

MINUTES OF THE FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
January 22, 2024 – 5:00 p.m.

Committee Members present: Councilor David A. Witham, Chairman (arrived at 5:05 p.m.)
Councilor Dennis Messier, Vice-Chairman
Councilor Marty Pepin
Councilor Kenneth Vincent (departed at 5:48 p.m.)

Administration/Staff present: City Manager, Bob Belmore
Finance Director, Scott Smith
Director of Public Works & Utilities, Michael Bobinsky
City Engineer, Amber Hall
Police Chief, Tim McLin
Deputy City Clerk, Ammy Ramsey

Vice Chairman Messier called the meeting to order at 5:00 p.m.

APPROVE PAST MEETING MINUTES OF OCTOBER 16, 2023

Councilor Pepin made a motion to approve the minutes of the October 16, 2023 meeting. The motion was seconded by Councilor Vincent and passed 3-0.

TAX DEEDED PROPERTY

Finance Director Smith presented the Committee with the list of properties that are qualified for the tax deeding process. Director Smith provided the Committee with information concerning the deeding process and how properties on the list have been handled in the past, and what has happened with the properties currently on the list.

Councilor Witham entered the meeting.

Councilor Witham mentioned that in the past once the property owner receives the notification that the City will be acting on the deeding process, they usually come in and make payment arrangements to avoid that process.

Finance Director Smith also informed the Committee that the Homeowners Assistance Fund is still active and we have been successful with property owners receiving that financial assistance.

Councilor Witham made a motion to sponsor a Resolution to direct the Tax Collector not to take the properties on 30 Blackwater Road and those Mobile Homes and Properties on the list identified by staff. The motion was seconded by Councilor Pepin and passed 4-0.

SOLAR EXEMPTION

Finance Director Smith stated they have looked at the solar exemption that was originally adopted in 2017, that exempts the value of solar equipment from the assessed value of a taxpayer's property. When adopted, this exemption was provided for solar that would provide energy to heat or cool the interior of a building, provide hot water, and includes one or more collectors and storage container. The law was changed in 2020 to allow the exemption for systems utilizing a net metered arrangement, but the City has not adopted this provision. The recommendation from the City Assessor is to re-adopt the solar exemption and put a value of up to \$25,000, and it was noted that the typical roof top solar project is valued around \$20,000.00. A Memorandum from the Assessor was provide to the Committee.

Councilor Witham stated that the intent of the exemption was for smaller projects that benefit the homeowner, but for the larger projects with monetary revenue to not be exempt.

Councilor Pepin stated that he feels he may have generated this conversation because he was approached by a solar company and he further investigated the situation and may have sparked some investigating on how the solar exemption is being applied.

City Manager Belmore stated that they have the option of negotiating with the City for a payment- in-lieu of taxes for solar projects above the one megawatt. Finance Director Smith also clarified that the exemption will apply for solar valued up to \$25,000.00, so anything valued above that will be taxable.

Councilor Messier stated that when this was originally approved it was meant to encourage residents to purchase the solar panels.

Councilor Witham feels that the value of \$25,000.00 maintains the original intent, and if the value changes in the future that amount can be adjusted. Councilor Witham stated that recently there was a solar ordinance that was enacted and he wanted to confirm that this will not interfere with that. City Staff does not believe it will but will look into that.

Councilor Messier made a motion to support an Ordinance change to re-adopt the Solar Exemption and to limit the Solar Exemption to a maximum amount of \$25,000.00. The motion was seconded by Councilor Pepin.

Discussion:

Councilor Vincent feels that this should be discussed and considered further. Councilor Witham mentioned that this Ordinance change will require a Public Hearing and full Council vote.

The motion passed 3-1 Councilor Vincent opposed.

NATURAL GAS TO POLICE & HIGHWAY FACILITIES

Public Works Director Bobinsky stated that they prepared a request for quote document to convert the current propane heating elements to natural gas and had a walk through. They were contacted by Alliance Mechanical with a proposal in the amount of \$28,520.

Councilor Witham recalled a discussion regarding the furnaces at the Police Department and inquired if it was decided then to have the conversion valves installed at that time. Police Chief McLin confirmed that did happen. Director Bobinsky clarified which units have the conversion components and which units would need additional components, and he added that the quote provided has those considerations included.

There was some clarification with what items are being converted and what items are new. It was also mentioned that the funds will come from the individual facility maintenance funds.

Councilor Messier made a motion to authorize the City Manager to contract with Alliance Mechanical for the conversion from LP Gas to Natural Gas at the Police Station and Public Works Facilities in an amount not to exceed \$30,000. The motion was seconded by Councilor Vincent and passed 4-0.

Councilor Pepin mentioned checking in to the conversion for the generators as well, and Director Bobinsky stated they will clarify and look into the generators. There was further discussion pertaining to when and how that should best happen.

CAPITAL OUTLAY NEEDS

City Manager Belmore stated that preparing the budget and ensuring the alignment with the tax cap has been a challenge this year. He further explained the process and the need to go back this year and find some funds and would like to request funding for some items with ARPA Funds (American Rescue Plan Act) that are available. Finance Director Smith stated that there is \$215,400 available in ARPA funds that needs to be committed by the end of 2024 and spent by 2026.

City Manager Belmore requested the consideration for the Police Department air conditioning units be funded with ARPA Funds. Police Chief McLin provided quotes to replace the air conditioning system and he stated that the AC units failed last year. Chief McLin mentioned that when the units failed it was determined that one condenser was not working, but come to find out both condensers were not functioning.

There was some discussion pertaining to the work to be performed including replacing the two condensers and the removal and replacement refrigerant piping.

The Committee also discussed the differences in the bids that were received pertaining to the additional charge for programming and including some contingency funds.

Councilor Vincent made a motion to sponsor a Resolution to full Council to contract with ENE Systems of NH, Inc. for the replacement of the Police Department Air Conditioning System not to exceed \$60,000 using ARPA Funds. The motion was seconded by Councilor Messier and passed 4-0

City Manager Belmore informed the Committee that the repeater on top of the Hilltop School and a new base station at the Public Works facility require replacing. The repeater is at risk of failing, and has gone down recently on a couple of occasions, which would severely disrupt the City's emergency responders to have proper communications. Finance Director Smith stated that the estimate to replace the repeater and base station came in at \$89,000.

Councilor Vincent made a motion to support a Resolution to full Council to upgrade the City-wide radio system for an amount not to exceed the amount of \$95,000 and to be funded by ARPA Funds. The motion was seconded by Councilor Pepin and passed 4-0.

There was some discussion pertaining to some permitting software that could be purchased with the ARPA Funds that are remaining. Manager Belmore reported that City Staff is still exploring different software and would return to the Finance Committee with a recommendation at a future meeting.

REPORTING: EXPENDITURES AND UNANTICIPATED REVENUE

Finance Director Smith mentioned that there will be some surplus funds from the sale of the former Police Department and the upcoming sale of the National Guard property this year.

Councilor Vincent inquired with Director Smith concerning what the school will be receiving for funding from the state, Director Smith stated that he is not aware that it will be different from the amounts in the past, and stated he would defer to the School for a more complete answer. There were some other estimated expenditure amounts that Councilor Messier inquired about and Finance Director Smith stated that the figures he provided to the Committee are projected estimates to give an idea on what the budget may look like at end of the fiscal year.

MISCELLANEOUS

City Manager Belmore stated that the Public Works & Environment Committee is sponsoring a Resolution to award the contract to GMI Asphalt, LLC for the FY2024 Road Resurfacing Bid.

Councilor Vincent was excused from the meeting at 5:48 p.m.

City Engineer Hall gave an overview of the three base bids regarding the road resurfacing that were submitted for an amount of \$582,455.

Councilor Messier made a motion to support a Resolution to full Council to contract with GMI Asphalt, LLC for the FY2024 Road Resurfacing not to exceed the amount of \$625,000. The motion was seconded by Councilor Pepin and passed 3-0.

Councilor Pepin expressed his concerns regarding the reports that have been received from the Willand Pond Warming Shelter regarding the people using the shelter and where they are from considering the funding for this shelter is only being provided by Somersworth, Rochester, and Dover. There was some discussion pertaining to possible funding increase, the area and the appearance, numbers of people in the shelter, and the burden of Somersworth Emergency Services.

ADJOURNMENT

Councilor Messier made a motion to adjourn. The motion was seconded by Councilor Pepin and passed 3-0. The meeting adjourned at 6:00 p.m.

Respectfully submitted,

Ammy Ramsey, Deputy City Clerk