

MINUTES OF THE FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
May 30, 2023 – 5:15 p.m.

Committee Members present: Councilor David A. Witham, Chairman
Councilor Don Austin, Vice-Chairman
Councilor Matt Gerding
Councilor Robert Gibson (arrived at 5:19 p.m.)

Administration/Staff present: City Manager Bob Belmore
Finance Director Scott Smith
Director of Public Works & Utilities Michael Bobinsky
Fire Chief George Kramlinger
City Clerk Kristen LaPanne

Other Present: Jenne Holmes

Chairman Witham called the meeting to order at 5:15 p.m.

MINUTES OF THE PREVIOUS MEETING

Councilor Gerding made a motion to approve the minutes of the May 4, 2023 meeting. The motion was seconded by Councilor Austin and passed 3-0.

TRANSFER ORDINANCES NO. 23-23 UPDATE

City Manager Belmore provided the Committee with a draft Ordinance regarding the transfer of \$200,000 in funding from the Police Department to the Fire Department. Manager Belmore mentioned that the Committee has been given Budget updates during previous Finance Committee meetings by Finance Director Smith.

Councilor Witham reminded the Committee that there were unanticipated expenses due to fire apparatus repairs totaling around \$75,000 and the overtime payments made in order to ensure adequate staff coverage.

Director Smith noted that the Fire Department budget is forecasted to be approximately \$170,000 over budget. Councilor Austin asked for confirmation that the Police Department will not be restrained in any way by the transfer of the \$200,000 from their budget. Manager Belmore reassured the Committee that he has had a number of conversations with Police Chief McLin and confirmed they would not be constrained by the transfer of funds.

Councilor Witham explained that no action is necessary since the Committee previously voted to support this Ordinance and were only looking for an update before presenting to the full Council.

FORMER POLICE STATION SITE – REALTOR MARKETING PROPOSALS

City Manager Belmore made an attempt to secure at least three proposals regarding the former police station site located at 5 Main Street, however, he only received two proposals from Heather Kretschmar of Bean Group and from Peter Russell Associates. Manager Belmore provide the Committee with letters of interest from each of the real estate brokers and stated that the Economic

Development Committee met last week and were in favor of contracting with the Bean Group with Mrs. Kretschmar as the sales agent. Manager Belmore mentioned that both Mr. Russell and Mrs. Kretschmar provided a list of completed real estate projects and qualifications for review and consideration. Manager Belmore stated that the Council's Economic Development Committee had voted to proceed with the Bean Group pending Finance Committee review.

Councilor Witham stated that he likes the idea of Mrs. Kretschmar's proposal having no upfront cost and her fees are based on commission of the sale of the property whereas Mr. Russell's proposals suggest a fee of \$5,000 for a 4-month term regardless if the property sells or not.

Councilor Gerding shared that during the Economic Development Committee meeting, he felt the Committee agreed that there was a vast difference between the two proposals adding that they felt that Mrs. Kretschmar seemed more positive and excited about the property whereas Mr. Russell took a more negative approach. Councilor Gerding is also in favor of the commission-based fee versus the flat fee.

Councilor Austin expressed that he also agrees with both Councilor Witham and Councilor Gerding's comments.

Manager Belmore mentioned that the City has utilized Mrs. Kretschmar's services in the past for the sale of City property and reported having a good experience with her services.

Councilor Witham added that he appreciates Mrs. Kretschmar's feedback as a Somersworth resident who had worked in the Police Department building, and who also provided good credentials.

Councilor Austin made a motion to proceed with the hiring of Heather Kretschmar of Bean Group for the marketing and sale of 5 Main Street, known as the former Police Station. The motion was seconded by Councilor Gerding and passed 4-0.

COMPETITIVE PURCHASING, per ADMINISTRATIVE CODE, CH. 29

Fire Station Furniture

City Manager Belmore reported that he met with both Finance Director Smith and Fire Chief Kramlinger and supports the recommendation to waive the purchasing bids requirement for various pieces of office furniture and equipment for the new Police Station. He provided the Committee with a 4-5-page memorandum from Chief Kramlinger which details the various purchases from multiple local vendors. Manager Belmore also pointed to sections of City Ordinance, Ch. 29 regarding the City's purchasing policy.

Councilor Witham commented that he appreciated the detail and research completed by Chief Kramlinger, and felt that due to the number of diverse items being purchased for the new Fire Station, it may not make sense to go out to bid.

The remainder of the Committee expressed agreement. Councilor Gerding noted that the purchase details from Chief Kramlinger came in under what was originally budgeted.

Councilor Witham mentioned being mindful of the quality of the products. Chief Kramlinger assured the Committee that his research provides the best combination of quality, durability, and cost while utilizing local vendors.

Councilor Austin made a motion to waive the bidding process for the purchase of Fire Station furniture and to proceed with the recommendation submitted by City staff to purchase from local vendors in the amount of \$29,292. The motion was seconded by Councilor Gibson and passed 4-0.

City-wide Meter Replacement Program

City Manager Belmore reported that staff had received some initial meter costs from Neptune Meters and the entire City-wide meter replacement project cost was budgeted at \$960,000. He recommended that the Committee consider sole sourcing to this one vendor to keep consistency of meters throughout the City, as the City has been using Neptune meters exclusively over many years.

Councilor Witham agrees with the consistency of meters by sole sourcing the project through one vendor, he felt that for maintenance and replacement of parts it makes the most sense. He questioned who would be responsible for the installation of meters. Manager Belmore confirmed that they would hire a contractor to conduct the installation with help from the Department of Public Works Water Division staff. Finance Director Smith added that he is meeting with a representative from Ti-Sales, a local vendor of Neptune Meters, tomorrow and will have more information pertaining to the installation process.

Councilor Gibson asked if within the purchase agreement, there was a section that speaks to the City having a supply of backup meters on hand. Director Smith confirmed that the City does continually carry a supply of replacement residential units but that commercial units are more expensive and we don't carry any extra supply of commercial units.

Director Smith stated that meter replacement program will prioritize units that are older than 5-years. Councilor Witham commented on the project being a big one with a lot of coordination from the City, vendor and property owners. Director Smith stated that the vendor has estimated the project to be completed in around 6-months.

Councilor Gibson made a motion to recommend support to the full City Council on moving forward with sole sourcing the purchase of Meters for the City-wide Meter Replacement Program to Neptune Meters. The motion was seconded by Councilor Gerding and passed 4-0.

DISPOSAL OF SURPLUS POLICE DEPARTMENT SUV, per ADMIN. CODE, CH. 29

City Manager Belmore stated that he would like to have the disposal of the surplus police SUV added to the City Council Agenda under other and wishes to list the property within GovDeals for sale. Manager Belmore also suggested that the Committee consider discussing an increase from \$1,000 to \$5,000 to Section 29.8.5 Disposal of City Property, Property Valued at \$1,000 or More, as many of our vehicles coming off-line are sold for more than \$1,000 which would allow these types of sales to occur without having to involve the full Council.

Councilor Witham agrees with listing the surplus vehicle on GovDeals and is also in favor of increasing the amount from \$1,000 to \$5,000 as suggested by Manager Belmore. Councilor Austin stated that he also agrees and that it makes sense to increase the amount.

Councilor Austin made a motion to sponsor an Ordinance increase to Section 29.8.5 Disposal of City Property, Property Valued at \$1,000 or More to \$5,000 or More. The motion was seconded by Councilor Gibson and passed 4-0.

The Committee unanimously agreed to support to the full Council listing the surplus police SUV on GovDeals for sale.

FIRE STATION SSI UPDATE

City Manager Belmore provided the Committee with a document prepared by Aries Engineering that detailed the work scope and budget estimate to conduct a supplemental site investigation (SSI) at the Fire Station property located at 195 Maple Street. He noted that he also received a quote from Geosyntec Consultants and had requested a proposal from Nobis engineering. The Aries Engineering

estimate came in at a total cost of \$11,900 while Geosyntec estimated the cost to be almost \$38,000. Manager Belmore reported that the City budgeted \$40,000 in fiscal year 2023-2024 for this expense. Nobis engineering decided not to offer a proposal.

Councilor Witham questioned if the City has done work with Aries Engineering in the past. Manager Belmore stated that Port One Architect and Harvey Construction have contracted out work to Aries Engineering for testing on the Fire Station project site.

Councilor Witham noted the map provided by Aries Engineering that marks the proposed monitoring well locations and questioned if those locations have been decided. Chief Kramlinger confirmed that the location of the monitoring wells are not definite and they will be careful to avoid areas that would require digging up any new pavement. Manager Belmore added that NH DES would have the final say as to where the monitoring wells are located and NHDES had not yet reviewed the SSI scope of work.

CONSTITUTIONAL WAY COMPLETE STREETS FUNDING

City Manager Belmore provided the Committee with a memorandum prepared by Finance Director Smith pertaining to the project schedule for Constitutional Way and timing that bond issue with the City's \$1,100,000 current bond issue for improvements on High Street which expires in fiscal year 2024-2025 that will free up \$87,680 in debt service payments.

Director Smith stated that the memorandum reflects if the City decided to request bids in the fall/winter of 2023 and an expected project start date in the spring of 2024. He provided the Committee with two options to consider. The City could bond the project in the spring of 2024 and assume a 15- year amortization schedule at 4% with the estimated tax impact being approximately .11 cents. The City could also consider issuing a Bond Anticipation Note in the spring of 2024 to fund the project, and complete the Bond in the spring of 2025 when the High Street bond expires. Based on timing the Bond Anticipation Note in the spring of 2024, the net impact on the tax rate would be approximately .03 cents.

Director Smith also suggested an option which isn't included in the memorandum, whereby the City could issue a shorter-term Bond Anticipation Note and join the NHMBB spring sale. This way the City would have just an interest payment in fiscal year 2025, and then a full payment in fiscal year 2026 after the High St. bond expires. That would be a .04 cent impact in fiscal year 2025.

There was discussion of the 15-year amortization schedule and if it could be adjusted. Director Smith recommended that the term not be increased, and he suggested considering a 10-year term alternatively. Councilor Gerding stated that he favored the option of a 10-year term and the shorter-term Bond Anticipation Note which would have a .04 cent tax impact in the first year. Councilor Gibson also expressed that he favors the shortened term which will lessen the interest payments. Councilor Witham agreed as well, and added that this option frees up bonding for other projects sooner. He asked Director Smith what the impact in the first full year of payments would be if they did a 10-year bond.

Director Smith confirmed that with a 10-year term, the tax rate impact is estimated to be approximately .07 cents and the interest in the first year will remain the unchanged.

COMMUNITY POWER COALITION

City Manager Belmore reported that he and Director Smith met with a consultant pertaining to the Community Power Coalition and the Coalition Consultant is working on preparing a memorandum that outlines the program and sequence of steps to take to move forward. He stated that there are requirements set by State law that will need to be met including establishing an energy committee.

Manager Belmore commented that there are approximately 33 cities and towns throughout the State of New Hampshire that have joined the coalition to date.

Finance Director Smith explained how joining the coalition would work and stated it would be similar to how the City currently utilizes a broker to negotiate a contracted rate from an Energy Supplier. He added that the residents and business owners of the City of Somersworth, by joining the coalition, would have the option as to whether or not they receive the rate provided by the Coalition.

City Manager Belmore noted that the City of Somersworth would not be able to receive the rate through this coalition due to the solar array project off of Blackwater Road, however the School District would be able to consider it.

Director Smith stated that there is a process including signing the Joint Powers Agreement, establishing an energy committee, two public hearings and adoption of a Plan by the full Council. Manager Belmore suggested inviting the consultant to the next Finance Committee meeting. All Committee members agreed.

MISCELLANEOUS

City Manager Belmore provided the Committee with a proposal of eight (8) City of Somersworth historical markers researched and prepared by Jenne Holmes, on behalf of Mayor Hilliard, that are in addition to the Forest Glade Cemetery and Hilltop School State Historical Markers. The Draft proposal considers including markers at Willand Pond / Central Park, Pearls Bakery/Murder, Fred Brown / Old City Hall, Great Falls Manufacturing Company, Summersworth Name, Noble Pines, General Electric, Citizen's Place, and John Wentworth house. These would not be State markers, rather designed as City Historical markers.

Councilor Witham asked where the funding is anticipated to come from. Manager Belmore stated that the cost of the project is almost \$15,000 and could be funded through the Cable Fund as it was not budgeted. The Committee agreed to bring the proposal to full Council for a vote.

Councilor Gerding made a motion to sponsor a Resolution to install eight (8) City historical markers as proposed by the Mayor's Office for an amount not to exceed \$15,000. The motion was seconded by Councilor Gibson and passed 4-0.

Manager Belmore stated that Pall Water, a division of Pall Corporation, has been leasing the building behind the City's Water Plant for a number of years and have requested an extension for another 1-year term. He added that the Corporation representative agreed to increase the lease from \$1,300 to \$1,500 per month.

Councilor Austin made a motion to recommend to the full Council to authorize the extension of the lease agreement for 1-year with Pall Corporation. The motion was seconded by Councilor Gerding and passed 4-0.

Manager Belmore is looking to move forward to the full Council with a Resolution to execute agreements with Ameresco, Inc. to develop a solar project after having negotiated terms of said agreement pertaining to a Purchase Power Agreement (PPA), a Ground Lease, and a Payment in Lieu of Taxes (PILOT). Manager Belmore stated that the City's Special Legal Counsel has been working with Director Smith and him over the last several months to finalize these Agreements.

Councilor Austin made a motion to sponsor a Resolution to authorize the City Manager to execute Agreements with Ameresco, Inc. to develop a solar project on the Blackwater Road superfund site. The motion was seconded by Councilor Gibson and passed 4-0.

Manager Belmore reported that the Granite State YMCA has merged with the Somersworth Early Learning Center and they would like the City to partner in their application for a Community Development Grant (CDBG), the project funding is intended to include facility upgrades to the property and building site. The grant would allow the Early Learning Center to expand their service enrollments from 52 to 130 youth and families. The grant request is for \$500,000 in grant funds, Manager Belmore added that the YMCA staff will work through the application and project processes with a minimal amount of effort needed by City staff. The CDBG grant application is due by July 31st. The YMCA team would work with the Strafford Regional Planning Commission (SRPC) staff to administer the Grant with the State.

Councilor Witham supports the City partnering with the YMCA for applying for the CDBG Grant, he added that the facility is established and there is a lack of child care in the region.

Councilor Gibson questioned if residents of the City will be prioritized at the child care center with regards to receiving services. Manager Belmore confirmed that he will request more information regarding the application for child services, however he suspected it would be open to both City residents and residents outside the City.

Councilor Gerding made a motion to sponsor a Resolution authorizing the City to partner with the YMCA for a Community Development Block Grant (CDBG) to support the Somersworth Early Learning Center upgrades. The motion was seconded by Councilor Gibson and passed 4-0.

Manager Belmore reported that the Lamprey Regional Cooperative is looking for the City to sign a Waste Disposal Agreement with WMI and, he is waiting for further clarification on any need for the City to do so. Councilor Gibson questioned what the Agreement is for. Councilor Witham clarified that the Cooperative used to ship waste to Durham where it was incinerated, the ash was then mixed with wastewater sludge and then disposed of at the Somersworth Ash Landfill site next to the Wastewater Plant. Councilor Gibson questioned if they are still actively dumping. Councilor Witham confirmed that that they discontinued dumping however the City is required to pay fees for continued maintenance.

Manager Belmore reported that he received a proposal from Chinburg Properties that he will be bringing forward at a future meeting regarding the National Guard property. He summarized that the developer is proposing an apartment building with a number of onsite amenities and light commercial businesses. There was discussion about possible grants and tax incentives that the developer is interested in as well as a list of public benefits of the project. It was noted that with the proposal, the City would continue to own the current Little League Baseball Field property.

Councilor Gibson questioned if there were zoning regulations within the City pertaining to solar arrays. Manager Belmore stated that there has been discussion at the Zoning Board of Adjustments. Councilor Witham added that the Planning Board also had discussions pertaining to stand alone solar power structures.

Manager Belmore stated that the Economic Development Committee supports his recommendation to seek some consultant assistance for the former Breton Cleaner's site development plan being constructed into City space that will include parking and greenspace.

ADJOURNMENT

Councilor Austin made a motion to adjourn. The motion was seconded by Councilor Gerding and passed 4-0. The meeting adjourned at 6:22 p.m.

Respectfully submitted,

Kristen LaPanne, City Clerk