City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE MEETING MINUTES

Thursday, July 9, 2026 **6:00 PM** **Council Chambers, City Hall**

Members Present:
Thomas F. Powers, Chair
Bettina A. Chadbourne, Vice Chair
Bryan J. Lake
Kris E. Roberts
Michele A. Chalice

Jay V. Kahn, Mayor

Members Not Present:
All Present

Staff Present:
Elizabeth A. Ferland, City Manager
Amanda Palmeira, City Attorney
Brandon Latham, Deputy City Attorney
Bryan Ruoff, City Engineer
Rebecca Landry, Deputy City Manager
Carrah Fisk-Hennessey, Parks and Recreation Director
Paul Andrus, Community Development Director
Dan Langille, City Assessor

Chair Powers called the meeting to order at 6:00 PM.

1. **Yankee Bottle Club - Support for the Installation of a Keene Glass Company Historical Marker Council Action of 09/18/2025 - Request for Historical Marker**

Mr. Steve Seraichick, Keene native and an antique bottle collector, addressed the Committee. Mr. Seraichick stated the Yankee Bottle Club has been an organization for about 58 years and their mission is to appreciate, preserve, and promote the history of glassmaking and collecting in the State of New Hampshire.

By 1850, there were around 79 glass-manufacturing enterprises in the United States. Mr. Seraichick stated he is most interested in those that are made in Keene, NH.

He went on to say that about three years ago while walking his dog on the Rail Trail between Eastern Avenue and Water Street he came across the three historical markers that reside on this trail. He stated he noticed an error regarding the City's industrial past. Three markers tell the story of the industries that manufactured goods along Main Street such as Brickyard, Wilkins Toy, New Hampshire Mold Granite, Kingsbury Corporation, Schleicher & Schuell, and the J.A. Wright Company. He noted one industry was missing was the Marlboro Street Glass Factory which manufactured glass bottles from 1815 to 1842.

He then provided some history to the Committee as follows: In April of 1814, Lawrence Schoolcraft, a talented, glassblower and glass-manufacturing superintendent, arrived in Keene with his daughter Katie Ann, at the bequest of Timothy Twitchell and other town fathers to construct a glass factory on Marlboro Street. Mr. Schoolcraft was well seasoned in glass making, having been a glassblower and former superintendent of a glass factory in Hamilton, NY.

Over the next several months of construction, the factory moved forward as planned, and at some point in October 1815, the factory was completed and stood ready for production on Marlborough Street and the first glass bottles began to roll out sometime in November of that year.

In order to right a wrong, Mr. Seraichick stated he began investigating how historical markers are approved and planted along City thoroughfares and who is responsible for undertaking such a task. He stated he was director to contact the State Commission that deals with historical markers. He noted historical markers that are on state roads or state highways are the state's responsibility. Historical markers that are on rail trails in a town or city is the responsibility of that town or city. He added that Keene Glass shut down 184 years ago.

Mr. Seraichick stated he has been in contact with the Historic District Commission, the Heritage Commission and the Bicycle Pedestrian Path Advisory Committee. All three of these groups were supportive of locating a new historical marker along this stretch of the rail trail. He added Councilor Haas who is a member of the Bicycle Pedestrian Path Advisory Committee has volunteered to help with this venture. He indicated Councilor Haas took this effort before the full Council where it was voted 12 to 0 in support of a historical mark.

He went on to say Sign Works has been provided with rendering of this marker. The estimate from Sign Works is around $3,700, which price would be higher now due to inflation. The Heritage Commission has agreed to donate $500.00 of seed money to make this goal happen. Mr. Seraichick stated he too would be contributing $200.00 towards this cause.

City Manager Elizabeth Ferland addressed the Committee next. She noted the Bicycle Pedestrian Path Advisory Committee has agreed to fundraise for this project. The MSFI Committee was the body that heard this item. The State has indicated they are not interested in moving the existing marker (near Fuller Park) and anything that would need to be done would have to be done locally. The MSFI Committee has approved the placement and donation of this marker and the City is waiting for funds to be raised.

Councilor Lake used the airplane marker on Main Street as an example and asked whether such markers are funded and installed in the same manner as outlined in the MSFI Report. The City Manager answered in the affirmative.

Mr. Dwight Fischer Chair of the Bicycle and Pedestrian Path Advisory Committee stated he would like to reiterate what has already been stated. Mr. Fischer felt historical markers compliments Keene's network of rail trails.

Parks and Recreation Director, Carrah Fisk-Hennessey addressed the Committee. Ms. Fisk-Hennessey stated there is an existing State marker at Fuller Park that references both major Keene glass factories that were in existence at that time. She explained last year at the MSFI

Committee and at City Council it was voted that the Yankee Bottle Club would fundraise to acquire maker and that the City would help with installation.

The following motion by Councilor Chalice was duly seconded by Councilor Lake.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Council confirm that its previous authorization for the Yankee Bottle Club to design, fabricate, donate, and install a historical marker on the Cheshire Rail Trail was granted with the understanding that all project costs would be privately funded through donations and fundraising, and that the City Manager be authorized to take all actions necessary to facilitate the installation.

2. **Residential Property Revitalization Zone (RPRZ) (RSA 79-E:4-b) Application for 429 Elm Street**

Mr. George Hansel of HG Johnson Real Estate was the next speaker representing Cheryl and Joe Bagster of JC & C Rentals. Mr. Hansel stated this item is in reference to an application for 79E tax relief under the program that has been established by the City Council. Mr. Hansel stated the applicants had approached him about a year ago regarding converting one of their existing rental properties into three small houses; converting a barn structure into two new rental units.

Mr. Hansel stated they have obtained the designation of Cottage Court for this property and have gone through the building permit process. The plan is to have the building completed by fall. Mr. Hansel stated with the assistance of City staff they were able to submit an application for 79E tax relief. Mr. Hansel stated this project would be at a cost of approximately $200,000 for two units and would yield a benefit in the range of $1,500 a year.

Mr. Hansel felt there are lots of other opportunities throughout the City where this could be done and sees these applicants as trailblazers for this type of venture.

Mr. Hansel next reviewed the application. He felt it met all the criteria. The structure is at least 40 years old and has City water and sewer. There are three built structures that have been in existence and are occupied. This project creates two new housing units for a total of five units on the property. Does it resolve a significant life-safety issue on the property? Mr. Hansel answered by saying it does not, but the water and sewer service lines are for the existing structures and are going to be replaced and updated to add security for the people who live there. Mr. Hansel stated these units qualify for workforce housing.

With reference to the public benefit portion of the application, it adds an additional unit, which is another criterion.

With reference to how this project relates to the Master Plan. One of the criteria of the Master Plan "*… is to promote efficient design safety and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan…*" Mr. Hansel stated in reviewing the Master Plan he noticed that relative to Pillar 1 of the 2025 Plan, one of the stated objectives is to *expand enticing housing options for all*. He felt this project accomplishes that.

In a different section of the Master Plan, one of the goals is to *boost infill development and redevelopment*. This project is a perfect example of doing that.

Also in the Master Plan, one of the stated goals was to remove barriers for housing development. Specifically listed as an idea is *City-backed financial mechanisms and incentives*, to boost housing, and this is exactly what is being referred to here.

This program is not just for big developers who are doing big projects, but also small developers trying to maximize the value of their property, and this would accomplish that goal stated in the Master Plan.

The Master Plan also has applicability in the Flourishing Environment Section, which specifically speaks to adaptive reuse of existing buildings. Mr. Hansel noted that this is not a component of every project. Most developers are looking to construct brand new housing because it is more predictable and easier sometimes than taking on an existing structure.

As far as the tax relief period, Mr. Hansel noted the adopted program allows for up to five years of property tax relief on a qualifying structure and then two additional years if it adds housing units, which he stated this project does. He stated because there is no other project to compare to the tax relief period would have to be the Council's prerogative. This concluded Mr. Hansel's comments.

Community Development Director Paul Andrus addressed the Committee next. He explained this program came about during the end of last year as part of an ongoing effort by the City to encourage infill development and smart planning development. He went on to say the Committee's role is to review the application for completeness, evaluate the objective eligibility criteria, and identify where statutory interpretation is required. Because this is the first RPRZ Zone Application, the Committee concluded that establishing the City's interpretation of the RSA is an appropriate policy determination by the City Council. He stated regardless of the Committee's recommendation, the statute requires that each application, after the determination of completion, be brought before the governing body for review and decision.

Mr. Andrus stated Joe and Cheryl Baxter, owners of property located at 429 Elm Street, are looking at adaptive reuse of an existing barn on the property, in addition to an existing house that has three units already on the site. The project will convert the barn into one one-bedroom and one two-bedroom unit, resulting in a total of five units on the property.

Mr. Andrus next reviewed the checklist for administrative review. The application is complete with all documentation. Any required plans, estimates, or supporting materials are included. Estimated project costs have been provided. The owner has agreed by virtue of the application to the execution and recording of a covenant. The property is not located within a tax increment financing district. The property is not receiving tax assessment relief under RSA 75-1A: low-income housing tax credit program. The proposed work is consistent and applicable with zoning and development requirements. The project supports applicable Master Plan housing goals as the applicant mentioned.

With reference to threshold eligibility. Mr. Andrus stated this is where the Committee's review of the statute language comes into areas of debate, with respect to the intent of the program under 79-E and what the actual statute says.

The structure contains an existing residential use. This structure is not a residential use, Mr. Andrus stated the answer hence, had to be no to that question.

The project involves work exceeding 50,000 in value; Yes.

The property is at least 40 years old; Yes.

It is served by municipal water and sewer, and the property contains no more than four existing dwelling units; Yes.

The last criterion is whether the proposed project involves rehabilitation of an existing residential structure; No. Mr. Andrus explained the barn in staff's review is not a residential structure.

With reference to public benefit, the creation of housing units meets the goals of the Master Plan. Mr. Andrus added even though this is not outlined in the statute, this application is an "adaptive reuse of an existing structure."

In closing, Mr. Andrus stated staff's role was to review the application for completeness and review the eligibility criteria. This has been completed and is being sent before a governing body, in this case the City Council.

Councilor Lake stated when this item was adopted by Council it was with the intention of revitalizing old buildings and bringing more housing into the City. He thanked the petitioner for doing this. He clarified that under the RSA this structure would not be a qualifying structure. Mr. Andrus stated the statute does state "structure," and it does not state "property."

Councilor Chalice felt this was an unfortunate requirement as the City has many buildings that are not residential structures but could be turned into residential structures. The Councilor felt the purpose of this application is to create more housing using an existing structure rather than constructing a new structure, which will incur additional disturbance to the environment. She added the proximity to downtown is a benefit to the community.

Councilor Roberts referred to the Roosevelt School, which is a structure that has also been turned into affordable housing units. He felt this project would benefit the community.

Mr. Hansel stated "residential structure" is not a fully defined term in the RSA. "Structure" itself is not a fully defined term. He felt like many things: the legislation is imperfect, and it really is up to the Council to determine what the intent is. Was the intent to exclude a property that otherwise would have been eligible if there was a connection between this building and a building that is 15 feet away. He added as City Councilors, weighing the benefits to the community versus the letter of the law; What is the consequence? Who is going to be harmed by determining that this would be a qualifying structure?

Councilor Ed Haas addressed the Committee and thanked the applicants for bringing this item forward and for their tolerance as the City navigates this process. He noted City staff is doing what was requested of this; reviewing the ordinances and giving the Council their opinion, and the Council would then interpret what has been outlined in the ordinance. He questioned if the Council has the means to rescind the abatement should something go awry.

Councilor Laura Tobin stated this looks like an exciting project. She stated when Council was adopting this ordinance, the reason Section C "other structures that are not residential" was not approved is because of income requirements and how that would be difficult to monitor. She questioned if this is something that would be worth exploring.

Mayor Kahn stated he proposed this legislation in 2021 and is happy to see a project coming forward under this ordinance. He stated the definition of residential structure is elsewhere in the statute and it is for up to four units and does not clarify what is before the Committee tonight. He stated it would be good to see how the Assessor interprets this.

He felt the Committee could not quantify the benefit on the basis of the action that it will take place tonight, as it is really on a post-review of what the increased valuation of the property would be. He added that it is also important to encourage more applicants to come forward.

City Assessor Dan Langille addressed the Committee next. He stated he has looked at the value of the property and noted the City is in the midst of a revaluation and hence will not be able to predict the value of the building and what its value is going to be in four or five years.

He added the applicant is adding $200,000 to the already existing property. He noted the average value of rental units in Keene are around $150,000 per unit. This is a two-unit property, but the applicant has started construction, and the estimate would be 50% because it really is a shell at this point. $150,000 would be the value for the building, which would be deferred.

Mr. Langille stated the estimated tax rate during this budget season is $37 per thousand. He indicated after the revaluation if the rate was to be reduced to $23 per thousand that leaves you about $3,500 per year of benefit. Depending on how many years, you would keep adding that number up, giving a ballpark of what kind of value these owners would benefit from this.

City Attorney Palmeira with respect to statutory interpretation, as far as reading the statute, what has been said is correct on both sides. Looking at what residential structure is, means that the structure that is being worked on is already a residential structure. It is also correct that there is an argument to be made about how surrounding statutes might be informing that read or what the intent was. She stated when looking at statutory interpretation, you look at the language, unless there is ambiguity. If there is ambiguity, you start looking at other sources. The Attorney stated she does not find this language to be ambiguous.

She went on to say if this Council decides that it wants to read the statute in that broader way, the risk would be giving tax relief perhaps to a property that the legislature didn't explicitly intend to be given that tax relief. She indicated there is no valve in the statute for someone to bring suit against for the City for providing this relief.

With reference to Councilor Haas' question, she stated there is a provision in 79E, 9; if the tax relief is granted and there is a covenant in place with the property owner. If the terms of that covenant are violated. For example, if the project is not completed, then this body can nullify what was provided or reduce the tax relief.

The Community Development Director stated the Committee has two motions to consider. He stated should the Committee vote to approve, included in it are the number of years, which is the purview of the Committee.

Councilor Lake recalled a presentation on this subject the Council received last year and one of the examples was the reconstruction of a carriage home, similar to what is being considered tonight. He felt what is being proposed aligns with the spirit of what the RSA is trying to accomplish. He noted to staff that the City has qualifying structure wording slightly different to the RSA. He asked whether this was intentional or is the City trying to have the same qualifying structure language as the RSA. Mr. Andrus stated it is intended to match the spirit of the RSA.

He added the intent was that this program would in essence be able to support a variety of different types of infill, cottage court type development. The City was not in a position to deviate on that specific piece from the State Statute.

Attorney Palmeira stated under RSA79E-2, there is definitions of qualifying structure, and it lays out definitions for all other types of 79-E programs as well.

There is one in there that is specific relief for RSA-79E-B it says *one- or two-family home or an attached multifamily home with not more than four units*.

RSA79 E-4B is where you get the *language of an existing residential structure with not more than four units at least 40 years old*. She added what the City's Resolution is trying to do is to bring both those sentences into one section.

Councilor Roberts stated what people are realizing is that building large apartment complexes are not profitable anymore and felt the small-scale development being proposed by the applicant might be the solution to Keene's housing issues.

The following motion by Councilor Lake was duly seconded by Councilor Chadbourne.

The Finance, Organization and Personnel Committee recommends that the structure proposed for redevelopment located at 429 Elm Street is a qualifying structure as defined by RSA 79-E:4-b; that the structure is not within a currently defined Tax Increment Financing District; that the structure is not a residential property subject to an election for tax assessment relief under the low income housing tax credit program of RSA 75:1-a; that the proposed rehabilitation cost estimates exceed the threshold amount of $50,000 and constitutes substantial rehabilitation; that the property is served by city water and sewer; that this proposed rehabilitation is consistent with the City's Master Plan; and that the proposed rehabilitation provides the following public benefits as required by Resolution R -2025-35:

1. It adds at least one unit of new housing;

2. It promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan.

Therefore, the Committee recommends that the Application for real property tax relief on any assessed tax increment resulting from the substantial rehabilitation of the qualifying structure be granted for a period of two years beginning with the completion of the substantial rehabilitation as determined by the City's Community Development Department, and conditioned upon the property owner granting to the City at the time of substantial completion a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for the period of the tax relief, to be recorded at the Cheshire County Registry of Deeds at the cost and expense of the property owner. Further, the committee recommends that the City Council waive the inclusion of a lien against proceeds from casualty and flood insurance claims in the covenant.

Councilor Lake stated he would be interested in input from the Committee. He noted it is outlined that it would be for a period up to five years and then an additional two years of tax relief could be added for a project that results in new residential units. He noted this application provides two additional units and hence he would be leaning more towards the two years plus another two years as a starting point.

Chair Powers stated he was inclined to agree that it should be more than two years.

Councilor Chalice referred to language regarding public benefit: *in order to qualify for the tax relief program, the proposed work must provide at least one of the public benefits*. She agreed it is creating an additional unit. However, it does not meet the net zero home. It is not culturally or historically important. Hence she would be leaning towards two years.

Councilor Lake stated he would allot a base number of two years for this project. The fact that that the project is creating two additional units qualifies for the up to an additional two years of tax relief.

Councilor Lake moved to amend the motion on the floor to change it to four years instead of two years. The amendment was seconded by Councilor Chadbourne.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee passed the amendment.

Relating to the amended motion:

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the structure proposed for redevelopment located at 429 Elm Street is a qualifying structure as defined by RSA 79-E:4-b; that the structure is not within a currently defined Tax Increment

Financing District; that the structure is not a residential property subject to an election for tax assessment relief under the low income housing tax credit program of RSA 75:1-a; that the proposed rehabilitation cost estimates exceed the threshold amount of $50,000 and constitutes substantial rehabilitation; that the property is served by city water and sewer; that this proposed rehabilitation is consistent with the City's Master Plan; and that the proposed rehabilitation provides the following public benefits as required by Resolution R -2025-35:

1. It adds at least one unit of new housing;

2. It promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan.

Therefore, the Committee recommends that the Application for real property tax relief on any assessed tax increment resulting from the substantial rehabilitation of the qualifying structure be granted for a period of four years beginning with the completion of the substantial rehabilitation as determined by the City's Community Development Department, and conditioned upon the property owner granting to the City at the time of substantial completion a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for the period of the tax relief, to be recorded at the Cheshire County Registry of Deeds at the cost and expense of the property owner. Further, the committee recommends that the City Council waive the inclusion of a lien against proceeds from casualty and flood insurance claims in the covenant.

Attorney Palmeira stated she would like to discuss the last sentence in the motion regarding a lien on flooding casualty insurance. She reminded the Committee over the last couple of years, property owners who were granted RSA79-E relief came before the City to subrogate its covenant because that specific phrase in the covenant made it difficult for them to receive financing. She went on to say in the statute, it puts it squarely within the Council's discretion to require it or not. In order to help future covenant holders, staff is going to start recommending that this language be waived from the onset. She added this is something her predecessor was also proposing, because if it was subrogated and the City receives the proceeds it would be the City's responsibility to complete the project, which is not something the City is wanting to do.

3. <u>Relating to Wage Schedule Revision Ordinance O-2026-12</u>

Attorney Palmeira stated the Human Resources Director would ordinarily address these wage schedules, However, because these schedules are for her department she was happy to address them.

She explained the ordinance before the Committee is to add the position of Legal Assistant under S13. She noted the Paralegal in her office is heading towards retirement and in anticipation of hiring a replacement, the position they would be looking to fill would be a Legal Assistant. She noted the current Paralegal has two decades of experience. However, the new position would be entry level and it provides the City opportunity to open it up to more candidates.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Ordinance O-2026-12.

4. **Execution of a Change Order for Construction Services With Lakes Region Fuel Systems for the Martel Court Fuel Tank Replacement Project — City Engineer**

City Engineer Bryan Ruoff addressed the Committee next. Mr. Ruoff stated this item is for a change order for construction services with Lakes Region Fuel Systems for the Martel Court Fuel Tank Replacement Project. He explained when they were working on the sewer force main project, that scope was included in that design. What the consultant identified is that they did not have intimate knowledge of the scope of work and staff felt it would not be prudent for them to continue with that scope of work.

In consideration of that, staff discussed the possibility of having Lakes Region complete a design and permitting necessary for the fuel tank system. Since they had an intimate knowledge with both the previous system and the temporary system being used for the fuel tank, as well as the fuel systems within the wastewater treatment facilities.

He noted there would be a savings of about $40,000 in engineering services to have Lakes Region perform the design and receive approval for the tank system. The change order is to have them install that tank at a cost not to exceed $150,000.

The following motion by Councilor Roberts was duly seconded by Councilor Chadbourne.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiated and execute a contract change order in an amount not to exceed $150,000 for Construction Services with Lakes Region Fuel Systems as part of the Martell Court Pump Station Fuel Tank Replacement Project (32JM008B).

5. **Re-allocation of Unspent Funds from the Martel Court Sewer Force Main Inspection Project — City Engineer**

Mr. Ruoff stated he was going to be talking about three different projects:

The first project is the Martel Court (scrivener error – Court Street said in error) sewer force main inspection project, which was built into the CIP. The funds were then allocated and appropriated for that project. This project was to assess the force main in order to determine if it needed replacing. Mr. Ruoff stated there was an immediate concern with that force main because it was the only structure performing that work in the City. After being funded in the budget, the City was awarded a Congressional earmark for funding of that project, leaving us with two sources of funding. In the end, the Congressional earmark did not cover all engineering services but the original City funds more than covered the remaining costs. Therefore, there were leftover unused City funds.

The second project is the Island Street Reconstruction project. This project was completed in June 2026. At the completion of that project, we carried out normal cleaning of the sewer main. We then identified a collapse of a 15-inch sewer main on the street adjacent to Island Street which was Pearl Street. The sewer in that area is a very large and important tributary for the City. Staff requested pricing for the repairs from three contractors that we already had working in the City in order to minimize the costs associated with that work. SUR Construction, the contractors who were already working on Island Street, provided the best price. The City requested they expedite and complete that work as part of the Island Street Reconstruction project.

We consider the repair of the Island Street sewer main as the third project. Staff's request is to utilize the unspent money from the first project, the Martel Court sewer force main inspection, to pay SUR Construction for the third project, the Island Street sewer main repairs.

The following motion by Councilor Chalice was duly seconded by Councilor Chadbourne.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to reallocate $50,000 from the Sewer Force Main Inspection Project (32MI0222) to the Island Street Sewer Improvement Project (32JMI0224).

6. **Execution of a Change Order for Engineering Services with McFarland Johnson for the Lower Winchester Street 40666 Reconstruction Project - City Engineer**

Mr. Ruoff addressed the next project regarding a change order for the Lower Winchester Street reconstruction project. He indicated DOT has respectfully declined to cover the cost at 100% of the project. The project is now at $16,000,000 with DOT covering 80% of the cost.

Mr. Ruoff stated it would be advisable to move forward with this work and added the bridge needs to be replaced as soon as possible. The right-of-way acquisition period is anticipated to take about two years, which he added is a long time and staff would like to move this project forward as soon as possible. No additional money needs to be allocated at this time. Any additional monies that may be needed for construction can be done as part of the CIP update.

The Manager thanked staff for pursuing these funds through the state.

The following motion by Councilor Lake was duly seconded by Councilor Chadbourne.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute a contract change order in an amount not to exceed $1,338,000 for Engineering Services with McFarland Johnson as part of the Lower Winchester Street 40666 Reconstruction Project (75J0026A).

7. **Property Tax Exemptions and Credits - City Assessor**
   Resolution R-2026-25
   Resolution R-2026-26
   Resolution R-2026-27

Resolution R-2026-28
Resolution R-2026-29
Resolution R-2026-30
Resolution R-2026-31
Resolution R-2026-32
Resolution R-2026-33

City Assessor Dan Langille stated that Resolution R-2026-25 relates to Deaf or Severely Hearing-Impaired Exemptions. The exemption amount was adjusted from $33,000 to $55,000 and we adjusted the income and asset limits for the elderly and disabled (R-2026-27 and R-2026-28) at the same rate. Assets for Single from $61,000 to $75,000 and for Married from $87,000 to $110,000. Asset Income was changed for Single from $32,000 to $40,000 and for Married from $43,000 to $60,000.

Resolution R-2026-26 relates to the Blind Exemptions. The change was from $18,000 to $30,000.

Resolution R-2026-27 relates to the Elderly Exemptions. Mr. Langille explained this is one resolution that deals with three different age classes, the 67 to 74 years, 75 to 79 years, and 80 plus. The first category the change was from $33,000 to 55,000. The second category change was from $45,000 to $75,000. The third category change was from $60,000 to $100,000. Asset and income limits were increased.

R-2026-28 relates to is the Disabled Exemption. The change was from $32,000 to $55,000.

R-2026-29 relates to the Solar, Wind Powered & Wood Heating Energy System Exemptions. The reason this item is before the Committee is because of solar. The re-adoption would provide this benefit for off the grid systems and net metered.

R-2026-30 relates to the Optional Veterans' Tax Credit. The change was from $300 to 450.

R-2026-31 relates to the All Veterans' Tax Credit. This has to equal the same credit as R-2026-30 so it is also going from $300 to 450.

R-2026-32 relates to Service Connected Total Disability Veteran Tax Credits. Mr. Langille stated he had previously indicated the maximum was $4,500 but the statute has changed the maximum to $5,000. Staff's recommendation is $4,500 but Council has the option to change it to $5,000. Earlier in the year, the credit was changed from $4,000 to 4,300. The Committee would need to suspend the rules to increase it again.

R-2026-33 relates to Optional Tax Credit for Combat Service. Mr. Langille stated Councilor Lake had raised this issue at the last meeting and noted this item is more complicated than he was expecting it to be. He explained this credit is specifically for New Hampshire National Guard or Reserve component of the US Armed Forces that are serving during combat duty. The credit is only provided during the time of that combat duty. The City could prorate the credit when their duty ends. This credit is used instead of the vet credit. There are only a few communities in the state that have adopted this and currently no credits are being given out, so we don't know that there is any demand for this. The credit amount can go up to $500.

Chair Powers clarified to be able to get this credit one has to be on active duty. Mr. Langille stated in order to qualify for active duty it needs to be designated by the President through an Executive Order or the Department of Defense in the direct sustainment of military operations in a combat zone.

Councilor Chalice noted currently service people have been directed by the President but they are not authorized by Congress and asked for clarification. Mr. Langille referred this question to the City Attorney. Attorney Palmeira in response stated this was a difficult question to answer. She stated there are a few different contexts where that distinction might matter. She stated perhaps federal funding would be one of the main points of argument of what is authorized and what is spent during the time of war. In this context, the Attorney did not feel that distinction was going to be critical.

Councilor Roberts added to that comment by saying that the President of the United States has the authority to call up to 250,000 reserves from National Guard at his/her whim at any time and deploy them any place worldwide without constituting war and what can be considered a combat zone.

Councilor Robert requested to be recused from Resolution R-2026-32. There was no objection with respect to this recusal.

Mayor Kahn addressed the Committee and stated the definitions outlined are all income qualified and it is not a blanket exemption for anybody who has a visual or hearing impairment etc. There is an income qualification, which he noted was significant.

The Mayor noted to a typographic error on page 37 of the packet (R-2026-27): The amount of $100,000 for a person 80 years and noted there was a 0 missing.

The Mayor asked for clarification about the rate change. How did the City determine going for example from $33,000 to $55,000. Mr. Langille explained the City is going through a revaluation and what they are seeing for residential properties is an increase of at least 60% which was applied to these exemptions to bring them to that amount.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-25.

The following motion by Councilor Chadbourne was duly seconded by Councilor Lake.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-26.

The following motion by Councilor Chadbourne was duly seconded by Councilor Lake.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-27.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-28.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-29.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-30.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-31.

The following motion by Councilor Chadbourne was duly seconded by Councilor Lake.

On a vote of 4 to 0, the Finance, Organization and Personnel Committee moves to suspend Section 33 of the Rules of Order to act on Resolution R-2026-32. Councilor Roberts abstained.

The following motion by Councilor Chadbourne was duly seconded by Councilor Chalice.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-32.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-33.

8. Relating to Fiscal Policies Resolution R-2026-34

City Manager Elizabeth Ferland addressed the Committee next. Ms. Ferland stated she would go through the changes discussed at Council workshop on June 30, 2026.

The changes discussed are primarily regarding outside agency funding, fund balance, land use tax allocation, CPI index update, capital plan clarification, and ambulance billing rates.

Regarding page 2 of 14 relating to Outside Agency Funding, there were two changes. Instead of Outside Agencies it says Social Service Agencies, and it changes the Committee that reviews the applications by removing Community Development from the Committee.

Ms. Ferland stated she is less concerned about the language in the fiscal policy; the real difference is made in the process and the application and how the City reviews the applications. Ms. Ferland referred to the guidelines she has proposed for review of outside agencies and added she less concerned about changing outside agency to social service agency and felt the term could be left as outside agency if the definition in the application is clarified. She suggested a purpose statement as follows: "*Funding is intended to support nonprofit organizations that serve as partners in delivering services that complement the City's Human Services and welfare responsibilities. Historically, the City has focused on organizations that provide essential services to Keene residents, which in the absence of those services, could reasonably increase demands on municipal resources or require a greater level of City intervention*."

She added a broader purpose statement could be: "*The Committee may also consider other nonprofit organizations that address significant human service or community needs affecting Keene residents. When those services provide a demonstrable public benefit consistent with the intent of this program and evaluating requests, the committee should consider the extent to which an organization's services benefit Keene residents, complement the work of the City's Human Services Department or applicable leverage other funding sources, and provide measurable public value through prevention, intervention and other essential Human Services*."

The Manager noted, for example, the Serenity Center provides services and that may fall more into the prevention or intervention; this could be an application the Committee could see if they wish to fund. The important aspect is how you might then score it. What is included in the actual application.

She indicated tonight the only change she is looking for is to remove the Community Development Department from the Committee. It can remain Outside Agencies. What she would like to do is to go back to the Committee who last reviewed the applications and talk about this structure, refine it, and come to an agreement on what the City is looking to accomplish with funding. She added, during her conversation with Councilor Tobin, they talked about whether or not there should be a budget number. These are the types of things that could be discussed with that Committee and then bring something back to the FOP for further conversation.

The next item the Manager addressed was Consumer Price Index. This is something that is important because the City uses the rolling three-year average to calculate the change that is available for the budget each year. The City has changed the index it uses a couple of times. The City used the Boston-Cambridge Index for a number of years but the Finance Director at the time brought back a request to change it to the Northeast Region New England Index.

The current Finance Director had some difficulties because Northeast Region New England Index was not as widely available and the Bureau of Labor Statistics has focused more on the region-wide indexes. Hence, staff is proposing to go with just the Northeast Region. At the workshop, Council asked what the difference was in terms of the CPI's adjustments for these different indexes over the last several years. The Manager stated she provided a comparison and noted they were relatively close year after year. The Boston-Cambridge, at times is less. Staff is proposing the Northeast Region because staff feels that makes the most sense for this region of the state.

The third item the Manager referred to was on page 5 of 14. The wording change related to the Capital Improvement Program. She explained that the City starts with the first year of the capital improvement plan to roll into the operating budget. More accurately, the description staff is proposing says *the capital improvement program provides a starting point for inclusion in the City Manager's annual operating budget preparation.* Start with that first year and then as the entire budget is put together, and we look to meet the Council's fiscal policies, there are adjustments that are made that are called out during the budget process.

She next referred to Item K, which is a recommendation from the Public Works Department. Instead of "*upon project completion*" changed it to "*upon project close out.*" The reason for that is when a project is completed, there is a significant amount of time that follows before the project is closed because bills are coming in and cleanup is happening. Hence, it makes more sense to use the term *upon project close out.* The Manager noted Councilor Haas raised this issue: Project balances should be on the financial report, this is how the Council can track what the balance is.

The next item was page 7 of 14 relating to Designation of Revenues. This is related to land use change tax and the conservation fund. At the workshop, what she had suggested is changing the language to say "*the City would designate up to $25,000 for conservation purposes, funded through the land use change tax.*" However, if the City gets revenue that is less than that, it would just be up to that amount. She added at the present time what is happening is, regardless of the amount of revenue the City receives, it is being subsidized with the General Fund and are transferring the balance so that it equals $25,000 a year. There is language which indicated if it was higher than $25,000, 50% of that revenue would go to the conservation fund.

At the workshop, there was a question about what was in the conservation fund and details of the fund. Most recently, it has been for purchases of property for conservation purposes on Old Gilsum Road; one purchase has been completed and one that is yet to be completed. The one that was completed, funds came out of the conservation fund for the actual purchase price and for any closing costs. What is not in the document yet is the current agreement to purchase additional property on Old Gilsum Road for $45,000. This would be deducted from the current total. Ms. Ferland explained in the spreadsheet she provided she is also accounting for this year's transfer of $25,000. She noted there is a little over $100,000 in the fund, of which the City is going to spend 45,000 plus a couple more thousand related to the closing costs, leaving $50,000 in the fund.

The next item the Manager addressed is on page 9 of 14 relating to Ambulance Billing. The Manager stated the law has changed related to ambulance billing and instead of having language that specifically says what the City can bill, staff is suggesting language that says we can bill up to the maximum allowed according to current New Hampshire State law. Further down on that same page there is language related to changes in fees and charges. Currently, the language says the rates will be adjusted based on a schedule the Manager develops, which is done biannually. The Manager felt this should be done annually as part of the budget process.

The next item was on page 13 of 14 relating to Unassigned Fund Balance. This is for all remaining budgeted funds. What staff is proposing is that the language should say "*maintain an amount sufficient to provide for estimated expenditures*." The reason is, there are funds that are used for different items in the budget. This is forecast-based on expenditures that the City believes will be incurred over the next five to seven years. Creating a fund balance that supports this makes sense instead of trying to tag it to what is done with the general fund which is related to the actual budget commitment.

The next item is striking through the language related to self-funded health insurance as this has not been done in at least a decade. This concluded the Manager's presentation.

Councilor Chalice referred to page 2 of 14 relating to Funding Evaluation Guidelines. She felt this should say Social Service Funding Evaluation to make it easier for local organizations. This will save time and energy of organizations. Chair Powers agreed.

Councilor Lake referred to page 7 of 14 relating to Designation of Revenues. He stated he would like to keep it at a similar funding level, as it was when this was first stated in 2016 but perhaps place a cap on it. He felt at some point the City would want to wind this program down, as there is only so much land within the City bounds that the City could purchase. He asked the Manager how much opportunity there is still out there compared to when this fund was started. The Manager stated that was a hard question to answer. She said there could be perhaps a couple more parcels the City might want to acquire. She added the Council always has the authority to add dollars through a Resolution, if something were to come up and there weren't enough funds. However, she felt it is a lot easier to get a request through when there are funds available versus requesting more funding from Council. She stated she would be comfortable with $25,000, but the Council at some point needs to decide what is sufficient.

Councilor Chalice noted somebody owns land that is adjacent to our natural areas. If that person ever decides to sell, this is potentially a piece of land the City would be interested in. Those types of real estate transactions have a time-sensitive aspect and not having available funds could become an issue.

Councilor Lake felt placing a limiting factor in some fashion would make sense and asked if Councilor Chalice would agree to a cap of how high we would go with City funds, perhaps $75,000 or 100,000. When the fund gets to that limit, there would no longer be a contribution from the General Fund. Councilor Chalice stated she agreed with that suggestion.

Councilor Lake proposed the following language: "*Contribution from the City's General Fund would not exceed $75,000.*"

The Manager clarified whether $25,000 could be the number unless revenues exceeded 25,000 and then go up to $75,000. She stated currently the number is $25,000 annually and wasn't sure if it was the Council's intention to go up to $75,000. Councilor Lake stated his intention is not to go above $75,000 from the General Fund; to limit how much we would bring in from the General Fund but still allow contributions if it goes above and beyond. The Manager clarified, if the fund was at $100,000, but the City received land use tax revenue of $10,000, questioned whether the City would still transfer the $10,000 because it is not coming from the General Fund. The Councilor agreed.

The Manager asked what happens when there is a large payment from a land use change tax; a large parcel is converted and is now being used for development. Currently, the language talks about 50% and asked whether this should remain at 50%. Councilor Lake stated he would be comfortable leaving that language as is.

Councilor Tobin referred to Outside Agencies. She stated she was on this Committee this past year, and the problem the Committee was running into is how the money is funding to save money (through the spending dollars of outside agencies). She stated at some point she would like to explore the idea of aligning some of the things outlined in the Master Plan that talks about workforce development and sustainability initiatives that we have committed to in the City. She added there are specific nonprofits named in the Master Plan and giving those an opportunity to apply for funding and invest in that. She, however, felt there should be a cap. She said she understands that Human Services are required by statute and the City must do these things. The Councilor added once the City gives an entity money to accomplish a specific task the City has no control over how they are using those funds. She asked for an opportunity to review this at some point.

Councilor Haas addressed the Committee and stated there are at least three items where the wording needs further clarification and asked that the item be placed on more time. Councilor Chadbourne agreed. Councilor Chalice asked the City Manager and Councilor Lake to discuss the language around land use tax further.

Councilor Chadbourne stated what Councilor Lake is proposing is very significant and requires further discussion.

Chair Powers asked whether the Committee ended up with regarding outside agencies. The Manager stated the Committee agreed to social services. The Chair stated when those who wish to apply decide to do that, there are criteria they must meet. The new revision has more operating guidelines for staff, and it is clear to those who apply.

The following motion by Councilor Lake was duly seconded by Councilor Chadbourne.

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends R-2026-34 be placed on More Time.

There being no further business, Chair Powers adjourned the meeting at 8:08 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Reviewed and edited by,
Terri Hood, City Clerk and Kathleen Richards, Deputy City Clerk