

ADOPTED

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, November 21, 2017

6:30 PM

Council Chambers

Members Present:

Mitchell H. Greenwald, Chair
Carl B. Jacobs, Vice-Chair
Thomas F. Powers
Terry M. Clark
Bettina A. Chadbourne

Councilors Present:

Jan Manwaring

Staff Present:

City Manager, Elizabeth Dragon
City Attorney, Thomas Mullins
Public Works Director, Kurt Blomquist
Asst. City Manager/IT Director, Rebecca Landry
Airport Manager, Jack Wozmak
Finance Director, Steve Thornton
Asst. City Manager/Human Resources Director, Beth Fox
Police Captain, Todd Lawrence
City Assessor, Dan Langille
Utilities Manager, Tom Moran
Asst. Public Works Director, Donna Hanscom

Chair Greenwald called the meeting to order at 6:30 PM.

1) Acceptance of 2017 State Homeland Security Program - Fire Department

Emergency Management Director/Public Works Director Kurt Blomquist addressed the Committee on behalf of the Fire Chief. Mr. Blomquist stated the Fire Department had applied for a State of NH Hazardous Materials grant which provides for materials for hazardous materials response.

Councilor Clark asked whether any of these items require future maintenance. Mr. Blomquist stated most of the items are disposable, such as gloves, but things like the collapsible cones and kits can be reused.

Councilor Clark made the following motion which was seconded by Councilor Powers.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept a grant in the amount of \$24,441.59 from the 2017 State of New Hampshire Homeland Security Grant Program.

2) Report of Expenses Associated with 2017 Pumpkin Festival and Halloween Weekend - Public Works Department

Chair Greenwald stated this is a report he had requested from the City Manager so the Council knows what the Pumpkin Fest cost the City and to be able to use this information when this item comes up next year. The other reason is any time there is an event; it costs the city money as well as staff time. If staff is performing an event related activity they are not doing their own work. The Councilor added it was also important for the Council to recognize the cost of equipment that is utilized for events. He noted the Pumpkin Festival was a well-run event, but having valid information is important.

Mr. Blomquist began by thanking all city staff for pulling this event together. He added staff would like the opportunity in the future to talk about event planning. He noted city events are governed by a Council policy as well as an internal Administrative Directive. Mr. Blomquist referred to the document entitled "Summary of Expenditures"

Section A – Let It Shine, Direct Billable Pumpkin Festival Protocols: These would be costs which would be forwarded onto the event sponsor. These costs come out of the protocol meetings the City conducts with the sponsor. The cost to be billed to the sponsor is estimated to be \$19,304.88. Mr. Blomquist noted the Police Department is still waiting on some outside agency invoices to come in.

Section B – Additional Patrols: This section is the level of funding provided by the college to the Police Department to perform activities in the college neighborhoods. This funding is utilized throughout the year during different activities and was used this time because it was Halloween weekend.

Section C – Other: These are what you would call soft costs for non-hourly personnel, Mr. Blomquist, police captains, PW Superintendents, deputy chiefs, city clerk's office, etc. The dollar amount is an estimate but the man hours of 288 is correct.

Section C. 2 Neighborhood Support/Disturbances: This is the planned effort by fire and police working in the neighborhoods to minimize disturbance. This would be an effort from both departments not just because of Pumpkin Fest but also because this was Halloween weekend. There is a State Police component to this section and the City is waiting for that bill to come in.

Section C. 3. – Impact on Revenues: Because of the meter spaces that are reserved and are not in use there is a loss of parking for metered parking on Washington Street. These spaces were used for the placement of porta potties (half a day on Friday thru Monday morning).

The total cost for this event is estimated at \$50,782, of that \$19,000 will be reimbursed back to the City by the sponsor.

Chair Greenwald asked whether these numbers reflect overtime. Mr. Blomquist stated if personnel do get paid overtime it is reflected in these numbers.

Chair Greenwald asked whether these numbers reflect equipment cost. Mr. Blomquist answered in the negative and added this is something that would be considered for next time, but there was 544 hours of equipment time for this event. It is not chargeable, but staff is looking at how to factor this in for next time.

Councilor Jacobs asked what period of time the 288 hours are expended. Mr. Blomquist stated this would be for protocol meetings held with the sponsor as well as internal staff meetings to discuss barricades etc.

Councilor Clark asked how the \$19,000 was estimated for the sponsor when the event costs close to \$50,000. Mr. Blomquist explained the \$19,000 is what the City would charge for any community event; what direct support provided for the event on Sunday (police, fire and public works). The soft costs are what happens behind the scenes.

Councilor Clark noted the last few times the Pumpkin Fest was held the amount charged to Let It Shine was increased to also include outside the footprint and asked why this wasn't done for this event. Staff felt there wasn't a need to do that; the size of the event, the day of the event and the time of the event rendered the estimate costs as appropriate. He added the Council's policy currently in place does not permit charging a sponsor for soft costs.

Councilor Powers stated about 25 years ago the City Council determined that the City was only going to charge for direct costs.

Councilor Chadbourne asked whether the overtime is also an estimate. Mr. Blomquist stated these costs are from the actual payroll system. The Councilor asked when other towns help what section those costs would fall under. Captain Todd Lawrence stated outside agencies are used for the event as well as for patrolling neighborhoods and the costs would be listed under the category "police."

Chair Greenwald asked whether payment has been received from Let it Shine. The City Manager stated Let it Shine has not been billed for all the services that were rendered. Once they are billed, they have 30 days to make payment to the city. Captain Lawrence stated when the estimate is submitted it is usually at a blended rate which is at a higher rate but once the bills are received the outside agency costs will probably go down. The Chair stated he hoped sending the bill can be accelerated.

Councilor Jacobs stated he is happy to see this report and hoped this is the way they will approach other community events as well. Mr. Blomquist stated any event that happens in the City requires staff time.

The City Manager stated she is happy the Council asked for this report. She stated there is always a balance between cost and benefit and it is up to the Council to decide whether the benefit outweighs the cost. She stated she would like to see a more coordinated effort for future events to mitigate some of these costs. When looking at events, it is specific to events and where it is located and which departments would be impacted. She felt the more the City has these conversations the more the chances to find potential partners. Chair Greenwald hoped by the next Council meeting the City would have the final numbers and money will have been received from Let It Shine. Councilor Clark asked where the rest of the money is coming from. Mr. Blomquist stated the 288 hours was already appropriated into the budget. Neighborhood disturbance would be covered by the funds appropriated from Keene State College.

Mr. Tim Zinn of 43 Grove Street addressed the Committee and stated he was a member of Let It Shine. Mr. Zinn stated as a taxpayer this report makes a lot of sense. He stated Let It Shine had a number of challenges with their fundraising efforts and in July the estimate from the city was \$13,850; Fire \$4,400, Police \$6,150 which both look close to the current numbers, but Public Works seems three times the estimate and questioned what changed. He noted Public Works should have been the most stable number. Mr. Blomquist stated this is a discussion which should happen with the City Manager; there was a protocol document that was drafted and within that document there is a process to discuss such issues.

Councilor Manwaring addressed the Committee next and stated the southeast Keene neighborhood group had a meeting and one of the concerns raised by the Keene State representative was they would like to know about this event six months ahead of time and hoped this is something that would be considered for the next event.

Councilor Chadbourne thanked Chair Greenwald for requesting this information, and stated she would like to see more of a breakdown; for instance within the police section.

Councilor Powers made the following motion which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends accepting the report on expenses as informational.

3) Obstruction Removal and Mitigation - Airport Department

Airport Manager Jack Wozmak stated there has been a removal of some trees on the north end of the airport property. Since that time there has been some discussion as to whether there should be any plantings in that area. He agreed there has been a visual impact on the abutters and staff has been looking into Federal funds to perform some mitigation work, but staff has been unsuccessful in this endeavor.

As a result, City funds have been used to hire a landscape architect to make a recommendation for a mitigation plan. The plan is to mitigate the noise and lights the abutters are now able to see. The mitigation plan calls for six different species of trees (128 trees in all) which, according to the landscape architect, will grow well together.

Mr. Wozmak went on to explain that the Council has been appropriating funds for easement acquisition and obstruction clearing for a number of years. These funds are what is being proposed for this mitigation plan. He added there are still more pine trees which need to be removed to accommodate these new trees. Staff is before the Committee to request expending capital funds to remove additional trees on City-owned property and to purchase 128 more trees to re-create a visual barrier for the neighbors. Mr. Wozmak stated the trees could cost about \$25,000. Installing them could be another \$50,000 because they need to be tied down with wires. This cost also pays for a warranty. Planting time will be spring or fall. Bidding on planting will be worked out by staff and staff will be back with that information.

Councilor Clark asked whether any revenue could be derived from the trees which have already been taken down. Mr. Wozmak stated because of the mobilization cost it would not be worth much. If it was done all at the same time, money could have been derived from it.

Mr. Dwight Anderson of 103 Greenwood Avenue referred to the white pines and asked why these were not being taken down. Mr. Anderson stated not only is this for the visual effect, but also for a noise barrier. He added if the City of Keene was paying for this work, it would be nice if his lot and the adjoining lot were also included in the landscape plan as these are the only two lots in the City of Keene. The other lots are in the Town of Swanzey. Mr. Wozmak stated he could ask the landscape architect why this corner was not included in the plan. Chair Greenwald felt because this request is from an abutter it would be heard and researched. Mr. Anderson stated at the present time they can see lights from the planes on the runway.

Councilor Powers asked whether the accounts Mr. Wozmak was referring to were CIP accounts or capital reserve accounts. Mr. Wozmak stated the Finance Director would be able to provide more information on this, but there is an Airport Development Account created in 1999 after the closure of five or six other capital programs. \$138,000 is left in this account, as well as the Airport Easement Account and an Obstruction Removal Account. These monies remain unspent. Finance Director Steve Thornton identified the Pavement Marking and Pavement Maintenance Accounts, and noted between these two accounts there is \$33,000 and another \$50,000 in Obstruction Clearing as a FY16 appropriation. He added Pavement Marking and Pavement Maintenance were funded entirely by the City for a number of years, but these programs are now entitled for grant funding.

Councilor Chadbourne asked whether the amounts indicated in the parentheses in the motion are the amounts that are being withdrawn from these accounts. Mr. Thornton

answered in the affirmative and added all these accounts will be closed out except for \$16,000 from the Airport Development Account. Mr. Wozmak stated the three amounts listed in the motion add up to \$75,000 which would be the cost of this project. He further stated the Airport Development Account would still have a balance but the other two would have zero balances.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized do all things necessary to expend existing capital fund dollars appropriated to the Airport Development account 90060 (\$16,567), Airport Easements account 90287 (\$30,000) and Obstruction Removal account 90296 (\$28,433) and to use these funds for additional tree removal and mitigation planting.

The Committee further recommends that the City Manager be authorized to do all things necessary to carry out the intention of the environmental landscaping plan as developed by SWCA Environmental Consultants for replacement trees along the property line between the airport property and the Edgewood neighborhood.

4) Edgewood Obstruction Removal - Airport Department

Mr. Wozmak indicated 24 certified letters were sent out to abutters in the Edgewood neighborhood who have trees on their property which are an obstruction to aviation. Mr. Wozmak noted these trees are not City property and added they are located north of the area the Committee has been previously discussing. 14 of the property owners have agreed for the City to remove these trees. Having worked with the tree removal company, it has been estimated that it would cost \$75,000 to take down about 100 trees. Staff would like to re-appropriate funds from the accounts mentioned by the Finance Director to remove these trees.

Ms. Leanne Anderson of 103 Greenwood Avenue asked whether she was one of those property owners who were contacted about tree removal. Mr. Wozmak answered in the negative and added he did not think there were trees on her property that were an obstruction hazard. He went on to say another study will be done to re-evaluate other trees which could be a hazard. Ms. Anderson expressed concern that this was not the information she was given by Mr. Wozmak when he visited her property. She further stated she was concerned about leaving four single pine trees as tall as the other trees that were taken down. Chair Greenwald asked Mr. Wozmak whether these four trees could be included in the removal plan as well. Mr. Wozmak stated if they were 80 feet or higher they could be. He went on to say at the present time he has 24 properties with trees on them, and that he has to start somewhere. He will be re-evaluating the properties that did not get letters as well. It was agreed these four trees will be taken down as well.

Ms. Anderson went on to say the conversation she had had with the representative from NHDOT was that if State or Federal dollars were used, there would be easements

required. She stated she wanted clarification that these were City funds being used for this tree removal. The City Manager confirmed these were City funds being used and went on to say she had come into this process late. In working with the Airport Manager and the Finance Director, they were able to identify some funding sources, which made the cost of the project go down and eliminated the need for easements, which was a concern of the neighbors. She noted this has been an evolving plan, but at the moment there is a clear plan where City funds are going to be used, easements won't be necessary and the four free standing trees would also be looked at.

Councilor Chadbourne made the following motion which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to re-appropriate existing capital funds from the following accounts: Airport Obstruction Clearing account 90286 (\$50,000), Airport Pavement Maintenance account 90170 (\$12,663), Airport Pavement Markings account 90171 (\$12,000) and Airport Development account 90060 (\$337) and to use these funds for tree removal on private property within the Edgewood neighborhood.

5) Automated Weather Observation System - Study - Airport Department

Mr. Wozmak stated part of the Airport Master Plan that was approved included an extension to Taxiway A. As a pre-cursor to this work, a study has to be conducted of the automated observation system which sits east of the runway 02, which could be in the way of the extension. The purpose of this study is to see if there is another location where this equipment could be placed. He added the equipment is owned and operated by the Federal government. The City is just working with the Federal government regarding placement.

Councilor Powers stated in the Master Plan there was some language which referred to the placement of this equipment not being in the appropriate location. Mr. Wozmak stated over time as the wind direction has changed, the location of this equipment has become an issue.

Councilor Clark made the following motion which was seconded by Councilor Powers.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to all things necessary to expend previously appropriated funds in the AIP Obstruction Removal Account #90296 in the amount of \$4,900 and to use these funds as the City match for a grant-funded study of the Automated Weather Observation System, and to accept the grant funds in the amount of \$98,000 provided by the NHDOT/FAA to study the Automated Weather Observation System and to authorize the City Manager to do all things necessary to accept and expend said funds.

6) 2017 Property Tax Rate Review - City Manager

Ms. Dragon stated what she would like to discuss the breakdown of the tax rate and the assessment. She noted that the City's tax rate increased by 83 cents per \$1,000 of assessed value. The municipal rate increased by 4 cents and the local education rate increased 90 cents. The State rate went down 7 cents and the County rate went down 4 cents. Ms. Dragon stated the City would like to work with the school and the county to plan for the future because although the City could place controls over its expenses as well as increase its revenue, but the Council has no control over the school tax rate or the county tax rate.

Ms. Dragon went on to say one of the issues facing schools these days is the decline in enrollment. With the decline in enrollment there is a decline in adequacy funds coming into the state. A few years ago the State also put in place a reduction to stabilization rates which is being reduced at about 4% a year and very soon this rate is going to be at zero. As expenses increase, revenue from the State of NH is declining. This has a direct correlation to the school portion of the tax rate. The downshifting of retirement contributions to local municipalities has also had an effect on the tax rate as well as not increasing the contribution to municipalities of their portion of the rooms and meals tax. All of these issues have had an effect on the City's tax rate.

Ms. Dragon stated she has an upcoming meeting with the Superintendents of Schools and their Business Administrator as well as the County Administrator to discuss some of these issues. Ms. Dragon stated during her interview for this job there were several questions posed to her about economic development and hence revenue is a big concern for this Council. If revenue can be increased this would help mitigate increase to expenses and that will help with the tax rate. She noted staff is going to work hard at this but this is something that takes time.

She went on to say that a conversation she has had with the Assessor is the makeup of properties in this community; residential, commercial and non-taxable. Ms. Dragon noted there are a large percentage of non-taxable properties in Keene and the value of these properties is not being tracked. She felt this was something important to track and when a project is being proposed in the community it is important to know whether this would be a taxable property or not. If it is non-taxable the City needs to look at what benefits this project could bring to the community.

City Assessor Dan Langille stated for FY16/17 there was a revaluation in the City. Any change in value is due to new construction and properties that might have been undervalued in the past. Overall about 12 million was gained in value, five million goes to pay towards the TIF expenses and seven million goes towards the general fund to help with the tax rate. Properties that were tax-exempt continue to be exempt and there is not much change to that.

Chair Greenwald asked about the new construction happening on Roxbury Street and asked if this was taxable property. Mr. Langille stated he looks at all property as taxable

until the owner applies for an exempt status. They would pay taxes based on the April 1 date. Moco Arts has been tax-exempt, but they would have to reapply for this new building.

Councilor Clark noted the ratio between exempt and non-exempt seems high and asked the Assessor to see how this compares to other cities in New Hampshire.

The Chair asked the Finance Director to explain how the tax rate is calculated. Mr. Thornton stated compared to other towns in New Hampshire, Keene has a very low property value. The City's spending does not seem to be out of line compared to other communities ; however, this does result in a higher tax rate to raise similar amount of taxes.

Councilor Chadbourne stated she had received a call from a property owner whose house was valued at \$250,000 and last year they got a \$2,000 reduction in their tax rate, even though they had made vast improvements to their home. However, their taxes went up this year by \$2,000 and they are confused by this increase. Mr. Langille suggested the property owner visit the Assessing Department so he could review this tax bill.

Councilor Clark asked when the reassessment happened how many houses were looked at. Mr. Langille stated that every property was looked at, even though each property in the City would not have been visually inspected.

Chair Greenwald asked for explanation about abatements and how that works. Mr. Langille explained the final tax bill should have gone out to all property owners by now and they have until March 1 to file for abatement. An application will need to be filled out and the burden is on the tax payer to prove the value is incorrect.

Councilor Chadbourne asked whether the Assessing Department and Code Enforcement work together which would trigger a change in property value should a building permit be obtained for property improvements. Mr. Langille stated his department does receive copies of every building permit, some improvements do add value but some do not.

Councilor Powers stated this was a good discussion and hoped the Council will support the Manager and her staff in any initiative that could come forward.

Councilor Jacobs stated one of the items discussed at Council level was 79-E which encourages economic development but doesn't increase the tax base for five years. Ms. Dragon agreed 79-E does increase the tax base and the applicant could get a break on taxes for about five years (case by case basis) but this does create the rising tide and hopefully turns into is an investment in the future. This is a method in which the tax base can be built.

Councilor Chadbourne stated the complaint she often hears from tax payers is about the City cutting back on special projects (Marlboro Street revitalization) or giving to community events but it is not about cutting back on services.

Councilor Powers made the following motion which was seconded by Councilor Jacobs.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends accepting the report on the tax rate as informational.

7) Mobile Compact Shelving Contract - Change Order #2 - City Clerk's Office

Deputy City Clerk Bill Dow stated this item is in reference to a compact shelving contract at the archives center. In April 2017, the Clerk's office sent out an RFP for compact shelving in the records room and archive facility on Marlboro Street. After selection of the vendor, the City issued a change order for \$2,368.83 for providing additional labor for the removal of all stored materials impacted by this project and return of the stored materials to their designated location after the mobile storage project was completed. This change order was authorized by the City Manager.

In October 2017, when the original shelving was removed, it was noticed that small amounts of moisture was present on the archive room floor because of condensation during the humid months. It was determined that deterioration of the particle board for the deck portion of the mobile compact shelving system would happen if exposed to moisture. To prevent this from happening, it was necessary to use marine grade plywood instead of particle board for an additional cost of \$1,504.

This change order request increases the total amount of this project by more than 10% of the original contract amount and hence requires City Council approval. The amount would still be within the contracted amount of the project.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to sign change order #2 with Red Thread Spaces, LLC for an amount not to exceed \$1,504 for a total of \$40,290.17 for contract 02-17-17.

8) Mobile Compact Shelving Contract - Change Order #3 - City Clerk's Office

Mr. Dow stated after the RFP was issued and the vendor was selected the City was approached by the Facilities Manager from Liberty Mutual Insurance Company, which had a large amount of shelving they were looking to get rid of. However, this is not something the City could utilize for record storage. He explained there is a certain amount of election records the clerk's office needs to maintain within the clerk's office and in conversation with Red Thread Spaces it was determined that a portion of this shelving could be used in the Clerk's vault for this purpose. Staff would like to take the remaining funds from this project and use it for shelving in the clerk's office.

Councilor Chadbourne made the following motion which was seconded by Councilor Clark.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the use of the remaining balance of project #90099-17 and that the City Manager be authorized to do all things necessary to sign change order #3 with Red Thread Spaces, LLC for contract #02-17-17 for an amount not to exceed \$8,709.83.

9) Relating to Sole Source Purchasing - Rockwell Automation-Allen Bradley - Public Works Department Resolution R-2017-39

Utilities Manager Tom Moran and Asst. Public Works Director Donna Hanscom were the next two speakers. Mr. Moran stated in 1993 the washroom facility was built using Allen Bradley PLCs and components for its SCADA system. Since that time Allen Bradley PLCs have been used in other facilities for SCADA systems. In 2017, PLCs at the Water Treatment Facility and the Martell Court Pump Station will be upgraded to allow continued reliable communication and control. Staff recommends that Allen Bradley components be used.

SCADA components are available from other manufacturers but brands are not interchangeable and each has its own compatible hardware and software. Having multiple brands is more expensive because hardware items would be duplicated and software programming would be more complex to accommodate. Allen Bradley is a proprietary product and available exclusively from Rockwell Automation. As a matter of company policy, Rockwell Automation and Rockwell Software products only provide product and sales support to local authorized distributors. Horizon Solutions of Manchester NH is our local distributor and staff is recommending the City use this distributor.

Councilor Jacobs made the following motion which was seconded by Councilor Chadbourne.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2017-39.

The meeting adjourned at 8:30 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker