

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
SPECIAL BUDGET MEETING MINUTES

Tuesday, May 21, 2024

6:00 PM

**Council Chamber,
City Hall**

Members Present:

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

Members Not Present:

All Present

Staff Present:

Elizabeth A. Dragon, City Manager
Jason Martin, Acting Fire Chief
Andrew Bohannon, Deputy City Manager
Beth Fox, Human Resources Director
Merri Howe, Finance Director
Marti Fiske, Library Director
David Hickling, Airport Director
Alyssa Bender-Jesse, Youth Services
Manager
Brianna Rafford-Varley, Recreation Manager
Steve Stewart, Police Chief

Chair Powers called the meeting to order at 5:30 PM. He stated that Councilor Remy is participating remotely, unless there are any objections. Councilor Remy stated that he is alone, traveling for work. He continued that he is in a car.

1) **FY 2025 Proposed Fiscal Budget Departmental Budget Review**

Fire Department – Page 98

Chair Powers asked to hear from the Fire Department.

Jason Martin, Acting Fire Chief, stated that the Fire Department experienced another busy year in FY24. He continued that he would like to highlight a significant addition to the department in 2024: Fire Marshall Rick Wood. He is in charge of the Fire Prevention Division, and along with his fire prevention duties, he also has responsibilities in Community Development as head of the Building Department. Mr. Wood is working to streamline the permitting and enforcement process for both departments. This will make a better experience in the end for the customer. A straightforward process for permitting and enforcement should lead to better compliance, and better compliance leads to a safer community.

Chief Martin continued that the Fire Department provides an all-hazard service to the City of Keene. This includes responses to fires and alarms, emergency medical treatment and transport, along with hazardous materials with their own HazMat team. The Keene Fire Department has

resources and offers services that are envied by most fire departments. Paramedics have RSI credentials. We have our own local HazMat team with 28 technicians, and our own technical rescue teams for confined space, water rescue, high and low angle rescue, trench rescue, and even large animal rescue. No other department in the state of NH can collectively offer all of these disciplines alone to their citizens. Keene has a well-equipped, highly trained fire department.

Chief Martin continued that their call volume continues to grow every year. In FY23, they responded to over 5,500 calls. In FY24, they are projected to respond to between 5,700 to 5,800 calls. Over the last year, the department has also seen a rise in nursing home calls within the city. The increased number of emergencies mean an increased chance for overlapping calls to occur. Overlapping calls triggers call back. More calls will produce more call back. This is why the department has asked for two supplemental requests for call back overtime, totaling a little over \$27,000. In addition, they have a supplemental request for service contracts for durable medical equipment. The City acquired an additional cardiac monitor, ventilator, and stretcher from DiLuzio when they closed. These mission critical tools are used every day, and they require preventative maintenance. The supplemental request is to add those to the preventative maintenance program. The other supplemental request is for an AFG grant match, specific for benefit costs. The Fire Department was awarded the 2022 AFG Grant for trench rescue. This grant will cover the upcoming training cost, overtime and backfill cost, but not the benefit load.

Chief Martin continued that grant funding continues to be vital to the department's success. The department secured over \$900,000 in FY24 for training programs and another \$218,000 in specialized equipment. Grants continue to enhance the training and certifications of personnel, while also providing the tools needed to get the job done. They will continue to seek state and federal grant opportunities to try to take the pressure off the operating budget. After a successful plan to upgrade the protective clothing last year, the department was able to reallocate \$20,000 in funds from the protective clothing line for FY25. The reallocation put \$10,000 back into their fleet budget, and \$10,000 into disposable equipment, which is their EMS supplies budget. With the increase in call volume, both of those are predicted to go up.

Chair Powers asked if there were questions from the Committee or public. Hearing none, he asked to hear from the Library.

Library – Page 107

William Stroup of 26 Barker St., Chair of Board of Trustees, stated that he is here with Library Director Marti Fiske to move forward with the budget. He continued that it has been an exciting year for the Library. They were glad to see many people for the celebration of the Library's 125th anniversary celebration. The budget request is fairly level for this year, without any other major personnel changes. The Library continues to be grateful to the wonderful Friends of the Library organization for support for programming. Over \$69,000 was donated from the Friends,

as well as supplemental funds that are managed by the Trustees. They are grateful for the City's support.

Marti Fiske stated that no personnel changes are requested this year. She continued that there are small changes for the non-personnel items. For the last two years, the Library only had a 1% increase on the non-personnel lines, and there has been high inflation over the course of the last two years as well. There are very small increases across multiple lines, totaling \$7,286 in very small amounts, everything from \$20 for a public printer to \$50 for meetings and dues. They asked an increase of \$300 on each line for repairs and training, communications, book mending supplies, and minor equipment. For repair/maintenance and office supplies, they asked for a \$500 increase.

Ms. Fiske continued that the biggest difference in the budget is that this year the Library asked for a new line to be made for administrative software. Administrative software has traditionally been paid for out of the collections budget. This year, they took the amount they had been paying for software out of the collections budget and put it to a new line. Then, they added another \$2,800 back into the book budget to account for inflation for books. That will pay for all of the very basic things they need to run the software for the Library. For example, supporting the graphics for the online cataloging, mobile support for the catalog, calendars for staffing, rooms and events, and the like. Separating that software will help the Library to better meet the national and state reporting standards that they have to meet, and make it much easier for the Library to be able to track software changes. The Library does not have control over the PC replacement charges and the printer/copier lease agreements. Those are all figured by the IT and Finance Departments.

Ms. Fiske continued that the Library's revenues have rebounded from the pandemic levels. FY24 end of year income for room rentals and non-resident cards either align with or exceed the 2018 revenues, which was the last full year before the COVID pandemic. The software management system for public printing was an excellent investment. Before that software was purchased, the Library estimated they were losing over half of the fees from the public printing. Now, they are collecting all of that cost, and they are making a small profit, about \$1,000 last year.

Ms. Fiske continued that over the last year, they also adjusted several of the fees at the Library. The non-resident card fee increased on January 1 by \$5 for a six-month card and \$10 for a one-year card. The lost materials fees were adjusted for inflation, after they did a study of actual replacement costs, and the fees for after-hours supervision of rentals at the Library was increased by \$5 per hour to reflect the current average wage for a supervisor. The only revenue line that is not rebounding is the fines. That line has dropped dramatically since about 2018 when it used to be \$22,000. For the last three years, it has stayed around \$8,500. That is mostly because online services make it much easier for people for renew their library books. People get notices automatically, three days and one day ahead, and it is easy for them to make those changes on the phone. They expect this to decrease over time as well.

Ms. Fiske continued that in addition to the money the Library has received each year from the Friends and the Trustees, they also receive about 30 hours per week, on average, from volunteers in the community. These volunteers mostly staff the desk in the atrium second entrance.

Chair Powers asked if there were any questions from the Committee or public.

Councilor Chadbourne stated that she just wants to say, great job. She continued that every other department needs some money, and the Library has tight and tidy accounting. Ms. Fiske replied that the Library recognizes that they have been graced with a number of benefits over the last couple of years. They really appreciate that and want to take a rest and appreciate the situation the City is in.

Parks, Recreation, and Facilities/Youth Services – Page 112

Andy Bohannon, Deputy City Manager, stated that as he put together the budget this year for the Parks, Recreation, and Facilities Department, he will be continuing forward with Facilities in the future, but Parks and Recreation will be in the hands of the new director next year. This year's budget presentation is focused on sustainability, and collaborative and innovative ways to meet all the Council goals. Department staff took the time to really digest all of the data they have, and with careful effort, put together the narratives and metrics you see in the book.

Mr. Bohannon continued that in past presentations, they laid out narratives to restructure the department, with consideration given to service levels, supporting additional assets and creating a balance to meet the needs of the community's ability to work, live, and play. You will see that in this year's City Manager message, which he will highlight tonight. The department has met those needs on the maintenance side and now they are addressing the programming side and the youth services side.

Mr. Bohannon continued that the department continues to work through the guidance of the Comprehensive Master Plan (CMP), and he knows the City is in the process of redeveloping that. That will be the department's new guiding document for a few years to come. Hopefully it will have a recreation and parks section, with trails as part of that focus. They are looking forward to that update. The Active and Passive Recreation Management Plan has been the guiding document for the past 12 years. Hopefully in the near future, the new Parks and Rec director will dive into a new process if it is not laid out in the CMP. The JCC accreditation guides Youth Services, and the EMG Facilities report they did a few years ago is on the facilities side. It is mostly geared toward the CIP, but still guides them in their day-to-day operations in maintaining some of the things they are able to maintain outside of the bigger purview.

Mr. Bohannon continued that regarding Youth Services, Alyssa Bender-Jesse, Youth Services Manager, is here tonight. She has continued to increase the number of youth served across Keene and Cheshire County. She has been able to utilize grant funding in the past, but this was

illuminated by the state this year. She did an excellent job making her case in front of the County delegation, increasing the funds that came into the City. That was before the FOP Committee at their last meeting. Ms. Bender-Jesse is now able to incorporate Jaffrey, Rindge, and Dublin, and all the public high schools and some of the charter high schools within Cheshire County. With these schools, she is building diversion programs from the ground up. Many of the programs she has started with these schools are due to her creativity. She has been able to talk with school counselors, principals, and really build a student body around what she is looking to do, and to guide those teams. She has been instrumental in broadening the stretch of Youth Services and has done an incredible job. She is adapting to each school, taking what works in one and bringing it to another, and flourishing. Her strength is not only working with the schools, but also working with the police departments. The police departments are related to the juvenile court diversion, while creating the awareness and effectiveness of her programs, getting police chiefs and officers to buy in to what the juvenile court program is, and shepherding that process. Ms. Bender-Jesse has done great with that, as the numbers reflect. He thinks that is partly the reason for the great support from the County this year.

Mr. Bohannon continued that part of the supplemental for Youth Services is that with the loss of the grant revenue, there is a minor operating change now being funded by the operational budget, related to professional services and training, along with the travel needed to complete the task at hand. Also, with the aid of the County funding, additional hours are being added to the part-time case worker, which was formally supported by the NHDHS grant money.

Mr. Bohannon continued that Recreation Manager Brienne Rafford-Varley, also here tonight, has seen a great deal of growth in her five years with the Recreation Department. She was tremendous with the COVID response, and since then, she has flourished with the programming, activities, and public programs. For example, this weekend was the kids to park program, where they had families going from one park to another to another. Families are becoming dedicated and getting ingrained with what the department does, wanting to be a part of the services they are providing.

Mr. Bohannon continued that focused on the models of financial sustainability and being able to continue what the department does best in the community is a quality youth sports program, designated by the National Alliance for Youth Sports. Through this model, shared through the City Manager's message in the supplemental request, you will see a transition from part-time Recreational Coordinators to full-time Recreational Specialists. This will be funded by the Recreation Revolving Fund, and second from the current operating budget. Note that this will be offset by the generation of added program revenue, estimated at \$24,000.

Mr. Bohannon continued that Recreation Facilities Manager, Frank Anderson, unable to be here tonight, has quietly begun to make a huge impact in the park operations, utilizing the guidelines of the financial sustainability models and focusing on taking care of the infrastructure we have. The results are beginning to have long-term impacts to the department's operations. Collectively working with his team, Mr. Anderson has a strong group of professionals who are creative,

innovative, and constantly finding ways to make the park facilities safe and enjoyable for those taking advantage of what Keene has to offer. Supplemental requests are related to market rising costs for tree removal. It is very expensive for staff to remove a tree today if it happens to be on a property line of the City in a park and may be overhanging, posing a danger, and there is a risk to a particular residence. Sometimes those removals, which are often large bull pines, are about \$4,500, which is essentially the budget right there. It means that one (tree removal for) one household takes out the budget. That budget needs to be increased. The other supplemental request is for pool chemicals.

Mr. Bohannon continued that in addition to the parks, the Cemeteries Division also falls under Mr. Anderson's supervision. The challenge for this division will be the master plan process that was approved by the Council earlier this year. Supplemental requests are related to supporting the aging Sumner Knight Chapel building in the Woodland Cemetery.

Mr. Bohannon continued that Facilities Manager Scott Martin continues to do excellent work through monitoring his budgets closely and working towards meeting the City's sustainability goals. Facilities is now within the Deputy Manager's Office, yet continues to focus on implementing plans and on various asset management strategies for all the municipal facilities. Supplemental requests are related to the increased electricity costs at City Hall and are a reflection of the rate increases for fire lines and hydrants at Public Works.

Mr. Bohannon stated that in closing, there is an amazing team providing services, and with the Council's support, they will continue to flourish with the goals set for the upcoming year in the budget book. Cost center details can be found on pages 112-128. Supplemental requests are on page 122, and revenue is on page 118.

Councilor Chadbourne asked about the supplemental request for electric, on page 122, which is a little over \$10,000. She asked what the big increase is. Mr. Bohannon replied that at City Hall, folks are coming in longer; they are having different operations, the heating/cooling ventilations systems that they continue to put the demand (on), and the rates themselves have increased. The solar array on the second floor roof has been temperamental, not working all the time, so they are not getting that benefit. They are working on making sure that comes back in servicing City Hall in a stronger manner than it has been, but just in general, the overall costs have risen.

Councilor Chadbourne replied that she was thinking, there was a huge decrease when they went to Community Power, of almost 11 cents per kilowatt. She continued that it just surprises her, between the solar panels and Community Power rates, to see this increase. Mr. Bohannon replied that looking at their overall electricity purchasing from Eversource, and the different rates that the City receives, obviously this is a larger building with higher rates. It is amazing how, even though they do have the Community Power rate, it is still higher in most of the facilities, just because of the demand charges. It is not always just the rate; it is also the demand charges and all the other fees that come with the electric bill.

The City Manager stated that she wanted to add that although she does not have the revised numbers and this is not in the budget book, on the first night of the budget review, she talked about the City locking in a contract for 18 months at a lower rate. She continued that while it is not going to get to what Mr. Bohannon is talking about regarding the demand charges, they will be able to make some adjustments and modifications on the supply rate. They will have detail for the FOP Committee on Thursday night, to amend the overall budget lines.

Councilor Chadbourne replied that she thanks the City Manager for that reminder, because she does remember her talking about that.

Chair Powers asked if the Committee or members of the public had further questions. Hearing none, he moved on in the agenda.

Police – Page 129

Police Chief Stewart stated that the Police Department's budget is up about 2.8%. He continued that they do not have any supplemental requests in this budget, so that is all related to contracts, wages, and benefits. The fleet costs are down a little bit, but the IT costs are up a little bit. Overall, there are not many changes for the department's budget.

Chief Stewart continued that the department's mission is to enforce laws and investigate crimes to be prosecuted. They use the mission statement to guide how they do that, which is to protect life and property, maintain order in the city, and be fair and respectful with everyone they come in contact with. They are authorized 44 sworn positions, 12 full-time non-sworn, and 14 part-time non-sworn. They are currently operating six officers short. Recruiting remains their biggest non-operational challenge. At this time last year, they were eight officers short, so they are doing a little better this year. However, two people are in the process of moving out of the area, so there will be openings again. In the past 12 months, they have hired five officers. Four are in training. Another officer is deployed with the National Guard, and another is on light duty, so there are 13 vacancies, functionally, in the sworn force.

Chief Stewart continued that they continue to work on bolstering their recruiting efforts. Some of the big things they were talking about last year have come to fruition this year. They are almost a year into the deployment of body cameras. That happened last July, and it has been going well. Of course there are small hiccups with any sort of technology, but overall, they have been beneficial for the department. They have allowed officers to quickly resolve citizen complaints, provided good evidence in other cases, and provide the transparency and accountability the public wanted. From a monetary standpoint, they are something to think about in four years. The department is in year one of a five-year contract. In four years, it will be another half a million dollars, or \$750,000. He is not sure the federal government will still be giving out body cameras at that point.

Chief Stewart stated that another thing they were talking about at this time last year that has launched is the addition of the Police Social Worker. Kaitlynn Mello came on board in March and has hit the ground running. She has been all over the city and the region, meeting with all the social service agencies, all the key players. She has fit in nicely with the sworn staff, and is getting referrals from the sworn staff, for people to reach out to. She is monitoring the logs and self-selecting people that she is reaching out to and trying to help. This has been a good addition for the department.

Chief Stewart stated that some of the ways the department has offset what they are asking the tax payers for are through federal grants they continue to receive equipment. Again, the body cameras are through a grant. Cell phones and cruisers are paid for through grants. They receive overtime reimbursement from the federal government, specifically Homeland Security Investigations for drug investigations that they work on jointly. They also had a similar situation with ATF this year, for a joint case they were working.

Chief Stewart continued that they have not asked for supplementals or increased any of the overtime training lines, but that will have to happen in the future, particularly if they become fully staffed. If they become fully staffed, it will be harder to make those things work. In the end, they are looking at four primary factors they always consider when they are trying to provide service to the city. They want to hire the best candidate they can find, provide them with the best training and equipment they can give them to do their jobs, and hold them accountable to the standards the department expects.

Councilor Roberts stated that he wants to thank Chief Stewart for bringing up the future expenses, because for the past three or four years, the country has been living (luxuriously) with all of these grants. Eventually, the grants will have to stop. It may be much sooner than later, so he is glad the Police Department is thinking about that, so they do not just show up one day and say “Oops, we had a \$500,000 grant we were used to, and it’s no longer there, so what do we do?” He thanks Chief Stewart for forward thinking.

Chair Powers asked if there were further questions from the Committee or the public.

Airport – Page 140

David Hickling, Airport Director, stated that the budget is rather simple and level. He continued that the primary goal of the airport is to provide a safe, secure, efficient facility for aircraft operations. That provides the city and surrounding areas with convenient access for air travel. Airport staff do this every day. It involves a tremendous amount of management and maintenance, and is accomplished very well and efficiently by a small but talented and dedicated staff. He wants to take a moment to acknowledge them and their work. They are very conscientious with the budget. They understand the impact it has, and it is because of their hard work that the Airport can present a budget like this with a minimal impact to the community.

Mr. Hickling stated that when he talks about the “connectivity,” (he means people) have access to anywhere from this airport. With the runway being the third longest in the state and with having a full instrument approach, they can pretty much fly globally from this airport. They can accommodate the type of aircraft that can reach anywhere around the world, and those aircraft do occasionally come in. It is a very vibrant airport. Regarding jobs, there are three businesses operating at the airport and there is a corporate flight department. All of those jobs are dependent on the airport. People do not often realize that indirect jobs are associated with the airport as well. Arguably, there could be thousands of jobs in the region that are supported by or even dependent on the airport being here. The airport is a big economic driver and a business development tool. Not every community has an airport, and there are businesses that want to locate to a community that has an airport.

Mr. Hickling continued that regarding goals for this coming year, the Airport is very focused on trying to decrease the cost to the taxpayers. In the last four years the Airport has been able to increase the revenues, either by keep the expenditures flat or decreasing them, which has allowed them to increase the revenue to expense ratio for the last four years. Revenues cover almost 75% of their expenses. As part of doing that and moving forward, they are still working on developing available airport parcels. They are now working with a consultant who specializes in aviation business development to bring in new economic growth to the airport. They will have an RFP coming out soon for hangar development opportunities. They will continue to maximize federal and state funding completing capital projects. They have used the FAA AIP grant opportunities quite a bit. This next year they will be applying for a new grant opportunity they have not used before as part of the bipartisan infrastructure law for an airport terminal project. That grant source is just like AIP money, where it would be 95% funded. The Airport would be covering only 5% of the project if they get that grant.

Mr. Hickling continued that again, the budget is rather level. The revenues are on page 43. They kept most of those level, but they do have increases in rents and leases. The contractor leases have the increases built into them. They had three leases expire. They renegotiated those for market value for current rates, which also helped. Expenditures are on page 43. They mostly balanced everything out. They were able to decrease the expenditures overall. Most of that was based on the fleet charges; that was a big help for them coming through. They did decrease some of them, and increase some, based on historical use and tracking what they had. They added four more lines so they can better track their expenditures.

Councilor Chadbourne asked how many hangars there currently are. She asked how many are rented, and how many are owned by people, with the Airport only renting the land. She asked how much room there is for growth, such as how many more hangars can be added. She asked if staff proactively searches for potential hangar owners or renters.

Mr. Hickling replied that the Airport has 32 T-hangars, which are all full. He continued that the Airport owns another hangar, which is also full and leased out. He believes there are six other hangars, individually owned with land leases. That is what the RFP will be for, that he

mentioned will be going out soon, to try to get someone to build another private hangar. They have looked into the possibility of building new T-hangars, but right now, the cost of building exceeds the market value, so they would not be able to get enough rent to pay the debt service to do that. Thus, they are stuck now; it is not cost effective to build. They do not need to market to bring anyone in, because they have a waiting list of people trying to get in.

Councilor Roberts asked if there has been an increase or decrease in the military using the airport for training. Mr. Hickling replied that they do not have a way to track that. He continued that they cannot predict when the military will come in. Staff does not know until they hear them coming. He thinks it goes up and down. He has not seen any military aircraft in a while, but there could be three next week.

Chair Powers asked if they have any staff vacancies. Mr. Hickling replied that they have one opening.

Chair Powers asked if there were further questions from the Committee or members of the public.

Compensated Absence Fund – Page 164

Finance Director Merri Howe stated that after the audit this year, they were told they needed a Compensated Absence Fund, to help track the revenue coming in, the expenditures going out, and the accruals of all the employees. Thus, this year they added a new Compensated Absences Fund at the request and based on a new statement from the GASB (Governmental Accounting Standards Board), Statement 101, which establishes a unified model for the accounting and reporting of compensated absences to ensure transparency and consistency in financial reporting. In the past, the City has shown compensated absences in the special revenue fund as a project, so they always tracked it within the big special revenue fund. This year, the City was informed during their audit that it needs its own separate fund, so it could be reported on separately in the audit.

Ms. Howe continued that right now, the funds going into this Compensated Absence Fund are governmental funds, which is general fund, parking fund, and solid waste fund. The enterprise funds, water, sewer, and internal service funds, like fleet, are being accounted for within the funds themselves. They were not part of the requirement. Those will, in theory, be paid out as they go, because those are smaller and can absorb those expenses.

Ms. Howe continued that to briefly explain, “compensated absences” are benefits provided to governmental employees that include their unused leave time, such as vacation accruals, sick time, and any other forms of paid time off. This fund also accounts for the accruals for those, so the City knows how much it owes all the employees for their unused paid time off. As well, it will track the payment when a person departs the City, whether that departure is voluntary or

involuntary. There will be an in and out accounting so you can see the fund, the amount of the accruals of all of the employees, as well as the current year expenses.

Ms. Howe stated that on page 166, there is a scrivener's error. She continued that they forgot to put in the department requested budget, in the City Manager's budget, the appropriation for the expenditure. She pleads forgiveness and asks if they can populate that line so they can actually pay employees out of the line this year. It does not impact the bottom line at all. It is just a formality for accounting.

Chair Powers asked if there were any questions for Ms. Howe. Hearing none, he asked if there was anything else for the Committee to consider tonight.

The City Manager stated that this is not something new for the Committee to consider, but she looked up the number for the electrical adjustments, and it is about \$90,000 in the general fund, and \$90,000 in the other funds. She continued that on Thursday, they will have it broken down by line item so those adjustments can be made before it goes to a public hearing.

Chair Powers asked if there were any final questions. Hearing none, he stated that the next FOP Committee meeting is Thursday at 5:30 PM. After addressing their regular agenda items, they will do a final review of the budget and make a recommendation, which will go forward to a public hearing on June 6. The City Council will act on it the following Council meeting. A lot of time has gone into this. It is a good-looking budget. It does its job, and he thinks everyone who has come before the Committee has mentioned how they would like to do more for the public, but the cost of doing business is outrageous. Trying to watch the needs and the wants and the affordability, he thinks this is a great product. He thanks everyone who worked hard on it.

2) Adjournment

There being no further business, Chair Powers adjourned the meeting at 6:15 PM.

Respectfully submitted by,
Britta Reida, Minute Taker