, in which Mr. Micali stated that DPW does outside work and does not do any inside repairs, so Mr. Casparius is asking for an increase in the maintenance budget for building repairs. Councilor Healey asked about water, specifically how Abbie Griffin Park is using water, in which Mr. Casparius stated that there is irrigation there. She then asked about the Memorial Day parade and wreathes for graves, in which Mr. Casparius stated he has nothing to do with Memorial Day, rather the money goes towards the VFW but is in his budget. After some discussion about other projects, the Council expressed gratitude for Mr. Casparius and all he and his staff have done for the Parks and Recreation department over the years.

Summer Day Camp

Mr. Micali began by stating that this is a revolving fund, meaning that the money earned goes back into the fund, and if there is no money in the fund then you cannot pay for staff or items. Mr. Casparius has grown this fund over the years and included new programs. He also shared that this is not included in the budget, and it's not included in tax base as its 100% paid for by users. Mr. Casparius then stated that the cost of camp has gone up \$15 per week for both residents and non-residents, and their rates are competitive, but they try to stay on the lower end of the spectrum. He also shared that parents enjoy that the camp includes hot lunch for the campers, and their attendance is growing. Mr. Casparius then stated that it cost \$208,000 last year to run camp, and there were 844 registrations and \$158,000 in direct expenses. He also stated that the

town charges a salary allocation, meaning that every year he has to recruit a certain amount of money, with this year being \$59,994. He then shared that the camps collectively cover 92% of this amount, and the remaining \$4,500 comes from various programs they run throughout the school year. Mr. Micali and Mr. Casparius then briefly talked about the theater camp and how it runs for one week each summer in honor of the Wasserman's (whom the town bought the property from) child who loved the theater camp and passed away several years ago.

Media (Postponed from January 6, 2022)

Mr. Micali began by stating that the Media budget is level funded except for two items: the first is that they would like to propose that their part-time employee go to full-time due to additional programming they've taken on, and the second is Mr. Lavallee is asking for \$10,000 towards subscriptions. He also shared that this budget is paid by the cable franchise fees that are charged by Comcast- they set the rate, Comcast collects it, and then pays them quarterly. Currently, the general fund in the revenue section is around \$250,000 from the cable funds that they use to help offset taxes, and the department is using \$150,000. Mr. Lavallee then took over, beginning the presentation by stating that they collect 3.75% of gross annual revenues from the cable subscription portion of Comcast, and over the last four quarters they've collected nearly \$387,000. He then shared that the biggest change to the budget is the proposal to make their part-time media assistant full-time, which is mainly due to the fact that during the pandemic they have raised their expectations of the media division and taken on more projects (media coverage for sports, concerts, staff-produced content, etc.). Mr. Lavallee then provided a brief overview of the things they cover, such as segments on wreaths across America, the Welfare department, Merrimack in Motion, Parks and Rec, the Town Center and 275th Committees, etc. He then shared that his current staff remains dedicated and flexible with their shifts so they are able to cover these events, and he would certainly benefit from having the part-time employee move up to full-time.

Mr. Lavallee then discussed the subscriptions budget increase, stating that this is for Tyro Media Systems cable cast & streaming. He stated that the past year they have been streaming on various platforms as part of their cable cast systems upgrade from two summers ago. The service that gives them the ability to do this is part of their cable cast system, called Reflect, and costs \$2,200 per year. He then shared that the streaming upgrade is due to expire on July 1, 2022, and they are looking to upgrade this to make it easier for residents to stream Merrimack TV on their device, Amazon Fire TV, Roku, and Apple TV. To develop this new app and renew their service will cost just under \$10,000, with an additional \$500 per year per platform.

Councilor Hunter asked Mr. Micali to describe the \$250,000 fund balance in more detail to make it easier to understand. Mr. Micali stated that right now, they project \$400,000 of franchise fees, and of the first \$250,000 that they get for those fees goes into the general fund as a revenue. The remaining amount would go into the cable to offset the expense of a \$300,000 budget because they have to be spent to zero. Councilor Healey asked if there is a decrease in the franchise fee since more people are cutting out cable, in which Mr. Micali stated it has been pretty constant, with a \$4,000 difference over the last two or three years. There was then some more discussion between the Council, Mr. Micali, and Mr. Boland to further explain the fund and balance. Mr. Lavallee stated that they do want to have some money in that fund, because if they were to lose franchise fees or if they lost many cable subscribers, he'd like to be able to keep the department going for a year or two without proposing it comes off the tax roll right off the bat.

After some discussion, Mr. Lavallee wanted to touch upon the office equipment section of the budget, stating that the total amount is \$55,000 like it has been for the past couple of years, but the line items are broken up differently, so he wanted to speak about this. The important line items he wanted to highlight are the cable equipment, which is \$10,000, the media staff software to renew software licenses, which is \$5,000, \$20,000 for modernizing the public access TV studio equipment and the studio itself, and public access editing and

camera equipment for \$20,000. He then shared that they want to upgrade the studio and the equipment for the community as many residents use it to create content for Merrimack and it's a valuable part of the media division.

Fire

Mr. Micali began by stating that if you just look at this budget, there may be some sticker shock as it's going up \$653,000, but there is the SAFER grant that is offsetting more than \$800,000 of staffing costs going up for the next three years. Additionally, there are two separate unions for the fire department, and there's a 2% raise scheduled in the budget. Chief DiFronzo then spoke, asking the Council if there were any specific items they wanted to discuss in particular. Chairman Koenig asked if there were any items of concern he would like to touch upon. Chief DiFronzo then provided a general overview, stating that the budget mostly stayed level, but they had to compensate for the increase in overtime (about \$25,000) and the increase to 11 staff. Vice Chair Rothhaus asked about EMT re-certification training and paramedic in-house educational shift class coverage, in which Chief DiFronzo stated that they try their best to have their training on duty, but this can be difficult when it gets busy, so they have to pay to have staff go to classes to maintain their certifications. Chief DiFronzo then spent a few minutes going over how the fire department is set up/staffing and their equipment with the Council. Councilor Murphy asked about the Assistant Chief support services, which is \$102,440 in the budget, questioning if they are a health officer and if there are two health officers in the town, in which Chief DiFronzo stated he is not aware of a second health officer. Mr. Micali stated that they technically have two, with one being a building and health official and the other being the health officer.

Chief DiFronzo then discussed the operating supplies, stating that this amount was miscalculated last year at \$1,800 and an extra \$5,000 was put in this year to accurately reflect the costs. He then discussed uniforms, which increased to \$13,860 because they have to supply uniforms to the new staff coming in from the SAFER grant. Councilor Healey asked about Reeds Ferry station, which she believed was only for storage yet there are electricity, natural gas, and sewage charges there. She is asking why this is if this is only for storage, in which Mr. Micali stated that this is needed because the building stores the pumper truck, so it needs to stay heated, there needs to be electricity for the lights to turn on, and there is a bathroom there. Next, Chief DiFronzo highlighted the \$36,200 for communications, stating this is to purchase extra portable radios as a backup in case the new radio system breaks or fails.

Councilor Hunter asked about general insurance, specifically how it increased from \$46,000 to \$53,000. Mr. Micali stated this is from the guaranteed maximum rate that they got from their insurance provider. Vice Chair Rothhaus asked what the knoxbox key security system under operating equipment is, in which Chief DiFronzo stated this is the commercial box in a building that the building owner puts all the keys in for them to use the locks within the building.

Code Enforcement

Mr. Micali stated that this budget went up about \$7,000 and is level funded with non-union employees. He shared that the biggest change is wages part-time, which is because they've been inundated with inspections. Chief DiFronzo continued this, stating that they needed to bring someone in part-time to offset the increase in inspections. Chairman Koenig asked about the secretary and part-time admin clerk positions, in which Chief DiFronzo stated these positions are to help manage the emails and phone calls regarding inspections and inquiries from the public.

Proposed Issuance of Debt

Mr. Micali was the sole presenter for this section. He began by stating that there are two outstanding bonds in the general fund: highway and drainage improvements from 2007. The drainage bond is on its last year for paying and will be dropping off the budget. The highway garage is still active for several years at about

\$255,000. In Wastewater, the dewatering bond drops off as of June 30th of this year, and the SRF bond for the Phase II compost and building improvements as well as Phase III and IV will not have payments for interest or principal because with SRF funding you have one year after substantial completion, which will most likely be in the fall of 2022. Chairman Koenig wanted to clarify that these come out of wastewater funds from user fees and not the tax base. Mr. Micali then shared the following information on the 2022-2023 debt service budget:

- Purchase of tower (ladder) fire truck
 - Interest is 1.75%
 - Useful life is estimated to be 20+ years
 - Total cost for option #1 (5 year bond) is \$1,578,750
 - Total cost for option #2 (10 year bond) is \$1,665,000
 - Difference is \$86,250

There was some discussion among the Council, who all agreed this is an important purchase that needs to be made for the fire department, as well as figuring out how to get the bond article passed. Mr. Micali recommends looking at the 10-year option, as it replaces the debt they have now and he feels that there may be one more bond within the next few years from the general fund, so they are well under the debt limit for the town. Additionally, this option would not impact the tax rate going forward for the next 10 years because the money has already been accounted for from the previous bond. Councilor Healey asked if the town is expecting enough revenue from the newer 4 and 5 story buildings that would primarily require the use of the ladder truck, in which Mr. Micali stated that some of these newer buildings are bringing in over \$100,000,000 and there are even more new buildings planned, which will help to lower the overall tax rate.

Next, Mr. Micali wanted to discuss bond options for the Phase V WWTF upgrade:

- Both options are paid 100% by user fees
- Option 1: \$10.3 million over 20 years
- Option 2: \$11 million over 25 years with a 2.8% interest rate

Mr. Micali recommends using the SRF (state revolving fund) option, as they are usually $\frac{1}{2}$ or $\frac{3}{4}$ less than what can be obtained on the open market for a bond rate. If they did the same 20 year bond rate using SRF, it will cost around \$10 million, with \$300,000 in savings. Councilor Hunter asked Mr. Micali to explain SRF, in which Mr. Micali stated a grant comes in for water, sewer, infrastructure upgrades and the town would pay a 1% administration fee and then a set interest rate, which is set by a committee. Councilor Healey asked what this does to the sewer usage fee, in which Mr. Micali stated this would not change, they're still projecting a 12% increase.

Fire Protection Area

Mr. Micali then discussed fund 33, which is fire protection. He shared that this is a fee that is paid by the taxpayers in the district towards Pennichuck Waterworks around the Y off of Manchester Street as this is a water district. Taxpayers in this area pay for hydrants on top of their taxes, which is about 30 cents more per thousand based on the fee and has been going on for more than 20 years.

Capital Reserve Fund Deposits

Mr. Micali began by stating that they have several capital reserve funds that they fund every year. In general fund, there is \$2,052,500. In the operating budget for sewer, there is \$500,000. The overall total is \$2,552,500. Increases include:

- \$2,500 for revaluation (from \$15,000 to \$17,500)
- \$15,000 CRF for ambulance (from \$100,000 to \$115,000)

- \$130,000 CRF for highways and road infrastructure
 - Highways getting \$20,000
 - Road infrastructure is a \$105,000 increase
- Solid waste has a decrease of \$25,000 (from \$125,000 to \$100,000)
- Overall, there is a \$122,500 increase in CRF deposits to pay for increased costs of upcoming projects

Mr. Micali then talked about a new building capital reserve fund, sharing wording stating that if the town votes to establish a Municipal Building Capital Reserve Fund, this will be used to purchase or construct, including engineering and design, of major capital additions, replacements, improvements, and repair or upgrades to any Merrimack Municipal Building, and to raise and appropriate the sum of \$50,000 to be placed in said fund; and to possibly designate the Town Council as agents to expend. This is in accordance with RSA 35. Councilor Harrington questioned the word “purchase” as it was her understanding that the funds would be for maintenance or renovations. Mr. Micali stated he just compiled this idea from several different established CRFs and it gives the fund more flexibility, stating that they could have the ability to purchase buildings they need to buy. He then shared that if the Council is interested in pursuing this more, he can consult with the attorneys to determine the proper language.

MOTION made by Councilor Woods and seconded by Councilor Murphy to continue the meeting beyond 10 pm.

MOTION CARRIES 7-0-0

Chairman Koenig asked for clarity as to why this fund is needed as he is not sure this is the appropriate time for a new CRF, in which Councilor Harrington stated that this originally came up when they were looking to replace the trailer at the transfer station, which was going to cost \$95,000, and she brought up the idea of having a savings fund for when issues like this come up or when the municipal buildings needs repairs or upgrades. There was some discussion among the Council whether to move forward with this or not, with the general consensus to wait on this at the moment.

ADJOURN

MOTION made by Councilor Woods and seconded by Councilor Healey to adjourn the meeting.

MOTION CARRIES 7-0-0

The meeting adjourned at 10:00 pm.

Respectfully submitted by Jennifer Steagald