

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

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

**Thursday, May 9, 2024**

**5:30 PM**

**Council Chambers,  
City Hall**

**Members Present:**

Thomas F. Powers, Chair  
Michael J. Remy, Vice Chair  
Bettina A. Chadbourne  
Bryan J. Lake  
Kris E. Roberts

**Members Not Present:**

*All Present*

**Jay V. Kahn, Mayor**

**Staff Present:**

Elizabeth A. Dragon, City Manager  
Andy Bohannon, Deputy City Manager  
Rebecca Landry, Deputy City Manager  
Thomas Mullins, City Attorney  
Amanda Palmeira, Assistant City Attorney  
Beth Fox, HR Director  
Don Lussier, City Engineer  
Jason Martin, Acting Fire Chief  
David Hickling, Airport Director  
Merri Howe, Finance Director  
Rob Constable, Assistant Finance Director  
Patty Little, City Clerk  
Andrew Mueller, IT Director

Chair Powers called the meeting to order at 5:30 PM.

**1) Drinking Water State Revolving Fund – Authority to Borrow – City Engineer**

Chair Powers welcomed the City Engineer, Don Lussier, who reported that this item was like something he spoke with the Committee about a few weeks prior. The previous request was specifically related to the NH Clean Water State Revolving Fund for stormwater and sewage. Conversely, this current agenda item was related to the Drinking Water State Revolving Fund, which is a different fund but with similar purpose. This process required authority granted by the City Council. The City Engineer explained that in the past, the City had argued that approval of the CIP showing a project as debt funded provided authority to borrow, but the NH Department of Environmental Services did not agree, and they wanted the City to go through this process, with a specific Council vote. Then, the City Clerk would sign certificate of vote and the City Manager would sign the required paperwork. The City Engineer also mentioned that of the 111 applications for State funding, Keene's application was ranked #10. Some significant principal forgiveness would be associated with this loan, up to 60%, though Keene's total was not yet known. The City will not know the final principal forgiveness until the complete loan package is prepared and the documents finalized.

There were no public comments.

Councilor Chadbourne made the following motion, which was duly seconded by Councilor Lake.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends that the City Manager be authorized to do all things necessary to apply for, accept, execute, and expend the proceeds of a loan agreement with the New Hampshire Department of Environmental Services (NHDES) Drinking Water State Revolving Fund (DWSRF) for the Downtown Infrastructure Project for an amount up to \$3,801,900.

2) **2023 Hazardous Materials Emergency Preparedness Grant Award – Acting Fire Chief**

Chair Powers welcomed Acting Fire Chief, Jason Martin, who explained that this request was in reference to the 2023 Hazardous Materials Emergency Preparedness grant. The Fire Department applied for the grant funding to purchase an asset management tracking system named Slate Pages, which will enhance the Department’s ability to label and track equipment using QR codes. Users can use the QR codes to access information such as inventory benchmarks for testing and expiration dates. This will all supplement what the Department uses for ESO (emergency management software) in some asset tracking already. Acting Chief Martin concluded that there is a 20% City match of \$624.50.

There were no public comments.

Councilor Lake made the following motion, which was duly seconded by Councilor Remy.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept and expend the 2023 Hazardous Materials Emergency Preparedness (HMEP) Grant Award in the amount of \$2,498.00.

3) **2021 State Homeland Security Program Award – Hazardous Materials Training – Acting Fire Chief**

Acting Fire Chief, Jason Martin explained that this request was in reference to another grant, the 2021 State Homeland Security grant, which is specifically to cover the overtime backfill and benefit load for members of the hazmat team to attend training.

In the past, the State had only required a reimbursement packet for these predetermined trainings. This time, Keene FD attended the training, after which the State notified the city that they also changed their system, and now they require a signed grant packet to get reimbursement. So, the Department’s reimbursement request was to cover the overtime backfill and benefit load of the members who attended the training. The grant agreement has a limitation of \$15,232. However,

the Department only requested reimbursement of \$5,293.61, which was the cost. All funds awarded by this grant are 100% covered by the State of NH and there is no City match. This had already been approved by the Governor and the Governor's Council.

There were no public comments.

Vice Chair Remy made the following motion, which was duly seconded by Councilor Roberts.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept and expend the 2021 State Homeland Security Program Award – Hazardous Materials Training in the amount of up to \$15,232.00.

**4) Acceptance of Cheshire County Funding for Youth Services 2024 – Youth Services Manager/JCC Coordinator**

Chair Powers welcomed Deputy City Manager, Andy Bohannon, who spoke on behalf of Alyssa Bender, Youth Services Manager/Juvenile Court Diversion (JCC) Coordinator. The Deputy City Manager reported that every year, the city applies for funding assistance from Cheshire County related to youth services the City provides to Keene and all the surrounding towns. This year, Keene added Jaffrey, Dublin, and Rindge because of Hillsboro closing its operation. So, the city requested more funding from the County than typical, and that request was successful. This year's total funded request was \$51,180, split between the Youth Intervention Program (\$15,600) and the JCC program (\$35,580). This money supports the assistance of a part-time person and funds the overall operating budget for Youth Services. Deputy City Manager Bohannon complimented Ms. Bender's hard work on this effort securing the almost 50% higher contribution from the County.

The City Manager, Elizabeth Dragon, said it was great that the County stepped up to provide services to youth outside of Keene. The City of Keene funds the services provided to Keene residents, but there are several communities outside of the region that participate in this program and benefit, so the City Manager said it is very helpful that the County assists those communities in getting these services.

There were no public comments.

Councilor Roberts made the following motion, which was duly seconded by Councilor Chadbourne.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept and administer funds provided by Cheshire County for Youth Services programs.

5) **Reallocation of Personnel Funds – Airport Taxiway A Reconstruction Project – Airport Director**

Chair Powers recognized the Airport Director, David Hickling, who described this reallocation of funds due to American Rescue Plan Act (ARPA) funds received due to Covid. The City accepted and executed this grant some time ago but had just received the funds. The grant reimbursed the city for personnel expenses. Thus, there was a surplus in the Airport's personnel line, concurrently with the Taxiway A project that needs to be rebid. Additionally, there were some changes with the engineering firm chosen. All of this caused the City to incur costs that were not reimbursable through the Airport Improvement Program (AIP). Staff sought permission to reallocate these personnel funds to the Taxiway A project.

There were no public comments.

Councilor Chadbourne made the following motion, which was duly seconded by Councilor Lake.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends that the City Manager be authorized to reallocate \$59,000 from unspent personnel funds (513030) to the Airport Taxiway A Reconstruction Project (05J0004B).

6) **Reallocation of Capital Funds – West Keene HVAC – Deputy City Manager**

Chair Powers welcomed the Deputy City Manager, Andy Bohannon, who described this request for additional funding to support a Capital Improvement Plan (CIP) project for the West Keene Fire Station. He recalled that in 2023, \$75,000 was allocated for some of these improvements to the West Keene Fire Station. To date, the City had not been successful in securing grant funds to rebuild the Station. So, in order to keep the Fire Station building and maintain a safe environment those employees, mini split units are required in their living quarters and their turnout gear room. The Deputy City Manager said it was worth the investment. So, the city worked with WV Engineering Associates related to the mechanical work. When put out to bid, several were received but they were much higher than what the City had originally funded. When work occurred on the rear wall of City Hall, the city borrowed \$60,000 from the West Keene Fire Station. Thus, this request was to transfer \$88,988 from the City Hall Structural Repairs Project (which still was not complete) to help with capital maintenance projects, including the Fire Station. Deputy City Manager Bohannon noted that if one visited the West Keene Fire Station, they would see that it is old, with poor air quality and the need for temporary air conditioning in the summer. Thus, this request would be essential for the health for the FD employees.

The City Manager, Elizabeth Dragon, noted that the city had been seeking grants for substantial renovation or rebuilding the West Keene Fire Station for some time, and so each year, it had been pushed further out in the CIP. The Station is an old Armory building that was donated to the City in the 1970s. Due to the needed renovations, staff felt it was important to at least address

some of the issues now, specifically air quality in the living quarters. This will not only help to keep the air quality and circulation, but it will address the gases coming in from the apparatus bay. This transfer of funds will allow for finishing the air quality project.

There were no public comments.

Councilor Lake made the following motion, which was duly seconded by Vice Chair Remy.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends that the City Council reallocate \$88,988 from the City Hall Structural Repairs Project (65J0002) to the Municipal Building Capital Maintenance Projects (65M0004).

**7) Relating to Board Memberships – Ordinance O-2024-05**

Chair Powers requested comments from the City Attorney, Tom Mullins, who worked with Mayor Kahn and the City Clerk, Patty Little, on these mostly housekeeping amendments. The City Attorney explained the changes: (1) to clarify that there should be an ex-officio City Councilor on the Bicycle/Pedestrian Path Advisory Committee, (2) to clarify that there should be an ex-officio City Councilor on the Human Rights Committee, as well as one regular member of the Library staff.

Vice Chair Remy mentioned another Scrivener’s error. Delete “1” in the following: “DIVISION 14. HUMAN RIGHTS COMMITTEE1.”

Mayor Kahn thanked the City Attorney for summarizing. The Mayor asked the Committee to consider placing this on more time as a few more changes might be added related to the size of the Heritage Commission and Historic District Commission, both of which had struggled to achieve quorum.

Vice Chair Remy made the following motion, which was duly seconded by Councilor Roberts.

On a vote of 5–0, the Finance, Organization, and Personnel Committee recommends placing Ordinance O-2024-05 on more time.

**8) Relating to the 2024/2025 Fiscal Year Operating Budget – Resolution R-2024-20**  
**a. Opening Comments – City Manager**

Chair Powers recognized City Manager, Elizabeth Dragon for an introduction to the 2024/2025 Fiscal Year Operating Budget, Resolution R-2024-20. The Manager stated this was either the 7<sup>th</sup> or 8<sup>th</sup> budget she has prepared and this was the most challenging one. Each year, she works with the City Council’s Fiscal Policy to keep the budget under the Fiscal Policy. She also looks at the overall impact to the municipal tax rate, that being the portion that the City can control. For the last several years, the SAU’s budget had really impacted the overall tax rate. The City’s overall

tax rate dropped two of the last three years. Last year, the City's portion of the rate increased only slightly: 2.7% or \$0.24. This year, the City's portion of the rate is expected to increase: 7.57%. The School's budget is also estimated to increase the rate by \$1.52, and the County is decreasing by \$0.01.

She continued there are a few unknowns related to the School's portion of the rate. There are several Legislative bills making their way through the process that would impact the funding sources coming from the State for the School. Then, every year before tax rate setting time, the school returns unspent funds that are applied to the tax rate. For the last several years, the City had been able to drop the rate. Thus, each time the City has an estimate, it is coming in much lower than the estimate at budget time, which has been good news. The City never wants the opposite. For example, during the budget process in 2023, the School's portion of the tax rate was estimated to increase by \$1.18, though it ultimately only increased by \$0.67. Therefore, the School's portion of the tax rate estimate in in the budget book was the worst-case scenario.

The City Manager continued, that the proposed budget is \$423,366 below the Fiscal Policy limit, which is her guideline for the budget. When all the budget numbers were in, she needed to make adjustments to revenue and expenses equal to over \$1.5 million. Then, the Finance Department did a tax rate calculation and the City Manager made additional changes over \$423,000 to bring the municipal impact under \$1 on the rate. Wage adjustments are tied to contracted bargaining union agreements and non-union wage adjustments, which include a 3% cost of living (COLA). Leaving only relatively small operational adjustments throughout the budget.

The Fiscal Policy limits property tax revenue increases to a rolling three-year average of the Boston, Cambridge, Newton, CPI of expenditures required by law, and debt service payments and capital leases this year. That average was 4.9%. That 4.9% is a three-year rolling average and we are using a 3% COLA that is based on contracts that were negotiated and to bring some equality to the non-union as well.

The first year of the City's Capital Improvement Program (CIP) has been updated in the fiscal 2025 budget. For the budget proposal to comply with Fiscal Policy, it was necessary to adjust the funding scenario of one project: the Keene Police Department crime scene van. In addition, the City Manager removed the \$70,000 allocation for the Master Plan already appropriated mid-year.

At the May 2, 2024, City Council meeting, the City Manager talked about concerns related to our City assessment and the rapid rise in residential market values each year. In 2021, the City went through a City-wide property revaluation to bring its real estate assessments to market value. This was done at a time when values were significantly increasing compared to previous years. Shortly after, there was some speculation that the market was peaking and may even begin to decrease. However, in 2024 real estate prices have only continued to increase particularly with residential properties. The assessment equalization ratio for the City has dropped this past year from 80.9% to 72.8%. This means that the median sale price in the City is 27.2% more than its assessed value. Concerning property taxes, since all properties are around the same level, there

remains fairness and equity in the assessments. The City is scheduled to do its next revaluation as a part of the FY 26 budget, but she welcomed feedback as to whether to consider moving this project up. There are pros and cons that need to be carefully considered. The overall impact would be felt greatest by homeowners and the biggest impact would likely be to homeowners of what has been the more affordable housing units such as mobile homes. The equalization ratio must be applied to the overall value of utility properties in the City, which had created issues for the second year in a row. The City Manager estimated a loss of approximately \$6 million in utility value. This shifts some of the tax burden to other property owners and effects the overall tax rate to bring the budget into compliance with the Fiscal Policy adjustments.

In this budget, the City Manager made adjustments to account for vacancies in the Police Department, Community Development Department, and the Fire Department. Two Police Officer positions are not included in the budgeted wage line. This added just over \$208,000 to support the Fire Marshall, which is included in both the Community Development Department (20%) and Fire Department (80%). This is mostly offset by reducing budgeted funds for one of the two Fire Department Deputy positions funded at 50% and the Building/Health Official also funded at 50%. The City Manager clarified that applying a vacancy number to those positions does not eliminate them from the salary schedule.

The City Manager continued, sharing good news that the Purchasing Office just bid out the City's electricity contracts and reviewed the results. Even sourcing 100% green energy, the City will be able to reduce its overall electricity cost for FY 2025. In addition, the tax rate estimates are based on a conservative projection of values, which includes a net increase of \$4 million after the utility loss of \$6 million. The number was estimated several months ago at the beginning of the budget process. However, the day of this meeting, the City Manager met with the Finance Director and the City Assessor, who provided the most up-to-date information related to assessments. The property value is set as of April 1 and staff had been updating values since that date. They estimated an additional \$8 million of assessed value. These two changes drop the estimated increase in the municipal portion of the rate from \$0.95 to \$0.86.

Overall, the City Manager said it is a difficult balancing act with many moving parts to construct a budget that meets the Fiscal Policy limitations, while continuing to provide services at the levels expected. The budget reflects operational increases that are—in fact—minimal when compared to the overall budget. The City is a service provider, and wages and benefits are tied to the level of service expected by the Council and the community. So, the City Manager provided the Committee with an updated handout listing the changes she mentioned related to assessments and the overall change related to utility values.

#### **b. Finance Director Introduction**

Merri Howe, Finance Director/Treasurer, began by commenting on the new appearance of the budget book due to a new publishing tool called Pattern Stream, which is integrated with the City's financial software. The new format is also in line with the City's branding. She welcomed

suggestions if the City Council wanted anything presented differently in the next budget. The Finance Director also mentioned Karen Grey, Accounting and Fund Manager, who is retiring May 24. Without Ms. Grey's hard work and efforts, the budget book would probably not look as nice. She was a valuable asset to all of the Departments within the City, and she will be missed. The Finance Director also recognized Assistant Finance Director, Rob Constable, whom she called the glue that helped keep some of the office together, while immersed in the new budget process and short staffed. The Finance Director appreciated all of Mr. Constable's help to keep things moving forward in a positive direction and for transitioning the rest of the software from the legacy system into MUNIS. She also thanked the rest of her team that takes care of everything else for the City.

The Finance Director referred to page 13, which listed the allocation of the proposed property tax by the City Departments. This allows residents to visualize where their property tax bill is dispersed; it is not just a check that you write to the City, but a check that funds all of these 20 different Departments. For example, on a \$200,000 house, \$458.96 would go toward funding the owner's portion of the Fire Department. There is a lot of service in return for property taxes.

The Finance Director pointed out some other portions of the budget:

- Revenues & Expenditures are listed from summary to detail on pages 16–20.
- Supplemental Requests are listed by Department beginning on page 21. The supplemental requests are reviewed with all the Departments and with the City Manager. Then the City Manager, Finance Director, and the team come together to determine what we really, truly can afford in the budget, and the City Manager makes the difficult final decision. Not everything that comes forward from the Departments is guaranteed to make it into the budget.
- Expenditure Budget on pages 23–32, summarized by Department (23), by individual account numbers/object codes (40–30), and personnel vs. operating costs per Department (31–32).
- Summary of Debt & Debt Payments on page 33.
  - Outstanding Debts on pages 34–35, including all of the outstanding debts with the balances that we have or are projecting for June 30, 2025, as well as proposed debt. The Finance Director added that the City went to bond last summer when New Hampshire Bond Bank and staff were in the process of doing the FY 24 bond request with New Hampshire Bond Bank. The rates were projected under 4%.
- Mayor & Council Budget on pages 40–41, with a small increase of \$9,485, with \$7,000 to replace the Chromebooks that had not been part of the PC Replacement program, but they will be moving forward. The remaining budget was for increased the advertising for public hearings (\$1,000) and moving to Adobe Pro (\$1,485) for the Mayor, Council, and Clerk's Office.

### **c. Outside Agencies**



Natalie Darcy, the City's Human Services Manager, presented an overview of the budget process for outside agencies, how the decisions were made to move the funding sources forward, and how much is allocated to agencies this year. Historically, Human Services has been tasked with taking the lead on outside agency funding. This year, the committee consisted of individuals from Human Services, Purchasing, and a member of the City Council. The committee worked diligently to assure that any organization that wanted the opportunity to apply would have the opportunity to do so. Recommendations for funding are based in part on each agency's response under the following criteria: the impact on the City if the agency was not in operation, the number and percentage of Keene residents served by the agency, whether there are other local service agencies providing similar services, the financial impact in terms of prevention and intervention services that potentially saves future City savings, and demonstrated efforts to cooperate and avoid duplication with other agencies. This year, Human Services received 13 requests for outside agency funding. The committee met with agencies in February via Zoom. The Committee then met and made recommendations that were forwarded to the City Manager for budget review. As a note, Hundred Nights shelter is not a part of the outside agency process as it is now a general assistance line item like the Southwestern Community Services (SCS) shelters are.

The City Manager also provided introductory comments. Hundred Nights was moved to the Human Services budget because the City has a memorandum of understanding (MOU) with them, similar to the City's relationship with the SCS. It did not make sense to put them in the same category as the City has set expectations in that MOU. The City Manager also mentioned that a few budget requests that were either not supported. The first was a request from Monadnock Family Services (MFS) for \$35,000 to help fund their homeless outreach person, which had previously been funded through a grant. They have had a homeless outreach person since the early 90s that was submitted to the Committee for review. It did not move forward because they felt it was a duplication to the City's outreach. However, the City Manager added it to the proposed budget because her intention is to create an agreement with them for their outreach worker will coordinate with the City's (part-time in Human Services). She added there is enough demand to support both.

Additionally, the City Manager mentioned a \$50,000 contribution for the Monadnock Interfaith Project's (MIP) request for a Housing Development Fund, which would be managed by Monadnock Economic Development Corporation (MEDC). The goal is to create funds that people and developers can access to bring about additional housing. The City Manager mentioned the stipulation that this is a regional fund, and anything contributed from the Keene budget would be for Keene projects only. When the City Manager asked the Council for an additional \$900,000 for a homeless response, the Council asked her to think of more approaches than just funding rental assistance. So, this was one way she thought the City could help to contribute to housing availability. The other way is this additional relationship with MFS and outreach. The City Manager was also increasing the number of hours in the Human Services budget for outreach, which had been very productive and effective, working with homeless

individuals toward temporary housing in the community and moving them to permanent housing. The resulting case management had made a difference.

Chair Powers called forward the applicants for outside agency funding to address their requests.

Community Volunteer Transportation Company (CVTC):

Ellen Avery thanked the Council for its previous \$750 donation, for which CVTC sought level funding in this budget. She said CVTC is unique because it does not duplicate. There is an informal agreement with Home Healthcare, Hospice, & Community Service (HCS), which provides the bulk of the transportation for Keene residents. HSC only goes to Lebanon on Wednesdays, so CVTC clients are encouraged to use HSC for Wednesday appointments. When clients have appointments in Lebanon on other days, CVTC's mission is to take Keene residents outside of Keene, where HCS doesn't go (e.g., VT and MA). Last year, CVTC served 31 riders and provided 9,492 rides, including 30 to Lebanon. Ms. Avery said there a nice balance of services being offered between HCS and CVTC, especially through our volunteer driver program, and the level \$750 funding would support that work.

Councilor Chadbourne asked whether riders make small donations. Ms. Avery replied that Federal funding precludes them from charging a fare, so donations are accepted. Drivers have donation envelopes with them and they collect approximately \$8,500/year.

Keene Senior Citizens Center:

Mary Jensen, Executive Director of Keene Senior Citizens (commonly call the Keene Senior Center), thanked the Council for funding the request made at the same level last year. The Senior Center has moved from the building on Court Street to the HCS building, renting the former Castle Center. They have had the advantage of additional parking available at HCS, allowing them to increase membership in the four months they have been there. They based their request to the City on their membership fee, which they deliberately keep as low as they can afford. Half of their memberships receive \$50,000 or less in income every year and the Senior Center should be a place that all seniors can afford. They work with any seniors on budgeting and take monthly payments to facilitate membership by every member of the community. This year, 65% of members are from Keene. The numbers served increased since moving because there is more parking and it is a more accessible buildings. As such, there had been around 1,200 member sign-ins per month. They come back repeatedly for exercise classes, wellness programming, and workshops. They partnered with Southwest Community Services and Keene Housing Authority to have people come in and talk about housing and transportation options and other things for members because those are the biggest questions received from people trying to downsize from a larger house to a smaller house. This year, the Senior Center requested \$19,350 and \$16,500 had been allocated. Ms. Jensen said that if there is any opportunity to add the \$2,850 difference, it would be appreciated.

Councilor Chadbourne asked how many members comprised the 65% of members from Keene. Ms. Jensen said 276 at present.

Monadnock Substance Abuse – No representative present

Big Brother/Big Sister – No representative present

Keene Community Kitchen

Gina Burke, Board Chair, and ..., Board Co-Chair, expressed gratitude for the consistent partnership that the City has offered, sustaining the Kitchen's impact on food security to residents for over 40 years. Six days a week, they offer hot meals to guests and enough pantry food to support 9 meals per week. Whenever possible, they seek to offer referrals and education to enhance guests' ability to secure additional resources for themselves and make the best use of the food provided. Similar to the challenges facing their guests, sustaining the operations of their organization has been complex. Ms. Burke said the landscape has shifted such as changes in governmental investments that impact state/national economic security programs, changes to the food availability in the USA and food banking systems, and the local nonprofit and food charity landscape. To achieve their mission and meet the needs of guests, they must be alert, creative, and responsive. In recent decades, the Community Kitchen has developed a strong network as they strive to provide value to partners, all of whom strive to ensure that all residents of our City and region are able to thrive. The Community Kitchen is the largest food security organization in our region, with 15 staff members. Since 2019, the Kitchen has been serving as the backbone organization of the Monadnock Food Pantries Collective, a Monadnock United Way Collective Impact Program, and collaboration with the Monadnock Farm and Community Coalition, Dartmouth Hitchcock Teens Center for Population Health, and others. The Kitchen is also developing a mobile food pantry to help reach the most vulnerable community members who lack access to transportation, which serves as a barrier for accessing nutritious food.

Ms. ... highlighted the Community Kitchen's meaningful partnerships within the City. Since Hundred Nights moved into their new building, the Kitchen was providing dinner services to their new location, which is almost 10,000 meals. Since Hundred Nights opened their doors in August, the Community Kitchen restarted its partnership with the City to provide weekly pantry boxes to 8–10 families being transitioned into housing at area hotels. Partnerships like these and other agencies like the Serenity Center, the Monadnock Center for Violence Prevention, and the Senior Center facilitate delivery of nutritional components along with their essential services that these agencies provide. The Community Kitchen hosted community leaders at the Martin Luther King Day events program for lunch and breakfast through a partnership with the Human Rights Committee. The Kitchen plans to participate in the Juneteenth celebration, as an example of what they do with the local area agencies. The Community Kitchen has seen an increase of 42% of the number of meals they've served since 2023, compared when compared to 2022. They experienced an impact and inflation by spending an average of 2.5 times more on food.

In 2023, the Kitchen served 348,000 meals, 22% of which were for children under the age of 18. The Community Kitchen is excited to continue the partnership with Keene to make a vibrant community.

Vice Chair Remy asked how the Community Kitchen's operations overlap with Meals on Wheels from HCS. Ms. Burke replied that the Community Kitchen's mobile food pantry is trying to expand to towns like Gilsum, Fitzwilliam, Dublin, and Chesterfield.

The City Manager added that she loves the mobile food pantry idea. One concern from both the Human Services staff and the with local shelters is requiring people to come to the City instead of meeting them where they are. This initiative would make a difference in that effort.

Susan Ashworth of HCS commented on Meals on Wheels, noting that the Meals on Wheels program and the mobile food pantry serve two very different populations. Meals on Wheels is delivering to homebound elders who are not able to get to the mobile food pantry. HCS did participate in the mobile food pantry events to let families know that if they have an elder or a disabled individual in their home that they would be eligible for Meals on Wheels. There is also a congregate dining program.

Councilor Chadbourne said it is great to partner with so many other organizations with the mobile delivery. She asked if the towns outside Keene are also approached for funds. Ms. Burke said yes, 23 other towns are asked for funding for in support of the Community Kitchen, including the mobile pantries. Councilor Chadbourne also asked if there are other local food pantries, like St. Vincent's, and if they work together to not duplicate services. Ms. Burke said yes. The Community Kitchen's biggest programs are serving hot meals six days a week and the pantry programs.

#### Meals on Wheels:

Susan Ashworth of Home Health Care, Hospice, and Community Services (HCS), which sponsors the Meals on Wheels program, thanked the City for its past contributions. Meals on Wheels delivers a nutritious meal to older and disabled residents of the City who are homebound and not able to prepare a meal for themselves. This year, they will serve 46,000 meals to 221 Keene residents. Meals are delivered Monday through Friday with breakfast bags and weekend meals available to those who are most at risk nutritionally, or who have the greatest food insecurity. Most live alone and over half are over the age of 80. The program is more than a meal, it is a daily safety check on some of the most at risk residents of Keene. The drivers deliver a meal and a helping of good cheer. In many cases, the driver is the only person that elder sees during the day. Service doesn't end with that delivery, they help people connect with other resources. If a person is not home, drivers call emergency contacts to follow up. They hope this intervention helps people not come to Human Services or not call an ambulance. The program sought \$0.40 per meal or 18,362 to help defray the increase in costs of food and avoid having a waiting list.

Southwestern Community Services (SCS)

Southwest Community Services Chief Operating Officer, Keith Thibault, thanked the City for the past support and collaborations. SCS does this for every city and town and Cheshire and Sullivan Counties, called their “town funding program.” Each city is asked to fund SCS at 1% of the funding that SCS provides to that town. So, if SCS brings \$600,000 to a town, SCS asks them for \$600. There is a maximum limit for town funding requests at \$10,000 and Keene had been at that limit ever since he got involved in the program. In 2023, SCS provided just under \$6.2 million of direct assistance to City of Keene residents in over 6,000 instances. SCS had a number of programs that the City could take advantage of, such as the Low Income Water Assistance Program (LIWAP), a Covid program that has since ended. SCS funds some bigger programs like the Energy Assistance Program, which provides almost \$1.8 million per year to City of Keene residents; the Fuel Assistance Program is one of the biggest ones, helping 847 households with \$1.2 million of assistance in 2023. Other SCS programs include: Head Start program, WIC Nutrition program, Emergency Shelter and Rental Assistance Programs, and nine different major federal programs. SCS effectively brings federal money back to the region. SCS is proud of what it does in Keene. Mr. Thibault was glad to report that every city and town in the two counties does contribute to this fund, equaling about \$130,000 per year. SCS uses these funds to help people who fall through the cracks, homeowners in need of costly repairs, among many others. SCS is grateful for its partnership with the City.

Harbor Care: No representative present

Monad Region Child Advocacy Center: No representative present

Home Healthcare City Express (Transporting):

Susan Ashworth of Home Healthcare, Hospice and Community Services (HCS) also sponsors the City Express, which provides affordable transportation to residents and visitors to the City of Keene, operating two accessible vehicles on a fixed route Monday through Friday with 23 regular stops at medical facilities, grocers, Recreation Center, and the Library. This year will surpass 20,000 rides, 1,000 of which are for residents who need assistance with the Para Express service, which is for those who have a transit disability and cannot not get to a bus stop. The goal is mobility for all residents of our community. The service is truly public for everyone. 58% of the people served are under the age of 50 and 42% are older residents. This year, She was very pleased to say that after a lot of community outreach and input, they made a number of changes to the route by popular demand, adding stops at the primary care clinic on Maple Ave., at Kohl’s Plaza so that residents can get to Monadnock Family Services, at Market Basket every hour, the Monadnock Food Co-Op, and the new Senior Center location at HCS on Marlboro St. These changes have resulted in a 10% increase in ridership in just the four months that they have been in place. City Express also operates the Friendly Bus for older residents, providing an additional 5,600 rides to older residents who needed that door-to-door service. As mentioned by

CVTC, the City Express is going once a week to White River Junction and to Dartmouth Hitchcock in Lebanon for those who need those specialty services. About 20% of trips are to medical facilities and the majority of the other trips are to groceries. The agency sought a 3% increase in funding over last year to address the spike in gas prices and to be competitive in this very tight labor market for CDL drivers. The funding would provide the 50% match for a DOT grant, which is critical to their operations. For this program, the agency also applied to the DOT for three replacement vehicles to maintain their fleet as safe, reliable, and certainly cost effective to keep maintenance low down for residents. Ms. Ashworth was grateful for the Council's consideration.

Keene Housing Kids Collaborative:

Sally Malay, Executive Director, thanked the Council for past contribution and for reviewing this year's application. The Keene Housing Kids Collaborative's mission is to attain upward social mobility for kids living in low-income households through out-of-school and summer learning opportunities. The goal is to reduce the opportunity gap by removing financial barriers for these kids to access the social/emotional learning tools that will help them in the classroom and beyond. The agency works towards breaking the cycle of poverty and provide the environment for kids as they grow and develop so that they can become economically independent adults in our community. The Collaborative serves 650 children from birth to age 17. 75% of those kids live in Keene. The Collaborative is founded on research that there is a 6,000-hour learning gap (500 hours/year) for these kids compared to kids from more affluent households. The Collaborative is trying to help people understand its financial needs; even a conservative approach would be 300 of those 500 hours to help close that gap. They also use a very conservative \$10.00/hour for youth program services (approximately \$3000/year). Parents of more affluent households spend around \$8,000/year/child. 65% of children born into low-income households stay there through adulthood, which the Collaborative is trying to reduce. The annual median household income for the Collaborative's families is \$23,000 and in the in 2023, 300 kids were served in the Keene area, which is a 47% increase in participation. The Collaborative provided 336 weeks of summer camp, put 23 kids through drivers' education, provided 2,500 rides to and from these youth activities, and distributed over 1,700 books.

Ms. Malay continued, explaining that the collaborative's budget this year for youth program expenses is around \$263,000. Last year, they received a big grant from the Department of Health and Human Services (DHHS) of \$100,000, which helped increase the Collaborative's impact. Now, it is up to the agency to replace those Covid funds. All money raised by the Collaborative is reinvested back into the local economy, to other local nonprofits and small businesses that are providing those high-quality activities for the kids. Last year, they also approached the town of Swanzey, which was successful, and will contribute to the agency's financial need, but the benefits to the City is with this early intervention is that we are increasing school attendance, engagement and achievement.

Ms. Malay concluded, explaining that the Collaborative helps to decrease behavioral referrals in school and special education enrollment. Every dollar raised goes directly to these fees. Overheads are covered by a service fee from Keene Housing and Southwestern Community Services, so none of this funding goes to salaries or overhead expenses. She said the Collaborative is a unique service provider. She said that no one else provides this type of intervention in our community and ultimately, the agency creates healthy outcomes through the kids being able to bond with positive role models in the community. Being integrated with their peers also helps kids at school; they have a sense of belonging and purpose, which helps to strengthen families. She appreciated the Council's consideration.

Councilor Chadbourne asked how families learn about this service and whether and families are denied. Ms. Malay replied that she works very closely with Keene Housing and Southwestern Community Services, so as soon as a family leases a property, receives a rent subsidy, or leases with Southwestern Community services, the Collaborative is notified per a memorandum of understanding, and works with the property managers to have a release signed by the family, which allows the Collaborative to reach out to families directly. There is no application fee and residency determines eligibility. The Collaborative does outreach to make sure families understand that there is no cost to them. There is no waiting list, but there are parameters on what the Collaborative can provide simply because of funding. For example, spending \$3,000 on activities for the 224 kids in Keene, that would be a budget of close to \$700,000, while the Collaborative only actually has \$200,000 to spend, limiting what they can provide. Still, they are working to grow and sustain, limiting parameters and providing the kids with what they need.

#### Court Appointed Special Advocates (CASA):

Joanne Stroshine, a CASA volunteer, explained that the mission of CASA of New Hampshire is to provide a voice for abused and neglected children and youth in the courtroom. This assistance is provided entirely by volunteers, who spend many hours driving many miles happily, with no reimbursement. In Keene in FY 2023, CASA served 70 children from 33 families in Keene, which was estimated to cost CASA \$2,000/year/child. Most of that money goes into training salaries for program managers. She said the training is well worth it because the volunteers are not lawyers, but they have to appear in court and advocate for children in the most effective way possible. Most of the training is geared toward understanding childhood trauma to apply in court cases. Many of the cases are related to drug abuse, and 67% in the State are opioid issues. Recently, a baby that overdosed was brought to Cheshire Hospital and survived, but Ms. Stroshine was hopeful that the case was reported to Child Protective Services. Unfortunately, 18 children were refused in 2023 due to lack of resources. She noted that lawyers can be paid to represent the children, but they do not have the time to do what CASA does: meeting with children, meeting with teachers, meeting with neighbors/friends/relatives and social services such as Monadnock Family Services, and all the social organizations in Keene. Last year, the City contributed \$4,000 to CASA. This year, they requested an increase of \$1,000 because of the increase in applications they anticipate post-Covid. Ongoing training for volunteers is required each time a new law is enacted, which is costly. She added that CASA is trying very hard to

recruit new members, which also takes money for advertising, but it is working, and volunteers are stepping up.

Councilor Chadbourne commended the CASA volunteer for this tough work, noting that she attended a volunteer training. She asked whether their funding request was intended for training. Ms. Stroshine said yes, it would go toward staff training. Every office—including the one in Keene attached to the Cheshire Court—has two program managers who are invaluable to volunteers. Ms. Stroshine said it had been a great learning experience in many ways; very challenging but also very rewarding.

Monadnock Crisis & Prevention Center (MCVP): No representative present

Monadnock Family Services Street Outreach Program (MFS): No representative present

Monadnock Interfaith Project (MIP) Housing Development Fund:

Tom Julius, Chair of the Monadnock Interfaith Project (MIP), Angela Pape, MIP Community Organizer, and Cody Morrison, Executive Director of Monadnock Economic Development Corporation (MEDC), were present. Mr. Julius began by complimenting the City, and City staff in particular, for taking a systems approach to the housing challenge, a challenge that many recognize but there is not any one solution. MIP had observed the City working hard to explore strategies that have been successful in other communities. MIP is a nonpartisan, nonprofit coalition of congregations, including the Monadnock Covenant Church, the Keene Unitarian Universalist, the United Church of Christ, Saint James Episcopal, and the Ahavas Achim Synagogue right here in Keene. MIP's mission is to build and foster community for positive systems change in the community. MIP's methods are very grassroots, listening to the concerns of people in our region. In the last three years, MIP hosted a series of listening sessions, and housing was the primary concern of residents, business leaders, and public officials. Businesses are struggling to find employees because of the housing challenge in this region. This knowledge led MIP to identify a particular strategy for housing development funds that had been successful in over 700 communities around the country.

Next, Ms. Pape thanked the City for including funds in the proposed budget. As many know, MIP had been working towards this with many stakeholders for several years, motivated by stories in the community. Rent prices continue rising, and while usually incremental over time, many were seeing a \$400 increase. Meanwhile, many of these renters are in homes with holes in the wall or windows that do not open. Commonly, two working parents cannot afford to buy a house in this region. These many stories motivated MIP to create this Housing Development Fund as a tool to help increase the number of units in our region as well as home rehabilitation. Ms. Pape recalled that Keene's Housing Needs Assessment strategy 1A was to create an affordable Housing Trust Fund, to help support other things like rehabilitation, helping to support developers to close the funding gap, and more. MIP hopes it will be a part of a regional approach, with the support of Mr. Morrison and MEDC. Ms. Pape added that MIP honors the



request that City funds be appropriated to specifically support Keene projects. She noted that there are things happening at the State level around funding. Some financial leaders and bank leaders were also helping MIP to pursue business funding. They think it would be a successful public-private partnership.

Mr. Morrison thanked the Council for this opportunity to discuss the vision for a regional housing development fund, potentially with partial Cit funding that would be used for Keene projects specifically and our organization, MEDC had been stepping into housing over the past couple of years in response to ongoing concerns among employers: housing, childcare, and workforce. We need people. Mr. Morrison said this is an issue that cannot sit on the sidelines. So, MEDC partnered with MIP a couple years ago to help support a grassroots effort to create a fund that would provide flexible capital for local housing projects. This is based on the lack of a subordinate debt market in New Hampshire; on the commercial on the business side, that market does exist, but it does not for housing. So, MEDC is using its experience grant making and lending for commercial projects throughout the years. Now, they hope to open this avenue to housing as a part of the solution. They anticipated that these funds from the City would be used to leverage—at least 4:1—to make those dollars go further for a bigger impact. Smaller projects will help create and rehabilitate housing units. MEDC recently helped close on a housing project in the region that achieved a 68:1 leverage ratio, so they hope that this fund will renovate at least 10 units per year. These will be loans available to projects and to landlords for either renovation projects, acquisition, or accessory dwelling units. The agencies look forward to collaborating with the City and other organizations throughout the region.

Councilor Roberts stated that we live in a capitalist society that is all about making profits. Over the past couple of years, houses had been over \$400,000. He asked what the minimum profit would be for someone to build sustainable housing or low cost housing; there has to be a certain level of profit to entice people to build smaller houses, much like the old GI loan houses.

Mr. Morrison commented on MEDC's lending practices, prioritizing projects that are affordable and can be combined other affordable housing or affordable funding mechanisms for the workforce Keene wants to support. He said the target for this program is not necessarily single-family residential development. Rather, this could be a good option for a developer that is, for example, looking to create a subdivision and needs help financing infrastructure. Another example is someone with a two-unit apartment building and needs a little help with weatherization funding. Those are the types of projects available and accessible to those throughout the socioeconomic spectrum, but particularly all those on the lower end.

Ms. Pape added that in many communities, housing development funds often prioritize nonprofit developers, who are not trying to maximize as much money as they can.

Councilor Roberts said it appeared that MIP/MEDC were doing everything possible to preserve housing and bring housing up to a safety code level. They are actively pursuing the growing needs. Mr. Morrison said they feel strongly that safe and sanitary housing is just as important as

a new unit. Hypothetically, for example, he said that a traveling doctor coming to work at Cheshire Medical and is welcomed with a substandard apartment unit, they may be less inclined or less incentivized to want to remain in the community. So, Mr. Morrison agreed that the goal is to provide safe, sanitary, affordable, and available housing through this program and others.

#### **d. Community Funded Events**

Vice Chair Remy recused himself from this budget category because he is in a leadership position with two of the requesting organizations. There were no objections.

The City Manager introduced Community Funded Events, beginning on page 45 of the budget books, with a proposed expenditure of \$73,835, an increase from \$48,750 last year. The increase is due primarily to an overall increase in cost to hold these events. She mentioned an increase in Clarence DeMar Marathon, which the organizers had capped for some reason in the past, so the City Manager increased them to the maximum cap of \$10,000. There is also a new festival added to the Community Funded Events this year: Keene Pride, with a proposed fund of \$10,000.

Chair Powers welcomed the representatives of each event.

##### Independence Eve:

Kevin Watterson, representative of the Keene Swamp Bats, who for the last 20 years hosted the City of Keene Independence Eve/July 4th fireworks celebration. Their ask is 100% related to Fire and Police that are necessary to operate Independence Eve. Traditionally, this event has approximately 5,000 attendees, so a strong Fire and Police presence is truly critical to delivering a safe event. He thanked the City of Keene for its collaborative partnership.

4 on the 4<sup>th</sup> Road Race: No representative present

##### Clarence DeMar Marathon/Half Marathon:

Alan Stroshine, Race Director and proud member of the Keene Elm City Rotary Club, thanked the Council for past support and even more for the increase in the budget since the Race had been level funded since 2012. This event has been going on since 1978 in Keene and it was 2012 that the Elm City Rotary took responsibility for it and really turned it into a true community event. He mentioned some of a long list of community partners that make this event happen: Keene State College, Cheshire Medical Center, and the City of Keene. He did note that the City of Keene has allowed this event to be one of the premier events in the City. The collaboration have with many City Departments focusing on many details make this an award winning event across the country. Mr. Stroshine concluded that the partnership is more than just City funding, but also collaboration with Fire, Police, Public Works, City Clerk, and Finance, making this event truly the gold standard. The Race is May 29 this year.

Councilor Roberts stepped out of the room temporarily.

Fire Prevention Parade: No representative present

Keene Music Festival:

Pablo Fleischmann thanked the City for generously supporting this event that began in 2001, with assistance from Police, Fire, Public Works, Parking, and more. Everyone is invited to the free, volunteer-run event on August 31.

Kiwanis Keene Tree Lighting Event: No representative present

Keene Ice and Snow Festival: No representative present

Keene Pumpkin Festival:

Michael Giacomo, President of the Let It Shine Board, which hosts the Keene Pumpkin Festival, thanked the Council for their support last year. He cited the City's total expenditure last year, which was \$3,000 more than was allocated, which the organization reimbursed the City for. He did not expect that to change much in the coming years. City services represent roughly 15%–20% of the total Festival cost, and the Board appreciates the relief that's provided for some City services. It is a huge event for downtown businesses, though the Board ensures the Festival remains smaller than in the past. Still, they expect around 10,000 people; at \$20/person, this would turn \$10,000 into a \$200,000 benefit to the community. The Festival also indirectly benefits the nonprofits that have food booths as well as local artists that have booths. The hospitality industry (i.e., hotels) will also be busy that weekend. Like last year, the Festival will be the weekend of fall break for Keene State College. Let It Shine was working closely with the President of Keene State and City staff. This funding will allow for the 2025 event the weekend before KSC parents' weekend, meaning two weeks in a row with events in the City. Let It Shine appreciates working very closely with the City to make sure that this Festival remains a sustainable model going forward.

Taste of Keene Food Festival:

Councilor Mike Remy explained the request for the 2025 Festival. It was too early to discuss details of the event, but said it should be similar to 2024, including moving most everything onto Main Street and between Central Square and Ted's Show & Sport. This year, there would be 45 vendors.

Councilor Roberts returned.

Keene Pride Festival:

Chair Powers noted that this is the new festival added to Community Event Funding in the FY 25 budget. Adam Toepfer, Board President of Keene Pride, every year for the past two years on Central Square. The first two years had been very successful with upwards of 5,000 people in attendance and over 100 vendors last year, which would likely be similar this year. The Festival helps support the community, businesses, and other nonprofits. This year's festival is on September 15 and thanked the City for the support and City services.

Chair Powers called for a 10-minute recess, after which, City Department heads introduced their budgets. Vice Chair Remy returned.

#### **e. City Manager**

Before describing her budget, the City Manager noted that Capital Fund Appropriations were on page 47, which are from the recently adopted CIP and those are from your recently adopted capital plan which is on page 48–49, reminding the Council that there were only two adjustments for the crime scene van and removal of the already funded master plan.

#### City Manager's Budget:

The City Manager said her section of the budget looks a little different this year because she eliminated the Assistant City Manager roles and phased out the Special Projects, the latter of which is currently held by Med Kopczyński who is retiring at the end of this fiscal year. Instead, her budget now includes the two Deputy City Manager positions, one of which is 40% allocated to the Parking Fund.

The Emergency Management Director retired and there is currently no one readily available or qualified for the role. So, the City Manager brought Kürt Blomquist back via a contract to assist with our Hazard Mitigation Plan, move the Emergency Operations room to the second floor training room, be our emergency contact, continue all the coordination and training with Homeland Security, and ultimately help train a replacement, who is not yet identified because the City Council will make that appointment. The State is now using a different platform to manage and communicate with communities on planned and unplanned incidents (e.g., severe weather events, floods, etc.). To access the platform, a person needs to be designated by the community and attend the training. Mr. Blomquist, the City Manager, and both Deputy City Managers will attend the training.

The City Manager continued on page 56, with a small increase in Meetings and Dues of \$1,985 for Deputy City Manager Bohannon's membership and participation and ICMA and Primex. The New Hampshire Municipal Managers' Group is for Deputy City Manager Landry. The first section of the City Manager's budget also includes the AV Production Specialist, with 40% allocated to the General Fund and the other 60% funded by the Cable Franchise Fee. The City Manager said the only other difference is Deputy City Manager Landry's wages, with 40%

allocated to Parking because she assumed the oversight of parking, which was previously handled by Mr. Kopczynski. That concluded the City Manager's supplemental requests.

The City Manager also mentioned a supplemental request for \$10,000 for the Greater Monadnock Branding Project that was not in the budget book. She originally included it in the Marketing and Branding portion of the City's budget. While she supports this request and the work that they are doing, it was cut in the second round as the City Manager was attempting to lower the tax rate impacts. With no objections from the Council, she planned to fund this first year request in the current budget using FY 24 funds already budgeted that she anticipates will be available after some work on the website. Since this is an ongoing request, there will need to be a new line in the FY 26 budget to support the request moving forward.

**f. City Attorney (page 61)**

The semi-retired City Attorney, Tom Mullins, introduced his flat budget with no changes from years past. He noted that his budget still includes outside legal services, which he appreciates because of potential unpredictability in his office depending upon the year. There had been carryovers in the past and he would talk to the City Manager about that this year as we get closer to the end of the FY 24.

**g. City Clerk (page 62)**

The City Clerk, Patty Little, began by expressing her appreciation for the City Manager for funding several supplemental requests (page 21). The supplementals include the City Clerk cloud application that the Council uses to access agendas, which was previously funded from the Cable Franchise Funds that fund can no longer support this activity. The Cable Franchise Funds are being moved into the IT budget. There are other supplemental increases in the Clerk's budget related to her retirement as well as ongoing expenses associated with the new technology to check in voters on election days. There is also a slight increase for staffing elections and some direct expenses associated with the actual Presidential Election. Achievements in the Clerk's office over the last year include the Charter amendment on the municipal primaries. The week of this meeting, the Clerks deployed phase one of the right-to-know software, JustFOIA, with two RTK requests entered into the application so far. Phase two will have the capability of online dynamic forms that respond to the requester's input and asks further clarifying questions to refine the request.

The City Clerk said her office has three major goals for this year. (1) The state primary followed by that presidential election, which are always challenging, but she anticipated this one would be very challenging and exhausting. (2) Her office is designing their Office 365 communication and departmental team pages, which she called an exciting, revolutionary, and transformational change that she was really excited about. (3) She retires in 2025, and her last goal is to make sure the Department has a smooth transition to her successor.

**h. City Assessor (page 70)**

Dan Langille, City Assessor, said there was not much difference in his budget from years past. Most changes are due to staffing and just our staff moving up to different levels. He wanted to spend the rest of his time reviewing the City's values and revaluation.

The last revaluation was in 2021, when there was a lot of concern with where the values were going at that time. The market had not slowed down since then. The next revaluation is scheduled for 2026. At this point, the City is required to do one at least every five years, but with the have the option to do it earlier if we choose to do so. As of April 1, 2021, the City's brought its values to 100% of market value, but at the end of that year, the ratio was already at 94% of market value. The following year dropped down to 80%, and he said the City would be lucky to be in the 70s or high 60s this year. The residential market are significantly increasing in value and there are legal requirements to keep the City's assessments between 90%–110% of market value. Falling outside of that range usually leads the State to require revaluation. At this time, the Department of Revenue had no concerns about the City of Keene's valuations, and therefore no concern of being forced to do reevaluate early. He explained that much like the rest of the nation, the values are outpacing communities. An early revaluation would be helpful to ensure the City's statistics would match, to stop losing the extra utility valuation, and the tax rate would go down.

After the City's revaluation in 2021, the City's tax rate was at \$37 went down to \$31. He said that we have a tax rate of \$31.00 right now, and if values were brought up to market, the tax rate would likely be in the low 20s. However, that doesn't mean that people's tax bills go down. You open up your tax bill and you're going to see at least the same amount. Revaluations are tax revenue neutral, and the City does not bring in any more revenue because values increase, and vice versa. It is a matter of proportioning. The reason why tax bills go up or down for any taxpayer during the revaluation is mostly because of a tax shift—as in 2021—where residential properties were increasing significantly, and commercial properties weren't keeping up at that same rate. Certain properties also increase or decrease at different rates and there is supply and demand for different neighborhoods. If a property is higher than the overall ratio of the City, there would be a tax increase; if it happens to go down, there could be a tax decrease. Still, the City would not take in any more money. One concern with an early revaluation is that lower income homeowners would see a bigger impact because the demand for housing at the entry level rate is significant right now. Manufactured homes that used to be valued in the City around \$200,000 are easily selling for \$400,000 because people with money are looking for any kind of housing and those houses could be outbid for.

Regardless, Mr. Langille said the City must reevaluate at some point, with the legal requirement in 2026. It was important for the public to understand that at some point the property owners are going to see their values increase, and they're going to increase significantly, but that doesn't mean that their taxes would be going up in proportion to those increases. Hopefully this knowledge will be helpful and there will be public hearings that provide the opportunity for owners to review their values prior to revaluation.

Vice Chair Remy asked if the 72% ratio was across all of commercial and residential. Mr. Langille said that was the overall median value and it is stratified by different values. He thought residential—most of the value on the City—was around 72%, with manufactured homes closer to 60%, and commercial value closer to 80%. A lot was driven by demand for commercial apartment complex property and not necessarily industrial. Vice Chair Remy asked if there would be a shift off of commercial and back on residential again and Mr. Langille said potentially.

Chair Powers asked about utility values, which Mr. Langille said is the one class of property that the City brings up to market every year. At this time, there was \$114 million in utility value in Keene. When bringing up to market value, the City applies the current equalization ratio to that value and that's what is used in the overall general fund. So, when you have a value of \$100 million, and therefore a ratio around 70%–80%, it would take \$20–\$30 million off that value, which then has to be picked up by everybody else. However, raising the value for everyone else to bring the market to 100%, utility values will also increase. It is hard to predict that difference but the City is losing a significant amount of value every year because of that ratio.

Chair Powers asked the Committee for thoughts on early revaluation.

Councilor Roberts agreed that the City should do it earlier than later because doing it early would help the City maintain credibility with the people of Keene when the City says it's doing its best to have everyone pay their equal share. He commented on how the value of his house on Zillow fluctuated over the last two years, but he thought it was still more than his assessed value. So, he said that if he is not paying his fair share, there's other people not paying their fair share, leaving others to make it up or the City has to cut services.

Vice Chair Remy noted he was not supportive of doing an early revaluation because adjusting every year for the utilities and bringing it down to the ratio would, in theory, if you brought everyone up, you wouldn't bring them up at all but it would be scaled correctly. He did not think that it was worth potentially risking shifting that much of a burden onto manufactured housing while the City is not required to make that adjustment yet. Councilor Lake agreed with Vice Chair Remy that pulling it forward would not be the best for the citizens at the moment. Councilor Lake was hesitant to do it early given the disparity between residential and commercial value increases over the last few years. He thought 2026 was very reasonable. Chair Powers recalled that the Council ultimately makes the decision.

City Manager said she was not hearing an overwhelming desire to expedite the process. Therefore, she would not bring anything forward until asked, because she would have to start the process pretty quickly in order to get through a revaluation—which is a lot of work—and still be meet the tax rate setting timelines. Chair Powers said agreed that with everything going on over the next year, it is probably not the best time. Councilor Roberts asked the Assessor what percentage he would expect in 2026–2027. Mr. Langille said 2026 would bring everyone up to market, so 100%. He anticipated approximately 68% for 2024.

**i. Finance Department (page 81)**

The Finance Director, Merri Howe, said the Finance Department supports the organization and the public. It is comprised of four divisions: Accounting, Purchasing, Revenue Collection, and Human Services as well. Human Services provide short term, urgent, and timely assistance to eligible people to meet basic needs in accordance with State statute. Finance is staffed with 16 full-time people and four part-time people.

The Assistant Finance Director, Rob Constable, talked about revenue and the accounting expense budget. The primary drivers for this coming year are interest income and motor vehicle permits. In 2024, there is some bonding, going to the market for \$2.9 million. Comparing FY 24 and FY 25, budget is actually going down because we're not doing bonding, which would be considered again in FY 26. Payroll is the biggest expense and there had been vacancies in many departments. On the Operating Budget, one big change that we have is that the City's audit service expense is going up by roughly \$26,000. The Department is going back out to bid as the contract with the current firm is up, which will be the big driver on the accounting side.

Yves Gakunde, Purchasing and Contract Services Manager, thanked the Committee for the opportunity to be here tonight. Purchasing is a small office with two employees which helps Departments to spend money wisely. According to the policies and procedures that the Council helps to put in place, in fall 2023 with the help of all the City Departments, the 2017 Purchasing Ordinance was revised, allowing the City Manager and Central Purchasing to assist the Departments in securing goods and services very quickly, while maintaining in the industry standards and internal control. After the Ordinance was adopted, Purchasing trained all those involved in spending money to ensure that they understand the changes. Purchasing also provided training, purchasing cards, and general bidding requirements and processes. Purchasing also helps the Departments to sell the surplus and had been very successful using Gov Deals. Since a June 2023 Purchasing brought about \$125,000 back to the City by selling vehicles, desks, etc. People come from all over the nation to pick up vehicles or will buy things and the City pays for shipping costs. This increased the competition and the City is getting more money. Also, they are being environmentally friendly: reducing, reusing, and recycling.

There were a few changes to the budget beginning on page 54. A new account (#521030) for technical services with a budget of \$17,328; this is not a new or additional cost to the City. This cost was in 20 different accounts, making it very hard to keep track of, so they were consolidated, with a small increase of \$600 for maintenance of office equipment (523010). The five-year contract with Pitney Bowes for the City Hall the postage meter had ended, and postage meter has a \$600 increase per year. There was another small increase of \$500 to keep up with the training and knowledge needed.

Maria Castellano, Revenue Collector, talked about her budget on pages 84-85. Revenue had a busy year, successfully implementing the utility billing system. The budget remains pretty flat



except for a couple increases. She said that in collecting taxes this year, the Finance Department had a lot of success working with the Southwest Community Services, which was assisting our citizens with making payments on their water bills. Also, New Hampshire Housing was instrumental in helping a lot of citizens to pay back taxes on their property. Revenue continues to work with those customers so that they can stay current with their taxes and try not to get in that similar situation. Revenue was short staffed this year, but all positions had now been filled, helping to meet their top priority of customer service. The biggest difference in the Revenue budget is postage, with another \$0.05 increase coming in July. Motor vehicle letters sent monthly are the largest expense. The office is trying to limit mailings to reduce costs. Ms. Castellano recalled that last year, Councilor Chadbourne asked about the possibility of emailing customers, and assured the Councilor that it is still on the Department's radar and it is a goal to help reduce that postage budget. The other Revenue budget increase is for training the Revenue Collector and the Deputy Revenue Collector in a three-year certification program; the previous revenue collector and the deputy had completed that program, so that's why it had not been in the budget. Lastly, regarding technical services, the Finance Department purchased a new folding machine to accommodate all the bills being mailed. The first year of the five-year contract was free with the purchase of the machine, so the City is responsible for paying for the next four years and the annual service contract on that machine. The only other small increases in the budget were for software.

**9) Adjournment**

There being no further business, Chair Powers adjourned the meeting at 8:53 PM.

Respectfully submitted by,  
Katrnya Kibler, Minute Taker  
May 11, 2024