

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, March 14, 2024

6:00 PM

**Council Chamber,
City Hall**

Members Present:

Michael J. Remy, Vice Chair
Bryan J. Lake
Kris E. Roberts

Members Not Present:

Thomas F. Powers, Chair
Bettina A. Chadbourne

Staff Present:

Elizabeth A. Dragon, City Manager
Amanda Palmeira, Assistant City Attorney
Aaron Costa, Asst. Public Works
Directors/Operations Manager
Beth Fox, Human Resources/Asst. City
Manager
Christian Tarr, Utilities Operations Manager

Vice-Chair Remy called the meeting to order at 6:00 PM.

1) Conan Salada - Concerns Regarding the Issuance of Fire Permits

Mr. Conan Salada of 132 Kennedy Drive addressed the committee and stated many years ago obtaining a fire permit was a very simple process. In his case he went down to the West Keene station to provide identification and obtained a permit. A few years ago the Fire Department moved to online only and it was \$1.50 to obtain a permit but the rate has now increased to \$5.50 which he felt was in excess for something he felt should be at no charge to residents. Mr. Salada noted residents now need access to the internet, a computer and a printer to be able to obtain a permit which he felt was burdensome and questioned the legality of the City putting this in place. He noted there is no RSA to govern this process.

City Manager Elizabeth Dragon stated the Keene Fire Department has a system in place where officers can enter information manually and obtain a permit when you go into the Fire Department. Mr. Salada stated he tried that process and had to wait for close to ten minutes to be assisted and was told he had to obtain the permit online and felt this information needs to be conveyed to staff so they don't have conflicting information. He also added this information should be added to the City of Keene website. The Manager stated this information can be provided to staff and the website can also be updated.

Fire Chief Farquhar in response stated it is important to note there is benefit to completing this process on the online system. If anyone has an open permit Fire Department personnel are able to quickly determine that. Also, on high danger days when you are not allowed to burn, the system gives the department the ability to message back anyone with the permit and notify them they can't burn on a specific day. He added at times and there can be a wait in the lobby, this relates to call volume. The Chief added it is important that people follow this process. The

online option was deployed for safety reasons, but the department will do anything they can to make it customer friendly. Mr. Salada noted there is a disclaimer that says before you do anything you need to call and verify that it is a good burn day.

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

On a 3-0 vote, the Finance, Organization and Personnel Committee recommends that the communication be referred to staff to be handled administratively.

2) **The Reverend Elsa Worth - Saint James Episcopal Church - Request for Parking Passes - Gilbo Avenue Parking Lot Reverend Elsa Worth**

Reverend Elsa Worth addressed the committee and stated one her parishioners had learned that there are a few-long term nonprofits in the City that have been given parking passes when they don't have their own parking. Based on that information Rev Worth stated she submitted a letter for the same consideration and is requesting five parking permits to be used by staff and volunteers at the parking lot behind St. James Church. She indicated she has office staff who come in Tuesday through Friday from 10 am to 2 pm, and a custodian and bookkeeper who come in once a week. She indicated it would be particularly helpful to have these passes to be used for funerals by immediate family.

The City Manager stated she would like to know who the nonprofits who have passes. She added the American Red Cross has worked with the Fire Department and Public Works and have received permission to park their trailers on the city lot; but these were not parking passes. She added the only free parking that is given is for events which is requested through the City Council. The Manager added unfortunately there is no mechanism in City policies or code that allows for free parking. She explained the parking system is completely run by revenue received and is not part of general taxation. Fines, penalties, and meter fees are the revenue stream that is used to operating the parking system, hence it is very rare that we waive the charge for parking. She added she is not aware of the City giving any parking passes out to nonprofits.

Rev. Worth asked whether a funeral would be considered an event. Vice-Chair Remy stated each request would have to go through City Council. He also stated there is a process to pay for parking spots through the parking office. He referred to an event that involved motor-cycles. The Manager stated with that event the group organizing the event pre-bought spaces and gave them out to people attending the event.

Deputy City Manager Rebecca Landry added she had spoken to the Parking Manager who had indicated there are spaces available for permits right behind Syds Carpet.

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

On a 3-0 vote, the Finance, Organization and Personnel Committee recommends accepting the communication on Saint James Episcopal Church – request for parking passes – Gilbo Avenue Parking Lot as informational.

3) Relating to Departments and Class Allocation Ordinance O-2024-02 Elizabeth Fox, Human Resources/ACM

Human Resources Director/Asst. City Manager Beth Fox stated Ordinance O-2024-02 is in follow up to some organizational adjustments. She indicated the City is in the process of promoting two current employees to new positions. One position that is being vacated is the current position of Parks, Recreation and Facilities Director. As part of the organizational adjustments, facilities are going to be a responsibility that resides with the Deputy City Manager. This ordinance adjustment basically proposes to change the job title of the position being vacated to Parks and Recreation Director. In addition to addressing Chapter 2, which outlines the administrative departments, it addresses Divisional 11, Chapter 58 which talks about the responsibilities of the Parks and Recreation Department. Finally, there is an adjustment to the salary classification. It eliminates the position of Parks, Recreation and Facilities Director and Communications and Marketing Director and inserts the position of Parks and Recreation Director effective April 1st. Ms. Fox indicated it is the staff's intent to begin recruitment for a new Parks and Recreation Director in the very near future.

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

On a 3-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Ordinance O-2024-02.

4) Construction Engineering Change Order #2 - Upper Winchester Street Reconstruction Project - City Engineer Brett Rusnock, Civil Engineer Donald Lussier, City Engineer

City Engineer Don Lussier addressed the committee and stated this item is in reference to a change order with respect to the Winchester Street Reconstruction project. McFarland Johnson is the project engineer of record and they have done all the design work. He indicated Federal Highway rules don't allow the design engineer to continue as the construction administration engineer. However, he stated it is always necessary to have the design engineer on call during the construction process. There was additional work McFarland Johnson invested in the project such as reviewing details and the many iterations of shop drawings. McFarland Johnson has used up its budget but there is still some work that needs to be completed. As a result, Staff is asking for additional funding so McFarland Johnson could continue their work through completion of this project. The state has approved this funding, the City will be obliged for 20%.

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

On a 3-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute a professional services Change Order with McFarland-Johnson in an amount not to exceed \$16,500.00.

5) Sole Source - Martell Court Pump Station Motor and Pump Repair - Asst. Public Works Director/Operations Mgr. and Utilities Maintenance Manager Aaron Costa,

Assistant Public Works Director/Operations Manager Christian Tarr, Utilities Maintenance Manager

- 6) **Reallocation of Funds for the Martell Court Pump & Control Replacement Project - Asst. Public Works Directors/Operations Mgr. Aaron Costa, Assistant Public Works Director/Operations Manager**
- 7) **Relating to the Reallocation of Unspent Bond Funds for the Martell Court Pump Control and Replacement Project Resolution R-2024-07 Aaron Costa, Assistant Public Works Director/Operations Manager**

Asst. Public Works Manager/Manager Wastewater Treatment Plant, Aaron Costa and Utilities Maintenance Manager Christian Tarr were the next two speakers. Mr. Costa stated as has been discussed in front of this committee many times, Martell Court Pump Station is the heart of the City's sewer collection system. It conveys all the wastewater collected from the City of Keene and the Town of Marlboro to the wastewater treatment plant. It is equipped with three 250 horsepower pumps and one 150 horsepower pump that are due for repair. He noted they are due for repair a little bit quicker than anticipated, hence there is no established budget in the CIP for this work.

Mr. Costa indicated they have two funding source requests, both from the Rose Lane Closure project. It was a project at the beginning but it has now been turned into a program because there are continued maintenance activities that need to be done at Rose Lane. There are some unspent bond funds that staff would like reallocated to the Martell Court Pump Station replacement project and there is also another \$50,000 in additional funds from Rose Lane that are not bond funds, which staff would like reallocated to work on these pumps.

With respect to Rose Lane, Mr. Costa explained Rose Lane was the first wastewater plant that the City owned and operated, which came on online in the 30s and went offline in the mid 80s when the current plant came online. The City had a project to close this plant in accordance with all state regulations, which was done. The closure project came in under budget and that is why there is that funding left in that project. He added even if all of the requests are approved, that would still leave a little over \$30,000 in the budget for the gas monitoring and inspection work which is done twice a year at the cost of about \$5000 for which a private consultant is hired.

With that the presentation was turned over to Christian Tarr, Utilities Maintenance Manager. Mr. Tarr stated what staff is looking to do is sole source to Farrar Company to do the work. He stated the reasons to sole source, is that the motors are pretty much routine and can be sent to any electrical contractor for repairs, but the pumps themselves are sold through a distributor called Xylem, which is one of the largest distributors in the world. The City had service done in 2013 and the work had to be shipped out to a company outside of Boston. The City recently realized Farrar Company has opened a pump servicing aspect in their company and are certified to work on these types of pumps. Mr. Tarr indicated being local the turn around on the equipment is faster. When they were sent out it was taking four to six weeks to get the materials and to have it processed, repaired and then shipped back. Farrar is able to turn this work around much quicker

along with the fact that they have a manufacturing facility which is a huge benefit to the City of Keene.

With respect to cost, Mr. Tarr stated recently they had repairs done on a motor for pump #4, they got requests for quotes and Farrar came back at the lowest cost.

With reference to the sole source piece, Councilor Lake asked whether this company is the only one in the area and if were to go to bid the items they will have to be shipped elsewhere. Mr. Tarr stated the last time a repair was needed to be done the lowest bid came from a company outside of Boston. There are now technicians at Farrar Company who are certified technicians for this pump which decreases the turnaround time and the ability to purchase parts.

Vice-Chair Remy stated he his not a fan of sole source, but does understand West Streets is a lot closer than any of the places staff just mentioned. He noted the background notes do not mention the price but he assumes when you add up the two amounts it comes to about \$77,000. Mr. Costa stated they worked on one pump and motor and it was about \$13,000 but that price does not include the pump. Adding all of the prices together, between these two reallocations, there won't be enough money to do all the work on all four pumps and motors, but it would be close. He added the price tag is close to \$120,000 and are possibly looking at end of the year budget funds to make up the difference. He added it is difficult to get a bid on these items until they are actually in the shop and are taken part. Vice-Chair Remy stated he can appreciate that but the way the motion is written it does not have a cap on it; sole source with no cap. Mr. Costa stated what they are asking for, is for these four pumps and motors to be able to be sole sourced to Farrar Company as a provider for service and maintenance.

Councilor Roberts asked whether this should not be two separate things; one to get the items repaired and then the other would be for the maintenance contract on the equipment. Mr. Tarr in response stated from a maintenance perspective, the utilities maintenance staff at the City of Keene handles 95% of all the routine maintenance that happens with these pumps and they have done so for many years. What they have encountered is premature failure of bearing equipment because of the rags used. He added it is not maintenance cost when the pumps are operating efficiently, it is more the immediate cost of premature wear that they are trying to get repaired. The Councilor stated if all the maintenances is done by the City in the first year and maybe every 18 months – he asked whether it then would be necessary to require a standing maintenance agreement.

The Manager explained the sole source is for this vendor for these four motors and pumps. In the future, if something needs to happen to this pump, the City will use this vendor and won't go out to bid and this is the reason it doesn't have a dollar amount. This is why staff is trying leave it flexible, because they don't know exactly what the vendor is going to end up doing to these pumps.

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

On a 3-0 roll call vote, the Finance, Organization and Personnel Committee recommends that the

City Manager be authorized to do all things necessary to sole source Farrar Corporation for repairs and maintenance of four (4) raw sewage pumps at the Martell Court Pump Station.

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

On a 3-0 roll call vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to reallocate \$50,000 from the Rose Lane Maintenance Program (32MW012A) to the Martell Court Pump & Controls Replacement Project (32JM008A).

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

On a 3-0 roll call vote, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2024-07.

8) Relating to the Appropriation of Funds and Use of Unassigned Fund Balance in the Amount of Nine-hundred Thousand Dollars (\$900,000) for the FY2024 Finance Department Operating Budget Resolution R-2024-05 Natalie Darcy, Human Services Manager

Finance Director Merri Howe and Human Services Manager Natalie Darcy were the next two speakers.

Ms. Howe stated the Human Services General Assistance rental line operating budget is projected to be over-expended by \$900,000 at the end of 2024 due to the increased demand in shelter assistance. She indicated in the past, the Human Services Division was able to refer most persons presenting as homeless to area shelters at no cost to the City. Affordable housing was available and the City was able to transition them into apartments. Hotel accommodations were used only in a rare and extraordinary circumstance. Ms. Howe turned the presentation over to Ms. Darcy.

Ms. Darcy stated when Covid 19 began there was a great impact on the homeless population and low income individuals. The City has federal funds through the New Hampshire Emergency Rental Assistance Program (ERAP) that provided assistance to families with rent and utility payments through the COVID emergency. While the ERAP funds provided crucial support to individuals and families struggling with rent and utilities, because they were getting these rental funds they had no accountability for those rental funds. They have become used to a higher standard of living than they were able to provide for themselves once the program ended. Once the program ended families were unprepared financially to cover basic expenses. Coinciding with the end of the federal funds was a rental moratorium forbidding landlords from evicting tenants for non-payment of rent. The removal of encampments and an increase of homeless migration from out of the Keene area led to increased need for shelter assistance. With shelters at maximum capacity the City is legally obliged by the State to provide shelter for those in need. Hotels became the only option as a means of shelter for the homeless.

The influx of individuals and families seen by Human Services presents an ongoing challenge with no immediate solution for clients. Rental rates and income level requirements for

applicants set housing out of reach for those with little or no income. Relying on shelters is unrealistic as shelters remain at maximum capacity. This leaves the City with no option but to utilize various city hotels for shelter for those in need. Currently, Human Services is averaging 23 rooms per night for shelter. Ms. Darcy stated whenever possible the City will help with rental assistance to avoid eviction that could lead to homelessness. Ms. Darcy explained people would be under eviction and the City would have to go back two to three months' worth of rent to stop the eviction, rather than put somebody in a hotel room at between \$1700 and \$5000, a month per room.

The month of February surpassed the amount by \$442,520. The City is currently averaging \$100,000 a month for housing assistance. With the remaining months, the budgetary shortfall is projected to be \$900,000.

The City Manager addressed the Committee and began by recognizing Ms. Darcy and her staff. She indicated the department has carried a heavy burden over the last couple of years as these numbers have increased. She indicated she had asked staff to provide her with some statistic and what she learned is that in FY18 and 19, the City was only seeing 47 homeless individuals. Ms. Dragon added when these numbers were being prepared the City was at 258 homeless individuals, this number has surpassed 300 now. The Manager indicated they have done a lot creative things to try to address this issue. The City has partners, of which SCS has been a great partner but indicated there is not much else that can be done at this time. The Manager stated she hopes we are at the peak but if we are not the City will need to look at this number a little differently and make more permanent changes for the future. If things however, slow down this is a temporary issue. She indicated Keene will always have more homeless because we are performing the function for the region. The communities around Keene don't have homeless shelters, even individuals from across the border and other states are coming here if shelters are full in those areas.

The Manager indicated most feel building additional shelters would be the answer but she did not feel that it really works that way because we are a part of a bigger system - we are part of the 211 system. The shelters that are receiving grant funds from the State have to accept every time there is an open bed regardless of where they are from. Hence, people are sent here.

The Manager indicated the Mayor has been talking to Mayors around the state and they too are seeing an increase in their welfare budget but not as high as Keene. She added there is work at the Senate level to put forward SB406 to bring in additional funds to Keene. She circulated to the committee a press release written by the NH Welfare Association – it talks about what we are seeing; and what Ms. Darcy alluded to. With the end of the ERAP program, the covid relief programs, the difficulty to find affordable housing, and the increase in the cost of rental units, every community that is aiding the homeless is experiencing this right now.

However, tonight we need the additional funds because State law says the City will pay for the needs of our homeless regardless of whether or not we have the money or the budget is overspent. At the end of the fiscal year, if all these funds are not used it will go back to the unallocated fund balance. Hence, there is no risk of over appropriating funds from the fund balance to the Human Services budget because it will go back to that line if we do not need it.

The Manager went on to say some other things the City has done is that the City brought on an outreach worker. This individual is doing outreach work for people who are in hotels, people who live in the woods, but it will take a while to make a difference. The City has also worked with several property owners to clean up properties - when you are cleaning up properties and someone is camping on that property the City has to be prepared to put them up somewhere. She added staff does not enjoy asking for this sum of money but it is money that is necessary. She commended Human Resources staff again for the work they are doing.

Councilor Roberts did not feel the situation is going to get better and agreed all the extra Covid funding is contributing to some of these issues. He indicated being on the School Board he sees the list of children who are homeless. The Councilor noted he has been on the School Board for nearly 20 years but the numbers they are seeing is the highest ever. The City has a lot of services and hotels that are attracting individuals to Keene. He thanked staff for everything they are doing.

The Vice-Chairman asked for public comment. Charles Smith who lives at 9 Gates Street addressed the committee and stated he has worked with the Human Services Department who have helped him tremendously in the past. He indicated the totality of this situation needs to be looked at. His rent keeps increasing. He felt by helping the homeless we are creating the homeless. He asked why this issue can't be kept localized; people are coming here not because they are homeless, they are coming because they can stay at the Best Western and stated he has met many who are capable of working but are not. He felt all these individuals who are coming into this country are going to be bleeding into the City.

Vice-Chair Remy asked for staff comments on what was just stated. Ms. Darcy stated when someone comes into the office, they are asked to fill out an application. If they are from another community, that community is contacted because ultimately those towns are responsible for their citizens. If the town decides they are not going to assist, Keene will bill that town for the assistance provided. The Manager added it is not just about the money but it is also about getting the other towns to be part of the solution. If there were transitional housing in all towns, Keene wouldn't be inundated. Ms. Darcy added there is also a misconception that everyone who is in one of these hotels belongs to Keene but other towns also use Keene hotels for their clients as well.

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

On a 3-0 roll call vote, the Finance, Organization and Personnel Committee recommends adoption of R-2024-05.

9) Capital Improvement Program

Vice-Chair Remy thanked staff for all their effort put into the CIP.

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

On a 3-0 roll call vote, the Finance, Organization and Personnel Committee recommends

adoption of the Capital Improvement Program for FY25-31.

There being no further business, the Vice-Chairman adjourned the meeting at 7:00 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

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