

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, May 23, 2019

6:30 PM

Council Chambers

Members Present:

Mitchell H. Greenwald,
Carl B. Jacobs, Vice-Chair
Thomas F. Powers
Terry M. Clark
Bettina A. Chadbourne

Mayor Kendall Lane

Staff Present:

City Manager, Elizabeth Dragon
City Attorney, Thomas Mullins
City Engineer, Don Lussier
Asst. City Manager/IT Director, Rebecca Landry
Asst. City Manager/Community Development Director, Rhett Lamb
Library Director, Nancy Vincent
Finance Director, Merri Howe
Fire Chief Mark Howard
Police Chief Steve Russo
Asst. City Manager/Human Resources Director, Beth Fox
Parks Recreation and Facilities Director, Andrew Bohannon
Public Works Director, Kurt Blomquist
Director of Economic Development and Special Projects, Medard Kopczynski

Councilors Present

Councilor Randy Filiault
Councilor David Richards
Councilor George Hansel
Councilor Jan Manwaring

Chair Greenwald called the meeting to order at 6:30 PM.

1) Acceptance of Drug Forfeiture Distribution - Police Department

Police Chief Steve Russo addressed the Committee and stated this item is to request that the City Council accept a monetary State drug forfeiture in the amount of \$1,794.04. He noted this forfeiture was due to a 2018 narcotics investigation which brought in a little over \$4,000 of which this portion was awarded to Keene.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept a monetary State drug forfeiture in the amount of \$1,794.04.

2) Acceptance of Donations - Parks, Recreation and Facilities

Parks Recreation and Facilities Director Andrew Bohannon stated this donation of \$252 is for the purchase of Bat Houses to be located at Ashuelot River Park. He noted the Ashuelot River Park Advisory Board has on its Board Councilor Steve Hooper, Ingrid Evans a student from Antioch University and other community members. The purpose of the bat houses is to attract bats to be able to offset certain insects from this area. Mr. Bohannon stated three members of the Advisory Board took it upon themselves to donate these houses. He stated this will become a good educational component going forward.

Councilor Jacobs asked how the bats are attracted to the houses. Mr. Bohannon stated they would come on their own.

Councilor Clark verified these houses will be located away from areas where people will be using the park. Mr. Bohannon stated they will be placed in the woods off the walking path.

Councilor Powers made the following motion which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept a donation of \$252.00 and that the money is used for the purchase of bat houses in Ashuelot River Park.

3) MOU with Keene/Brattleboro Chapter of New England Mountain Bike Association - Parks, Recreation and Facilities

Mr. Bohannon stated this is an update of the Memorandum of Understanding with the New England Chapter of the Mountain Bike Association. He noted there is a very active mountain bike club in Symonds School and the Ladies Wildwood Park seemed like an ideal location to build a single track for beginners. Because of these discussions, it was decided all parks that could be used for mountain biking should be identified. Mr. Bohannon stated the New England Mountain Bike Association has been a great strategic partner with the city. They helped with the Goose Pond Stewardship discussion, they have helped with signage, and they keep the city updated if they are going to make any changes to the trails.

He stated this would increase the amount of city land they would be able to have access to and identified the parks as follows: Greater Goose Pond Forest, Ladies Wildwood

Park, Robin Hood Park, Beech Hill Preserve, Stearns Hill and Wheelock Park as potential locations they would be able to work with the city on.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute an updated Memorandum of Understanding with the Keene/Brattleboro Chapter of the New England Mountain Bike Association for trail maintenance in Greater Goose Pond Forest, Ladies Wildwood Park, Robin Hood Park, Beech Hill Preserve, Stearns Hill and Wheelock Park.

4. Sponsorship Update - Parks, Recreation and Facilities

Mr. Bohannon stated this item is to update the Committee on the various sponsorship opportunities that have come into the Recreation Department recently. Mascoma Savings Banks has sponsored the summer staff training day for a cost of \$1,250. This is a three-hour training session with a professional speaker and the cost is offset by area Rec Centers that participate such as Swanzey, Peterborough and the YMCA.

There is also a renewal of sponsorship from Keene Orthodontic Specialists for banners placed at Wheelock Park and the Recreation Center, renewal of sponsorship from Fenton Family Dealership for banners placed at Wheelock Park, and Financial Specialist for banners placed at Wheelock Park. There is also a new sponsorship from Pizza Pie for a banner at the Recreation Center.

Money from these sponsorships goes toward programs and infrastructure projects.

Councilor Chadbourne made the following motion which was seconded by Councilor Clark.

On 5-0 vote, the Finance, Organization and Personnel Committee accepted the sponsorship update for Wheelock Park and the Recreation Center as informational.

5. Library Campus Use Agreement - Library

Library Director Nancy Vincent addressed the Committee next and stated there was an agreement signed between the City, Friends of the Library and the Library Trustees in 2003. She noted the agreement outlined the financial obligations between these parties for funding the City's purchase of the Masonic Building and its upgrades. The agreement also outlines two additional items (1) the building and land will be used primarily for library purposes; (2) any revenue derived from the use of the land and building will be used to defray repair and maintenance costs.

The City established a cost center to accept all revenues from use of the Library Annex. From that time, cost center revenues have covered additional building and equipment

improvements as well as staff supervision of both library and community-initiated programming. The 2003 agreement was terminated with the closing on New Market Tax Credits. The agreement before the committee which is now referred to as The Library Campus Use Agreement between the same three parties has been put in place to reinstate the conditions of the former agreement. This agreement indicates that any revenue which is derived from use of the Library Annex and the connector will be deposited in a City Cost Center and used for expenses related to library campus operations.

Ms. Vincent went on to say that the Trustees and the Friends have approved the document and have authorized their Presidents to sign the agreement once the Council approves the document. It should be noted that this agreement re-establishes the funding source for essential staff supervision of activities in the newly expanded spaces.

Councilor Jacobs clarified what the committee is doing today is reaffirming the agreement that was put in place in 2003. City Attorney Mullins stated at the time of the closing that prior agreement had been recorded and it was a condition of the tax credit process that there are no recorded encumbrances of the title. Therefore, the agreement was to remove this agreement from the record but the expectation was that when the project was complete the parties would re-enter into an agreement among themselves as outlined in the 2003 agreement, which is included in the committee's packet as well as the new agreement. Chair Greenwald asked whether this new agreement will also be recorded. Attorney Mullins stated the agreement will not be recorded but it is enforceable.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the approval of the Library Campus Use Agreement among the Trustees of the Keene Public Library, the Friends of the Keene Public Library and the City of Keene, New Hampshire and authorize the City Manager to sign the agreement.

6. Jim Phippard, Agent for Kingsbury Acquisition, LLC - Tax Deed for 80 Laurel Street

City Manager Elizabeth Dragon stated she had received an email from Mr. Phippard after the last City Council meeting indicating he had an obligation before the Swanzey Planning Board and has asked that this item be put on more time. The Manager suggested the Committee accept Mr. Phippard's letter as informational.

Councilor Powers made the following motion which was seconded by Councilor Jacobs

On 5-0 vote, the Finance, Organization and Personnel Committee accepted Mr. Phippard's letter as informational.

7. Councilors Greenwald, Manwaring and Richards - Tax Deeding - Kingsbury

The Chairman indicated the owner of the property Mr. Thibeault came to Keene with his agent Mr. Phippard and updated the Manager, the Chairman and Assistant City Manager Rhett Lamb as to what is going on. The Chairman noted the owner produced a detailed plan (version 9) and noted this is a real plan. It was indicated it is the intention of the owner that the building will be torn down by mid-summer, there will be new test wells located throughout the property, the plan also shows connections to the bike path, it shows removal of bridges and culverts so the brook can flow freely. It is also his intention to negotiate an easement for Laurel Street and Victoria Street extensions with the city. The plan shows retail, office and financial spaces as well as open space. The Chairman went to say it was indicated this was a multi-year plan; they are estimating \$800,000 in property taxes. He stated he was impressed with the owner's sincerity and felt it was in the best interest of the city to have this property developed by a private party. The Chairman felt the city now has the owner's attention and asked for the Manager's input on this item.

Ms. Dragon stated the goal of today's meeting was to discuss phase 2 and funding available through Southwest Regional Planning Brownsfield study. She indicated testing on the west side of the brook which she noted is the focus of phase 1. The Manager felt a lot of progress was made today but there are more conversations that need to happen. Once those conversations are complete the matter will go back before the Southwest Regional Planning Brownsfield Committee for its final approval.

Ms. Dragon continued there was also conversations pursued about development and about the companies that are interested in locating to this area. She noted the development of a project of this size always takes time and effort is needed from all parties. She agreed there needs to be a conversation about Victoria Street and Laurel Street extension and whether the Council is interested in moving forward with this as well as the path along the brook.

Councilor Clark felt this was a good thing – having negotiations with the owner. The Councilor however, stressed the need for an agreement with a payment plan before negotiation can start again. The Councilor felt if the City does not put itself in position of strength what happened over the last few years would continue.

Ms. Dragon in response stated the first agreement would be on the testing and the city should know fairly soon if this is something that can be done. As far as the taxes, this is something the Manager had included in a letter to Mr. Thibeault. She indicated Mr. Thibeault had raised the issue about credit for the easement; Ms. Dragon stated these are items she would like to discuss with the Council so she could discuss same with the owner.

Councilor Jacobs asked for a status on the taxes. Ms. Dragon stated the \$100,000 the owner paid a few weeks ago paid the 2016 taxes which is the oldest since he owned the property and does not include what was due prior to his owning the property, which are still outstanding.

Councilor Richards clarified the owner had a bill of \$640,000 when he purchased the property and has not offered to pay anything on it. Ms. Dragon answered in the affirmative. The Councilor noted under the Statute, Assessing can start the tax deeding process if taxes are not paid in three years. Ms. Dragon responded by saying in the Statute there is a clause which indicates the Council does not have to accept a tax deed if there are for instance environmental issues on the property. The Councilor felt the owner is paying three years ago taxes to prevent the tax deeding process and felt the owner's history with the city is not a good one.

Councilor Richards went on to say it would be good to have this property developed but this owner has had many agreements and has done nothing on the property. He expressed concern this owner is making no effort to pay anything on this arrears and felt no other citizen would get a break on their taxes for six years.

As far as the testing, he felt the City is negotiating with the owner where testing should be done, but noted the grant lets the city test anywhere on the property in its entirety. Ms. Dragon agreed the grant was for the entire property but the area is determined between an agreement with the owner and the consultant – there was a scope signed for the entire property but Mr. Thibeault was not comfortable signing that because of the contamination on the other side of the brook and what that would mean for development. The Manager felt she understands where he would not want to “open that can of worms” until he is ready to develop and until some revenue starts coming in from renting out the other areas.

Councilor Richards felt it was important for the city to know how far the contamination has spread especially to the neighborhood. He added he is concerned the city is not placing an appropriate amount of pressure to determine the full scope of the issues and there is no money being paid towards the arrears.

Mr. Bradford Hutchinson of 305 Marlboro Street reiterated what Councilor Richards stated. He expressed his frustration with the absence of the owner to be present at today's meeting. He also noted to his concern about the owner permitting the use of this space by a construction company warehouse and questioned what this rental payment was going towards. Mr. Hutchinson felt there needs to be a property manager who has knowledge of environmental issues and felt the city needs more of an agreement from the owner on the back taxes. He also expressed concern about the contaminants getting into the City's groundwater and the neighborhood and felt this is work that should have been done a long time ago and felt this is a very irresponsible property owner who should be taken to task by the Council.

Chair Greenwald asked whether the Manager recalls what Mr. Phippard had stated about the monitoring wells. Ms. Dragon began by noting that Mr. Phippard was at the Swanzey Planning Board meeting which was scheduled before this item being scheduled to be on the agenda at today's FOP session. Ms. Dragon went on to say the property has existing monitoring wells and these are what DES would like to have tested which would tell the

city about any migration of contamination into the ground water which is what phase 2 will provide the city with information on.

Councilor Jacobs asked whether the tax deeding process would impede the owner from moving forward with his plans. Ms. Dragon stated she wouldn't know if it would impede the process but wasn't sure how many businesses will be willing to sign a lease if they become aware there was a tax deed issue being brought by the city; it creates a cloud around the property. Ms. Dragon stated she would like to talk about the building; it is a large building which is deteriorating fast. The owner has had consultants look at how much it would cost to do a complete asbestos abatement of the building. Ms. Dragon stated the estimated amount is close to a million dollars to just take the building down. This figure does not include the cost of removing things off site and to take care of issues in the ground. Ms. Dragon stated she was encouraged to hear the owner wanted to take the building down this summer.

Councilor Chadbourne referred to a comment the Manager had made previously where the City could avoid taking the property because of the contamination that exists on it (she noted she was not sure what the exact RSA was). Ms. Dragon stated what the statute says is if a property is being considered for tax deeding, the Council can decide not to take it because of environmental issues that exist like it does with this site. The Councilor asked in a situation when the city does not take the property what happens to the property. Ms. Dragon stated that at that point the property would sit until someone takes on the task of cleaning it up and developing it.

Mr. Michael Blair of West Surry Road, Keene stated he would like to echo the comments made by Councilor Richards and Mr. Hutchinson. He noted it is encouraging to hear that most of the Council feels it would be prudent to privately develop this site rather than taking it by tax deed and felt taking by tax deed should be the last resort. He added it is hard to be optimistic this plan would see the light of day because of the city's history with this owner. He stated should the city take it on one million could easily go up in price and the Keene tax payer will end up having to pay for this cost. Mr. Blair felt the city needs to enter into an agreement with this owner for development and for reimbursing of taxes.

Attorney Mullins noted the Statute Councilor Chadbourne was referring to was RSA 80:76, II, III – which indicates that a municipality would not accept a tax deed because of certain items and one of those is hazardous waste on the property.

Mr. Tim Zinn 43 Grove Street stated that there are no easy answers with this property and agreed it is a difficult site. Mr. Zinn stated he is part of East Side Neighborhood and this neighborhood is concerned about this property. He stated he and his neighbors have paid up on their taxes and hoped at the very least the city could make the owner clean up the property.

Mr. Zinn stated he has been flooded twice, one was a 500-year flood and the other was a 1000-year flood event and stated anything to reduce flooding would help. He added this building is an eye sore to the neighborhood.

Mr. Blair added having been involved with the demolition of the old YMCA building - finding a demolition company is hard and if the owner does not have a company lined up, the work will not happen this summer.

It was noted because of the asbestos this is a special type of demolition.

Mr. Hutchinson addressed the Committee against and added the building is 330,000 square feet in size and it is not a single building it is different types of buildings put together. He added there are some aspects of this building that is salvageable such as dry storage but the absence of the property owner at today's meeting makes it difficult to see how serious he is about some of these aspects. He felt until the back taxes are paid the deed process should move forward.

A motion was made by Councilor Clark to put this item on more time to allow the applicant's representative to be present. The motion was seconded by Councilor Chadbourne.

Councilor Powers noted there are other items that might be required at the next meeting. He also questioned whether off site testing has been done.

Councilor Clark stated the City does not want to own the property nor does the owner want to lose the property but felt the owner was in control of this issue at the moment. He agreed with Councilor Powers in that there needs to be specific items for next time; there needs to be a plan to pay back taxes and a plan for testing.

Chair Greenwald felt the City has Mr. Thibeault's attention now but his feeling will be different if things do not change at the next FOP meeting.

Councilor Jacobs stated the he would like to have more specifics about the demolition.

Councilor Chadbourne asked whether DES are the ones who told the City about the presence of asbestos and about the contamination inside the building. Ms. Dragon stated she would get an update and added she had reached out to DES and they are at every Brownsfield meeting and review the scope for Brownsfield testing. She indicated they are looking for three items:

1. Site investigation to assess chlorinated solvent in ground water – asking for another round of testing for the wells
2. In February 2015 the city notified DES about another holding tank – DES asked Mr. Thibeault to empty and decommission the tank in the proper way. The tank has been pumped but the tank has not been removed

3. There is also a 12,000 gallon underground tank used for heating oil which is out of compliance and needs to be brought into compliance. The tank has been pumped but DES needs documentation of this as well.

Councilor Chadbourne stated she hoped this clears up some of the questions the community has.

The motion to table this item to the next session of the Finance Committee carried on a unanimous vote.

8. Relating to Interdepartmental Responsibilities - Parking Ordinance O-2019-06

Mr. Medard Kopczynski addressed the Committee and stated this Ordinance moves the responsibility of parking operations from the Police Department to the City Manager's office. He stated the intention of this is to align parking operations and its assets with the city's economic development efforts. Mr. Kopczynski talked about the importance of parking for the downtown and noted it would play a bigger role with the unified code and the arts corridor coming in the future.

He noted the Parking Operations Manager will now report to the Manager's office through Mr. Kopczynski and there will be no change to the budget.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Ordinance O-2019-06.

9. Relating to Class Allocation & Salary Schedule Ordinance O-2019-09

Asst. City Manager/Human Resources Director Beth Fox stated she was before the Committee to discuss amendments to Chapter two and Chapter 62 of the city code which applies to the city's regular full and part-time non-union positions, to include about 90 positions in the Fire, Police, Public Works Departments, and about 60 titles in the administrative and clerical schedules and the city's charter officers. This schedule provides for about a 2.5% salary adjustment to the existing schedules. This is in keeping with the city's agreement with the collective bargaining units (200 positions) and cost of living increases.

Ms. Fox referred to the schedules included in the Ordinance. She stated that there are a few noteworthy changes that she wanted to point out to the Committee. She went on to reference the schedule pertaining to probationary Public Works, which is used to attract new employees to Public Works. Steps two through four have been adjusted using the 2.5% adjustment. Step one has historically been 7.5% less than step two (entry-level rate), which is less than the state average. The correction will make step one 4.5% less than step two.

Ms. Fox went on to point out in Chapter 62, 191 – the schedule related to Probationary Fire Fighters that generally there is a 2.5% COLA adjustment as compared to the numbers from the prior year, with the exception of a medic rate. Ms. Fox stated if the city can bring in someone with medical experience the city saves money on training these individuals.

Relative to the wage schedule for Probationary Police Fighters, Ms. Fox stated this schedule was adjusted to attract police officers giving them advancement opportunities during mid-point of their probationary period. There are hiring incentives in place to attract employees to the organization and there are still challenges to attracting police officers.

Relative to the schedule for Administrative and Clerical Positions (60 positions), a 2.5 % adjustment is being suggested as well as certain re-classifications; two of those positions impact public safety – police dispatch supervisor and fire administrator. Another reclassification has to do with the senior staff accountant position, because of its new expanded responsibilities. This concluded Ms. Fox's comments.

Councilor Powers referred to the Probationary Fire Fighters and asked whether these positions were 4.5% less than step two as well. Ms. Fox stated this adjustment was done a long time ago using a different perspective and did not think they were.

Councilor Clark noted police dispatch supervisor and fire administrator were moved from S11 to S12 and asked for the reason. Ms. Fox stated the additional duties and responsibilities placed on these positions were looked at and this is the reason for the change, particularly to the fire administrator.

Councilor Jacobs asked whether these changes would have any impact on the budget. Ms. Fox stated here is an allowance within the budget for these adjustments.

Councilor Chadbourne made the following motion which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommend adoption of Ordinance O-2019-09.

10. Councilor Filiault - NH Rooms and Meals Tax Revenue Sharing

Councilor Randy Filiault addressed the Committee next and stated the NH Rooms and Meals tax was enacted in 1967 and at that time the agreement entered into by the State Legislature stated all collected revenue would be split 60% to the State and 40% to the local municipalities. However, since that time this amount has been reduced to balance the State's budget at the expense of municipalities.

In 1993, the legislation enacted a catch-up formula to bring the split back to where it was. This was suspended again and even though the revenue was increasing the monies sent to municipalities was decreasing. In 2019, the split is currently at 79% to the state and 21% to municipalities. Even though in 2019 the room and meals revenue was recorded at \$322 million dollars. The Councilor stated he was taken aback last week when he heard Governor Sununu say the State has a 200 million dollar surplus which he noted was not a surplus but is monies owed to cities and towns.

Councilor Filiault stated this is the reason for this letter and at some point he would be looking for a Resolution asking to go back to the original good faith agreement of the 60/40 split. The Councilor reiterated the State is saying it has a surplus when they have been taking from cities and towns. He also noted in the State of NH cities and towns are limited from where they can derive its revenue but the meals and rooms tax was one of those items where they could. He went on to say not only should the City of Keene send a letter to the Governor and Legislation, but also letters should be sent to every Select Board, Mayor as well as County Administrator. The Councilor noted the NH Municipal Association is behind this item.

Chair Greenwald asked whether there was any accounting as to how much the City sends to the State. The Councilor and Manager did not have an exact figure. The Councilor added this cannot be one of those items that would get resolved in a week, this is something the City needs to be following up on well into the future.

Mr. Dragon stated she completely agrees to what was just said - the State has been downshifting costs to municipalities for many years. The Manager stated she not only would like to address rooms and meals but also the elimination of retirement contributions, and the bridge program (Keene has 11 red listed bridges).

Mayor Lane addressed the Committee next and stated he agreed with Councilor Filiault and the Manager and noted the budget being put in place by the state keeps downshifting costs to municipalities and noted the Senate is currently considering the State budget. The Mayor felt the committee should direct him to write a letter to the Governor and Legislation which would be quicker and more effective rather than waiting for a Resolution to be adopted which will take time. He felt the city should get this letter to legislature so the Senate is aware the city supports the effort to recover these funds for the municipalities, which has been denied for so long, and the Governor needs to know the municipalities are supporting that legislative position and not his.

Councilor Filiault stated he had no objection to a letter versus a Resolution.

Mr. Chris Coates County Administrator addressed the Committee. Mr. Coates began by thanking Councilor Filiault for his efforts and noted this is an item that has been discussed a lot in the recent past. Mr. Coates read the following statement for the record:

Your property taxes have tripled in the past 20 years, and the reason has virtually nothing to do with local town, city or county spending. These increases have everything

to do with state cost shifting. The actions of the state, including the Governor, both parties of the Legislature and the Courts have been systematically breaking nearly every promise government has made to municipalities.

Shifting taxation to the local property tax payer is not sustainable. We hope that through increasing awareness and information, we can reverse this trend. Every individual property tax payer should demand that state-level revenue sources be utilized more sustainably so as to provide relief for property tax payers.

It is critical to understand the effect that state-level budget decisions have on local property taxes. The financial burden is shifted to local government when the state reduces funding for any program developed to help New Hampshire citizens.

The state has shirked its responsibility at the expense of the local property tax payer; this letter will focus on a few of those points.

Mr. Coates stated it is great that the Mayor is going to be writing a letter and noted the Commissioners support this initiative as well. He stated this is a grass roots effort and local selectmen need to be educated. He added this area is fortunate to have legislators, Senators and State Representatives that understand this effort. This cannot be one letter at one time.

He went on with his presentation continuing to read from his written remarks:

1. **Meals and Room Tax (M&RT).** *Enacted in 1967 the state bargained with the municipalities so that IF the municipalities agreed to collect revenue for the state, the state would split the revenue 60%/40% with the municipalities. That was a promise made into law. However, the state has never kept that promise. Today, only 21% of that revenue is shared with municipalities even though M&RT revenues have risen dramatically. This has taken hundreds of millions of dollars from local communities over the past two decades. Your property taxes increased to fill this void.*

2. **Business Profits Tax (BPT).** *Enacted in 1969, again with the state promise that if the municipalities collected this tax locally, it would be returned to the local municipalities. (what was the alleged purpose for the BPT in 1969? Has the need gone away?) That revenue sharing has decreased over time so currently the state returns NO revenue to the municipalities. This decision has taken hundreds of millions of dollars from the local communities over the past two decades. Your property taxes increased to fill this void.*

3. **Highway Block Grants.** *The State promised to help communities maintain and improve Class IV and V local roads. This promise resulted in the Legislature's establishing a sustainable plan to maintain and improve local roads and highways through the use of a gas tax on fuel. However, only once in 23 years has the gas tax been increased to account for inflation. As a result, approximately 30% of local roads and*

highways are in poor condition. A state funding plan is lacking to correct the condition of the roads in your community. Your property taxes have been increased to fill this void.

4. **State Bridge Aid.** *Due to lack of realistic funding through gas tax and tolls, there will be as many 'Red List' bridges 10 years from now as there were 10 years ago. Local communities that make their own repairs do so with 100% of the own local funding with limited success for reimbursement from the state. There is no state plan to honor the promise of providing adequate bridge aid to communities. Your property taxes have increased to fill this void.*

5. **Medicaid Funding for Long-Term Care.** *Over the decades, the State has gradually, but significantly, shifted the costs of nursing home care to the local property tax payer. There are complex formulas mixed in all of this, but in 1998, NONE of your local property taxes went to pay for Medicaid long-term care. Now, your property taxes pay for more than 50% of these costs as part of your County tax assessment. Although the State has promised to cap the liability for Medicaid costs for counties, that cap is currently under threat of being substantially increased to shift additional costs onto the local property tax payer. Mr. Coates noted this was through the Governor's budget and was hopeful the Senate would change this - Raising the cap would transfer tens of millions of Medicaid costs onto the local property tax payer. Your property taxes will increase to fill this void.*

6. **The New Hampshire Retirement System.** *In 1967 the State insisted that all communities consolidate their local pensions and form one single retirement system for all public employees. In return for this, the State enacted a statute that promised to make funding contributions thereby mitigating the cost to local communities and recognizing that these costs are integral to the overall needs of government in New Hampshire, enabling employees to retire after years of dedicated service. In the past few years, the state has broken that promise and transferred tens of millions of dollars of funding burdens onto the local property tax payers. This saved the state budget from having to contribute its 35% promised contribution. However, your property taxes increased to fill this void.*

7. **Water and Wastewater Treatment Grants.** *Environmental Grants to make water/wastewater plants modern and safe have been reduced by more than two-thirds and dozens of projects are now in the "Delayed and Deferred" pile with NO plan for meaningful funding. That means that if (when) your community encounters water or wastewater quality issues, your property taxes will increase to fill this void.*

The state has virtually abandoned its promises to provide aid to local communities. If you are wondering who funded the "Rainy Day Fund" or created the State budget surplus, it was the local property tax payer.

Generally, municipalities are spending less today than they did years ago. Your local property tax continues to increase not because of local spending but because the state

has spent the past two decades breaking promises and reallocating the source of income under the guise of 'balancing' the state budget.

We have local Senators and State Representatives who understand this cost-shifting and who have done their best to ease the burden on property tax payers. However, their voices are not enough to accomplish real change. It will take every Selectperson and thousands of citizens to make our voices heard in Concord and in the voting booth.

We need state government to recognize that shifting costs onto the local property tax payer is not sustainable. We have a right to institute responsible state funding practices that generate the revenue necessary to meet state statutory obligations without leaning so heavily on local property tax payers.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the Mayor write a letter to the Governor and State Legislative Representatives demanding that the State restore their obligation to municipalities.

Councilor Clark stated he is happy the Manager added the other items that have also been down shifted. He noted this lack of assistance from the State has forced institutions like Keene State College to raise tuition depriving hundreds of Keene High graduates to attend college. The Councilor noted all municipalities have to come together and force the State legislation and have something in place.

11. Traffic Signal Replacement – Park and Arch Street - Police Department

Police Chief Steve Russo stated this request is to transfer of \$85,000 in FY19 fund balance into the Cheshire Rail Trail - Phase III project (90057) to cover costs associated with the replacement of the traffic signal system at Arch Street and Park Avenue. The Chief noted Public Works has requested this work be included in the ongoing Cheshire Rail Trail project. He added if this project is approved by the NHDOT, a portion of the repairs may be covered under the City's Transportation Alternatives Program, otherwise the City will complete these repairs as part of the same construction project, but the costs will be "non-participating", and therefore the City will be responsible for the full cost.

The Chief stated at this point staff does not know if funding from that project will cover any of this project, hence they are asking for the entire cost of the replacement. Traffic control lights are in the CIP but do not begin until 2024 and this specific intersection is not scheduled in the CIP until 2027 at a cost of \$40,000, which will not be sufficient.

He explained this is a flashing over-heard light and has been in place since Park Street was the main thoroughfare in and out of Keene, intersecting with Route 12 - with little to no work done on it. This signal has been deteriorating for years and the only thing the signal has now is enough power to keep the light the same color. The buttons have been

removed as the electronics have failed. These could not be fixed internally or by electricians the City hired.

He went on to say In September of 2018, the Public Works Department contracted a study by Sebago Technics who provided the City with three different recommendations, and noted the third one seems to be the best option. The third option is to move the crosswalk from where they are currently located northward towards the entrance to Wheelock Park and the other to be more in line with the walkway into the school and install RRFBs (Rectangular Rapid Flashing Beacons) as well as curb work to make it more ADA compatible.

City Engineer Don Lussier stated the consultant did perform some traffic counts during the fall after school was in session and during a 12-hour period, and they counted 9,400 vehicle trips and 68 pedestrian trips. Most of the pedestrian traffic was before and after school. The Chief added there is a crossing guard at this location. Mr. Lussier noted this change will not change the need for a crossing guard. Mr. Lussier went on to say staff usually does not recommend mid-block crossing but in this case, it is recommended that it be moved away from the intersection. The reason is the complicated nature of taking a right from Arch Street to Park Street to travel downtown – there is a lot happening at this intersection is the reason the consultant recommended moving the crosswalk.

Councilor Powers asked whether this signal would be the same as it exists at the National Grange Insurance. Mr. Lussier indicated it will be similar but more closely aligned with the one that exists at Roxbury Street. The Councilor asked about the crossing across Arch Street. Mr. Lussier stated Federal Highway Requirements for using these RRFBs indicate they cannot be used next to a Stop or Yield Signs, they are best for mid-block crossings. He indicated the crossing guard had suggested using it at the Blossom Street intersection where there is already an existing crosswalk.

Councilor Powers made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Council approve Resolution R-2019-25, authorizing the transfer of \$85,000 in FY19 fund balance into the Cheshire Rail Trail - Phase III project (90057) to cover costs associated with the replacement of this traffic signal system at Arch Street and Park Avenue.

12. Drummer Hill Water Tank and Pump Station Replacement
Resolution R-2019-06-A
Resolution R-2019-07-A

Public Works Director Kurt Blomquist stated this item has been on the committee's more time agenda. He noted this is to replace the Drummer Hill water tank and pump station and the cost for it was approximately two million dollars: \$800,000 was allocated and additional funding of 1.4 million dollars was necessary. Staff had previously

recommended taking these additional funds from the water fund unallocated fund balance. Staff looked at this and realized withdrawing that amount would place the water fund in a position staff was not comfortable with. Staff looked at some other funding sources – one is the water treatment capital reserve. Mr. Blomquist noted staff felt this capital reserve could support the withdrawal of \$585,000. Staff also looked at the water infrastructure capital reserve and looking to take out close to \$790,000. He noted the Resolutions have been amended to make these changes to funding.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the remaining project balance of the Chlorine Injection Project Account (05083-A) be appropriated to the Drummer Hill Tank and Pump Station Replacement Project (05090-18).

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R 2019-06A, Related to an appropriation for the Replacement of the Drummer Hill Water tank and Pump Station.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R 2019-07A, Relating to the Reallocation of funds from the Water Infrastructure Capital Reserve to replace the Drummer Hill Water Tank and Pump Station.

13. Change in the FY20 Operating Budget - FY20 Capital Improvement Program Water Project - Public Works Department

Mr. Lussier stated the Marlboro Street project is a compilation of several projects. He noted he was before the Committee a few weeks ago about the TAP Grant which the City received for the Marlboro Street streetscape improvement work. He indicated this project has been broken into two construction projects; the first would be utility work and the second would be next summer for streetscape work.

Mr. Lussier stated tonight's discussion is for the utility project. He noted the utility project as discussed was close 2.2 million dollars and once the street scape was taken out, the utility component came to about 1.8 million dollars. The project was advertised and the city got one bid which came in well over the project budget. Staff sat down with the one bidder went through plans to see if same goals could be met and the project has been reduced to 2.1 million dollars for the utility work. The motion today would give sufficient

funding for the utility work this year and some money for the Manager to be able to exercise her authority to approve should there be a need for some additional funding for changes during construction.

Mr. Lussier went on to say as far as funding – in FY20 CIP there is a request to clean and line about 4,100 feet of water main, and this was accelerated because of the Drummer Hill work. If Council approved replacing this tank with a different kind of tank this would mean the Elm Street work could be postponed, and the funds used as follows: \$435,000 of the \$544,000 to fully fund the Marlboro Street work this year and the remaining fund to stay in the water infrastructure capital reserve.

Mr. Blomquist reiterated this does not mean staff is requesting additional funding and there will be no impact to the water rates – it is a re-appropriation to what was proposed in the budget.

Councilor Powers asked how the city can be assured they are not being taken advantage of. Mr. Lussier stated as has been noted the construction industry is not exempt from labor shortages which is causing close to a 16% increase across the board this season. He indicated this is something staff is looking at for future CIP development. Mr. Blomquist added the loss of a number of large contractors in the region does not help this situation either.

Councilor Chadbourne made the following motion which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends accepting this item as informational.

14. Relating to the FY 2019-2020 Operating Budget - Resolution R-2019-15

Chair Greenwald explained once a motion has been made to approve this item it closes out the opportunity for added discussion. He added next Thursday there is another opportunity for the public to provide comment at a public hearing before the full City Council.

Mr. Pablo Fleischmann of Gilsum, NH stated he was before the committee regarding the Keene Music Festival. He noted the staffing the city provides has been very helpful and added their budget for the event is done purely by fundraising efforts. Mr. Fleischmann stated this year they are trying to expand the event to a family friendly event, including a Block Party, which would raise staffing costs to close to an additional \$3,000. He added the last time he was before the Committee \$6,000 was suggested by staff and he is here for clarification on the requested amount. The Manager noted the correct number is \$6,197.

Chair Greenwald made the following motion which was seconded by Councilor Powers.

That the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2019-15, Relating to the FY 2019-2020 Operating Budget as presented.

Councilor Chadbourne made the following motion which was seconded by Councilor Jacobs.

On 4-1 vote, the Finance, Organization and Personnel Committee recommends the FY20 Operating Budget be amended by reallocating \$435,000 in the FY20 Capital Water Main Cleaning and Lining Project to the FY20 Water Distribution Improvements Project to support the Marlboro Street Utility Rehabilitation, that the remaining project amount be retained in the Water Infrastructure Capital Reserve, and that the Elm street cleaning and lining be reviewed as part of the FY21 – FY26 Capital Improvement Program Development. Councilor Powers voted in opposition.

Councilor Clark asked whether the request from the Keene Music Festival is included in the budget. The Manager noted this item is not included in her recommendation.

Chair Greenwald made the following amendment to Outside Agencies: To add \$415 for elderly meals, \$1,000 to Samaritans and \$1,400 for Transportation. The motion was seconded by Councilor Powers.

The Chairman felt the representatives made a good presentation and he felt the request was important. The amendment carried on a 5-0 vote.

Councilor Jacobs referred to the request from the Serenity Center and even with the information provided; the Committee did not approve a funding recommendation. Finance Director Merri Howe stated the committee felt in fairness to other agencies who submitted complete applications, they could not move forward with a recommendation, even though they felt the agency was a worthy organization for the community. The request was for \$8,000.

Councilor Clark referred to the million dollar allocation for 560 Main Street – it was a place holder. The sale of the property was \$250,000, but there is anticipation of some clean-up costs and asked whether there was a better way to accomplish this funding instead of the million dollar allocation. Ms. Dragon indicated now that the sale has been completed, perhaps eliminating the million dollars from the revenue side and the expense side would be prudent. This would not change the bottom line.

Councilor Clark made an amendment to remove a million dollars from income and expense from the budget. The motion was seconded by Councilor Powers and carried on a 5-0 vote.

The amended budget carried on a 5-0 vote.

15. Relating to the Appropriation of Funds for the City Hall Rear Wall Project;

**Relating to the Appropriation of Funds for the Flood Management Project;
Relating to the Appropriation of Funds for the Road Rehabilitation Project;
Relating to the Appropriation of Funds for the Winchester Street By-Pass
Project; Relating to the Appropriation of Funds for the Transfer Station
Roof Project; Relating to the Appropriation of Funds for the Woodward
Pond Dam Project**

Resolution R-2019-16

Resolution R-2019-17

Resolution R-2019-18

Resolution R-2019-19

Resolution R-2019-20

Resolution R-2019-21

Ms. Howe stated Bond Resolutions totaling \$4,699,000 provide the city with the authorization to issue the bonds to fund the capital projects included in the CIP adopted by the City Council.

R-2019-16 is for the City Hall rear wall for an amount of \$176,000.

R-2019-17 is for flood management for a total of \$505,000.

R-2019-18 is for road rehabilitation in the amount of \$1,264,000.

R-2019-19 is for the Winchester Street Bypass project in the amount of \$859,000.

The total for the General Fund is \$2,804,000.

R-2019-20 is for the Transfer Station Roof in the amount of \$168,000 for the Solid Waste Fund.

R-2019-21 is for the Woodward Pond Dam for \$1,727,000 for the Water Fund

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of R-2019-16.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of R-2019-17.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of R-2019-18.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of R-2019-19.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of R-2019-20.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of R-2019-21.

The meeting adjourned at 9:00 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Additional Edits by,
Terri M. Hood
Assistant City Clerk