

MINUTES OF THE FINANCE COMMITTEE
COMMITTEE MEMBERS PARTICIPATED REMOTELY VIA ZOOM VIDEO
CONFERENCE
CITY STAFF PARTICIPATED FROM THE CITY COUNCIL CHAMBERS
July 30, 2020 @ 10:30 AM

Committee Members present: Councilor David A. Witham, Chairman
Electronically via Zoom Councilor Donald Austin, Vice-Chair
Councilor Martin Pepin

Administration/Staff present: Bob Belmore, City Manager
Scott Smith, Finance Director
Dana Crossley, Planning Secretary
Gary Lemay, City Engineer
Mike Bobinsky, Director of Public Works & Utilities
David Kretschmar, Police Chief

Other: Alan Babel, Nadeau Street Resident

Chairman Witham announced:

Due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

We are utilizing Zoom for this electronic meeting. All members of the Committee have the ability to communicate contemporaneously during this meeting through this platform, and although the meeting is open to the public, the public was encouraged not to attend. The public was encouraged to offer written comment by email, via USPS, or by drop-off at the City Hall Tax Collector drive-thru window.

The meeting called to order by Chairman Witham at 10:30 AM.

Chairman Witham announced that **all votes** that are taken during this meeting shall be done by **roll call vote**.

Attendance was taken by roll call vote; Councilors Witham, Austin and Pepin were present and no one was in the room with them. Councilor Dumont was excused.

City Manager Belmore stated who was present in Council Chambers which is noted above.

APPROVE PAST MEETING MINUTES

Councilor Austin, seconded by Councilor Pepin made a motion to approve the minutes of the June 09, 2020 meeting. Roll call vote Motion passed 3-0.

NADEAU STREET FUNDING/ACCEPTANCE UPDATE

Councilor Witham stated the Public Works & Environment Committee just met and voted to support a resolution to cost share the with the Nadeau St. residents. He stated the amount agreed upon by the PW&E was \$26,000 which breaks down to \$11,000 in estimated interest savings by not charging interest as part of the assessment and \$15,000 which represents the City's estimate to overlay and shim the road. He stated there has been communication with the Nadeau St. residents who have handled the situation with understanding. He stated the PW&E Committee felt there was an obligation of the City to share some of the cost of the Betterment Assessment.

Manager Belmore stated the PW&E Committee, himself and staff would like to thank the property owners of Nadeau St for being thoughtful and engaged throughout this process. He stated an item that required review that was brought up by the City Attorney is clarification if the cost sharing split between the residents would be a 3-way split or 4-way split, since one owner owns two parcels with frontage on Nadeau St. that could be subdivided. He stated the desire of the Nadeau St. residents was to maintain the 3-way cost share. He stated the PW&E Committee voted to support the Resolution for the Betterment District with the City cost sharing \$26,000 of the project.

Manager Belmore explained the setup of the Betterment Assessment. He stated there is no penalty to the homeowners if the lien is paid off before the due date. He stated it would release the lien from the property.

Councilor Witham stated the approach from the Nadeau St. residents has been above board. He stated if not for the question of why Nadeau St was not included in the pavement program it would have been scheduled to receive a shim and overlay. He stated in lieu of the shim and overlay the PW&E proposed that the estimated costs to do that be put towards cost sharing.

Councilor Pepin stated he thinks the approach the PW&E Committee took is fair and hopes the residents are happy with that compromise.

Councilor Austin stated he agreed also.

Councilor Witham stated Alan Babel of Nadeau Street is in attendance today and invited him to speak to the Committee.

Babel stated he appreciated the understanding from the Committees on the issue and the Nadeau St. resident's point of view. He stated the PW&E meeting was well received. He stated Nadeau St. is not a high trafficked street and felt that the improvements will last for a long time. He stated moving forward he hopes to be at the point where they can take advantage of the most cost saving methods. He thanked the Committee for their time. He asked for clarification on what happens if one party pays the lien off early.

Director Smith stated there will be individual liens on each property for their share of the Betterment Assessment. He stated if one party pays off the lien it would be released from that

property and there is no detriment to the other property owners. He explained the purpose of the lien.

There was a brief discussion about the interest.

Babel stated the residents of Nadeau St. are committed to this project. He stated they want to save what they can and appreciate that the City is willing to work with them.

Councilor Witham stated they are willing to put money towards the project and the PW&E Committee wanted to ensure the number was justifiable.

Councilor Pepin, seconded by Councilor Austin, motioned to sponsor Resolution to Council in support of the creation of a Betterment Assessment for Nadeau Street with a cost share of \$26,000 from the City.

Discussion: Manager Belmore stated the City will do their best to ensure to minimize cost and save where possible. He stated that the roadways must also meet a certain standard to be accepted as a City road.

Roll call vote, the motion carries 3-0.

CMAQ GRANT – PROJECT AMENDMENT

Manager Belmore stated the Public Works & Environment Committee voted to support the amendment to the CMAQ grant. He stated the amendment is to add retroreflective back plates to 5 signals that are being upgraded. He stated the anticipated project cost is \$30,000. He stated the City contribution of that would be \$3,000 which is within budget. An example of the retroreflective back plates has been provided.

Councilor Witham stated he spoke at the PW&E meeting regarding this topic. He stated he is glad they are able to use this avenue of funding for the project.

Manager Belmore stated this is within the project budget and would not require a full Council vote.

Councilor Pepin, seconded by Councilor Austin, moved to accept and authorize the amendment to the CMAQ grant to move forward with the retroreflective back plates at 5 intersections on High St. with the City's match being \$3,000.

Discussion: Councilor Austin inquired if this would delay the project.

Manager Belmore stated to his knowledge, no.

Roll call vote, the motion carries 3-0.

CMA CONTRACT AMENDMENT – TAP GRANT

Director Smith stated provided in the packet is a spreadsheet for the breakdown of the TAP Grant expenses. He stated the total project estimate is \$986,000. He stated federal share is \$789,200 (80%) and the City share is \$197,300 (20%). He stated this breakdown does not include the Cemetery Road sidewalk because that was taken out of this project and will be completed with the overall Cemetery Road project. He stated the estimated cost is just under the grant award.

Director Smith stated the amendment to contract is for the design engineer due to the project delay and right of way work required. He stated this is typical to how these projects flow. He stated the total proposed amendment is a \$9,828 increase. He stated that changes the overall contract cost from \$122,000 to \$132,000 and is within the allocated funding.

Councilor Witham noted this project will require a lot of retaining wall work.

Councilor Austin, seconded by Councilor Pepin moved to sponsor a Resolution to the full Council to approve the amendment of the CMA contract to increase by \$9,828 for Design Engineering and Right of Way work. The motion carries by a 3-0 roll call vote.

EQUIPMENT VEHICLE LEASE – PURCHASE

Manager Belmore noted that the equipment lease/purchase proposal does not include the fire apparatus.

Director Smith explained the leasing process. He stated this proposal is for a new police cruiser, undercover vehicle and purchase of a 1-ton vehicle for Public Works. He stated there is a proposal for a replacement fire engine but the Fire Department is developing the bid specs for that and it will be before the Committee later on.

Director Smith stated they received 4 quotes for the lease for the subject vehicles. He reviewed the quotes received. He stated they need to also decide the term of the lease if it will be for 3 or 5 years.

Councilor Witham inquired if the vehicles would be in the inventory for at least 5 years.

Director Smith stated yes.

Councilor Witham stated it would then be his tendency to lean towards the 5 year payment plan.

Councilor Austin stated he would also agree to that as the equipment will be used for at least 5 years.

Councilor Pepin, seconded by Councilor Austin moved to support a Resolution for equipment lease purchase as proposed with Tax Exempt Leasing Corp. for a 5 year payment plan. The motion carried by a 3-0 roll call vote.

COPS GRANT AWARD

Manager Belmore stated the Police Chief is present at the meeting to discuss the COPS Grant Award. He stated Council authorized them to apply for the grant to cover 2 police officer positions.

Chief Kretschmar stated they applied for the COPS Grant earlier in the year. He stated they were awarded 1 police officer position. He stated with this grant the City will receive \$125,000 over a three year period for the officer's salary. He stated the City will be required to retain this officer for a one year period after the expiration of the grant.

Chief Kretschmar stated the grant officer position will be assigned to the Patrol Division. He stated they will also be assigned as a Community Policing Officer, overseeing programs such as National Night Out, Pizza with the Police, Coffee with a Cop and the new program Adverse Childhood Experiences Response Team (ACERT).

Councilor Witham inquired what action the Committee should be taking.

Manager Belmore stated this item is also scheduled on the Public Safety Committee agenda. He stated they would be seeking a Resolution to accept the grant. He stated the Resolution will speak to the terms of accepting the grant, Council would need to take further action on funding at a future date.

Councilor Witham inquired if the duties of the new officer would be subject to audit and how they track the duties performed.

Chief Kretschmar stated data collection is part of the ACERT program. He stated that data collected will support the grant moving forward. He stated they also track crime reduction and it is reported to the Department of Justice. He stated there are routine audits, usually quarterly.

Councilor Witham inquired after the grant period has expired if the officer can be utilized as seen fit.

Chief Kretschmar stated yes and if necessary the Officer can be moved to a different area of the Department.

Councilor Pepin stated he thought this was a done deal but has no issue with the acceptance.

Councilor Pepin, seconded by Councilor Austin, moved to support a Resolution to accept the COPS Grant Award. The motion carries by a 3-0 roll call vote.

FIRE STATION ARCHITECT CONTRACT

Manager Belmore stated Port One Architects completed the preliminary design work for the Fire Station. He stated to move forward with Port One for the construction design it would cost \$466,400. He stated the Fire Station Building Committee has endorsed moving forward with Port One. He stated this will require Council authorization to sign the contract with them.

Councilor Witham stated Port One was engaged to complete the preliminary design and now to move forward with them for the construction design would make sense. He stated it would be more expensive to go back to bid for the next phase of the design.

Councilor Pepin updated the Committee on the discussions from the Fire Station Building Committee meeting. He stated after discussion they found that they were comfortable moving forward with Port One. He stated hiring a new firm would be like starting over.

Councilor Austin stated he is in support of moving forward with Port One on the project. He requested more information on where the money comes from to pay for this project.

Director Smith explained the project will be paid for in phases through Bond anticipation notes. He stated it allows for short term financing in phases for the exact cost. He stated they expect to bond the project in 2021 at the expiration of the Police Station bond. He stated it allows the City to have a cash flow and bond the actual project cost.

Councilor Austin, seconded by Councilor Pepin moved to support a Resolution to contract with Port One Architects at the cost of \$466,400 for the next phase of the Fire Station design. The motion carries by a 3-0 roll call vote.

REPORTING & REVIEW FY 21 ESTIMATED REVENUES

Director Smith stated he has prepared a memo for the Committee to review potential effects on revenue from the COVID circumstances. He stated the main forms of revenue the City receives are property tax collection and non-tax revenues which are licenses and permits, governmental revenues, charges for services, interest on investments and miscellaneous (other sources).

Director Smith reviewed the property tax collection compared to the previous year. He stated property tax collections for 2020 are at 91.68% of the commitment and is approximately off by 2% from the previous year but still in good standing.

Director Smith reviewed the non-tax revenue including actuals form FY2020 and estimated revenue for FY2021. He stated he suggested no changes in the figures estimated for the incoming licenses and permits fees. He stated the government revenues are grants the City receives and the State has been consistent that they will meet their obligations. He stated he is not recommending any changes and to use the prior year actuals for budgeting purposes. He stated at this time there are no Recreation programs. He stated this is ultimately a wash because they budget for these programs and that is not being spent. He stated the interest on investments has shown a decline and recommends reducing the revenue estimate for the FY2021 by \$45,000. He stated he would recommend increasing the other source funding based on prior year's actuals to \$29,000.

Director Smith stated this year's financials look good but there is talk that the pandemic will have a more significant effect on next year's budget.

Manager Belmore stated there are some remote rec programs being offered and new at home model programs. He stated they could have charged for these programs but felt it was appropriate in the current environment to offer them free of charge to residents.

Councilor Witham clarified that the money budgeted for the rec program would cover two budget cycles since camp typically starts in June.

Director Smith stated yes and it comes down to almost a wash and is hesitant to suggest making any changes to it at this time.

Councilor Witham stated he would leave well enough alone.

Councilor Pepin stated he would suggest lowering the investment number for budgeting as advised.

Director Smith stated that can be done when they are setting the tax rate in the fall.

Manager Belmore stated they wanted to inform this Committee and Council of the current financial standing to build a level of comfort that the budget is on track currently. He stated there is no need for any changes at this time; it is merely information sharing.

Councilor Austin noted that there is talk in Concord of future budget cuts and uncertainty of when that will happen.

Director Smith stated he expects to see more of an affect in next year's budget.

Councilor Pepin updated the Committee on the Coast Bus budget.

Councilor Witham asked for more information on the public safety grant eligibility for wages.

Director Smith explained that with changes required because of the pandemic there are certain costs that can be reimbursed. He stated it has been determined that employees directly or with specifically related tasks to COVID-19 response the wages for those full time workers are eligible to be covered by the Cares Act under the State GOFFER funds. He stated the State just informed communities for the administrative ease of reporting that all Public Safety wages, Police, Fire, and Welfare, are deemed to be COVID wages and are eligible for reimbursement..

Councilor Pepin, seconded by Councilor Austin, moved to take no action on the budget and allow Staff to deal with any minor revenue changes during the tax rate setting process (as is the annual normal process). Motion carries by a 3-0 roll call vote.

MISC.

No misc. business.

ADJOURNMENT

Councilor Pepin, seconded by Councilor Austin made a motion to adjourn at 11:33 AM. Motion passed 3-0 by roll call vote.

Respectfully submitted,

Dana Crossley, Planning Secretary