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A regular meeting of the Keene City Council was held on Thursday, May 4, 2023. The Honorable Mayor George S. Hansel called the meeting to order at 7:00 PM. Roll called: Bryan J. Lake, Michael J. Remy, Gladys Johnsen, Michael Giacomo, Randy L. Filiault, Robert C. Williams, Philip M. Jones, Andrew M. Madison, Kris E. Roberts, Bettina A. Chadbourne, Catherine I. Workman, Mitchell H. Greenwald, Kate M. Bosley, and Thomas F. Powers were present. Raleigh C. Ormerod was absent. Councilor Giacomo led the Pledge of Allegiance.

ANNOUNCEMENTS

Mayor Hansel reminded the Council that the budget process would start with the Finance, Organization, and Personnel (FOP) Committee's regular meeting on May 11, but with a start time of 5:30 PM. Special FOP meetings would be on Wednesday, May 17 and Tuesday, May 23. These two meetings will also start at 5:30 PM. The FOP Committee is scheduled to make its recommendations at their regular meeting on May 25 and this meeting would be at their regular time of 6:00 PM. Mayor Hansel also announced that the Municipal Services, Facilities, and Infrastructure Committee would hold a special meeting on Monday, May 15 on the downtown improvement and revitalization project. That meeting would start at 6:00 PM and would be held in the Council Chamber.

MINUTES OF THE PRECEDING MEETING

A motion by Councilor Powers to adopt the minutes of the April 20, 2023 regular meeting as printed was duly seconded by Councilor Bosley. The motion carried unanimously with 14 Councilors present in voting in favor. Councilor Ormerod was absent.

PROCLAMATION – MUNICIPAL CLERK WEEK

Mayor Hansel honored the City Clerk, Patty Little, for her many years of dedicated service. The Mayor declared the week of April 30–May 6, 2023 as Municipal Clerk's Week in Keene to honor Ms. Little and all municipal clerks. Ms. Little thanked the Mayor for this surprise, noting that serving the City is her pleasure.

PUBLIC HEARING – COMMUNITY DEVELOPMENT BLOCK GRANT – ROOSEVELT SCHOOL APARTMENTS

Before opening the public hearing on the CDBG grant application, Mayor Hansel reviewed the process. The Community Development Finance Authority has particular protocols for how these public hearings are handled. The hearing notice identified 3 separate components: the actual CDBG application, the Residential Anti-Displacement and Relocation Assistance Plan, and the Housing and Community Development Plan. Mayor Hansel would open and close each of these segments separately. Upon closing the final hearing, the Mayor would call Resolution R-2023-21 from the Finance, Organization, and Personnel Committee's agenda. As this application was time-sensitive, the Mayor would seek a Suspension of the Rules of Order to allow action upon the Resolution. Mayor Hansel opened this public hearing to address a proposed Community Development Block Grant application at 7:09 PM.

The City Clerk read the public hearing notice. The Mayor recognized Benjamin Gradert, Grant Administrator and Associate Planner for the Southwest Region Planning Commission, to address the grant request. Mr. Gradert started by providing a brief overview of the Community Development Block Grant (CDBG) program before addressing this specific application. Mr. Gradert explained that CDBG funds are available to municipalities for economic development, public facility, and housing rehabilitation projects that primarily benefit low- and moderate-income persons. The City of Keene is eligible to receive up to \$500,000 annually for public facility/housing rehabilitation, up to \$500,000 annually for economic development, up to \$750,000 annually for microenterprise technical assistance, and up to \$500,000 annually in emergency funds. Feasibility study funds are also available for up to \$25,000. Mr. Gradert provided a handout describing the NH Community Development Block Grant Program's eligible activities that include the area U.S. Housing and Urban Development (HUD) income limits.

Mr. Gradert continued explaining this proposed application. The proposed application to the Community Development Finance Authority (CDFA) is for up to \$500,000 to allow Keene Housing on behalf of its affiliate, Monadnock Affordable Housing Corporation (MAHC), to renovate and construct new affordable housing within the former Roosevelt School property at 438 Washington Street, Keene, New Hampshire. He explained that the Roosevelt School property had remained vacant for several years after its current owner, River Valley Community College, moved to other facilities. Keene Housing possessed an option to purchase the property for renovation and the addition of new affordable housing to the community. Keene Housing intended to execute this option, but that required a release of funds in place prior to purchase to meet requirements set in place by the CDFa. Due to the need to execute this in a timely manner, Keene Housing sought approval from the CDFa prior to application in this upcoming funding round (mid-summer). Keene Housing, in cooperation with its affiliate, MAHC, sought to develop the Roosevelt School property and its existing building into 30 units of affordable housing, consisting of 22 one-bedroom apartments and 8 two-bedroom apartments. Additionally, the building would be fully ADA-compliant. The apartments would be leased to low- and moderate-income households, and all residents would have rental subsidies.

Mayor Hansel recognized Linda Mangones of Keene Housing to provide additional details about the project. Ms. Mangones said that Keene Housing had been working on this project for over one year and had been in negotiations with Keene State College (KSC), which owns the property. During that time, she said there had been a great deal of progress on the project. She said Keene Housing had begun the environmental clearance process and they hoped the environmental assessment would be completed soon. She explained that while they were planning to use Keene Housing funds to purchase the building, they were not allowed to do that with their own funds until they received a release of funds from the CDFa. She said they would request the release of funds before submitting the application. She said Keene Housing was appreciative that the City was cooperating in this process. She said they needed the City to participate in the release of funds because it was not something Keene Housing could do on their own. Keene Housing would also be seeking funds through the NH Finance Authority, which is the second funding source for this project. She said Keene Housing had worked with an architect and had received all the necessary Zoning Board approvals. The project would appear before the Planning Board on May 22. She said Keene Housing had been working with financial consultants for over one year because this is the most expensive project they have ever done, and

it was very complicated; Keene Housing had done comparable projects several times, but costs had risen since Covid, making the project more complicated and requiring more funding sources.

Ms. Mangones said she had been working with City Staff and the Southwest Region Planning Commission. The goal of the project was to have two buildings, each with 30 units. The first building would utilize the existing school, with 14 units, and 16 attached to it; these would be 2-story buildings with elevators. She said the buildings would be Americans with Disabilities Act (ADA) compliant, with 2–3 units that would be fully accessible. She said that as many accessibility features as possible would be ideal for the intended demographics. Unlike some of Keene Housing’s other buildings, this development would have no age or disability restrictions, so that a young person who does not earn enough but who meets the income eligibility could live there. Thus, in some ways, this could serve as workforce housing. However, Keene Housing anticipated this development primarily occupied by the elderly and disabled. If Keene Housing was successful in this first round of funding, then the goal was to build 30 more apartments behind the school, which would require an additional funding round. Keene Housing was paying for the architect and purchasing the site. The other major source of funding would be the Low-Income Housing Tax Credit Program and other NH sources, in addition to grants. Ms. Mangones said that this CDBG application for \$500,000 would be very helpful.

Councilor Roberts wanted to make a statement from a social scientist’s point of view. He said that since he returned to Keene 23 years ago, he had observed developments for the elderly and the disabled, as well as low-income housing. Yet, he said the City keeps talking about the need for workforce housing for teachers, firefighters, and police. He said he frequently heard statements that the City would get around to workforce housing. He said Keene cannot recruit teachers to live here if a one-bedroom apartment costs \$1,400/month, when teachers are only paid \$40,000/year; he said it was same for members of the police force. Councilor Roberts said this Keene Housing development was good, because everyone wanted to see the unhoused have an opportunity for a good quality of life. Still, he said the City could not survive without critically needed workforce housing. He said we need teachers, police, firefighters, and nurses in Keene, so the City needed to develop a solution to help build this community. The Councilor recalled that in early 2023, around the State of NH, “we” were doing everything possible not to have families with children move in for fear it would increase taxes. He said those families and children are needed because they are the future. Councilor Roberts concluded that the City needs to devise a way to reach the people in the middle so that they can stay in Keene.

Councilor Jones thanked Ms. Mangones for all she had done over many years of service with Keene Housing, noting her great talent for making complex topics understandable. He said that Councilor Roberts was correct that affordable housing is needed, but Councilor Jones still thought this was the right project for the right time; it would be near to City services, and he thought it was a good fit to help with Keene’s housing issue. Councilor Jones recalled that Keene Housing did not yet own the building, and he asked if they had first right of refusal. Ms. Mangones replied that Keene Housing’s option would expire at the end of May, though she said extensions were allowed and they planned to extend because they would not be able to obtain the environmental release within 45 days. Still, she said Keene Housing did have site control. She noted that there was not much competition for this site despite it being in a terrific location.

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Ms. Mangones also asked to reply to Councilor Robert's comments. Ms. Mangones agreed that workforce housing was needed but said that type of project was not within Keene Housing's purview. She suspected that other developers were running into the same increased cost issues that Keene Housing was. She added that Keene Housing does provide housing for a lot of people in the workforce. She added that when these 60 new apartments are available, people might move from other places in Keene, which she thought would have a secondary effect of opening some housing options. She did not suggest that this would solve the workforce housing problem, but that was beyond Keene Housing's ability to address.

Mayor Hansel opened the floor to public comment about the proposed CDBG project. Hearing no comments, Mayor Hansel closed the public hearing for the proposed Community Development Block Grant application at 7:22 PM.

A true record, attest:


City Clerk

Mayor Hansel opened the second public hearing for discussion of the Residential Anti-displacement and Relocation Assistance Plan at 7:22 PM. The Mayor recognized Mr. Gradert again to begin this discussion.

Mr. Gradert explained that if any displacement occurred as a result of the proposed CDBG project, the Uniform Relocation Act must be followed, which requires that any displaced household or business in a project using federal funds must be found comparable housing or commercial space in a comparable neighborhood at a comparable price. Under the certification section of the application, the City would certify that the Residential Anti-Displacement and Relocation Assistance (RARA) Plan is in place. In the event that it was discovered that this specific project did displace persons or households, a displacement implementation plan must be submitted to the Community Development Finance Authority (CDFA) prior to obligating or expending funds. Because of the nature of the proposed project, Mr. Gradert said it was unlikely that any sort of relocation would be necessary. However, the CDFA requirements still mandated that the City of Keene certify that it would require the subrecipient to comply with the Uniform Relocation Act and Section 104(d) of the Housing and Community Development Act of 1974, as amended.

Mayor Hansel opened the floor to public comments and questions about the Residential Anti-displacement and Relocation Assistance Plan. There being no comments, Mayor Hansel closed the public hearing for the Anti-Displacement and Relocation Assistance Plan at 7:24 PM.

A true record, attest:


City Clerk

Mayor Hansel opened the third public hearing on the City's Housing and Community Development Plan at 7:24 PM. The Mayor recognized Mr. Gradert again.

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Mr. Gradert explained that the Housing and Community Development Plan (HCD) was a document composed of several key areas, those being: Housing, Economic Development, Health and Human Services, and Community Development Block Grant (CDBG) Impact Area. Each section detailed the current conditions and proposed actions that would help alleviate need in the area in relation to CDBG funds. This document was last adopted in 2021, with the minimum adoption schedule being once every 3 years. No substantial changes to the plan had been made at this time. Mr. Gradert said the proposed Keene Housing project met the listed HCD goal to, *“Have a variety of housing options available that are affordable, accessible, eco-efficient, and supportive of varied lifestyles.”*

Mayor Hansel opened the floor to public comments. Hearing no comments, Mayor Hansel closed the public hearing for the Housing and Community Development Plan at 7:25 PM.

A true record, attest:


City Clerk

RESOLUTION R-2023-21: RELATING TO THE CDBG APPLICATION FOR ROOSEVELT SCHOOL APARTMENTS

Mayor Hansel called forward Resolution R-2023-21 from the Finance, Organization, and Personnel Committee’s agenda. A motion by Councilor Powers to suspend Section 26 of the City Council Rules of Order to allow action upon this time sensitive grant was duly seconded by Councilor Remy. The motion carried unanimously on a roll call vote with 14 Councilors present and voting in favor. Councilor Ormerod was absent. A motion by Councilor Powers to adopt Resolution R-2023-21 was duly seconded by Councilor Remy.

Councilor Giacomo asked the City Manager, Elizabeth Dragon, whether the memorandum of understanding the City had regarding the retaining wall behind the former Roosevelt School building would carry over to the new owners. The City Manager said the memorandum of understanding would carry over, but she said the current owners intend to make some of those improvements before the transfer of ownership. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

PUBLIC HEARING – AMENDMENT TO THE LAND DEVELOPMENT CODE – MINIMUM LOT SIZE IN THE RURAL DISTRICT

Mayor Hansel opened the public hearing at 7:28 PM and the City Clerk read the public hearing notice. The Mayor said that this public hearing was the opportunity for the public to comment on the proposed amendment to the Land Development Code—Minimum Lot Size in the Rural District. The Mayor welcomed Community Development Director, Jesse Rounds, to explain the Ordinance and the Joint PB/PLD Committee’s review.

Mr. Rounds began by explaining that he would talk about the Rural District, the proposed change, the public’s feedback, common misconceptions about the change, and other details. He began by explaining that the Rural District (RD) surrounds the City to the north and west. At this time, approximately 50% of the lots in the RD were non-conforming, meaning they did not meet

the minimum size required for a lot in the RD. Mr. Rounds said there are more than 1,500 acres permanently preserved in the RD through conservation easements. Approximately 72% of the RD was in current use at this time, meaning that parcels larger than 10 acres had a tax exception allowing the owners to save some money on taxes, while conserving the land for as long as it is in place. Mr. Rounds explained that during the 1970s, the minimum lot size in the RD was increased to 5 acres because the City was experiencing growth that was outpacing the ability to meet the community's needs. Now, he said the City was experiencing a lack of housing—the opposite problem—so, City Staff explored various ways to address this need through the City's Zoning districts. Thus, this proposal was to change the minimum lot size in the RD from 5 acres to 2 acres. Mr. Rounds said this proposed change was simple, but not small. This would functionally mean that lots between 4–10 acres that were not subdivided before would now be subdividable. This change would also mean that the initial 204 lots that could not be developed or redeveloped without a Zoning Board variance could now be developed without a variance. Mr. Rounds clarified that no other dimensional changes were proposed to the frontage, lot lines, or anything else.

Mr. Rounds continued addressing some of the public's feedback on this proposal. He began by addressing the concern that this change would alter the RD's character or change how people view the RD. Mr. Rounds wanted to explain some things that he thought would help control that and maintain the RD's character. First, the Land Development Code—and the Zoning Code before it—defined how the RD would develop before this change was proposed. He said the same rules were still in place, this Ordinance would just change the minimum lot size. Mr. Rounds also explained that the conservation easements and existing tax protections of current use would maintain that rural character.

Mr. Rounds said that there was also public feedback about subdivision regulations. He said the Planning Board recently adopted subdivision regulations that would change the way the Planning Board would consider subdivisions in the RD. Specifically, these regulations focused on no-cut boundaries against public roads, so that people on the road would still experience that rural character.

Mr. Rounds said another public concern was about unwanted density. He thought that the dimensional standards already existed to protect from unwanted density, or he said at least the feeling of unwanted density. Mr. Rounds provided two examples. First, he showed an image of 2 imaginary lots and how they could be subdivided. He said that one lot could be divided into four parcels, and to maximize development on the lot, the development would have to be pushed back, meaning that from the front, only two houses would be visible, with the additional no-cut buffer protecting the rural character of the community. Mr. Rounds showed another image of a hypothetical “flagpole” development, with a narrow access strip and the development further back on the lot so that as density increases, it would be less visible and would not feel like increased development.

Next, Mr. Rounds responded to public feedback about misplaced development and the concern that the RD was being targeted for changes. He said he wanted to push back against that notion to some extent by stating that one of the first changes with the Land Development Code was to encourage additional density in the downtown. He said that City Staff were in the process of

proposing changes that would allow accessory dwelling units (ADUs) on any parcel that has a single-family home. He added that the Land Development Code also allowed residential development in the Commerce District as long as it is above a commercial development. Mr. Rounds also wanted to point out that there were no proposed changes to the style of development; this would still be single-family housing in a district that is all single-family housing. The types of developments would not change.

Mr. Rounds noted that there was also public concern about the environmental impacts of this proposed change and how it would impact the community. He showed a map of all the RD parcels that were not landlocked/undevelopable. Under the Land Development Code that the Council approved, all parcels with conservation easements, wetlands, or prohibitive slopes were undevelopable. Additionally, the State of NH Department of Environmental Services reviews any impacts to surface waters. With this map, Mr. Rounds hoped to demonstrate that development would continue occurring, but it would not be the incredibly dense change that he thought people feared.

Mr. Rounds addressed the public's concerns about the tax implications of this proposed change, noting that the City Assessor was present to answer any questions. He said that essentially, values would not change automatically because the market sets the value of a parcel and the City, or this proposed change, would have no impact on that. So, he said that if lands that have development potential were to increase in value, that would reflect the market's desire to have development in the RD.

Mr. Rounds discussed what he thought were some other misconceptions about this proposal. He said that the 50-foot frontage in the RD would remain the same. Also, the minimum 200-foot width at the building line would remain the same, meaning a parcel must be 200 feet wide before a house could be developed, helping developments in the RD to remain more spread out. Additionally, Mr. Rounds stated that the City was not proposing to subdivide any parcels. Doing so would be a willing seller/buyer situation, in which a property owner makes a private decision to develop their land. The City would have no involvement in those proceedings until an owner proposed to subdivide, and then City Staff helped them through that process. Mr. Rounds added that the Planning Board plays a role in this. When a developer applies for a subdivision, the Planning Board reviews the application and apply its standards to the proposal.

Mr. Rounds briefly discussed Keene's 2010 Comprehensive Master Plan. He called it an impressive document, which was one of the reasons he was excited to come to Keene. Even in 2010, he said the need for housing was apparent in the Master Plan, and he said the proposal to reduce the minimum lot size in the RD was a way of addressing that. He noted that the Master Plan mentions "infill" development, which is development between existing developments. He thought that many people mistook this proposed minimum lot size change for infill development. Mr. Rounds said that when driving throughout the RD, one would see that between the houses, there are vacant parcels. Mr. Rounds thought this proposal was a way for the owners of those parcels—which might be substandard now—to have an opportunity at development. Mr. Rounds said he believed this was infill development, just in a different form than people were used to.

Mr. Rounds concluded his presentation by discussing the Keene Housing Needs Assessment, which was in its draft form. Staff hoped that it would be presented to the Planning, Licenses, and Development Committee soon so that it could be released to the community. He said that the Assessment showed some dire facts. For example, it showed that 4,500 households in Keene would need to upgrade, change, or grow in the next 10 years and Keene did not have the housing to support that. In fact, Mr. Rounds said the Assessment showed that Keene needs 1,400 new units over the next 10 years to meet that need, and he said that could not all be in the downtown. It needs to be City-wide. To Councilor Robert's earlier points, Mr. Rounds said that Keene needed housing at various levels to meet the demands of workers, large families, small families, and seniors, etc. Thus, he said this proposal was an opportunity for the RD to be a part of that solution. Mr. Rounds noted that the State of NH conducted a long overdue Housing Needs Assessment at the regional level. In reviewing that report, Mr. Rounds said he was appreciative that it addressed many things Keene was experiencing. He said the NH report emphasized rural housing because so much of this region is rural. He shared some other facts he found necessary in the NH report. He highlighted that more housing is needed across the spectrum for older adults to be able to continue living in their communities. These adults need access to a market that allows them to sell their properties, and he said this proposed change in the RD provided that opportunity. Mr. Rounds said that more housing puts downward pressure on the tax rates. He said it was not just about children coming into the community and needing schools. Instead, he said that more people coming into the community would need more housing, which would mean more tax revenue and more housing to attract and retain essential workers. He said we need these people in our community, but if they could not live here, then Keene would be missing out. Lastly, Mr. Rounds noted that housing is critical for preserving local amenities. He recalled that in the 1970s, development in Keene stopped because City services could not keep up. He said the opposite was true in 2023, with a drain of population and City services suffering because the City cannot pay for them. Mr. Rounds said it was prudent for the City to recognize the need for continued growth.

Mayor Hansel opened the floor to public comment.

Pamela Parish of 123 Meadow Road said she was active with the Monadnock Interfaith Project (MIP). She noted that a community organizer had helped to form a Housing Committee made-up of 15 interfaith clergy, who share in the belief that group power can bring change. She said the MIP was grateful that the City continued rolling-out smart Zoning changes in all the City's districts. She said the City should be intentional about Zoning that would allow thoughtful development. Ms. Parish said the Monadnock Interfaith Project also recognized that historically, 2 acres was the lot size for Keene's Rural District until it was changed to 5 acres. She said the MIP wanted to share their support for the proposed minimum lot size change back from 5 acres to 2 acres in the RD. She said the MIP appreciated the Staff effort that went into the Ordinance and encouraged the Council to support this change.

Tad Lacey of Daniels Hill Road began by respectfully disagreeing with Mr. Rounds. Mr. Lacey stated there had been a revisionist history about what happened in Keene, especially how the City arrived at the 5-acre minimum lot size. Mr. Lacey said that he was around in the 1970s and 1980s, working on land management and then he got involved with real estate. He said that in all the towns and counties he worked with, 5-acre Zoning was quite common and it was not to slow

growth. He said that the reason towns started 5-acre Zoning was that they recognized that growth was coming, and they used that minimum lot size to guide that growth for the community they wanted. He noted that during the 45 years since Keene began 5-acre Zoning, there had been decades with no growth when selling houses was difficult. Mr. Lacey said he did not believe that Keene had been growing to the extent that warranted this Zoning change. Next, Mr. Lacey addressed the concept of “stacking” houses that he said were being promoted with this change. He said stacking should not happen. He provided the example of Darling Road with lower road frontage and house stacking throughout the Zone. Mr. Lacey did not support these proposed Zoning changes that he said would encourage stacking. He clarified that he did think there should be growth in the RD, but not this specific proposal. For those who have lived in the Rural Zone for any length of time, they would have lived through polar opposite proposals affecting the zone. In October 2005, folks will remember there was incredible flooding and the evacuation of local residents a few weeks later. He cited another serious flood in May 2012. He said there was significant tension in the City every time there were a few days of rain. He noted that a subsequent Beaver Brook dredging project to remove debris and vegetation helped the stream flow, but Beaver Brook remained an overall threat.

Mr. Lacey explained that Keene had experienced flooding since the City was settled. So, he said that after the 2005 event, Keene’s Planning Department and Conservation Commission took an active role in flood mitigation. This work ultimately resulted in the Steep Slopes and Surface Water Protection Ordinances. He recalled much public discussion of these ordinances, with an atmosphere of blaming the RD as a primary cause of flooding. He explained that despite the debate about how far Keene should go in controlling land use in the RD, virtually all people on both sides of the debate agreed that the most important flood prevention measures would be careful and conservative approaches as the upland RD was developed. Mr. Lacey believed that this proposed change of minimum lot size was neither careful nor conservative. Rather, he called it a blueprint for a complete and intensive build-out of the RD over the next few decades. He said that this “blueprint” for significant land use changes in the upland with a corresponding loss of high infiltration soils, plus the addition of many impervious surfaces, would be a classic cause of flooding. Mr. Lacey reiterated that everyone knows that Keene floods. He said it was easy to predict that the ability to build in the uplands to the scale at which the City hoped to through this proposal would both promote and increase the volume and speed at which additional runoff would reach the valley. In addition, Mr. Lacey noted that Keene is now within the clutches of climate change, which is projected to increase the intensity of precipitation in this region. He cited a study published by the NH Business Review in July 2020 on NH flood risks. He said the study found that Keene is one of the towns at highest risk, with 24% of all residential properties at risk. He also cited the Housing Needs Assessment Report that was recently submitted to the City Council; it reported that 1,379 or 22% of properties in Keene are at risk of flooding, and many properties would rise from the moderate to high-risk categories if this development were promoted in the RD. Mr. Lacey said that Keene’s serious land use constraints are facts of life, and the City could not pretend otherwise. He said that even if the Council’s hearts were in the right place, passing this Ordinance would be a mistake the Council could not take back. He encouraged forming a Committee to examine best how this would work and to refine it to achieve more buildings safely in the RD.

Walter Lacey of Daniels Hill Road also spoke in opposition to this proposed change. He said Keene's Zoning rules and 5-acre minimum lot size in the RD dated back 50 years and had steered development toward areas of mature infrastructure and services, such as water, sewer, transportation, schools, and other amenities. He said this proposed change would not be progress but would promote development that conflicts with the 2010 Comprehensive Master Plan, which stated that areas suitable for housing growth include downtown and certain surrounding neighborhoods. The Master Plan stated that housing must be conveniently located, healthy, safe, and affordable. Mr. Lacey said that the choice to revert to the 2-acre minimum lot size of 50 years ago seemed arbitrary. He questioned the rationale of minimizing the number of non-confirming lots, stating that it made no sense and that no rights or benefits would be restored. Mr. Lacey referred to one of the images Mr. Rounds displayed, which Mr. Lacey said demonstrated the negative aspects of smaller lot sizes and stacking. Mr. Lacey said that stacking is exactly the type of increased density that is unwanted in the RD. He recalled the assertion from Staff that no cut zones and other aspects along the road frontages would help mitigate this appearance of increased density in the RD. Mr. Lacey thought that was a bad thing. He said it seemed to be an attempt to control market forces. He said that the City could control the country nature of Keene, with fields and well-spaced houses in the RD. He said the City could also control flood risks to the valley by prudently limiting upland development. He noted that flood risks were explored in City hearings 10–15 years ago and said one of the takeaways was the significance of forest soils in mitigating extreme flood risks that would become more frequent and with greater magnitude. Mr. Lacey said he had not heard mention of manufactured housing, which used to be called "trailers," and how those might fit into future housing needs. Manufactured housing was allowed in the RD but only in a manufactured housing park. Mr. Lacey said it seemed to him that a 5-acre siting of individual manufactured housing would be entirely appropriate. He said manufactured housing used to be an opportunity for people with lower incomes to gain a foothold on a piece of property to build a house. He said the prospect of arbitrarily raising the taxes of a particular group of RD residents was unacceptable. Mr. Lacey asked the City Council to maintain the 5-acre minimum lot size in the RD and to continue relying on the Zoning Board of Adjustment to pragmatically deal with deviations from that minimum.

Matthew Hall of Hurricane Road recalled the 1960s and 1970s, noting that he was born in Keene. He questioned the accuracy of some of Mr. Rounds' statements, or what Mr. Hall called "illusions." He said he heard about current uses protecting land and preventing development. He said that lots under 10 acres could not be protected in current use, that no easements were possible, and that no third party—like Monadnock Conservancy—would want them. So, he said those parcels were not protected. Mr. Hall asked about the ideal developments that Mr. Rounds presented and the concept of a no-cut zone; he asked what would happen if there was a field? Next, Mr. Hall said he was confused about non-confirming lots and asked why everything must "conform." Was there something better than conforming? Mr. Hall continued discussing taxes. He stated that it was "disingenuous" for City Staff to say this change would not affect taxes. He said that with a 5-acre lot, someone would have the potential to sell 2 acres. He said that a developer would certainly pay more for that lot because they could sell the 2 acres; he called it a backdoor tax increase that would occur over time, not immediately. Mr. Hall questioned what would happen with a 6-acre lot. He said he looked at the assessments and it appeared to him that each additional acre would increase the lot's valuation by \$12,000. Mr. Hall said this change

would impact taxes in the RD because comparable properties would go up as they are sold. He noted that for some, a house is just where they hang their hat, but for others it is a home; he said that many have worked in good faith and developed their properties in accordance with City Codes and that this change would pull the rug out from under those people. Mr. Hall called this disconcerting and unfair. Next, Mr. Hall discussed the assertion that this minimum lot size change was to provide workforce housing. He said he had always been a blue-collar worker and absent from those talks of workforce housing were the plow drivers, truck drivers, sanitation workers, and factory workers. He said Keene would not operate for very long without those essential workers. He said that changing the minimum lot size in the RD would not provide any incentives to develop workforce housing. Next, Mr. Hall cited the “domino effect” mentioned earlier, calling it an interesting concept. Still, he asked about the likelihood of local people outbidding those from out-of-town with cash offers, who are not interested in being a part of this community. He asked if City Staff could cite any studies showing that this “domino effect” had provided workforce and affordable housing for the low-income and unhoused in Keene. He found the Roosevelt School development very encouraging and ideal. Next, Mr. Hall referred to the cited advantages of subdivisions, stating that subdivisions would not apply to a 5-acre lot if 2 acres were split off. He said he had no issues with subdivisions following the current use rules but said that would not stop someone from developing a property. He thought the cost of taking property out of current use was only 10%. Mr. Hall said he did not understand the rigidity of this proposed change, asking why there was no room for compromise among thoughtful people. He wondered if this change would really accomplish the housing intended. He said he understood there was a housing problem and said he supported accessory dwelling units.

Eloise Clark of 1185 Roxbury Road spoke in opposition of changing building density in the RD from 5 acres to 2 acres, stating that this change would be incompatible with the goals espoused in the 2010 Comprehensive Master Plan. Ms. Clark said that many of the Councilors in the room were not yet residents of Keene when the Master Plan was written and might not have been familiar with the process. According to Michael Welch, President of the Comprehensive Master Plan Steering Committee, it was a 2-year process involving input from approximately 2,000 citizens of Keene. Ms. Clark quoted the letter from Mr. Welch on page V of the Master Plan, *“You will notice when you read the plan that it frames an adaptive response to climate change and a proactive approach to sustainability. These were recurring themes from the public in the sessions that contributed to this Master Plan. However, these are not issues that the City is only now beginning to plan for. When you read this Master Plan, you will see that it affirms and expands upon the City’s existing plans. The new plan likewise affirms the City’s longstanding preference for concentrating development within the area bounded by the 9/10/12-Bypass and RT-101 to create a walkable community. The new plan also supports an established Keene goal that has history dating back to the 19th century to create and protect green spaces, trails, parks, and natural wildlife corridors.”* Ms. Clark also quoted page 135 of the Comprehensive Master Plan, *“Keene is a unique community that residents are proud to call home. Although conveniences and attractions of large metropolitan areas are close to hand, the community maintains a solidly residential working-class character complemented by a landscape of rural areas, farms, and open spaces. The heart of the community is its historic and vibrant downtown core. In an age when communities lose their sense of place, Keene has a firm sense of its identity, built on a foundation of the past and a clear vision of the future.”* Ms. Clark said that this Zoning change would contradict the spirit of the Comprehensive Master Plan. She asked the

Council to not pretend these actions to encourage development in the RD were permissible. Ms. Clark said the Master Plan clearly stated that development should remain within the 9/10/12-Bypass corridor and RT-101. She said that this momentous shift in the Land Development Code would really change the character of Keene. She said this change would bring the “busyness” from the valley floor to the hillsides surrounding the City. Ms. Clark wondered whether the City really wanted suburban sprawl in Keene’s rural areas or wanted to lose the wonderful mix of urban and rural areas and the walkable community Keene currently enjoyed. She said these changes would encourage the opposite result. Ms. Clark said her second point was about land conservation values and keeping the RD in open space for farming and forestry practices that benefit the City. For perspective, Ms. Clark recalled the dire flooding events of 2010. She noted that the east side of Keene still has a flooding problem. She said that in 2010, people recognized the importance of keeping the RD undeveloped. She said that a lack of rural development slows the flow of runoff from rain events, allowing water to percolate into the soils, access flow, accumulate in wetlands, and eventually soak into the soil to recharge the groundwater. More permeable surfaces such as buildings and driveways in the RD would prevent that natural reabsorption. During extreme rain events, more water would be propelled downhill, soils would be eroded, and floodwater would accumulate in the populated valley. Ms. Clark said there was nothing the City could do to prevent a landowner from clear-cutting their property, citing an example on Old Walpole Road. She said that any kind of deforestation—not just impermeable surfaces—would accelerate Keene’s runoff problems and affect the heart of the City. Ms. Clark stated that she felt that this new Ordinance was extremely short-sighted. She repeated one of the Master Plan quotes, *“You will notice when you read the plan that it frames an adaptive response to climate change and a proactive approach to sustainability.”* Ms. Clark said that this Ordinance would contradict that quote. She asked the City Council not to dismiss these environmental concerns, noting that they were presented based on sound science and wisdom. She said that sweeping changes to the Zoning Code would sweep the Master Plan aside. She asked the City Council to keep the historic and vibrant downtown core complemented by rural areas, farms, and open spaces.

Laura Tobin of Center Street said she empathized with residents who had lived in Keene for a very long time. She stated her understanding that this conversation had been ongoing for at least 30 years, which she said she learned from the President of Savings Bank of Walpole, who she called exasperated by the constant housing conversation. She cited earlier comments about environmental concerns. She said she had lived in Keene for 22 years and knew how much the City values generational history. She said she had lived in and been invested in the heart of this community for many years. She did not know if there would ever be a perfect solution. She said being invested in this community is being invested in the people who are struggling in the community. Ms. Tobin said that environmental impacts from developments were inevitable, noting how over time, she had to walk further to find greenspace; she cited the unhoused people living in the park, noting the associated environmental impacts. She empathized with the factory and office workers, noting how hard it is to bring people to the area who could afford to live here. She asked the Council to set any nitpicking aside and to ask whether this change would help more people than less.

Cole Mills of 68 Langley Road said that he was seriously opposed to the 2-acre Zoning. He thought it was a mistake. To him, it seems that the City was trying to solve a situation that could

not be solved by \$400,000 plus homes, which he said are built on these 2-acre lots. He cited Skyler Court and Old Walpole Road as examples. Mr. Mills said that going from 5-acre to 2-acre minimum lot sizes would effectively disfigure the character, feel, and quaintness of rural Keene. He said that everyone opposed to 2-acre Zoning was not opposed to responsible development. In fact, he said that people were excited about the developments at 310 Marlboro Street and across from Langdon Place; he called these responsible developments in areas supported by roads, City services, water, and gas—unlike the Rural District. Mr. Mills said it was impossible to build affordable or workforce housing on a 2-acre lot because of the costs of septic systems or wells. Assuming someone would want to make a profit, he said that at the cost per square foot, a house on a 2-acre lot would be minimally \$300,000. Thus, Mr. Mills said that this proposed change would be a tremendous mistake. He mentioned that ADUs are allowed in the RD, meaning that every house could become multi-family, and could contribute to the unwanted density. He said reducing the minimum lot size to 2 acres would allow four multi-family homes where two were allowed previously. He said he heard Cheshire Medical Center talk about how this would solve the need for doctors, but Mr. Mills said it would not solve the need for doctors or nurses. He cited the need for 200,000 nurses entering the workforce every year for the next ten years to maintain the status quo, and he said that there are not enough doctors in the workforce to meet the demand. He noted this was not unique to Keene, Cheshire County, or NH. He reiterated that this problem would not be solved with \$400,000 homes. He asked the Council to consider the problem they were trying to solve. Mr. Mills also found it disappointing that there had been no financial analysis. He felt like it lacked truthfulness when Mr. Rounds said there would be no impact on taxes; as someone who lives on 5.5 acres, Mr. Mills said his taxes would increase because he would suddenly have two building lots through no fault of his own. Mr. Mills said the City Assessor reported that building lots in the RD were \$39,000; Mr. Mills said this was untrue and that building lots in the RD are more like \$53,000, which would result in almost \$2,000 in taxes. He said he heard about the need for 1,400 homes and said that assuming there was one child in each of those homes, and the homes were valued for \$400,000, he said that would be a \$12,000 tax revenue. At first that sounds great, but when you figure 60% would go to the school district – about \$7,500 and it costs \$19,000 on average to educate a child there is a shortfall that will hit every taxpayer in Keene. Mr. Mills continued citing what he considered shortfalls of Keene's Community Development Department, asserting that the Staff never have anything negative or adverse to say and they present scenarios to the City Council that make everything seem wonderful. He said he was bothered by a statement by Senior Planner, Mari Brunner, in response to public concerns that development was being forced into areas least served by police and fire services; Mr. Mills said that Ms. Brunner stated that Keene has plenty of firefighters. Mr. Mills said that NH State reports indicated the great need for EMTs, paramedics, and first responders across NH. He said that in 2022, there were more than 1,000 open Code violations that were backlogged due to a lack of staffing. He said that actively adding more residents in Keene would place more stress on those services. He noted other issues like narrow roads in the RD and carbon emissions with more cars in town. Mr. Mills did not think anyone had considered the true costs of these factors and others like rent escalation. He said there was no reason to go down this path at this time. He said it was prudent and responsible to keep the 5-acre Zoning and to focus on additional housing via accessory dwelling units.

With no further comments from the public or the Council, Mayor Hansel closed the public hearing at 8:29 PM, except for written public comments, which would be accepted until 1:00 PM

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on Tuesday, May 9. Written comments must be signed and submitted to the City Clerk by that date and time to be included in the record. The Ordinance would be on the agenda of the Planning, Licenses, and Development Committee for their regular meeting on May 10 at 6:00 PM.

A true record, attest:



City Clerk

**COMMUNICATION – KEENE MUSIC FESTIVAL – REQUEST TO USE CITY PROPERTY
– SEPTEMBER 2, 2023**

A communication was received from Pablo Fleischmann, requesting a license to use downtown City property to conduct the annual Keene Music Festival on September 2, 2023. Mayor Hansel referred the communication to the Planning, Licenses, and Development Committee.

**COMMUNICATION – COVENANT LIVING OF KEENE – REQUEST FOR LICENSE TO
INSTALL AND MAINTAIN TWO PRIVATE CROSSWALKS ON PUBLIC ROW – WYMAN
ROAD**

A communication was received from Gregg Burdett, requesting that the City extend a license to Covenant Living of Keene for the installation, construction and future maintenance of 2 private crosswalks on Wyman Road for the benefit of their residents. Mayor Hansel referred the communication to the Planning, Licenses, and Development Committee.

**COMMUNICATION – COUNCILOR MADISON – RECOMMENDING AN AMENDMENT
TO THE CITY CODE – MEETING TIMES FOR PUBLIC BODIES**

A Communication was received from Councilor Andrew Madison, recommending an amendment to the City Code that would establish standards for meeting times for all public bodies to accommodate greater public participation. Mayor Hansel referred the communication to the Finance, Organization, and Personnel Committee.

**COMMUNICATION – PETER ESPIEFS – REQUESTING THAT THE CITY RESCIND THE
LICENSE TO TELECOM TO ERECT SMALL CELL WIRELESS FACILITIES**

A communication was received from Peter Espiefs, requesting that the City rescind its license granted to Telecom because the technology to be employed by them is inaccurate, unreliable, and fraught with serious threats to the health of residents and the environment. The petition raised several other points, including a 2021 U.S. Court of Appeals decision regarding Environmental Health Trust v the Federal Communications Commission; the fact that the license ignored the Historic District designation of the neighborhood, and that the area continued to be overwhelmingly residential. In the petition, Mr. Espiefs referred to the “precautionary principle” and the understanding that the right to engage in business must yield to the paramount right of City government, “*to protect the public health and property under its trust.*” Mayor Hansel referred the communication to the Planning, Licenses, and Development Committee.

COMMUNICATION – PETITION REGARDING SMALL CELL TOWER AT SUMMER AND MIDDLE STREETS

A communication was received from Ana Savastano, submitting a petition from the residents of the Summer and Middle Streets neighborhoods to convey to the City Council and City Staff the clear opposition to the imminent construction of the small wireless facility in their neighborhood and their desire to delay the installation temporarily. Mayor Hansel referred the communication to the Planning, Licenses, and Development Committee.

COMMUNICATION – KEENE ELM CITY ROTARY CLUB – REQUEST TO USE CITY PROPERTY – DEMAR MARATHON – SEPTEMBER 24, 2023

A communication was received from Alan Stroshine, requesting the annual license to conduct the Clarence DeMar Marathon and Half Marathon on Sunday, September 24, 2023. Mayor Hansel referred the communication to the Planning, Licenses, and Development Committee to appear on their “more time” agenda until the necessary protocol meetings occur.

COMMUNICATION – JOHN SOSNOWSKI – REQUEST FOR WATER ABATEMENT AND FEE WAIVER – 251 PARK AVENUE

A communication was received from John Sosnowski, requesting—Under Section 98-514 of the City Code—an abatement of water charges for his property at 251 Park Avenue. The total abatement request is \$2,158.91. Mr. Sosnowski is also requesting the waiver of a \$170 fee for a meter replacement. Mayor Hansel referred the communication to the Municipal Services, Facilities, and Infrastructure Committee.

FOP REPORT – 79E COMMUNITY REVITALIZATION TAX RELIEF APPLICATION FOR 310 MARLBORO STREET

A Finance, Organization, and Personnel Committee report read, recommending that the structure proposed for redevelopment located at 310 Marlboro Street is a qualifying structure as defined by RSA 79-E; 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 \$75,000 and constitutes substantial rehabilitation; that at least \$5,000 of the total rehabilitation cost is devoted to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation; that the 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-2018-33: 1.) Enhances the economic vitality of downtown areas. 2.) Enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level. 3.) It promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan. 4.) It will add to the City's employment base by creating at least one new, full-time job in Keene's downtown area. 5.) It promotes development of a sustainable building stock in the downtown that achieves a nationally or internationally recognized green building standard. Therefore, the Committee recommended 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 five years beginning with 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 expense of the property owner.

A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – GILSUM ROAD AND WASHINGTON STREET EXTENSION LAND ACQUISITION

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to negotiate and execute the purchase of real property located at 0 Gilsum Road, tax map #218-042-000, and 0 Washington Street Extension tax map #229-006-000, for conservation purposes, and for a price to be paid from Project #90203, Conservation Land Use Tax, in an amount not to exceed the maximum bid amount previously authorized by the City Council. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy.

Councilor Giacomo understood that the motion was to not exceed the maximum bid previously authorized by the City Council; however, he would certainly hope the City would not pay more - given that the current owner, who outbid the City on the previous purchase had left the parcels barren with their logging operations. Councilor Giacomo agreed that this land should be conserved, noting that it was in a prime area for conservation. Still, given the timber harvesting that had occurred on those parcels, he hoped the City would pay as little as possible. Mayor Hansel said he understood and thought the intention was to pay as little as possible. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – HISTORICAL SOCIETY OF CHESHIRE COUNTY PUBLIC ART DISPLAY PROPOSAL

A Finance, Organization, and Personnel Committee report read, recommending that the City Council finds and accepts the Historical Society of Cheshire County's Kingsbury Toy Taxiplane Public Art Display in accordance with Resolution R-2018-22 and that the City Manager is authorized to do all things necessary to negotiate and execute the necessary documentation as outlined in Resolution R-2018-22. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – COUNCILOR REMY – REQUESTING THE CITY'S CONSIDERATION – CENTRALIZED SOLID WASTE GROUP DEFAULT RATES AND BILLING

A Finance, Organization, and Personnel Committee report read, recommending that this communication be referred to the City Manager. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – REQUEST FOR SOLE SOURCE PURCHASE – SEWER SOFTWARE INSPECTION SOFTWARE

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to sole source the purchase of pipe inspection software from POSM Software, LLC and pursuant to sec 2-1336 of the City Keene Code of Ordinances, waive bidding requirements in Section 2-1335. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – TRAIL IMPROVEMENTS – GREATER GOOSE POND FOREST

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to negotiate and execute a professional service contract with Snowhawk LLC Trail Design and Construction for trail improvements in the Greater Goose Pond Forrest. The contract will not exceed \$45,860.00 and funding will come from Project Cost Center (65M0012A). A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – FACT COMMUNITY ACCESS TELEVISION PUBLIC PROGRAMMING AGREEMENT ADDENDUM

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to negotiate and execute an addendum to the Falls Area Community Television Community Access Public Programming Agreement. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. Councilor Jones said that he was truly for this project but had been against how this project was funded for many years. He said he would vote in opposition and stand by his promise to the public many years ago. The motion carried unanimously with 13 Councilors present and voting in favor and 1 voting in opposition. Councilor Jones voted in opposition. Councilor Ormerod was absent.

FOP REPORT – CHARTER COMMUNICATIONS FRANCHISE AGREEMENT EXTENSION

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to negotiate and execute an extension to the

current Franchise Agreement with Charter Communications. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy.

Councilor Jones said he was a part of this negotiation 20 years ago. Going forward, he asked that the City request Channel 8 for programming, which he said was something positive the City had in the past. He said it was taken away because they did not like that Cheshire TV was doing the programming. He added that it is an empty channel right now and it would be a good selling piece for them. The City Manager confirmed that she had requested the return of Channel 8. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – ACCEPTANCE OF FEDERAL FUNDING FOR AIRPORT CAPITAL PROJECT

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to accept and execute a grant for up to the amount of \$198,810 from the Federal Aviation Administration Airport Improvement Program. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

FOP REPORT – AGREEMENT WITH MCFARLAND JOHNSON, INC – WILDLIFE PERIMETER FENCE PROJECT

A Finance, Organization, and Personnel Committee report read, recommending that the City Manager be authorized to do all things necessary to execute a Professional Engineering Services contract with McFarland Johnson, Inc. for Phase One of the Wildlife Perimeter Fence Project. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

CITY MANAGER – BUDGET COMMENTS

The proposed FY 24 Budget books were on Councilors' desks and would be available on the City's website beginning May 5. The City Manager recognized the City Departments' efforts, highlighting the Finance Department's work given the monumental task of preparing this budget utilizing a financial system that was still in the works. The Manager also applauded the efforts of Rebecca Landry in the great work on the budget cover and incorporating the new brand.

The City Manager explained that the City's overall tax rate had dropped over the last two years and the year before that, the City's portion of the rate did not change from the prior year. This year, between the increasing costs of projects and operational supplies (an after-effect of Covid and strained supply chains), inflationary cost impacts, and the increasing need for staffing to keep up with department/service demands, the City's portion of the rate was proposed to increase by 3.4%. She said that this budget complied with the City's Fiscal Policy limitations when excluding the expenses associated with the four firefighters approved by the Council in April

2023. The City Manager said that recruitment efforts associated with those positions had begun, and she was grateful to Council members for moving that forward.

The City Manager continued explaining that the proposed budget included an estimated \$0.43 change in the municipal rate (of which \$0.23 was the impact of the expense for the four additional firefighters needed to maintain minimum staffing levels at 10). The Fiscal Policy limits its property tax revenue increases to a rolling 3-year average of the Boston Cambridge Newton CPI net of expenditures required by law, debt service, payments, and capital leases. This year, that average was 4.4% (2023 CPI was 6.4% and 2022 was 6.3%, but in 2021 it was only 0.5% and so averaging the 3 years brought the percentage down to 4.4%).

The City Manager said that the second year of the City's Capital Improvement Program (2023–2029) had been updated and modified in the FY 24 Budget to reflect the changes that had occurred since the adoption of the program. For the budget proposal to comply with Fiscal Policy, it was necessary to adjust funding scenarios/sources for various projects. One significant impact was the Thompson Road reconstruction project for just over \$1 million, which had not been in prior CIP plans; it was included as debt financed in the upcoming year. This summer (2023), the City would begin an extensive update to the CIP, which would be presented to the Council in January 2024. There had been a dramatic increase in the costs of almost all of the City's capital projects this past year. Given the updated project estimates, the City Manager anticipated that a great deal of work would be necessary to accomplish the advanced planning of major projects in way that creates a somewhat level of investment in the City's infrastructure year after year. This would avoid a significant impact on the City's municipal tax rate. In addition, she said that Staff would be focused on the elements of strategic governance, which considers all elements of project costs, including potential impacts to future operational budgets—including staffing. The City Manager said the budget included City revenues associated with State of NH Municipal Aid as they were currently known. In addition, the tax rate projections were based on a decline in overall values of \$6 million due to the State of NH requirement to equalize our ratio.

The City Manager explained that in 2021, Keene went through a City-wide property revaluation to bring real estate assessments to market value. This was done 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, as of early 2023, real estate prices had only continued to increase. Residential properties consistently sold for prices considerably higher than their assessments with no signs of change. Low inventory and high demand continued to be factors as houses on the market saw multiple offers ending in above-asking price transactions. Construction costs also remained high for any new housing. The NH Department of Revenue set the assessment equalization ratio for the City this past year at 80.9%. This means that the median sale price in the City is 19.1% more than its assessed value. Concerning property taxes, since all properties were around the same level, there remained fairness and equity in the assessments. However, she said the equalization ratio still had some effects. By NH State law, annually, our utility values must be equalized by the ratio. While utility values were reviewed yearly to account for changes, and the value would increase from the previous year, the equalization ratio of 80.9% would still need to be applied. When this is done, the result could be an overall loss in

taxable value for utility property. Therefore, this budget included an estimated \$6 million loss in value.

Overall, the City Manager said it was a difficult balancing act with many moving parts to construct a budget that met the Council's Fiscal Policy limitations while continuing to provide services at the levels expected. The City Manager said that Staff had done that with this budget proposal. The City Manager reported that budget review would begin at the May 11 Finance, Organization, and Personnel Committee meeting at the early start time of 5:30 PM.

CITY MANAGER – GENERAL COMMENTS

The City Manager thanked everyone who participated in a very successful Green Up Keene event. She estimated that more than 250 people volunteered and cleaned up approximately 3,200 pounds of trash through this effort. She remarked on the amazing level of volunteerism in our community. She added that it was not too late to contribute. The City had plenty of the blue "NH the Beautiful" bags and gloves if anyone still wanted to pitch in and clean-up any area of City.

Next, the City Manager discussed Congressionally Directed Funds. She shared a large list of projects associated with Keene that Senator Shaheen had submitted for FY 24 Congressional Directed Funding. Unfortunately, the City Manager reported that Keene did not make the list, but several of our partner non-profits in the community did (Hannah Grimes, MEDC, KSC, Cheshire Medical Center) with some very exciting projects in the run for funding.

The City Manager continued reporting that on May 30, 2023—weather dependent—repair and maintenance work would begin on the Wells Street Parking Structure. For the project, which is expected to last approximately ten weeks, it would be necessary to close a section of the upper and lower deck to do the repair work. Work would be scheduled in 2 main segments to allow portions of the upper and lower decks to be closed while still allowing upper and lower deck access for some parking needs. The work would be performed by Pierce Property Services of Winchester, MA, under the supervision of the design engineers, Desman Associates.

The City Manager concluded her report by discussing the Cheshire County inmate release on Gilbo Avenue. She recalled that in 2022, the Mayor created the Ad Hoc Committee on Housing Stability and their work ended in December. The Committee's desired outcomes included: improved homeless support and transition to permanent housing, increased available housing, and regional engagement in collaborative solutions. She said that Committee included the County Department of Corrections Superintendent, Doug Iosue. One of the report recommendations was better support people needing housing who are being released from hospitals and jails into the community. The City Manager recalled reporting to the Council several months ago that inmates who were not picked up at the jail by a family member or friend when released, or those who had no a place to go or who stated they were homeless, were released on Gilbo Ave. There were an estimated 6 inmates per week regardless of the arresting agency in the County or State Police. The City Manager said this was obviously concerning, so she had some great follow-up meetings with Superintendent Iosue, who did not have the data needed to make recommendations for improvements but agreed to begin collecting the information. The City Manager said she was very happy to report that the Superintendent shared

with her a new courtesy ride protocol that they had enacted. The Superintendent contracted with 3 local taxi services to create a voucher program for inmates being released who are unable to secure transportation from family and friends, within an approximate 90-minute radius. She said this program would have many great benefits. For the jail, it would reduce the burden on Officer time, ensure release from custody in a timely manner, and ensure safe arrival of inmates to appropriate locations, including planned treatment programs. For the City, it would reduce the risk of re-offenses in downtown Keene and support connections to treatment and other community support services. This program began on May 1 and the City Manager thanked Superintendent Iosue for his efforts to enact this creative solution.

REPORTS – TEMPORARY REPLACEMENT OF RESCUE, INC. AMBULANCES AT THE CENTRAL FIRE STATION AND THE WEST KEENE STATION – CITY ATTORNEY

Mayor Hansel noted that the next 2 memorandums from City Staff on Rescue Inc and Youth Services were time sensitive. A motion by Councilor Powers to suspend Section 26 of the City Council Rules of Order to act on these 2 time-sensitive items was duly seconded by Councilor Remy. The motion carried unanimously on a roll call vote with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

A memorandum read from the City Attorney, recommending that the City Council authorize the issuance of a license to Rescue Inc for the temporary placement of their ambulance vehicles at the Central Fire Station and West Keene Station. A motion by Councilor Powers to carry out the intent of the report was duly seconded by Councilor Remy.

The City Manager explained that this was in-line with the press release and information she had been sharing with the Council. She said that DiLuzio Ambulance had an agreement with Rescue Inc, to provide services to their contract communities and the mutual back-up agreement that the City had with DiLuzio. As a result, the City Manager reported that Rescue Inc had begun operations in the City for a 90-day period initially and were located with 1 ambulance each at the Central and West Keene Fire Stations. Assuming that all goes well during this period, Rescue Inc would work with each individual community to determine whether they would carry on as their contract service. After 90 days, the next steps would be evaluated. This was a temporary arrangement and if Rescue Inc did contract with these surrounding communities, they would begin seeking their own location somewhere in the area.

Councilor Jones asked whether this just meant that Rescue Inc would be parking their ambulances at Keene's Fire Stations, or whether they would also be displacing Keene employees in the Fire Stations' rooms, kitchens, and bathrooms, etc. The City Manager said yes. She continued stating that she thought one of the many benefits of Rescue Inc taking over these agreements was that the DiLuzio employees were hired by Rescue Inc. She said that those employees would be staying in and using Keene's buildings. This license agreement indemnifies the City of Keene, clarifies that Rescue Inc is a separate organization that Keene is not paying for, and indicates that there would be no co-mingling of operations. Rescue Inc would be dispatched much like DiLuzio was. The City Manager said that on the day of this meeting, the Fire Chief reported to her that it had been a smooth transition to date and that Keene's Fire Department had been very gracious and welcoming because they know that without Rescue Inc,

the City could not cover all the calls and continue services without interruptions. She recalled that Rescue Inc is an organization out of Brattleboro, VT, which is well-established and well-funded. The City Manager said it was a good transition so far. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

EXECUTION OF AMENDED APPLICATION – 23-24 DHHS GRANT – YOUTH SERVICES MANAGER/JCC COORDINATOR

A memorandum read from Alyssa Bender, Youth Services Manager/JCC Coordinator, recommending that the City Council recommend that the City Manager be authorized to execute the amended application for the Juvenile Diversion Program Support Funding Grant through the Department of Health and Human Services Division for Children, Youth & Families from \$16,405 to \$61,215. A motion by Councilor Powers to carry out the intent of the report was duly seconded by Councilor Remy. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

RESOLUTION – RELATING TO THE FY 23-24 BUDGET – RESOLUTION R-2023-13

A memorandum read from the City Manager, recommending that Resolution R-2023-13 relating to the FY 2023-2024 budget be referred to the Finance, Organization, and Personnel Committee for their review and recommendation, and that a public hearing be scheduled for Thursday, June 1, 2023. Mayor Hansel referred Resolution R-2023-13 to the Finance, Organization, and Personnel Committee and set a public hearing on June 1, 2023 at 7:10 PM.

RESOLUTION – RELATING TO USE OF THE SOLID WASTE UNALLOCATED FUND BALANCE TO ENABLE COMMON SPACE RENOVATION AT THE TRANSFER STATION/RECYCLING CENTER – RESOLUTION R-2023-20

A Finance, Organization, and Personnel Committee report read, recommending the adoption of Resolution R-2023-20. Mayor Hansel filed the report. A motion by Councilor Powers to adopt Resolution R-2023-20 was duly seconded by Councilor Powers. The motion carried unanimously on a roll call vote with 14 Councilors present and voting in favor. Councilor Ormerod was absent.

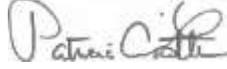
RESOLUTION – RELATING TO AN APPROPRIATION OF FUNDS AND USE OF UNASSIGNED FUND BALANCE FOR THE FY 2023 FIRE DEPARTMENT PERSONNEL BUDGET RESOLUTION – RESOLUTION R-2023-27

A memorandum read from the Finance Director/Treasurer, recommending that Resolution R-2023-27: Relating to an Appropriation of Funds and Use of Unassigned Fund Balance for the FY 2023 Fire Department Personnel Budget have a first reading in front of the City Council and that it be referred to the Finance, Organization and Personnel Committee. Mayor Hansel referred Resolution R-2023-27 to the Finance, Organization, and Personnel Committee.

ADJOURNMENT

05/04/2023

There being no further business, Mayor Hansel adjourned the meeting at approximately 9:20 PM.

A true record, attest: 
City Clerk