



# CITY OF CONCORD

*New Hampshire's Main Street™*

## FINANCE COMMITTEE MEETING MINUTUES MAY 25, 2017 @ 7:00PM

### FY2018-2027 CAPITAL IMPROVEMENT PROGRAM

**Attendance:** Mayor Bouley, Councilors Todd, Herschlag, Kretovic, Champlin, Werner, Grady Sexton, Shurtleff, Coen, Keach, Nyhan, Matson, White Bouchard, and St. Hilaire.

#### **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 7:05 PM.

**Public Testimony:** Merwyn Bagan addressed the Finance Committee and urged the City to include a project within the Capital Budget to support the design and construction of a new museum to display Abbot-Downing Concord Coaches. He stated that the Abbot-Downing Historical Society has approximately 20 vehicles which could be displayed. He described these vehicles in detail. Several members of the Finance Committee made various inquiries and comments about the museum's mission, organizational structure, and business model.

The Mayor then recessed the public hearing at 7:20 PM and asked the staff to commence with their customary presentation.

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 FY 2018 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, etc.), which need to be committed by third parties. Mr. Walsh noted there are seven asterisked projects proposed in FY 2018.

Mr. Walsh also reported that there are 49 proposed projects for FY 2018, totaling \$17,285,674. This is down from 61 projects in FY 2017, totaling more than \$20 million. However, because of asterisked projects, the total funding to be appropriated as part of the FY 2018 budget adoption process is \$13,048,674.

The entire 10-year CIP includes 133 projects totaling approximately \$324 million. This is an increase from the FY 2017-2026 CIP, which had a total of 128 projects totaling \$285 million.

Mr. Walsh then reviewed all 49 projects recommended for funding in the FY 2018 capital budget, by category, starting on page 214 of the proposed FY2 018 budget. Specific projects which generated significant discussion by the Finance Committee were as follows:

- **CIP 361 Hooksett Turnpike Bridge and CIP 498 Birchdale Road Bridge:** Members of the Finance Committee inquired whether Federal Funds would be available to support these projects. Ed Roberge, City Engineer, responded that State Bridge Aid Funds, rather than Federal Funds, are the source of the matching funds for the project. He stated that the State has carried these dollars in their budget and, therefore, he anticipates that the money should be available for both projects.
- **CIP 599 Zoning Update:** The purpose of the project is to undertake the first part of a two phase project to draft and implement zoning amendments to enact Form Based Code in sections of Downtown, Penacook Village, and the Opportunity Corridor. Members of the Finance Committee inquired whether this project would involve use of a planning consultant in order to be completed. Heather Shank, City Planner, responded that the funding was being requested to specifically engage a consultant to facilitate preparation of the Form Based Code. Discussion ensued regarding the project's schedule. Ms. Shank stated that the process to draft the ordinance is anticipated to take 12-14 months.
- **CIP 107 Golf Course Club House & Maintenance Buildings:** Discussion ensued regarding the proposed acquisition of a new Point of Sale software program for the golf course. Specifically, members of the Finance Committee inquired about the current software program and the process to replace it. Brian Lebrun, Deputy City Manager – Finance, stated that the City currently uses a program called “Golf Track”. He discussed the limitations of the current software system and stated that the City Administration plans to use a Request for Proposals process to select a new package. He also discussed how the new package might be coordinated with the City's soon to be implemented new ERP software package.
- **CIP 121 Vehicle & Equipment Replacement:** Mayor Bouley inquired about sidewalk snow plowing and discussed an unfunded Program Change Request (PCR) #679 which would have supported additional plowing at a cost of approximately \$39,000. Staff responded that the City has historically done sidewalk snow plowing on “straight time” to avoid paying staff overtime to plow sidewalks. The PCR, if funded, would have provided funds to allow for sidewalk plowing to occur during nights and weekends on overtime.

- **CIP 130 Multi-Function Photocopy Machines:** Members of the Finance Committee asked why the City purchases copy machines as opposed to leasing them. Brian Lebrun, Deputy City Manager – Finance, responded that it is more economical for the City to purchase the machines on a “pay as you go” basis using cash. He also stated that the City has had good luck with this approach and that copy costs are less than \$0.005 per page.
- **CIP 52 Keach Park:** Members of the Finance Committee discussed a presentation by local youth at a recent Finance Committee Meeting concerning outdoor lighting for a soccer field and other improvements at Keach Park. The Finance Committee asked whether staff had sufficient time to get preliminary pricing on the requested improvements. Staff responded that a preliminary, “order of magnitude” estimate for installing lights for one of the soccer fields would be approximately \$400,000. This estimate excludes annual operating and maintenance costs. Discussion of the potential use of temporary trailer mounted construction flood lights in lieu of permanent lighting ensued. David Gill, Parks and Recreation Director, noted that such equipment is used at the Black Ice Pond Hockey Tournament; however, the cost of renting the equipment is significant. Discussion also ensued about how to adequately protect the equipment from potential vandalism and theft.
- **CIP 63 City Wide Recreational Projects:** Members of the Finance Committee inquired about significant improvements scheduled in the out years of the Capital Budget for the West Street Ward House, as well as utilization of the facility. Staff responded that as part of the recent planning processes for the new City-wide Community Center, the City Council explicitly decided to retain the West Street Ward House because of its historical significance, as well as the major challenges that would result if the City had to find a new polling location for that area of the City. David Gill, Parks and Recreation Director, discussed utilization of the facility and discussed his department’s plans for the property once the new city-wide facility is completed next spring.
- **CIP 560 Fire Training Facility:** Members of the Finance Committee inquired why the City needs its own training facility given that the State Fire Training Facility is located here in Concord. Dan Andrus, Fire Chief, responded that the State Facility is very busy as it serves all 234 communities in New Hampshire. He explained that scheduling time at the facility is very competitive and that opportunities for impromptu training are non-existent. Councilor Coen suggested that the City could rent its facility to other communities as a potential revenue source.

Discussion of the Fire Department Budget ensued. The Mayor noted recent social media posts by members of the Department claiming the City is proposing to cut the Department’s budget in FY 2018. The Mayor then noted that the Fire Department’s budget was proposed to increase \$299,000 in FY 2018 and that \$1.4 million in capital projects for the Department were proposed. Chief Andrus noted that the senior staff in the Department recently distributed a memorandum to all Fire Department staff explaining those facts in an effort to correct misconceptions about the budget among the department’s employees.

- **CIP 5 I-393 Horseshoe Pond Drainage:** Discussion ensued regarding the potential wetlands mitigation, which may be required as part of drainage improvements related to Horseshoe Pond, Commercial Street, and I-393. Ed Roberge, City Engineer, discussed details of the project and noted that staff would provide a full update to the City Council regarding the final design and scheduling for the project later this summer.
- **CIP Annual Highway Improvement Program:** Members of the Finance Committee inquired about the schedule for the forthcoming Loudon Road Paving Project. The City Manager responded that the work will begin this July and will be done as night work.

At the conclusion of the staff presentation, the Mayor reopened the public hearing at 8:23 PM. No testimony was received and the Mayor closed the hearing.

The Mayor then invited members of the Finance Committee to offer motions or discussion.

- **CIP 83 Mountain Road Drainage Project:** Mayor Pro-Tem St. Hilaire discussed an ongoing drainage issue in the vicinity of 197 Mountain Road and the Blye Farm Condominium. The property located at 197 Mountain Road is owned by the Drypolcher Family Revocable Trust and abuts property owned by Councilor Grady Sexton and her husband. Mayor Pro Tem St. Hilaire discussed the history of the issue and noted that the drainage problem has made mowing lawns at the affected properties impossible at times over the past 6-7 years. He noted that the City Engineer has estimated the cost to implement corrective measures would be approximately \$90,000. The project is not currently in the FY 2018-2027 CIP.

**MOTION:** Mayor Pro Tem St. Hilaire moved to add \$90,000 in General Obligation Bonds to CIP 83 in FY2018 to implement drainage improvements at 197 Mountain Road and Blye Farm Condominium as described by the City Engineer. The motion was duly seconded.

Discussion ensued. Prior to the vote, Mayor Bouley noted that Councilor Grady Sexton would take Rule 6 regarding this vote because her property may potentially benefit from these improvements and she is a direct abutter to the affected property. The motion carried on a voice vote.

- **CIP 83 Lincoln Street Drainage Project:** Councilor Kenison discussed the ongoing drainage issues affecting properties on Lincoln Street. She discussed the history of the project and noted that, anecdotally, these issues appear to have begun when the Rudman Federal Courthouse was constructed on Pleasant Street approximately twenty years ago. Flooding has damaged private property, including vehicles and a garage. It was also noted that the City has paid compensation to aggrieved property owners for past flooding.

**MOTION:** Councilor Kenison moved to advance the Lincoln Street Drainage Project in CIP 83 to FY 2019. The motion was duly seconded. Discussion ensued.

Ed Roberge, City Engineer, discussed the challenges of the Lincoln Street drainage basin in great detail. He noted that drain pipes in Lincoln Street, which are relics of the City's old combined sanitary and storm water system, initially installed in the late 19<sup>th</sup> century, surcharge during short-duration intense rain events. This causes man holes and catch basins to overflow, thereby resulting in localized flooding. He stated that he felt the

preliminary estimate of \$650,000 to address the issue is likely too low and needs to be refined, as the scope of the project will be quite extensive and challenging due to the unique localized hydraulic issues in this part of the City.

Members of the Finance Committee asked whether Federal funding might be available to assist with repairs as, anecdotally, it appears that construction of the Federal Court might have contributed to this problem. City staff indicated they would explore the possibility of federal funding.

Brian Lebrun, Deputy City Manager – Finance, explained that debt service for this project would cost approximately \$54,000 in year 1, and would add roughly 0.14% to the City's tax rate.

Councilor Kenison suggested that she could amend her motion to expedite the project to FY 2018.

The Mayor suggested it might be most economical for the City to acquire and raze these houses rather than attempt to otherwise correct the issue through an extensive drainage project. Discussion ensued. Councilor Champlin expressed concerns about the loss of these historic homes and the architectural fabric of the neighborhood.

Councilor Nyhan expressed his opinion that there were too many unknowns at this time to expedite the project to FY 2018 or FY 2019. He suggested that funding be brought forward to study the issue in order to refine the project scope and generate a more accurate cost estimate.

Councilor Kenison withdrew her original motion.

**MOTION:** Councilor Kenison moved to add \$100,000 in General Fund G.O. Bonds to the FY 2019 budget for engineering services to design drainage improvements for the Lincoln Street neighborhood. The motion was duly seconded.

Discussion ensued. The City Manager noted that drainage issues have steadily become a significant issue for the City, especially since the Mother's Day Floods approximately a decade ago. He discussed the out years of CIP 83 and noted that the City is scheduled to make significant investments in the coming years. He discussed the significant challenges the City will face in order to afford those investments, given the City's self-imposed General Fund bond cap of \$5 million annually. He suggested that the City may need to explore other forms of funding for drainage projects, such as a storm water enterprise fund.

Mayor Pro-Tem St. Hilaire discussed the recent sink hole on I-93 last summer, which was caused by the failure of a drain pipe that was well over a century old. Mr. Roberge stated that much of the City's drainage infrastructure is quite old and at the end of its useful life. He also noted that the City was relatively lucky with that collapse, as no one was injured and that the flow could be redirected to other underutilized pipes which cross I-93 to the Merrimack River.

The motion passed on a voice vote.

- **CIP 56 Rollins Park:** Councilor Nyhan then discussed recent tree removal at Rollins Park and public meetings associated therewith in which residents requested that the City make a variety of additional improvements beyond stumping, grubbing, loaming, and seeding the area of the park where the diseased trees were harvested.

Discussion about the exact scope of the additional amenities ensued. Heather Shank, City Planner, reviewed a recent preliminary concept plan that the City Planning Office prepared which featured three picnic shelters, a natural playscape area, as well as a permaculture garden. Discussion ensued regarding whether these were the correct improvements to make to the park. Discussion also ensued as to whether a consultant would be required to advance full design of the Planning Division's concept plan.

**MOTION:** Councilor Nyhan moved to add \$90,000 in General Fund supported G.O. Bonds to the FY 2019 budget to design and construct additional improvements requested by the neighborhood, including three picnic shelters, a natural playscape area, as well as a permaculture garden per a recent concept plan prepared by the City Planning Office. The motion was duly seconded and carried on a voice vote.

- **CIP 235 Golf Course Grounds Improvements:** Councilor Coen discussed the golf course's irrigation system. He explained that the current system was installed in 1957 and is in poor condition. He noted that the system is scheduled to be replaced in the out years of CIP 235 (currently proposed in FY 2020 (\$800,000) and 2021 (\$900,000) for a total of \$1.7 million).

**MOTION:** Councilor Coen moved to advance \$810,000 for Phase I of the project from FY 2020 to FY 2018, and Phase II from FY 2021 to FY 2019. Funding for Phase I shall be as follows: 5% of project costs shall be Golf Course supported G.O. Bonds and the remaining 95% of the project shall be General Fund supported G.O. Bonds. The motion carried on a voice vote.

- **CIP 567 Penacook River Front Park:** Councilor Shurtleff then discussed the proposed redevelopment of the former Allied Leather Tannery site by the Caleb Group and the community's desire to build a new river front park on that portion of the site to be retained by the City. He further suggested that the proposed park be expanded to include pedestrian connections from the Tannery to Hannah Dustin Island along the Contoocook River. He stated that the City Administration indicated the cost of this project would be approximately \$1.2 million.

**MOTION:** Councilor Shurtleff moved to include \$1.2 million in FY 2020 for the design and construction of a riverfront park from the former Allied Leather Tannery site to Hannah Dustin Island. The motion was duly seconded.

Discussion ensued. Councilor Todd stated that he was in favor of the proposal. Councilor Herschlag inquired about the proposed funding source, as it was not specified in the motion.

Matt Walsh, Director of Redevelopment, Downtown Services, and Special Projects, addressed the City Council. He explained that the \$1.2 million quoted by City Administration was based on a 2015 concept for the new park at the Tannery site only. The estimate did not include costs for proposed pedestrian park connections from the

Tannery site to Hannah Dustin Island. Regarding funding sources, Mr. Walsh stated that, based upon preliminary financial models prepared as part of the Caleb Project due diligence, it appears that the Penacook Village Tax Increment Finance (TIF) District could support the cost of debt service for design and construction of the park once the Caleb Group's project was fully constructed. However, he also noted that alternative funding options also exist.

Councilor Todd noted that the benefits the park would create for Penacook are significant and expressed his belief that the financing details for the Park could be worked out in the future, given that it is not proposed to be constructed until FY 2020.

Councilor Herschlag explained he would vote in favor of the project, but only as a placeholder, subject to financing details being addressed in the future. He also noted that the Penacook Village TIF District currently owes \$377,000 in bonded debt, as well as \$1.2 million to the City's Economic Development Reserve Fund.

The motion carried on a voice vote.

- **Abbot Downing Coach Museum:** Councilor Herschlag discussed the comments made earlier in the evening by Merwyn Bagan regarding a potential museum for the Abbot Downing Coach collection.

**MOTION:** Councilor Herschlag moved that the City include a future project in the Capital Budget to support the development of an Abbot Downing Coach museum. The motion failed to be seconded.

Discussion ensued. It was noted that Councilor Herschlag did not include a dollar amount, funding source, or year for the proposed project.

Councilor Kretovic asked Councilor Herschlag whether he was a member of the Abbot Downing Society. Councilor Herschlag stated that he and his wife are members of the organization, but not on its board of directors.

Discussion ensued about how to craft an appropriate motion. Some members of the Finance Committee noted that the City could include the amount of \$1 in an out year as a placeholder and symbolic show of support. Several members of the City Council discussed this idea, and attempted to formulate a motion to advance this concept without avail.

The City Manager then suggested that it might be appropriate for the City Administration to return to the City Council in the coming months with ideas regarding how the City could support the museum project.

**MOTION:** Councilor Todd moved that the Finance Committee direct the City Manager to return to the City Council sometime over the next several months with specific ideas or options for how the City could support the concept of a new museum to display Abbot Downing Coaches. Councilor Shurtleff seconded. The motion carried on a voice vote.

- **CIP 52 Keach Parking Soccer Field Lights:** Councilor White Bouchard revisited the discussion of Keach Park and the request of local youth on the Heights to install lighting at one of the soccer fields at Keach Park. She stated that she felt such an improvement would be a positive improvement for the community and give children a positive alternative for night time activities on the Heights.

**MOTION:** Councilor Bouchard moved to add \$400,000 to FY 2020 of the Capital Budget to light one soccer field at Keach Park. The motion was duly seconded.

Discussion ensued about financing details for the project. The City Manager suggested that the project be funded equally with donations, as well as City General Obligation Bonds. Councilor White Bouchard stated that she was amending her motion to include the City Manager's suggestion. The second concurred with the amendment.

Discussion of the timing of the project also ensued. Staff noted that the new Community Center will be completed at the end of FY 2018. The proposed pool replacement will be done this fall.

The motion, as amended, carried on a voice vote.

Seeing no other amendments, the Mayor called for a motion on the FY 2018-2027 Capital Improvement Program, as amended.

**MOTION:** Councilor Coen moved to tentatively approve the FY 2018-2027 Capital Improvement Program as amended. Councilor Champlin seconded. The motion carried on a voice vote with fourteen in favor and one against (Mayor Bouley).

The Mayor asked if there was any other business to come before the Committee.

Councilor Herschlag invited members of the City Council to attend an Abbot Downing Coach open house at Johnny Prescott & Son Oil Company on Airport Road this weekend.

Mayor Bouley reminded the City Council of the upcoming Memorial Day Parade.

The meeting adjourned at 10:03 PM.

Respectfully Submitted,

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