

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, March 12, 2015

6:30 PM

Council Chambers

Members Present:

Kris E. Roberts, Vice-Chairman
Terry M. Clark
Thomas F. Powers
Randy L. Filiault

Staff Present:

City Manager, John MacLean
City Attorney, Thomas Mullins
Human Resources Director, Beth Fox
City Clerk, Patty Little
City Assessor, Daniel Langille
Mapping Technician, Will Schoefmann
IMS Director, Rebecca Landry
Finance Director, Steve Thornton
Public Works Director, Kurt Blomquist
Wastewater Treatment Facility Manager,
Aaron Costa
Parks, Recreation and Cemeteries
Director, Andrew Bohannon
Asst. Finance Director, Merri Howe
Library Director, Nancy Vincent
City Engineer, Jim Donison
Fire Chief, Mark Howard
Project Manager Parking, Gary
Lamoureux

Kendall Lane, Mayor

Councilors Present:

James P. Duffy

Vice-Chair Roberts called the meeting to order at 6:30 PM

**1. MEMORANDUM: Parks, Recreation and Cemeteries Director -
Acceptance of Donations**

- **Mural at the Recreation Center**
- **Mural at the Recreation Center**
- **Pet Clean Up Station**
- **Sumner Knight Chapel**
- **Ashuelot River Park Arboretum**
- **Martin Luther King, Jr./Jonathan Daniels Committee**

Parks, Recreation and Cemeteries Director, Andrew Bohannon stated that the first donation is for \$50 from Helen Mason who wanted to contribute to the Recreation Center

mural project as well as Home Depot who wanted to donate material for the mural project.

The next donation is for \$500 from the Cheshire Medical Center and this is for the mural project as well. This now brings the total to \$2,500.

Mr. Bohannon then referred to the next donation, which is for a pet clean-up station. Mr. Bohannon introduced Johnny Bolster of the Monadnock Makerspace who has contacted the City about putting in a pet clean-up station as well as building a recycling station for plastic bags.

The fourth donation is from Kevin Dremel for the concerts he conducts at the Sumner Knight Chapel. To date \$5,289 has been collected. The next concert is going to be held on Saturday April 29th at 7pm.

In addition, the Friends of Ashuelot River Park have made a donation in the amount of \$4,000 for future maintenance of the Arboretum. He noted that the Friends of Ashuelot River Park was established in 1996 and they have been generous with their funding and volunteerism of the Arboretum.

The final donation is from the St. James Thrift Shop in the amount of \$750 to be used for the City's Martin Luther King Jr./Jonathan Daniels Committee for its annual programming. He stated how very grateful for this generous annual donation.

Councilor Clark asked about how much has been donated to the City to date by these various donors. Councilor Powers stated that a recent report from the Finance Department the Committee received has this number at \$40,000 for all departments. Mr. Bohannon indicated that we live in a fortunate community

Vice-Chair Roberts asked that the Ashuelot River Park donation be separated out because it is a significant amount.

Councilor Clark made the following motion, which was seconded by Councilor Roberts.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept the following donations: \$50.00 from Ms. Ellen Mason, materials from Home Depot, and \$500.00 from Cheshire Medical Center, with the donations to be used to create a mural in the multipurpose room at the Recreation Center. Further, the Committee recommends the City Manager be authorized to do all things necessary to accept a donation of a "Pet Clean Up" station for the downtown Railroad Square area; \$150 from Kevin Dremel for the care and maintenance of Sumner Knight Chapel; and \$750.00 from the St. James Thrift Shop to be used by the City's Martin Luther King Jr./Jonathan Daniels Committee for its annual programming.

The City Manager stated that it is not often that the Committee has in the audience someone who has made one of these donations and asked whether the Committee would be willing to recognize him. Mr. Johnny Bolster stated that Monadnock Makerspace came across this pet clean-up station and felt it would be a valuable contribution to the City. He indicated that the Innovation Arts Center will be developing the distribution and will be looking to the City for guidance and this is something that would be available at all the parks.

Councilor Clark made the following motion, which was seconded by Councilor Powers.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept a donation of \$4,000.00 from the Friends of Ashuelot River Park for the future maintenance of the Arboretum.

2. MEMORANDUM: Recreation Programmer - Summer Children Shows

Mr. Bohannon stated that this donation is for the summer children show for the recreation program. The request is for the Manager to sign agreements with Gary Girouard, Mad Science and Andrew Pinard who do performances at the playground program and for the public.

Councilor Powers made the following motion, which was seconded by Councilor Filiault.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute agreements with Gary Girouard, Mad Science and Andrew Pinard who will be performing this summer at the Recreation Center.

3. MEMORANDUM: City Manager - Municipal Services Agreement

City Manager, John MacLean stated that this item is in reference to a Municipal Services Agreement (MSA) with Keene State College, which goes back several years. There is now a successor agreement and the City feels that they have achieved the result they were hoping for. The Mayor, Beth Fox and Steve Thornton were instrumental in putting together this agreement as well as President Huot. He noted the good relationship the City has with the college as well.

He explained that there is no set formula for this agreement nor will there be one. It is not a payment in lieu of tax. As a result the City looked for parity with the other two host communities; Durham and Plymouth. What is before the Committee today is an increase to the fire service component, continuation of the police officer with adjustments annually, \$10,000 for prosecutorial services, police over-time should there be a disturbance that needs attention and this can be adjusted if there is a need, such as the riotous behavior during the Red Sox World series wins, etc.

Councilor Clark asked for how long the City has had a municipal services agreement with the college. Human Resources Director, Beth Fox stated it has existed since 2008. The Councilor asked how this agreement has evolved. Councilor Powers who was the Police Chief at that time stated that when they looked at the activity level at the college, the resources they had at that time needed to be bolstered to respond to the college. He indicated that when they started their agreement the college was paying for one police officer's salary and benefits. Councilor Clark asked whether it was unusual to have a longer agreement, Mr. MacLean answered in the negative.

Councilor Roberts referred to 1b and asked whether the salary of a policer officer will be regardless of the cost of a police officer. Ms. Fox agreed that it would be based on step 7, which is the highest step.

Councilor Clark referred to 2a and 2b and asked for explanation of those two items. Mr. MacLean explained that when these negotiations began there was \$10,000 in this fund but that money was drawn down because of the World Series celebration. There is an acknowledgement that Keene State will cover these costs should those costs exceed the \$7,545.

Cole Mills, 68 Langley Road, Keene addressed the Committee and stated that he was in opposition of the Keene State College MSA which if signed will continue to burden the tax payer for the next five years. Mr. Mills felt this was a terrible deal for the City. He didn't feel this agreement compares closely to the one Plymouth State University (PSU) has with their town. He went over the following:

Keene State's property is valued at 181 million dollars and Plymouth State's property is valued at 79 million dollars. Keene State College (KSC) is more than double the size of PSU and they pay about \$84,000 in property taxes for 3.5 million in non-exempt taxable property they own. If KSC property was taxed it would generate about 6.1 million in school, county and city tax revenue and provide 6.6% direct impact on the City's 2015 operating budget. Enrollment at KSC is 28% higher than enrollment at PSU – 5,400 students versus 4,200 students.

PSU also maintains its own trained and accredited police department on campus where they have authority to arrest and enforce law; whereas KSC uses \$15 per hour starting salary security guards. Between the period of October 2013 – October 2014 there were three KSC riots.

Keene's property taxes are \$33.68, which is the fourth highest in the State versus Plymouth's rate of \$23.93. It costs 41% more to perform the government function in Keene than Plymouth and Mr. Mills questioned why that is and noted that the schools, fire, police and roads are not 41% better than Plymouth.

Mr. Mills also noted that Keene just passed the "Chuck Tax" for \$5, which Plymouth does not have. He also added that it is also \$10 more to register a car in Keene. He added that it was recently mentioned that area police departments are not properly equipped to

provide assistance in the case of a riot, so Keene cannot rely on support from neighboring towns.

Mr. Mills then went on to compare the PSU 2004 MSA to that of KSC's MSA:

PSU agrees to pay 28% of the Fire Department's annual operating budget versus KSC paying no more than 8%. Plymouth Fire Department budget is close to one million and Keene Fire Department budget is six million.

PSU contributes \$70,000 annually to the fire department capital fund and KSC contributes nothing.

PSU pays for dispatch and ambulance services used, but KSC pays nothing.

PSU does not have a limitation on the riot fund whereas KSC limits it to \$7,545 without pre-event budget submission.

PSU pays for detail services for things like traffic control when additional police assistance is required but KSC does not.

PSU pays \$50,000 annually for prosecutor services, whereas, KSC only pays \$10,000.

He noted that if we applied PSU's 2004 MSA to the one proposed, KSC would pay 1.9 million annually and they have an on-site police department. Neither MSA considers the cost of maintaining the roads, snow removal etc. that their students and employees use. Alternatively, if the same percentage that Cheshire Medical Center pays Keene in lieu of taxes is used, KSC would pay just over a million annually. The average City homeowner with two cars pays about \$600 a month in property taxes, a fair price for Keene services would be a flat \$500 per student or 2.7 million annually.

In closing, Mr. Mills stated that this Agreement was poorly negotiated and felt the City should be looking at something better.

Mr. MacLean stated that the leverage the City has is non-existent and there is nothing that requires KSC to pay the City anything. Recognizing that there is a good relationship between the college and the City and recognizing the burden on the tax payer is the reason for trying to negotiate this Agreement, he did not feel anything more could have been obtained this time but there are other opportunities that will present itself for negotiation.

Vice-Chair Roberts asked how much more the City will receive compared to the prior agreement. Ms. Fox stated that the prior five year agreement brought in about \$2,270,000 to the City and the proposed agreement before the Committee tonight is estimated to bring in about \$3,045,000.

Mr. Mills addressed the Committee again and referred to RSA 72:23, Section D and stated that property owned by the college is exempt but this RSA also talks about property that is used by people that are non-exempt, when that is the case that property is liable for the entire tax of the City. He further stated that when a state agency competes against private interest, in this case offering food and housing, KSC is competing against local landlords and restaurants, and felt they should be held to that tax.

The City Manager asked that the City Assessor be given an opportunity to address the Committee. City Assessor Dan Langille agreed that under RSA 72:23 any property owned by a university system is exempt. A private university which is different than KSC, will have to pay anything in excess of \$150,000 for their residences, kitchens or dining facilities. Keene State is tax-exempt and there is nothing that requires them to pay any tax.

Mr. MacLean added that if there was a way for the City to levy any form of tax they would do so. He added that one of the things that KSC is doing with the new dorms that are being constructed is that those are being constructed by private entities so those dorms are paying property taxes. With reference to the food service on campus, that is also owned by the college and hence is tax-exempt. Mr. Langille agreed.

Councilor Clark noted that it is not only KSC that owns property in Keene; the Post Office, the Social Security office are a federally owned property, the Court House, the State Police Barracks, but these are offices that provide a service to the City in different ways. He agreed that KSC does own property that is 198 million in value but they also provide a lot of income to this community and felt that City will be half the size and would not have as much taxable property in the City if the college did not exist.

The Councilor went on to say that it was also not appropriate to use personal attacks on individuals such as the comment about the "Chuck Tax". Councilor Roberts felt this was not pertinent to what was before the Committee tonight.

Councilor Filiault made the following motion, which was seconded by Councilor Powers.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute an extension of the agreement between Keene State College and the City of Keene providing for annual payments supporting municipal services.

4. MEMORANDUM: City Clerk - Significant Items of Legislation

City Clerk Patty Little stated that this item is in reference to significant items of legislation meeting the criteria that staff feels warrant the Council's official position. Ms. Little indicated that what is important is the exercise, the continuity and the focus on legislation as a community which leads to credibility at the State House. She indicated that she was

pleased to see that one of the City's boards and commissions had a position to share this year; the Cities for Climate Protection came forward and asked the Council's endorsement of a Bill dealing with the greenhouse gas initiative.

HB 328: Relative to the Delivery of Absentee Ballots

Ms. Little stated that in New Hampshire the statute says that a completed ballot can only be returned by the voter or the U.S. Post Office. Every year there are instances where a family member will try to turn in an absentee ballot from a family member. Staff has no choice but to refuse this ballot and require that they take it to the post office. Even if they are down to the last few hours to return the ballot, they still have to take it to the post office, put the postage on it and ask that the post office hold it so that someone from the Clerk's office could go collect it. Ms. Little felt this was very poor public service and extremely inconvenient for staff. Staff is in support HB 328.

SB 198: Allowing all voters to vote by absentee ballot.

Ms. Little stated that she sees herself in conflict with the Secretary of State on this piece of legislation. New Hampshire is a state where you have to have a reason to apply for an absentee ballot. Ms. Little noted that if you look at the absentee ballot, it is the one that is most likely liable to fraud and there is concern with respect to that issue. She stated that she heard testimony before the Public Affairs Committee where there was concern expressed about added work that is involved in accepting absentee ballots and did not feel this is a reason she would ever use. She felt that every vote is significant and did not feel there was going to be a floodgate of people asking for an absentee ballot, because this is not a convenient process. Ms. Little noted that Senator Kelly is a prime sponsor of this bill. Staff is in support of SB 198.

HB 369: Relating to establishing a defined contribution retirement plan for public employees, and HB 556: Establishing a cash balance plan for public employees in the retirement system

Ms. Fox stated that these two bills are regarding pension plans. Ms. Fox stated that it is necessary to make sure that retirement benefits are stable for employees and affordable to communities. Changing this would have a two-tier caste system within the organization and have some unintended consequences within the organization. Staff is opposed to HB 369 and HB 556.

HB 486: Authorizing towns and cities to establish special assessment districts

Finance Director, Steve Thornton stated that this would allow the City to establish special assessment districts, and levy taxes in certain areas of the City to finance public facilities, enhance economic development and retain economic viability. It would shift funding in particular areas, which would be beneficial.

Councilor Powers asked for the difference between this and Tax Increment Financing. Mr. Thornton stated that the TIF captures tax payments on new property value assessment increases after the improvements are made. The Councilor asked how this affects water and sewer. Mr. Thornton stated that HB 486 has no impact on utilities. Staff is in support of HB 486.

HB 258: relative to fees for preparing motor vehicle registration documents

Mr. Thornton stated that this Bill increases the fee to prepare a vehicle registration from one dollar to two dollars. Staff in is support of HB 258.

Councilor Powers stated that after the Council just passed the \$5 surcharge this new increase might not be much appreciated by citizens.

Councilor Clark made the following motion, which was seconded by Councilor Powers.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends endorsement of staff's recommendations relating to pending legislation.

5. MEMORANDUM: Mapping Technician- Aerial Flyover, Photogrammetry and Base Mapping

Mapping Technician, Will Schoefmann stated he was before the Committee requesting that the City Manager be authorized to negotiate and execute a contract with the selected firm, James W. Sewall Company for their services for an amount not to exceed \$143,284.49.

Mr. Schoefmann indicated that an oversight occurred during the tabulation process for Planimetric Services, which resulted in the increase in the cost in the amount of \$27,557.17. He added that staff is looking to add \$27,557 to that amount. He noted that the project was originally budgeted for \$180,000 so the project is still well below the budgeted amount. Councilor Powers asked whether this item was missing in all the bids. Mr. Schoefmann stated that it was included in the bid but the selection committee considered it to be part of the base bid but the companies considered it as a separate item.

Councilor Powers made the following motion, which was seconded by Councilor Filiault.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to negotiate and execute a contract with the selected firm, James W. Sewall Company for their services for an amount not to exceed \$143,284.49 and should negotiations fall through enable the City Manager to negotiate with the next highest ranked firms in turn.

6. MEMORANDUM & RESOLUTION: Project Manager Parking- R-2015-11: Council Policy - Free Parking

Parking Services Project Manager, Gary Lamoureux stated that a few months back the downtown merchants came before the Committee asking for free parking but there was some confusion with respect to the way the Resolution in 2005 was put together. The Resolution was reviewed and staff has now clarified the intent of this Resolution and that is what is before the Committee tonight.

Councilor Filiault made the following motion, which was seconded by Councilor Powers.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommend adoption of R-2015-11.

7. MEMORANDUM & RESOLUTION: Wastewater Treatment Plant Facility Manager - R-2015-13: Relating to Delayed and Deferred State Aid Grants

Industrial Pretreatment Coordinator Wastewater Treatment Plant Facility Manager, Aaron Costa explained that RSA 486 established the State Aid Grant Program and states the State of New Hampshire shall pay assistance for qualifying water/wastewater infrastructure projects and authorizes municipalities to receive 20% to 30% assistance toward principal and interest payments on eligible infrastructure projects.

In 2008, the legislature deferred funding for the State Aid Grant Program for municipal water, wastewater and landfill closure projects. Eligible municipal projects were not funded in the State of New Hampshire's 2009,2010,2011 and 2012 budgets.

In 2012, the City of Keene adopted a resolution requesting the state senator, other members of the county delegation and governor support legislation that was filed in the 2013 legislative session which supported funding the State Aid Grant programs deferred projects and to continue to advance legislative efforts that will provide a long term funding mechanism to support these infrastructure projects.

Mr. Costa continued that the State of New Hampshire did include funding for the delayed and deferred projects in its FY14 and FY15 budget. The City of Keene received \$148,451 dollars in 2014 for 2007 & 2008 and if those payments were to continue it will reach \$1,280,205 for these infrastructure projects by the end of FY 2033. In addition, the City of Keene has several other eligible projects on the list including 2012 Infrastructure Improvements, 2013 Sewer Structural Repairs, the Wastewater Treatment Plant Upgrade and Martel Court Pump Station Upgrade.

At the same time, however, the legislature, included a moratorium on state funding and included a directive to New Hampshire Department of Environmental Services to discontinue any infrastructure list (such as a "delayed and deferred" list) as it relates to state aid grants under RSA 486.

The City of Keene, working alongside other municipalities such as the Town of Jaffrey and with the New Hampshire Municipal Association (NHMA), were successful in restoring funding for "delayed and deferred" projects in 2013. The City of Keene continues to work with NHMA and other municipalities to repeal the moratorium and restore full funding to the State Aid Grant program.

This item is directly related to HB376 and HB11.

Councilor Clark noted that the Council already voted last year asking the State to send money back if there was a surplus, but this goes a long way to support that process

Councilor Clark made the following motion, which was seconded by Councilor Filiault.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2015-13.

8. RESOLUTION: R-2015-09: Relating to an Appropriation from the Downtown Infrastructure Capital Reserve for the Rehabilitation and other Capital Improvements to the Commercial Street Parking Lot

Mr. Lamoureux stated that last month staff provided the Committee with information regarding the Commercial Street rehabilitation project. That information talked about the cost of installing underground conduits at the same time lighting was installed at the lot. Two options were presented to the Committee; placing underground conduits during rehabilitation and the second option was to replace lighting.

The Committee felt it would make sense to do the work all at the same time and the cost for that was \$90,435 and the second phase was to do the lighting at a different time.

The item before the Committee tonight is to allocate money from the Downtown Infrastructure Capital Reserve fund as requested by the Council.

Councilor Powers made the following motion, which was seconded by Councilor Filiault.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2015-09.

9. MEMORANDUM: Finance Director - Staff Recommended Changes to FY 2016-2021 Proposed CIP

Mr. Thornton referred to the following changes:

Flood Management – page 65 an increase of project cost from \$292,936 to \$392,896, equating to an increase of \$99,960 in FY 2016.

Mr. Thornton explained that the final project cost refers to an increase for the Rule and Sullivan Street projects. This is anticipated to be funded through issuance of a bond. The average annual debt service increase over the 10 year life of the bond is projected to be approximately \$11,750.

Marlboro Street Redevelopment - In a letter to the City Council dated January 23, 2015, Councilor Richards requested that "the reconstruction of Marlboro Street to be added to

the CIP Budget so that staff can begin preliminary work of budgeting and design". On February 19, 2015, City Council approved this. The project worksheet funds preplanning for interim improvements to Marlboro Street in FY 2017 at a cost of \$25,000 funded through current revenue. In FY 2019, funding in the amount of \$171,017 is requested to fund implementation as described. Funding is projected to include \$71,017 in current revenue, and \$100,000 in capital reserve funding.

The City Manager clarified that these are preliminary numbers that the Finance Director added. These amounts that are included into the budget would fit in accordance with the projections that the Finance Department has set forth. Mr. Thornton agreed. The Manager stated that the Councilor who requested this might have concerns about the timing issue and will address same at the Council meeting.

The Cheshire Rail Trail – grant match on page 50 in the amount of \$50,000 was scheduled to be funded from a capital reserve but this was an error. The intent at the time of publication was to fund the grant match from current revenue. In a prior memorandum, it was stated that a staff recommended change in the funding source would be submitted to the FOP for consideration. At this time, it is recommended that the funding source remain capital reserve, based upon the recent action taken by the Council to establish the Transportation Improvements Capital Reserve Fund.

Councilor Powers indicated that it was mentioned that this would be paid by Pathways for Keene. Mr. Thornton stated that this could still happen, but no communication has been received so far from them.

Councilor Filiault made the following motion, which was seconded by Councilor Powers.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends the following changes to the City Council:

A. Flood Management increase project cost from \$292,936 to \$392,896, an increase of \$99,960, FY 2016.

B. Marlboro Street Redevelopment: increase the Marlboro Street Redevelopment Project to the CIP, with funding in FY 2017 and FY 2019.

10. CONTINUED DISCUSSION: Capital Improvement Program

Councilor Powers stated that after the last few meetings it was agreed that staff will make every effort to get all projects into the CIP, some might not have any funding requested but they should still make the CIP.

Mr. MacLean stated that what staff is likely to do is to put together a list of potential projects, which will have some information about a project that could come forward as a project page. The Councilor agreed.

A motion was made by Councilor Powers that the amount of \$45,000 be added to the capital reserve for fire apparatus for FY16, FY17 and FY18. The motion was seconded by

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Councilor Roberts. The Councilor explained that the Finance Director had indicated a calculation error and the cost of doing business for this apparatus is increasing. He felt this was consistent with what is happening in other towns.

Councilor Clark stated that a lot of towns around us have had to settle for 2007 cruisers for instance but we are the center of the County and have a lot of calls and unfortunately can't settle for used equipment.

The motion made by Councilor Powers carried on a unanimous vote.

Councilor Clark made the following motion, which was seconded by Councilor Filiault.

On a vote of 4-0, the Finance, Organization and Personnel Committee recommends adoption of the CIP as amended.

The meeting adjourned at 7:55 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker