

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, August 29, 2019

6:30 PM

Council Chambers

Members Present:

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

Councilors Present

Councilor Randy Filiault
Councilor George Hansel

Mayor Kendall Lane

Staff Present:

City Manager, Elizabeth Dragon
City Attorney, Thomas Mullins
City Engineer, Don Lussier
Parks Recreation and Facilities Director,
Andrew Bohannon
Asst. City Manager/IT Director, Rebecca
Landry
GIS Technician, Will Schoefmann
Public Works Director, Kurt Blomquist
Fire Chief, Mark Howard
Police Captain Steve Stewart
Asst. City Manager/Human Resources
Director, Beth Fox
Finance Director, Merri Howe

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

1) Acceptance of Grant - Vermont Yankee - Public Works Department

Public Works Director, Kurt Blomquist addressed the Committee first and stated this \$1,000 grant is from the New Hampshire Department of Homeland Security and Emergency Management. He noted this is the second to last year for remaining funding from Vermont Yankee. Mr. Blomquist explained the city at one point was within the planning zones for Vermont Yankee and were provided funding for that support in an emergency situation at the plant. Once the plant closed the state provided a period of funding to the city following that closure. Prior to the closure the city used to receive over \$45,000 in funding. The last two years of this funding will be \$1,000 per year.

Mr. Blomquist noted this funding is used for emergency management activities and supplies in the city.

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 \$1,000 Vermont Yankee Emergency Planning funding allotment from the New Hampshire Department of Homeland Security and Emergency Management (NHSEM).

2) Acceptance of Donation - Fire Department

Fire Chief Mark Howard stated the department received a \$1,000 donation from Mr. Edward Brussier. The Chief noted he thanked Mr. Brussier on the phone and by mail.

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

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 \$1000.00.

3) Acceptance of FY2019 Byrne Justice Assistance Grant (JAG) - Police Department

Police Captain Steve Stewart addressed the Committee regarding the Byrne Justice Assistance Grant in the amount \$6,427 –the department is co-applying for this grant with the County. He noted if the department receives its portion it will be used to fund police cruisers and detectives with smart phones. This is the third year the department has been able to make such a purchase which helps officers make phone calls to victims, witnesses take photos at the scene and transmit information back and forth.

Councilor Clark asked whether there will be a time when these phones will replace radios in cruisers. Captain Stewart did not see this happening any time soon.

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 co-apply with the County of Cheshire, and to accept, the U.S. Department of Justice FY2019 JAG grant in the amount allocated to the City of \$6,427.

4) Project Share - Parks, Recreation and Facilities Department

Parks, Recreation and Facilities Director Andy Bohannon addressed the Committee first and began by providing some background about Project Share. He stated Project Share is located in the basement of the Recreation Center which he stated started in the early 70s; Hazel Thresher and Beverly Richmond came before the City Council at that time and asked permission to conduct Santa's Workshop, a volunteer venture for which they sought community support. They worked with the Department of Welfare and created Operation Santa Claus and provided the community with Christmas gifts. He noted this

was the report they provided on 2/3/71 and indicated staff could not find documentation outside of that relationship.

Mr. Bohannon continued when the feasibility study was conducted the location of the Senior Center was being considered and how the space at the Recreation Center can be utilized for the uses they were considering expanding. He indicated he did bring to the attention of the City Manager the utilization of the space by Project Share which is not a formalized agreement between the city and this entity and felt it should be formalized.

The space in the basement is 1,983 square feet being used by the thrift shop. Mr. Bohannon stated what staff would like to do today is to create a formal agreement with proper insurance in place (which already does exist). Consider also a fee or a reduced rate-and added should there be a need this entity could also come forward as does other outside agencies for community funding.

Chair Greenwald clarified the proposed agreement would be from now through the end of the year. Mr. Bohannon agreed they would need to get through the holiday season.

Councilor Jacobs noted the process for outside agencies starts late winter to early spring and hoped any agreement the city enters into would continue until something concrete can be put in place.

City Manager Elizabeth Dragon stated what is being proposed is a status quo until they can go through the outside agency process; this work starts in the October/November timeframe, Human Services meets with all the agencies and there is a committee that reviews all the applications. There is a recommendation from the committee that goes to the City Council and funds to outside agencies don't get disbursed until July.

Councilor Powers noted they will be status quo until July.

Councilor Chadbourne asked whether Project Share has always had insurance in place. Mr. Bohannon stated they are current and provided same when requested.

Ms. Tammy Katazi of 44 Mountainview Road, Swanzey was the next speaker. She explained as was stated previously, Project Share was started in 1969 by her mother and Beverly Richmond. It began as a clothing exchange, they started using the money and founded Operation Santa for needy community children. Ms. Katazi stated they currently serve 200 to 350 kids of grandparent and other legal guardians. They work with MFS, school nurses and other such agencies. They also operate the mitten tree at the hospital as well as the tree at the Apothecary. They also get assistance from Main Street America and Smiths Medical. She explained the process of people seeking assistance is by filling in a form with what they need for the children and Project Share shops and provides the gifts and necessary wrapping paper to the families.

The Chairman clarified they are a 501-C3 – Ms. Katazi answered in the affirmative. The Chairman explained how the outside agency process works and stated staff will better

explain this to Project Share. Ms. Katazi stated her concern is when the city calculates what they need to pay the city – it needs to be considered that they don't have bathroom facilities, there are no windows in the basement, there is no running water and this needs to be taken into consideration.

Mr. John DiBernardo of Cobb Street stated his children benefited from the clothing drive. He noted this site is opened Monday through Friday and supports the low income in this community and stated it has served a function for the past 50 years. He felt this was an agency worthy of help from tax payers. He talked about the Art in the Park, Music Festival, Pumpkin Festival all of which receives community support and make The Keene Sentinel front page but felt this is an agency that has for the past years quietly been helping the community.

Ms. Rose Candanas stated she lives in close proximity to Project Share and has lived in Keene for 33 years. She stated Project Share is a good neighbor and noted they saw a need in the community and stepped up. She felt their service to the community for the past 50 years needs to be respected. Ms. Candanas stated other thrift stores in the area operate in churches but this group is located in a city building and felt they need to be housed without any payment.

Mr. Doug Hill stated he has been a resident in Keene for 80 years and lives at 123 Elm Street. He stated he is very interested in support grandparents receive from agencies like Cedar Crest and Project Share. He talked about the help he has received from Project Share and felt this is a group that needs community support.

Chair Greenwald stated the question is what the city wants to charge for rent and noted to the counter offer made by the applicant. He also referred to the lack of facilities and also that there is no other use he could think of for this space, other than for storage.

Councilor Clark felt because of the amount of information before the Committee and the information that still needs to be made available to the public, continuing this process as it is running right now without rent to work an agreement which will be conducive to everyone, would be his recommendation. Chair Greenwald clarified what the Councilor is looking for is a rental agreement from now through the end of the year, have staff meet with and come to an agreement which will keep Project Share in business and get them started on outside agency funding. The Chairman referred to language from the proposed motion.

Ms. Dragon stated what staff had recommended is status quo from now through January 20, at that time they will start the outside agency review process. Have a conversation with Project Share before the conclusion of the outside agency process so that there could be a determination by council for level of support. This will leave a period of time between January 20 and June 30. The Chairman asked the City Attorney whether this would be an appropriate agreement. The Attorney agreed.

Councilor Jacobs stated it is not clear the Council was agreeing to the status quo and felt it should be so stated; a definitive statement the Council wants them to be in business until this process is completed.

Ms. Katazi stated if they go into the next year they will have the extra money they won't be able to spend (February through June). Chair Greenwald stated ultimately the plan is to keep Project Share open and not have them close down in June.

Attorney Mullins stated he is surprised by the language in the motion as this was not quite what he was expecting. He felt it is good for Project Share to apply for outside agency funding and noted this is something they should be doing and not the Council directing anyone to do. He understands the council's desire to maintain status quo until the Manager has been able to come to an agreement with the applicant – he stated he was not sure of the date and suggested the following language for a motion:

To recommend to allow Project Share to use and occupy the Recreation Center space under the current terms and conditions without payment of rent through (the date Council picks) subject to further negotiation with the City Manager on the terms and conditions of the lease.

Councilor Clark asked whether there is time to educate the applicant about the community funding process. The Manager answered in the affirmative.

Ms. Mary Ellen Pellerin of Greenlawn Street stated her understanding is Project Share's concern is they do not want to have worked in the new year and the city then decide they would not be able to use the facility anymore.

Mr. Toby Tousley of 499 Washington Street addressed the Committee and stated he could not quite understand the timeline and asked why charging the applicant rent starting in January which is likely going to be refunded when they qualify for community funding.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends to allow Project Share to use and occupy the Recreation Center space under the current terms and conditions without payment of rent through June 30, 2020 subject to further negotiation with the City Manager on the terms and conditions of a lease.

5. Acceptance of Donation - Parks, Recreation and Facilities Department

Mr. Bohannon stated he has two donations before the Committee today for a total of \$4,500; the first one is from C&S Wholesale Grocers in the amount of \$2,000 and \$2,500 from the Gallup Fund of the Goldman Sachs Philanthropy Fund. He stated this money is to be used for the Keene International Festival. Mr. Bohannon stated in 2017 educators in the area created the first International Festival in Keene, which was held behind the JD

School and it was a well-attended event. Moving from the Jonathan Daniels Committee to the Human Rights Committee, this committee wanted to get more involved and have reached out to the organizers of the International Festival. The event has now been moved to the Recreation Center for more exposure.

This event has been scheduled for Saturday September 21 from 11 am to 2 pm. It is free to the public and noted to learn more about the event a Facebook page has been created. Mr. Bohannon encouraged everyone to attend.

The Chairman asked why this event is not being held somewhere downtown. Mr. Bohannon stated they were cautious to grow and felt with availability of the park, that the Recreation Center was a better location for this festival.

Councilor Jacobs commended last year's event and went on to ask whether the city was the fiscal agent for the festival. Mr. Bohannon stated in collaboration with the Human Rights Committee, the city is acting as the fiscal agent. The Councilor asked whether the festival was planning on obtaining 501-C3 status – Mr. Bohannon stated they want to partner with the city and the Human Rights Committee.

Councilor Clark 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 accept a donation of \$2,000.00 from C & S Wholesale Grocers, Inc. and \$2,500.00 from the Gallup Fund of the Goldman Sachs Philanthropy Fund and that the money is used for the Human Rights Committee collaboration with the Keene International Festival.

6. Discussion - Request to Purchase City Property - Adjacent to Bicycle/Pedestrian Path 160 Emerald Street

Mr. Blomquist stated this item is a follow up to potential purchase of land at the corner of Emerald Street and Ralston Street. Mr. Blomquist explained this land is part of the Ashuelot Rail Trail and is part of the Railroad property. One of the questions that was previously raised was the city's ownership of the land. It has now been determined from a 1989 letter where the commissioner at that time turned over to the city property starting from the southerly line of Davis Street going north to Emerald Street terminating at Old Rail Corridor. The city has been able to confirm the city does own the property at this time.

Mr. Blomquist went on to say the city's downtown is growing towards the south and west; the Art's Corridor along Gilbo Avenue, multi-use trail is very linear, other uses connected with the multi-use trail such as a small park, rest stop area, public art installation and location for food trucks.

Mr. Blomquist went on to say tonight if the council does not want to sell this property the recommendation is to forward the matter on to the Bicycle Pedestrian Advisory Committee to provide more detail for uses for this area and while that is happening to continue with a status quo as to what has been happening on this property.

Councilor Clark clarified there has been encroachment by private businesses on this land, Mr. Blomquist agreed and added this has happened over time. The Councilor asked whether anything has been done about that as far as perhaps charging rent etc. Mr. Blomquist stated any property related issues would have been brought back to the Council but added it is not uncommon for this type of encroachment to happen on city property and referred to an issue on Maple Avenue where this type of encroachment where the property owners were unaware they were doing so and did not know about the property boundary. He further stated until now the city was under the impression this was state property and the city also did not have any use for it until now. The Councilor clarified whether this could be an area for bicycle path, Mr. Blomquist stated this type of analysis has not been done and this is something the Bicycle Pedestrian Advisory Committee could look at.

Councilor Powers asked what happened with the request that came from the Sheldons. Mr. Blomquist stated this request went before the Bicycle Pedestrian Advisory Committee, it was spur and the council recommended the spur be sold. The Councilor asked for a diagram of the property being referred to. The Chair noted this property could also be leased to the applicant making this request.

Attorney Mullins cautioned the Committee about the terms being used and went on to say even if this item is forwarded on to the Bicycle Pedestrian Advisory Committee, this committee is not making a decision whether it is planning on selling the property or not. The Chairman asked for public comment.

Toby Tousley of 499 Washington Street addressed the Committee next and stated he is the individual interested in purchasing the property. He noted this request dates back to 2011 when the Sheldons came before Council. He stated the reason he came before the Committee is because of the parking in this area that is happening by college students and noted he sees a different route the city is going on this item and wanted to protect his interest. He talked about his vested interest and with it comes the need for parking.

Mr. Tousley went on to say he did submit with his formal request a map which showed a drawing of where the bike path is located and showed a boundary at the edge of the Rail Trail (about 8 feet west of the trail) still leaving about 30 feet for the bike path. He added he is looking to purchase only about ¼ acre. He further stated this item did go before the Advisory Committee in 2011 and at that time, there was recommendation from this body to sell to Mr. Tousley.

Mr. Chuck Redfern of Colby Street was the next speaker. Mr. Redfern stated the Bicycle Pedestrian Path Advisory Committee was told by numerous officials this matter will be referred to them and even though this was approved in 2011 there have been many other

changes that have happened since that time, such as the art corridor which might have some impact on the trail system. There was also talk about having a trail head at this location for parking. He noted the next meeting of the Advisory Committee is September 11 which he felt was ample time for public notice.

Mr. Redfern asked whether it is now city policy for public to stake a claim on city property and when caught simply ask for forgiveness rather than ask permission. He stated this type of issue happened with Scores who were provided an annual lease but they ended up locating brick and mortar to stake their claim. He questioned whose responsibility it is to protect public property – is it council, staff, volunteers from the public? He questioned whether this has also been a transparent process.

Mr. Redfern questioned whether the deed has reversionary rights attached to it. Attorney Mullins stated the deed from the state is a quitclaim deed for the former Railroad properties and added quitclaim deeds essentially indicate a transfer and it is very different to a Warranty Deed and added the deed from the state did not include any reversionary rights with respect to these properties. Mr. Redfern referred to a law passed by Congress in the early 90's to protect railbeds being encroached upon and it was referred to as "rail banking" and stated this is the reason the city has received millions of dollars from the federal government to protect this asset. He stated the rail banking law protects encroachment, the use of the property is temporary but always with the intent the use can return for some sort of transportation purpose. Mr. Redfern talked about leasing rather than selling which happens for private business parking all the time – so the city can retain control of the land. Mr. Redfern stressed review by the Advisory Committee and a report back to Council.

In closing, Mr. Redfern stated he is not trying to prevent anything, but trying to encourage the city to retain control and as a volunteer member of Pathways for Keene, he helped raise funds to match the federal funds to create the trail system and stated it is difficult to see giving so much of his time to help the city raise money to create this trail system, only to find the city sell portions of this away. He added there was also a buried tank in this area which has been cleaned up and now that the area is cleaned up it is going to be sold to someone.

Councilor Powers stated he would like to see a map before this item goes before the Advisory Committee. The City Attorney showed the committee a map. The Chairman stated this is a great map but would like to see one that is more current.

Councilor Clark clarified if the portion of land is not going to be sold it does not need to go before the Advisory Committee. He felt before this item goes before the Advisory Committee the city should lease a certain number of spaces to the individual using this area right now and then decide what should be done in the future. Councilor Powers felt the matter should be sent back to staff to work out a proposal as to who owns what. He stated he would like to see a decision on this item soon.

The City Manager stated she would like to see it go before the Bicycle Pedestrian Path Advisory Committee and then the city can make an informed decision. She further stated the abutting property owner knows he is infringing on city property and added he might not be interested in leasing. The Chairman asked for the Manager's opinion to what Councilor Clark has stated. Ms. Dragon stated the abutting property owner Mr. Tousley knows he is encroaching on city property and in good faith has come before the city wanting to purchase this property. She felt the first thing would be get the opinion of the Advisory Committee and then come back and have further conversations as to what should be done.

Councilor Chadbourne stated she appreciates Councilor Clark's comments but recommends sending it to the Bicycle Pedestrian Path Advisory Committee. Councilor Jacobs agreed but added he too would like to see a better map.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends sending this item to the Bicycle Pedestrian Path Advisory Committee.

7. RFP 02-20-01 Aerial Flyover, Photogrammetry and Base Mapping - Planning Department

GIS Technician Will Schoefmann addressed the Committee to request the committee authorize the Manager to negotiate a contract with the selected firm for the base mapping project. Mr. Schoefmann stated the RFP the city sent out brought in nine firms, of which staff found one to be fiscally responsible. He noted this project will collect new aerial photography not only for the city, but also for the airport property, Babbage Reservoir and Roxbury Reservoir. This work will help staff create 3D modeling and 3D GIS mapping.

The Chairman noted to the wide variety of costs. Mr. Schoefmann stated this is based on the different proposals they received and added the last time this work was done was in 2015 and there were varied cost proposals at that time as well. He further stated today's proposal has smaller amounts of feature identifications on the ground which is referred to as photogrammetry (roadways, pools, decks, buildings, driveways). He added this work will also assist the Assessing Department with their FY21 revaluation.

The Chairman asked whether this is a local firm. Mr. Schoefmann stated they are from Ohio and they were one of the three finalists the city interviewed in 2015.

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 negotiate and execute a contract with the selected firm, Kucera International Inc. for their professional services; and

should negotiations fail, allow for negotiations with the next highest ranked firms in order.

8. Sponsorship Update - Parks, Recreation and Facilities Department

Mr. Bohannon stated he is before the committee with a sponsorship update. He noted Convenient MD had an original agreement for \$10,000 for each year of sponsorship (two year agreement ending in November 2018) with options for three one year terms. Mr. Bohannon stated he took advantage of the renewal to request increase of value to \$12,000 for five years. He noted they have been a good corporate partner.

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

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

9. Primex3 Contribution Assurance Program (CAP) - Property & Liability Program – Human Resources Department

Assistant City Manager/Human Resources Director, Beth Fox addressed the Committee next. Ms. Fox stated the city has had a long relationship with Primex for property and liability insurance and workers compensation insurance. Through this program, Primex will offer a multi-year Contribution Assurance Program where they provide the city an assurance that rate and premium increases will not go beyond a certain percentage regardless of the number of claims.

For the property and liability portion, they have agreed a Contribution Assurance Program through FY23, and in exchange, they have agreed not to increase premium more than 5% annually. Ms. Fox noted the city has seen a decrease in premiums over the last two fiscal cycles.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to enter into and execute an agreement extending participation with Primex3 in a multi-year Contribution Assurance Program (CAP) through FY23 that has provided predictable contributions and stable property and liability insurance coverage.

10. Primex3 Contribution Assurance Program (CAP) - Workers Compensation

Ms. Fox stated this item is the same as above for workers compensation and the cap program Primex has agreed to would be through calendar year 2022. Ms. Fox noted in the recent past the city has seen stable claims but has also had some adverse claims which

has impacted the loss ratio and has caused it to tip upward but because of the cap the past two fiscal cycles the city was protected from a larger premium increase.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to enter into and execute an agreement extending participation with Primex3 in a multi-year Contribution Assurance Program (CAP) through calendar year 2022 providing for mitigation in the event of adverse experience, and assurance of predictable contributions for future workers' compensation insurance.

11. Relating to Fiscal Policies

The City Manager began this presentation. She indicated at the July fiscal policy workshop these concepts were discussed in great detail. She went on to review various amendments to the policy as follows.

Debt - 1 (F) of the policy - The current language, unintentionally encourages the use of debt and restricts the use of cash for capital projects. While debt is a necessary financing tool, it is important to use it wisely. The Manager stated, therefore, she is proposing slight language adjustments in two areas related to debt that have significant impact.

IV. (I) Changes the requirement that a debt funded project have a useful life of 5 years to 7 years. This change is a move to gradually shift debt to longer-term projects.

The second (related to debt) involves two changes -

I. (F) - deleting the language "*current revenue capital outlay appropriations*" and reducing the cap from 15% to 12%. This reduces the built in incentive to bond/incur long-term debt, allows more flexibility to pay for capital projects out of the current year budget and at the same time adjusts the cap to meet the new language of the policy.

Under the current policy this year the city is at the maximum of 15%. Under the new policy the city would be at about 11.5%, just under the new maximum and the following year it is anticipated this rate will drop slightly.

Current revenue capital outlay (which in essence is capital spending not funded by long term debt) is already restricted as part of the overall property tax revenue increase restriction calculation using the CPI in section H (1) of the policy. By also tying it to the city's debt service restriction, the city has created an unnecessary box which has in turn created a disincentive to paying for things out of current revenues, current budget or cash.

The Manager stated the next substantial change is related to our capital planning process. Page 2 of the policy changes the process to a biennial one, increases the capital project threshold from \$20,000 to \$25,000 and changes the plan from six years to a seven-year plan. She stated now that she has been with the city for almost two years, it has become

increasingly apparent that department heads and finance staff move from capital planning to operating budgets processes with very little time in between. Time is a scarce resource and if we can free up some time, it would allow for more long range strategic planning, evaluation and implementation of projects that create more efficiencies and better decision making. She noted the city has a backlog of these types of projects.

The Manager referred to the current CIP process which was handed out at the workshop. The capital projects in the first year of the plan are included in the operating budget. In the off year they would be reviewed as part of the operating budget process. This review also allows for any changes that may have become necessary during the year. This will make the operating budget process, in those off years, a bit longer, but it certainly would not involve the level of effort and expense (advertising, holding numerous meetings, food and admin expenses for those meetings, and printing expenses to name just a few) involved in our current annual process.

Lastly, there are tools in the fiscal policies that are being added to provide other mechanisms for financing. Two of those budget/finance tools are capital leases and revolving funds and staff has added language to the fiscal policies regarding these tools. Ms. Dragon then turned the presentation over to the Finance Director.

Finance Director, Merri Howe stated the Manager covered the important items. She noted the changes you will see outside the ones the Manager already discussed are more clerical in nature and meant to clean up the language. She continued by calling the Committee's attention to page 10 where capital reserves were once listed, and will now be itemized inside the CIP book instead. For the stabilization fund, the revolving fund the Manager referred to has also been brought. The policy also now includes the use of unanticipated revenues and treating them as committed fund balances where these funds can be designated in order to stabilize the budgeting process as well as the CIP and capital reserves. The intent was to bring into this document other alternatives to finance these big projects outside of bonding and current revenue.

Ms. Howe went on to say that currently the city reviews tax credits for property appraisals and assessments every three years. The state requires review every five years. As a result, in this document staff is proposing to align the two; to review the tax credits at the time the revaluation is done.

Ms. Dragon noted to a correction under Capital Improvement, B, which should read as *biannually*, not annually.

Ms. Howe referred to the last page noting to a correction to *Deposits of Funds in Custody of City Treasurer*— to add one more: the “CDARS Program” - Certificate of Deposit Account Registry Service, which allows the city to deposit money in CD's throughout the country, insured by FDIC with no additional costs and the bank manages this deposit.

Councilor Chadbourne asked whether the Treasurer is also the Finance Director. Ms. Howe answered in the affirmative.

The Chairman referred to Page 2, G. *Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.* The Chairman asked for the timeline on this. Ms. Howe stated it is 24 months.

Councilor Powers did not feel a time period should be placed on this, as every project stands by itself, depending on how the project works out. The Councilor felt this document streamlines the process but a timeline should not be placed on this item.

Councilor Clark stated his concern is at times there is money in accounts for eight to ten years. The Chairman stated the Council is provided with a report which outlines these accounts. Councilor Clark stated money could be buried in these accounts – the committee did not feel that was correct.

Councilor Jacobs stated *upon completion* indicates to him the money will be returned once the work is done and felt it was difficult to place a timeline on this.

Councilor Powers stated this money cannot be used for anything else until it is approved by the Council.

Councilor Clark referred to Page 2 - *The City of Keene will contain its General Fund debt service ~~and current revenue capital outlay appropriations~~, on a five (5) year average, at or less than ~~fifteen~~ twelve percent (15 - 12%) of the General Fund operating budget.* The Councilor stated he has concerns about changing the 15% to 12% and noted there is an effort to pay as you go for Public Works projects and felt reducing this number is going to dissuade borrowing. He noted to a report from the City Engineer which outlined going forward about 20 years with this pay as you go plan, where projects are going to fall further behind. The Councilor noted he really does not want to hinder the city's ability to borrow and suggested keeping it at 15%. The Manager in response stated the portion she is striking out is just the following sentence "*and current revenue capital outlay appropriations*" because this puts the city in a "box" and prevents them from using cash for a project (any money that has been saved up).

The second issue is by lowering the number the numbers now change, the city's is at 15% for current revenue and without that number the city is at 11% - she explained she is just moving it so it would be equal. The Councilor noted that as long as it does not hinder Public Works projects he would go along with it. The Manager stated it would be unfair of her to strike the language and not make the adjustment, then the debt limit will be increased. She further stated it was not indicated the change to the debt limit will change the city's credit rating, however, it can and this is a factor. The Councilor stated it is in the mindset of certain individuals to get the city into a monetary policy that has failed in the past at the national level and did not want the city to be in that place. Ms. Dragon stated borrowing is not bad but everything has to be taken into consideration; the city can never be in a place where it is just pay as you go; there has to be a combination. She went on to say what she has seen since she has been the Manager is that the city could have

borrowed less, but because of this “box” the city has placed itself in, it could not move from one category to the other.

Councilor Jacobs stated whenever there is an opportunity for a taxpayer not to just be paying on debt and to pay for goods and services this is a step in the right direction. He noted he likes the flexibility that is being offered and because of policy, the city has not been able to use money that it has.

Councilor Chadbourne stated she supports the fiscal policies and stated that she supports the Finance Director and City Manager for doing such a thorough job and felt the Manager is doing what she was asked to do when the city was looking for a city manager.

Councilor Powers stated what is being suggested is very beneficial to the organization but suggested an amendment to the capital improvement section. He noted he has had a discussion with the Manager and Finance Director about this – to change the threshold from \$25,000 to \$35,000. If a project is \$35,000 it gets into the CIP otherwise it gets into the operating budget or into the revolving fund.

A motion was made by Chair Greenwald to adopt R-2019-26. The motion was seconded by Councilor Jacobs.

The Chairman withdrew his motion and Councilor Jacobs withdrew his second.

Councilor Hansel addressed the committee and stated when he read this document the biggest issue he noted was review of the CIP going to once every two years. He stated this is acceptable but having the CIP reviewed every year brings the Council into the strategic planning process. Councilor Clark stated this is an issue he has raised in the past about the Council being part of the budget process, as the Council seemed to have only have four weeks to digest the budget. He asked the Manager whether changing the timeline gives Council or perhaps even the Finance Committee more time. The Manager stated probably not, the Council might gain a week but because of other reasons such as contracts, she does not see this changing the budget timeline too much.

Councilor Powers did not feel the Council needed to be part of the “nuts and bolts” of the budget, they were there to provide guidance to staff but if there is a \$50,000 change that needs to be made, that needs strategic thinking given the other parameters that have been placed. Ms. Dragon stated both at the staff level and at the Council level there is not enough time to look at making things more efficient and it would be good to have this type of conversation in the off year. She noted the budget does not change from year to year, there are small changes that happen, and those changes are what the Council has decided in the form of a Resolution and then staff starts making those incremental changes. Chair Greenwald agree strategic thinking would be good in place of just turning the pages of the budget book.

Councilor Chadbourne stated she saw this as an opportunity for the Council to look at how it processes the budget where items can be addressed in a non-formal setting. If this does not work the fiscal policies can always be changed back.

A motion was made by Chair Greenwald to adopt R-2019-26. The motion was seconded by Councilor Powers.

A motion was made by Councilor Powers to amend the Resolution on Page 2, Roman numeral II, entitled “Capital Improvement Program” subsection C., to indicate in the second to last line of that section an increase in the amount from \$25,000 to \$35,000. The motion was seconded by Councilor Jacobs.

Councilor Chadbourne asked why \$25,000 versus \$35,000 would matter. Councilor Powers stated it was \$35,000 for a while but changed to \$25,000 for reasons he is unaware of. He felt at \$35,000 it becomes more of a capital asset and this change also reduces the time Council has to go over the many pages. Councilor Chadbourne asked whether this has anything to do with the threshold for when staff has to come before council for approval – the answer was in the negative.

The motion made by Councilor Powers carried unanimously.

The Resolution as amended carried on a unanimous vote.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2019-26-A, as amended.

Councilor Powers stated the council now has revised guidelines but by saying the budget is only going to be increased by a certain percentage would not solve all the problems. He stressed the importance on focusing on ongoing maintenance, what are the mandates and by whom, are obsolete items being deleted. He also felt the city needs to start talking to its neighbors and making them understand how things are being done and try and get them on board.

Councilor Clark stated what the Council does not know is whether what was done this year is correct – we do not justify everything every year and there is nothing in the policies that address that. How are taxpayers going to be able to handle these incremental tax increases when the city is not questioning what is being done each year – he noted the city at times uses national standards to fund certain things. He felt there seem to be priorities that are being neglected as the budget keeps funding items it has been funding for many years. He felt every position and item that is funded needs to be reviewed each year.

12. Continued Discussion - Campaign Finance Ordinance

Chair Greenwald stated the City Clerk is on vacation and has been looking at how other

communities handle record keeping etc. and as this is not a time sensitive matter, she has requested this item be put on more time.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends putting this item on more time.

The meeting adjourned at 9:05 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker