

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, June 9, 2022

6:00 PM

**Council Chambers,
City Hall**

Members Present:

Thomas F. Powers, Chair
Michael J. Remy, Vice Chair
Bettina A. Chadbourne
Bryan J. Lake
Andrew M. Madison

Staff Present:

Asst. City Manager/HR Director, Beth Fox
Asst. Public Works Manager/ WWTP
Operations Manager, Aaron Costa
City Engineer Don Lussier

Members Not Present:

All Present

Chair Powers called the meeting to order at 6:00 PM.

1) Wastewater Treatment Plant Laboratory Renovation - Engineering Change Order 3 - WWTP Operations Manager

Asst. Public Works Director/WWTP Operations Manager Aaron Costa addressed the Committee. Mr. Costa stated the City has a project to renovate the existing laboratory and executed a contract with Underwood Engineers for \$20,500 for design, bid services and some minimal construction oversight services. During that design it was discovered the original HVAC system in the laboratory did not meet code. As a result, change orders 1 and 2 were executed with Underwood to correct those deficiencies.

Mr. Costa stated the contractor is mobilized and construction has begun with the new HVAC system and roof penetration for the supply exhaust fan. When the contractor performed demo of the existing HVAC ductwork for the exhaust fan (12 by 12 opening) they discovered there was structural lintel, which is a steel structural support that supports a concrete block in brick masonry. This causes an issue increasing the size of the ductwork, which was required to increase the exhaust ventilation. One of the things the contractor does not want to do is to cut into that structural lintel. Hence, Change Order 3 is to work through a solution.

Mr. Costa noted funds are available for this work in the laboratory renovation project 08106.

Councilor Lake made the following motion, which was seconded by Councilor Madison.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute Change Order 3 with Underwood

Engineers to perform engineering services for the Laboratory Renovation Project for an amount not to exceed \$4,000 for contract 04-21-22.

2) Accept American Rescue Plan Act (ARPA) Funds & Contract Services to Perform Sludge Dryer Feasibility Study - WWTP Operations Manager

Mr. Costa addressed the Committee again and stated the wastewater plant has a product which is treated product discharged into the Ashuelot River. There is also a waste product the City needs to dispose of which is the dewatered bio solids, currently hauled and disposed of at Waste Management's Turnkey landfill in Rochester, NH.

Mr. Costa stated there are three ways to dispose of bio solids; land application, incineration, and landfilling. With recent developments regarding PFAS regulations, as well as other factors, including limited landfill capacity and increased bio solids disposal costs, the City is exploring sludge drying technology as an alternative means of bio solids management. This would be an add on process to the current dewatering processes.

The WWTP produces approximately 4,500 wet tons of bio solids per year. With the current equipment, only 30% is turned into solids, the remaining 70% is water. With the sludge drying technology, the City will be able to dry sludge up to about 95% solids, only haul away, and pay for 5% water. This project includes the evaluation of different types of drying technologies, energy requirements, capacity analysis, and construction costs. The study will also develop an overall business case to definitively answer whether a sludge dryer is economically advantageous.

In 2021, the City submitted a pre-application for a Clean Water State Revolving Fund loan. This project was awarded up to \$100,000 in grant funds through the American Rescue Plan Act (ARPA). In 2022, the City advertised a Request for Qualifications and received two responses. A review team consisting of individuals from Public Works reviewed and rated the proposals. Based on this, staff is recommending the Manager to accept and execute an ARPA grant from the New Hampshire Department of Environmental Services in the amount up to \$100,000 for the Feasibility Study. Also, to execute a professional services contract with Brown & Caldwell to perform a Feasibility Study for an amount not to exceed \$99,400.00. If a contract cannot be negotiated, the City Manager be authorized to negotiate with the next ranked firm.

Councilor Remy asked what the output would be of a feasibility study on a sludge dryer. Ms. Costa stated what is going to be studied is whether or not it makes sense to install one. He added it is a very expensive piece of equipment. There are energy, mechanical and electrical requirements. Where is it going to live, how is it going to interact with the existing equipment. There are also regulations that go along with this drying process.

Chair Powers asked about the experience factor for Brown and Caldwell. Mr. Costa stated they are a national firm who has done a lot of work in this area. One of the project managers is a board member of the New England Bio solids Management Association. He added the City is also working with this firm on the wastewater treatment plant roof replacement project and staff is happy with the how they have been able to keep on schedule.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept and execute an American Rescue Plan Act (ARPA) grant from the New Hampshire Department of Environmental Services (NHDES) in the amount up to \$100,000 for the Sludge Dryer Feasibility Study.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to negotiate and execute a professional services contract with Brown & Caldwell to perform a Sludge Dryer Feasibility Study for an amount not to exceed \$99,400.00. If a contract cannot be negotiated, the City Manager is authorized to negotiate with the next ranked firm.

3) Sole Source Approval for Sludge Pump Replacement Project - WWTP Operations Manager

Mr. Costa addressed this item and indicated this is a sole source contract approval for a sludge pump replacement project at the wastewater treatment plant. He indicated the wastewater plant approaches 40 years, many original components are at the end of their useful life. This project replaces six original sludge pumps. He indicated these pumps have served the City well and have been scheduled for replacement through the City's capital improvement program.

He went on to say that the City executed a design contract with Underwood Engineers for design and construction related engineering services. However, prior to completing the design, the pumping equipment needs to be selected because each type of pump has its own footprint as well as different electrical and mechanical requirements. As part of the equipment selection process, the City invited three different type of pump manufacturers to the wastewater treatment plant to give an overview and presentation of their equipment. Staff met with representatives from Borger who have a Rotary Lobe style pump, Seepex which is a positive displacement-progressive cavity type pump and Penn Valley which is a positive displacement/double disc.

Based on those presentations, City staff narrowed its choices down to Seepex and Penn Valley. Underwood Engineers scheduled site tours at Hanover, Henniker and Penacook wastewater treatment plants for staff to view some real-life installations of both types of pumps and be able to talk to their operations and maintenance staff. After touring the three wastewater plants, staff and Underwood are recommending the Seepex's progressive cavity pumps. These recommendations are based on size, footprint and maintenance requirements, as well as hydraulics and cost. Mr. Costa noted Underwood obtained budgetary pricing for both Seepex and Penn Valley, and the prices listed below is for pumps spare parts, shipping and training services. Seepex is about \$90,000. Penn Valley is about \$170,000

Councilor Remy stated he is not usually in favor sole source and felt this item did not sound like a sole source as staff did a lot of research and comparisons and even got budgetary prices for both. Mr. Costa agreed and added technically it is referred to as sole source. Chair Powers clarified six pumps would be the total complement. Mr. Costa agreed it would be for this specific type of sledge pumps but there are other pumps that have been replaced. The Chair felt this was good pricing and asked whether it would not be prudent to have a spare if one goes down. Mr. Costa stated the quotes price builds in redundancy and it does have a redundant pump included in it.

Councilor Remy 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 sole source Seepex for the sludge pump replacement project at the Wastewater Treatment Plant.

4) Utility Reimbursement Agreement with Liberty Utilities - City Engineer

City Engineer Don Lussier stated this request is related to the Winchester Streets Reconstruction Project. At the present time, utility providers are relocating some of their equipment to make room for the changes that are going to be made. In keeping with this, Liberty Utilities has asked that in order to accommodate their eventual replacement of the gas line that runs underneath the Ashuleot River, to include a sleeve that they can later slide their gas pipe into in the bridge. Mr. Lussier stated this is almost identical to what the City is doing with its own water main. He added this will not affect the operation of the bridge or the maintenance on the bridge. This work will have no cost to the City, Liberty Utilities will reimburse the City for 100% of the costs for both the design and construction.

However, this work has to be included within the construction of the DOT project. Hence, the City will have to first pay its contractors for the work (design engineer and construction contractor). Liberty Utilities will then reimburse the City for those costs.

Councilor Chadbourne made the following motion, which was seconded by Councilor Lake.

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 project reimbursement agreement with Liberty Utilities related to the Winchester Street Reconstruction Project.

Councilor Chadbourne made the following motion, which was seconded by Councilor Lake.

On 5-0 vote, the Finance, Organization & Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute a design Change Order with McFarland Johnson in an amount not to exceed \$25,000, subject to the execution of a Project Reimbursement Agreement.

5) Construction Change Order - 2022 Sewer Main Lining Contract - City Engineer

Mr. Lussier stated this item is related to the sewer lining project the City does each year. He noted the costs are very competitive and staff received four bids on this project. He indicated the project was designed based on the amount of funding available, which is \$401,000 but it has been designed to cost about \$388,000. The actual low bid was \$322,000. He indicated staff's suggestion is rather than leave the money sitting in the bank for a year, they would like to extend the scope of the work and take advantage of the good pricing and add another 536 feet to the contract. This summer the work will be from Kelleher Street across Baker Street through the fields to Route 101. The additional 536 feet will allow the City to continue across Route 101 to Martel Court to get very close to the Pump Station. At the end of this project, the entire Beaver Brook interceptor would be lined. Councilor Remy asked how many feet would be left from Martell Court. Mr. Lussier stated it would be approximately another 500 feet. He added this is a program done every year and it can be concluded next year.

Councilor Lake made the following motion, which was seconded by Councilor Madison.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to authorized to do all things necessary to negotiate and execute a construction Change Order with Insituform Technologies, Inc. in the amount of \$57,393.00 with funding provided by Project Cost Center 08066.

6) Clean Water and Drinking Water State Revolving Fund - Authority to Borrow and Accept Grants - City Engineer

Mr. Lussier stated this is similar to the project addressed previously by Mr. Costa using ARPA grant funds. This item relates to five other projects that were submitted through the State Revolving Fund. Mr. Lussier stated the City Manager has made it clear that she wants staff to search out and apply for as many grants or principal forgiveness funding as possible; staff continues to do that. In 2021, in addition to Mr. Costa's project, staff applied for a total of five additional projects:

- Sewer and drainage associated with the Main Street Downtown infrastructure project.
- Drainage lining program, which will start in 2024.
- Sewer manhole lining (five to six year program) to line all the brick manholes that are in the City's inventory.
- Sewer repair and lining, which is an annual program. These projects were sent to the State for funding. The two drainage related projects scored very well and received grant funding under the American Rescue Plan Act (ARPA) grant as well as principal forgiveness.

Mr. Lussier explained the Clean Water State Revolving fund is a loan program designed and intended to help municipalities fund either clean wastewater, storm water or drinking water

projects. They offer attractive financing. Currently the rate is 2%. Often DES offers those loans with an added incentive in the form of principal forgiveness. All three sewer, clean water, wastewater projects qualified for the principal forgiveness, but the projects didn't score quite high enough for ARPA funding. Mr. Lussier noted another nice feature of this program is that there is no pre-payment penalty.

Councilor Madison stated he is happy to see the City going after the clean water and drinking water State Revolving Funds.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to apply for, accept and execute loan agreements with the New Hampshire Department of Environmental Services (NHDES) Clean Water and Drinking Water State Revolving Funds for the following projects: Main Street Flood Management at \$951,100; Drainage Lining Program at \$920,800; Main Street Sewer Rehabilitation at \$710,500; Sewer Manhole Lining at \$1,083,600; and the Sewer Repair and Lining project at \$1,081,395.

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

On 5-0 vote, the Finance, Organization & Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept and execute any and all American Rescue Plan Act (ARPA) grants offered by the New Hampshire Department of Environmental Services (NHDES) for City Capital Improvement Program projects.

7) Relating to Personnel Systems and Procedures Ordinance O-2022-06

Asst. City Manager/HR Director Beth Fox was the next to address the Committee. She stated the first item is a follow up to the update to the salary Ordinance. The Manager had referred to providing compensation to the Asst. Emergency Management Director, recognizing the increasing importance of continued operations and sharing responsibility with that role. The first section of the Ordinance amends Section 62-196. It provides an annual additional sum for the staff member designated Assistant Emergency Management Director. It also takes the sums that are related to the compensation for these positions and instead of paying them annually upfront in advance of them having performed the work, it will be paid out on a weekly basis while they hold those duties.

The second item on the Code adjustment proposed is to Section 62-396, which applies primarily to non-union employees who are holding positions and salary schedule under 62-194 (Administrative Office, Technical Management, Personnel). This is a small adjustment with two impetuses. The first impetus is to provide employees with a little more flexibility as they onboard to the organization. The City's current practice does not provide them with vacation leave until they reach a six-month anniversary. Ms. Fox felt not only will this provide for flexibility, but will also help the City recruit in a more competitive market.

The Code change also recognizes to the extent vacation determinations are made for Council appointments, it is not the City Manager's responsibility, but that of the Council.

Chair Powers referred to the following text within the Ordinance “*except on employment termination*” and felt it was not the most appropriate terminology. Ms. Fox stated perhaps “*separation of service*” might seem more appropriate. She added what the language is intending to say is that an employees will not be paid for unused vacation unless they were leaving the organization. The Committee felt comfortable with the language as it was currently written.

Councilor Remy 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-2022-06.

8) Relating to State Revolving Fund Loans Resolution R-2022-22

The City Engineer addressed the Committee again. He indicated this item relates to Item 6. He explained the City has been operating under a Resolution the Council passed in 2009 which designated the City Manager as the Council's authorized representative to sign loan documents and disbursement agreements. He indicated DES is asking for an update to that Resolution.

Mr. Lussier called the Committee’s attention to the existing 2009 Resolution and the proposed 2022 Resolution. He indicated the language is very similar. He added the Committee also has before it a revised version of the Resolution they will like to introduce as an A version and this was by the request of the City Attorney. To help alleviate this problem in the future, the Attorney added a paragraph to the end that says that this delegation of authority to the City Manager shall be in effect until rescinded by Council

Mr. Lussier added next week at the Council staff will be requesting Council suspend the rules and act on this Resolution without a first and second reading. The reason for this is, DES made this request just last week but applications for the 2021 applications for the projects discussed earlier are due by the end of June. This delegation of authority has to accompany those applications.

Councilor Chadbourne clarified the language should say unless rescinded by City Council not the City Manager. Mr. Lussier agreed.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends Resolution R-2022-22 be amended to add language as recommended by the City Attorney.

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

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the rescission of Resolution R-2009-08 and adoption of Resolution R-2022-22-A relating to Delegation of Authorities to State Revolving Fund Loans.

There being no further business, Chair Powers adjourned the meeting at 6:46 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Additional edits by,
Terri Hood, Assistant City Clerk