

MINUTES OF THE FINANCE COMMITTEE
EXECUTIVE CONFERENCE ROOM
February 12, 2018 at 3:30pm.

Committee Members present: Councilor David A. Witham, Chairman
 Councilor Dale R Sprague Vice Chairman
 Councilor Martin Pepin
 Councilor Martin Dumont

Administration/Staff present: City Manager, Bob Belmore
 Director of Public Works, Michael Bobinsky
 Finance Director, Scott Smith
 Deputy City Clerk, Kelly Gagne
 Police Chief David Kretschmar
 School Board Chairman Donald Austin
 Mayor Dana S. Hilliard
 Interim Superintendent Lori Lane
 Interim Business Administrator Katie Krauss

Other:

The meeting called to order by Chairman Witham at 3:30 PM.

APPROVE PAST MEETING MINUTES

Councilor Pepin, seconded by Councilor Dumont, made a motion to approve the minutes of the January 12, 2018, meeting; the motion approved 3-0.

POLICE DEPARTMENT K-9 - PROPOSAL

City Manager Belmore stated that the Police Chief and he have discussed a proposal to allow for a Police K-9 patrol, which he supports. Manager Belmore informed the committee it is his intention to include the funding for this program in his proposed fiscal year 18-19 budget. Funding for the first year of this program will be offset with revenue from drug forfeiture funds. He stated that the Public Safety Committee supports this initiative.

Chief Kretschmar stated that the people from The Working Dog Foundation provide grants to police departments for purchase and training of a canine. We have a very good chance of being awarded this grant.

Chairman Witham stated that the long list of positives outweighs the negatives, if any.

Councilor Sprague came in at 3:33.

Councilor Dumont asked if the dogs are specifically trained for us. Chief Kretschmar responded yes, that our commitment is monthly training at Pease in Portsmouth. Patrol and tracking training are done at separate times.

Councilor Pepin asked if dedicating a car specifically for the dog is needed. Chief Kretschmar responded stating yes that the vehicle will be equipped with special seats, car remote controls etc. It will be an older SUV that the force currently has.

Councilor Sprague thinks it's great. That it will draw officers here for advancement in their career. Chief Kretschmar stated that it is positive program community relations wise.

Finance Committee expressed general support for the police department K-9 proposal, and supports the opportunity to review it as part of the FY2019 budget submittal.

Chief Kretschmar left the meeting.

CMAQ GRANT –ACCEPTANCE RESOLUTION

City Manager Belmore provided a letter from the NH Department of Transportation explaining that this grant is to upgrade the pedestrian signal system along the High Street corridor in order to improve traffic flow. The grant will cover \$559,000, of the total \$698,750 costs. The City's matching amount is \$139,750.

Chairman Witham asked if staff has a recommendation on how the City may fund the match of \$139,750.

Director Smith stated that one option he and the manager have discussed is the funding be provided through the municipal transportation fund. It currently has \$127,000, and there is approximately \$5000 added monthly.

Councilor Sprague talked about how big box stores have come into the City and have added lanes of traffic and pedestrian signals. But now the City has to pay the upkeep and put in the budget which is costly. He suggested that the City look closer at this type of development and consider how the developers can better share in the costs associated with increased traffic and pedestrian signals, not just at the start of their project but include requirements on maintaining the signals.

Motion made by Councilor Pepin, seconded by Councilor Dumont, to sponsor a resolution to accept the CMAQ grant to upgrade the signal systems throughout the High St corridor, and further to provide matching funds from the Municipal and Transportation Fund. Motion passed 4-0.

APPROVE CONSULTANT CONTRACT FOR NH PRESERVATION ALLIANCE GRANT

City Manager Belmore updated the Committee that a proposal has been received from the consulting firm Groundroot Preservation Group. This project is to provide a facility assessment

of the Forest Glade Cemetery Chapel. It will provide recommendations for future repairs in order to preserve the Chapel.

The total project cost is \$5,800, with a City match in the amount of \$2900, which will come from this year's Cemetery Operating budget. The balance of the project funding will be provided by a NH Preservation Alliance grant in the amount of \$2900.

Motion made by Councilor Dumont, seconded by Councilor Pepin to contract with Groundroot Preservation Group for the amount of \$5800 for a facility assessment of the Chapel at Forest Glade Cemetery. Motion Passed 4-0.

APPROVE CONSULTANT CONTRACT FOR COOP GRANT

City Manager Belmore updated the Committee regarding a Continuity of Operation Plan (COOP) Grant and a proposal from Hubbard Consulting to provide the plan. It is a grant that develops an operation guide to facilitate the relocation of City Departments as well as the backup of critical systems and vital records so that essential functions may continue during and after a catastrophic event. The City will provide a soft match by way of staff time in support of the development of the Plan.

Motion made by Councilor Dumont, seconded by Councilor Pepin, to approve the proposal put forward by Hubbard Consulting in the amount of \$5500. Motion passed 3-1, Councilor Sprague opposed.

APPROVE UTILITY LOCK-BOX COLLECTION PROPOSAL

Director Smith explained that the lock-box service is when payments are mailed to a PO Box, a bank then processes the payments and a daily file is transmitted to the City for posting to customer's accounts. There were 4 requested proposals from; TD Bank, Century Bank, Citizens Bank, and Bank of NH. Century Bank is the most cost effective proposal. Century Bank is in Massachusetts, the PO Box where payments would be mailed is in Manchester, NH. Regarding fees, biggest cost is actually doing the activity; \$.10 per transaction paper (bill) and \$.03 per check. The fee for the PO Box in Manchester would be \$1760 annually. The fees would fluctuate each month depending on the number of payments. The City is looking to move forward with this and recommends Century Bank.

Chairman Witham asked if they are subject to audit by our audit firm. Director Smith answered no, but we could go visit the facility to see how it all works. They did provide references of a NH municipality using their service, and he received positive feedback on the Bank service.

Motion made by Councilor Pepin, seconded by Councilor Sprague, to approve contracting with Century Bank for lock-box service for water/sewer utility billing. Motion passed 4-0.

CAPITAL RESERVE FUNDS

A. FORMER HILLTOP SCHOOL RECONSTRUCTION FUND

City Manager stated that there was a Resolution that passed back in 2012, setting up a Capital Reserve Fund for the purpose of Reconstruction or Rehabilitation of the former Hilltop School property. Since the former Hilltop School has been sold the City may want to consider discontinuing the fund, or they could consider changing the purpose of the fund.

Motion made by Councilor Dumont, seconded by Councilor Pepin, to sponsor a resolution to discontinue the Hilltop School Reconstruction Fund and move the funds to the general fund. Motion passed 3-1. Councilor Sprague opposed.

B. NEW-RECREATION FACILITIES IMPROVEMENT FUND

City Manager stated based on past conversations and need he was suggesting the possibility of creating a Capital Reserve Fund for recreational facilities. Since we rent out Millennium Field perhaps we consider the fund only for improvements to this Park. We get about \$3000 +/- a year from renting it out.

Chairman Witham likes the idea and as things become more challenging with upkeep, it would be nice to have funds available.

Councilor Dumont also agrees with this.

Motion made by Councilor Pepin, seconded by Councilor Dumont, to sponsor a Resolution to establish a Recreation Facilities Capital Improvement Fund. Motion passed 4-0.

C. NON-CAPITAL RESERVE FUND FOR UNANTICIPATED MAINTENANCE OF CITY AND SCHOOL BUILDINGS

City Manager stated that the City currently has \$98,000 in a fund to be used for upgrading City and School facilities. The Resolution was passed back in April 2012. He stated that the Public Library stairs are in need of repair, the stairs have been closed as of now. Also, the School has a failed HVAC system, an estimate of \$38,000-\$40,000, for the repair of the HVAC system.

Motion made by Councilor Pepin, seconded by Councilor Dumont to sponsor a Resolution to use the Non-Capital Reserve Fund to complete the repair the Public Library steps. Motion passed 4-0.

REPORTING

Director Smith updated the Committee that the budget looks good so far. They are still concerned with winter operations with the sand, salt and overtime budget lines. Police Department spending projections looks much better.

MISC

Councilor Witham stated that there are 5 or 6 dumpsters for cardboard at Public Works on Lilac Lane and he has noticed they are always full. Director Bobinsky has observed the dumpsters being abused. They experimented with an extra bin during the Holiday season and it was abused with someone dumping construction material. The construction material was removed by Public Works staff and was taken to Rochester to discard for a fee on the City.

A lengthy discussion on the dumpsters at Public Works facility was spoken about and the current issues and how to address them. Witham asked that the matter be taken up by the Public Works Committee.

City Manager updated the Committee that we have moved forward with the purchase of the new software for e-registrations. He also mentioned that we would be ordering 5 hand scanners, this will allow for efficiency and accuracy within the office.

Motion made by Councilor Dumont, seconded by Councilor Pepin, for a short recess at 4:50pm. Motion passed 3-1, Councilor Sprague opposed.

The Committee is back from recess at 5:00pm.

5:00 pm- Mayor Hilliard and School Board Chairman Donald Austin entered the meeting.

DISCUSSION WITH SCHOOL BOARD BUDGET & FINANCE COMMITTEE

A. CURRENT FY2019 BUDGET

School Board Chairman Donald Austin stated that they have been working on the FY2019 school budget. Currently, they are looking at a \$1.2M shortfall that is the difference on what we are allowed under the tax cap and also what we think we will need. He passed out a list of possible reductions to help with completing the proposed the budget and keep within the tax cap. He stated that the mentioned cuts would be a dramatic hit to school services.

A lengthy discussion on what needs to be eliminated for the FY2019 budget and the pros and cons of each.

B. CURRENT FY2018 BUDGET

Interim Business Administrator Katie Krauss & Interim Superintendent Lori Lane entered the meeting. Interim Superintendent Lane updated the Committee that Interim Business Administrator Krauss and she have gone over the FY2019 budget line by line. Krauss stated that they are keeping an eye on all line items and are adjusting appropriately. They are working on improving the process.

Councilor Witham asked if we provided a tax cap override for the full \$1.2M, what would the new tax rate be. Director Smith responded overriding the tax cap to cover these funds would bring it in around \$2.34, above the current \$33.09. Councilor Witham stated he can't approve an

override of over \$2.00. The projected increase in the tax rate just at a proposed budget meeting the limits of the tax cap would be about \$1.17.

A lengthy discussion of ideas on how to help with the budget was discussed.

Councilor Sprague likes where the board is going currently in developing the budget. He asked if they have looked into other SAU's for cooperative purchases, etc. He also suggested that they might ask the County about cooperative bidding for such items as natural gas.

Councilor Dumont extended his gratitude to the staff and the board.

ADJOURNMENT

***Councilor Dumont, seconded by Councilor Pepin, made a motion to adjourn at 6: 01pm
Motion passed 3-1. Councilor Sprague opposed.***

Respectfully submitted,

Kelly Gagne, Deputy City Clerk