

City Council Finance Committee Minutes

May 23, 2016

7:00PM

Attendance: Mayor Bouley and Councilors Herschlag, Kretovic, Champlin, Shurtleff (arrived at 8:35PM), Coen, Keach, Kenison, Matson, White Bouchard, and St. Hilaire.

Councilors Todd, Werner, Grady Sexton, and Nyhan were excused.

Capital Improvement Review

The Mayor made some brief opening remarks regarding the Capital Improvement Program (CIP) and suggested that the Finance Committee hold its customary public hearing for the proposed CIP at the beginning of the meeting as this would be more accommodating for those members of the public in attendance.

Seeing no objections, the Mayor opened the public hearing at 7:10.

Public Testimony: Roy Schweiker, Chapel Street resident, testified, stating that he objected to the Mayor holding public hearing at the beginning of the meeting rather than after staff presentations.

The Mayor then recessed the public hearing.

Matt Walsh, Director of Redevelopment, Downtown Services, and Special Projects, provided a general overview of the capital budget, as well as a review of each project proposed in the FY2017 Capital Improvement Program by project category.

As part of his introduction, Mr. Walsh explained “asterisked projects” and noted that any line items marked with an asterisk are excluded from the budget appropriation at this time. He explained that such projects typically rely upon outside funding sources (donations, grants) which need to be committed by third parties. In other cases, asterisked projects rely upon funding from Tax Increment Finance (TIF) districts, and, per State Law (RSA 162-K), the TIF Development Program & Financing Plans need to be revised accordingly prior to appropriation. Mr. Walsh noted there are eight asterisked projects proposed in FY2017.

Mr. Walsh also reported that there are 61 proposed projects for FY2017, totaling \$21,735,258. However, because of asterisked projects, the total appropriated as part of budget adoption process is \$17,539,308.

The entire 10 year CIP includes 128 projects totaling approximately \$285 million.

Mr. Walsh then reviewed of all 61 projects recommended for funding in FY2017 capital budget. Specific projects which generated significant discussion by the City Council were as follows:

- a) **CIP 64 Arena Improvements.** Mr. Walsh presented the project. He noted that FY 2017 budget includes \$100,000 for replacement of the chiller system used as part to make ice at the facility. The current unit was installed in 1999, is now 16 years old, and has a total life expectancy is 15-20 years. He clarified that the chiller replacement excludes replacement of 10 miles of tubing under the ice floor which was installed in 2012. Mr. Walsh noted that the City Council had appropriated \$70,000 funds for interim repairs last fall, which were needed to keep the ice operational for the 2015/2016 and 2016/2017 skating seasons. Without those repairs, skating would not have been possible, and many teams would have been left looking for other opportunities. Consequently the City would have lost significant revenues and potential long-term market share / customer base if users were forced to find alternate facilities. Replacement would occur during the summer of 2017. The unit will require a 16 +/- week lead time.

The City Council briefly discussed this item and inquired about the scrap value of the current unit. Also, Councilor Herschlag asked whether the Arena itself was in good condition or whether the City should plan on a complete replacement of the current structure in the future. Mr. Walsh responded that there is no long-term plan to replace the entire arena in the current 10 year CIP. He also noted that the City has made routine investments in the structure and that a wholesale replacement is likely not warranted in the near future.

Mayor Bouley noted that the City has several separate capital improvement projects which involve the Arena, Kiwanis Park, the skateboard park, as well as the abutting fire training grounds property. He suggested that the City develop a comprehensive plan for these sites and consider consolidating or otherwise reorganizing capital projects for these combined sites.

- b) **CIP 587 Cemetery Improvements.** Mr. Walsh reported that the City owns 13 cemeteries. The proposed FY2017 appropriation includes \$65,000 for paving roads within Maple Grove Cemetery, as well as \$15,000 for structural repairs to maintenance garage at Blossom Hill. Discussion ensued. Members of the City Council inquired about Trust Funds for cemeteries. The City Manager reported that trust funds do exist for some facilities, and use of those funds is specifically governed by provisions included within such documents.
- c) **“Downtown” CIP Category.** Mr. Walsh reported that no projects were included in FY2017.

Councilor Herschlag made a variety of comments about the proposed timing of the next City Master Plan (scheduled for 2020) and potential zoning re-write. The City Manager stated that the proposed funding for updating the 2008 Master Plan has been time to coincide with the next federal census. Councilor Herschlag advocated that the City should develop capital project for a comprehensive re-write of the zoning ordinance as he believed the City was missing out on development opportunities. Discussion ensued. Members of the City Council noted that the City has the option to make changes to the zoning ordinance whenever the City feels it might be prudent to do so in order support economic development. They added that it was unlikely a full re-write of the ordinance would be warranted to further the City’s economic development goals.

- d) **CIP 4 Fire Department Vehicle Replacement.** Mr. Walsh provided an overview of the project. Discussion ensued. Specifically, members of the City Council asked whether staff had data indicating how many miles fire apparatus (engines and ladder trucks) are driven for EMS responses versus fires. The Fire Chief indicated that approximately 66% of all calls are for EMS, therefore it would be reasonable to assume that 66% of miles traveled by fire apparatus are for EMS related calls. It was also noted that 3 vehicles are routinely taken home by fire personnel (i.e. the Chief and 2 Deputy Chiefs) in accordance with applicable policies.
- e) **CIP 530 Golf Course Equipment.** Mr. Walsh provided an overview of the project. He also noted that purchases will only be made if the Golf Fund has sufficient financial resources to support the purchase.

Discussion ensued. The Mayor asked whether the Golf Course had a Master Plan. David Gill, Parks and Recreation Director, indicated that there was no formal Master Plan for the facility. The Mayor discussed various activities that occur at the golf course

throughout the year and encouraged the City Administration to consider preparing a Master Plan for the facility which will take into consideration the needs of non-golf related activities.

Mayor Pro Tem St. Hilaire noted that the Golf Fund and certain other special revenue funds are financially challenged for the foreseeable future. He suggested that the City Council consider implementing a policy whereby such Special Revenue / Enterprise Fund be responsible for self-supporting their operating costs, but having the General Fund support the cost of capital investments.

- f) **CIP 121 Vehicle & Equipment Replacement.** Mr. Walsh provided an overview of the project. Discussion ensued regarding the City's street sweeper. Councilors inquired whether the City used outside vendors, its own equipment, or a combination thereof for sweeping needs. Philip Bilodeau, Deputy Director of the General Services Department, explained that the City uses a combination of City owned equipment and staff, as well as outside contractors for sweeping needs.

- g) **CIP 302 Enterprise Wide Information System Applications.** Mr. Walsh provided an overview of the project. He noted that the total budget for the project is \$976,651. The project will involve acquisition of new software which will provide integrated accounting, purchasing, Human Resources, and financial reporting modules. This acquisition would replace the New World Systems LOGOs software, which is approximately 10 years old. It is anticipated that the new system would include modules for new tax software and on-line employee benefits enrollment. The new system will also be paired with forthcoming "time and attendance" software for improved time keeping (budgeted in FY2016 for \$185,000).

Discussion ensued. Councilors inquired about the life expectancy of the system and the longevity of companies under consideration. Brian Lebrun, Deputy City Manager – Finance, indicated that a new system will last at least 10 years, possibly longer. He indicated that a Request for Qualifications (RFQ) had been submitted to vendors and that companies currently under consideration have been in business for decades. He also indicated that the City will be looking for a stock software package, rather than unique software specifically developed for Concord. A discussion of potential hardware needs ensued. Mr. Lebrun reported that no significant hardware upgrades are anticipated for the new ERP system at this time.

- h) **CIP 34 North Main St & Storrs Street**. Mr. Walsh provided an overview of the project. He explained that a total of \$50,000 has been budgeted for traffic modeling and design for intersection improvements. Design efforts, to be funded entirely by impact fees, would be undertaken simultaneously with CIP 18 Storrs Street North. Mr. Walsh noted that funding from 3 individual Impact Fee Districts is recommended as provisions within the Impact Fee Ordinance (29.2) permits use of funds from Districts located within 1 mile of a project.

Discussion ensued regarding the need to move forward with funding design of this project given current unknowns associated with the potential Courthouse Project and design of CIP 18 (Storrs Street North Extension). Other Councilors expressed concern about potentially signaling this intersection given its close proximity to other signaled intersections. Mr. Walsh further elaborated on the timing of the project. He explained that design efforts will initially be focused on traffic modeling to help gauge how this intersection will function should the Storrs Street North extension be constructed. Modeling will help determine what intersection improvements, if any, will be required. He added that the City staff has no preconceived notions about potential intersection improvements. He also noted that the project has been carried in the CIP for more than 10 years upon a recommendation for the Planning Board, which was concerned that improvements might be required due to traffic associated with the Capital Commons Parking Garage. Lastly, he noted that the project is separate from CIP 18 as this intersection is not located within the NEOCTIF District, and therefore cannot be financed with TIF funds at the present time. However, the District could be expanded in the future to include this intersection.

- i) **CIP 283 Traffic Signals and Traffic Operation Improvements**. Mr. Walsh provided an overview of the proposed FY2017 project. Mayor Pro Tem St. Hilaire discussed the intersection of Loudon Road / Airport Road / Hazen Drive and discussed a recent issue he encountered when the signal failed to operate properly. He inquired whether this was related to the potential need to replace the opticom unit. Staff noted that the intersection is controlled via a wire loop system which was likely the source of the failure. Staff also noted that the City is working to upgrade loop controlled intersections so they will be operated via detection equipment. A discussion ensued about how the City does and could use video detection equipment. Staff noted that State Law limits how such equipment can be utilized, and that no recordings from said intersections are retained.

- j) **CIP 520 Intersection Safety Improvements.** Discussion ensued about this project; specifically in relation to the intersection of Old Loudon Road and Portsmouth Street. Mayor Bouley noted that the City recently removed the “Y” configuration and replaced it with a “T” configuration. He stated the change caught residents by surprise. He also expressed frustration that the City Administration did not review the proposed plan with the City Council prior to construction. He noted that the project was previously carried in CIP 520; the text of which specifically stated that all design plans for intersection improvements would be specifically approved by the City Council prior to construction. The City Manager apologized that the intersection was constructed without the City Council’s express approval of a specific design. He explained that, per the FY2015 CIP, this project was originally to be reconstructed in FY2021. However, due to the City Council’s appropriation of the \$5 million “catch up” bond last year, the schedule for paving Old Loudon and Portsmouth Streets was advanced to FY2016; hence the reason why the intersection was recently reconstructed.
- k) **CIP 595 Parking Meters.** Mr. Walsh provided an overview of the project. Councilor Herschlag asked a series of questions regarding parking kiosks, pay by cell phone applications, and use of license plate data for parking enforcement. He specifically asked whether the City had plans to allow parkers to enter their license plate information at kiosks so they would not have to return to their vehicles to display parking receipts. Mr. Walsh stated that the City, as part of the forthcoming Parking Strategic Plan, has studied “pay by cell” applications which would require users to provide their license plate information. Mr. Walsh then briefly summarized New Hampshire law regarding use of license plates for parking enforcement. Because use of “pay by cell” applications would be strictly voluntary, it was the City Administration’s view that use of such “apps” would not run afoul of the State Law with respect to use of license plate data for enforcement. Mr. Walsh concluded his remarks by stating he was unsure whether the Kiosks were capable of accepting license plate information.

I) PARKS & RECREATION.

- a. Mr. Walsh provided an overview of all projects in this category. Following his presentation, the Mayor asked a series of questions regarding Master Plans for various Park Facilities. David Gill, Parks and Recreation Director, noted that master plans for most facilities were prepared in 2005. The Mayor suggested that many factors which guided the current master plans have changed in recent years. These included demographic changes, as well as changing popularity of certain sports among youth groups. In light of these circumstances, the Mayor

suggested that the City may want to re-evaluate long-term plans for various parks.

- b. CIP 59: The Mayor discussed the recent approval of the City-Wide Community and the need for a turf field to serve the community. He noted that CIP 59 Terrill Park includes funding for design and construction of a turf center in the out years of the capital budget. He asked City Administration whether the Parks and Recreation Director would support expediting design to FY2017. Discussion ensued about prioritizing the proposed turf field at Terrill Park over planned improvements to Memorial Field. Councilor Herschlag advocated for new recreational opportunities and other improvements at Memorial Field over Terrill Park. Councilor White Bouchard noted that the cost of addressing significant drainage and groundwater issues could prove cost prohibitive for development of new recreational opportunities at Memorial Field. She further noted that a turf field would have several benefits to the community including: meeting a currently unfulfilled need, making better use of currently underutilized City owned river frontage, as well as improving an important gateway to the city from I-93. After additional discussion, City Administration stated they would support expediting design monies to FY2017 if so desired by the City Council.

The Mayor re-opened the public hearing at 8:53PM.

Chris Brown spoke in support of CIP 51 White Park. Specifically, he testified on behalf of Black Ice Hockey in support of a new skate house at White Park and reiterated that his organization is remains committed to being a financial partner to support that project.

Roy Schweiker offered additional testimony regarding various projects.

The Mayor then recessed the hearing.

- m) **CIP 65 City Hall Renovations**. Mr. Walsh provided an overview of the project. Specifically, he noted that the \$240,000 budgeted for sidewalk replacement and landscaping at Municipal Complex excludes heated sidewalks. He explained that the preliminary estimate to provide heated sidewalks was approximately \$150,000. Mr. Walsh reminded the City Council of the \$600,000 is approved in FY2016 for a new heating system. He noted that the City Administration will continue to evaluate the potential for heated sidewalks as design efforts for the heating system replacement

move forward. In the event the City staff determines that there is a financial benefit to have heated sidewalks as part of that project, then the City Administration will return to the City Council to seek a supplemental appropriation at that time.

- n) **CIP 460 Complete Streets Project**. Mr. Walsh provided an overview of the project and explained that the \$160,000 proposed in FY2017 would be used to pave the so-called southerly “bookend” of South Main Street (from Concord / Theatre Street to just north of the Perley / Storrs / South Main Intersection), which is not included in the current scope of work presently underway.

Mayor Bouley noted that trash cans have been overflowing on weekends in the project corridor. The City Manager stated that he was aware of this circumstance, but that no staffing is currently budgeted for weekends in FY2016 or FY2017. He added that in some cases merchants have been volunteering to empty trash cans on weekends.

Review of the CIP concluded at 9:17PM.

Councilor St. Hilaire moved tentative approval of the FY2017-2016 Capital Improvement Program as proposed by the City Manager. The motion was seconded and carried unanimously.

The City Council then had a brief discussion about the Finance Committee meeting scheduled for June 6th.

The meeting adjourned at 9:35PM.

Respectfully Submitted,

Matthew R. Walsh
Director of Redevelopment, Downtown Services, & Special Projects