

MINUTES OF THE FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
February 3, 2023 – 8:00 a.m.

Committee Members present: Councilor David A. Witham, Chairman
 Councilor Don Austin, Vice-Chairman
 Councilor Matt Gerding
 Councilor Robert Gibson (arrived at 8:20 a.m.)

Administration/Staff present: City Manager Bob Belmore
 Finance Director Scott Smith
 Director of Public Works Michael Bobinsky
 Fire Chief George Kramlinger
 Police Chief Timothy McLin
 Deputy City Clerk Ammy Ramsey

School Administration present: Lori Lane, School Superintendent
 Katie Krauss, School Business Administrator

Chairman Witham called the meeting to order at 8:02 a.m.

MINUTES OF THE PREVIOUS MEETING

Councilor Austin made a motion to approve the minutes of the January 11, 2023 meeting. The motion was seconded by Councilor Gerding and passed 3-0.

SCHOOL DEPARTMENT USE OF FUND BALANCE

Councilor Witham stated that the Committee received the School District's FY2023-2024 Proposed Budget Summary.

City Manager Belmore informed the Committee that the budget summary was presented at the January 31st meeting of the Joint Commission of the City Council & School Board. Manager Belmore also informed the Committee that the Joint Commission voted to recommend the use of \$100,000 from the estimated School Department FY2022-2023 budget surplus as a revenue source for the FY 2023-2024 School Budget in accordance with Resolution 31-21.

School Business Administrator Krauss presented the School Department's Estimated Budget Surplus and Superintendent Lane mentioned that they feel comfortable with the \$100,000 figure being a realistic revenue amount to request for the FY2023-2024 budget.

Councilor Witham stated that the continuous shortfall in State revenues has been a challenge for the budget seasons over the past few years. Councilor Witham mentioned that it seems to him that the expenditures are not increasing much besides the contracts and utility costs, and that the revenue from the State decreasing is the challenge. Superintendent Lane confirmed that union contracts and utilities have increased the budget but the enrollment has stabilized.. Superintendent Lane also explained due

to the enrollment they have 7 ½ unfilled positions that are being cut from the proposed FY2023-2024 budget.

Councilor Witham stated that he is in support of the use of fund balance and the issue would need to be presented to the full Council for a vote.

Councilor Austin stated that the Joint Commission of the City Council and School Board are in support of the using the surplus for the School budget as well.

Councilor Gerding questioned if the cost of the new teacher's contracts are reflected in the Fiscal Year 2023-2024 budget. Superintendent Lane stated yes.

Councilor Gerding made a motion to support the use of \$100,000 from the estimated School Department Fiscal Year 2022-2023 budget surplus as a revenue source for the Fiscal Year 2023-2024 School Budget in accordance with Resolution 31-21. The motion was seconded by Councilor Austin and passed 3-0.

CAPITAL OUTLAY (CIP) PROJECTS

A. Police Department Dispatch Radio Console

City Manager Belmore informed the Committee that the Police Department building is 15 years old and the dispatch radio equipment is the original equipment and is in the CIP for replacement this coming year.

Police Chief McLin informed the Committee that the 2 dispatch stations as well as 2 larger rack-mounted consoles are termed at “end of life” and “end of support” by our vendor, Two-Way Communications. Two-Way Communications has informed Chief McLin that the circuit boards and equipment are no longer available because they do not make the parts any longer.

City Manager Belmore mentioned that there will be some lead time to get any new equipment and staff is concerned about waiting to start the project and is suggesting the City start on this project sooner and not wait for the budget process. Manager Belmore informed the committee that there are some immediate funding options, such as ARPA funding we have received from the Federal Government.

Councilor Austin stated that it seems to be an urgent request and feels they shouldn't wait to start the process of updating the equipment.

Councilor Witham stated that he believes this equipment is the life-line for serving this community and is in support of starting the upgrade with utilizing fund balance and/or ARPA funds.

Councilor Gerding inquired about the price of the equipment and installation. Finance Director Smith suggested the amount of \$175,000 but that does not include contingency funds.

Manager Belmore inquired if we have completed the replacement of the antenna yet. Chief McLin confirmed that the antenna was replaced.

Councilor Witham inquired about the transition and if there will be any interruption in services. Chief McLin informed the Committee that there will not be any interruption because they have 2 consoles, so one will be fully functioning before the other console is installed.

Police Chief McLin stated he reached out to Two-Way Communications to get an updated quote and he should be receiving that within a week or two.

Councilor Gibson entered the meeting at 8:20 a.m.

Discussion continued concerning the use of ARPA Funds and still having ARPA Funds available for other projects as well, the Committee's consensus was to include some contingency funding.

Councilor Austin made a motion to sponsor a Resolution and a Supplemental Appropriation, if required, to approve the use of ARPA Funds to replace the dispatch radio equipment at the Police Department for an amount not to exceed \$200,000. The motion was seconded by Councilor Gerding and passed 4-0.

B. Public Works - Facility Roof Replacement

City Manager Belmore stated that the Public Works Building has some roof leaks currently and is in need of a roof replacement. Manager Belmore stated that this would be another project that ARPA Funds could be used to complete.

Public Works Director Bobinsky informed the Committee that the current roof is metal and was installed in 1992.

Councilor Witham stated that this project is in the FY2024-2029 CIP and this could be another project that can be completed with ARPA Funds.

City Manager Belmore stated that Southers Construction submitted a quote in the amount of \$191,760 and feels that an amount of \$225,000, which would include a contingency, will be sufficient to get this project done.

Councilor Austin made a motion to sponsor a Resolution and a Supplemental Appropriation, if required, for the Metal Roof Replacement on the Public Works Building in an amount not to exceed \$225,000 using ARPA Funds. The motion was seconded by Councilor Gerding.

Discussion:

It was confirmed by Public Works Director Bobinsky that this will replace the entire roof.

The motion passed 4-0.

TAX DEEDS

City Manager Belmore mentioned that there was a list of properties and information given and stated the majority of the properties are mobile homes. Manager Belmore informed the Committee that the City does their best to keep people in their homes by setting up payment plans and helps refer property owners to organizations that can assist them .

Finance Director Smith explained the information given and how the list is broken down. Director Smith informed the Committee that 3 properties are subject to the deeding process. Director Smith informed the Committee that the properties highlighted in blue are working with the State's Homeowner's Assistance Fund to get the taxes paid and the City is working with them and won't deed the property unless they are denied assistance.

Councilor Witham noted for the Committee that they will actually determine which properties not to tax deed, and consider sponsoring a Resolution for City Council action to inform the Tax Collector to not tax deed those properties.

Councilor Gibson inquired about what happens when a property is taken by deed and there are still people living on the property. Finance Director Smith stated that once the City takes the deed; the City assumes the landlord roll and would go through the eviction process. And that the eviction process could take 2 to 3 months.

Councilor Austin made a motion to sponsor a Resolution to direct the Tax Collector not to take the properties on Wexford Lane and those Mobile Homes on the list identified by staff. The motion was seconded by Councilor Gerding and passed 4-0.

TAX EXEMPTIONS

A. Veterans

Councilor Witham stated that this is a housekeeping item to align with House Bill 1667 that was passed in June 2022. This Bill affects our current Veterans' Credit in 2 ways.

Finance Director Smith explained the any action to re-adopt the current Veterans' Credit will include active military if they meet the requirements and not only discharged military. Also, if we don't re-adopt the "Optional" Veteran Credit in the amount of \$500 (which is the current credit amount) it will revert to the \$50 standard Veteran Credit.

B. Solar

Finance Director Smith explained that the Solar Exemption was adopted in 2017, and the definition of Solar Energy has changed to include solar net metering up to 1 megawatt. Director Smith explained that currently the exemption only applies to solar arrays that are not selling power back to the grid, but if the City would like to include the exemption to properties that sell up to 1 megawatt of power back to the grid the Solar Exemption would need to be re-adopted.

Councilor Gerding mentioned that the reason for the exemption is because the addition of solar arrays increases the assessed value so the exemption is meant to help with the increase of taxes from the assessment going up.

Councilor Witham stated he is in favor of the exemption if the property owner is not making any profit from the solar energy. There was some discussion pertaining to how much a megawatt is.

Councilor Austin confirmed with Director Smith that if no action is taken at this time, it would not change the exemption as it stands.

The Committee consensus was to take no action on this issue and stay with the current solar exemption.

REPORTING

Finance Director Smith informed the Committee that the budget is in decent shape, and that a transfer ordinance maybe needed at the end of the year for the Fire Department and he is keeping an eye on the Public Works Department since we are still in the winter season as well.

MISCELLANEOUS

City Manager Belmore informed the Committee that the solar array that is being proposed for the Superfund Landfill site is still going through the lease agreement process. There has been some negotiating concerning the circumstance of when panels would need to be removed and/or repaired. If the panels need to be removed based on action by the EPA and/or the NHDES that the City would be responsible to pay for any removal and reinstallation costs, as well as any lost revenue by AMERESCO. Councilor Witham mentioned that the City would be making revenue from lease and PILOT payments from the solar array and could use that in the case the City would be responsible for any costs.

Councilor Gibson inquired who would be responsible if ordinary repairs needed to be made and some panels needed to be removed and replaced. Manager Belmore responded that AMERESCO will be responsible for the cost of any routine maintenance, the City is only responsible if it is due to direction by the EPA or NH DES.

Councilor Gerding made a motion to support the City accepting the risk as described by the City Manager. The motion was seconded by Councilor Austin and passed 4-0.

City Manager Belmore explained to the Committee that the Hamilton Street Water Tank Roof Replacement bids were due on January 19th and we did not receive any bids. City Staff reached out to Mike Sullivan of Carlson Systems because he assisted staff with the bid specifications for a new roof. Public Works Director Bobinsky stated he would like to request to forgo the bid process and work with Carlson Systems to receive a proposal for consideration. Director Bobinsky stated that they did not receive any bids because there was concern about kid's summer camp going on and removing and replacing the Cell towers that are attached to the standpipe, and believes it would be a good approach to work directly with a known manufacturer and have them assemble an engineering/contracting team to complete the project. Director Bobinsky mentioned that Carlson Systems indicated they would put in a proposal but it will take approximately 5 weeks to prepare a solid proposal. Councilor Gibson inquired if there was money budgeted for the project, Director Smith stated that \$180,000 from the water fund is scheduled for this year. Councilor Witham mentioned that this will need to be brought to the full Council.

Councilor Gibson made a motion to waive the bid process for the Hamilton Street Water Tank Roof replacement project. The motion was seconded by Councilor Austin and passed 4-0.

City Manager Belmore informed the Committee the FY2023 Sidewalk Replacement bid came in higher than before. There was some discussion pertaining to the sections proposed and their condition. Councilor Witham inquired about the possibility of downsizing the scope of work to

accommodate for the amount increased. Director Smith stated that \$100,000 was budgeted this year, \$194,000 could be used from the additional Highway Block Grant funding received from the State and other sources of funding could be used. Councilor Gibson suggested doing what we can because of the condition of the sidewalks. Councilor Gerding stated that sidewalk repair is a subject that is the most talked about from the Community. The consensus of the Committee is to try and do the scope of work proposed.

ADJOURNMENT

Councilor Austin made a motion to adjourn. The motion was seconded by Councilor Gerding and passed 4-0. The meeting adjourned at 9:14 a.m.

Respectfully submitted,

Ammy Ramsey, Deputy City Clerk