

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, December 12, 2024

6:00 PM

**Council Chamber,
City Hall**

Members Present:

Thomas F. Powers, Chair
Michael J. Remy, Vice Chair
Bettina A. Chadbourne
Bryan J. Lake
Kris E. Roberts

Members Not Present:

All Present

Staff Present:

Elizabeth A. Dragon, City Manager
Thomas P. Mullins, City Attorney
Don Lussier, Public Works Director
Evan Clements, Planner
Bryan Ruoff, City Engineer
Patty Little, City Clerk
Terri Hood, Deputy City Clerk
Jason Martin, Fire Chief

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

1) Acceptance of Invest NH Planning & Zoning Grant to Expand the 79-E Tax Incentive Program – Senior Planner

Planner Evan Clements addressed the committee first and stated this item is in reference to grant funds in the amount of \$34,860 from the Invest NH Municipal Planning and Zoning grant program for the purpose of hiring a consultant to expand the City's 79 E program through the creation of a housing opportunity zone. He stated qualifying projects in the zone would be eligible for up to 10 years of tax assessment relief for their project.

He stated the Invest NH Municipal Planning and Zoning Grant program is funded by the New Hampshire Department of Business and Economic Affairs as part of the \$100 million investment NH Initiative with ARPA State fiscal recovery funds. The goal of the project is to create a tax incentive program that builds on existing tax incentives and tax increment financing options within the City to create an understandable and reliable menu of incentive options of incentive options. Mr. Clements added that the program would be used as a component of a marketing push to expand the City's development potential for new real estate.

Councilor Remy stated he likes the expansion of 79 E and asked whether this was intended for larger multifamily projects or is this something where a single-family home could be potentially eligible if this was expanded in this way. Mr. Clements stated it is more focused towards larger qualifying projects. There are some qualifying requirements; 1/3 of the units have to be at a price point for either 80% of AMI. There is another option that would be 50% of the units would be affordable to either very low income, low income or moderate income. 40% of the units would

be very low or low income or 20% of the units would be low income.

Councilor Remy stated he would love to see it be able to be targeted towards investment in single-family properties at some point to allow people to reinvest in some of the properties that need it.

The Manager commended Mr. Clements and other planning staff. Due to their efforts the City has been awarded the Housing Champion Award. She stated this was a substantial application to put together.

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

On a vote of 5-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept and expend grant funds in the amount of \$34,860 from the Invest NH Municipal Planning & Zoning Grant Program for the purpose of hiring a consultant to expand the City's 79-E program.

2) 2022 Homeland Security Grant Program Reallocation of Funds – Fire Chief

Fire Chief Jason Martin stated the item before the Committee tonight is in regards to a Homeland Security grant. He indicated last month the Fire Department was notified that the State Hazmat Collaborative would be utilizing additional 2022 Homeland Security funds, awarding each Hazmat team in the state \$18,902 dollars. These funds will be specifically for training dealing with lithium-ion emergencies.

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

On a vote of 5-0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to apply for, accept and expend the 2022 Homeland Security Grant Program reallocation of funds in the amount of \$18,902.

3) Adoption of a New Vote Tabulation System for Elections – City Clerk

City Clerk Patty Little and Deputy City Clerk Terri Hood were the next two speakers. Ms. Little stated she was before the Committee this evening regarding a recommendation to adopt a new vote tabulation system. She continued State Law requires that the governing body vote to adopt this new voting technology.

In 1994 when staff came before the City Council and requested the Council to adopt what has been used for the last 30 some years, which is the Accu Vote Tabulation system. This system stopped being in production over 15 years ago. As of last year, Microsoft no longer supports the operating system within it. Hence, the State is requiring all municipalities move to a new voting tabulation system before 2026. Ms. Little stated there are only two voters in the State whose tabulation system has been approved. Ms. Little turned the presentation over to Ms. Hood.

Ms. Hood stated there are two options that are available one is called Dominion Voting Systems which is from the current manufacturer of the Accuvote system. This system provides the same

tabulator tape output as the current model.

The second option is Voting Works; They are very similar in cost with the Dominion product, but the features vary quite a bit. The efficiency that the City would gain from this new voting system is what is really attractive, with all things being equal in price. Ms. Hood noted Voting Works doesn't rely on a diverter within the ballot box, because of the technology that Voting Works incorporates into their device. This system provides for a scanned image of each ballot which allows for adjudication of write-ins in a very transparent way. The office is currently considering whether to utilize a large tv screen at the polls so that the public can see what decisions are being made to adjudicate each write-in vote to a particular candidate. It would be an enclosed system, there is no access to the internet on this device. Everything is dual authentication that no one can access it without a specific code.

Ms. Hood went on to say, in terms of reconciling votes at the end, it will eliminate a lot of manual work election officials are currently doing to hand count and record the write in votes. Several of the documents officials are completing at the end of the night will be eliminated. The output from the device is also acceptable to the State as the official Return of Votes. It will provide a full print out of election results for that election which can be certified and provided to the State, along with a full list of anyone that received a write in vote.

In terms of the funding, Ms. Little noted the acquisition of a new tabulation system was included in the CIP in anticipation of acquisition for the 2026 elections. The State would like see all communities find a solution before they decertify what communities have been using. Hence, the State has offered to provide the City with \$17,500 toward the acquisition of a replacement. In addition, the City had received a grant from the Center for Technical and Civic Life. Although they had originally intended to use the grant funds for other purposes, they approached the grantor and inquired whether they could repurpose the funds towards the cost of the new tabulators. The grantors agreed to the change. The City will be using \$20,000 of that grant for this acquisition. In addition, the City will take advantage of the funding of \$17,500 from the State with the balance coming from operating surplus. Ms. Little stated the City will be able to acquire six of these devices, one for every ward and one spare. The plan is to use the new tabulators for the 2025 primary and general elections.

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

On a vote of 5-0, the Finance, Organization and Personnel Committee recommends that the Voting Works electronic ballot counting device be approved as the vote tabulation system for Keene's elections and that the Secretary of State be notified as required by RSA 656:40.

4) Councilor Filiault – Proposing that the City Council Consider a Delay in the Downtown Infrastructure Project

Councilor Filiault stated he was before the Committee to address his letter dated December 2nd regarding the downtown infrastructure project. He stated this letter is requesting that the downtown infrastructure project be postponed because of the livelihood downtown merchants being in jeopardy and taxpayers who are overwhelmed with their property taxes.

He stated Keene is currently facing a perfect storm, but not in a positive sense. Locally taxes at all three levels have increased, water and sewer rates are also increasing. Taxpayers and businesses are hurting and for these reasons alone, a delay in construction is warranted.

Secondly, the downshifting of costs from New Hampshire State Government continues. Just this month, Keene schools were shorted of \$350,000 which was owed. This now falls on to local taxpayers. The state legislature has said to expect more downshifting. Unfunded mandates are crushing the welfare department and Keene is forced to deal with the entire county's homeless problem. The Councilor stated until the City knows the extent of downshifting and cost from the State and their impact, this delay in construction is warranted.

At the Federal level, the incoming administration has promised significant tariffs, including tariffs on construction materials, which will have a significant impact on the final cost of this project. He felt until the City knows what tariffs will be implemented and their impact on the project, delay in construction is warranted.

He stated that this potentially perfect storm will be catastrophic to multiple downtown businesses and devastating to far too many of the taxpayers that are already finding their tax burden unsustainable. Until all these multiple unknowns, especially at the state and federal level, become fiscally clearer to the city, a delay in construction is warranted.

The Councilor stated a one-year delay is a calculated risk, but a risk worth taking. He noted grants received might have to be reapplied for and there is a chance costs may go up. However, grants not previously approved may become available. Interest rates may come down over the next year, lowering the borrowing costs of money.

The Councilor stated the Council and staff need to keep in mind a business could fail due to this construction. He asked for a one-year delay in construction.

The Manager addressed the committee and stated the Public Works Director has prepared some information on the various funding sources for the project.

Public Works Director Don Lussier stated there has been some confusion about how the project is getting funded. He called the committee's attention to page 86 in the current version of the CIP. There is a line for the street sidewalk / other improvements - this was one program in the CIP. It had funding over a number of years dating back to 2021 through construction in 2027. There is a separate funding request in the CIP for traffic signal replacement in 2024 for \$400,000. The stormwater resiliency is paying for a portion of this project - ongoing program and is bearing the cost of the underground infrastructure related to stormwater (\$500,000). Sewer total about 3.5 million, funded over a number of years. Water is about 4 million.

Mr. Lussier noted some Council appropriations were missed previously and noted that page 2 in the committee's packet has the corrected version. \$100,000 in appropriations was missed from 2021 and 2022 related to sidewalk \$128,000 related to the stormwater design money, \$94,000 for sewer work and \$211,000 for water. Mr. Lussier noted when those corrections are made, what

shows in total funding appropriated to date through FY25 and what is in the CIP projected for 2026 and 2027 totals \$17.4 million appropriated for this project.

He next explained where those monies come from. 27% is capital reserves (tax revenue, water sewer rates that have been paid in years prior and set aside to pay for expensive projects in the future). This includes the downtown infrastructure capital reserve, the water infrastructure capital reserve and the sewer infrastructure capital reserve. The downtown infrastructure capital reserve is funded through the Wells Street TIF district.

The next is current revenue, which is current taxes and current water sewer rates, which is about 3%. \$400,000 of that was the signal component funded out of that year's revenue in FY24 and FY25.

The City received an ARPA grant of \$285,000 for the design of the drainage system.

SRF Principal Forgiveness is 12% total principal forgiveness between drinking water, storm water and sewer and wastewater. Most of that is in the water infrastructure. The principal forgiveness is about \$2,000,000 from that program. A total of about \$137,000 between storm water and wastewater.

The next section is debt - in the general fund, the City is funding about 32% of the project costs with debt. The sewer fund is 14% of the total cost funded through debt and water fund is about 10% of that total \$17 million.

The question is how much is that debt going to cost? The loans through the State revolving fund qualify for below market interest rates. The drinking water loan is at 1.75% for 10 years. The storm and sewer rates are 2% for five years. The majority of the general fund debt would be about 5.5% is the market rate right now. With those assumptions, the general fund debt will cost the City about two \$739,000 a year for the next 10 years. Sewer fund will be \$275,000 per year. Water fund will be \$197,000 per year. The total project stands at 17.4 million dollars.

Mr. Lussier stated the next question he was asked is what the implications of a potential delay would be. The ARPA grant would be spent first, and the deadline is December 31st. \$285,000 will be spent by that time. The SRF loan agreements that were signed have termination dates; for stormwater and sewer, which is January 2nd, 2027. The Water Fund has a termination date of November 1, 2027. Both of those agreements have clauses that say extensions for loan term can be approved. Mr. Lussier stated he did not see why these could not be extended if construction has started.

Mr. Lussier noted the risk with any delay would be the principal forgiveness that he had referred to totaling a little over 2.2 million dollars and the favorable rates the City would get with those loans.

The final question is what the cost increase would be if the project is delayed by a year. Mr. Lussier stated he did a little research on industry expectations. The engineering news records predict for the construction industry an increase in non-residential construction activity of 5.9%.

In terms of inflation predictions – according to the Federal Reserve Bank of St. Louis, they are showing one-year expectation of 2.3% over the next year – which Mr. Lussier stated is typical. At the low end, the project cost would be expected to go up around \$400,000 over a one-year period, if the city went with DOT’s prediction it would be around a \$600,000 increase in project costs. This concluded Mr. Lussier’s comments.

Councilor Lake asked for clarification regarding loan forgiveness. Mr. Lussier stated the agreement says that the City has to disperse funds and begin repaying for sewer and stormwater by January 2, 2027. He stated right now the construction schedule is set to go through the end of 2027. He stated if the City is in construction asking for an extension would not be an issue. However, if the delay goes past a year and the City is not under contract and construction has not started – that could be an issue.

The Councilor asked Mr. Lussier to give a quick overview of the current status of the infrastructure downtown and any potential financial impacts to delaying this work could have on the infrastructure. Mr. Lussier stated this is a good question but a difficult one to answer. He stated what is expected is overtime, as the work is postponed, there could be more and more breakages, failures and disruptions. This is a cost to the customer and the City.

Councilor Remy asked for clarification; from the general fund \$500,000 less is being planned to be expended next year and the year after that would be \$260,000 less than this year. He noted a total of \$3,000,000 in FY25 is being planned for sidewalk, traffic signal and stormwater resiliency. For next year those same three general fund items would only total up to 2.5 million. For FY27 it would be \$2.4 million. Mr. Lussier agreed. Councilor Remy stated there was a concern that there was going to be a large spike next year but it is actually going to be relatively level.

The Chair asked for public comment.

Ms. Pam Slack addressed the committee. She asked Mr. Lussier what the risk would be with the loan agreement if the project was delayed. Mr. Lussier stated the interest on the water fund is 1.75%, wastewater and stormwater are at 2%. He added DES could approve a year extension on agreement, but he wasn’t sure about anything longer and there could be a request for the City to reapply.

Ms. Slack asked the City to consider a group of businesses who could be impacted by water interruption – hair salons which there are many in the downtown.

Councilor Remy noted the 5.9% increase Mr. Lussier alluded to for a project at a cost of 17.4 million is a little over a million dollars. He stated he would like to know the public’s opinion how they would react to an increase of a million dollars for this project.

Ms. Dorrie Masten addressed the committee and stated she owns several businesses in downtown Keene and operates an office in downtown Keene. Ms. Masten stated Councilor Filiault’s comments should be considered as he was also once a business owner who has experienced the challenges downtown businesses could face; trouble making payroll; washing dishes, tenants not

being able to take showers. She urged the City to put this project off a year. The Public Works Director has already indicated extending this project for a year should not have too much of burden.

She talked about new businesses that have just opened downtown: B Bakes, Spark Studios, Local Burger, Ramen Shop coming in, Charlie and Waldos.

With respect to an additional \$1,000,000 – Ms. Masten noted the cost went from 7 million within just a couple of months to now 17,000,000 million dollars. She felt by the time this project gets done, it will be way more than that. She felt a year to save up to make sure they can pay their bills and plan better would be greatly appreciated.

Ms. Beth Doyle another business owner downtown stated she agrees with Ms. Masten. She stated for the first time as a business owner in downtown Keene, Councilor Filiault is making them feel important. She stated downtown will only survive if businesses downtown survive not bike lanes and new crosswalks. She indicated she had heard from past businesses, the last time such a project was undertaken downtown there was nearly a 20 to 25% loss of businesses downtown.

Keene was built back up not because new businesses came into downtown, but because the Colony Mill went out of business. She indicated downtown is thriving right now, but this project will place a lot of businesses in jeopardy. She felt one year could make the difference between whether there are two businesses that go out or whether ten go out. She stated they are being asked to take a 25% pay cut for the next three years.

Councilor Haas asked staff for a timeline. Mr. Lussier stated right now they are in final design. Staff goes before the MSFI Committee for a special meeting to review final design. The Heritage Commission is also going to be submitting comments to the MSFI related to their ideas on the project. Deputy City Manager Rebecca Landry has been helping staff with developing a solid plan of how the City is going to communicate to make sure that everybody knows that downtown is still open during construction. He indicated permitting is 97% complete and expected to have the project advertised for construction in late winter, early spring. Bids will be open early to mid-April and construction will be ready to start 1st of May.

Mr. Roger Weinreich business owner stated he has been downtown for 33 years. He stated if the street is torn up it will enable him to replace the water mains necessary for his tenants. He stated however, he would like to delay the project for a year and couple it with another, such as developing west of Main Street where there is a lot of land that could be developed. He felt this could bring more foot traffic downtown.

Ted McGreer downtown property owner and business owner stated he had two messages from two business owners who could not be here tonight. The first one is Adam Berube, owner of Muse, and Fireworks Restaurant. His statement says as follows:

As a downtown business owner with two locations, I strongly support delaying the downtown infrastructure revitalization project until the city presents a detailed plan for how it will support

affected businesses during the construction. The success of our businesses hinge upon uninterrupted operations and any project that threatens that should be carefully considered, with proper safeguards in place. We deserve clarity on how the city intends to mitigate disruptions, protect foot traffic and address financial burdens before moving forward. The strain financially of increased taxes and potential losses during construction could jeopardize not just my business, but the vitality of our entire downtown. Delaying the project gives the City time to refine its plans, communicate effectively, collaborate with business community and develop realistic solutions. Without this transparency and partnership, I can't support a project that risks long term harm to our business and livelihoods. We need to make it clear that we understand the importance of infrastructure improvements that they cannot come at the expense of our downtown survival. Let's demand a plan that works for everybody.

The second message was from Beth Wood, who owns 21 Bar and Grill and now Birdies on Main. *She feels very strongly that the work needs to be done, but so far feels unorganized and unplanned. Owning two downtown businesses she is not involved or communicated with very well with the City. We are still in a phase of rebuilding from the pandemic and this could be something that could kill the vitality of all downtown businesses and the downtown events, which are finally taking off again. There has been no talk of how the City will support the downtown businesses during this project. No guidance on how we will have support. There is a huge disconnect with the Council, the City and the business owners because of these issues. I hope the City continues to delay.*

Mr. McGreer stated he knows a revitalization project is going to be great for downtown in the future. He indicated at the last MSFI meeting, he had indicated he has 30 parking spots behind his business and he will be able to get customers into his store without touching Main Street. However, he has concerns for other business owners who could take a nearly a 25% loss and asked the committee to listen to what is being asked by these business owners.

Owner of Charlie and Waldos stated she is new to the downtown. She indicated bad weather has an effect on her business. This construction would be like giant snow day, and no one will come down. She referred to the businesses who have been opened only for one year who would be directly hurt by this project. She felt the extra million that is going to cost is nothing compared to 25% of businesses surviving. She asked for a delay to the project.

Ms. Roberta Mastragiovanni owner of Corner News was the next speaker. Like others have stated she too has concerns about a project of this scale. She stated she has been downtown for nearly 30 years. At the present time there is a great group of merchants who are not yet established. She felt it would hurt these businesses as well as her business if the City were to block off access and her patrons. She stated her patrons will go elsewhere. Even an established company such as her business is at risk.

Ms. Mastragiovanni stated Keene has a lot of big box stores and customers really don't need to come into downtown especially if they feel inconvenienced. She felt the City should be approaching each business individually to explain what is going to happen.

Elizabeth Slack of B&B Styles addressed the committee and stated she has owned her business for 15 years and she is open seven days a week (7:00 AM to 10:00 PM). She stated she agreed with what was said about construction being a snow day every day. Ms. Slack stated she supports

the reconstruction, as she knows it needs to happen. She stated as a business owner she would like to know precise details; how long water will be shut off. They have received one survey and the 12 emails she sent to the city were never addressed. She indicated she has about 3,000 clients and 60% don't want to come downtown if there isn't some type of plan. She noted recently one lane was closed off without notice and she had to close her business for the rest of the day. Two to three years ago a water main was fixed without notice and they had to shut off water in one day which cost her nearly \$3000 in sales. Ms. Slack encouraged communication between the City and businesses if the City wants businesses to survive. She added there is a large homeless population, a lot of them live right on Central Square in the gazebo. The delay could give the City time to help the displaced and homeless population who would have nowhere to go.

Mr. Tim Pipp owner of Beez Tees stated he has been on Main Street for ten years. He stated he had a business in Manchester for five years but closed it down because of the lack of foot traffic. He stated he could run his business entirely online and run with just himself but he chooses not to do and wants to grow his business on Main Street.

He stated the extension they are asking for is to give them time to plan but the request is not because business owners want to keep pushing this work out. Mr. Pipp noted they have four months to plan for this work. He referred to the 30th Anniversary of Jumanji coming up in 2025; the event is being pushed up to April instead of June and July because of this construction project. He stated he recently talked to 25 to 30 business owners and employees who had no idea about this project. He stated there is a lack communication. No one from the City has approached him about this project. Mr. Pipp felt a year is reasonable. The businesses are just getting out of Covid and are starting to make a profit. He indicated he has already informed his landlord that he will not renew his lease if his business starts to go down and will have no choice but to leave Main Street.

Councilor Filiault stated the City should be considering the tax impact if businesses start going out of business. He felt the City is not considering both sides of the equation. He reiterated that there is a disconnect between the City Council and business owners and what they are asking for is a one-year delay which he did not feel was too dramatic

Ms. Pam Slack addressed the committee again and thanked the committee for taking the time to listen to the business owners tonight. She stated she comes from family that owned a business downtown for over 44 years. Her business went through two reconstruction project but felt this time it is different. She stressed the need for the Council to support downtown businesses.

She stated she has during the past several years the lack of communication between City Hall to include city councilors and businesses downtown. She stated she appreciates that there is information on Facebook, but not everybody has Facebook. She asked that the city not hand these businesses three negative issues: increased taxes, construction and the unknown issue with tariffs.

Councilor Haas asked based on recent experiences with the Findings Buildings and reconstruction of Marlboro Street, asked how confident staff is above hiring a contractor. Mr. Lussier agreed there is a limited talent pool for contractors in this area. However, there are

contractors in the area who can take on this work but stated he will not be able to predict what responses the City will receive on its bid.

Councilor Chadbourne asked since discussion of this project how many incidents has the City experienced in terms of pipes breaking etc. and what sort of impact has this had on businesses. Mr. Lussier stated he does not have this information but does know Main Street has experienced valve failures and water main breaks. Mr. Lussier stated City crews are able to address issues fairly quickly. He talked about a valve break on Church Street and Main Street which ended up being a larger issue. A larger area needed to be shut down due to the fact that the valve attached to this break could not be fixed due to its age. The work could take 6 to 8 hours.

Mr. Alex Rodriguez, the manager of Corner News asked once bids are received, with the issues of hiring contractors, what the City would be looking for a start date. Mr. Lussier stated four to six weeks is the timeframe once the bid is open (if it is a contractor has worked with in the past). Mr. Rodriguez asked if any soil testing has been done downtown to address the dust and debris that would be caused from this project. Mr. Lussier stated test borings are going to be done to determine structural design. He added only 12-18 inches of material will be disturbed, they will be digging deeper but the material will go back where it came from.

Chair Powers stated there seems to be a lot of confusion regarding how the project would move forward. He clarified once the project starts in early summer – it is broken into 3 phases. Once the City is ready to start phase one there will be face to face information with business owners on those particular sections that are affected. Mr. Lussier agreed phase one is planned for 2025 which includes Central Square and the first block of Main Street from Roxbury Street down to Church Street and Lamson Street. Even within that footprint they will not be working everywhere all at once. The contract will have provisions on the maximum number for instance parking spaces that are going to be taken out at one time but anticipates all the asphalt to be taken out at that time. At the end of 2025 everything within that footprint will be restored. In 2026, work will start from Lamson Street and go south.

Mr. Rodriguez inquired if test borings have not been done and the design not completed how much of a delay could add to the project. Mr. Lussier stated much of the timeframe would have to be decided by the contractor and if the City gets into dictating timeframes to a contractor this could in the long run be an issue for the City. Mr. Rodriguez felt with so much uncertainty a one year delay would be prudent.

Ms. Jada Hyde another new business owner felt a delay would be helpful and stated she agreed with everything that has already been stated.

Ms. Masten addressed the committee again and clarified the permitting for this project has not been completed, bidding has not been sent out. If the bids come back in January, provide four weeks for bids to be returned, then conduct Council meetings to get the contractor approved – noted she doesn't know any construction company in the state that would start a project in six weeks. She felt a year would give everyone more time for better planning. She noted to what the Chair stated that not everyone is clear on details of this project. The extra time will give everyone time to digest this project.

The next speaker identified herself as the Manager at Shadow and Soul Emporium. She indicated employees of her store are concerned about the changes being proposed. She felt a delay would help downtown businesses with changes and help make Keene the great place that it is.

Councilor Remy stated he has spoken to most all business owners about this project. He stated the comments he is hearing mostly is about the businesses and the plan. The Councilor stated he was not ready to vote on this plan (either way) until he hears staff's commentary at the MSFI meeting as how the city was planning to help the businesses through this. He stated if it is going to be \$1,000,000 more to do this project next year, but the city could spend that \$1,000,000 put on events every weekend downtown – he stated he rather spend it on that. He stated his motion would be to table this item until after the City receives final design approval so that that the City can make a decision on delaying it.

Councilor Roberts stated there is going to be less money coming from the Federal government and State and more money being taken out of taxpayers. If that rationale is used to delay the project, each year that goes by is going to cost more. He stated he hears the concerns of the business owners and also agrees with Councilor Remy that he is not ready to take a vote on it and felt next year at this same time there are going to be number of business owners indicating that they are not ready for the project to move forward. He felt the delay would only be a temporary fix.

Councilor Lake thanked the comments that were made today. He stated he is concerned about the state of the downtown infrastructure. He stated he likes Councilor Remy's idea of delaying this at least until the next MSFI meeting to see what the final plan is. He asked whether the final plan is going to be decided at the next MSFI meeting. Mr. Lussier stated a preliminary design has already been decided. What would be decided at the MSFI meeting are finishing touches – eg. what would the bike lanes look like, what would benches be made out of. After the next MSFI meeting the plan is to have bid documents ready to go out.

Councilor Roberts asked what happens if this item doesn't come out of the MSFI with a positive vote. The manager stated the vote is going to be about type of bench, color of pavement etc. They are not the substantial items that have already been voted on that are related to the design. She stated she cannot predict how the MSFI would vote and what types of questions they might have.

Councilor Chadbourne extended her appreciation to everyone who came out today which shows how much everyone cares about the City as well as their businesses. The Councilor stated Mr. Pipp made it very clear that business owners are not going to keep asking for additional extensions and Beth Doyle from Moe who indicated this extra time would enable them to save up. She noted even though this project is being done in phases it will impact some business. The Councilor stated she is concerned about the new administration coming in and how tariffs would eventually have an impact at the local level. She noted there is a large group of downtown business owners who are pleading for an extension of one year and she felt it should be granted.

Councilor Remy stated even if the extension is granted it doesn't necessarily mean the work that

goes along with this project needs to stop; such as sending bids out. Mr. Lussier stated if the City was to ask a contractor to lock in a price for work that he is going to do 15 months later – the bid would need to have enough buffer so that the contractor's risk with price increases are mitigated. Based on that he felt sending out bids should wait until fall to see what types of effects are placed locally from the new administration coming in.

Councilor Remy asked the City Attorney if the motion says table until after final design approval is received is appropriate. Attorney Mullins stated the best course of action would be to table the item.

Councilor Chadbourne stated her recent experience even on a micro level is to get an estimate on any work, contractors used to be able hold prices for 30 days but now it is more like ten days. Chair Powers stated the entire community will be affected by this work and his biggest concern is delaying the project and what that could do to the cost.

Councilor Chadbourne asked what timeframe Councilor Remy was looking at with tabling this item. Councilor Remy stated his hope was for next week unless MSFI holds this item up for two or three meetings.

Chair Powers stated ultimately the decision comes down to eight members of the Council.

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

On a 5-0 roll call vote, the Finance, Organization and Personnel Committee recommends that this item be placed on more time until the next FOP meeting.

Ms. Slack asked when the next FOP Committee meeting is scheduled for. The Chair stated the date is not finalized due to the holidays but it is tentatively scheduled for January 9, 2025 at 6pm but added the date will be posted. Ms. Slack asked that each business owner who was present today gets notified. The Manager was concerned that this would establish a precedent as this is not the typical practice. Councilor Remy indicated he has knowledge of which business owners are present, and that he would informally notify them when this comes back before the Committee.

5) Transportation Heritage Trail – Authority to accept Drainage Easements – Public Works Director

Mr. Lussier stated the next item is requesting authority for the City Manager to negotiate, accept and record drainage easements across private properties. These parcels are in front Marlborough Street to the east of Eastern Avenue. He stated this is part of the Transportation Heritage Trail phase one. He stated a preliminary design was approved and they are now in the final design. Construction is expected to start next year.

Mr. Lussier went on to say when staff first came forward with the project, the plan was always to replace the existing drainage which was built as part of the railroad system. He stated it was staff's assumption that DOT and the Railroad had the necessary easements for drainage that ran under private properties. The surveyor has not been able to locate any easements. DOT is

looking for the City to properly record the easements.

He further stated because the City is using Federal funds, a federal acquisition process needs to be used - 5th amendment offering (compensation) before the City acquires any property rights. He stated the property needs to be appraised, the City needs to come up with a value and offer the landowner a fair value for the land. The property owner is allowed to donate it if they wish. They can accept the appraised value, or they can request their own appraiser and they will be reimbursed up to a certain amount for that appraisal work, and then negotiate for a fair price for those rights.

Councilor Remy asked what happens if the property owner declines the easement. Mr. Lussier stated at that point the city would reach out to DOT to see if they would like to exercise eminent domain as part of acquiring rights for these existing features. He added they may be able to vacuum out and clean the existing pipe to see if that gets the water flowing again. Mr. Lussier further stated if eminent domain became the process, the City would have to follow a separate set of statutes and the authority being requested tonight would not be sufficient.

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

On a vote of 5-0, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to negotiate, accept, and record Drainage Easements across private properties as required for the construction of the Transportation Heritage Trail - Phase I.

6) Reallocation of Capital Funds – Findings Building Demolition – City Engineer

City Engineer Bryan Ruoff addressed the committee. The Chair asked Mr. Ruoff to introduce himself to the committee and go over his background. Mr. Ruoff stated he has been in the engineering field for 20 years and has been a consultant during those 20 years. He stated he had applied for the City Engineer's job when Mr. Lussier's was offered the job, they were the final two candidates. Mr. Ruoff stated for the past eight years he has worked with Stantec as a consultant and was site civil lead for North America which assisted him in understanding all things engineering for this position. When he saw that this position was available again, he applied and is glad he is able to serve the community.

Mr. Ruoff stated this item is in reference to the Findings Building. He stated the City purchased the property in September 2022. The plan was always to demolish the building, create a skate park and connect it to Pat Russell Park. In addition to that, there was also a plan to install a parking area where the building is located now. However, this is potentially on hold due to funding. Funding was allocated from a number of different sources, one of which was a Federal grant in the amount of \$130,000. When these funds were received a separate project was created for this grant amount of which there is still \$117,000 left. The Engineer noted these funds are 100% reimbursable to the City.

What staff is looking to do is take those funds and put the funds into the project for the skate park, which is completed at this point. The City did some of the paving with their own crews to

save money, to be able to facilitate this. The City is looking to take this money to pay the contractor which was the low bidder for this project. The City sent out for competitive bids for the demolition of the Findings building. Six bids were received and the low bid is within the available funds to do this work.

The Manager added this started with an Invest NH Demolition grant that the City had applied for to complete the demolition project. The City was awarded that grant. The City went out to bid and bids came back for twice the amount. As a result, the City attempted to get more Invest NH dollars, but we were not successful. The Parks and Recreation Director at that time, Andy Bohannon went forward with some L chip money and submitted additional grant applications to fund some work done as part of the skate park. There are funds now available to be able to move over to this demo project.

Councilor Haas asked about an update to the fence and what other work needs to be done at the park. Mr. Ruoff stated the fence will remain until demolition is complete. The remainder of the work anticipated for the skate park will be done in early spring of next year. After the building is demolished there will be a walkway constructed that connects the Pat Russell Park to the skate park. All this work has been budgeted for. The Councilor asked for some additional maintenance on the fence so it will last through the winter.

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

On a vote of 5-0, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to reallocate the unencumbered funds in the amount of approximately \$162,490 from the recently completed Skate Park Improvement Project to the Findings Building Demo Project (65J0008B).

7) Professional Services Contract – Engineering Services for the Key Road Drainage Replacement Project – City Engineer

Mr. Ruoff stated this project was included in the FY25 CIP. This has been an item that keeps coming up with sinkholes in the Key Road area. The city is anxious to address these drainage issues in the interest of public safety. The item was sent out for a request for proposal for consultant engineers. Three responses were received; all of them qualified professional consultants. The City has worked with the low bidder SLR International Corporation. They are roughly \$30,000 less than the next lowest bidder. Based on review from other staff who have work with SLR, staff would like to negotiate a contract with them.

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

On a vote of 5-0, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to negotiate and execute a professional services agreement with SLR International Corporation (SLR) in the amount of \$91,100, as bid, for the design and permitting of the Key Road Drainage Improvements Project (75M00625).

8) Professional Services Contract – Engineering Services for the Stormwater Lining Program – City Engineer

Mr. Ruoff addressed this item as well and stated in June of 2022 the Council approved execution of ARPA Grant Agreement with NHDS in the amount of \$276,240.00 with a contract execution date of January 31, 2023. The corresponding funding spend deadline is coming up. The City has selected the correct consultant engineer to do this work. The project was advertised for consultant selection using DES funding requirements. Two responses were received qualifications. A committee of Public Works selected Kleinfelder as the most suitable for this project. The City has submitted to DES a justification for selection and they have agreed with the city's selection. This is federal funding and is 100% reimbursable.

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

On a 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 agreement with NHDES and Kleinfelder in the amount of \$180,400 to expend the awarded NHDES ARPA grant for the engineering services, design and permitting of the Stormwater Lining Program.

9) Relating to Personnel Ordinance – O-2024-25

Asst. City Manager/HR Director addressed the committee next. Ms. Fox stated the first adjustment proposed is for health insurance premium cost sharing for non-union employees. This will bring them more into alignment with union contracts.

The next change is for part time employees with respect to earned time to be earned on a monthly accrual basis in the same fashion provided to full time employees.

The third change is realignment of language around the definition of "retiree". The proposed adjustment recognizes a retiree at age 60 with 10 years of service as being defined as a city retiree. This will make the city more attractive for more experienced talent who might be later in their careers and come to the City with great tools the City can leverage.

The next change relates to bereavement. The current policy does not provide bereavement until an employee has completed probation. For full time employees it is six months and for police and fire it is a year.

Ms. Fox went on to say staff is reviewing the city code it historically incorporated the language of either the state or the federal government. For example, crime victim leave, which is governed by state law. City Code wrote state law as it existed when it was created, into the City Code. The intent is to amend the City Code to identify state and federal guidelines by reference, so that as these laws change, the Code will remain relevant. If City Code does not comply with state law it might be ignored.

Councilor Remy referred to Section 62 – 216 – the Councilor stated it looks like that entire section is being deleted, with no contents except for the header that will remain. Ms. Fox stated there are other items in the section, just the last line is being deleted.

The next item the Councilor referred Step 3 of Section 62, 64 - Steps. The last piece of Step 3C, where language is being added to read: *any employee may request to be heard before the City Council permission to be heard, may be granted at the discretion of City Council being heard by the City Council does not include the authority of the City Council to alter the final decision of the City Manager.* The Councilor asked why an employee would come before Council if the Council cannot alter the decision of the Manager. The Attorney explained there is a provision in the Charter that allows this to happen. Just because they have that opportunity to go to the City Council, the attorney stated he wanted it to be clear that the City Council can't alter an employment decision of the City Manager. However, if the City Council felt for some reason that the city manager was inappropriate then the Council has a recourse through the City Manager.

It is an opportunity for an employee to be heard in a public format.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends the adoption of Ordinance O-2024-25.

There being no further business, Chair Powers adjourned the meeting at 8:30 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Edits submitted by,
Terri M. Hood, Deputy City Clerk