

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, March 27, 2025

6:00 PM

**Council Chambers,
City Hall**

Members Present:

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

Staff Present:

Elizabeth A. Ferland, City Manager
Amanda Palmeira, City Attorney
Rebecca Landry, Deputy City Manager
Marti Fiske, Library Director
Don Lussier, Public Works Director
Bryan Ruoff, City Engineer

Members Not Present:

Michael J. Remy, Vice Chair

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

1) Engineering Agreement with Wright Pierce for Martel Court Bypass Sewer Force Main Final Design - City Engineer

City Engineer Bryan Ruoff addressed the committee and stated this item is an engineering agreement with Wright Pierce for the final design of the bypass sewer force main for the Martel Court pump station. In July 2023, the Martel Court pump station's night gate experienced a catastrophic failure. The pump station and force main have been temporarily repaired by City staff to keep them in operation. Mr. Ruoff stated this is a critical piece of infrastructure for the sewer system and the City overall.

In light of this, the City hired Wright Pierce on an emergency basis to develop a feasibility study to examine a bypass force main in case a similar instance or issue with the force main happens again. The consultant completed that scope of services this past December. Their report went to DES, where it was reviewed, approved, and found acceptable.

What the staff is asking is to take the preliminary engineering work and go to the final design. Mr. Ruoff explained the reason for hiring another engineer is to meet the City's procurement requirements. The value of the contract requires the City to obtain competitive pricing.

Secondly, there is a chance the City could procure federal funds for this work and the associated construction of the redundant bypass force main – the City is complying with federal funding requirements to advertise for RFQ, select a consultant and then hire them to complete this design work so we can put in this redundant force main for the City.

The amount listed as the not-to-exceed amount is based on the construction estimate. Typically, final design engineering costs range between 15% and 20% of the construction cost. The City is using 20% as a worst-case scenario to move forward on this. The City already has \$2.4 million for this project, and any unused funds will be used for construction going forward.

The Chairman asked for the timeframe to go to bid. Mr. Ruoff stated he would like to go out to bid by January 2026.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute an engineering services agreement with Wright Pierce for the Final Design of the Martel Court Sewer Force Main Bypass Project (32JM012A), up to \$650,000.

2) Right of Way (ROW) Acquisitions for the George St Bridge Replacement Project - City Engineer

Mr. Ruoff stated that this project is federally funded through NHDOT, with 80% federal funding and a 20% City match. Mr. Ruoff stated that funding is contingent on a couple of things being approved, one of which is the permanent easements and temporary construction access agreements needed for construction of the project.

The City has submitted a compliance with LPA and federal funding DOT requirement letters of statements of rights to the four property owners for easements. This issue has been discussed with the property owners. Mr. Ruoff felt \$40,000 should be sufficient for easement acquisition.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute temporary and permanent easements with abutting property owners necessary for the construction and future maintenance of the George Street replacement bridge, up to the aggregate amount of \$40,000.

3) Right of Way (ROW) Acquisitions for the Transportation Heritage Trail Phase 1 Project - City Engineer

Mr. Ruoff stated this is also another project; 80% federally funded with a 20% City match.

There are easements required to upgrade existing drainage to ensure the improvements that are made to the trail. The City Appraiser has provided calculations for compensation for these properties, and the staff feels the value is appropriate for the three permanent easements needed for drainage improvements to the adjacent infrastructure to this project.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute permanent easements with abutting property owners necessary for the construction and future maintenance of the Transportation Heritage Trail (THT) Phase 1 Project, up to the amount of \$10,000.

4) Discussion: Legislative Items of Concern - City Manager

The Manager stated tonight that she would like to discuss with the committee the Bills that staff would like to support or oppose. She deferred to the Mayor to comment on a few Bills.

Mayor Kahn addressed the committee regarding House Bill 675. This is a Bill that proposes to limit the amount of funds that a local school board can raise through property taxes by placing a cap on the amount of increase based on a five-year average of a consumer price index.

The Mayor stated that the Bill has passed the House and that the House has sent that language to the Finance Committee, which has embedded it within House Bill 2.

House Bill 1 appropriates the money, and House Bill 2 is the trailer Bill into which legislative language is added.

The Mayor stated the reason the City has concerns regarding this Bill is because if the legislature believes it can place caps on school funding, then it is a small step to other types, such as property tax funding. This could include municipal and town governments and county government. The Mayor went on to say that if the state decides to increase retirement funding, that would be good, but if the state decides to reduce retirement funding, then local property taxes would be needed to respond to that downshifting. The City feels this type of cap is not in the best interest of taxpayers.

The Mayor stated that if the committee is interested in taking a position on this Bill, he will then share that with the other mayors at their next meeting and seek their support.

Councilor Roberts agreed that if this legislature passes this Bill, it would be transferred over to municipalities. He felt local control is necessary which could eventually affect contracts and ultimately affect City services.

Senate Bill 297 – The Manager stated this Bill has already passed the Senate and is crossing over to the House. The Manager stated there is a legislative meeting coming up with the City's delegation next month and will continue to monitor the bills that either get killed or that are crossing over to be able to focus on them. The Manager stated they have received communication from Health Trust that if this Bill passes, they will be shutting down their doors and phasing the City out. Health Trust is a risk pool the City has been in for many years. There is another risk pool Interlocal Government, this is another source, towns and cities get their health insurance from.

She stated, however, that there are not too many other options. The Manager said there has been a long-standing battle between Heath Trust, the Secretary of State's office and NHMA. A while

ago HealthTrust and NHMA combined, even though HealthTrust is not with NHMA anymore - this Bill is definitely directed at HealthTrust and is coming from the Secretary of State's office. The Manager expressed concern that the City's cost of health insurance, which is one of the largest costs of employee benefits, will increase, and what will that mean in terms of transitioning employees in a very short amount of time and what that will mean to their benefits moving forward.

The Manager went on to say that the way that this is structured in Senate Bill 297 would require towns, municipalities, and counties to take on the risk. One year the cost may come in higher for a pool and then the next year it may come in lower, and it evens out overall. However, this would require towns and cities themselves to create reserves and take on the risk, should the cost go up or go down. The Manager stated this is of great concern and something the City will be opposing.

House Bill 456 – The Manager stated this bill was postponed but was a bill aimed at NHMA. It would limit the City's ability to join organizations like NHMA to represent the City in Concord. It says that you cannot use your budget to join an organization such as NHMA. The Manager stated the issue with that is, at the present time, the City chooses to join NHMA, and so does every other town and City in the State of New Hampshire, which makes our voice much louder than just the City of Keene going to Concord. This has, however, been frustrating for lawmakers because some of the Bills that they have been putting forward have been opposed by NHMA. She stated it is likely this Bill will be back next year.

House Bill 316 - It was reported as "ought to pass" yesterday, and it would eliminate billing for ambulance services and set the reimbursement rate for non-Medicare, non-Medicaid health insurance carriers at approximately 200% of Medicare reimbursement. The City is at 250% right now, and this goes backwards, and there would be a reduction in revenue.

SB 245 - Which the City would support, would set the reimbursement rate for ambulances at 325% of Medicare rates – this would be a potential 75% increase in revenue. The City will continue to support SB 245.

SB 291 - Would expand religious property tax exemptions to include rental housing for which a religious institution profits. The Manager noted this is not part of their mission; it is not part of the church, and what they are doing is actually renting out rental property and trying to exempt it from taxation. The City will continue to oppose this Bill.

HB 410 - Prohibits municipalities from enforcing or adopting restrictions unless directly necessary for health or safety reasons and supported by empirical and scientific evidence from nonpartisan sources. It talks about how much you can have for restrictions related to size of lots etc. The City would be opposing this Bill.

The Manager went on to say they are monitoring the state budget, and every year they monitor meals and rooms tax, highway block grant, state aid grants, wastewater project funding, and revenue sharing and advocate for at least what the City received last year. The City is aware that

this is not a year to be advocating for more but if those revenues are reduced, it is a direct impact to the City budget and the potentially the tax rate.

With respect to the IMLS Service – even though the City is a net provider in terms of our sharing of resources, this would impact the City as well. The users of our library, but it would dramatically affect the small libraries around the City who are not able to purchase the materials that the people in their community are looking for. The City is hoping to weigh in with the federal government and continue to monitor the impacts on the state. This concluded the Manager’s presentation.

Councilor Roberts stated that the issue with health insurance is of concern. The councilor discussed how health insurance issues impact the school district and how people are working beyond their retirement age, which at times puts them in a higher-risk pool that the school district has to assume. This would eventually have an impact on City taxpayers.

Library Director Marti Fiske addressed the committee and stated IMLS has a significant impact. She stated that even if the library was to raise its postage budget by \$13,000 next year, they won’t be able to have interlibrary service in the State.

She noted IMLS funding pays over \$300,000 just to run the catalog system which all the libraries in the state use, another \$145,000 to join the nationwide inter library system, and then the cost the library would have to absorb in postage, which equates to about half million dollars across all libraries in the state. Between 2019 and 2022, the Keene Public Library has also received nearly \$300,000 in grants. Audio (talking) books would also be impacted, which is the only access that most homebound people have. Download access would also be limited

Ms. Fiske asked if the Council would agree to write to the federal government in support of resending the executive order, saying that she would be most grateful.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager or Mayor be authorized to write letters weighing in on behalf of the City on the various bills discussed this evening.

5) Transfer of Personnel Funds to Address Library Budget Shortfall - Library Director

Ms. Fiske addressed the committee again and stated the library has a shortfall in the part-time personnel budget which shortfall occurred last year, but it was absorbed because of the many open full-time positions and ended up with a balanced personnel budget.

She stated this was discovered before the end of the first quarter and they implemented cost saving steps immediately; A 16-hour open position was not filled; they reduced and trimmed as many part time hours as possible; re-assigned a lot of duties to full time staff and to qualified part time staff who work a standard 32 hour a week.

Ms. Fiske noted she is now working an average of five hours a week at the reference desk and circulation desk. Last week, the Assistant Director worked over 17 hours on circulation and the reference desk. The head of Youth and Community Services is doing a similar amount of work. She stated that this is not cost-effective – you have the highest-paid people working essentially the jobs that are among the lowest-paid in the library. She noted they have also eliminated use of their per-diem staff. Library staff is struggling to get their work done.

Ms. Fiske went on to say that they have utilized a rollover from the leftover fund balance from personnel last year, amounting to \$26,932.00. After implementing the entire cost-cutting measure, they have managed to reduce the overage by 1/4 to 1/3, in addition to increasing the fund balance. There is still a shortfall of just under \$47,000. She pointed out that this is the first year they have had full staffing – they have had open positions for several years. She stated that they would have to lay off 12 part-time staff, which would equal 40% of the library's weekly hours and reduce another part-time position by 27%.

Ms. Fiske stated there is money in the Public Works Department budget, which is not being used because of non-filled internal positions. She said she is requesting the council to authorize the Manager to transfer those funds to the library.

The Manager stated that although the budgets are bottom-line budgets and the overall budget is a bottom-line budget, wages are separated. She said she doesn't have the ability to transfer wage lines from one department to another. The Manager noted she has identified in the Public Works Department sufficient wages to cover this shortfall and would like to be able to use wages from Public Works winter operations. She indicated she had discussed this with the Public Works Director, and he is supportive of this. This would enable the City to cover the remainder of this fiscal year and avoid any additional cuts and layoffs to the library.

Councilor Lake thanked the department for the detailed outline and for their assistance with this deficit. He asked whether this is a one-time expenditure or are we expecting to see an increase in the budget to account for this going forward as well. The Manager stated this is a substantial increase in the part-time budget line going forward. The Manager stated she has completed the meetings with all departments and there is a significant adjustment over \$100,000 in part-time wages in order to fund the different positions in the department. She added that this is a Band-Aid fix through the end of the fiscal year and the Council has the opportunity to make those decisions.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to allocate \$47,000 from the FY25 Public Works Winter Operations wage lines to the FY25 library part-time wage-related accounts.

6) Fire Department Staffing - Fire Chief/City Manager

The City Manager stated this item is funding Fire Department to hire four additional fire fighters. The cost is an additional \$529,000 per year in wages. She indicated this is needed for a variety of reasons. She noted there are overages in the wage lines and are anticipating an estimated overages in the wage lines as well funding minimum staffing level of 12 firefighters per shift to be able to run the third ambulance.

The next agenda item is a resolution for additional funding for overtime for the remainder of this fiscal year, At the present time there is a minimum staffing level of 10 and bringing in two individuals on overtime which is costly will allow us to maintain a staffing level of 12 which is required to operate the third ambulance.

Both requests (adding four firefighters and funding additional overtime for this fiscal year) proposes we to take money from fund balance, one-time allocation to the budget. She added there are plans to submit a Safer Grant for four additional firefighters per shift. That grant has not come out yet, but staff is prepared to submit once it does. In the meantime, there has been a lot of stress placed on the firefighters. The increase in calls is being divided by those 10 firefighters, which means they are getting fewer breaks between calls, causing a lot of strain. Hence, immediately moving to the 12 per shift allows the department to split those ambulance calls with three ambulances instead of running just the two.

In regards to this request to hire four more firefighters. The Manager explained a Resolution will be drafted. It would be referred to the full City Council and then they would refer it back to the Finance Committee again for a recommendation. It would then go back to the full City Council for a vote. Tonight I am just looking for support of the committee to begin that process.

The first item in regard to fire department staffing and adding four firefighters, one per shift is the start of what would then be a Resolution that would be on the Council's next agenda.

The next item is related to the overtime – the committee has already seen this Resolution - it was on the Council agenda. It was referred from council to you and so tonight we'll be looking for action on the resolution, which then will go back for a full vote to the City Council.

With reference to staffing, staff will be applying for the safer grant. If four fire fighters can be hired immediately it will reduce dependance on overtime. Councilor Chadbourne asked whether these four potential firefighters would already be trained or just people interested in becoming firefighters. The Manager stated it is a combination; they are not considered laterals because they are not a certified to come in as a lateral, but they have the experience, and some have certifications that we are looking for to expedite the process. They would still need some training and additional certifications, but it is expedited because they have relevant experience.

The Chairman clarified the \$529,000 is for the rest of the year. The Manager stated \$529,000 is to hire four additional firefighters for a year. The resolution that would be drafted will only be for a portion (remainder of this fiscal year). The \$529,000 would be the approximate amount requested for the fiscal 2026 budget which I am requesting be outside of the fiscal policy limit as it would be part of the beginning base if approved this year.

The Chair asked for public comment. Rob Skrocki Professional Firefighters of Keene stated this was a big step forward for the department and expressed his appreciation to staff and council.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends the introduction of a resolution to appropriate funds to hire four additional firefighters (one per shift) for approximately \$529,000 per year.

7) Relating to the Appropriation of Funds from the General Fund Unassigned Fund Balance – Resolution R-2025-10

The Manager addressed the next item, which is the Resolution for the overtime funding throughout the remainder of the year. Staff is estimating all wage lines in the fire department where they will be over budget between now and the end of the fiscal year plus funds needed to support the 12 minimum staffing level for the third ambulance - from now until the end of the fiscal year.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-10.

There being no further business, Chair Powers adjourned the meeting at 6:55 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Edits submitted by,
Kathleen Richards, Deputy City Clerk