

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, September 8, 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:

Elizabeth A. Dragon, City Manager
Thomas P. Mullins, City Attorney
Kurt Blomquist, Emergency Management
Director/Public Works Director
Merri Howe, Finance Director
Andy Bohannon, Parks Recreation and
Facilities Director

Members Not Present:

All Present

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

1) Spectrum Service Issues - Councilor Randy Filiault

Michael Liccione, Area Vice-President for Charter Communications Field Operations and Engineering for Southern New England, addressed the Committee. Mr. Liccione thanked those who have submitted their concerns and for being invited to address the Committee. He indicated the biggest issue they have heard comments about is connectivity; video freezing, channel freezing and people losing services. He indicated they have done research on these issues specifically around hub sites where they have added additional cooling units and powering units. He continued that confirmed that one of the larger spanned outages that happened in Keene was directly related to cooling failure. Mr. Liccione stated they are also looking at starting a monitoring program throughout the footprint to identify smaller pocket outages. This new program will continue through the first quarter of 2023.

Mr. Liccione stated another item they are working on is with their hub sites to make sure overnight engineers are addressing any items they have seen on the network. He added he is also working with customer service to get a record of all calls that have come in and are focusing on areas that have high ticket counts. He stated he feels comfortable moving forward with this plan. He added however, he is looking for a better path of communication rather than having to go through the Council process and when work is being done on their network they will like to communicate that to the City.

The Chair asked for Committee and public comment next.

Mr. Bob Trudeau of 671 Park Avenue, Keene addressed the Committee stated two weeks ago the Redsox game was off for three hours, during the weekend there was no audio and last night the

channels were frozen. He stated Spectrum needs to address these issues, if someone calls customer service and the connection is lost there is no way to reach that individual again. Customer Service never calls back if a call is lost. Mr. Trudeau felt for the money customers are paying something needs to be done.

Mr. Liccione in response stated they are not here tonight to make excuses, they are here to listen and added he will look at Mr. Trudeau's property individually and try to address the issues he is having. He added he has worked in this industry for 19 years and has expertise in addressing such issues.

County Commissioner Terry Clark stated he wanted to address his experiences serving on the Cable Commission in 2009. He indicated as he recalls the City dissolved the Cable Commission in 2015 to save staff time and money and the duties of the Cable Commission were passed on the Planning Licenses and Development (PLD) Committee and since then there was nothing heard with reference to oversight of the Cable Franchise. The Commissioner added the Cable Commission used to be able to ask for complaints Spectrum had received and added the last year the Cable Commission was part of the City they had asked for a list of complaints and were told by Spectrum, complaints made over the phone are not documented.

After 2015 there was nothing heard about the Cable Franchise even though the Agreement was renewed and felt the Agreement was very weak because Spectrum had no standards it could be held to. He added he Mayor at that time used a false narrative to dissolve the Cable Commission leaving the City with less oversight over Spectrum. The Commissioner felt it was obvious the City did not want to have anything to do with regulating cable and this is not how this issue should have been handled. He felt this meeting might be inconsequential because when the Commission was dissolved it was given to the PLD Committee and questioned which Committee of the City Council actually has the authority to act on cable TV issues and asked when that authority was given to the Finance Committee. He felt it was time for the Council to gain control of this issue and start representing the citizens of Keene. He also felt there needs to be a complaint system but not only one that people put in writing, it also has to be when people call and those complaints need to be taken seriously.

Mr. Liccione in response stated Charter Communication does log and record each complaint, regardless of the nature of the complaint.

City Manager Elizabeth Dragon stated she does not have the history of the Cable Commission, but knows how it is supposed to be working now. Rebecca Landry Communications and Marketing Director is the contact person and the City is listed on the bill as the franchisee. Ms. Landry mediates the calls she receives and has had good luck in resolving issues. However, what is happening now is that not enough people are calling the City. Ms. Dragon stated any of the items the City needs to make sure the Franchise Agreement is upheld, it can be requested and the City has a path to resolve issues. She added the issues seem to be more wide spread outages and this is a bigger issue. She added it is encouraging to hear that improvements are going to be made and Charter's willingness to come back before this Committee and take additional comments and concerns. She encouraged people to call Charter and if the issues are not resolved to reach out to the City.

Mitch Greenwald Ward 2 City Councilor was the next speaker. Mr. Greenwald stated this past weekend his internet and phone went out. He asked for clarification for the path to complaint. The Manager clarified Charter Communication needs to be contacted first and if there is no resolution, then the City should be contacted.

Mr. Rod Parsons of 104 Hurricane Road stated since the last meeting he is still questioning what speed he is supposed be getting; he is subscribed for 300 megabytes per second. He indicated he has been keeping track of how he is doing and for the past week he is averaging a download speed of 16 and an upload speed of 10. Mr. Parsons stated he does not like 2023 as the benchmark for time to start measuring and asked why that was not happening today. Mr. Parsons noted the franchise agreement provides for Spectrum sole use of poles located in the City and added competition is a good thing and suggested the City bring in Comcast and let the better man win. He encouraged the Committee to consider competition for the product we are seeing today.

Mr. Liccione responded to Mr. Parsons comments by saying he wanted to clarify the timetable for work; the work on infrastructure upgrade has already started in Keene. Measurements of speed, measurement of how the data performs has never stopped. The projects he referred to have already started and will be completed by the first quarter of 2023. Mr. Liccione stated they will look at Mr. Parsons' home and see if there are specific issues related to his home. With respect, to pole ownership, pole owners own the pole not the City. Spectrum pays monthly fees to locate on the poles.

The Manager noted with respect to the franchise agreement, if customers are not getting what they have subscribed for and Spectrum is not responding, those customers can always reach out to the City. She also added if there is a franchise agreement, it does not preclude the City from having competition. The City does not get competition because it is expensive to place lines in rights of way, get access to poles etc. It is a matter of economics.

Mr. Eric Garr, resident of Fidium Fiber, stated they are the competition. They offer fiber optic services to Keene residents. He indicated they take customer service seriously; they write down all complaints, they have a score system they use and their score system is three times better than the industry average.

Councilor Filiault stated most of the people who have had issues and have contacted him are elderly – he indicated that generation does not like to call and complain and the last place they want to call is City Hall; they just want their systems to be fixed. The Councilor went on to say these issues are wide spread and as of last night the problem has not been fixed.

Ms. Janet Lincoln of 21 Kelleher Street, Keene stated she is tired of calling and tired of waiting to re-boot the system. She stated she understands Charter purchased an old system and asked if the lines have been checked. Mr. Liccione stated they do check the entire infrastructure, but what they are not able to do is to check each person's independent home unless they have access to it. He stated he will take Ms. Lincoln's address to perform an individual assessment of her property as well.

Ms. Lincoln asked what the lifetime of a box was. Mr. Liccione stated there is no specific timeframe for a box; there are ones that have lasted ten years versus a year. Mr. Liccione assured Ms. Lincoln he will work closely with her to get her issues resolved. Ms. Lincoln stated she was told by one representative her issue cannot be solved until they know what is causing it. Mr. Liccione stated there are no issues that they could not resolve. He also added they have confirmed provider issues but have ownership of channel issues.

Commissioner Clark stated the City Government exists to provide assistance to the public on things they cannot do for themselves and felt this is one of those areas. The City has a franchise agreement with this entity and it should not be up to the public to resolve these issues. He stated over the last 15 years he has seen City Government have a reluctance to take a stand on cable TV and he felt it was time for City Government to address this issue. The Commissioner asked again which City Committee has the authority to handle this issue. Chair Powers reminded the Commissioner that not one committee has control over a particular issue the authority is vested in the Council as a whole. The item will be brought to the Council and staff manages those items for the Council. Councilor Madison stated per a conversation he had with City Attorney Tom Mullins, per Council Rule 23, Cable Franchise issues are assigned to the FOP Committee.

Ms. Lincoln stated she is speaking on behalf of seniors in this community – she pays \$152 per month and did receive a \$62.61 credit and noted that is how many problems Spectrum is having. She added when she called and received the \$62.61 credit it did not take the representative too much time to calculate the credit. She stated there is a record on the account, but Spectrum does not pay it forward with a credit.

Chair Powers asked Mr. Liccione how soon the City can expect an answer from Spectrum. Mr. Liccione stated they will deal with any complaints that come in, in real time. In terms of updates, that can be done once a month to the City. However, if there has been a larger outage communication will be provided to the City in real time. Chair Powers indicated there are at least three customers who would hear from Mr. Liccione personally.

Councilor Filiault stated he would like to have a representative come back in 30 days. Mr. Liccione assured the Committee he will be back once a month and in the event he can't make it, a senior member of his team will be in attendance.

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

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

2) Primex3 Contribution Assurance Program (CAP) - Property & Liability Program - ACM/Human Resources Director

Asst. City Manager/Human Resource Director Beth Fox addressed the Committee next. Ms. Fox stated the City has for a long period of time had an arrangement where it participates in Trust to provide property and liability as well as workers comp insurance. Through that arrangement, the City has participated in the CAP program, which guarantees the City of rate renewal increases in

the event there are adverse claim experience. Primex has asked the City to see if it would like to commit to the CAP Program offering a no greater than 7% increase. Ms. Fox added the insurance market is at a hardened state currently, which is driving costs. The biggest impact seems to be in cyber security claims and Primex has launched a new program to help communities with cyber security. Ms. Fox felt the rate guaranty seems appropriate and recommends another three year extension with Primex.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends that 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 FY26 that has provided predictable contributions and stable property and liability insurance coverage.

3) Relating to Chapter 22 - Cemeteries Ordinance O-2022-12

Parks, Recreation and Facilities and Director Andy Bohannon stated he was before the Committee regarding an update to Chapter 22 – Cemeteries. The Ordinance contained some language changes in certain sections, but the primary focus was the schedule of fees. Mr. Bohannon stated annually staff looks at what other communities are charging for cemetery services. He indicated what the City has done over the past three years has been rather significant. Mr. Bohannon stated families currently don't seem to be working through funeral homes and are working directly with the City. Since Covid, families have started looking at purchasing lots and burials and over the past few years this activity has increased.

In 2020, the City was averaging 75 burials a year, but this year to day the City has had 107 burials. There have also been requests for weekend burials and hence staff felt it was time to revisit the issue of fees. After having looked at other communities, the City has now moved from Saturday only burials to weekend burials with this Ordinance update. The hours for a Saturday burial was from 9 am to 12 pm, this same timeslot is being retained and that same time period is being moved to Sunday as well. The weekend burial charges would be significantly higher.

Councilor Remy referred to Section 22-127, Notice – moves the notice time from 12-hour notice to 48-hour notice and added there are some faiths that require rapid burial. Mr. Bohannon stated there is always an exception that can be accommodated and added the reason for the change, is at times there are funeral homes that require accommodation the next day which at times could be difficult to accommodate and he felt hopefully with this change there could be proper planning by all sources. The City also has to work with vault companies but stressed adjustments can always be made.

Chair Powers referred to Article III. Lots - *Tomb service: flat rate for bodies to be buried outside of the city* and asked for clarification. Mr. Bohannon stated the City only has limited space for tomb service and hence they work with other communities.

Councilor Chadbourne referred to Section F – 22-32, noted there are items that have been stricken and asked whether those items don't exist anymore. Mr. Bohannon agreed. The

Councilor asked if an indigent person was to pass and had no relative, whether the City would be responsible for those persons and how that is handled. Mr. Bohannon explained there is dedicated space within cemeteries to take care of those services. The Councilor referred to the item regarding an item that talks about a *pot or urn that cannot be lifted with one hand* – Mr. Bohannon stated this is for maintenance needs.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Ordinance O-2022-12.

4) Relating to Water and Sewer Utility Charges - Ordinance O-2022-10

Public Works Director Kurt Blomquist stated he was before the Committee regarding water and sewer rate changes. He indicated water and sewer are enterprise funds, which means they require an expenditure and revenue budget and the requirement is that these budgets are equal or that the revenue budget is slightly higher than the expense side.

These budgets are developed in December and January. As the budget is built, Public Works staff works closely with the Finance Department and during this time period staff is also building the water and sewer rates. Mr. Blomquist stated during his presentation at the FOP budget he had talked about staff's suggestion of holding the sewer rates at the current level but increasing the overall water rates by approximately 6%. He added the budgets are based on the minimum of the CPI (fiscal policies – three-year rolling average).

Mr. Blomquist stated for the FY23 budget they have been receiving bids, for instance on the waste water side, for sodium bicarbonate (used to adjust the ph level of water) the City was paying .26 cents per pound, the current bid that came in the price is at .32 cents per pound. Another product used to be .09 cents per pound came in at .19 cents per pound. This can be tens of thousands of dollar increases based on the amount the City uses.

Mr. Blomquist stated the sewer fund has a healthier unassigned fund balance, but the water fund is less healthy. He referred to the replacement of the Drummer Hill tank which had to be replaced and was moved up in the CIP two years ago (cost of over a million dollars) but at that time the water fund was at a point that allowed the City to be able to do this work.

At the present time the sewer fund has an unassigned fund balance of close to 2.2 million and the water fund has little over a million dollars. The industry standard calls for 270 days of having unassigned balance. At the present time the City is at 110 days for the water fund and 210 days for the sewer fund.

Mr. Blomquist noted there is some concern about the fire service charges. He explained this is a charge that helps recover expenses related to infrastructure on the water side, particularly for the capacity that is required for fire protection. It is to cover for commercial sprinkler system protection.

Mr. Blomquist then went over the water bill and how that is broken up. There is a fixed charge, a volumetric charge, and for commercial – things like fire services, industrial fees, etc. 90% of Keene customers are residential – 5,900 accounts, of which 5,400 are 5/8th inch meters. For a residential customer using 600 cubic feet (4,500 gallons) of water in a quarter. This customer will pay \$143.99 per quarter for water usage. With staff's proposal to raise the volumetric rate up to \$5.35 .03 cent drop to the fixed rate – that customer with the new rate will pay \$145.10 which is a difference of \$1.71 per quarter.

A customer who uses 1,200 cubic feet of water in a quarter, currently will be paying about \$211 with the new rate will be paying \$214. A customer who uses 1,800 cubic feet of water in a quarter, currently will be paying about \$279 with the new rate will be paying \$285.

Mr. Blomquist then referred to a medium commercial customer (large apartment complex) which uses about 1,500 cubic of water – this customer will typically have a three-inch meter and a six-inch fire line. Today this customer will pay for water and sewer \$18,415 per quarter, (fire line increase will be approximately \$282). Mr. Blomquist noted the last time the fire line was adjusted was in 2009. Their new bill will be \$19,142 - \$581 differential (3% higher than what the current bill is). Mr. Blomquist stated one of Keene's largest customer – this customer uses nearly 7,100 cubic feet of water per quarter. They also have a six-inch fire line. Today their bill is nearly \$77,000 per quarter (water and sewer), under the new rates this customer will pay nearly \$78,672 per quarter. This represents a 2.6% increase in cost.

Mr. Blomquist stated staff feels they have met the Council goals with respect to expense and revenue. They are meeting customer needs and can feel proud of the services being provided to Keene's customers. This concluded Mr. Blomquist's comments.

Chair Powers clarified the fire service fee outlined in the ordinance is an annual fee – Mr. Blomquist agreed.

Councilor Remy noted to a Scrivener's error – spelling of "fire protection". The Councilor referred to those fire lines that were larger in size than the six-inch – Mr. Blomquist noted the these larger lines also mean larger volume of services, but added the majority are six-inch lines. The councilor noted there is a 1.5 inch that is going down in price while a 10-inch is tripling in price.

Finance Director Merri Howe addressed the Committee next. Ms. Howe stated as she has previously stated when she talked about the parking fund – the water fund currently has one million in unrestricted fund balance. Over the next seven years in the CIP, the Council has approved 7.37 million in cash funded projects. The sewer fund has 2.7 million and 9.2 million has been approved in cash funded projects. She added one million in unrestricted fund balance is not strong when it also comes to bonding for good rates.

Councilor Greenwald addressed the Committee and stated he is downtown property owner and taxpayer. The Councilor stated what he has an issue is with the fire portion; he felt the rate for water and sewer should be based on volume of water used. He stated it is a fact that in the budget

there is a sum that needs to be raised. He noted 4 inch line is going up 51%, 6 inch line is going up 51%. 8 inch 134% and 10 inch 169%. Councilor Greenwald stated he does not understand why there should be a difference, he felt it should be the same increase for all users.

He went on to say for instance he paid to install his fire line in 1986 and it has sat in the ground since that time and no water has gone through it. However, every year he is paying this fee and agrees he has to have sprinklers for insurance purposes and life safety. He stated this is an annual charge for a dead pipe that sits in the ground. He felt, perhaps it should be charged if it is used by the hour. He felt what would be more fair it to add cost of living rate for the increase. Mr. Blomquist stated unfortunately, the expenses don't go away, if the fire line rate was to be dropped those rates will shift over to the volumetric rate. Ms. Howe added for the 15% increase in the fire line based on the current rates, the City will have to make up for \$203,000, so the volumetric will go up another 30 cents, so the increase from the current rate to this proposed rate (15% increase in the hydrant) will be a .59 cent increase.

Mr. Blomquist added 92 % of users are residential do not utilize the fire line services, the hydrant on the street is for that purpose for residential users – they pay for that in the volumetric rate. By changing the fire line increase, the shift would then be placed on residential users. He stated he appreciates Councilor Greenwald's concerns, but felt staff has distributed the increases fairly.

Councilor Remy stated he would like to see what the rates would be if the fixed rate was eliminated. Mr. Blomquist stated he would recommend strongly against that as there needs to be a fixed rate for someone for instance a plant sitting on a hill – if no one uses a single drop of water it needs to be paid for; there has to be a minimum amount of money coming in and the fixed rate represents 20% of the total operating budget and 80% is covered by the volumetric fee.

Councilor Chadbourne stated she has heard from citizens about the rate increase; electricity just went up over 100%, parking is going up, gas prices have increased and stated she is not too happy about this increase and hoped people could be given a break somewhere. Mr. Blomquist stated he appreciates those comments, but the Council needs to decide what services it wants to cut. The capital program is impacted by these rates. He added the City is also paying those increased electric and gas prices. The Councilor stated she has to give voice to those who elected her, but that does not mean she will vote against staff's recommendation.

Councilor Madison stated he used to work for the drinking water industry in rural parts of the state. He stated Keene has decent rates compared to other communities. However, he felt Keene is at a disadvantage in that it is too big to take advantage of rural development grants and funding. He stated everyone is feeling the squeeze, but this is something that is needed to provide the high quality of service.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Ordinance O-2022-10 with an effective date of November 1, 2022.

5) Relating to Appropriation and Expenditure of Funds from the Sale of Property to Provide Funds for the Airport Fuel Farm Capital Project Resolution R-2022-32

City Manager Elizabeth Dragon stated she is before the Committee on behalf of the Airport Director requesting the Committee approve Resolution R-2022-32 to appropriate additional funds for the fuel project at the Airport. She indicated this is a bonded project but as staff moved through the project there are some additional requirements that DES has placed on the project. Specifically, installing a transfer pad, and installing bollards and barriers to protect the tanks from being damaged by vehicles and aircraft. The funding source identified to pay for these additional expenses will be from property sales, for a total sale of \$441,916.32; Sale of city owned hangar (“The Green Hangar”): \$ 11,931.42 and Sale of parcels 32 & 32-1 (Formally Alps property): \$429,984.90. The Manager explained the Alps property was originally purchased with Federal funds through the F.A.A., 90% of the proceeds from the sale of parcels 32 & 32-1 must be used to offset the Federal share of future F.A.A. funded capital projects at the airport per FAA mandates.

The Manager indicated staff as a result is asking that the City Council also approve the use of the remaining \$42,998.49 from the sale of Parcels 32 & 32-1 and the \$11,931.42 from the hangar sale, along with accumulated interest, up to \$54,929.91 be used to cover unanticipated cost increases related to the airport fuel farm project.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2022-32.

6) Adjournment

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

Respectfully submitted by,
Krishni Pahl, Minute Taker

Additional edits by,
Terri M. Hood, Assistant City Clerk