

FINAL

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Monday, May 11, 2015

5:30 PM

Council Chambers

Members Present:

Mitchell Greenwald, Chairman
Terry M. Clark
Thomas Powers
Randy Filiault
Kris E. Roberts

Staff Present:

City Manager, John MacLean
Finance Director, Steve Thornton
Asst. Finance Director, Mary Howe
Purchasing Agent, Jeff Titus
Revenue Collector, Mary Alther
City Attorney, Thomas Mullins
Human Resources Director, Beth Fox
IMS Director, Rebecca Landry
City Clerk, Patty Little
Deputy City, Bill Dow
Finance Director, Steve Thornton
Code Enforcement Superintendent, Med
Kopczynski
Code Enforcement Inspector, John Rogers

Kendall Lane, Mayor

Councilors Present:

James P. Duffy

Chair Greenwald called the meeting to order at 5:30 PM. He indicated that several departments will be discussed tonight and the Committee will meet again next week as well as the following week. After which a public hearing will be conducted and eventually the Finance Committee will make a recommendation which will be voted in by the full Council.

City Manager John MacLean was the first to address the Committee. Mr. MacLean stated that the continuation of this budget for the last five plus years has been about trying to make a small amount of money go a long way. He noted that the City has tried to do the best it can especially with the loss in revenue of nearly a million dollars on a yearly basis. He noted that the City has been able to have a fiscally responsible budget.

The Manager referred to page 2 of the budget which has an insert that has been updated and explained that the importance of this is the manner in which the City meets its fiscal policy to complete its expenditures. The City is slightly below its fiscal policy and felt that with loss in revenue and a static tax rate the numbers outlined in this page were acceptable.

Finance Director, Steve Thornton was the next speaker. Mr. Thornton began by saying that property taxes are the single source of revenue into the general fund and referred to page 13 which indicates that property taxes comprise 61.67% of our revenue for the coming year. This percentage has remained in the 60% range for the past few years but has dropped by a percent or two for the upcoming year.

Mr. Thornton went over some other forms of revenue starting with motor vehicle registration. He noted the budgeted revenue for this item this year is \$2,785,000 which includes \$20,000 in increased processing fees in the legislature right now, which is about a 3.5% increase. He noted that the last time there was a high mark in motor vehicle registration was in 2008.

Room and Meals tax was budgeted at the same amount as in FY15. He noted there was an increase anticipated in FY16 but that was removed by the House. Staff is now waiting to see the decision from the State.

The Municipal Services Agreement was renegotiated with Keene State College this year and there is a \$100,000 increase to fire services for FY15.

Mr. Thornton continued that the Highway Block Grant is scheduled to see a \$50,000 increase this year based on legislation last year. Ambulance Fees in the FY16 proposed budget is \$45,000 higher than FY15 because the City switched to a bundled billing format in FY13 and the actuals are just starting to catch up.

Parks Program revenue has an increase of \$9,500 (9%) – seen through small adjustments that have been made to their various programs.

Interest Earnings in the Finance Department is being increased by \$51,000, because investments which had longer terms have matured and they have been replaced. The Finance Department is seeing a decrease of nearly \$21,000 in administrative overhead charge allocation paid by other funds based on a three year expenditure model.

Councilor Powers referred to the Marlboro Street rental is showing a \$10,000 decrease and asked for clarification. Mr. Thornton stated that there was an assumption made that the Mountain Corp. will be vacating the premises.

Mr. Thornton then referred to the supplemental list. He explained that the departments are asked to bring in a budget not greater than the previous year preferably less as well as give them opportunities to make a request for additional items or positions. Those items fall under the supplemental list and are taken into consideration in priority order.

The first is under Mayor and Council Cost center a request for \$24,780 for council chambers furniture and is included in the Manager's recommendation.

Outside Agencies – there are new requests from the HIV Task Force, Monadnock Region Child Advocacy and CASA, each in the amount of \$5,000. Two of these agencies were funded, HIV Task Force and Monadnock Region Child Advocacy in the amount of \$5,000 each. Councilor Roberts noted that Clarence Demar Marathon was funded last year and asked what was happening with it for this fiscal year. Mr. Thornton stated that they fall under community events.

Unclassified Items – Partner City has asked for a \$1,500 increase and that is included in the recommended column. Mr. Thornton referred to an item not included in the budget book because the request came in late from the Veteran’s Council. The amount included in the budget is \$3,500 but they are looking for \$3,600 which staff is recommending.

Health and Code Enforcement is looking for permit software in the amount of \$5,000 which is recommended. Human Services is requesting \$22,000 in the general assistance category for increase in rents and this item has not been recommended. The Manager explained that it is not that the City does not want to approve the request for general assistance and recognize that the amount indicated here is what the staff feels is sufficient but if there is a need for additional funds for general assistance, staff will come back before the Committee.

The Fire Department’s request for overtime was not funded. The Police Department’s request for over-time in the patrol budget was not funded. There is also a request for a dispatch supervisor, which would be a new position. This position has been included and is being funded for the remaining nine weeks of the year. Parks, Recreation and Cemeteries have an increased funding request for grass seed and fertilizer due to price increases for this item. The Facilities Department has requested funding for custodial services and funding has been approved.

Public Works has a few requests for funding: \$102,500 for street patching and crosswalk repair, as well as \$15,500 for a milling machine. What has been included in the budget is \$60,000 for contract street patching and crosswalk repair, and \$15,500 for a milling machine. Parking Fund – there is a request that for two new meters for the Wells Street Parking Deck and a request for software in an amount of \$17,500 and this funding is being recommended. Public Works, Parking Fund is requesting \$3,000 for a special ice melt to use on concrete. He asked that the reference in the next paragraph to porta potties be deleted.

Solid Waste, Sewer Fund and Police Department have a custodial services contract for each fund. These have been recommended. Chair Greenwald asked whether there will not be a decrease in custodial services with these contract services being recommended. Mr. Thornton stated that the Facilities Department will be able to better describe this but there is a decrease in personnel now and under the contract there is an expanded scope of services compared to what can be done in house.

Councilor Manwaring asked where the \$20,000 allocation for the Conservation Commission is listed. Mr. Thornton stated that it is listed on page 27.

This concluded Mr. Thornton's remarks.

Councilor Powers asked for clarification on the calculation for long term debt. Mr. Thornton stated that what is being shown in this language is the net increase in the debt service this year. The Chairman clarified that the budget document is on the City's website. Mr. Thornton stated that it is in the Finance section of the website.

Mayor & City Council:

The Manager felt that he should be directed to revisit the salaries of the Mayor and Council. He indicated that the City Clerk has done some work on this issue at the request of several members of the Council and it has been quite a few years since this item has been looked at. Councilor Powers stated that he is comfortable with what he receives but felt it was worth the review. The last time this item was looked at was when Mayor Blastos was in office.

City Clerk Patty Little was the next speaker. She referred to the part-time employees' line in this account and stated that this used to refer to the Minute Takers (five) who cover nearly 400 meetings a year. What has also now been included in this line item is a part-time administrative assistant for the Mayor. Ms. Little then referred to 62175, Other Services. The email archive is funded from this source, in addition to codification of ordinances by municipal code corporations, and the Clerk's office is looking into some Right to Know software.

Council official business expense – covers many items; there might be a little fluctuation in this account this year such as retirement gifts, outgoing photographs, and meals.

Supplemental item – acquisition of furniture for Council Chambers. Ms. Little explained that staff was tasked by the Manager to look at the CIP project to reconstruct the Council Chambers. She indicated that the furniture the Chambers is currently using dates back to 1880, she noted that vintage furniture is common for Council Chambers but the furniture used in Keene is moved around constantly. Ms. Little stated that they are looking for furniture that is mobile, able to accommodate technology, has privacy screens in the front and is efficient for moving around.

Outside Agencies page 24:

Mr. MacLean explained all outside agencies submit information about the activity they have as well as the numbers of persons they are serving and then the review committee of the City evaluates the proposal and submits it directly to the Finance Department with no input from the Manager's Office. It is then forwarded onto the Finance Committee for their consideration with a recommendation from the Review Committee.

Keene Community Kitchen – Ms. Phoebe Bray stated that they submitted a proposal for \$75,000 but in looking at the budget document there is a chance they are not going to receive what they have requested. Ms. Bray asked that the Committee reconsider their request. In 2014, they served 2,132 unduplicated and verified Keene residents. She noted

that each of those persons is served at \$35 per person for the year. She indicated that their donations both in cash and in kind have decreased and felt they provide an amazing service.

Ms. Bray noted that if the Committee looks at the Human Services budget there is nothing in the Human Services General Assistance line for food because the assumption is they are asked to go to the Community Kitchen and felt if food was included in this line the number would be higher. Mr. MacLean referred to the statement from Liz Sayre of the Human Services Department. They provide a hot meal Monday through Friday and a Sunday brunch and there are pantry boxes for those who qualify financially. 80% of their clientele is outside of Keene for the pantry program. Ms. Bray stated that that statement was not true. At the present time Keene pays over half the revenue for the towns served by the pantry program. The Kitchen also received County funding and 25% of the County comes from Keene tax dollars. The Kitchen is looking for the City of Keene to fund 50% of their cost increases but the Committee is suggesting that the Kitchen look at other towns for funding that is served by the pantry program.

Ms. Bray noted that last year nearly 52% of pantry recipients were from Keene and added that she wasn't sure where Ms. Sayre got her numbers from but indicated this was not the number included in their application. She added that they apply to every town in Cheshire County as well as Peterborough and the only town that didn't contribute last year was Alstead. Chair Greenwald asked Ms. Bray to meet with Ms. Sayre so accurate numbers could be provided to the Finance Committee.

Councilor Powers stated he wasn't clear on the rationale for the reduction in support proposed by Ms. Sayre. Mr. MacLean referred that question to Beth Fox, Human Resources/Human Services Director. Ms. Fox stated that in order to entertain some new entities they are trying to remain at the same base budget number and hence couldn't accommodate the funding increase proposed by the Council last year.

Councilor Roberts asked what happens when other agencies like Meals on Wheels get a funding decrease from the State that could change an entity like the Community Kitchen. Ms. Fox stated the Council will have the advantage for instance to take into consideration the deliberations that are happening with an entity like Meals on Wheels.

Councilor Filiault stated that 15 years ago criteria were adopted for funding outside agencies. He felt it would be beneficial for the entire Council to be briefed on the criteria used to fund outside agencies. He hoped the Council is more educated with this process. Mr. MacLean explained that a notice is published, applications are available through the Human Services Department, each agency requesting support needs to provide documentation regarding the impact their services have on the City of Keene, the number of Keene residents who are supported, their goals and objectives, and how City funding is used. He stated that this is the criteria that Councilor Filiault mentioned.

Councilor Roberts stated that if the Finance Committee was to go by last year's funding, it would be last year's funding plus what the Council adds on would be next year's budget

number. Mr. MacLean stated that he understands the concern and that is why he had previously said, when the information is received from the Review Committee it is forwarded directly to the Council and it is up to the Council to increase or decrease the amount that goes to outside agencies. Chair Greenwald pointed out that that comments and questions being made now are not just specific to the Community Kitchen. It was requested that Ms. Bray send in the requested documentation directly to the City Manager.

Elderly Meals on Wheels

Ms. Susan Ashworth representing Meals on Wheels and the City Express addressed the Committee next. She indicated they are requesting level funding of \$9,500 for Meals on Wheels which serves elderly shut-ins and serves 34,000 meals per year. Most are living alone and 45% are over the age of 80 and 16% are over the age of 90. This meal is not only the nutritional check but also the daily check-in. Most have reported this is their main meal for the day. Ms. Ashworth stated that the City's contribution is important for their program. Chair Greenwald asked whether there is income eligibility. Ms. Ashworth stated that the key aspect is that they are over age 60, home bound and can't prepare their own meal. However, half the population meets the income criteria of \$1,176 per month.

Ms. Ashworth then talked about the City Express which is the public transportation in the City and is on track to provide about 44,000 trips per year. Many of these trips are to Cheshire Medical Center, trips to the grocery stores and other essential aspects of daily living. Ms. Ashworth stated they are working closely with the Human Services Department to make sure they are reaching out to elderly housing and workforce housing. This year they changed their routes and are now travelling on Eagle Court and Cypress Street to get closer to Southwester Community Services housing as well as to the Walgreens Plaza so people can get their pharmacy needs addressed but also go to the Urgent Care Center that recently opened at this location. They are also planning on making a stop at the YMCA very soon to address the Healthy Monadnock 2020 Initiative.

She indicated that they are requesting an additional \$1,000 for this program – the City funds for the match money for the Federal Transit Authority Funds. This \$1,000 will enable them to access another \$4,000 in matching funds to help with their aging fleet.

Hundred Nights Shelter

Ms. Mindy Cambiar of Hundred Nights Shelter addressed the Committee next. Ms. Cambiar thanked the City for their contribution of \$15,500 and this is the same amount they are requesting this year. She indicated that this past year they provided 3,008 bed nights (December 1 – April 15, 2015) and expanded their season by five weeks because of how cold this past year was. There were 152 individuals who used this facility of which 2/3rds were from Keene; there were 107 males, 45 females and 6 children under the age of 13 because of an emergency situation and the shelter couldn't find any other place for them to go.

Chair Greenwald asked for explanation about Monadnock Child Advocacy. Mr. MacLean stated that this is a new request. They coordinate child abuse cases with local law enforcement and DCYF. Review Team member, Captain Costa has indicated that he has

seen the benefits of this organization so that children are not re-victimized by the system. This agency has also made a request to the county for funding and if that funding is approved, 25% of those funds will also come from Keene tax dollars. The Committee recommends funding and also recommends that the organization looks at other communities for funding as well.

Councilor Powers noted that this is a new request but no-one was here to represent them and expressed concern as to whether services were being duplicated and recalled a program Susan McNeil was in charge of who did a lot of work with the Aids Program. He felt it would have been nice to have more information.

Mr. MacLean referred to description about the Aids Taskforce which is also a new agency requesting funding. This is an agency providing service to clients who have been previously served by ASMR. They serve 32 clients in the Keene office, 13 of which are Keene residents living with HIV. The agency is requesting \$5,000 which will help serve Keene residents and the Committee recommends full funding for this agency.

Councilor Roberts noted that this \$5,000 is being taken out of other outside agencies and questioned whether this money should not be coming out of the new Medicaid/Medicare program out of the State and felt it was important for the representatives to have attended today's meeting. Mr. MacLean stated that staff will make an attempt to have these individuals be present at the next meeting and wasn't sure why they were not present today.

Mayor & City Council – Unclassified

Mr. Thornton explained that under Community Events – Other and Community Event – Wages have a total request of \$16,518 and the events involved are Fire Works for 4th of July, 4th of July road race, Fire Prevention Parade, Music Festival, Tree Lighting, Ice & Snow Festival, and Demar Marathon. Chair Greenwald clarified that this is where the Pumpkin Festival used to be listed which now shows a significant decrease. The Manager agreed and added that the Mayor is intending to put together a committee to look at community events in the light of the Pumpkin Festival being cancelled and at this time the City is unaware whether there is going to be any funding request attached to this. Chair Greenwald asked whether the Pumpkin Festival funding is now included in the overall budget. Mr. Thornton agreed that it was.

Councilor Roberts asked for a breakdown for each community event, which Mr. Thornton will provide.

Councilor Hague asked what community events – other was compared to community events – wages. Mr. Thornton stated that this was for the crane rental for the tree lighting.

Capital Appropriations – Page 26

Mr. Thornton stated that these are items that came through the CIP and are now being rolled into the operating budget for actual appropriation of funds.

Employee Benefits – Page 28

This includes Cost of Living Allowance (COLA's) for non-union employees as well as benefits for part-time employees.

Councilor Powers asked whether the salary accounts in the other departments include the COLA. COLAs exist for union groups that are under contract.

Councilor Powers referred to 61715, Retirement Benefits – he felt the Council needs to look at this number because he didn't feel this was sufficient to meet the requirement and felt the City should be ready for the few who are going to be retiring soon.

Chair Greenwald asked about 62605, Parking Space Rental – Mr. Thornton stated that this is for the 37 spaces at City Hall deck, 11 spaces at the Elm Street lot, 11 spaces at the Gilbo East lot, 12 spaces at the Wells Garage, this is consistent with last year's budget and it goes to the parking fund.

Risk Management – Page 29

General liability and airport liability.

City Manager – Page 31

The Manager stated that there has been very little change in the Manager's budget.

City Attorney – Page 32

City Attorney Mullins stated that this budget reflects the changes made to the Assistant City Attorney's position which has significant decrease in the personnel line and shows a savings of nearly \$36,000. The plan is to keep the outside legal services line fairly low.

City Clerk – Page 39

Ms. Little stated that the Presidential Primary is identified in the department's objectives and the cost for same is outlined under the supplemental budget which has been recommended by the Manager. The Administrative Assistant in the office will be doing Leadership Monadnock and this is also a supplemental request that has been recommended by the Manager and is funded under Training.

Assessing – Page 45

Mr. Dan Langille stated that 94% of the budget goes for personnel and the rest is for operating expenses which is down by about \$3,000. There is no other significant change to the budget.

Finance – Page 49

Mr. Thornton stated that this has been a transition year for the department with people in new roles. He indicated that they have been working with People's Bank on a lock box capability which means that the bank would be performing the role of opening the mail and taking care of the deposits. Online credit card payments have been put into place which has been in place only for motor vehicles but has been expanded. He added that more changes are expected in this area. He indicated that the budget is fairly level funded.

Human Resources - Page 56

Ms. Fox stated that the department supports nearly 241 full-time employees, 100 part-time employees and 100 temporary employees. There are also nearly 121 retirees. The department budget for the upcoming fiscal year sees very little change and remains with two full-time and one part-time employee (30 hours per week).

With respect to turnover numbers, for 2011-2012 the number was 2% - 3%, but this number is expected to increase due to retirement which is going to be a challenge and an opportunity for the organization.

Councilor Powers asked what the .8% translates to in terms of hours. Ms. Fox stated that it was 30 hours.

IT – Page 63

Ms. Rebecca Landry stated that they have a level funded budget. She noted that they were focusing a lot this coming year on system migration. Some of them will take at least a year to complete.

Councilor Powers stated that in the last few years there was a broadband project that has carried forward funds and asked whether this project was coming to an end. Ms. Landry stated that the department had hired a contract employee to help with the Giga Bit Keene Vision to look at the City's broadband issues. This employee created a good case study and the department now has a Giga Bit Keene Team to look at building better broadband systems.

Code Enforcement – Page 134

Mr. John Rogers stated that the only change in the Health Department is that the part-time employee is now full-time and has now been moved into the Administrative Personnel cost center 61305. This individual will be the Administrative Assistant for three departments (health, facilities and code)

Mr. Med Kopczynski stated that six out of ten employees in his department will be retiring in the next five years. He noted that the Administrative person Mr. Rogers referred to used to work 32 hours but is not full-time. It was noted that Mr. Parsells will be retiring and his position has been referred to position control. He was a housing inspector.

Councilor Powers referred to the 1.33 housing inspectors and asked for explanation. Mr. Rogers stated that each position works 25 hours per week and the .33 is because it is a 37.5 hour week position.

Councilor Roberts asked whether the City is equipped to handle the mental health issues especially with the many cuts that are happening with this service. Mr. Rogers stated that the mental health services line on page 138 is for MFS and is for mental services for children.

Mr. Paul Morgan stated that they are experiencing a significant increase in need because of the reduction in state level funding.

Councilor Duffy referred to page 135 and indicated that in addition to investigating housing standard complaints and property standard complaints what are the other duties of the housing inspectors. Mr. Rogers stated that they are also responsible for maintaining and conducting a voluntary housing inspection program with Keene State College and they get into about 400 units. This is the 4th year the City is involved in this work. The Councilor asked whether two part-time employees were adequate for this job. Mr. Rogers answered in the negative. The Councilor noted that the CMP goals mentions “safe community” and asked what the downside would be to not having sufficient housing inspectors. Mr. Rogers stated that the housing stock will take a diminished quality and the overall aesthetics of the community would be affected. He added that the two part-time employees already have a hard time getting through the entire City and focus on just high profile areas.

Mr. Kopczynski stated that the metrics would also address risk being placed on first responders who in turn would put a burden on insurance costs and the City’s standing with FEMA will be affected. Councilor Roberts stated that his concern with not having enough inspectors would be the two new dorms that are going to be opening up at Keene State this year and another one next year.

Minor Equipment – Page 139

For system integration IT has mentioned previously.

PC Replacement – Page 181

Ms. Landry stated that this is a continuation of a yearly program where desk top, lap top and mobile computers are replaced on a three to five year cycle and the cost varies from year to year. The Manager noted that there is a significant increase and asked for explanation. Ms. Landry stated that years ago computers were replaced on a three-year schedule but at some point a good portion of computers were switched to a five-year cycle and hence there will be times when the cost is high and then times when there is a decrease. She added that the amount charged to the departments decrease as the cost to replace the equipment decreases.

Councilor Powers clarified that this is not money that is going to be raised but money that has been raised. Ms. Landry stated that the costs will be seen in the departments’ PC Replacement line item which is what each department is paying into this fund. The actual user fee will be \$81,222.

Debt Service – Pages 64 & 65

Mr. Thornton stated that the numbers are what they are. Outstanding debt is shown on page 65. Mr. MacLean added that debt changes every year and interest rates change every year as well. What the City has attempted to do is to keep the indebtedness to a certain range and keep it consistent with the city’s ability to pay.

Councilor Powers for the next printed document, it would be more convenient for many if employees could have their staffing code listed.

FOP Meeting Minutes

The meeting adjourned at 7:08 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Additional Edits by,
Terri M. Hood
Assistant City Clerk