

**City of Keene**  
**New Hampshire**

**FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE**  
**MEETING MINUTES**

**Thursday, October 8, 2020**

**6:30 PM**

**Remote Meeting via Zoom**

**Members Present:**

Thomas F. Powers, Chair  
Stephen L. Hooper, Vice Chair  
Terry M. Clark  
Michael J. Remy  
Raleigh C. Ormerod

**Staff Present:**

Thomas P. Mullins, City Attorney  
Don Lussier, City Engineer  
Asst. Public Works Director/Solid Waste  
Manager, Duncan Watson  
Elizabeth Fox, ACM/Human Resources  
Director

**Members Not Present:**

Chair Powers called the meeting to order at 6:30 PM.

**1) Request to Purchase City Property - Corner News - City Attorney**

City Attorney Tom Mullins addressed the committee first and stated the owner of Corner News, Roberta Mastrogiovanni approached the City in 2019 regarding the purchase of land under this building. At that time the Council authorized the Manager to begin negotiations with Ms. Mastrogiovanni.

Attorney Mullins stated negotiation did take place but there were some questions regarding the sale as Ms. Mastrogiovanni was also looking to purchase land under the overhang towards the bike path. It has been since determined this portion of land was included in Federal funding provided to the City for the bike path, and as such, the City would be unable to sell this land. There is also land at the back of the site where electrical panels are located and this land will also not be included in the sale. Attorney Mullins stated at this point staff is recommending further negotiations continue regarding the recommendations placed before the council.

The recommendations are as follows:

- Obtaining a full market appraisal to establish value – an appraisal has been provided to the city.
- The applicant would need to complete a survey to obtain a conditions plan as well as a survey for the rear portion should the Council determine some of that land could be included in the sale – this would require a lot line adjustment between the City and the applicant.
- Obtaining a façade easement – as this is a building that fronts on Main Street and the City would like to maintain the character of the building.
- Obtaining an Air Rights Lease for the overhang onto the City's right-of-way;
- Obtaining a first right of refusal to the City if/when the buyer intends to sell the property.

Attorney Mullins noted the rental income on this property is approximately \$12,000 a year, property taxes are about \$2,400 and hence the decrease in revenue would be about \$9,600. If the City was to sell it for \$164,000 it will cover about 17 years of revenue at the \$9,600 rate. He added the property taxes will undoubtedly change based on the ultimate sale price of the property.

Councilor Clark clarified the language of the motion should say “negotiate and execute”. The Attorney agreed.

Councilor Ormerod asked whether the language in the Façade Easement and Air Rights Lease will subtract from the sale price. Attorney Mullins explained the Façade Easement runs with the property and added generally easements do have some impact on property values but felt in this case it would be minor and it is to maintain the current look of this building. The Air Rights Lease is different because it is for a period of time negotiated by staff.

Ms. Mastrogiovanni addressed the Committee next and stated she had met with staff today at the property and looked at what the borders would be at the rear of the property and she was in agreement to what was discussed. She stated maintaining the building in its historic state is her intention and stated she would like to acquire this property under reasonable terms.

Councilor Remy thanked the Attorney for bringing the financial information to the committee. He indicated his concern with the term “negotiate and execute” is that the committee will ultimately not be apprised of the sale price. What is being asked is to determine fair market value not where it needs to land against that value. He stated he was in favor of voting in favor but will do some research on it in time for the Council meeting.

Councilor Ormerod stated he too has the same concern that Councilor Remy has and would like to amend the language to read as just negotiate. Attorney Mullins advised because there is no motion on the floor as of yet, the committee could decide how they would like to craft the language or make the motion and suggestion an amendment.

Councilor Clark stated this is an item that has been discussed for the past year. The purpose of the sale is so that the applicant could apply for a mortgage to make improvements to the property and have more control over the land. The Councilor stated he was not in favor of an amendment and felt the Manager should be given authority to negotiate and execute the contract.

Chair Powers agreed this is an item the Council voted in favor of selling. He indicated the City has an independent appraisal which has been reviewed by the City Appraiser. The Chairman stated it is the majority vote of this committee as to what should be done.

Councilor Hooper stated he too agreed with Councilor Clark.

Councilor Hooper made the following motion, which was seconded by Councilor Clark.

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute the sale of the

land at 2 Gilbo Avenue to Roberta Mastrogiovanni, owner of the Corner News, upon the following conditions: obtaining a full market appraisal to establish value; obtaining a survey to establish existing conditions and a potential boundary line adjustment for some additional real property located behind the building; obtaining a façade easement; obtaining an Air Rights Lease for the overhang onto the City's right-of-way; obtaining a first right of refusal to the City if/when the buyer intends to sell the property.

**2) Winchester Street Reconstruction Project - Design Change Order - City Engineer**

City Engineer Don Lussier addressed the Committee next and stated he was happy to report the design for the Winchester Street reconstruction project is complete, and the bid documents are ready for submission. The plan is to advertise the project sometime in December. Mr. Lussier stated in the next few weeks utility work should be starting; Liberty Utilities will be relocating their infrastructure in anticipation of the project.

Mr. Lussier went on to say during the last year staff has been working on acquiring property rights needed for this project as the new roundabout is going to need more land. The project will impact 12 private properties along the corridor. Most of them are mostly minor – temporary construction access. Some are permanent property acquisition. Of the 12, nine are proceeding through negotiation and the City should have those resolved amicably.

Three of the properties, owned by two different owners are going to proceed through the eminent domain process. A public hearing on this issue is scheduled for November 5. One of these properties is the Sunoco Station at the corner of Winchester Street and Key Road and one of their concerns is the closing of one of three driveways that enter the property (northern entrance). As a solution, the City has offered an additional access on the southern property line known as Key Road extension. The property owner has agreed to this but the total value of the compensation is yet to be determined.

Mr. Lussier stated the change order before the Committee is to make this happen. He noted there will be a driveway closed, another one added and a change to circulation – all of this will require the Planning Board to review an amendment to the site plan. The recommended change order will provide a budget for the City's consultant to prepare a Site Plan modification for the impacted parcel and present the application to the Planning Board. The consultant will also update the project documents to reflect these changes for project bidding.

Mr. Lussier went on to say this project is being funded through the NH Transportation Federal Highway Funds (80%) and 20% local match. The City's cost of this change order would be about \$3,800. This concluded Mr. Lussier's comments.

Councilor Hooper asked if the gas station was to get this new entrance then there would be no need for the eminent domain process. Mr. Lussier stated that is not the case, the gas station has been very clear that they want this to be part of the compensation package but they do not believe it is the sum total of the package. Their belief is that the closure of the northern driveway is much more valuable than the proposed addition and are looking at much more as far as compensation – this will go through the eminent domain process. Councilor Hooper felt the City

was being accommodating of this abutter but if eminent domain was the process that needed to be followed, then so be it.

Councilor Hooper made the following motion, which was seconded by Councilor Clark.

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute a change order with McFarland Johnson for engineering and technical services associated with the Winchester Street Reconstruction Project, in an amount not to exceed \$18,971.70.

**3) Relating to the Transfer of Funds from the Solid Waste Fund Balance to the 2020/2021 Solid Waste Operating Budget for Repair of Existing Scale System**  
**Resolution R-2020-37**

Asst. Public Works Director/Solid Waste Manager Duncan Watson stated that the scale system located on Summit Road is the life blood of their operation – the scale is used to weigh all commodities that come into the facility. The scale is certified by the Bureau of Weights & Measures and is also serviced regularly. Recently, the scale has been zeroing out which is often fixed by rebooting it but it is now happening more frequently. The vendor which services the scale has determined the load scales are failing. A capital project was put in for this equipment for FY23 but this would need to move up in the schedule.

Mr. Watson went on to say the scope is different – the load scales are hydraulically designed for more rugged use as opposed to electronic. The deck is still in good shape (ten more years of use), which was anticipated would be replaced in FY23. This would reduce a \$95,000 project down to approximately \$50,000.

Because this was not an expense that was anticipated in this fiscal year, the Resolution before the Committee would need to be approved to transfer funds from the Solid Waste Fund into the Operating Budget.

Councilor Remy asked whether there are other components of the scale that is likely to fail in the next few years. Mr. Watson stated this is the recommendation from the scale company based on their experience – the replacement of the deck is a major expense and other than routine maintenance, the department doesn't expect anything more to happen.

Attorney Mullins clarified from Mr. Watson there are two things related to this item. One is the appropriation of funds necessary for repair and the second is a contract with the entity – and whether this is going to be a sole source contract. Mr. Watson agreed and added Emery Winslow Scales is the contractor the city uses in order for the scale to function properly. The attorney asked whether this would not require two actions from the committee. Mr. Watson agreed. The attorney noted two motions would then be required.

Councilor Hooper made the following motion, which was seconded by Councilor Clark.

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend the adoption of Resolution R-2020-37.

Councilor Hooper made the following motion, which was seconded by Councilor Clark.

On 5-0 roll call vote, the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to enter into a sole source agreement with Northeast Scale Company out of Auburn New Hampshire in the amount of \$49,677 for the repair of the scale.

There being no further business, Chair Powers adjourned the meeting at 7:10 PM.

Respectfully submitted by,  
Krishni Pahl, Minute Taker