

MINUTES OF THE FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
October 16, 2023 – 5:00 p.m.

Committee Members present: Councilor David A. Witham, Chairman
Councilor Don Austin, Vice-Chairman
Councilor Richard Michaud (Councilor Richard Michaud
(Temporary Mayoral Appointment)

Committee Members Absent: Councilor Robert Gibson
Councilor Matt Gerding

Administration/Staff present: City Manager, Bob Belmore
Finance Director, Scott Smith
Director of Public Works & Utilities, Michael Bobinsky
City Engineer, Amber Hall
City Clerk, Kristen LaPanne

Others in Attendance: The Oaks Principal Operators Peter Harrity & Pete George Jr.

Chairman Witham called the meeting to order at 5:03 p.m. and noted that the Mayor appointed Councilor Michaud as a temporary member for this meeting.

APPROVE PAST MEETING MINUTES OF SEPTEMBER 20, 2023

Councilor Austin made a motion to approve the minutes of the September 20, 2023 meeting. The motion was seconded by Councilor Witham and passed 2-0-1.

OAKS LEASE EXTENSION

City Manager Belmore provided the Committee with a draft copy of the Lease Extension Agreement between the City of Somersworth and Hideout Golf, LLC. He stated that he worked with Mr. Harrity, Mr. George, Finance Director Smith and the City's legal team to draft the Agreement after the City Council voted to authorize negotiations pertaining to the terms of the Lease Extension Agreement with Hideout Golf, LLC. Manager Belmore directed the Committee to section 4 of the Lease Extension Agreement and noted that if the agreed upon improvements outlined within the fourth and fifth pages of the Request have been completed by 2038, the Term and Rent amendments shall become effective beginning December 2, 2040.

Councilor Witham commented that he likes that the City has opted to keep some interests reserved by having the work completed, and then approving the extension of the lease. Councilor Austin agreed with Councilor Witham's comment and he added that it is similar to the current lease and supports the Agreement.

Councilor Austin made a motion to sponsor a Resolution authorizing the City to sign a 20-year Lease Extension Agreement with Hideout Golf, LLC. The motion was seconded by Councilor Michaud and passed 3-0.

CATCH BASIN REPAIR FUNDING: BLACKWATER ROAD / HIGH STREET

Councilor Witham stated that the Public Works and Environment Committee met prior to this meeting and they supported the contracting of the catch basin repair to SUR Construction. He explained that City staff received two quotes and the variance in project cost estimate is mainly due to the fact that SUR Construction can handle the job on their own, while Renaud would need to contract out some of their services. Councilor Witham suggested adding a contingency amount of \$10,000 for a total project budget of \$50,000 which is within the spending authority of the Finance Committee.

City Manager Belmore mentioned that it was discussed whether nightwork could be done on the project, however, both City staff and SUR Construction do not feel comfortable with nightwork due to the complexity of the work and for personnel safety, as well as taking into consideration the increase in expenses.

Finance Director Smith stated that the project would be funded utilizing the \$12,000 that is currently budgeted for drainage projects, and would create an over expenditure in that line item. He added that a transfer ordinance or supplemental appropriation could be done to cover the rest if needed. Councilor Austin commented that he is in favor of using up the ARPA funds before the deadline and asked if there is currently construction on this catch basin. Public Works Director Bobinsky confirmed that no work has been done but there has been gas line work happening nearby. He noted that the catch basin requires complete removal and that it is beyond repair work.

Councilor Austin made a motion to authorize the City Manager to contract with SUR Construction of Rochester, New Hampshire for the catch basin replacement off of Blackwater Road for an amount not to exceed \$50,000. The motion was seconded by Councilor Michaud and passed 3-0.

WASTEWATER TREATMENT PLANT FUNDING

Councilor Witham reported that the Public Works and Environment Committee reviewed the provided memorandum from Wright-Pierce Engineering regarding the phase II upgrade design services of the Wastewater Treatment Plant. He recalled that there was previous consensus by the Committee to contract with Wright-Pierce Engineering for phase II due to the vendors knowledge of the facility after having completed the design work for phase I. Councilor Witham stated that the FY 2024 budgeted funds for the preliminary design of phase II is \$450,000, this cost is estimated to be \$415,000.

Councilor Michaud made a motion to sponsor a Resolution to contract with Wright-Pierce Engineering for the preliminary design of Phase II for the upgrades to the Wastewater Treatment Facility in an amount not to exceed \$415,000. The motion was seconded by Councilor Austin and passed 3-0.

HAMILTON STREET STANDPIPE (NOBLE PINES WATER TANK)

Councilor Witham stated that the full replacement of the water tank was not budgeted, however, the City's FY 2023 budget included approximately \$150,000 for the roof repair of the water tank which was initially discussed. He noted that there would need to be a supplemental appropriation that could come from the Water Enterprise fund to cover the remaining engineering costs.

Councilor Austin made a motion to sponsor a supplemental appropriation for engineering and design services to replace the Hamilton Street water tank. The motion was seconded by Councilor Michaud and passed 3-0.

Councilor Michaud made a motion to sponsor a Resolution to contract with Wright-Pierce Engineering for the engineering and design to replace the Hamilton Street Water Tank in an amount not to exceed \$300,500. The motion was seconded by Councilor Austin and passed 3-0.

REPORTING

Finance Director Smith provided a budget summary to the Committee for review. He stated that he has nothing to report of concern as the budget is still early within its fiscal year. Director Smith will continue to monitor overtime and winter expenses as they come. City Manager Belmore commented that the investment rates appear to be healthy on the monthly reports he receives from Director Smith.

Councilor Witham inquired about where the fund balance stands currently. Director Smith responded that it is roughly \$7,400,000 which is about 13%, he added that it has historically averaged at 9% which is a healthy fund balance.

MISCELLANEOUS

Councilor Austin inquired about the timing of the tax rate being set. Finance Director Smith stated that he expects to have the rate by middle or late November. He added that the City Council is taking action on the school's request for a supplemental appropriation, which could require us to update our reports before the State will set our tax rate.

ADJOURNMENT

Councilor Michaud made a motion to adjourn. The motion was seconded by Councilor Austin and passed 3-0. The meeting adjourned at 5:20 p.m.

Respectfully submitted,

Kristen LaPanne, City Clerk