

MINUTES OF FINANCE COMMITTEE MEETING
EXECUTIVE CONFERENCE ROOM
January 18, 2017, 3:30 p.m.

Committee Members present: Councilor David Witham, Chair
 Councilor Martin Pepin
 Councilor Dale R. Sprague

Administration/Staff present: City Manager, Bob Belmore
 Finance Director, Scott Smith
 Public Works Director, Mike Bobinsky
 Deputy City Clerk, Elise B. Brelis

Others present Judi Currie, Fosters Daily Democrat

Chairman Witham called the meeting to order at 3:34 p.m.

MINUTES OF THE PREVIOUS MEETING

The motion by Councilor Pepin, seconded by Councilor Sprague, to accept the minutes of the November 18, 2016 meeting carried, 3-0.

NH GARDEN SOLAR ARRAY PROPOSAL FOR THE SANITARY LANDFILL

City Manager Belmore said he is looking for feedback as there does not appear to be much room for negotiation. Finance Director Smith called attention to spreadsheets which he provided to the committee depicting various scenarios concerning potential rates, escalators and possible savings for the city if the city opts to accept a NH Garden Solar Array proposal for the sanitary landfill site. Each proposes purchasing power at a specific rate with an escalator clause and an annual lease of \$15,000 and a PILOT of \$5,600. After briefly reviewing each scenario, the committee discussed. Councilor Witham said you can't put a value on the fact that this land has no other use. Director Smith said there is an opportunity cost if you buy here rather than there. There was some agreement about risk over the 20 year term. Assuming no growth, the Director said it would provide about half the city's power. **Chairman Witham said that no action is necessary.** It will go back to the Council for a vote and there can be more discussions after staff has more discussions with Solar Garden.

WATER & SEWER UTILITY RATES

Director Smith offered rates analysis on water and sewer rates (both 5% and 10% increases for three consecutive years) to estimate impact of each scenario. Councilors brought up the new water tank that will be needed and the fact that when the City does complete street work on Main Street, there will be a lot of W/S work to be done. There was some discussion about how other towns are handling their water/sewer rates and increases. The City Manager said perhaps they could implement for 2 years and then look at it again. Councilor Pepin wants to be sure that any W/S work they do is up to par. The Finance Director said that this analysis does not include new users or increased demand. Councilor Witham generally supports a 10% sewer and 5% water

increase over each of 4 years, feeling that this would give them predictability which would help align with the CIP and their Complete Streets vision. Councilor Sprague suggested increases of 7% for water and 10% for sewer. Councilor Pepin agreed, saying that he would like them to be in a position to do what is coming up. ***Councilor Pepin, seconded by Councilor Sprague, made a motion for the Finance Committee to endorse two ordinances: a water increase of 7% for each of the next four years and a 10% sewer increase for each of the next 4 years. The motion passed, 3-0. (Background/ support material to be included.)***

GRANT ACCEPTANCE RESOLUTIONS

The committee voted to accept two grants in one resolution: a TAP grant in the amount of \$789,200 with a city match of \$197,300 and a NHDES Brownfield grant of \$178,000 with no city match required. ***Councilor Pepin, seconded by Councilor Sprague made a motion to sponsor the resolution. The motion passed, 3-0.***

Councilor Pepin, seconded by Councilor Sprague, made a motion to sponsor a resolution to take money from the Municipal Transportation fund for the City Match of the TAP Grant in the amount of \$197,300 . The motion passed, 3-0.

Councilor Pepin, seconded by Councilor Sprague, made a motion to forward a Supplemental Appropriation Ordinance to the full Council for general fund transfer of \$197,300 from the MTF. The motion passed, 3-0.

Councilor Witham wants to see numbers (for the Cemetery Road project) and vet it in the Public Works & Environment Committee. (The City Manager was quickly able to provide broad numbers from the CIP budget: approximately \$800,000; \$400,000 for W/S and less than \$500,000 for resurfacing.)

REPORTING

The Finance Director briefly reported on the YTD budget saying that they are watching snow maintenance, sand and salt and public works overtime.

MISCELLANEOUS City Manager Belmore said that that we have approximately \$15,000 to upgrade the city telephone system which will cost about \$8,000. The committee discussed the need to upgrade the police department phone system with the remaining available funds. ***Councilor Pepin, seconded by Councilor Witham, made a motion to upgrade the Police Department phones at an amount not to exceed \$7,300. The motion passed, 3-0.***

ADJOURNMENT

Councilor Pepin, seconded by Councilor Witham, made a motion to adjourn at 4:40 p.m. Motion carried, 3-0.

Respectfully submitted,

Elise B. Brellis, Deputy City Clerk