

MINUTES OF THE FINANCE COMMITTEE  
CITY COUNCIL CHAMBERS  
JULY 26, 2022 – 4:30 p.m.

Committee Members present:      Councilor David A. Witham, Chair  
   Councilor Don Austin, Vice-Chair  
   Councilor Matt Gerding  
   Councilor Martin P. Dumont, Sr.

Administration/Staff present:      City Manager Bob Belmore  
   Finance Director Scott Smith  
   Fire Chief George Kramlinger  
   Welfare Officer Kristen LaPanne

Others in Attendance:              Councilor Martin Pepin

---

Chairman Witham called the meeting to order at 4:31 p.m.

MINUTES OF THE PREVIOUS MEETING

*Councilor Austin made a motion to approve the minutes of the June 23, 2022 meeting. The motion was seconded by Councilor Dumont and passed 4-0*

RES. NO. 4-23, DISCONTINUE THE SIDEWALK CAPITAL RESERVE FUND

Councilor Witham provide background for sponsoring this Resolution, there are two separate line items within the budget, one as an operating line appropriation and the other providing funding into the Capital Reserve Fund (CRF) and after speaking with City Staff, ultimately, he thought to suggest dissolving of the CRF. Manager Belmore provided pages C-91, C-1 and C-2 from the PY 22-23 Proposed Budget, explaining that C-91 has a transfer amount of \$13,000 for a total balance of \$100,279 in the CRF. C-2, Revenue, "Transfer in from Other Funds" is \$105,000 with \$50,000 transferring from the Sidewalk Improvement CRF this FY year and the remaining next year to move in the direction of discontinuing the CRF line item.

Councilor Gerding wondered if there is any benefit for the City to decide to discontinue the CRF sidewalk fund but to leave it as a line item and not discontinue it. Director Smith's opinion is that it is best to clear it off the books to avoid future City Councils potentially forgetting about the line item and noted that a future Council could decide to recreate it if necessary. Director Smith confirmed the Sidewalk Improvement CRF would go into the General Fund as revenue and added that the City reports their revised estimate of revenue in September, therefore, if the City Council takes action to discontinue the CRF this year, this revenue number would be changed.

Councilor Dumont questioned if the sidewalk improvement CRF could be used on other projects, confirmed by Manager Belmore that it is for sidewalks only. He asked the same of the sidewalk improvement operating budget line item with an amount of \$100,000 and City Staff confirmed it is for sidewalks only to the extent that the full Council doesn't transfer to another department through a vote

using the Transfer Ordinance. Councilor Dumont stated that the Committee shouldn't be in a rush to discontinue the CRF as the money is designated for sidewalk improvement only. Manager Belmore noted that the City hired a consultant to assist with a sidewalk improvement plan, Director Smith added that because the line item is Capital funding, per Charter, any unspent monies will carry over into future budgets.

Manager Belmore provided a reminder of the work the City has been involved in with regards to sidewalk improvements giving examples of Indigo hill Road, the TAP grant to replace one side of sidewalk on High Street and City hired engineers are in the process of currently engineering Constitutional Way and Main Street as complete street projects with new sidewalks. Manager Belmore reports having conversations with City Staff about suggesting to the Public Works Committee, with the next \$625,000 ARPA fund received for Complete Streets, it could potentially be used to accelerate Constitutional Way complete streets project. The Committee is in agreement that they would like to see more done with sidewalk improvement throughout the City.

Councilor Gerding presented an idea of increasing the \$5 transportation fee from vehicle registrations to \$10 which Manager Belmore explained the inability to do so as the State Legislators passed communities' ability to increase the M/V registration fee up to \$10, however, it was later vetoed by the Governor.

***Councilor Dumont made a motion to support Resolution No. 4-23, Discontinue the Sidewalk Capital Reserve Fund. The motion was seconded by Councilor Gerding and passed 4-0***

#### NEW FIRE STATION TRAINING TOWER

Councilor Witham reported that discussion about the Training Tower took place during the Fire Station Building Committee meeting which all supported the rejection of the awarded \$120,000 HUD grant and bringing it to full Council for a vote. Manager Belmore added that the original estimated needed amount for the Tower was \$120,000, however, the new estimate is \$318,000 with the City responsible for remaining \$198,000. The Fire Station Building Committee reviewed the budget during their meeting and discussed the uncertainty of additional costs needed for disposing of the contaminated soil and the newly discovered possibility of contaminated asphalt.

Councilor Dumont questioned in earlier planning stages testing being done with reports that everything was fine, how was the contamination not found previously? Manager Belmore explained testing was done but as construction unearthed soil during excavation, contaminants were found in the soil. Discussion continued confirming that the Training Tower was not included in the Fire Station Building \$9,000,000 budget.

Councilor Gerding asked if there was a way to delay the declining of the HUD grant, Councilor Witham explained that Harvey Construction needed an answer to move forward as to not cause further project delays as they begin phase two. The Committee is in agreement and supports a decision to decline the HUD grant for the Training Tower.

#### SOLAR ENERGY SYSTEMS EXEMPTION OPTIONS

Councilor Witham asked for assessing information regarding State law in relation to what the Council had previously passed for a solar exemption. Per the annual assessment report provided to the Committee, the City has approximately \$1.4 million in solar infrastructure that is not being taxed on.

The question to City Staff was, can businesses who sell solar power to the grid (i.e., Solar Array Farms) be differentiated from homeowners and therefore taxed. Manager Belmore clarified that as it stands, if a solar infrastructure is used to maintain a home or business it is not taxed, however, if all or a portion of the solar power is sold to the grid that portion is taxed unless the full Council takes further action to exempt these arrays. Director Smith added that the tax exemption must be applied for annually by the property owner and that it is not an automatic exemption. Belmore stated that our Assessor told him that the City reviews these exemptions every 5-years to ensure there are no changes. The Committee is in agreement to continue with the current taxation method.

#### SUPERFUND SITE BASKETBALL COURTS ASPHALT REMOVAL

Manager Belmore provided a memorandum from Geosyntec Consultants showing the modified estimate with contingency of \$25,400 to remove the basketball court asphalt and he confirmed that the structures have been removed by the Highway crew (i.e., basketball backboards). In dealing with PFAS there is some uncertainty in costs as additional requests for testing to the site are possible and Belmore emphasized to the Committee that the cost has potential to go over the current estimate should USEPA or NHDES require further testing and reports by our engineers

Councilor Austin questioned if leaving the basketball court alone is a viable option in order to not disturb anything further with added concern of the possibility of increased testing costs of unknown amounts. Councilor Gerding noted that he is not comfortable leaving it alone and prefers to remove the asphalt as it is a kind of blight and would agree to support the project at its current estimated budget. No action was taken by the Committee.

#### REPORTING

Director Smith reported closing of budget year FY 2022 and informed Committee Members of the upcoming annual audit scheduled for October.

#### MISCELLANEOUS

Councilor Gerding brought up the ability of municipalities to form storm water utility funds providing a potential revenue source to fund projects while providing an incentive for residents to handle their storm water while limiting the amount going into the sewer and helping us with our storm water reporting and the issue surrounding the Great Bay. Councilor Witham mentioned it was discussed in the past with no action taken.

Councilor Austin recalled previous budgeting conversations regarding increasing City bag pricing; this discussion topic will be added to the next meeting agenda to further review data compiled by Director Smith.

Manager Belmore provided an update regarding the \$51,000 contingency for the Rocky Hill Road culvert and the need for the replacement of gate valves at the Wells Street location in order to complete the culvert project. The total cost of the gate valve replacements is \$40,000 in which Manager Belmore suggested he was authorized under the City Council approved project Resolution to move forward with available contingency funds.

Director Smith provided an update regarding taking bids for the TAP Grant in which one was received from North East Earth Mechanics at \$300,000 over budget. Next step is for the Wright Pierce Engineer to complete a bid analysis to submit to the NH DOT where it is either accepted or rejected. Further Committee and full Council action depends on the State's decision and potential for providing more Grant funding and approvable to accept a lone bid.

Councilor Dumont requested staff get the amount of food compost collected by the City's vendor. Councilor Gerding added to the request to include gathering data on the amount of compost collected by the schools, the municipal compost drop off at public works and residents who privately contracted with Mr. Fox.

#### ADJOURNMENT

*Councilor Austin made a motion to adjourn. The motion was seconded by Councilor Gerding and passed 4-0. The meeting adjourned at 4:44 p.m.*

Respectfully submitted,

---

Welfare Officer, Kristen LaPanne