

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, February 22, 2018

5:30 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

Bart Sapeta
Janice Manwaring
Gary Lamoureux

Mayor Kendall Lane

Staff Present:

City Manager, Elizabeth Dragon
Public Works Director, Kurt Blomquist
City Engineer, Don Lussier
Director of Economic Development
Initiatives and Special Projects,
Medard Kopczynski
Asst. Finance Director, Merri Howe
Human Resources Director, Beth Fox
Finance Director Steve Thornton
Solid Waste Manager, Duncan Watson
Asst. City Manager/IMS Director,
Rebecca Landry
City Assessor, Dan Langille
City Clerk, Patty Little
Police Chief Steve Russo
Airport Manager, Jack Wozmak
Fleet Services Manager, Jim Mountford

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

1) FY17 Audit Presentation – Melanson Heath

Asst. Finance Director Merri Howe addressed the Committee and introduced Scott McIntyre of Melanson Heath and Company to address the FY17 audit.

Mr. McIntyre stated he was before the Committee to address the city's June 30, 2017 financial statements. He stated the city's audit of the financial statements went very well and found the books to be in good working order. FY17 is the second year the city has put together a comprehensive financial report

Mr. McIntyre referred to Page 29 – long term prospective balance sheet – second number from the bottom - unrestricted net restriction is shown in parentheses and this is because

liabilities outweigh the revenue. The reason for this is FY17 the third year, like all governmental entities is being required to put the pension liability on the face of the balance sheet.

Page 31 – governmental funds balance – the first column represents what the city accounts for as the general fund plus the capital reserve funds. They are accounted for separately but for formal presentation they are consolidated. Third number from the bottom, first column has a number of \$8,656,000, which is an increase of about a million dollars (11% of general fund levy).

Mr. McIntyre then referred to page 35, budget and comparative schedule, has a million dollars and this is the budgetary result of operations (combination of revenue and expenditure). The negative number on this page is the use of fund balance appropriated toward the FY17 budget.

Chair Greenwald referred page 35, use of fund balance of 1.2 million dollars – by dropping down to the bottom line it indicates the fund balance being refilled. Mr. McIntyre agreed.

Mayor Lane noted in 2017 there seems to be a substantial increase, it went from 14% to 17.6% which is higher than it has ever been above and asked why this would be and also noted this seems inconsistent with page 110 which shows a decrease in the percentage of debt limit - 60% to 40%. Mr. McIntyre stated if he was to look closely at the city's debt schedules he should be able to answer that but does not have that answer at this time. He noted pages 59-61 show a rapid pay out of debt which is a strength to the community.

Finance Director Steve Thornton explained the debt service is a percentage of non-capital expenditure which went up from 14% to 17.61% between 2016 and 2017. Expenditures across funds decreased by 1.2 million from 2016 to 2017.

Councilor Powers clarified on page 35 and noted to get to that 1.2 million, the city would have to not spend and there has to be a surplus in the budget and this would mean the city would not be able to provide the service it envisioned at the beginning of the year.

The Committee expressed concern they had not received this audit report until last night and suggested continuing this item to the next meeting until they had time to review it further.

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

On 5-0 vote, Finance, Organization and Personnel Committee recommends the FY 17 Audit be placed on more time.

2) Keene Link: Keene State College and City of Keene Agreement on Shared Library Systems and Services

Library Director Nancy Vincent stated she was here before the Committee to request a revised agreement between the city and Keene State College for Keene Link, the joint library automation system.

She noted this agreement was put in place in 1991 and recognizes both entities' responsibility to keep up the database, borrowing and ongoing financial commitment. Keene Link came on board in 1992 (planning started in 1989) and this was for the need to automate the systems because of the close proximities of the two libraries.

Ms. Vincent stated Innovative Interfaces was selected as the software provider for Keene Link. when this was first put in place, it was agreed both the city and Keene State would share in the cost of the system but the city at that time did not have the financial resources to go ahead and hence the college stepped forward and paid for a system sized for both. Through the 1991 agreement that is currently in place the city pays 1/3rd of the annual maintenance charge and the college pays 2/3rds. Last year's maintenance charge was \$59,000 and the city's portion was \$17,500 and this cost is funded through the IT budget. In 2019 with the maintenance fees and the implementation fees of \$5,000 would be the same of \$59,000 but if the proportion was changed to 50/50 the cost of the city's share would be \$29,500. Given that the upgraded systems offer features that will be jointly shared by both libraries, the College is asking that the agreement be renegotiated so that each pays 1/2 of the yearly charges.

Councilor Jacobs asked for the rationale for the percentage change. Ms. Vincent stated when it was 1/3rd 2/3rds, the automation consultant decided it would be the number of terminals each has; the Public Library at that time had 1/3rd the number of terminals. This is no longer relevant. Also, the city only used some of the modules. The upgraded system would have each entity sharing equally and would offer more opportunities to the Public Library. Chair Greenwald asked whether the city uses equally with the college. Ms. Vincent answered in the affirmative.

Committee members agreed they have used this system and see the benefit it offers.

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

On 5-0 vote, Finance, Organization and Personnel Committee recommends the City Manager be authorized to all things necessary to negotiate and execute a revised Agreement between Keene State College and the City of Keene concerning Keene Link, the joint library automation system.

3) Lease – Jazzlyn Hospitality, LLC – Economic Development, Initiative and Special Projects

Director-Economic Development Initiatives and Special Projects,
Medard Kopczynski stated the original

redevelopment to create the Lane Hotel was 20 years ago and as part of that redevelopment the Wells Street garage was built. As part of that agreement, MEDC agreed to a long term lease agreement of 20 years (55 spaces). The lease was assigned to Jazzlyn Hospitality as a sub-lease by the Council in 2016; this is when Jazzlyn purchased the Lane Hotel and converted it to Fairfield. The lease with MEDC continued which lease has now expired.

Jazzlyn Hospitality has expressed agreement to continue with the lease. The new lease would be a five year lease with a five-year extension. Chair Greenwald asked whether the lessee was current in their payments. Mr. Kopczynski answered in the affirmative.

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

On 5-0 vote, Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute a lease with Jazzlyn Hospitality, LLC for parking at the Wells Street Garage.

4) Capital Improvement Program

City Manager Elizabeth Dragon stated the questions raised at the last meeting were addressed by staff and the Committee has been provided with those answers. She referred to a workshop that was recently conducted about the Marlboro Street reconstruction and circulated those items.

Chair Greenwald stated moving forward on March 1 at the Council meeting there will be a Public Hearing. March 8 at the next Finance Committee meeting the committee will review all the questions and concerns that have been raised and there will be amendments made to the CIP. City Councilors are also able to make amendments at this meeting, and should those amendments fail, they could be raised again at the next Council meeting on March 15.

Downtown Revitalization:

Public Works Director Kurt Blomquist stated in FY17 \$45,000 was approved for a phase 1 study which has been completed and a presentation for Council has been completed as well. There is another \$35,000 proposed for FY18 for discussion about the downtown. FY20 calls for design work to be completed. FY21 final design would be completed, FY22 would be projected construction. Mr. Blomquist noted the estimates in FY22 are place holders.

Chair Greenwald clarified the expense for FY19 and referred to what was said at the recent workshop about the suggested budget. Mr. Blomquist stated one of the suggestions was to bring forward the \$30,000 appropriated in FY18 and add it to the \$150,000 appropriated for preliminary design which would give them \$180,000 for the design work. There was also discussion about doing an economic analysis as part of the preliminary design which would be about \$25,000, which would be about \$210,000 for

the entire phase of work. The City Manager added based on the discussion at the workshop, staff will be putting forth a change to the CIP which would come out of a capital reserve not out of current revenues. The Chair asked that this be a separate amendment.

560 Main Street Assessment

This site has been owned by the city since the 1860's and has been used mostly by Public Works. It was used as a burning dump, there was an incinerator and in the 1970's the city did allow local industries to dispose of oils. These are things that would not be permitted on this site today.

Recently, there has been interest shown for redevelopment of this site. MEDC came forward with a development concept which had a remediation plan. The funding and cleanup is subject to development.

Victoria Street Extension

Victoria Street - Sewer

Victoria Street - Water

City Engineer Don Lussier stated this is a project that has been pushed out by the Council but is a project that is still on the agenda and the recommendation came out a traffic study done in 2004. The reason this item is in the economic development portion and not the transportation portion is because the city thinks of this is an important economic development project; it would alleviate some of the traffic concerns on Marlboro Street and Water Street but would open up that portion of the city to redevelopment options. When this project happens, not only would street improvements be required but also utility work to extend utilities to the newly developed properties.

Councilor Clark asked whether the city should not get any Kingsbury tax money first before venturing into this work. Mr. Blomquist stated it is up to the Council when the work should be completed, FY22 is just a timeframe being proposed by staff.

Mayor Lane stated Councilor Clark raises an important issue – completing this street is not a simple process. There are substantial wetlands that would need to be crossed; there is a rail trail that goes through this portion which needs to be figured out, in addition to determining how to pay for it. The Mayor felt it is a long way off before we can do an extension and the development depends a lot on what happens with the Kingsbury property.

Councilor Jacobs felt this proposal shows the city is thinking ahead but everything is open to negotiations. Councilor Powers felt it was important to keep this in the forefront; this was something that was identified in 2004.

PLANNING:

Comprehensive Master Plan Update

Planning Director Rhett Lamb was the next speaker. Mr. Lamb stated this item is ten years old. When this item was last completed over 2,000 people participated in this. Even

though the city is not looking to replicate the same process, the city plans on going back to the public for their input - keeping the good stuff and replacing the rest and would keep the same type of format.

Councilor Chadbourne asked why we are waiting so long. Mr. Lamb stated there is always tension between writing plans and implementing same. He stated he would like to do this on a more frequent period but the city does not stand still with its planning work; work goes on under the umbrella of the Master Plan.

Five Year Ariel Imagery Update

This is ariel photography that does the GIS mapping – a more fine grain aerial mapping. Accuracy of imagery could be down to inches. This is the base of all the information the city uses on a daily basis by fire, police, public works, assessing. What is being requested is the replacement of imagery.

PARKING

Surface Parking Lot Maintenance –

Mr. Blomquist stated the Police Department oversees parking operations and Public Works takes care of the maintenance and operations of parking. Mr. Lussier stated in FY19 and 20, staff is requesting funds to turn to automated kiosks in the Gilbo East and Elm Street lots (FY19) and Library the lots (FY20). Councilor Powers asked why the library work is not being done now while the area is being torn apart. Mr. Blomquist he what he recalls from the construction timeline, as the library projects get completed this work would be right behind it.

Councilor Lamoureux stated the MSFI Committee has asked staff to bring back a completed proposal for the Gilbo Avenue lot to include the kiosks and lighting.

Councilor Manwaring stated she has had a number of complaints about the kiosks and one of the complaints is if you make a mistake it still keeps your money and then customers still get a parking ticket. Mr. Blomquist stated he could have staff look at the programming of these kiosks. Councilor Clark clarified the funding for this work is coming out of the parking fund. Mr. Blomquist agreed.

Councilor Chadbourne asked whether the purpose of the kiosks are for the convenience of parking enforcement officers as she too hasn't heard too many positive comments from people.

Police Chief Russo stated the kiosk is going to enter a number it will still recognize it as a license plate. He stated he will see what can be done about this. He added staff has not had too many complaints; there is a small group who are not happy. The Chief added these kiosks are the only way to pay using other means except using just coins. He added these kiosks are also efficient for plowing purposes.

City Hall Parking Structure Maintenance and Wells Street Structure Maintenance

Mr. Lussier stated the first of the two items is the City Hall structure and then the Wells Street structure. In FY18 funds were appropriated for an evaluation, which work is underway. Through the asset management plan the long term maintenance of these structures are going to be looked at as well.

Smart Meters

Chief Russo stated this item was in the CIP for FY19 but has been pushed out as staff is also looking at other choices for smart meters to offer a variety of parking choices. Chair Greenwald asked whether staff has looked at a debit card pay option that does not have a fee attached to it. Chief Russo stated he wasn't quite sure but was under the impression you could buy a card from the police department that doesn't have a fee attached – he was going to get back to the committee with a definite answer.

AIRPORT

Beacon Replacement

Airport Manager Jack Wozmak stated this item is scheduled for FY23 and 23 beacons are scheduled to be replaced for the next six years.

Pavement Maintenance and Marking

This item is scheduled for FY19 and also in subsequent years. Work consists of repainting the marking on the runway. Councilor Jacobs noted there seems to be a year the work is not being done and asked whether there wasn't current revenue which could not be carried over. Mr. Wozmak stated nothing is really locked in and it depends on state and federal funding.

Perimeter Fence

Mr. Wozmak stated the eastern and southern sides of the airport don't have much fencing and this is a primary concern for C&S safety committee.

Runway 20 PAPI Replacement

Mr. Wozmak stated now that the tree issue has been addressed, the work is scheduled for FY23.

Snow Removal Equipment

There are a couple of pieces of equipment that are quite old and these are on a normal replacement cycle.

Taxiway A Reconstruction

This year the airport will be working on this project; the first phase consists of a study.

Terminal Apron Expansion

This project is part of the ten year airport master plan and the purpose of the project is to be able to hold ten jets easily.

Mr. Wozmak stated how these fit into the multi-year schedule is that the airport works with the state and federal government to determine what funds are available on the

horizon and compete with other airports for those dollars. Once Keene knows what can be awarded to them, the projects are shifted accordingly.

Councilor Chadbourne noted most all projects seem to be 90% federal, 5% state and 5% city with the exception of pavement maintenance marking and asked for explanation. Mr. Wozmak felt this could be a typographical error but the city's portion is only 5%.

PUBLIC WORKS

Beaver Brook Flood Mitigation

Mr. Blomquist stated this is a hydraulic and hydrological evaluation of Beaver Brook. In November staff had a meeting with the Army Corp of Engineers and now have confirmation this project has federal interest. The next phase is the hydraulic study which is a 50/50 split. In FY18 council allocated \$150,000 with the anticipation the city was going to do this work on its own but at this point those funds are going to be used for the match. Councilor Jacobs felt this could have some development potential for Marlboro Street. Mr. Blomquist agreed.

Flood Management Project

This is a multi-prong approach to flooding issues. In FY20 the work would be on Roxbury Street to address flooding in the Elm Street and Vernon Street areas. Chair Greenwald noted looking at future development of Gilbo Avenue, the drainage lines are insufficient and asked whether staff had any thought of work anticipated. Mr. Lussier stated the work on Ralston and Winchester Street would alleviate flooding on Davis Street and Madison Street, but did not think this work would go all the way to Gilbo Avenue and Emerald Street.

Goose Pond Dam Improvements

This project is to address the various deficiencies with the dam and begin construction in FY19.

Drainage Cleaning

Mr. Watson stated the drainage cleaning program the city has, has minimized the flooding issues. This program cleans out all catch basins and every four years drain lines are inspected and when necessary they are cleaned.

Councilor Lamoureux asked if this was continuous whether this should not be in the operating budget. Mr. Watson stated this is a debate that is happening but at the present time it is appearing in the CIP. Mr. Thornton stated such cleaning projects are critical projects and the operating budget is often tight and staff feels by getting it into the CIP it gets the attention as well as the accountability for staff presenting a program to be adopted by the council. These are projects, if not paid attention to could shrink.

Stormwater Spot Repairs

Stormwater Management System

This project allows staff to look at bigger ticket stormwater improvements projects that are coming up so that consultants can do the preliminary hydraulic work. Councilor Jacobs asked how this relates to the previously discussed Beaver Brook work. Mr. Lussier stated this project looks at the enclosed pipe system city-wide; Beaver Brook work looks at entire the drainage basin for Beaver Brook and how flooding can be mitigated for this corridor.

Councilor Sapeta asked how this project relates to page 171 and 117 and whether it could be packaged together for federal funding. Mr. Lussier answered in the negative.

Drainage Pipe Lining

This is a new project and will start in FY23. The work consists of going into the pipes and lining them before they get any worse. Councilor Chadbourne asked why line them and not replace them. Mr. Lussier stated it is convenience but most importantly it is more costly to replace.

ASSESSING

Revaluation

City Assessor Dan Langille stated the next revaluation is scheduled for FY21 when all properties - residential and commercial are revaluated. 2016 was the last time this work was done and revaluation has to be done every five years according to state law.

Councilor Jacobs asked whether the aerial mapping project helps with this. Mr. Langille stated it does by providing additional data to aid the process.

INFORMATION TECHNOLOGY

Database Software

Asst. City Manager, IMS Director Rebecca Landry stated this project is so that should the cost of database platforms and licensing increase, we will have the ability to upgrade when required. Staff would push this project out if it can be done.

Network Equipment Replacement

Ms. Landry stated this project is to replace the firewall which is a sizeable undertaking, and noted she is glad we have staff that can do this work in-house.

Server Replacement

This project is to replace physical servers.

Storage Area Network

This project was split over two years (FY18 and FY19). When an RFP was sent out the vendors proposed a single solution to replace both which was done in FY18 and makes available the funding set aside in FY19 for other projects.

Phone System Replacement

Ms. Landry stated this is the first time this project is being done and is scheduled for FY23. In FY23 it would be ten years since the phone system was last replaced.

Councilor Sapeta asked the requests for IT don't seem too considerable and asked whether staff has thought about consolidating with other municipalities on joint purchasing such as is done with physical equipment. Ms. Landry explained the manner in which something like this is done by using vendors who are on the state list. She stated they have also talked to the school district about such a joint venture as well.

FINANCE

Financial Software Replacement

Finance Director Steve Thornton stated this project for \$30,000 is to begin the process for new financial software. When it is replaced it would be 25 years since it was last replaced. Ms. Landry commended finance staff for their great work with this software.

CITY CLERK

Voting Booths

City Clerk Patty Little stated the current booths are 1940-1950 vintage and the manufacturer has gone out of business. The ones being proposed are more modular in nature, easy for storage and they will be a big improvement for the voters. She noted the ones the city has already purchased would take care of Wards 1 and 5. Councilor Chadbourne referred to the notes and asked whether the booths the city was using were not in compliance. Ms. Little stated they were not in compliance when it comes to a presidential election. The Councilor asked about ADA compliance – they have always been ADA compliant.

Councilor Rice stated she supports these projects as it was her mother who had to experience a voting booth collapse on her. The Councilor asked about online voter registration and asked whether this would change how voting takes place in the city in the next ten to twenty years. Ms. Little stated one thing she can guaranty is that NH won't move away from a paper ballot and would always need voting booths.

Councilor Manwaring asked whether these booths would be available for the next presidential election. Ms. Little answered in the affirmative.

Councilor Sapeta asked whether these booths would have privacy screens. Ms. Little agreed they would.

FLEET SERVICES

Fleet Services Equipment Replacement

Mr. Watson stated there is nothing specific coming up except for the on-going replacement. He commended staff for their work which enables fleet to be used longer.

Fleet Services Wash Bay

Mr. Watson stated this wash bay has been responsible for extending the service time of vehicles. He stated the project is until FY21 and staff feels it can be run until that time.

Fleet Services Fuel Island

This is for minor work to the fuel island.

Councilor Powers felt this is not a lot of money and asked why it cannot be moved up.

Mr. Watson stated staff does not feel there is an immediate need for this replacement.

Fleet Services Roof Replacement

Mr. Watson stated the white spot on the picture is a bubble which indicates the roof is not draining properly and there are many spots such as this. Staff is currently bringing in a roofing company to make repairs. Councilor Chadbourne asked why this work is being pushed out. Mr. Watson stated they are trying to balance their capital needs and the timeframe indicated in the CIP seems reasonable. The repair work has been rather minimum over the past few years (\$500 per year).

Fleet Services Equipment Replacement Schedule

This indicates the replacement schedule.

The meeting adjourned at 7:55 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker