

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, March 12, 2020

6:30 PM

Council Chambers B

Members Present:

Thomas F. Powers, Chair
Stephen L. Hooper, Vice-Chair
Terry M. Clark
Michael J. Remy
Raleigh C. Ormerod

Members Not Present:

George S. Hansel, Mayor

Staff Present:

Elizabeth A. Dragon, City Manager
Thomas P. Mullins, City Attorney
Kurt Blomquist, Public Works Director
Tom Lussier, City Engineer
Andrew Bohannon, Parks Recreation and
Facilities Director
Steve Russo, Police Chief
Mark Howard, Fire Chief
Rebeca Landry, Asst. City Manager/IT
Director
Beth Fox, Human Resources Director/Asst.
City Manager
Dan Langille, City Assessor
Merri Howe, Finance Director
Aaron Costa,
Eric Swope, Industrial Pre Treatment
Coordinator

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

1) Request for Approval to Solicit Donations to be Used as Prizes - Fourth Grade Water Science Fairs - Public Works Department

Eric Swope, Industrial Pre Treatment Coordinator was the first to address the committee and talked about the fourth Grade Water Science Fairs. This event started in 1997 and it is well supported in the community. The top project from each school advance to the City Fair and the top project from the City moves onto the State Science Fair. Mr. Swope noted prizes are awarded for each level. He stated he was before the Committee to solicit donations for prizes from organizations in the community.

Councilor Hooper commended Mr. Swope's efforts with this event.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to solicit and accept donations to be used as awards and prizes for the 2020 City Fourth Grade Water Science Fair.

2) Acceptance of Donation - Fire Department

Fire Chief Mark Howard stated he was before the Committee regarding a \$100 donation from Frank and Victoria Reeder in appreciation for rescuing their horse Buttercup on February 6, 2020. The donation will be used to purchase equipment and provide training for large animal rescue.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept a donation of \$100.00.

3) Avon Street Water and Sewer Replacement Project - Public Works Department

Public Works Director Kurt Blomquist addressed the Committee next. He indicated this item is in reference to replacing a water and sewer main near the Antioch facility on Avon Street. The failure of these pipes caused significant damage to university facilities. In 2016, there was another failure, which also caused significant damage.

Mr. Blomquist stated the existing main dates back to 1914. Staff reviewed options on how this main could be replaced. There is an existing 12-inch main installed in 1957, which runs parallel down Avon Street. The plan is to remove the services from the 1914 main and move them to the 1957 main. The 1914 main will be discontinued in place. The estimated cost for this work is approximately \$70,000. Staff has also raised concern regarding the 1928 sewer main that exists at this location and the concern about disturbing this main while work is being done on the other main. The suggestion is for replacement of this main as well.

Mr. Blomquist went on to say the condition of Avon Street is poor because of the large cuts done in this area. The staff's recommendation is that once the main work is complete is to place new pavement, which is at an approximate cost of \$30,000. Total project cost between water, sewer and pavement work is \$135,000.

As far as where funding can be obtained, the City has a sewer main capital improvement project program and prior project work balance remains in this fund. There is sufficient funds to support the \$65,000 sewer work. As far as the waterside, the funding is a little more difficult. For the FY20 budget there will be funds left over from the personnel budget (contract position) to rewrite the code for the Unified Development Ordinance project. This work is currently been done by existing staff (\$27,000 is available from this fund). The remainder would be obtained from a few other areas.

Chair Powers noted these funds are from the water and sewer fund and are not part of the tax rate.

Mary Granger Associate University Counsel for Antioch University thanked the Public Works Director and City Manager for putting forth this request. She referred to the damages their property had sustained: May 2016 water main break caused \$58,000 in damages; January 2020 water main break causing \$850,000 in damages so far, and they are not sure what the reconstruction cost will be. She added this has also caused significant disruption to their programming.

Sean Fitzgerald Provost and CEO stated this institution serves 850 to 1,000 graduate students, who frequent local businesses and restaurants. He noted the university also employs 125 full time employees, the majority of who live in Keene. He felt there is a strong relationship that exists between the university and the City. He noted the psychological clinic Antioch operates serves the City and County. Mr. Fitzgerald stated they would appreciate the City's support with these losses.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to replace the water and sewer utilities on Avon Street. Further, authorize the City Manager to do all things necessary to use \$65,000 from the project balance of the Sewer Main Improvement Capital Project (08055) and \$70,000 of unspent personnel and operating funds in the FY20 Water Fund Operating Budget for this work.

4) Sale of City Owned Property - Tax Deeded Properties - Assessing Department

City Assessor Dan Langille stated he was before the committee regarding the sale of two properties taken by tax deed; 9 Marshall Street and 366 Roxbury Street. He noted 9 Marshall Street property is a three-bedroom, one bath, 874 square foot single-family home with .2 acres of land. 366 Roxbury Street is a two-story 1,352 square foot single-family home with three bedrooms, 1 bath and has .47 acres of land.

Mr. Langille stated there is no reason for the City to retain these properties but before they can be sold, the City is required to let the prior owners know and see if they have any interest in purchasing the properties. That time period is 90 days and this time frame has past. He noted staff would be working with the purchasing office on the sale.

Councilor Clark noted the tax bill for one of these properties is approaching the assessed value of the property, if the property was in good condition, but it is not and asked how the City handles such an issue. Mr. Langille stated the City cannot profit from the sale of any property, the profit has to be returned to the owner and if the City does not recuperate what is owed, an abatement would be put in place to clear the books.

Chair Powers asked Mr. Langille to explain how long this process has gone on. Mr. Langille stated it takes three years before the City can take any property by tax deed and during this time,

the Tax Collector works very diligently with the property owner to try to get these taxes paid, as the city does not want to take any property.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to sell the following tax deeded properties by sealed bid: 9 Marshall Street Map 521 Lot 22 and 366 Roxbury Street Map 571 Lot 5.

5) Acceptance of Land Donation – 0 Off Maple Ave. - Assessing Department

Mr. Langille was also the next speaker. Mr. Langille stated this is property is about .46 acres located off Maple Avenue (land locked) with no real frontage. The taxes on this property have not been paid and in the very near future, the Council will have to look at taking it by tax deed.

He indicated staff has been in conversation with the owners who have no interest in paying the taxes. Rather than going through the tax deed process, it is a much cleaner process to take the property by donation.

Councilor Clark asked how a piece of property becomes land locked. Mr. Langille stated it could be because it was sub-divided or perhaps it was never developed.

Councilor Ormerod asked what use this property would provide for the City and whether an easement could be obtained for it. Mr. Langille stated there is no access to this property and an abutter purchasing the property to expand their backyard would be the best use. He added the property would then be sold to an abutter.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to accept the donation of land from Douglas P. Croteau and William M. Johnson located at 0 Off Maple Ave, identified as tax map 508 Lot 15.

6) Roxbury Street Bridge over Beaver Brook Project - Increase in Project Budget – Public Works Department

City Engineer Don Lussier stated the Roxbury Street Bridge over Beaver Brook is one of the City's red listed bridges. The design for completion was done last year. The Council has appropriated \$264,000 for the City's match. The bridge is part of the State Aid Bridge Program (City pays 20% and the state pays 80%)

Mr. Lussier noted the \$264,000 allowed the City to match a total project cost of about 1.3 million dollars. He indicated that last spring the project was put out to bid and received one bid for \$1.6 million. It was recommended that the bid be rejected.

Since that time, certain changes were made to the design to resolve some of the concerns raised during the bid process. It was rebid this winter, a number of bids were received, and the low bid

came in within budget. Mr. Lussier stated staff has had conversations with DOT and they have advised it is likely the budget would come in more than what has been budgeted for this project; DOT approved a total budget of 1.7 million, however, the project is likely going to come in lower than that (it is over the 1.3 million originally budgeted for). As a result, staff is looking to move funds from others account for a total budget of 1.6 million dollars, which would be slightly over what the City needs, which now is close to 1.5 million dollars.

Mr. Lussier went over the funds to make up the shortfall: unspent balance of \$10,465.50 from the Emergency Bridge Repairs account. \$55,000 was approved for this project for emergency repairs on three bridges; Whitcombs Mill Road (guardrail work), Baker Street over Beaver Brook Bridge for a collapsed pipe (work done in house), emergency guardrail work the Winchester Street Brook over Ash Swamp Brook. Balance of \$7,868.98 from the Undesignated Bridges interest account. Unspent project balance of \$47,309.30 from the Main Street Bridge replacement project completed a couple of years ago.

The Chairman asked who the contractor for this project was. Mr. Lussier stated it was Kingsbury Corporation.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to transfer \$65,643.78 to the Roxbury Street Bridge over Beaver Brook project account (90186-A) from: the unspent balance of \$10,465.50 from the Emergency Bridge Repairs account (90024-18); the balance of \$7,868.98 from the Undesignated Bridges interest account (T0617-J) and the unspent project balance of \$47,309.30 from the Main Street Bridge replacement project (90151).

7) 12 Gilbo Avenue - Parks, Recreation and Facilities Department

Parks, Recreation and Facilities Director Andy Bohannon was the next speaker. He stated the City has found a tenant to take over the lease for the vacant location at 12 Gilbo Avenue. Mr. John Brown has expressed interest in opening a barbershop at this location. He currently works at Keene Barber, but he is interested in owning his own space. Mr. Bohannon stated Mr. Brown has been made aware of the public restroom issue, the Arts and Culture Corridor issue and these items have been made part of the lease.

Councilor Hooper asked for the lease term. Mr. Bohannon stated it is a two-year lease with options for additional years. Councilor Clark asked whom the kitchen equipment belongs. Mr. Bohannon stated this belongs to the previous tenant.

Councilor Chadbourne stated Mr. Brown is her neighbor, a father of two young children, a talented barber and is a good businessperson. She stated he is committed to this community and has a strong following. She urged the committee to support this request.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute a lease with John Brown for the space located at 12 Gilbo Avenue.

8) Relating to Alternates to Boards and Commissions

Mayor Hansel stated this item has to do with Alternates for Boards and Commissions for the City. He indicated there were varying provisions in the Code relating to the number of alternates that were permitted on Boards and Commissions. He indicated has had more interest from people wanting to serve on Boards and Commissions than alternate positions available and stated it was important to increase citizen participation. The Mayor stated having five Alternates as the standard for all boards, provides the flexibility he needs.

Councilor Ormerod felt this is a good way to streamline operations but asked how this would affect quorums on committees. Mayor Hansel stated alternates are not regular members and unless they are seated in place of a regular member not in attendance their attendance is not considered when determining a quorum. He did not feel this Ordinance would have any impact on quorums.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend adoption of Ordinance O-2020-05.

9) Relating to Septage and Holding Tank Disposal Rates Ordinance O-2020-02 a

Operations Manager Aaron Costa and Pre Treatment Coordinator Eric Swope were the next two speakers. Mr. Costa stated the Wastewater Plant opened 1985 and shortly after that started accepting septage and holding tank waste. He stated the City charges \$85 for 1,000 gallon of septage and \$45 for 1,000 gallons of holding tank waste. He added the City's minimum charge is \$85 for septage and \$45 for holding tank waste.

Mr. Costa noted septage haulers like Bells and Stone had their own septic lagoons, which the State overtime did not allow, which made the City's site a large receiving facility. Over a ten-year period, the City's volume has increased from 400,000 to 4 million gallons. In 2012, the City adjusted its rates and since that time Winchester, Jaffrey and Peterborough have come online. He indicated from October 2018 to November 2019 the City received close to six million gallons of septage which brought in close to \$450,000 in revenue.

Mr. Costa stated staff feels the minimum charge is detrimental to these haulers. Staff feel if a hauler comes in just before closing with 500 gallons it does not seem fair to bill them for 1,000 gallons. He indicated they are trying to make this operation friendlier to the haulers by keeping the facility open later, weekends and during holidays. He indicated staff's proposal is to lower the minimum weight from 1,000 gallons to 100 gallons. Mr. Swope added over the course of the year there are of traditional loads of septage that is brought which is less than 1,000 gallons.

Councilor Remy asked how the City rates compare to other communities that have come online. Mr. Costa stated Keene is the same as Winchester, Jaffrey has a sliding scale for its residents and outside of Jaffrey, and the rate is comparable to Keene.

Councilor Clark asked whether the profit from this operation pays for the wear and tear of equipment. Mr. Costa stated it is not all profit and added the plant has to be in operation 24 hour a day seven days a week regardless and the City does not quite have a handle on what the profit margin is but he felt it is still worth the while to keep accepting septage.

The Chairman asked how this rate change would affect RV owners. Mr. Costa stated RV's are free.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend adoption of Ordinance O-2020-02.

10) Relating to General Obligation Courthouse Bonds of 2013 Series B Partial Redemption Resolution R-2020-04

Finance Director Merri Howe stated R-2020-04 relates to authorization of partial redemption of \$720,000 of the City of Keene 1,629,000 General Obligation Courthouse Bonds of 2013, Series B dated May 2, 2003. Because of the unwinding of the new market tax credit, which happened on February 21, 2020, the City received \$724,000 at closing of which \$720,000 will fund the partial redemption Courthouse Bonds of 2013. Since these bonds are issued in \$5,000 lots, the remaining \$4,000 will be applied to the next principal payment for the new bond schedule.

On or before March 25, 2020 the City will instruct US Bank NA, the paying agent for the City to redeem and provide notice to each registered owner. Redemption date for these bonds is May 1, 2020 and the redemption price 100% of each of the lots.

Councilor Remy clarified nothing has changed on this issue. The Manager agreed and added the Council authorized for unwinding of this project, but the Bond Counsel is requiring the Resolution to actually apply the funds for this partial redemption.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend adoption of Ordinance R-2020-04.

11) Capital Improvement Program - FY 2021-2027

Councilor Ormerod suggested moving up the item related to consoles for the Police Department, which is at the end of its useful. The Manager stated her recommendation would be to leave it as is in the plan. She stated the last conversation staff had was that even though the maintenance

agreement was expiring the equipment was still in good condition. If there is, an issue with this equipment staff can always come forward and move the item up at that time.

Councilor Clark felt all items were vetted well. Councilor Remy stated he would like to see the City getting to a flat budget, but the City is following its fiscal policies and the budget is structured around those policies.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommend the adoption of the Capital Improvement Program FY 2021-2027.

There being no further business, Chair Powers adjourned the meeting at 7:22 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker