

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Monday, May 9, 2016

5:30 PM

Council Chambers

Members Present:

Mitchell H. Greenwald, Chair
Carl B. Jacobs, Vice-Chair
Thomas F. Powers
Terry M. Clark
Jay V. Kahn

Kendall W. Lane, Mayor

Staff Present:

City Manager, Medard Kopczynski,
City Attorney, Thomas Mullins,
Police Chief, Brian Costa
City Clerk, Patty Little
Deputy City Clerk/Records Manager, Bill
Dow
IT Director, Rebecca Landry
Asst. IT Director, Andrew Mueller
Finance Director, Steve Thornton
Purchasing Agent, Jeffrey Titus
Human Resources Manager, Liz Sayre
Library Director, Nancy Vincent
Human Resources Director/ Asst. City
Manager, Beth Fox
Revenue Collector, Mary Alther
Assessor, Dan Langille

Councilors Present

Robert Sutherland
George Hansel
Gary Lamoureux
Bettina Chadbourne
Manwaring

1) CALL TO ORDER:

Chair Greenwald called the meeting to order at 5:30 PM.

2) RESOLUTION R-2016-17: Relating to the 2016/2017 Fiscal Year Budget

Chair Greenwald stated each department head would go through their individual sections, the Finance Committee will then ask questions, and following that others present will be given the opportunity to ask questions as well. There will be no changes

made to the budget tonight. The Chair felt the 1.99% increase is very minimal when compared to what it has been in prior years.

The Chair stated there will eventually be a public hearing on this budget which would then be referred back to the Finance Committee to make adjustments and Councilors present at that meeting will be permitted to give input. It will then be passed back to City Council for further review and amendments.

3) INTRODUCTION: City Manager

The City Manager read the following for the record:

Good evening Mr. Chairman, Committee Members, Councilors, Staff, Mayor and the public. Tonight is another step in the process of developing the next budget that began literally last August. We have concluded many workshops about the budget in conjunction with the Capital Budget that was adopted by the City Council. Staff has presented a transmittal memo to City Council outlining the key elements and staff has prepared for the public a Citizens Guide that shows where the income is and the spending by Council priority. The City Manager and your staff has proposed a budget that tries to balance the capital needs of the city, the debt profile discussed with the Capital budget, and maintain the present level of services. We know that you will have questions of staff as you begin your portion of the budget process.

We also know that there will be proponents to reduce aspects of the budget and increase aspects of the budget. Each action has a consequence as has the decisions made by the City Manager when creating the proposed budget before you tonight. You may recall that the proposed increase to the general fund is .94% and that the increase in the city portion based on this proposal and the present property values is .26 per thousand. For my house this is \$4.09 per month (.26 x 179K); the present price for a MacDonald's Chicken McNuggets ten piece meal is \$4.49.

4) DEPARTMENTAL BUDGET REVIEW

Introduction to General Fund Proposed Budget (Page 12)

Finance Director, Steve Thornton was the next speaker. Mr. Thornton stated for the viewing public that the budget document can be found on the homepage on the City's website. Mr. Thornton referred to pages 14-18. As listed on page 14 the proposed general fund balance is \$48,304,147 funded by a variety of sources as listed on that page. On page 15 the same revenues are shown leaving out the capital project funding, and this is because money for those capital projects will not be raised through property taxes or other fees like motor vehicle fees. So what that City has for the operating budget less those capital projects is \$37,277,134.

He continued that on page 16 shows the reconciliation for how the City arrived at the \$37,277,134. This page also indicates that 83.37% funds city operations, 3.67% is for capital projects and 12.96% is for debt service.

Referring to page 17, Mr. Thornton stated that it shows the breakdown of the 83.37% for personnel, payroll and other operating expenses.

Page 18 shows the amount raised for property taxes this year, compared to what was raised last year and that indicates the percent change which is .94%. Payroll and personnel is up by 1.5% and other expenses are down .36%. Page 19 shows a breakdown of where the dollars go.

General Fund Revenues (Page 32)

Mr. Thornton stated that as indicated by the City Manager, property taxes are set to increase by 1.99%. Councilor Clark noted the excavation tax shows as zero for a number of years and asked whether or not there was an excavation going on right now on Court Street and asked why there was no tax on that. Mr. Kopczynski stated this work does not fall under excavation but stated he would look into this with Assessing. He added there have been internal debates over this; it came in as a subdivision for the placement of buildings.

For the benefit of the public, the Chair stated in 2013 there was revenue of \$72 from the excavation tax.

The next category is license permits and fees, which is up about \$67,000 (2%).

Intergovernmental Revenue is at about \$100,000, \$80,000 of it comes from what other towns pay Keene. Revenue expected from Keene State College is \$622,000.

Charges for services is up about \$20,000. Mr. Thornton referred to line 44134 on page 30 which is a charge for contractors who hire police officers to perform traffic control for projects.

Fines and forfeits are down \$41,000 (court fines). The miscellaneous category is up \$55,000, and the big change is donations which are up \$70,000 – this is capital project revenue and is from Keene Housing Authority for the Castle Court Rehabilitation.

Referring to Other Financing Sources Mr. Thornton explained that much of the capital project funding is included in this category. There are administrative charges related to this for departmental contributions to any particular capital project. He added that bonds are down this year.

On page 68 Mr. Thornton stated the Finance Department is made up of four cost centers; purchasing, revenue collection, administration and collection. He continued that pages 70–72 break these cost centers down individually.

Councilor Sutherland asked whether the City has any expenses for shared purchasing. Mr. Thornton stated the City's purchasing agent meets regularly with the School District and the County to coordinate various purchasing options. He indicated there is shared purchasing but there is no position that is shared between the three entities. The Councilor referred to page 31 and noted some of these rents have increased over the years. He asked whether the fuel farm lease was a multi-year lease with no increase. Mr. Thornton stated it was part of the fixed based operator contract with no increase built into

it but the City also received fuel flowage fees. The Councilor asked whether the 350 Marlboro Street rent which has decreased includes the Ice Rink. Mr. Kopczynski stated the amount shown here is when the area used by the Ice Rink was rented to the Mountain Corporation for \$6,000. The Ice Rink does not pay rent.

Councilor Kahn asked whether there are any universal changes that are part of each department's adjustment. Mr. Thornton stated for instance health insurance rates are down a bit by about 1.8% but in the budget this translates to about a 2% decrease. The reason is the different populations of people in each category and also because family circumstances at times change for employees. The Councilor thanked the Manager and Finance Department for compiling the expenditure worksheet by account code. He further stated he felt the Manager's letter is an important context setter. He asked how the Manager would define the term Priority Based Budgeting. Mr. Kopczynski stated the best way he knows how to explain it would be a form of zero based budgeting; were you look at the actual programs not look at it by department. The Manager stated staff would like the City to entertain some form of Priority Based Budgeting in the future which will take some effort on the part of the Council and staff. He felt this would be a better mechanism for the Council and public to decide what the City's spending priorities are. The Council felt this might be a good discussion for July.

Mayor & City Council (Page 34)

Mr. Kopczynski stated for the most part the Mayor and Council budget is relatively flat. He stated there is however, one recommendation staff is requesting for the Council. He felt he would be the best person to make this request as he is going to be with the City for only 17 more months. The Chair added to that comment by saying the Manager's tenure with the City is contracted for a term of office and the City is not forcing him out of his position.

Mr. Kopczynski stated what staff is proposing is for the Council to start giving itself some raises and agreed this would be a difficult conversation for the Council to start having. Mr. Kopczynski read the following for the record.

City Councilors spend a great deal of time attending City Council Meetings, City Council Standing Committee meetings and meeting of other public bodies of which they are members. They also expend personal money to attend to their duties, such as mileage to and from meetings, child-care or a meeting with a constituent. In a month's time, it is not unreasonable for a City Councilor to spend between 25 and 35 hours a month on City business. In terms of the Mayor's position, beginning with former Mayor Blastos, this position often requires a weekly time commitment that mirrors a full time job. Both the Councilors and the Mayor routinely respond to citizen inquiries, which also takes time. In addition to time spent at meetings, the Mayor and the City Councilors need to educate themselves for these meetings which involves hours of preparatory study. Attending to all of these obligations, requires the expenditure of great effort and loss of family time in their devotion to the City of Keene. The last adjustment for the full City Council was 2001. There are only two cities in New Hampshire which have a Standing Committee process similar to Keene; Nashua and Manchester. Of course

neither of those communities have a City Manager, but they do have a well-compensated Mayoral position. City Councilors in Nashua receive \$4000.00 a year and in Manchester, a Councilor receives \$5,000.00 a year. In addition to the stipend, the City Council in Nashua also receives a no cost health and dental benefit, and in Manchester they receive a \$1,000 stipend in addition to that. The City Manager recommends that an amount be set aside each year, beginning this year, to allow parity within five years. Not parity with Manchester or Nashua, but parity with where the City Council would be based on the historic rise from where they were many years ago. (The Manager stated what he is asking is for the Council to raise the salary of City Council to get to a point where they are at parity and from that point add the Council to the COLA they vote on).

Mr. Kopczyński listed the following as amounts received by the Mayor and Council:

1972	\$1,200 Mayor	\$200.00 Councilor
1974	\$1,200 Mayor	\$400.00 Councilor
1980	\$1,500 Mayor	\$600.00 Councilor
1986	\$1,650 Mayor	\$666.00 Councilor
1987	\$2,000 Mayor	\$1,000.00 Councilor
2000	\$2,500 Mayor	\$1,000.00 Councilor
2001	\$2,500 Mayor	\$2,000.00 Councilor
2007	\$3,500 Mayor	\$2,000.00 Councilor

The suggested amount for this budget is \$500.

Mr. Thornton stated on the bottom of this page under Minor Improvements (64206) there is an amount requested by the City Clerk in the amount of \$3,620 for further improvements to the Council Chambers. This amount has not been recommended for funding.

Outside Agencies (Page 35)

Human Resources Director Beth Fox and Human Services Manager Liz Sayre were the next two speakers. Ms. Fox stated the outside agency process is managed by the Human Services Department. In January agencies are invited to submit applications and these applications come in by February and a Committee made of various departments review the applications. The applications cover the mission of the organization, how the funds will be used, how Keene resident impact is determined by the agency, how a client is defined, and how a final decision is made for eligibility for services.

Some of the things the Committee looks at are how the agency services reduce or eliminate costs provided by City departments. An agency's diversity of funding sources is looked at and their attempt to advance further diversity in their funding sources, and not rely just on one particular funding source. Administration costs of each agency is also looked at as well as how each agency proposes to spend the funding provided by the City.

This year the City had ten applications and the Committee felt all ten of the applicants met the criteria for funding and the recommendation to the Manager is that all these agencies receive level funding.

Ms. Sayre stated there is also an advertisement placed in the newspaper. Councilor Clark stated the Finance Committee has never seen any of the applications to determine if they deserve more funding or not as often time most agencies are level funded. He noted it has been said if the agencies did not pick up some of this assistance provided, the City would have to provide those services and asked whether staff was level funding only because the policy directs them to do so. Ms. Fox in response stated the budget was prepared based on the increase provided by the Finance Director earlier which was 1.99% and in prior years staff considering adjustment was not a possibility. Councilor Clark felt all of these agencies are valuable to the City and felt the Finance Committee getting an accurate description of what exactly these agencies do would be prudent. He stated he would like to see the numbers.

The Councilor referred to the Keene Community Kitchen whose Board he used to serve on and felt the \$7,000 they are asking for is actually a bargain. He stated there is a state law which requires communities to take care of their indigent and if not for the Kitchen the \$7,000 could actually cost the City \$20,000 to fund these individuals. He felt the community looking at these applications was important. He did not feel the Manager's request was actually based on applications but rather based on policy.

Chair Greenwald felt this information could be made available to the Councilor if he was to visit the Human Services Department. He also stated he has served on the Council long enough where there was a time when such funding requests equated to a beauty pageant. He felt bringing such requests to the Council before they are screened by professionals does not serve the community well. He felt it was difficult to say no to any outside agency because they all do such amazing work. However, the Chair felt the Committee also had an obligation to the tax payer.

Keene Senior Center: Mary Monahan Executive Director and David Meader member of the Board addressed the Committee. Ms. Monahan stated the Senior Center has grown amazingly since 2013 and have grown close to 47% in the last few years. Ms. Monahan stated seniors' visit the center for one reason and it's for social reasons and stated social isolation could be a killer and this is not something any community wants to embrace.

Ms. Monahan stated some senior centers exist as part of a larger organization. There are two that operate independently in the State, one in Charlestown, NH (no paid staff) and the other is the Keene Senior Center. Keene does not receive any federal funding for meals and transportation. She noted Keene does the best it could but they are currently in need of support and this is the reason for asking for this extra funding.

Ms. Monahan stated community organizations have not been able to provide as much support as they have in the past. There are looking at various ways to raise revenue one is to increase membership. Keene has the highest membership rate in the state at \$50 per individual for a year. There are some who are on a reduced rate.

Councilor Jacobs asked for examples of the community organizations Ms. Monahan referred to. Ms. Monahan stated there is an organization in town which raises money for

non-profit organizations; at times their focus is broad and at times it is narrow and the Center faced a 26% reduction of income this past year.

Councilor Kahn asked about the limitations at the current facility. Ms. Monahan stated the most significant limitation is parking; there are 619 members but they only have 21 spaces. The next limitation is the cost of maintaining an old building. For instance, some of the windows are original to the site.

Big Brothers/Big Sisters: Mr. Greg Burdett CEO of Big Brothers/Big Sisters was the next speaker. This organization provides one to one mentoring for children facing adversity between the ages of 6 - 17. The organization in Keene currently serves about 125 children and there are always about 10-20 kids on a waiting list. The organization has a relationship with every school in the area and provides mentoring service on site. He indicated they are asking for \$5,000 but are happy with the level funding. Each match comes at a cost of about \$1,200 so just in Keene they are approaching close to \$100,000. There is no charge to the parents, or guardians. All the funding comes from the generosity of grantors, funders, corporate donations and individuals.

Councilor Kahn asked how many volunteer hours this organization provides in the Keene area. Mr. Burdett stated there are two volunteers who work in the office. One works three days a week and one two days a week for a total of 40 hours per week for staffing. All of the big brothers/sisters are volunteers as well.

Monadnock Substance Abuse: No one present to address the organization.

Keene Community Kitchen: Phoebe Bray Executive Director and Peter Mooney Board member addressed the Committee. Ms. Bray began by thanking the City for past and continued support. She stated the Kitchen is asking for \$82,000 this year (equaling a 10% increase). Ms. Bray stated each client is verified for eligibility and they are re-verified annually.

Ms. Bray stated last year they had 3,542 unduplicated individuals registered in the pantry program, and of those 2,002 were Keene residents and the cost to provide assistance to Keene residents was \$326,711. The Board has suggested a 50% reimbursement from Keene and surrounding towns but does understand this would not happen immediately. She noted donations are down, costs are going up and this is the second year the Kitchen staff will go without a pay increase. Ms. Bray stated they have no storage other than for food, they do everything in house, offer workshops to clients, work with other pantries, but they are not state or federally funded and are having to compete with organizations who are now not getting state and federal funds. Ms. Bray stated very few of their clients are indigent noting that 26% are seniors, 22% are school-aged, and the rest are the working poor. Ms. Bray stated they own their own buildings, which is a blessing but the building was built in the 1830's and parking is always a challenge.

Councilor Kahn asked for the number of meals the Kitchen provides and the cost per meal. Ms. Bray stated what they attempt to do is to provide each person who goes through the pantry with three meals per week. In 2015 it worked out to be \$1.30 per meal.

Elderly Meals on Wheels and Transporting: Susan Ashworth from Home Healthcare Hospice and Community Services was the next speaker. Ms. Ashworth stated they are requesting \$88,500 as matching funds to continue the operation of the City Express. This year they added in Kohl's Plaza, the walk-in clinic and the new grocery store. There was also a stop added at the YMCA and a route was created to run along Cypress Street for greater access to the housing and social services located in this area. It is anticipated there will be about 38,000 trips added this year.

Ms. Ashworth further stated this is the first year Meals on Wheels has requested an increase to cover the cost of food. This is necessary this year due to the decrease in federal funding. A total of 35,235 meals were delivered to Keene residents last year and the important aspect is the daily safety check that is provided along with this service. 65% of those who receive meals on wheels are living alone of which 46% are over the age of 80. This intervening service saves the City from emergency room visits and emergency services. Ms. Ashworth stated they are asking for an increase to the City's contribution to \$12,000 this year or .34 cents per meal.

Councilor Clark asked what sort of support the City Express would need to provide service to highly populated work places. Ms. Ashworth stated currently they are a fixed route system but they can stop anywhere along that route. But if they are to operate to accommodate work type situations, the hours of operation will likely need to be changed and federal matching funds would need to be investigated. She stated this is a discussion they could pursue with the City.

Councilor Jacobs asked whether the \$2,500 will take care of the gap they are trying to fill. Ms. Ashworth stated it would partially take care of the gap but they are also doing fundraising in order to make sure no-one is on a waiting list and is not receiving the meals they need.

Councilor Kahn asked for Meals on Wheels what percentage of funds is derived from federal funds. Ms. Ashworth stated 75% is from federal sources but they are currently running at a significant deficit. Councilor Kahn asked what kitchen they use to prepare these 35,000 meals. Ms. Ashworth stated the 35,000 is just for Keene residents, they prepare close to 100,000 meals and the kitchen they use is located on Bradco Street. Each town they serve contributes to the program.

SW Community Services (SCS): Mr. Keith ThibaultThibault of Southwest Community Services began by thanking the City for its assistance over the years. He stated they receive support from towns in Cheshire and Sullivan counties. Communities are asked to contribute 1% of the services they bring in up to \$10,000. For the City of Keene last year SCS provided 2.8 million dollars in services. They are however, looking for only \$10,000.

Mr. Thibault stated some of the bigger programs they provide are the fuel assistance program where \$800,000 was provided in services last year. The housing stabilization programs – this provides less shelter services and more permanent housing opportunities. City residents were provided close to \$200,000 in rental assistance last year. The Head Start program provides a little over \$600,000 in services and the Wic Program provides \$240,000 in services. Most recently SCS has collaborated with Fire and Police regarding the substance issue problems that exist in this community.

Chair Greenwald asked for clarification on the \$125,000 SCS pays on property taxes and asked whether this was payment in lieu of taxes. Mr. Thibault stated this is for their housing developments and there is an RSA which determines how much an affordable housing development pays. The Chair asked whether this pays for the school and county portion as well. Mr. Thibault answered in the affirmative.

100 Nights Shelter: Mr. Richard Newton Treasurer of 100 Nights Shelter explained 100 Nights Shelter provides cold weather shelter in Keene between the period of approximately November 26 through April 16. They provided 142 nights of shelter, and of these nights 78 nights saw too many people and hence had to use the overflow shelter at the UCC Church. 3,894 bed nights were provided at those two locations. There were six children under the age of 18. In addition, last summer the shelter also housed two couples one with a high risk pregnancy who needed bed rest. The breakdown of individuals was 112 males, 51 females and of those 12 were veterans. 89% of those served claimed an annual income of less than \$10,000.

Mr. Newton went on to say at the shelter there were 80 volunteers who put in 4,178 hours of service. He added the shelter also provides weekend dinners because the Kitchen is not open on the weekends; 42 meals on Saturdays and Sundays. Many local organizations help with these meals and last year there were 1,410 hours of volunteer service provided to prepare, serve and cleanup at the UCC Church. There is also a breakfast program done through the Universalist Church with support for this program coming from local churches. Total number of breakfasts served for 30 guests per day was 3,639 breakfasts with 2,222 volunteer hours for the breakfast program. Mr. Newton acknowledged the Community Kitchen which provides cooked food which is used for these meals and the other great donor is C&S Wholesale Grocers.

Councilor Kahn stated the cooperating entities; the volunteering and the manner in which they are working together is to be complimented. The Councilor felt the kinds of service provided avoids indirect consequences to municipalities. Mr. Newton stated people come from outside of Keene because this is the only place that has the cold weather solace. Mr. Newton went on to say these homeless people need other services besides a shelter but to be able to get this they need to be in Keene.

Mr. Newton stated the 78 nights they had to use the overflow shelter was a significant increase in costs compare to last year where they only used the overflow shelter for 38 nights; this comes at a higher cost due to staffing needs. He added they are also facing a

significant increase to rent this year which has not happened in quite a few years. Mr. Newton stated these are two of the reasons they are asking for additional help.

Chair Greenwald asked whether 100 Nights was looking to relocate to a newer less expensive location. Mr. Newton stated they have a negotiated lease through summer 2016 but they are looking for alternative locations to purchase but this is going to take significant donor support.

Councilor Jacobs commended 100 Nights for all the work they do and noted in the past there has been concern about residents from out of town using this facility and asked whether outside communities provide any assistance. Mr. Newton stated the communities don't provide support but the County does. The Councilor asked whether 100 Nights has asked for assistance from other towns. Mr. Newton answered in the negative. Councilor Kahn asked how much assistance the County provides. Mr. Newton stated it is close to \$10,000.

HIV Aids Task Force: Wendy Leblanc of the Southern NH HIV Task Force stated HIV and Aids are considered to be a chronic illness rather than a terminal illness. She stated most people with this illness can lead normal lives but the reason her organization exists is for people who live in poverty with this condition. She explained if people who are on medication don't take it on a regular basis their bodies become resistant to the virus which could eventually become fatal. Her organization provides the assistance these individuals need to overcome those barriers, provide transportation for medical needs, counselling services, food and nutrition and a lot of work around housing.

In 2013 the State of New Hampshire contracted with Southern NH HIV Task Force who in turn sub-contracted with the other four agencies around the State. In 2014, Aids Services of the Monadnock Region decided to close their doors. Because of the State's contract with Southern NH HIV Task Force, they opened a satellite office in Keene and they are located at 17 Dunbar Street. She added the State of NH through federal funding provides health insurance and people living with Aids are encouraged to apply through the agency to be covered by medical insurance which Ms. LeBlanc noted saves the City a lot of money. Southern NH HIV Task Force also receives housing assistance funding which can provide emergency housing.

As for staffing, because this is a satellite office with the main branch operating in Nashua, there is just one full-time medical case manager working in the Keene office. All back end support such as administration, IT, payroll etc. is covered by the main office.

She noted keeping their clients connected to the medical assistance they need is important as this reduces transmission to others. She added they also provide rapid HIV testing to anyone in the community at no cost. They are requesting \$5,000 level funding this year.

Chair Greenwald asked how many clients are served in Keene. Ms. LeBlanc stated they serve 34 individuals, of which 16 are Keene residents.

Monadnock Region Child Advocacy:

Mr. Phil Huber, Director for the Granite State Children's Alliance addressed the Committee next. Mr. Huber thanked the City for its first time funding last year. Mr. Huber explained when child abuse is reported to DCYF or law enforcement, the matter is reported immediately to his organization which then begins investigation. The first forensic interview of the incident happens in the Keene Office watched over by law enforcement, county attorneys and other such entities by closed circuit TV. Mr. Huber stated the role of his organization is to lock up the most despicable individuals in the City but the other side is to help traumatized children and their families to heal. In closing, Mr. Huber relayed to the Committee a story of a survivor.

Councilor Chadbourne asked whether Mr. Huber's organization is related to CASA. Mr. Huber answered in the negative.

Councilor Chadbourne referred to Line 62141 and noted this item does not exist anymore and asked why it has been showing in the budget the last few times. Mr. Thornton explained this is to show the history of the line item overtime.

The Councilor referred to page 19 and noted outside agencies account to .77% which is less than 1% of a 48 million dollar budget and stated she wanted to bring this to the attention of everyone as they consider these requests from the outside agencies.

Chair Greenwald noted to page 36, Monadnock Family Services which does not have a specific line item and asked for clarification. Mr. Kopczynski stated Monadnock Family Services has a line item in the Health Budget.

Ms. Sayre clarified the only request Monadnock Family Services provides under the outside agencies is for their substance abuse programs it is not for their mental health services.

Councilor Clark stated for future years he would like to have a true recommendation from staff rather than a recommendation based on policy. He did not feel this was the right way to address these agencies who take time to fill out the pertinent forms and make their proposal. Ms. Sayre stated one of the things the Committee looks at are the number of residents served; that number did not increase or decrease substantially this year for any agency who looked for funding. She added all applications are read thoroughly but the number served gets more weight when considering funding.

Unclassified Items (Page 38): Mr. Kopczynski stated there is no increase or decrease for this account but there is one entity that came with a request but they were a little late with their request and referred the item to the Finance Director.

Mr. Thornton explained the budget for this cost center is fairly comparable to last year. This cost center supports entities like the Zoning Board of Adjustment, Planning Board, Historic District Commission, Partner City, Arts Alive, Chamber of Commerce, and Jonathan Daniels/Martin Luther King Committee. The Partner City Committee had a

request of \$5,000 but this request was not repeated this year. Mr. Thornton further stated the City did receive a request from the High School who would like to do their homecoming parade this year. He indicated there is no cost or estimate from staff yet but staff will be back before the Committee at a later time.

General Fund Capital Appropriation (Page 39)

Mr. Thornton stated this page has a list of capital projects which came through the CIP. He indicated the one thing that is added every year is \$25,000 for conservation purposes. These have a life span greater than five years and are for projects that are over \$25,000. Councilor Sutherland referred to page 40 and clarified the 6.8 million dollars would be the money that will be fundraised and then transferred into the general fund. Mr. Thornton answered in the affirmative. The Councilor asked what will happen if they were unable to fund-raise this amount. Mr. Thornton stated it would then be up to the City Council to decide what it wanted to do.

Councilor Clark referred to page 39 (Capital Appropriations) and asked about the increase from 2.2 million to 11.8 million. Mr. Thornton stated this as for the library project and the money is being run through this cost center so it could be expended. He further stated when all is said and done MEDC will be managing this project. The 8.8 million is an attempt to recognize what the City's share will be, two million will be raised through bonds and the rest will be through other fundraising efforts.

Employee Benefits (Page 41)

Mr. Thornton stated this is a cost center which captures those items that don't really have a place they could be assigned. The General Personnel is where the non-union employee cost of living increases are accounted for as well as bargaining groups who are out of contract. This year it would be the two fire unions, the Keene City employees union and non-union employees. The reason this number is inflated compared to prior years is because this is an allowance; if the Council approves a COLA for the non-union employees and a successful negotiation happens with out of contract union employees, there will be transfer from this line throughout the general fund.

Health insurance –this is for qualified part time employees.

Tuition Assistance – this was program was used heavily prior to the 2009/2010 time period for approximately \$16,000 per year. Due to financial constraints this line item has not been funded in a few years. The City Manager asked that the Human Resources Director be permitted to address this item further.

Ms. Fox agreed the City has not been funding tuition assistance in quite a few years but as the City's workforce is changing (31% is eligible for retirement) it is going to be important for the City to invest in their employees. This year there are seven employees in different departments looking for tuition assistance.

Councilor Hansel asked whether the City requires the employees who take advantage of the tuition programs to stay with the City for a certain period of time. Ms. Fox stated they

do and the tuition assistance is not funded at 100%, typically it's about 75% which encourages the employee to invest in their education as well. Councilor Hansel stated he is very much in support of this program which is something his employer is involved in. Councilor Jacobs recalled where employers reimburse those who maintain a certain grade.

Councilor Sutherland referred to line 61304 and noted last year's budget was \$180,000 and this year the budget is at \$366,000 and asked why there was such a difference. Mr. Thornton stated last year the COLA was just for PAB but this year there are the two fire unions as well as the City employees union; this year there are more people.

Risk Management (Page 42)

This is for the City's general liability and the airport liability with Primex

City Manager (Page 43)

The Manager called the Committee's attention and noted the Manager has included on this page the strategic aims of the Manager's office. This is similar to what you would see in a priority based budget. He went on to say there is not much change to the budget and suggested perhaps the Council might want to decide as to whether they want to put in any money to look for a permanent City Manager.

Chair Greenwald explained the process the City went through to hire a replacement for John MacLean. After the interview process it was decided there was no-one suitable in the applicant pool. At that time the position was offered to the then Asst. City Manager Med Kopczynski for a contracted period. The City has decided to restart this process and money needs to be set aside for this process. Mr. Kopczynski stated the only reason he stepped into this position is so that the City could take the time to hire a suitable person for the job.

Councilor Jacobs felt it was prudent to have a discussion about this item during the budget process. Councilor Powers stated the City is in good shape at the moment with this hiring process and felt it should keep moving forward.

City Attorney (Page 46)

City Attorney Tom Mullins stated his budget is not much different compared to past years but noted this is the third year his office is going without an Assistant City Attorney. He noted his Administrative Assistant has stepped up to the plate quite a bit and referred to line 62161, Legal Services; the City decided when the Assistant City Attorney left to transfer those funds to outside legal services. This line was funded at about \$75,000 and noted he has taken about \$5,000 from this line and shifted it to 62435, Training to update the training skills of his Administrative Assistant as well as for him to attend some conferences.

Councilor Sutherland referred to the periodicals line item and asked for clarification. Attorney Mullins stated most of the cost for this is for online services but stated he does maintain certain paper copies of some practice volumes which are at times easier to use.

Councilor Clark asked whether the training cost would change the pay scale for the Administrative Assistant next year. Attorney Mullins stated it would not be from his perspective unless the Council changes the pay structure and added his Assistant is taking on these extra tasks to be able to assist the department and she has no financial benefit for doing so.

City Clerk

City Clerk Patty Little and Deputy City Clerk Bill Dow were the next two speakers. Ms. Little stated her department has four full-time employees and three part-time employees and dedicated election staff. She stated the only item she would like to bring to the attention of the Committee is the fiscal objective which has a cost impact; elections. She indicated the department requested and have received the supplemental requests for election accounts. Other than that it is a pretty straightforward budget compared to previous years.

Councilor Clark asked whether there is a revenue stream attached to the records storage. Ms. Little referred to page 30 under unclassified charges (44135) is this revenue. She noted staff will be back before the Finance Committee at its next meeting requesting a price increase for records storage for outside clients. The Councilor asked whether the City has increased its capacity in the archive room with the additional shelving which has been located. Mr. Dow stated this is a proposed CIP project for the upcoming year, this is work yet to be done to double the capacity.

Councilor Sutherland stated the City of Keene has 5.5 full-time employees and there are other cities that seem to manage with fewer staff and asked what the difference in workload was. Ms. Little stated the core difference is the Keene City Clerk is also a Charter officer of the Council which bring about a different type of role. There are many communities where the Clerk doesn't have a critical role in the City Council agenda process; often times that is done through the Mayor's office. Another item that is different to Keene is the minute taking program; the only other City which has this program is Laconia. The other is the records center - only Manchester has this type of center and they don't have outside clients. The Councilor asked what duties are performed by the records center. Keene has a central repository for City records; in other towns individual departments do this work or they don't maintain records and when they do they are a stored in attics and basements. The City also manages the retention process. The City also has a bar coding system for records coming in from other departments. The Councilor asked whether the City maintains anything electronically before records are destroyed. Ms. Little stated the database maintains what documents exist in a box not a scanned image of what is in the box. She stated electronic records management is something that is being discussed for the future.

Assessment (Page 63):

City Assessor Dan Langille stated his budget hasn't changed since last year; 95% of the budget is personnel and the rest of the operating expenses are kept to a minimum.

Chair Greenwald asked about the re-assessment work the department is taking on. Mr. Langille stated staff will be before the Council on this item in short order and these values will affect the final tax bill for December 2016. This would be for both residential and commercial revaluation.

Councilor Sutherland stated past budgets have shown the metrics they track and asked whether this could be added back in. Mr. Langille stated the number changes by one or two and hence the reason for not including it but stated it can be included in the future.

Finance (Page 65):

Councilor Sutherland asked how fleet charges are distributed between the departments. Mr. Thornton stated various costs associated with fleet; fuel, insurance, maintenance, repairs, parts etc. There is also a cost for maintaining the shop. The costs are determined by the class of the vehicle each department uses and the various costs are split between vehicles and assigned accordingly. Councilor Jacobs clarified the repair work is done in-house. Councilor Sutherland stated he was trying to figure out the driving mechanism for how we attribute these costs to each department. The Councilor pointed out the City Manager has foregone his vehicle allocation because he rides his bike to work.

Mr. Thornton talked about his department budget. He indicated the department has 15.18 FTE's spread between Revenue Collection, Purchasing, Accounting and Administration. Revenue Collection is in charge of motor vehicle registration, utility billing and aspects of banking. Purchasing is responsible for all aspects of purchasing to keep in line with city ordinances and best practices and they are always finding new ways to do purchasing. Accounting is responsible for payroll, accounts payables and receivables, insurances matters, fixed asset accounting, grants managements, cash management, issue bonds, CIP, work with auditors, and the retirement system.

2016 was a busy year – some things that were accomplished include adding a financial information link to the City's website, financial system upgrade to include new tax billing practices, aspects to do with budget transparency, additional information was added to the CIP, this was the first year for Affordable Care Act federal reporting, purchasing has started a new collaboration this year, they have joined the Northeast Merrimack Valley Consortium for the purchasing of water and wastewater chemicals.

Mr. Thornton stated his budget this year is up about \$19,000 (1.3%) and most of that is attributable to an employee switching over to family plan health insurance. He went on to say another initiative they have in personnel is in the Purchasing Division. The Contract Manager's position is no longer in existence but a new position of purchasing specialist has been added for consideration. This shows on page 71, cost center 00602, line 61304. Councilor Powers asked whether the \$137,237 is for the department head and administrative support. Mr. Thornton agreed. The Councilor asked whether or not a part-time person was also included in this line item. Mr. Thornton stated this individual worked on special projects and worked periodically. Councilor Kahn asked whether the change in personnel being proposed would happen over the course of the next year. Mr.

Thornton agreed, it would effective July 1. Councilor Clark asked for the responsibilities for this new individual. Mr. Thornton stated it would be in purchasing and in contract management.

Councilor Sutherland noted the last few years the City has tried to save money in Purchasing but seem to keep adding new roles. Mr. Thornton stated a new position is not being added, this a position which was added in 2013/2014.

The Councilor noted in the City of Portsmouth – their budget IT plus Assessing for the coming year would be 2.152 million but in the City of Keene that would be 3.175 million. He stated it needs to be figured out what other cities are doing to manage these processes at a lower cost. Mr. Thornton stated these cities could be doing things differently or reporting costs to other areas. In most cities, IT is captured under different departments. The Councilor added Keene has 26 FTE's across these departments and Portsmouth has 19.

Councilor Kahn asked about the auditing services. Mr. Thornton stated there is an item for \$8,000 under the supplemental budget that was not funded. Mr. Thornton explained once an audit is completed, auditors prepare a defined set of documents, the City's auditors have indicated for a cost between \$3,000 - \$8,000 they would prepare a comprehensive set of financial statements. Mr. Thornton stated this document can be helpful for the city but noted there is an RFP out for audit services and in that RFP is an estimate for this type of comprehensive statement. It was unclear whether a result on the bid would be available before a decision on the budget is made. The Councilor noted there is a budget difference between last year's budget number and this year's number and felt there is some room for accommodating this expense.

The City Manager asked the Purchasing Agent be permitted to address the Committee on the City's present initiatives regarding joining with other governmental entities. Mr. Jeffrey Titus explained over the last several years the department has been working on a number of initiatives; with the School District meeting with them quarterly and the City now has a number of joint bids with the School District. The department also meets quarterly with major cities in the state; the group includes Dover, Laconia, Concord, Keene, Manchester, Nashua, Portsmouth and the State of NH. Through this process a joint bid was issued for office supplies and as the contract grew there was a tiered discount also being provided. The City also did a joint bid for road salt this past year. Mr. Titus noted there were also various other joint purchases put in place such as for police cruisers, heavy vehicles and equipment with Houston Galveston Council, water and wastewater chemical purchase through the NE Merrimack Valley Consortium. He added the City is constantly looking for additional joint ventures.

Human Resources (Page 73)

Ms. Fox stated this department has just two full-time employees. Ms. Fox stated as the this generation looks to retire the department is going to be facing some changes and felt investing in staff training was important. She noted the dollar value of her budget was down and this was largely attributable to the retirement of the HR Administrator in

November who has just recently been replaced. Ms. Fox noted there is a little more resources in training as she wants to start training this new employee in specific HR skills.

There was a discussion about a question raised by a citizen regarding the compensation package of a City employee. Chair Greenwald recalled the same question being asked last year and at that time the Finance Director and City Manager came up with an explanation and this information has been sent to the individual and to the radio station.

Councilor Chadbourne asked why photography and processing which is probably used for employee ID's is at zero. Ms. Fox stated this work is now being done electronically and the cost listed here is to purchase a new camera.

Information Technology (Page 78)

Asst. IT Director Andrew Mueller stated as directed their operational budget is level funded. However, the cost for system and network maintenance has increased due to an increase in contract cost but this cost was absorbed elsewhere. There was a small decline in personnel cost due to retirement of long time employees but these positions were filled at entry-level rates.

For the upcoming year focus will be placed on public outreach, social media and updating the website which is eight years old. Internally there will be upgrades done to the financial system and database. For PC replacement they were able to purchase these at a 30% lower cost due to continuing lower cost in PC's.

IT Director Rebecca Landry stated as mentioned by Councilor Sutherland regarding the comparison to other communities, she has looked at Portsmouth's budget in the past and their Police Department has its own IT employees which get captured in their budget. Another difference is Keene's IT Department includes all in-house system support; police records, HR records, financial statements (the most costly software system), fire records, assessment documents, and the GIS software (\$25,000 per year) used by Planning. These are some of the reasons costs might seem different from one community to the other.

Ms. Landry went on to say there are teams of people looking over this budget before it goes to print but there are occasional typographic errors that tend to happen. For the first time in 18 years, she has the typographic error due to an oversight. In line 61602 (stand-by pay) the \$17,500 should have been carried forward to the request for the current year, but this was missed. This is for pager duty for four people who carry it 24 hours a day on a rotating basis. The biggest customer is police dispatch. The Chair asked whether the Manager was recommending this. Mr. Kopczynski answered in the affirmative. Councilor Jacobs clarified the entire budget needs to be adjusted to reflect this change. The Manager agreed.

Councilor Hansel referred to 62307 (computer maintenance), and asked how this is calculated. Ms. Landry stated it is contract driven so for the Sungard Penamation financial system there is an estimate they send the City each year. Some of the contracts

have a limit as to how much they can go up each year but some don't. She added any systems that are not being managed in-house are being sent to the source departments. For example the City Attorney pays for his West Law subscription at about \$8,000 per year. The City has about 30 contracts.

Councilor Sutherland noted desktop and laptops are at about 290 units and asked where the City was as it pertains to leveraging cloud based or office 365 versus having those systems managed at a desktop level. Mr. Mueller stated office 365 is something the department is looking into. The Councilor stated it was mentioned earlier about the cost of maintaining Oracle and asked whether this is something the City has moved away from. Mr. Mueller stated for data integration and finance upgrade work the department is moving away from oracle for this very reason. Ms. Landry noted this is reflected in the capital program. The Councilor asked who manages streaming and Cheshire TV. Ms. Landry stated she works with the City Manager on the franchise agreement for Time Warner and the operating agreement for Cheshire TV. Streaming is managed by Granicus and this cost is not under the IT budget.

Councilor Kahn noted one thing about Oracle is that it is a reliable product and asked whether Pentamotion was a revenue collection and financial accounting system. Mr. Thornton answered in the affirmative. Ms. Landry noted the roll out of this product is going to take 12-18 months as there is a need to run a parallel with other systems as well as synchronize with the property assessment system upgrade. Ms. Landry agreed Oracle is an extremely reliable product but the cost at times quadrupled in two or three years.

IT-PC Replacement Fund (Page 207):

Ms. Landry stated the user fees are costs charged to each department based on the number of computers and printers they use. The IT Department manages the purchase and replacement of desktops, laptops and textbooks used by Police and Fire Departments. Some have a three year life and some have a five year life. She noted the amount of these devices are considerably less compared to what they were three to five years ago so IT was able to come up with a reduction of 30% less of what it collected in fees.

General Fund Debt Service (83)

Mr. Thornton called the Committee's attention to page 85 where the debt issues they will be going to "market" with during the month of August are documented.

Councilor Clark asked whether the Blackbrook Bond will be maturing next year which would cause the TIF District to end and asked how it will affect the tax payer in this area. Mr. Thornton referred page 279 and stated the assessed value in this District is \$34,500,000 and the original assessed value was \$12,546,000. The \$12,546,000 would always stay open to all three taxing entities; the difference is the captured assessed value of \$21,962,000 and hence what is available from that increased increment is \$784,000 what the City needs this year \$211,549 for this budget year.

Councilor Kahn on the revenue section, on the charge-backs for administrative fees, asked if the City has taken into account the rate changes which might happen in water

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sewer etc. Mr. Thornton stated this is not a formula the City uses. The Councilor stated he would like to sit down with the Finance Director and understand this item better.

The meeting adjourned at 9:01 pm.

Respectfully submitted by,
Krishni Pahl, Minute Taker