

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, September 10, 2020

6:30 PM

Remote Meeting via Zoom

Members Present:

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

Members Not Present:

Staff Present:

City Manager, Elizabeth A. Dragon
City Attorney, Thomas Mullins
Parks, Recreation and Facilities Director,
Andrew Bohannon
City Assessor, Dan Langille
Planner, Mari Brunner
Asst. City Manager/Community Development
Director, Rhett Lamb
City Engineer, Don Lussier

Chair Powers called the meeting to order at 6:30 PM and a roll call was taken.

1) Land Water Conservation Fund Grant Application - Parks, Recreation and Facilities Director

Parks, Recreation and Facilities Director Andrew Bohannon addressed the committee first. Mr. Bohannon stated this item is regarding an application for the Land Water Conservation Fund. This is a federally funded grant through the National Park Service and is for the Russell Park renovation. Mr. Bohannon indicated the City was able to procure the maximum amount of the grant for \$400,000.

Mr. Bohannon went on to say that Russell Park is currently in the design phase, construction begins in FY22 and this will be an additional \$400,000 revenue source for the project. The initial cost in the CIP at the moment is \$1,225,000

Councilor Ormerod asked if the monies are received sooner whether the project will be moved up and why the City is adding to the scope of the project rather than using these additional funds to reduce the cost of the project and ultimately to reduce what taxes would have to contribute. Mr. Bohannon explained when the Conway School of Design submitted an outline for this project there were two scopes that were put forth. One was for 2.5 million and the other for 1.2 million. The City at that time decided to go with the reduce scope hoping to get additional funding. He went on to say City has a three year window to complete this work with the option of two additional one year extensions - for a total of five years to complete the project. The funding won't be awarded until the end of 2021. The project start date is July 2022.

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

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to execute the submission of the application for LWCF Grant Round 31 for the Russell Park Renovation Project.

2) Design Change Order - Cheshire Rail Trail Phase III - City Engineer

City Engineer Don Lussier stated this is a Design Change Order for the Cheshire Rail Trail Phase III project. He explained about a year ago staff had requested approval to accelerate paving of Park Avenue (100% city funds) so it can be done at the same time the Cheshire Rail Trail work was being done. The work was approved by the Council and the DOT, but when it came time to advertise the construction in July, the Federal Highway disagreed with the assessment and stated that the projects could not be combined into one contract. They have requested the projects be bid separately.

This change order is for the consultant to redo the contract documents and produce two separate bid documents. The change is being funded through monies the Council has already approved. \$1,759 is for Park Avenue paving work from cost center 90314. The remaining \$3,475 will be partly funded through the Federal Highway grant and the City's 20% of \$695 will come out of cost center 90057 - Cheshire Rail Trail.

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

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute a contract Change Order for an amount not to exceed \$5,234.46 with CHA Consulting, Inc. for the revision of final bid documents for the Cheshire Rail Trail, Phase III Project.

3) Professional Services Contract - Cheshire Rail Trail Phase III - City Engineer

Mr. Lussier stated this item is for the contract with CHA Consulting, Inc. construction phase. This work is funded through the Federal Highway Administration, Transportation Alternatives Program grant where the Federal Highway Administration is responsible for 80% and the City responsible for 20%. The terms of the grant is that the City is required to follow the Federal Highway Administration's guidelines, to include record keeping, labor law compliance.

Councilor Ormerod asked for the total cost of the project. Mr. Lussier stated the total grant was for \$410,000 and the cost estimate so far is close to that. He noted the DOT is going to make sure the project is fully funded.

Chair Powers asked for the area this project covers. Mr. Lussier stated the current Cheshire Rail Trail ends on Dickenson Road, this project will continue further on to the Class VI road referred to as Ammi Brown Trail. From that point it will be on street facilities such a bike trails, sidewalk improvements, accessible ramps all the way back Kohls Plaza to link up to that trail and continue through the North Bridge.

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

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute an engineering and technical services contract in an amount not to exceed \$48,000 with CHA Consulting, Inc. for the construction phase of the Cheshire Rail Trail – Phase III Project.

4) 2021 Revaluation Contract - City Assessor

City Assessor Dan Langille was the next to address the committee. Mr. Langille stated this project is regarding the upcoming 2021 revaluation contract. Mr. Langille explained this project is when the City looks at residential and commercial properties and brings them up to today's market value.

According to state law a revaluation needs to be completed by a municipality every five years, the last time it was done in the City was in 2016. A request for proposal was sent out and three responses were received. A review team consisting of Tim Ballantine, Property Appraiser; Dan Langille, City Assessor; and Beth Fox, Human Resources Director/Asst. City Manager reviewed all the proposals. The following criteria was reviewed in order to compare the proposals: Qualifications of staff, overall cost, successful completion of projects in similar New Hampshire communities, overall project approach and proposal, public relations plan and knowledge of the City's appraisal software. Based on the review of the proposals, the committee unanimously voted to offer the contract to Vision Government Solutions. Vision was the lowest bidder at \$118,700. Vision has been in the appraisal industry for 40 plus years, they have qualified staff who can take on a municipality the size of Keene. They have completed projects throughout New England and have a solid public relations proposal.

Councilor Clark asked what the percentage was of the buildings that are looked at by inspecting properties. Mr. Langille stated this is work the department does on an ongoing basis and the consultant is not being asked to investigate each property. They will be utilizing the data the department already maintains. They will be looking at properties from the outside. The Councilor felt properties are not looked at closely and felt there are great disparities and questioned why the consultant is being paid what they are being paid if they are not going to be performing a thorough review of properties. Mr. Langille indicated if the consultants are asked to go into each city property the price will at least triple and added the chance of being able to enter a property is not always convenient because of work schedules. He added most people don't always allow entry into their homes.

He went on to say the department has a pretty good idea of properties in the area, and the City has a good building permit program but staff is always ready to enter anyone's home if permission is granted.

Councilor Ormerod asked whether the new land use code would have any impact on the commercial properties. Mr. Langille stated the department will be providing all the information it has for this process and as the market adjusts to the new zoning, staff will eventually need to look at properties in these zones.

Councilor Greenwald noted with the current economic climate, rental both for residential and commercial has greatly changed and asked how that was going to be considered in this process. Mr. Langille stated property owners will be sent a questionnaires regarding income and expense for property owners to complete and return. Unfortunately this information is not required to be sent to Assessing; it is purely voluntary. He added staff will be looking at costs prior to the pandemic and for costs after the pandemic.

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

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute a contract with Vision Government Solutions for the 2021 Revaluation.

5) Community Power Consulting Services - ACM/Community Development Director

Assistant City Manager/Community Development Director Rhett Lamb stated staff was before the committee with the next step in the process to pursue renewable energy goals set by the Council 2019. Working with a consultant, staff has been targeted a project for community power as the highest impact strategy to meet the city's 2030 goal.

He indicated this item is for a contract with Good Energy and turned the presentation over to Planner Mari Brunner to provide more information on the process.

Ms. Brunner began by explaining what community power was. Enabled under NH RSA53-E, community powers allows local governments to pool their electricity demand and procure electricity on behalf of residents and businesses in their jurisdiction. Under this model the Utility will still be responsible for transmission and delivery of electricity but supply will be through the community power program. In NH there are various models that are permitted, as was mentioned at the June meeting, a group referred to as Community Power New Hampshire is pursuing a new model. This organization is still being formed and Ms. Brunner noted she wanted the Finance Committee to be aware of this other model that is being worked on.

Ms. Brunner went on to say the committee is recommending moving forward with the model presented in June.

She stated the City put forth an RFP and two proposals were received and the review committee met with both proposers. It is the recommendation by the review committee that the City offer a joint contract to Good Energy, L.P. and Standard Power of America, Inc. Ms. Brunner noted the motion is not to exceed \$0.001 per kilowatt hour. This means the fee per kilo watt hour will be paid directly by a third party competitive energy supplier to the consultant should the City choose to move forward and sign a contract with a third party supplier.

Mr. Lamb stated staff is hoping for a less expensive plan for citizens of Keene in addition to renewable energy.

Councilor Clark stated it was his understanding the Ad Hoc Community Power committee will be charged with the task of creating community plan for the community based on the options

available. However, what is before the committee is a sole recommendation to pursue a template RFP which he felt is based on an outdated municipal aggregate program. He indicated the RFP was sent with minimal information and only two bids were received. The Councilor questioned whether community power collaboration was put on the table. He noted staff is recommending hiring a broker to not just draft a plan but to also procure power and run the program. He indicated Community Power NH has well established good practices and is not a vision for the future. This has not been added to what is being presented tonight.

The Councilor stated by going with just these two, it creates a conflict of interest; the firm being chosen to operate the program will naturally design a program that suits their business model. He stated he could not understand why the committee has to vote on just these two companies. The Councilor felt Community Power NH needs to be looked at before any decision is made, which is designed as a new agency for shared services to help different size municipalities. He stated he would like to put this item on more time with a request to bring the item back with Community Power NH as an option.

Councilor Ormerod felt it would prudent to obtain broader quotes for this item. The Councilor stated he would however, like to know how this plan would reduce energy costs for Keene residents. He further stated if the item was going to be put on more time he would like to see the financial upside and downside and risk and how that would impact the finances of the city.

Mr. Lamb in response stated the discussion regarding Community Power NH is something that has been going on for a while and it was decided early on that all options would be looked at including Community Power NH, but at the time the discussion began they were in early stages. He agreed Community Power NH has made progress but it still exists as an idea and have a long way to go before they are up and running as an organization. He went on to say the contracts the City will be entering into will be short term contracts (1-2 years) and stated he could not see a reason why the City at the end of that time could no reassess and join Community Power NH at that time.

City Manager Elizabeth Dragon stated what is being proposed tonight puts the City in the best position by hiring its own consultant obtaining pricing and entering into a short term agreement to see what the City can do locally, giving time for Community Power NH time to get up and running and at the end of the contract compare and see what they can offer. She further stated if Keene was to go with Community Power NH at this time, we won't know when they will be up and running. They are working with several communities who are under different forms of government, and she felt there was no downside to moving forward. The reason the proposals are being done together is because these consultants are putting an energy plan together and then also acting as the broker. Ms. Dragon stated the advantage of community power is the City can walk away if the price being offered is not favorable; the City is in control.

Councilor Clark stated once a contract is entered into his experience has been that it is never changed – a program like this tends to go on. He noted companies such as this talk about what is good for their model but not what is good for Keene. He felt the City should go with its neighbors and do something that will be in the best interest for everyone and in the NH effort. Mr. Lamb stated even though Massachusetts is well ahead of us with community power, he wanted to note that Standard Power does all its work in New Hampshire and they are the ones that would be doing the negotiation of a contract. He added no one has gone too far with this subject so far, so any consultant will be adapting to the new statute. Mr. Lamb noted the

references the City received regarding Standard Power has been that they are an extremely experienced group and have had significant impacts in communities to create renewable energy while saving money for their residents. They are known to propose different tiers of options and there is nothing in the review of these companies have shown that they are in it for themselves.

Councilor Ormerod asked Mr. Lamb whether during any of these discussions staff has consulted with New England Clean Energy Collaborative. He noted things can change in New Hampshire much quicker compared to Massachusetts. The Councilor stated he wanted to be sure the consultant was adapting to New Hampshire and not using policies that would work in other communities that have a different energy structure. Mr. Lamb stated New England Clean Energy is a nonprofit that provides assistance to municipal governments in all aspects of renewable energy. He stated staff has been working closely with them and they have been the driving force behind clean energy power New Hampshire and they are in support of what the city is doing. He went on to say when Keene is ready to write its community power plan, Good Energy would have all options that are available that have been built in through a contract overtime.

Dr. Anne Shedd Chair of the Energy and Climate Committee and member of the Ad Hoc Power Committee stated Ms. Brunner had referenced the compensation for the consultant would be at a 10th of a cent for a kilo water hour but the memo says 1 cent per kilo watt hour. She noted the PUC's Website gives a range from 7 to 10 cents and she felt the amount needed to be clarified before a motion was made.

Mayor Hansel addressed the committee next and stated Dr. Shedd and the Ad Hoc Committee have been pushing this as an initiative. He cautioned the committee about putting all their eggs in one basket that relies on so many different partners to be successful. He felt Keene needs to plot its own course. The Mayor noted as the Manager had indicated, Keene is not removing the option of joining Community Power NH in the future.

Ms. Brunner noted it is a 10th of a cent for a kilo water hour it was typographic error in the committee's packet.

Councilor Clark stated he was not opposed to this item, but felt the City was not taking this item seriously or that it was being aggressive enough.

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

On 5-0 rolls the call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to do all things necessary to negotiate and execute a contract with Good Energy, L.P. and Standard Power of America, Inc. for Community Power consulting services for a fee not to exceed \$0.001 per kilowatt hour. This fee shall be paid directly to the Consultant by the Competitive Supplier, in the event that a third party contract with a competitive supplier is signed. In the event that negotiations with the preferred vendor are not successful, the City Manager is authorized to do all things necessary to negotiate and execute a professional services contract with Freedom Energy Logistics, Inc.

Councilor Remy and Ms. Brunner were commended for their Trendsetter Award Achievement this year.

6) Fiscal Policies Resolution R-2020-32

Finance Director Merri Howe addressed the committee next and stated Fiscal policies serve as a tool to address questions and provide guidance for fiscal management and decision making. Each year the policy is reviewed and amendments proposed. The Fiscal Policy Workshop was held on September 1, 2020 where an in-depth presentation of the proposed amendments was made to the City Council. Since the workshop, the City Attorney recommended some legal edits and additions to 1994 Resolution that was incorporated in the Fiscal Policies.

She went over the edits:

Under Part I – Budgetary Policies paragraph D has been modified to include additional language from Resolution R-94-32 regarding items eliminated by the Council during the budget approval. Eliminated items cannot be purchased with funds from other line items without Council approval. This item along with the other modifications in this section formalize long-standing budgetary practices of the City into this document.

Upon further review upon further research from a comment raised at the fiscal policies workshop, it was discovered that the resolutions from 1994 (R-94-9A and R-94-32) actually ceased to be effective by their own terms in 1997. A new paragraph, L under budgetary policies, has been added to incorporate the City Manager's emergency authorization with respect to emergency expenditures under R-2020-10-A into the FY21 fiscal policies. The remainder of the policies remain unchanged.

Councilor Ormerod stated he continues to wonder why Keene's tax rate is so high and why our benchmark is against the Boston Cambridge Newton area and asked whether this is something everyone in New Hampshire does.

Ms. Howe explained there is no true industry for the State of New Hampshire to use as a guide. She indicated until about a few years there was another name used and it was only recently changed to Boston Cambridge Newton. It is one that has been used in the past with fiscal policies but stated she was open to suggestions. Chair Powers stated this is an issue raised during fiscal policy workshops in the past and this is the one that was recommended.

Chair Powers noted when the Resolution before the Committee is adopted it would be the one that is followed. However, there is one adopted last year and asked whether something should be mentioned about eliminating that Resolution. Attorney Mullins stated the simplest way to address this would be to change the language in the Resolution to read as follows:

NOW, THEREFORE, BE IT RESOLVED that the fiscal policy should be reviewed and adopted by the City Council on an annual basis effective July 1, *superseding any prior policy* and

A motion was made by Chair Powers to amend language in the Resolution to read as follows: NOW, THEREFORE, BE IT RESOLVED that the fiscal policy should be reviewed and adopted by the City Council on an annual basis effective July 1, *superseding any prior policy* and The amendment was seconded by Councilor Remy and carried on a unanimous roll call vote.

Councilor Greenwald stated as he had mentioned at the workshop there is nothing indicated about bonding limits. The bigger issue is because of the times we are living in right now staff be directed to cut back on certain services to reduce the budget.

Councilor Remy clarified a remark from the Finance Director, that the CPI can move in both directions – you could not have a decrease if you had a net decrease in spending and asked whether it is utilized in such a manner in Keene. Ms. Howe stated an average of three years is taken and noted she did not recall ever having a negative CPI in recent years.

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

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommends adoption Resolution R-2020-32.

There being no further business, Chair Powers adjourned the meeting at 8:00 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Edited by City Clerk, Patty Little