

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Tuesday, May 23, 2023

5:30 PM

**Council Chambers,
City Hall**

Members Present:

Thomas F. Powers, Chair
Michael J. Remy, Vice Chair (remote)
Bettina A. Chadbourne
Bryan J. Lake
Andrew M. Madison

Members Not Present:

All Present

Staff Present:

Elizabeth A. Dragon, City Manager
Merri Howe, Finance Director
Chelsea North, Parking Operations Manager
Kürt Blomquist, Public Works
Director/Emergency Management Director
Don Lussier, City Engineer
Duncan Watson, Assistant Public Works
Director
Harry McKelvey, Transportation and Storm
Water Operations Manager
Aaron Costa, Assistant Public Works Director
Christian Tarr, Maintenance Manager
Mary Ley, Laboratory Manager
Jim Mountford, Fleet Services Operations
Manager

1) Call to Order

Chair Powers called the meeting to order at 5:32 PM. He called the roll. Vice Chair Remy explained he is participating remotely from the airport in Boston because he is traveling for work.

Chair Powers noted that members of the public may submit questions or share information about the proposed fiscal budget for FY 2024 to the City Clerk's Office until 1:00 PM on Tuesday, May 30, 2023.

2) FY 2024 Proposed Fiscal Budget Departmental Budget Review
a. Parking Fund (Pages 160-171)

Chelsea North, Parking Operations Manager, addressed the Committee.

Parking Services is meant to provide as much opportunity for parking, mostly in downtown districts. The customer base is varied and includes Main Street businesses, employees, residents, and Keene State College students. Parking Services' budget request is meant to continue parking

services at their present level, consistent with the strategic parking plan, which also calls for diversification of revenue and asset management strategies.

Ms. North continued that with interdepartmental collaboration, Parking Services plans to develop, adopt, and implement an electric vehicle (EV) charging strategic plan. Funds have been set aside for an EV charging infrastructure study to determine the best locations, costs, and financial impacts to ensure the best financial and service outcomes with an expanded EV charger program.

Ms. North noted that in collaboration with the Community Development Department and the Police Department, and after consultation with the Public Works Department, Parking Services plans to examine methods to allow for on-street permitted parking that could allow additional housing units in the transition and high-density districts. This will require a valuation and revision of city codes related to parking.

Parking Services plans to continue modernizing the parking system. Parking Services installed 15 new pay stations under the Capital Improvement Program (CIP). This allowed meters to be removed, opening up the streetscape and reducing unnecessary signage. Pay station transactions increased from an average of 4,600 per month last year to 9,000 per month with the expanded program. Customers are more comfortable with using the pay stations largely because of Parking Services' public outreach and education. Parking Services also expanded pay-by-app-only areas to include East Railroad Street, Ralston Street, and a small section on Mechanic Street. The loss of meters led to this, but mobile app payments have increased nearly 1,000 transactions per month over FY 2023, demonstrating the adoption of such systems is commonplace. Parking Services' new back office system allows convenient parking ticket payments; the instant upload feature has increased the same-day payment of tickets. Historically, people did not pay their tickets because they simply forgot about them. Now, people can pay their tickets right away. Web-based payments are now the most utilized form of ticket payment.

Vice Chair Remy asked about the possibility of reserved parking spaces being returned to the public, noting he often sees empty reserved parking spaces and receives complaints from the public about lack of parking. Ms. North responded that the number of reserved parking spaces is codified and use is at capacity, with the exception of the Wells Street garage during the summer. Vice Chair Remy clarified he was asking about the actual utilization of the reserved parking spaces. He understands the City makes more money on reserved parking spaces compared to metered parking spaces, but he would like to see parking spaces full of shoppers, for example. Ms. North responded that Parking Services could look into dual usage but noted that people who pay for a reserved parking space pay for the privilege of having it available on demand. She indicated that dual usage might be possible in the future, as technology advances. Councilor Chadbourne stated that if she rented a parking space, she would want it to be available for her to park at all times. She further stated that the numbers demonstrate the success of the changes Parking Services has implemented, a positive sign, and thanked Ms. North.

b. Public Works (Pages 146-157)

Kürt Blomquist, Public Works Director, and Emergency Management Director, addressed the Committee about the Public Works Department's FY 2024 operating budget.

Public Works' mission is one of the two key influencers on its budget. The mission is to provide resource planning, quality management, transportation, water, wastewater, stormwater, solid waste infrastructure, and community education for Keene residents and visitors and to provide the highest level of efficient, economical, and environmentally-sensitive services. The other key influencer is the City Council's adopted goals, which Public Works supports in a number of areas. Public Works supports the goal to support the diverse needs of all Keene residents, the goal to ensure that Keene's municipal infrastructure supports the various needs of residents and businesses, and the goal to conduct effective ongoing public communication engagement with residents, businesses, and other partners. One can be "in the public works know" between Public Works' Facebook page, Twitter feed, and email list.

Public Works has been continuing to grow in its administrative section. Its budget is made up of six funds— general, equipment, parking, sewer, solid waste, and water. Its total budget is about \$23.6 million, which represents approximately 36% of the City's overall budget. Public Works represents a significant component of the services residents receive. It is also responsible for approximately \$18.7 million in revenue from water and sewer services, the solid waste area, and the internal service fund, which provides equipment to other parts of the City.

Mr. Blomquist noted that the Public Works Department has discussed water and sewer rates with the Finance Director and would be returning to the Committee with recommendations on potential increases. He thinks that, based on initial budgets, the City may not have to increase sewer rates but likely will have to increase water rates between three and five percent for all services provided by water.

The services Public Works provides are life-sustaining and make it possible for residents to live, work, and play within the community. They are impacted and used by every resident, business, and visitor every single day. Public Works' services are there when you wake up in the morning and brush your teeth. They are there when you hit the other handle. They are there when you drive down the street to go to work or the grocery store or anywhere else.

Mr. Blomquist noted the proposed FY 2024 budget maintains the current level of services. This does not mean Public Works is satisfying its customers, but it means it is meeting all the needs it can with the resources available. Public Works' ability to maintain the current level of services is extremely difficult. The cost of materials and services has dramatically increased over the years. In the last 18 months, Public Works has seen an increase of between 10% and 45% in the cost of many items. The cost of labor has also increased. The labor market is extremely tight. This has impacted Public Works and its vendors, which are passing on their increased labor costs to Public Works. Public Works is seeing delays in supply chains. For example, it is waiting 18

months for delivery of a Vac-Con machine. It waited 18 months for the delivery of a transformer for Martell Court.

Mr. Blomquist added that residents are continuing to look for more services. There is a desire for more sidewalk work, for example. The budget for highway work only allows for triage. Mr. Blomquist understands this frustrates some City Councilors, but Public Works is getting to the worst of the worst with its operating budget. Complaints about trash and litter along streets and in neighborhoods and in public places continue. There's a desire for increased attention to many residential areas. The proposed budget includes funding for the annual Green Up Keene event. As reflected in a report from Public Works Office Manager Andrea Madaglia, the event was very successful this year. There is no funding for a sustained routine cleanup program. Generally, Public Works can only respond to complaints of dumping or other violations. It can't do any kind of patrolling or active cleanup. Public Works is barely keeping up with maintenance of the downtown area. This is due in part to the aging infrastructure and in part to the high demand to hold activities and events that stress the system. Public Works is trying to convert beds over to annuals, but some of the grass areas are showing wear in tear, and it is difficult to keep up their appearance.

There are other issues that are stressing Public Works' budget. For example, there is a homelessness issue across the city, which many departments are responding to, including Public Works. Historically, Public Works has not budgeted for the issue.

Another area of concern is recruitment and retention. Recruitment is a continuous effort. The work performed by Public Works staff is closely aligned with the construction industry. There is high demand for skilled craftspeople and in particular for people with a commercial driver's license (CDL). In a supplemental request, Public Works is asking for funding to train employees to obtain a CDL, so it can grow from within. Mr. Blomquist noted that new rules since 2022 require theory training to obtain a CDL, as well as behind-the-wheel training, so it can take about 270 hours of training to obtain a CDL. Private companies charge between \$3,800 and \$4,500 per student for the training. Public Works would like to do some of the training internally, but that would increase the workload for several of the divisions. He continued that the high demand means the City is competing for talent not only against other municipalities but also private construction companies. Public Works has had prospective employees withdraw after accepting an offer because they subsequently accepted a job with another employer. Although surprising, this is becoming more common.

Being short-staffed affects Public Works' ability to respond to events, such as snowstorms. The fewer vehicles that are available, the longer it takes to clear roads. If there are 236 miles of roads and 52 miles of sidewalks, and only five sidewalk tractors instead of 20 sidewalk tractors are operational, it will take longer to fully respond. Employees today also have different reasons for working for an employer. Compensation is not necessarily the main driver. They are looking for a focus on service and work-life balance, for example. Employees are less interested in working on standby every other week. Historically, they were willing to work on standby because they

got overtime and standby pay. Mr. Costa, Assistant Public Works Director, will talk more about the impact on utilities work, which takes place 24 hours a day, 7 days a week, 365 days a year, as well as the need for more employees, shortly. Public Works put in a supplemental request to fund this need, as well as the need for CDL drivers.

Mr. Blomquist stated Public Works also put in a supplemental request to fund a new project manager position to focus on larger projects. Currently, the Engineering Division has three engineers. They perform design, contract, and specification development and also oversee work in the field. They oversee projects of about \$3.5 million annually. They also provide assistance to other City departments. They do water main work, surface lot maintenance, and road preservation. They also work on projects with consultant support, such as the Marlboro Street corridor and multi-use trail projects, including the one on Eastern Avenue to the Bypass. They also provide assistance to other departments in developing and implementing their in-house capital projects. For example, Public Works worked closely with Andy Bohannon, Parks, Recreation, and Facilities Director, and his staff on some larger projects, such as repairing a wall at City Hall and managing Pat Russell Park.

A number of very large projects are coming down the pike. They require significant efforts in development and implementation, including design and construction. They involve significant public processes, like the downtown infrastructure project. Currently, it is mostly Mr. Blomquist and Don Lussier, city engineer, who are trying to manage the project on top of their other duties. Public Works does not have a grant writer. Some federal grants are competitive and have quick turnaround times. It's important for someone to keep track of deadlines. It's important for someone to learn about grant requirements. For example, Mr. Blomquist attended webinars every other week for six to eight weeks to learn about the application rules for a new EV program. The work is time-consuming. Having someone in the know about various funding opportunities is critical going forward. The person could also assist with managing the downtown infrastructure project through the final design and construction phases. Given the public interest, the process is likely to be intense. Public Works was recently awarded a Safe Streets for All planning grant of \$400,000. Public Works' goal is to complete the process to be eligible for implementation grants by July 2024. This will require fairly extensive coordination between a consultant, staff, and the public. There is also the \$8.6 million lower Winchester Street reconstruction project, which is currently under design. There is the \$10.9 million west side downtown parking structure, for which there is preliminary funding. Public Works' goal is to get the project in the implementation queue sometime in the fall. Between Mr. Blomquist and Mr. Lussier, there is not enough capacity to manage everything. This would be a general position responsible for project development and planning, budget development, financial management, communication, coordination, management of ad hoc steering committees, project administration, making sure that schedules are met, consultant management, and implementation management. It is a critical position to be able to move projects, particularly larger projects, forward. Public Works resources are already stressed. Mr. Blomquist asked the Committee to approve the request.

He thanked the Committee for its time. He encouraged members to ask the staff presenting shortly questions. He noted they are knowledgeable and prepared. He said he is very proud of them.

Mr. Blomquist then addressed the budget for the Public Works Department administration, starting on page 146. There are about 69 employees. Himself, an office manager, an administrative 1 position, and two assistant public works directors. In 2021, Public Works had about 35,000 outreaches through its Facebook page; it has more than 62,000 outreaches now. He forwarded some recent announcements to the Committee about Public Works activities because they impact how people move around. He noted that the request for a project manager is in the administration section.

Councilor Chadbourne confirmed the project manager position is in the budget but asked about the grant writer position. Mr. Blomquist clarified that the project manager would have grant-writing responsibilities. She then asked whether anyone considered having a grant writer for the entire City. Elizabeth Dragon, city manager, responded that she has considered having one, noting that Cheshire County has a grant writer. She said, however, that the City's departments do very different things and that the departments are most knowledgeable about their work, so it would be very difficult for a grant writer to, for example, put together the kind of grant application the city engineer puts together for road construction projects. While it can be done, the employees in charge of a project are successful at getting grants now. The problem is there are so many grant applications to be done and so much required to manage grants that staff can't keep up with managing large projects and submitting so many grant applications. By adding a project manager, Public Works can better divide some of the duties, including grant writing, as well as construction.

Councilor Chadbourne asked if the project manager has to be an engineer or have an engineering background. Mr. Blomquist responded that having a construction and project management background would be important, but not necessarily an engineering background. Councilor Lake asked whether Public Works has a written job description and requirements. Mr. Blomquist said yes.

Next, Don Lussier, City Engineer, addressed the Committee about the Engineering Division's proposed budget for FY 2024.

Mr. Lussier stated the FY 2024 budget is largely unchanged from the FY 2023 budget, with a couple of important exceptions. He noted that Engineering is not immune to the macroeconomic forces that Mr. Blomquist discussed. Engineering has been able to absorb the effects of inflation by underspending on technical services. Engineering has been able to do so by being more deliberate about incorporating a design budget in the CIP a year or two ahead of time and basically frontloading capital projects with money earmarked for the project. In addition, Engineering is resource-light in terms of operations. It mostly just needs printer paper, spray paint, stakes, and lots of pens and pencils.

Engineering put in a supplemental request for \$2,400 to purchase survey software. Engineering has been using the same surveying equipment for a number of years. The equipment requires software to convert data collected in the field to a format usable for AutoCAD design purposes. The software provider will no longer provide updates or security patches for the software. Rather, the software provider will require customers to pay an annual subscription fee. The fee is currently \$2,400 per year.

Engineering also put in a request for one-time funding to replace one of the two primary surveying systems it uses. One system uses optical lasers to record distance, direction, elevation, etc. The other system uses GPS. It is the go-to system because it is a lot easier and faster to set up and obtain necessary data. For example, the system can survey an accident scene on a roadway quickly, allowing the roadway to reopen more quickly. The system is about 20 years old, and the technology has limitations. For example, it does not work well under tree cover or near high-tension power lines. The manufacturer, which calibrates and maintains the system every couple years, has indicated that it can no longer support the system due to its age. The system needs to be replaced with a newer version with newer, better technology, which should last another 15 to 20 years.

Mr. Lussier pivoted to a big-picture issue. He said it is great that the City has a lot of large projects planned and federally funded, but it raises problems, as well. There are only so many consulting engineers in the region that can design these projects. There are only so many contractors in the regions that can construct these projects. With all the federal funding available for infrastructure projects, everyone is chasing the same consultants and contractors. His biggest concern over the next three to five years is competing with other state and municipal agencies that are trying to take advantage of the federal funding.

Next, Duncan Watson, Assistant Public Works Director, introduced Harry McKelvey, the Transportation and Storm Water Operations manager, who started in the position at the beginning of the past winter. He said Mr. McKelvey has done a remarkable job, taking ownership and bringing new ideas, while managing significant employee turnover and younger employees. He said younger employees came in after a lot of senior staff retired, and they are stepping up to the plate and bringing their own ideas and initiatives. He said Mr. McKelvey is doing a very good job managing everything and turned discussion of the Highway Division to Mr. McKelvey.

Mr. McKelvey then addressed the Committee. He noted the Highway Division deals with the roads, the sidewalks, the trees, the downtown, the flowers, and the drainage systems. It also helps the Parks and Recreation Department and City Clerk's Office on activities such as voting. It is a jack of all trades, but master of none. Its main activity is winter operations, but it also works on line painting and other construction activities during the summer. The Division has a lot of interaction with the public. For example, it corrects drainage problems, fills potholes, and removes dead trees. The Division also manages the traffic control system and streetlights. Mr.

McKelvey expressed that his approximately 25 employees do a fantastic job. He said his focus is to support them, so they can do their job.

He said the Highway Division is asking for a couple budget increases to keep things going. It is asking for a 10 percent increase totaling \$2,327 to accommodate a 100 percent increase in the cost of fabricating signs in three years. Older signs need replacing, and new projects require new signage every day. For example, there are a ton of signs related to every roundabout. The budget has not reflected the increases.

The Highway Division is also asking for an additional \$56,995 for its winter operations. Mr. McKelvey said that the Division spent 20 percent more for salt even though it used 300 tons less salt during last year's mild winter. If next winter is normal, the cost of salt will be higher. The budget increase requested is about 20 percent of the salt budget.

Finally, the Division is asking for \$1,200 to mark out the additional parking spaces on Court and Washington streets that the City Council approved recently.

Mr. Watson highlighted one of the new initiatives the Highway Division is pursuing. The City used to do more in-house paving than it does now; the City has gravitated toward the private sector in recent years. The Highway Division started experimenting a couple of years ago with doing more patching projects after borrowing a drag box – a small paver – from the Town of Brattleboro. The drag box worked very well and at a lower cost than the private sector. Realizing funding would be needed to purchase a drag box, several employees did some research and presented it first to Mr. McKelvey and then to him and then to Mr. Blomquist, who supported the purchase. The Highway Division ultimately bought a drag box, had it fixed up by the Fleet Services Division, which did an amazing job, and now has a resource to do in-house paving at a cost savings. Mr. Watson praised the ideas coming from the new brainpower in the Highway Division.

Referring to page 153, Councilor Chadbourne asked Mr. McKelvey to clarify what “regular” overtime for plowing meant. He responded that he thinks it just means regular overtime pay of time-and-a-half for employees working longer than their eight-hour shift. He speculated that “escalated” overtime might be for employees working holidays or working nights.

Referring to page 154, Councilor Madison asked Mr. McKelvey to clarify why the personnel costs for sidewalk maintenance increased from \$93.77 to \$474 and the personnel costs for side and gravel roads decreased from \$165.88 to \$0 between last year and this year. Merri Howe, finance director, confirmed the two related categories were consolidated to reduce the number of cost centers and to coordinate better with a new payroll system.

Councilor Bobby Williams, Ward 2, asked about coming in under budget for sidewalks last year and not increasing the budget for next year. He said he wants to see the sidewalk budget go up at

least as much as the road budget is going up. He also asked for clarification about the consolidation of accounts.

Ms. Howe explained that some of the sidewalk money allocations were consolidated. She said she would email him a list of the consolidations. He indicated the information might help him better understand if there was any underspending on sidewalks. Ms. Howe also noted that a lot of sidewalks are included in various CIP projects; often when roads are being repaired, so are the sidewalks. Councilor Williams asked about the sidewalk asset management program in the 2023 to 2029 CIP, which calls for \$272,400 to be spent in FY 2023, and whether that amount is included in the budget. She said it is not included in the budget. Mr. Watson explained the Highway Division budget only includes funding for the repair and maintenance of small sections of sidewalk, usually less than 100 feet long. Councilor Williams asked Mr. Lussier to identify some of the upcoming sidewalk projects in the CIP. He responded that the list of projects is on page 89 of the CIP. He noted a contract request was just released for work on North Lincoln Street and Main Street. Initially, it also included a section of School Street, but it was not ultimately included because escalating costs reduced the likelihood of getting sufficient funding. A section of sidewalk on North Lincoln Street from Beaver Street to Roxbury Street and a section of sidewalk on Main Street from Silent Way to Greenfield Avenue. Councilor Williams said thank you for the information, noting that his constituents ask him about sidewalks all the time.

Ms. Dragon further addressed the personnel line items in the operating budget. She said the City spent a lot of time trying to determine how much personnel time was spent on various activities for a project, such as sidewalks in a road and culvert project, and it was not clear the information was valuable. It was decided that consolidating personnel line items would reduce the workload for entering payroll and charging different accounts. She noted that it has been most challenging to consolidate wage lines for payroll and account charging for the Public Works Department, but more accounts would likely be consolidated next year. Chair Powers noted that the New Hampshire Department of Revenue Administration (DRA) expected reporting in a certain fashion, and the City Council at one time wanted a certain level of detail, which resulted in having many, many accounts. Referring to page 155, he then asked about the wage increase of \$243,000 for drainage. Ms. Dragon responded that this consolidated personnel line items for open and closed drainage systems, which used to be separate.

c. Solid Waste (Pages 180-190)

Mr. Watson addressed the Committee again. He reported that the Solid Waste Division is humming along. He said the transfer station has gotten increasingly popular with the public over the last several years, but the facility was not designed with public use in mind. It was designed as a commercial facility, and most trash still comes from commercial sources; however, the facility sees almost 20,000 visitors a year. Traffic patterns, particularly on the weekend, are difficult to control. Solid Waste has tried in recent years to expand operating hours, including from 8:00 AM to 1:00 PM to 7:00 AM to 3:00 PM on Saturdays between Memorial Day and

Labor Day to take some of the pressure off, but traffic is still sometimes backed up to Route 12 on Saturdays. Although employees do a remarkable job of processing visitors through the facility as quickly as possible, if the trend continues, Solid Waste may have to expand hours again or take other action to ensure public safety. This may become a problem in the future, although Solid Waste is managing it for now.

Mr. Watson reported Solid Waste is in the second year of its contract with Waste Management to transport and dispose of the approximately 30,000 tons of waste from the City's transfer station. About 23,000 tons is generated in Keene, and there is an ordinance that requires all trash generated in Keene to go through the transfer station. This protects the City's investment in closing a landfill and building a new facility for residents to get rid of trash according to federal and state laws. This ensures the trash generated in Keene helps pay for the facility. The City is the only municipality in New Hampshire that doesn't have any solid waste expenses in its general tax rate. Mr. Watson hopes the City can continue its business model, but he is not sure. The Solid Waste Division plans to work on options and opportunities for the end of its contract with Waste Management in about a year and a half.

Mr. Watson noted a disposal crisis may be coming in a few years. Casella Waste Services is proposing to site a new landfill to replace the one in Bethlehem, New Hampshire, set to close in 2026, in Dalton, New Hampshire, and is facing tremendous opposition from residents. The City's waste is currently trucked to Rochester, New Hampshire, which is operated by Waste Management. The site should have capacity until 2034. If, at that time, there is no new disposal site in New Hampshire, the City might have a problem. The problem is exacerbated by the fact that neighboring states send their waste to New Hampshire, which may be addressed at the state level. He noted that he is part of a solid waste working group formed through legislative action to discuss options to manage the impending crisis. He believes the solution is to build more capacity to divert waste from landfills. He assured the Committee that the Solid Waste Division is paying close attention to developments and is well-positioned to meet whatever challenges arise.

Councilor Madison encouraged the Committee to heed Mr. Watson's warnings. He echoed that landfills can't keep popping up and that the solution is to start thinking about reducing waste. He thanked Mr. Watson for his work for the City and again urged the Committee and the public to heed Mr. Watson's words.

Councilor Remy asked whether the City considered taking credit cards or Venmo at the transfer station. Ms. Dragon responded yes but stated there were reliability and connectivity issues at the transfer station. She said she would follow up on her request to the IT director to revisit the technology issues and report back.

d. Sewer Fund (Pages 192-203)

Aaron Costa, Assistant Public Works Director, addressed the Committee next. He introduced Christian Tarr, Utilities Maintenance Manager, and Mary Ley, Laboratory Manager. He noted that Ben Crowder, Water Treatment Facilities Manager, and Christopher Pelletier, Water Sewer Operations Manager, could not attend the meeting.

Mr. Costa lauded his staff, which operates a system that runs 24 hours a day, 7 days a week, 365 days a year, as very talented professionals, and expressed pride in the services they provide. The Sewer Division's mission is to reduce the community's impact on its natural environment through the proper maintenance and operation of the city's collection and treatment infrastructure while maintaining compliance with state and federal regulations and fiscal responsibility. Two to three million gallons of discharge from the wastewater treatment plant go into the Ashuelot River each day, and Mr. Costa can tell how well the wastewater treatment plant performs and how minimal the impact on the Ashuelot River is when he inspects the discharge pipe there. The Ashuelot River is a relatively small stream for the size of the plant, which drives the stringent requirements of the discharge permit.

The Sewer Division operates and maintains more than 94 miles of gravity sewers and forced mains. It maintains pump stations and treatment facilities. It does sampling inspections at the wastewater treatment plant. There is an industrial pre-treatment coordinator who works with businesses to protect public health and system reliability. The Division does its work by overseeing a wastewater collection system, wastewater treatment plant, wastewater process and compliance testing (laboratory), maintenance, and wastewater system engineering. Together these areas provide services that accomplish the basic mission of transporting, treating, and discharging domestic commercial industrial wastewater in a manner consistent with regulatory, fiscal, and community expectations.

Mr. Costa highlighted some of the Division's accomplishments in FY 2023. The Division has been working on a sludge dryer feasibility study. Waste Management has a contract to transport biosolids from the wastewater treatment plant to the landfill in Rochester. It's an expensive contract, at almost \$600,000 a year. The plant receives about 4,500 wet tons of biosolids a year. Currently, the plant only has the technology to dewater sludge to about 30 percent solids and 70 percent water. Some add-on sludge drying technologies can dewater sludge to up to 70, 80, or even 90 percent, which would reduce the overall volume of waste to be hauled to the landfill, and reduce costs to the City. The feasibility study is almost complete and will be presented to the City Council. There are only three ways to handle biosolids – incineration, which is only available in Manchester, land application, which is uncertain due to PFAS regulations, and landfilling, which could reach capacity in upcoming years, as Mr. Watson stated. Because of their moisture content, biosolids can also make landfills unstable. If the Sewer Division can dry biosolids more, it would reduce the overall tonnage and be more attractive to continue landfilling. Mr. Costa noted that there is a supplemental request in the budget for an additional \$17,000 for increased contract costs.

He also reported that the wastewater treatment plant's investment in a solar array has really paid dividends. It has stabilized electricity costs. The plant is the largest consumer of electricity in Cheshire County. There have been large fluctuations in the electricity market. Having the solar array has been very beneficial to the city. It came online around July 1, 2022.

He also touted the grants the Sewer Division received, including for local source water protection and for an October 2024 lead survey required by the State. The sludge dryer feasibility study was funded with a \$100,000 ARPA grant. Mr. Costa noted that he would be returning to the Committee on Thursday to ask it to accept a strategic planning grant for water source development on the Robertson field property. The Sewer Division completed a roof replacement project and will soon complete a sludge pump replacement project. Both projects are eligible for funding of 20 percent of construction costs through the State Aid Grant (SAG) program. He also noted that the Sewer Division also consolidated some accounts in the budget, such as sewer manholes and sewer services.

Turning to some of the Division's challenges, Mr. Costa echoed concerns about rising costs. He said the cost of chemicals, in particular, has risen. One chemical used to treat wastewater, poly aluminum chloride, cost \$1.94/gallon and \$167,000 in 2019-2020. The price as of July 2023 will be \$3.59/gallon. The wastewater treatment plant uses about 70,000 to 90,000 gallons of the chemical a year. The Sewer Division is looking at alternatives, such as using filtration instead of chemicals, but those would be the basis for a future capital project. There is also a supplemental request for CDL training, split between the water and sewer funds. The request would fund two employees' CDL training in accordance with new regulations.

e. Water Fund (Pages 206-217)

Turning to the Water Division, Mr. Costa stated that the mission is to provide reliable and good quality drinking water that consistently meets customer expectations and state and federal standards in sufficient quantities and pressure for fire protection and commercial and domestic use through effective and efficient maintenance, repair, and operation of the water infrastructure. The City maintains around 100 miles of distribution pipe. Water mains, valves, hydrants, meters, service lines, groundwater wells, treatment plants, and storage tanks operate 24/7. There is also testing. The Water Operations Division includes water meter billing, water distribution, water treatment, water systems engineering, water maintenance, and water testing. There are about 6,200 water accounts to manage.

Increased chemical costs are impacting the Division. Water Operations also put in a supplemental request to fund another staff member. Mr. Crowder submitted some information to share with the Committee about the Water Operations Division. It is responsible for the daily operation and general maintenance of the drinking water plant, the surface water treatment facility, which is up behind Robin Hood Park, four gravel-packed wells, two corrosion control facilities, six water pumps stations, six water storage tanks, and two surface water reservoir dams. Many of the sites are monitored 24/7 by their SCADA system, but staff sometimes does

have to go out in the field to maintain the infrastructure. There are two full-time employees in the Division and one full-time employee, a sewer service aide, who splits his time between the water plant and the wastewater plant. Because of the workload, the service aide spends nearly all his time at the water plant. Having an additional staff person would allow the water plant manager more time for administrative work, grant applications, and CIP project work. It would also allow for more flexibility in case an employee is out. Having an additional utility operator would also help build resiliency and strength. It would help lessen the burden of on-call rotations on employees. The additional compensation for being on call every other week is not attractive to many employees anymore; they prefer having a better work-life balance.

Mr. Tarr addressed the Committee next.

He stated the Utilities Maintenance Division's staff includes four extremely skilled individuals, plus himself. There are two master electricians, one maintenance mechanic, and one maintenance tech. The skills required to fulfill their duties are diverse and include carpentry, masonry, plumbing, and mechanical work. Rarely are their daily routines the same. They are either in a preventive maintenance mode or a predictive maintenance mode or an emergency maintenance mode for all water and wastewater infrastructure and facilities. On the wastewater side, they maintain the Martell Court water treatment facility, as well as four other wastewater lift stations. On the water side, they maintain the water treatment facility, six booster stations, two pressure-reducing valve stations, and six storage tanks. Unlike the Highway Division, the Utilities Maintenance Division does not have a lot of public interaction – it primarily works with staff, including water operators. The objective of Utilities Maintenance is to make sure that the equipment they need to operate the facilities is working properly to supply safe, potable drinking water and maintain the collection services. He and his staff try diligently to keep a very high level of professionalism and service to them. Mr. Tarr noted that three members of his staff are also licensed water and wastewater operators who can run the facilities Mr. Costa oversees. The level of skill and expertise in the Division is high.

In FY 2023, the Utilities Maintenance Division oversaw many projects, including the rebuilding of a large backwash pump at the water treatment facility. The pump had not been serviced since installation in 1992. It oversaw major upgrades to chemical feed systems and well fields to improve safety, as there were problems with the transfer of chemicals. It also oversaw two new generator installations at the Martell Court plant and at the wastewater treatment plant. It also assisted with renovations at the wastewater treatment plant laboratory, which was finished this year. Mr. Tarr and his foreman worked to implement the City's asset management program, which involved the design and implementation of plans to increase preventative maintenance and utilize digital inspection formats to improve maintenance operations.

Utilities Maintenance has more projects planned for FY 2024, including installing a new generator at the Chapman Road pump station, installing a compressed air system at the wastewater treatment plant, and making continued chemical feed system upgrades at the water plant.

Like other divisions, the biggest challenges for the Utilities Maintenance Division are time and money constraints. The cost of materials is overwhelming. For example, a tank purchased in 2019 to store chlorine at the water plant was \$4,800. The same tank purchased this year was \$9,300. Fuel prices are driving shipping costs higher. Even worse is how long it takes to get products. As Mr. Blomquist noted, it took 18 months to get a transformer for a generator project at Martell Court. According to the contractor, the wait time for the same transformer is now more than two years.

Councilor Chadbourne asked Mr. Costa about the almost \$80,000 budgeted for rental office space on page 199. He deferred to Ms. Howe. Ms. Howe explained that it is for the office management team that does some of the work at Public Works, the wastewater treatment plants, and the water treatment plant, so it's rent for the 350 Marlboro Street office space. Ms. Dragon further explained that the water and sewer funds are entirely separate, so any general funds that support the water or sewer fund must be charged back to the corresponding fund. A percentage of the Public Works Department space at 350 Marlboro Street is allocated to various divisions that use the space, as is a percentage of administrative staff time. Chair Powers noted that this means the cost can be recovered through the rate charges for water or sewer services.

Councilor Remy left at 6:54 PM.

Mary Ley, Laboratory Manager, addressed the Committee after Mr. Costa introduced her.

She stated the Laboratory Division has three staff members—herself, a lab technician, and an industrial pre-treatment coordinator. The Laboratory Division's mission is to provide accurate and timely data for wastewater drinking water operations. The lab tests hundreds of samples each month for process control, as well as regulatory reporting. It also coordinates the many sampling programs for wastewater in the drinking water, including water quality monitoring at the surface water reservoirs in Roxbury and groundwater monitoring around the well fields at Court Street and West Street. The mission of the industrial pre-treatment program, which is part of the Laboratory Division, is to regulate the discharges into the sewer system from the city's industries and businesses to protect the wastewater process, as well as the environment. This involves permitting the significant industrial users in the city and inspecting their waste processes, as well as inspecting many grease traps at local restaurants. The Laboratory Division also oversees the septage receiving process. Last year, the City received over 6 million gallons of septage and holding tank waste from area septic haulers that come from all over Keene, as well as Marlboro and Swanzey. The lab checks in every load of subject that comes to the facility and handles the accounting of the volumes received for billing purposes.

FY 2023 was a big year for the Laboratory Division. It has a beautiful new lab after a massive renovation from March through October 2022. During that time, the lab sent out its compliance samples to a contract lab. The experience made it clear how important it is to have an in-house laboratory. Some results took weeks to receive. The lab had a successful onsite assessment of its

quality system from NELAP, the accrediting board, and was reaccredited for drinking water bacteria analysis. It also passed all the proficiency tests for drinking water and wastewater at a hundred percent accuracy. The industrial pre-treatment program passed an audit from the New Hampshire Department of Environmental Services (DES), as well. The industrial pre-treatment coordinator also worked on reviving the fourth-grade science fair after COVID. The Laboratory Division just hosted the state science fair earlier this month.

There are goals for FY 2024. The Laboratory Division will continue to provide accurate, reliable data to the drinking water and wastewater divisions. It plans to increase sampling at reservoirs and well fields this summer with help from an intern from Keene State College, for which there is a supplemental request for \$4,000. It will continue its industrial pre-treatment work with inspections and permitting industrial users.

The Laboratory Division is facing the same financial challenges as other divisions. Everything costs more. Equipment costs more. Supplies cost more. There are also more requirements for testing. For example, the new National Pollutant Discharge Elimination System (NPDES) permit for wastewater includes a requirement that the lab takes monthly samples from the river to test for phosphorus. There are also new nitrogen and aluminum reporting requirements. On the drinking water side, the PFAS regulations are frequently changing, and the detection limits get lower and lower. The Laboratory Division will work to stay on top of the changes and regulations and plan accordingly, although it's hard to plan when the regulations are unclear.

Mr. Watson reiterated how impressive the lab's proficiency testing results are.

Councilor Chadbourne asked whether the Laboratory Division added a position. She saw an increase of about \$90,000 to \$141,000 under Water and Wages. Mr. Costa confirmed the increase is for the new utility operator position.

f. Equipment (Fleet) Fund (Pages 220-228)

Mr. Watson addressed the Committee with Jim Mountford, Fleet Services Manager.

He relayed a story about his daughter's 2013 Subaru needing a headlight bulb change. He thought he could change the lightbulb. He realized that, in order to change it, he would have to take the bumper off, which was beyond his abilities. It made him realize the range of services the Fleet Services Division provides is truly staggering. Staff repairs everything from lawnmowers to fire trucks. Technology has made rapid advancements in vehicles and equipment. Staff has to diagnose and solve all sorts of unfamiliar problems. It's unusual for a fleet department to be able to handle such a broad range of issues. There are usually specialty shops that deal with just automobiles or large equipment, and the City's Fleet Services Division has to handle the absolute gamut of what comes in, and staff does a remarkable job.

Mr. Mountford addressed the Committee next.

The Fleet Services Division operates 24 hours a day, 7 days a week, 365 days a year. There is a mechanic on call 7 days a week all year long. There is an administrative coordinator who is a service writer, a parts man, and also does a lot of finance work related to selling fuel to other organizations in the city, such as Keene High School, Keene State College, Keene Housing Authority. Fleet Services has a diesel island at its facility at 330 Marlboro Road.

The increased fuel prices have not dropped as expected. The Fleet Services Division will spend about 56 percent more in FY 2024 than 2022. Fleet Services still gets 18 cents off diesel fuel and gas from the federal government. Especially in hard winters or damaging storms, trucks run much more than anticipated. There is a therefore a supplemental request for \$51,000 for the FY 2024 budget.

Mr. Mountford is the Manager of the Fleet Services Division. There is an administrative coordinator who manages the mechanics and fields questions from other divisions about scheduling and the like. There is a lead mechanic – a super smart person – who takes care of business when Mr. Mountford is out or on the road. There are also three other mechanics. They are at the top of their game. They work on stuff no one else does. That is one of the reasons the labor rate on page 221 of the budget is higher than for a normal automotive entity but lower than for a heavy equipment shop.

The Fleet Services Division leases vehicles out. Staff create repair orders, bill out parts, etc. They keep records on every vehicle the City owns, including fire and police vehicles. At any given moment, staff can identify the history of a vehicle, how much fuel goes into it, how much parts, how much labor, how long the City has owned it, any damage repairs and services staff has completed, etc. Fleet Services also buys and sells equipment for the City, not including ambulances and fire engines. Staff vehicles all go through the Fleet Services Division. There are about 159 vehicles in the rental program and 266 vehicles total that are serviced and repaired by four people and supported by himself and the administrative coordinator.

Fleet Services is a pretty busy operation. It purchases all the diesel fuel for the City, including for the airport, the parks, the transfer station, which also has its own fuel station. It schedules deliveries, does billing, and maintains the diesel fuel island at 330 Marlboro Street. The Fleet Services Division uses 20 percent soybean biofuel mixed with its diesel fuel, except during the winter because of gelling issues, when it uses five percent biofuel treated with chemicals to prevent gelling.

Fleet Services also supports other parts of the City. It services the new police interceptor cruisers. It takes almost two and a half hours to change a headlight bulb because the entire front bumper, grill assembly, and headlight assembly have to come off and then go back on. There are a lot of EPA regulations with newer equipment, which requires additional training. Using the ShopKey program, a paid in-house service, helps diagnose problems with vehicles and other equipment. The cost of repairing some items on City trucks is astronomical. Staff just replaced

an exhaust system on a 2014 dump truck, and it cost \$10,000 for the exhaust system and \$2,000 for an EGR core to help the engine run cleaner. This helps with diesel smell, in conjunction with using the biofuel.

Technology is getting the best of the Fleet Services Division. It's close to the point where all police cruisers need new radios, new sirens, and new lighting hardware, which is a very large expense. Staff has been transferring materials from old vehicles to new vehicles to extend their use over almost 20 years.

The cost of tires has increased almost 20 percent this year. The police department goes through about 40 tires in a year. A dump truck tire used to be about \$400. Now it is about \$680. The tires need replacing every four years. Payload tires went from \$2,200 a piece to almost \$4,000 a piece this year. Mr. Mountford has seen a 25 percent increase in costs for some CIP projects. It has been very tough. His staff can sometimes keep a vehicle on the road longer by, for example, doing body work. Sometimes, vehicles must be replaced. His staff does a lot of work in-house, such as rust repair and oil undercoating on an annual basis. Staff inspects and services 266 vehicles between July and September to prolong their life. The Fleet Services Division takes care of everyone that is driving or operating equipment for the City of Keene.

Councilor Chadbourne asked about three budget lines for overtime, stipend, and standby pay. She assumed standby pay is for being on call. Regular overtime is for working more than 40 hours a week. For example, if the plows are out during a snowstorm, Fleet Services must be available. Or if a bus or plow truck that needs a major repair needs to get back on the road immediately, a mechanic must take care of the repair immediately. Sometimes, a mechanic might work from 11:00 PM to 7:00 AM the next day and then have to continue working because there are only four employees available. Mr. Watson clarified that the stipend is for a portion of his salary to oversee the operations. Ms. Dragon added that because it's a separate fund, a portion of Mr. Watson's salary must be allocated for overseeing Fleet Services' operations, which is what the stipend represents.

3) **Adjournment**

There being no further business, Chair Powers adjourned the meeting at 7:15 PM.

Respectfully submitted by,
Wendy Chen, Minute Taker

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