



Town Council Meeting Minutes

Thursday January 15, 2015, at 6:00 PM, in the Matthew Thornton Room

Chairman Harrington called the meeting of the Town Council to order at 6:00 p.m. Present at the meeting were Vice Chairman Mahon (arrived at 6:03 p.m.), Councilor Boyd, Councilor Rothhaus, Councilor Woods, Town Manager Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali. Councilors Dwyer and Koenig were excused.

Pledge of Allegiance

Chairman Harrington led in the Pledge of Allegiance.

Announcements

Town offices will be closed on Monday, January 19th in observance of Martin Luther King, Jr. Day.

A budget meeting will be held on Monday, January 19th at 6:00 p.m. in the Matthew Thornton Room. A regular meeting of the Town Council will be held on Thursday, January 22nd at 7:00 .m. in the Matthew Thornton Room.

Chairman Harrington noted additional information available regarding the Kinder Morgan Gas Pipeline proposal. A joint letter was signed by the Federal Legislative Delegation and submitted to the Federal Energy Regulatory Commission (FERC) requesting an extension of the public comment dates in order to provide adequate opportunities for stakeholders in New Hampshire to express their views and seek answers to important questions. The letter has been forwarded to Kinder-Morgan. A copy has been placed on the Town website for public review.

Chairman Harrington thanked Senators Ayotte and Shaheen as well as Congressmen Guinta and Kuster for their attention to this matter. It was noted Town Manager Cabanel continues to actively pursue an individual meeting with Kinder-Morgan and the Town of Merrimack. Any and all information received will be made public.

Public Comment - None

Review of Proposed FY16 Budget

Library

Town Manager Cabanel noted the Library Board of Trustees has proposed a 2% wage increase for employees. She did not include that in her budget as she had promised all of the unions she would not advocate for anything different than what they received. The 2% represents \$14,715.

Town Manager Cabanel spoke of discussions that have occurred regarding the future of the library, e.g., technology changes, etc. The proposed budget includes the addition of a Digital Services Librarian I – Reference position, to help bring them into the 21st Century with regard to computer

technology/services. This year the Library had a part-time position, and found it difficult to keep the position filled. She stated her support of the position.

Joanne Marston, Business Manager, noted, as was stated, the Town Manager removed the proposed 2% raise for all of the employees. The Library concurs with that decision. However, would like to submit a \$0.73 raise for part-time employees (approx. budgetary impact of \$7,000). The last time part-time employees received a raise was in 2010. At that time, both full-time and part-time employees received a 1.5% cost of living raise. It is believed this would help Library staff achieve wage parity with other Town non-union part-time employees. In 2012, the part-time non-union Town employees received a \$0.73 raise, and the Library Trustees did not request a similar raise for the part-time Library employees. 2012 was the year the health insurance was re-negotiated; full-time non-union Town employees including full-time Library employees received a \$1,500 increase in part to offset the added out-of-pocket expenses.

Ms. Marston commented the hope is, going forward, we will continue the good communication that has been established with the Town Manager and Town Finance Department so that, after this, when budgeting for raises the Library is able to be part of the discussion.

A spreadsheet was prepared comparing the Library's part-time employee salaries with similar communities. Length of employment was taken into account. The data indicated staff is within range or at the low end of other staff salaries for similar jobs. All libraries staff based on their community needs, and the Merrimack Library staff has more cross-trained responsibilities. The higher years of service for Merrimack Library employees were noted; however, that information was not available for staff of other libraries.

Councilor Boyd noted under Line Item #01-15-8104-0 Wages - Hourly, there are five circulation aides listed in the budget. The two that concern him are the one that identifies an average hourly wage of \$17.91 and the other \$14.54. The spreadsheet provided shows current rates for those two positions at \$14.12 and \$17.39. He questioned the discrepancy.

Yvette Couser, Library Director, responded the budget paperwork includes the 2% raise. It has not been removed from the lines. Ms. Marston stated the individual compensated at the higher rate has been at the Library since 1996. That individual was also part of a retirement package. There was an agreement made some years ago, which also changed this individual's rate of pay.

Councilor Boyd asked for clarification the spreadsheet provided identified current rates, and was informed that is correct. The budget book includes the requested 2% raise. Councilor Boyd remarked if proposing a \$0.73 increase to the \$17.39 that would bring the rate up to \$18.12. If the budget book reflects a 2% increase, why is the salary listed as \$17.91? Director Micali stated the Library budget is brought to the Council as presented by the Board of Trustees. The only adjustment that can be made is to the bottom line number. The Town Manager made the bottom line adjustment of \$14,715 to take into account the 2% raise proposed by the Library Trustees. The budget has to be presented to the Town Council in the same manner it was presented to the Town Manager.

The budget was put forward inclusive of the 2% proposed raise. In discussions with the Library the question of the \$0.73 increase for part-time employees was questioned. The current hourly wage for

the position listed at \$17.91 is actually \$17.39. By adding the requested \$0.73 (greater than 2%) to that position you reach the \$18.12 listed in the budget book.

Chairman Harrington remarked although there appear to be three choices; no raise, 2% raise, or \$0.73 raise for part-time employees, in fact the Council cannot dictate changes to individual line items within the Library budget, it can only make an adjustment, up or down, to the bottom line. Where the Library Board of Trustees chooses to make adjustments to reach the approved bottom line number is up to them.

Director Micali noted, although the Board of Trustees has the authority to make adjustments wherever it sees fit to reach the approved bottom line number, through discussions with the Board, it has been stated they would remove the 2% raise as they understand and agree with the reasoning for the Town Manager's recommendation.

Vice Chairman Mahon questioned the pay scale, and why one of the Circulation Aides is outside of the range. Ms. Marston stated the individual has been at the Library since 1996, has accrued raises when the previous Board has granted cost of living raises, and was part of a retirement package. Vice Chairman Mahon remarked there is an established range, and the individual is above that range. Ms. Marston responded she has discussed this with the Trustees. Vice Chairman Mahon commented predecessor boards have granted pay increases when Town employees get zero, on several occasions.

Vice Chairman Mahon remarked what he has been provided is what salaries might look like if in a competitive market. This isn't really a competitive market. Ms. Marston replied it is to them. When asked to explain, she stated if posting a job position those living within commuting distance from any of the surrounding communities seeking employment would likely choose to go to another library if the salary offered is greater. When asked how many times that has occurred, she responded she is unsure of how many times that instance has played out; however, she is aware of employees leaving the Merrimack Library from this part-time reference position to gain full-time employment elsewhere. That is more the struggle they are faced with is keeping a professional Librarian in a part-time position. Vice Chairman Mahon remarked that is a change in classification going from part-time to full-time. That is a reasonable job move in that circumstance. Vice Chairman Mahon commented he does not consider Salem or Derry within commuting distance. It was noted neither Nashua nor Amherst were included in the comparison. Ms. Marston responded those are not good comparatives for Merrimack. Nashua is a union library. She remarked there are people that commute long distances to get to their job, and library jobs are few and far between; you go where the work is. She stated they have staff that have been at the library, are loyal, are being put to work, cross-trained, given additional responsibilities, etc. She is trying to work with the employees she has at the pay rate they have. If they have been here for 20 years she cannot begrudge them staying and being loyal to a business for 20 years.

Councilor Rothhaus suggested it may be helpful, at some point, to have a better understanding of the retirement component. He stated the Town did offer a plan, which required a change. He commented it may be closer to the scale if he had a better understanding of that component.

Director Micali stated the Town had its own retirement system prior to changing over to the New Hampshire Retirement System (NHRS) (2003/2004). NHRS does not allow part-time employees to join the retirement system, where Merrimack's system had. At that time, the Town Manager and

Town Council decided that these people, since they would no longer be in the retirement system, would be given a bump in wage as compensation. There have been two other part-time employees that he is aware of that had this included their wage. They are not in the situation where they are off the scale, just along the scale a bit further.

When asked, Vice Chairman Mahon stated his belief there was no scale/range in place at that time. Director Micali stated he would work with the Library Director to gather the requested information and provide it to the Council.

Ms. Marston noted the proposed addition of the position of Digital Services Librarian I - Reference. As a way of reducing the impact on the tax rate, the intent is to combine two existing part-time positions from the reference department into this full-time position. The only increase would be for the full-time benefits.

Ms. Couser commented the growth of electronic services is a trend that has been seen in libraries over the past few years, and is definitely being seen in Merrimack. Other libraries in the State have been adding digital service librarian positions to address this need. Current staff can fit this kind of work in and address the questions posed, but it is something that divides their time. It is not giving 100% to researching, implementing, and choosing what is best for our community, e.g., which database is best, etc. She remarked with turnover in the part-time positions, there is the loss of resources expended to train those individuals. She stated concern with putting off the hire and being left behind. It is hoped the position will be able to be filled with someone familiar with troubleshooting hardware/software, etc. That type of work is currently outsourced.

Councilor Boyd questioned whether there is a job description for the position Ms. Couser stated there is, although it is not yet finalized. She offered to provide a copy. Councilor Boyd remarked he sees the value to the position because Merrimack is not a young community per se. He explained it may be easier for an older person having an iPad for example to look to the library for assistance rather than driving to Nashua to go to a genius bar. Vice Chairman Mahon stated agreement this is long overdue for the Library. He remarked it is one-half to one and a half times the annual salary to replace an employee taking into account training, additional supervision, etc.

Ms. Marston noted an increase to Line Item #01-15-8300-0 Travel & Meetings, to ensure if the new position is put in; the individual filling it can attend training classes, etc. Additional monies were added to Line Item # 01-15-8321-0 Maintenance-Buildings as individual HVAC units require replacement parts, etc. In addition, the dry sprinkler system is an older system, and the intent is to plan ahead for those types of repairs. When asked about the individual units, Ms. Marston stated they are units from 1979, and what is being seen is the technology in the unit may or may not be supported by vendors because their technology is changing. It is on the Capital Improvement Plan (CIP) for a major overhaul sometime in the future. Monies were added in electrical and plumbing as well. A line was added for snow removal. The maintenance position, which was formerly a full-time position, is now part-time. What has been seen over the past year since having a part-time person in the position is that some of the outside work has had to be outsourced, e.g., landscaping, etc.

Councilor Woods questioned whether the cost of snow removal is for labor or materials. Ms. Marston stated her assumption the cost is for labor. She remarked she is not sure what kind of materials would

be involved. When asked if salt would be included Ms. Marston stated the cost identified was intended to cover the expense of hiring someone to perform the snow removal. Purchase of salt would be included within existing line items.

Councilor Boyd questioned whether there is opportunity to work with the Library utilizing resources available at Town Hall. Town Manager Cabanel stated her belief that was occurring. She remarked she is surprised to hear it is not, and would speak with Rick Seymour, Director, Public Works Department, and inform the Council of the details of their discussion.

Ms. Marston noted Line Item #01-15-8353-0 - Computer Services, was increased. The Library is part of the Greater Manchester Integrated Library Cooperative System (GMILCS) Consortium. Rates increase on a yearly basis. That allows the library to run the computers that check materials in and out, provides for a common borrower card, etc. Under Line Item # 01-15-8450-0 Library Materials, a database, referred to as Atomic Learning, was added. Atomic Learning is a parent company for something called Atomic Training, which is the software libraries use. The schools utilize a school version of this, which the library does not have access to. Atomic learning is something that provides unlimited access to thousands of short videos covering more than 500 software application sources comprised of thousands of short training videos. Users logging into the library's website can learn how to use that device. It is also available when the library is closed or if Reference Librarians wish to use it to supplement training a patron, etc.

Vice Chairman Mahon noted Line Item #01-15-8353-0-Computer Services; specifically the reference to GMILCS consortium + CBC + automation, and questioned whether that represents three separate components that go into the number cited or all combined into one. Ms. Marston responded they are different aspects of being part of a consortium. There are consortium dues. There is group purchasing as part of the consortium. CBC is Common Borrower Card, which allows card holders to use their cards at any of the libraries within the consortium. The automation is the computer; how everything is catalogued, holdings, etc. Vice Chairman Mahon requested a breakdown of the cost be provided to the Council.

Councilor Rothhaus questioned how costs are broken out. Ms. Marston stated the library has two GMILC staff, and when it comes time to pay dues, they create our invoice based on a formula that takes in account the number of card holders, population, holdings, etc. Vice Chairman Mahon questioned whether use is calculated, and was informed it is. When asked if that is a component of the structure, Ms. Marston stated she could provide the formula to the Council.

Line Item #01-15-8502-0 – Buildings, was increased based on the amount of repairs being performed and foreseen, and the desire to be more prepared. The CIP includes planning for roof replacement, etc. They are trying to rethink the floorplans for some of the projects being performed at this time in the same way the Lowell Room was changed from just a room that had stacks to a reading and meeting room. Some costs are being estimated for those projects.

Chairman Harrington asked for clarification on the difference between the positions of Director and Business Manager. Ms. Couser stated, as the Director, her job description says she is the CEO of the Library and has the authority. She is managing people in the building, finances; ensuring policies are written and followed. She represents the Library and the Trustees at different meetings throughout the

State. The position of Business Manager is responsible for the day-to-day operations within the building. The Business Manager is the direct supervisor of maintenance staff. Should an issue arise it is addressed by the Business Manager before and/or instead of being escalated to the Director. The Business Manager reports directly to the Director. Ms. Couser commented it may be that they should speak with the Trustees about changing the title of Business Manager to Office Manager.

Town Clerk / Tax Collector

Town Manager Cabanel stated her recollection the Town Clerk/Tax Collector had included in the proposed budget a 2% raise for employees, which was not included as part of the Town Manager's recommendation. However, the requested addition of a part-time position was included.

Diane Trippett, Town Clerk/Tax Collector, stated her proposed budget included a request for a wage increase for clerical staff and Deputy Town Clerk/Tax Collector position. The clerical staff has, for quite some time, expressed concern and frustration over the workload and increased demands, which have technical aspects and legal ramifications. The job has changed over the years with regard to the general knowledge and technical detail required. Ms. Trippett remarked they have seen and been tracking job ads from various communities. She commented it is important to remember they are doing two jobs. Communities are hiring for a Clerk in the Tax Office only or a Clerk in the Clerks' Office only. Some of these communities have starting pay at higher rates than some of our people who have been here for 15 years. That has been brought forward, and she is supportive of her staff acknowledging there is some disparity out there.

The department had an on-call, part-time individual who left for a neighboring community that offered her a permanent part-time position with a starting salary \$3.50/hour more than she was making in Merrimack. Ms. Trippett stated her opinion wages need to be reviewed at some point regardless of whether or not the Council sees fit to put monies into the budget for the coming year.

With regard to the position of Deputy City Clerk, more and more responsibility has been taken on. The Deputy Clerk has been tasked with a great many things associated with the collection process in taxes and billing. There are a number of projects they wish to bring forward that they hope will be to the benefit of the community such as credit cards, online programs, etc. Those responsibilities have been placed on the Deputy Clerk, e.g., to create a better flow to the department and improve the services to the community. The Deputy Clerk has been taking on more responsibility of a technical and legal nature.

With regard to the part-time position, there was an on-call individual working for the department. She was the only Clerk in the area, to her knowledge that could come in when needed. The hours she had in another town were in the evening, and she could accommodate Merrimack during the daytime. She has taken a position with another town. It has been a struggle to keep up with the workload. The department has long tenured employees. Taking into consideration vacation time and personal leave alone, they operate 6 months out of the year short-handed. The department has a part-time person currently who cannot be offered, due to the Affordable Care Act, more than 28 hours a week. In the past, if someone was out on long-term leave or vacation the individual could be asked to work the entire week. That is no longer an option.

The department is requesting a part-time position to help keep up with the workload. The volume of work is increasing. Ms. Trippett spoke of reviewing the phone report, which indicates some of the employees, including her, are handling more phone calls than entire departments during the course of a year.

Chairman Harrington noted Line Item #01-24-8107-0 Wages - Part-Time, includes two lines; Temp - Part-time and Temp - Part-time Tax. Ms. Trippett explained the Temp. - Part time is the line the funding is being removed from to create a permanent part-time position (24 hours/week). The Temp - Part-time Tax is the individual who comes in, mans the express window during tax time, and is used, on occasion, to cover sick leave, etc. Although that individual is utilized, it is not a perfect scenario as the individual is not trained to do motor vehicles, etc. When asked where the new position would be accounted for, Director Micali stated it is identified as Account Clerk II.

Line Item #01-24-8201-0 Office Supplies has been increased by \$500. Ms. Trippett noted the State mandates the type of printer and toner that can be used. They are cutting back on providing the Town with forms. Most forms are now being printed out on the motor vehicle printer, which is quite costly.

Line Item #01-24-8230-0 Postage, has increased due to an expected increase in the cost of postage.

With regard to Line Item #01-24-8300-0 Travel & Meetings, Ms. Trippett stated the Deputy City Clerk is currently attending the New Hampshire Town Clerk and Tax Collector Joint Certification Program. The Town has not previously budgeted mileage for that travel. With a new employee there will be additional certifications and trainings that will have to be obtained. Staff is required to attend training a few times a year with regard to motor vehicles, vital records, elections, etc. to keep up with what they need to know to be able to service the residents professionally and accurately.

Line Item #01-24-8334-0 Maintenance-Office Equipment has been increased as a result of the vendor support increase.

Line Item #01-24-8504-0 Office Equipment includes a request for \$875 to replace computer monitors. They are currently ten years old and no longer working properly.

Vice Chairman Mahon questioned whether dual screens would be a benefit. Ms. Trippett responded she is not sure. Director Micali remarked there is not sufficient room on the desks to accommodate that. The suggestion was made there could be the opportunity for a large screen monitor to provide additional efficiency.

Ms. Trippett stated she tracks hours and when transactions are completed. Ninety nine percent of the time the department is open before 9:00 a.m.

Councilor Rothhaus remarked he will vent because he is not willing to add personnel in order to take care of the problem, but it is very frustrating when you get a new car to have to deal with that. Ms. Trippett remarked the department receives the second highest incoming number of phone calls; second behind the Police Department which runs a 24/7 operation. Vice Chairman Mahon commented part of that is due to the fact when someone calls up and says Town of Merrimack they are sent to the Clerk's Office. Councilor Rothhaus commented he spoke with Becky Thompson and Kristin Wardner in the

Town Manager's Office who commented when the City Clerk's Office is busy they try to provide responses to telephone inquiries when they are able.

Councilor Rothhaus questioned whether it is known what percentage of time callers are sent to voice mail. Ms. Trippett responded it depends on workflow, time of month, etc. There could be days when 90% of calls are sent to voicemail. The priority is the customer at the counter first, then the phone, and then everything else that needs to be done in the office. Councilor Rothhaus commented one of his best friends is 86 years of age, and his complaint was there was no place to sit down as the line moves forward. Director Micali responded they have been considering where a chair could be placed.

Ms. Trippett remarked the department has expanded its online services in an attempt to reduce the number of residents having to physically come to Town Hall. Despite that effort, when the transaction numbers are reviewed they show 70% are face-to-face transactions and the other 30% are in the mail or online.

Community Development

Town Manager Cabanel stated she made no adjustments to the department's budget as she is of the opinion the Director has presented a very frugal budget. Within the budget there are decreases identified under Line Item #01-21-8103-0 Wages – Supervisory, which relate to staff turnover and filling a vacated position at a lesser salary. Health insurance decreased and Worker's Compensation went down slightly.

The only item that stands out has been discussed with the Council through the CIP process; the additional \$55,000 to be placed into the GIS Capital Reserve Fund.

Timothy Thompson, Director, Community Development, remarked, in terms of the overall department, personnel and operations are down slightly more than 1.5%. Personnel is down about 2.4% due to the hiring of the new Planning & Zoning Administrator at a lower salary than the previous Administrator. Most of the operating line items are essentially flat from last year. There have been some minor adjustments, e.g., the new Administrator is also AICP Certified, which results in additional dues (Line Item #01-21-8270-0 Dues & Fees).

Line Item #01-21-8351-0 Consultants proposes a \$5,000 increase to assist with Master Plan implementation activities both from the perspective of zoning amendment work to potentially helping with the sidewalk and pedestrian bicycle Master Plan project that is currently ongoing with a sub-committee of the Planning Board. That is offset by a decrease in Line Item #01-21-8388-0 Economic Development. The line was decreased by \$5,000 due to a change in scope of the Economic Development website project, which originally was going to be a standalone site; however, now that we are in the process of updating the entire Town website, he will work with Director Micali and the consultant to work the changes into the structure of the new Town website.

A Request for Proposal (RFP) was put out for the website project this past year. About 18 proposals were received none of which were standouts. At that point he, Director Micali, and a representative from the Economic Development Citizen Advisory Committee (EDCAC) re-evaluated and decided to

look at the new Town website and see if the funds could be made to go further by integrating the site into the existing Town website.

There is a proposal for \$65,000 to go into the Capital Reserve Fund for the GIS system. That was originally established last year with an initial deposit of \$10,000. Those funds will hopefully get us to the point where we can start doing some major data improvements, primarily the aerial photography and digital orthophoto development, which can be used to create new map layers. The current GIS consultant, CDM Smith, was asked to provide an estimate for photo and orthophoto development, which is basically taking the photos and ensuring they are geo referenced to the actual plane of the Earth so that they are spatially located. Based on the size of Merrimack, the estimate was \$75,000 - \$100,000. The Town is well on its way with the Capital Reserve Fund, and if the Town continues to deposit as is scheduled in the CIP it is anticipated some significant improvements will be made in the coming years.

Councilor Rothhaus questioned how the Town would anticipate utilizing the photography to its benefit. Director Thompson stated the largest part is the aerial photographs. All of the mapping that is currently in the GIS goes back to a flyover that was done in 2007. All of the different data layers can be extrapolated, e.g., building footprints, pavement, etc., from the photos into new GIS layers that will then replace the out-of-date data layers. In addition, it is hoped if updated information is provided, we will be able to start looking at having the Planning Board require digital submissions of final plans and information so that we can tie information directly from surveying and engineering firms into the GIS so that we don't have these large gaps moving forward where the information gets so out of date.

Councilor Boyd spoke of the change of philosophy going to Economic Development being a part of the Town website as opposed to a standalone. He remarked several years ago when he served on the EDCAC that was the drive; that is where internet traffic goes, you need to have a dedicated site. He remarked he understands the financial benefit, but asked for clarification on the philosophical change. Director Thompson stated the philosophical change is really based on some of the experience some other communities have had with standalone websites.

The Town of Londonderry has actually completely disbanded and abandoned their separate economic development website. They found the information that was on that site, from a cost and technology perspective, was not achieving the bang for the buck they believed it would. They have found that shifting that information to the municipal website provides the ability, through virtual Town Hall, to give that section of the website the appearance that it is something separate and different from the overall Town website. He remarked he would not anticipate doing something that is so drastically different that it wouldn't look like it is Merrimack, but there is the ability to have it formatted in such a way that it is distinct and able to stand on its own within the structure of the existing framework of the website. They essentially found that the consulting costs, hosting fees, and everything else associated were not getting the return on investment they had anticipated.

The City of Manchester still has their separate website. Director Thompson remarked it has a different URL, but he does not believe it is actually separate from the municipal page. Councilor Boyd remarked it is not like Londonderry is stagnant. He questioned whether there is data available as to what our current trends are and what is hoped to be accomplished with the website consultant. Director Thompson responded the biggest thing he wants to see happen is an ability to bring

commercial real estate listings and site selection data into the Town website. There are ways to do that now where you could essentially re-link to commercial databases, etc., but you have to search by zip code and then do a lot of digging in order to find information specific to Merrimack.

The company that typically does these is Catalyst. They are a commercial real estate web provider that does commercial listings. They would be able to set up a system that calls information from their database specific to Merrimack so that people don't have to wade through all of the surrounding communities to find the information.

Councilor Boyd spoke of the Master Plan implementation. He questioned how close the sub-committee is to completing its tasks and how the findings will be implemented in the community as it relates to the Master Plan. Director Thompson responded any funds he anticipates next year for that sub-committee would not be significant. It would probably utilize the Nashua Regional Planning Commission (NRPC) for some mapping services and some GIS data that they have that we don't have on our current in-house system. He does not anticipate going out to a consultant to write the plan. The plan continues to be worked by existing in-house staff. He remarked he is aware the Chair of that sub-committee has e-mailed the Town Manager Cabanel and Director Micali about meeting to try to get some feedback before coming to the Council to start throwing out ideas. He stated his expectation it is likely a draft will be prepared in the summer and hopefully by fall/early winter there will be final resolution on the plan. It would be basically a standalone plan that would then be incorporated into the existing Master Plan by the Planning Board.

Councilor Boyd remarked at the last regular Town Council meeting Tim Tenhave, Chairman, Conservation Commission, provided an annual update, and in doing so noted the need for staff support in updating Chapter 111. He questioned whether the Community Development Department is ready to assist the Commission. Director Thompson stated department personnel would certainly be able to assist if anything is within the abilities of the staff. He remarked he is not familiar with what Chapter 11 entails, but if there is something they can help with and contribute to they would be more than willing to do so. When asked, he stated he does not believe there would be impact to staffing.

Director Thompson spoke of what is being looked at in terms of agenda for the Planning and Zoning boards; there were 135 agenda items between the two boards during 2014 and the amount of time spent staffing those meetings went up from 77.5 hours to 115.5 hours from 2013-2014. There has been an uptick in the length of meetings and the number of applications seen over the course of the past year. Vice Chairman Mahon stated Chapter 111 is related to recreation properties. There are a great many elements in the deeds, covenants, restrictions, etc.

Media

Town Manager Cabanel stated the Media Division shows a decrease of \$3,582 from last year. A lot of that has to do with the decrease in health insurance as is seen in other departments. There is an increase in office equipment.

Nicholas Lavalley, Media Services Coordinator, stated the focus in the budget with regard to Line Item #32-32-8504-0 Office Equipment, is the desire to take the time necessary to work on the Memorial Conference Room. Compared to the Matthew Thornton Room, it is significantly different not only for

those conducting meetings but also for those watching at home. There are newer cameras and newer switches that have been in place for a few years, but aesthetically some things need to change. That starts with some lighting, audio equipment that has not yet been replaced, and some furnishings. The Matthew Thornton room is set up with a projector and a drop-down screen. Presently that is set up piecemeal in the Memorial Conference Room.

A standard amount is always included in the budget for other CATV equipment in case there is the need for replacement. This year alone there were two different hard drives that failed. There is the intent to purchase newer public access cameras and audio equipment for volunteers to utilize, and new hardware for staff. He remarked department employees are using laptops that will be nearing 7 years of age at the start of the next fiscal year. They are video and graphic intense computers that take a beating.

Vice Chairman Mahon spoke of individuals/applicants appearing before the Conservation Commission who may have plans, etc., and there being no equipment such as easels in the room to accommodate displaying the items. Mr. Lavalley stated he would be happy to reach out to the Chairs of the various groups that utilize the room to see what needs exist.

Town Manager Cabanel remarked over the past three years some of the cable franchise fee has been moved to the general fund as offsetting revenue. Last year \$68,000 of the cable franchise fee was transferred into the general fund. This year the proposal is to transfer \$100,000 into the general fund to offset property taxes.

Assessing

Town Manager Cabanel stated the department shows a decrease of \$6,285 from last year. The largest expenses relate to personnel, which have no increases outside of step increases. Other outside services, Avatar, is showing a slight decrease.

Vice Chairman Mahon questioned the \$800 reduction in Line Item #01-02-8270-0 Dues & Fees. Director Micali responded the Marshall Swift subscription services were running about \$1,000. A review was done to determine what will be needed, which is believed to be the \$140. When asked what was being purchased previously, Director Micali remarked there were other add-ons that were sitting on a shelf and not being used as anticipated. The decision was reached to only purchase what is currently being used.

Councilor Boyd remarked the Assessor was at his home a few months ago, and left a card. He likes the approach as it informed the property owner someone from the Town was on the property. The card was professional and non-confrontational.

General Government

Town Manager Cabanel stated there is very little change in General Government relative to wages. Line Item #01-01-8107-0 Wages - Part-Time, covers Town Council minutes and the Computer Tech. who was offered a wage on the high end when he took the position, which resulted in the need to increase the budget. Town Manager Cabanel remarked the cost of retirements is up and health and

dental insurance is down. Compensated absences is the area where costs are captured for those who are eligible for retirement, e.g., costs the Town would have to incur to cover accumulated vacation/sick time, etc. The funds are captured in this area rather than the individual departments.

The biggest changes relate to negotiations. Line Item #01-01-8293-0 Legal-Other has a proposed increase of \$25,000 as it is believed there will be 6 union contracts up for negotiation. In conjunction with that, Line Item #01-01-8351-0 Consultants, has a proposed \$5,000 increase, which is actually the health insurance consultant. The next round of negotiations will have to involve a lot of complicated health insurance changes and modifications to language. The consultant will help us to understand how the Affordable Care Act will impact the Town and how it is changing as well as make recommendations on different types of health insurance plans that include health savings accounts, etc. Town Manager Cabanel commented she anticipates the legal costs to cover the cost of a paralegal providing information on what other communities have negotiated, how the language can be written to avoid putting the Town at risk for the 40% penalty, etc. She spoke of the Affordable Care Act and the Cadillac tax, which will come in 2018. It is likely one of the most important topics to be discussed in terms of potential cost increases, penalties, etc.

Line Item #01-01-8504-0 Office Equipment is down. The FY15 budget included costs to purchase a copy machine. Line Item #01-01-8460-0 Other Operating Expenses shows an \$18,000 increase. That amount is offset with revenues (Merrimack Rocks).

Line Item #01-01-8510-0 Transfer To Other Funds deposits are decreased slightly. Director Micali spoke of the Milfoil Trust noting \$15,000 is being deposited, which coincides with what actual expenses have been for the dive teams. The Board will be provided a presentation on the 2015 program for Milfoil in February. Beyond that is the need to deposit monies into the property insurance deductible and trust fund. Line Item #01-01-8910-0 Capital Reserve Fund Purchases is down by \$15,000 as the Town is catching up on software licenses.

Councilor Woods questioned Line Item #01-01-8351-0 Consultants; if there is reason to believe effort should be put into the budget for the Northeast Direct project. Town Manager Cabanel stated that could be considered. She remarked the greatest participation she can see from this very far away distance, is to update our information on our conservation properties, e.g., endangered species, etc. The Merrimack Village District should be updating information on wellhead protection areas, etc. Whatever we submit to the Federal Government as comments for or against must contain factual data.

Councilor Woods stated his understanding of the state of flux in terms of when or when not we might be looking for some help. He commented the Conservation Commission has suggested they have begun discussions with outside help. Vice Chairman Mahon remarked, based on the prior evening's meeting, while pretty extensive, it is not complete. One of the things the attorney for the site management group stated was when they go through their hearing process it is always better to have a witness that could provide direct testimony and be cross-examined at the hearing they conduct toward the end of their process. The down side to that is the fact the developer has, in the past, claimed that particular group has no jurisdiction over them, but they will go through the process. It was noted that is part of the State process.

Town Manager Cabanel remarked there is also the Federal process for which the Town has the ability to submit comment/information. Vice Chairman Mahon remarked the Administrative Hearing that is conducted would become part of the State record and would be provided to the Federal Government. At an Administrative Hearing there are no rules of evidence, and they have total discretion as to the weight of the evidence and the credibility of witnesses. They are using the least restrictive burden of proof, which is the preponderance of the evidence. He suggested the Council may consider putting some monies aside to cover costs should it be deemed appropriate to call someone to come in and testify on our behalf. At this time, it doesn't appear that would be necessary. Presently it appears the biggest part would be work done on the endangered species piece; however, there may be something else that comes to light.

Councilor Boyd remarked based on his look at the proposed route; the impacts are on Conservation Commission property with the Horse Hill Nature Preserve being the largest property with the greatest impact. If the Town were to allocate monies, he questioned whether those funds would be better placed under General Government or the consultant line of the Commission so that it is administered through the Community Development budget. Vice Chairman Mahon remarked the Commission has at its disposal \$1.3 million. Director Micali added the Commission has another fund in the \$50,000 - \$70,000 range. Councilor Boyd commented it was just stated it would not be a bad idea to have monies set aside. Vice Chairman Mahon clarified his intent was for consideration of putting funds aside to address other issues that may arise.

Town Manager Cabanel stated she would prefer funds be placed in the General Government budget. Doing so would place them under her direct supervision. Vice Chairman Mahon noted, in the past, when an appropriation has been made on a contingency basis, funds have been placed under General Government.

Councilor Boyd stated he is not opposed to setting funds aside in this manner, and questioned the appropriate amount for a contingency. Town Manager Cabanel suggested a starting point of \$10,000. Vice Chairman Mahon agreed commenting that would be a minimum amount.

For the sake of the viewing audience, Chairman Harrington stated a lot of the neighboring towns that are involved with the pipeline will collaborate as a group. Vice Chairman Mahon and Councilor Boyd have volunteered their time to be involved in that effort. Town Manager Cabanel informed the Council of a call she received earlier in the day from the Town Administrator of Brookline. They are going forward with their meeting, which includes various towns. She stated her intent to attend.

Revenues

Town Manager Cabanel explained when the Town goes to assess a tax bill they take the general fund budget, subtract out about \$8 million received from other sources, and reach an amount to be raised by taxes. This non-tax revenue offsets expenditures. This year it is about \$8,500,000 of which almost \$4 million is motor vehicle permit fees.

With regard to the revenue gained from the insurance rebate from the health trust, she remarked in prior years nothing was received. In FY15, \$75,000 was returned to the Town. This year it is anticipated the total revenue received will be \$340,000, some of which will go back to the employees, bringing the Town's revenue to \$315,000. Town Manager Cabanel stated, understanding this revenue stream may not be available in future years, and not wanting to see the tax rate fluctuate from year to year, rather than using the revenue to reduce the tax rate this year, she looked to set the monies aside for a capital reserve fund for police communications. The Police Department has proposed two large allotments into a capital reserve account in FY17.

Director Micali stated interest on tax liens is projected to increase by approximately \$20,000. Administrative charges to other funds decreased about \$20,000. State Rooms & Meals Tax was reinstated whereby if the State receives \$5 million more than the prior year, up to \$5 million would be returned to towns throughout the State. That equates to about \$45,000 for the Town of Merrimack. They did hit that milestone last year, and the Town will receive the maximum, which is the baseline number going forward.

Current Use Tax has been increased by \$50,000 due to two major developments; Old Blood property and Tomasian Farm property off of Amherst Road.

Motor vehicle permits are running higher for the third year. The line was increased by \$25,000. Although motor vehicle permits are running higher, the number of vehicles being registered has remained steady. The Motor vehicle road infrastructure revenue is decreased by \$10,000 because the Town has been receiving about \$125,000 a year in revenues instead of the \$135,000. It is a \$5 fee per transaction.

Proposed Issuance of Debt

Director Micali stated there is no new issuance of debt in the proposed budget. One bond is being retired; Line Item #31-27-8602-0 - Interest – Long-Term Debt, 1196 Organic Waste Composting Facility Bond. The last payment will be made on the compost facility this year (old facility). There is a ten-year bond going forward to rehab the compost facility. The bonds are paid for by sewer user fees.

Director Micali commented at the last Council meeting a discussion took place with regard to whether or not to bond for the Highway garage. The Council wished to understand the cost of not bonding at this time. A spreadsheet was provided, which identified the bond request at \$3.3 million. With a 25 year term and a 5% interest rate, total cost of bonding would be \$5,426,250. If the decision were made to wait a year to bond, inflation of construction costs would have to be taken into account. Construction inflation is running about 5%. For a \$3.3 million bond let in FY17, the total cost of the bond would be \$3,464,500 (Principal). Total bond costs after 25 years, at the same 5% interest rate, would be \$5,716,438 or a \$290,000 delta. That is the cost of waiting a year to bond.

Current value would be \$0.10 over the life of the bond. For a home valued at \$300,000, it would be an additional \$30 over the life of the bond.

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If waiting two years to bond the same inflationary cost of 5% would occur, total bond if bonding in FY18 would be \$3,637,225 for a 25 year term, with a 5% interest rate, resulting in a total cost of \$6,001,421. The delta would be \$575,121 or over the life of the bond \$0.20, which equates to roughly \$60 on a \$300,000 home.

The projected impact on the tax rate if bonding in FY16 would be \$0.03 for the first year and \$0.10 in following years.

Councilor Boyd questioned what the impact on the tax rate would have been had the bond passed last year. Director Micali stated it would have been the initial \$3,300,000 bond. Vice Chairman Mahon stated had it been bonded in the current year \$0.03 of the tax rate would be attributable to the bond.

Director Micali noted in FY18 about \$290,000 will come off the books due to retirement of the 2002 Greens Pond Bond. Beyond that the next bond to retire would be in FY22.

Chairman Harrington questioned the will of the Council with regard to bonding for the Highway Garage project.

Councilor Rothhaus stated he sees it as a critical project; however, does not believe there is the necessary time to do justice to the work that has to be done to bring it forward.

Vice Chairman Mahon noted two members of the Council were absent, and would not be able to participate if a vote were taken. Director Micali stated the vote could take place at the Council's meeting on January 26th. Chairman Harrington stated her agreement with remarks made by Councilor Rothhaus. Councilor Boyd noted he and Councilor Dwyer spoke earlier in the evening, and he expressed his desire to see it on the ballot. Councilor Boyd requested the item be placed on the Council's agenda for its January 19, 2015 meeting.

The consensus of the Council was for a vote to be taken at the January 19, 2015 meeting.

MOTION made by Councilor Boyd and seconded by Councilor Mahon to adjourn the meeting.
MOTION CARRIED 5-0-0

The January 15, 2015 meeting of the Town Council was adjourned at 8:19 p.m.

Submitted by Dawn MacMillan