

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, May 8, 2025

5:30 PM

**Council Chambers,
City Hall**

Members Present:

Thomas F. Powers, Chair
Bettina A. Chadbourne
Bryan J. Lake

Members Not Present:

Kris E. Roberts
Michael J. Remy, Vice Chair

Staff Present:

Elizabeth A. Ferland, City Manager
Amanda Palmeira, City Attorney
Don Lussier, Public Works Director
Kari Chamberlain, Finance Director
Paul Andrus, Community Development
Director
Beth Fox, Asst. City Manager/HR Director

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

1) Pamela Beaman/MCVP - Donation of Real Property - Lot 45 - Damon Court

Pamela Beaman Chair of the Board of Directors for Monadnock Center for Violence Prevention addressed the committee and stated that their property has a retaining wall, which is crumbling and they received a letter from the City asking that it be repaired. She stated her organization contacted the City to assist with this repair. She stated they have received contracts for this work ranging from \$3,500 up to \$85,000. Ms. Beaman stated they are looking for a way to either donate the property to the City or to an abutting neighbor. She stated this is an expense the organization cannot afford.

She stated they wanted to go with the lower end estimates but hesitated because it might not meet the requirements of the City.

Ms. Beaman stated the Public Works Director reached back out to her recently and indicated there is a bridge nearby that needs to be repaired and the City would need access to MCVP's property in order to make that repair and suggested that the City might now be more amenable to taking on this parcel. Ms. Beaman stated she is here today to see if the City was willing to accept a donation of this parcel from MCVP.

The Manager addressed the committee and stated the City did look at this property but are not able to spend taxpayer dollars on private properties. The City did offer potential solutions related to seeking grant funds. Recently both the Public Works Director and the Emergency Management Director looked at the situation and expressed concern about any potential flooding from the deterioration of this retaining wall. The Public Works Director has recommended that

that the City might be willing to take on the parcel but it is only because of the work the City needs to do, as a way to help the City mitigate flooding.

Public Works Director Don Lussier stated since this issue was brought to the property owners' attention they have been looking for a way to resolve the issue. He stated that the Manager is correct, ordinarily, he would be advising the committee that it is not appropriate for the City to be engaging in this transaction because there is no public purpose for the retaining wall. However, there is a unique situation here in that the Beaver Street Bridge is in poor condition, and it is going to have to be replaced in the not-too-distant future. He stated there would be a Resolution coming to the Council next week for some funding. DOT had notified the City earlier this year that the bridge has deteriorated to a condition where it is now on their critical list.

Mr. Lussier stated that when the bridge has to be replaced at some point, the City will require temporary easements on this property in order to do the construction. He stated there would be a public purpose served by the City accepting this donation. He stated he wanted the Committee to understand fully that this is also a liability. If the City were to accept this donation, staff would be recommending some immediate remediation. Mr. Lussier stated that what he would suggest for the time being is to remove the deteriorated portion of the wall, slope that side back and armor it with riprap. This could be done by City staff at a lower cost with no real impacts to the river itself.

Councilor Lake clarified that the shed and the fencing are all part of the property. Mr. Lussier answered in the affirmative but stated he has not looked inside the shed to see what is in it. The Councilor asked whether the property can be used in the future for perhaps a pocket park. Mr. Lussier agreed it could be.

Councilor Haas stated this is one of the worst bridges and is glad the City is addressing it soon.

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

On a vote of 3-0, the Finance, Organization and Personnel Committee recommends the acceptance of Lot 45 – on Damon Court, Tax Map #553 045 000 000 000 as a donation to the City of Keene.

2) Relating to Water & Sewer Utility Charges Ordinance O-2025-16 - Public Works Director

Public Works Director Don Lussier and Asst. Public Works Director Aaron Costa were the next two speakers. Mr. Lussier stated in 2021, the City hired a consultant and developed a rate model they have been using to set rates for water and sewer utility charges.

The new Finance Director and her staff have updated that model from the last time the City went through this exercise and now staff is able to see the fiscal health of the water and sewer utility funds.

Mr. Lussier stated the rate changes propose a 5% increase in both water and sewer and added staff envisions 5% rate increases for the next couple of years in order to maintain the fund within

the fiscal guidelines the City Council has set in terms of unallocated fund balance and capital reserves.

He stated since the last rate increase in 2021, construction costs in the industry have gone up by nearly 15% and felt it won't be advisable to add the rate increase in one lump sum hence they are suggesting an incremental increase.

Councilor Chadbourne asked for clarification of the “letting on” and “letting off charges” with a minimum of \$75. Mr. Lussier stated this is a flat rate that the City charges when a customer's water is turned on or off and is something that has always been in the code. It is for any service call during business hours. He added the fiscal policies suggest that the rates for services should be based on the cost of providing that service rather than the added administrative burden of trying to calculate the exact time and cost every time that a customer service call is made. This flat fee covers 99% of the service calls during normal business hours and is based on two staff members and a van visiting the customer for an hour.

Councilor Lake noted there is a new water meter rate which is the volumetric rate for water dispense into a tanker truck or other boat container for a City dispenser and asked for explanation of this charge. Mr. Lussier explained the bulk rate that has been added to the list relates to a project that is coming up next year. This is a project included in the CIP to construct a bulk water filling station that is going to be an automated dispenser where tanker trucks or RV's can fill up their water tanks and be on their way. Currently, that service is offered but it is a hose off a hydrant at DPW. Currently this service is only available during business hours. The new service will be available 24/7 and a new rate will be added for customer convenience.

Chair Powers noted in the past, when there was a rate increase it usually came after the budget was passed. The Chair asked whether the committee should recommend the adoption or hold it until budget adoption. The Manager stated originally the thought was to put it on more time with the budget resolution and adopt them at the same time. However, this ordinance is slated to be effective July 1st, and there is a customer that needs 60 days' notice, If it is moved forward now the City can meet that timeline.

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

On a vote of 3-0, the Finance, Organization and Personnel Committee recommends the adoption of Ordinance O-2025-16, with an effective date of July 1, 2025.

3) Relating to the 2025-2026 Operating Budget Resolution R-2025-12

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

On a vote of 3-0, the Finance, Organization and Personnel Committee recommends placing R-2025-12 on more time to allow for the budget review process to continue.

4) Proposed Fiscal Year 2025-2026 Budget Review

Community Development - Pages 152 – 159

Community Development Director Paul Andrus addressed the committee. Mr. Andrus stated that his department has had some changes over the last year, which they are still working through. He noted that the department has reviewed 139 permits that originated in Planning and Building Safety and Code Compliance. There were 26 Administrative Planning approvals, three Minor Site Plans, nine Major Site Plans, five Subdivision Applications, five Conditional Use Permits, and four new Cottage Court Development Applications that were approved this year.

On the Building side, the department coordinated Building and Fire Safety across 691 projects, which were valued through the building permitting process at roughly \$45 million. 1,913 Plan Reviews were completed along with 2,397 inspections, while successfully addressing 807 documented Code Compliance Complaints. The department is also working on the new Master Plan Updates and have engaged over 650 residents through surveys, meetings, and public events, as well as 17 in-person visioning sessions, workshops, and various community events.

Mr. Andrus stated the City was recently recognized as a Housing Champion by the State of New Hampshire - one of 18 communities that were recognized. Mr. Andrus stated that since he started with the department, one of the processes the City has started in each ward is community listening sessions, which have brought in a good turnout, and this is something that will continue again in the fall.

For the next year, the overall goals will continue emphasizing one City service provision philosophy. Looking at improving customer service, streamlining permitting, and the approval processes. Mr. Andrus stated they also want to improve on code compliance efforts and always want to support economic development efforts, which include housing. As mentioned earlier, the Master Plan update will continue. The department is planning to bring an update to Chapter 18, which is the property maintenance code. Chapter 44, which is the building code, was combined with the property maintenance code, but has been separated and is being updated to be in line with state provisions. The department will be improving internal systems for permit and plan review. It will work on more robust reporting so that Council and the community know what the department is doing, the impacts the department is having, and the level of services they are providing. The department will work on broader code compliance as a whole to include housing, property maintenance, zoning, and food inspections.

Mr. Andrus next addressed department supplementals. The first is funding for an additional code compliance housing inspector - funded at \$82,153 for the position to start October 1st. This is intended to enhance the code compliance section, allowing it to work on all facets of code compliance. The second item is \$33,000 - City match for a new software to help with permitting and plan review. Mr. Andrus stated there was a federal grant available for this, but unfortunately, like a lot of other programs, those funds were recaptured by the federal government just a couple of weeks ago.

The Manager noted there was list of staff recommended changes given to the Council and stated that list has now been updated - the Community Development grant match software expense has been deleted from this budget, which is \$33,750. The Manager stated that the next item is reduction in funding in the Community Development Department for the building health official, which has remained vacant since the retirement of John Rogers. The Manager stated this position has been left vacant because the City has been using some of those funds to help offset the Fire Marshall position, which has been performing in both Community Development and in the Fire Department. She noted that these net changes come to zero.

Information Technology - Pages 96 – 100

IT Director Andrew Mueller was the next to address the committee. Mr. Mueller stated their Operations budget is broken into two – 500 and 501.

500 – Starts on page 96 and includes software, cyber-security appliance, hardware, warranty, and personnel.

Personnel – Mr. Mueller stated the GIS Technician position has been moved to IT which has increased the IT personnel budget.

Software – The hope is that the increase in software cost will only be about 5% each year. When contracts come up for renewals, the City is trying to take up the work, which saves nearly \$20,000 in cost. However, Cartograph, a software Public Works and a few other departments use has increased by 15%. Mr. Mueller stated that storage is always an issue. Investigations have been carved out and given their own storage, which will save money in the future.

501 – Starts on page 99 and includes cloud accounts - anything that is not housed on premises is housed in the cloud. Mr. Mueller stated the City does not have too much say in that. The City has a new addition referred to as See Click Fix through Public Works, which is a public report management tool. The City has had it for a while, but it was prepaid. This coming year is the first year the City is going to have to start paying for it.

PC Replacement Fund - Pages 190 – 195

Mr. Mueller stated there would be about 120 pieces needing to be replaced next year. He stated since the pandemic the price of hardware stabilized, however, prices of iPads increased. As of July 1, 2025 staff will complete purchasing as much as they can while they can predict what the prices are going to be.

City Attorney - Pages 60 – 63

City Attorney Amanda Palmeira and Senior Paralegal Barbara DiNapoli were the next two speakers.

Personnel – Attorney Palmeira explained that the Wages – Full Time entry does reflect the Assistant City Attorney for the full year at an average step, as well as the senior paralegal position and charter officers.

Operating Budget – Legal Services – Historically, this is a line that the department has requested as a supplemental item, which covers outside counsel due to an internal conflict or protracted litigation, which is not what the office is equipped for or meant for. It is an uncommon area of law that requires a specialist rather than a general practitioner like herself. The attorney stated the last five years it was funded at approximately \$35,000, before that it was much higher. When the Assistant City Attorney was added, the amount decreased. She indicated that in the next few months she is likely going to be coming before Council to request funds from the unexpended line to be moved to the outside services line.

Supplementals - Communications and Phone Line – There is a request for an extra \$1,000. Attorney Palmeira explained this is for the work cell phone, for herself and for the Assistant City Attorney. She explained due to the Right-to-Know law, it is important to keep the work product separate from the personal product. The cost is about \$40 a month.

Office Supplies - The cost of \$1,000 is to cover three licenses for Adobe Pro. Adobe Pro used to be funded through the IT Department, but they have switched to a different product that works with PDFs. This product doesn't do a couple of things that lawyers need the Adobe Pro tool for. The first is for proposing redactions rather than just applying them. They are used for both our records requests and for litigation. It is also used for something called Fade Stamping, which is used when you exchange discovery with parties or if you have a subpoena. Attorney Palmeira stated that if the department did not have the Adobe Pro product, she would be hiring an attorney to use the product – it is much cheaper to have it in-house.

Books and Collections - An extra \$1,500 is being requested to cover RSAs in hard copy, the New Hampshire Practice Series. These are invaluable tools for a General Practitioner. They cover pretty much everything you need to know, such as court rules, evidence manual, Land-Use regulations, and the Westlaw product, which is something she uses every day for case law and accessing updates to legislation. The attorney noted that two budgets ago this line was underfunded by about \$1,100. She stated that she expects new issues of a few of those hard copy books to come out. There is an expectation that the Westlaw subscription is likely going to increase in price, which is built into the contract.

Assessment - Pages 74 – 78

City Assessor Dan Langille addressed the committee next. He started on page 78 and stated there is a small increase in personnel due to staff being new and working up the wage scale. On the operating side, there is a \$200 difference to cover increase in cost.

Mr. Langille stated that in 2026, the revaluation will be done. Last year, the City was at 72% of the market; this year, it is at 66%. This means that the market is appreciating, and the values are going to increase significantly. That does not mean the City brings in more money as a result, but

the City does have to be careful of the shifting of the tax burden because some properties do more than others. He added that this is really out of anyone's control.

Councilor Lake asked which tax bill would be impacted by the revaluation. Mr. Langille stated it would apply to the final bill of 2026.

Mayor Kahn stated he wanted to make sure he has the right impression; the tax bill that we received in November of 2026, which is due December 2026, is going to reflect a different property assessment and tax rate. The City will not know the rate until October 2026, when the Department of Revenue Administration authorizes a new tax base and a rate to fit that fiscal year. Mr. Langille agreed and added that as part of the revaluation process, property owners are notified ahead of time of their preliminary value. Giving the public an opportunity to come in and review the work that has been done to make sure that the information is accurate, and they understand the process. The Mayor clarified that the appeal process is something that would happen starting in January 2027. Mr. Langille stated that the appeal process starts after someone gets their final bill; they have until March 1 to file an appeal. All this information is on the tax bill. The tax bill is due while the appeal is in process.

Councilor Haas asked whether the Assessor could identify how much property value is in current use, credits for military service, or energy credits, etc. Mr. Langille stated there is an MS1 form he is required to file with the state every year and would be happy to provide this document which provides information on the exempt values and credits.

Parking Fund - Pages 176 – 188

Parking Operations Manager Chelsea North was the next speaker. She stated she wanted to highlight a few things that the department has done over the last year to lay the groundwork for moving forward in FY26. Over the last year, the parking system has undergone quite a few significant changes. The overnight winter parking ban has been eliminated, except for during the winter emergency declarations. Restrictions on downtown parking during the summer have also been eliminated, except during scheduled maintenance. Ms. North stated they have made great strides in further modernizing the parking through changes such as the pay station expansion, introduction of a new text park program, which is also resulting in the increased use of ParkMobile. The City does continue to offer coins as a method of payment at pay stations. The old coin meters that are now more than antique are not replaceable.

Just this week, the City launched consolidated ParkMobile zones that enable greater movement within an area without requiring an additional parking session. It also allows for more payment options within a zone and more pavement flexibility. Coinciding with this launch, the department has changed back office and enforcement software providers, which has allowed them to reduce the amount of fees for online and delinquent payment tickets. Reducing these fees is also for the benefit of online ticket payers. The \$4.00 online parking ticket fee has been reduced to \$2.50 for a standard ticket.

Online ticket payments continue to be the predominant ticket payment method, and combined with the increase in monthly pay, station ParkMobile transactions, customers are becoming more comfortable with modernized parking technology.

Looking at FY26, Ms. North stated they have passed the first-year window of the communication and parts fees that were initially included with the pay station CIP. There is an increase in those fees in the technical services category, and in addition to these fees, the new software the department has a licensing fee, which will ultimately save revenue.

Ms. North stated that overall, they are asking for \$18,000 in technical services for all these increased costs with the software for the pay stations. There are State fees with the DMV that have also increased. The department is also asking for \$1,000 in additional postage to bring the processing of notices in-house, but it will ultimately save the City money in a different area by increasing revenue with ticket payments.

Councilor Lake noted under the supplemental line lights at the Wells Street Deck – and asked if lights are being added or improved? Public Works Director Don Lussier stated that it is to improve existing lighting and nothing new is being added.

Councilor Favolise noted that the narrative talks about the parking fund being self-sustaining. However, on page 180, revenue and expenditures, it looks like a significant portion comes from the tax base, and asked for clarification about that. Ms. Landry stated that not knowing which item the Councilor was referring to she might not be able to clarify but added there is an administrative fee where parking pays a cost to another department such as Finance or IT for services provided to the Parking Department. The Councilor stated it is not a line item, but an overall breakdown of revenue and expenditures. The Finance Director stated this is for the tax increment financing district (TIF).

Human Resources - Pages 91 – 95

Asst. City Manager/HR Director Beth Fox stated that in large part, the HR budget is unchanged. There are no supplemental requests as the department was able to within the non-operating portions of the employees' benefits side and the HR office to move money around to cover those areas that needed additional funding.

Ms. Fox stated that this year, there are three collective bargaining units due for contract negotiation. Negotiations are underway but are likely to continue into next year. Next year, three more contracts come up for negotiation. She noted that there is a likelihood that the professional services line will see an increase, as outside counsel will be used for this work.

Ms. Fox stated that Human Resources continues to be very busy with recruitment. Ms. Fox stated that with the assistance of Andy Bohannon, there have been more employee development opportunities that have been launched. In FY26, HR is looking to focus more on software implementation and HR's core mission issues. She added that her budget is straightforward.

Page 95 – Councilor Lake asked for clarification on the rental parking space. Ms. Fox stated this is for the purpose of renting parking spaces from the City to support the parking department.

The Mayor asked about the wage study. Ms. Fox stated this project is moving slowly than expected and has its own funding source.

There being no further business, Chair Powers adjourned the meeting at 6:55 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Edits submitted by,
Terri Hood, City Clerk and Kathleen Richards, Deputy City Clerk