

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, May 22, 2025

5:30 PM

**Council Chambers,
City Hall**

Members Present:

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

Staff Present:

Elizabeth A. Ferland, City Manager
Amanda Palmeira, City Attorney
Dan Langille, City Assessor
Brian Ruoff, City Engineer
Beth Fox, Asst. City Manager/ HR Director

Members Not Present:

All Present

Jay V. Kahn, Mayor

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

1) 79E Community Revitalization Tax Relief Application for 34 Court LLC

City Assessor, Dan Langille stated he and the applicant Zach Luse were before the committee tonight as a result of a public hearing that was held before City Council regarding a 79E application. He stated the issue today is the determination of whether this project is eligible for 79E and to outline what the public benefits are.

Mr. Langille stated that staff has reviewed the application in full and from their perspective the applicant does meet all the criteria for tax relief. It does provide at least \$5,000 in energy efficiency. The applicant was pretty thorough in his application, provided great cost estimates, plans, and outlined the entire project.

He stated that if the criteria Council has in their Resolution is reviewed, it is the staff's opinion that the application met five out of the nine items and from the staff's perspective, they don't see any issue with providing the full five years that the applicant is requesting for the tax relief. He stated that this relief is consistent with other projects the City has provided this kind of relief.

Mr. Luse addressed the committee next and stated he appreciates 79E as it helped with the first project tremendously. He stated the five years helps with making a big investment in an old building. He stated his intention is to fully restore the building. Mr. Luse felt this would be a great asset for downtown Keene and meets many of the public benefit requirements for 79E.

Another five years for this project would help with investing more deeply in energy-efficiency and making the project a success.

Councilor Lake stated he is excited to see this project go through. He referred to #9 - *increase in energy sustainability and conformance with the initiatives* - calls out the energy score and the carbon emission reduction. He asked whether this item does not meet the technical qualifications. Mr. Langille stated it was important to recognize the energy efficiencies the applicant is providing. He stated it is the home energy score that is more residential-based and this is one of the criteria staff will be looking at when they review 79E in a couple months with a consultant that the City is bringing in because staff does feel that this is geared specific to residential. Mr. Luse stated that the changes he is making will get the building completely off fossil fuels.

Councilor Remy asked when the opening of the building is scheduled for. Mr. Luse stated they are looking at a late September or early October timeframe.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommend that the structure proposed for redevelopment, located at 34 Court Street is a qualifying structure as defined by RSA 79E that the structure is not within a currently defined tax increment financing district.

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 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 the structure that is culturally or historically important on a local, regional, state, or national level.
3. Promotes the preservation and reuse of existing building stock.
4. It promotes the efficient design safety and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan, and
5. It will add to the city's employment base by creating at least one new full-time job in Keene's downtown area.

Therefore, the committee recommends that the application for property tax relief on any assessed tax increment resulting from substantial rehabilitation of the qualifying structure be granted for a period of five years, beginning with a 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.

2) Engineering Agreement with Hoyle and Tanner for the Beaver St Bridge and Spring St Bridge Loading Rating Study – City Engineer

City Engineer, Brian Ruoff addressed the committee and stated that last winter, the DOT performed an inspection of the City's bridges, of which three were identified by DOT as having critical deficiencies, which potentially could limit their loading capacity. He stated that the specific bridges are the George Street Bridge over Beaver Brook, the Spring Street Bridge over Beaver Brook, and the Beaver Street Bridge over Beaver Brook. Of the three bridges, the George Street Bridge is currently in final design, and the City is looking to bid that project in the fall.

Mr. Ruoff went on to say with reference to the other two bridges, the letter from the DOT indicates that if the City does nothing those bridges will need to be closed. Mr. Ruoff stated that what staff is requesting is to appropriate monies for an engineering structural study. Mr. Ruoff stated that qualified engineering firms have been solicited and pricing has been obtained and they would like to go forward with the load rating studies. Item 5 relates to the Resolution in reference to this.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute an engineering services agreement with Hoyle & Tanner for the Beaver Street Bridge and Spring Street Bridge Load Rating Study up to \$25,000.

3) Execution of an Agreement for Engineering Services During Construction with Greenman-Pedersen Inc, (GPI) as part of the Marlboro Street Corridor Construction Project - City Engineer

Mr. Ruoff addressed the committee again. He explained that the Marlboro Street Corridor Reconstruction Project is a New Hampshire DOT-funded project. A condition of DOT is that the City is required to solicit for a qualification-based selection process from qualified engineering consultants to determine a selected consultant for engineering services during construction. Mr. Ruoff stated that the staff has reviewed the scope and fee by the identified consultant GPI, and received approval from DOT for these engineering services for the project. Mr. Ruoff stated the engineering estimate and the proposal from GPI came within \$10,000 of each other.

Mr. Ruoff stated this project is 80% funded by DOT and is a 20% City match.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute an agreement with Greenman-Pedersen Inc (GPI) for engineering services during construction as part of the Marlboro Street Corridor Construction Project (75J0018B) for up to \$300,000.

4) Execution of an Agreement for Engineering Services During Construction with Greenman-Pedersen Inc, (GPI) as part of the George Street Bridge Reconstruction Project - City Engineer

Mr. Ruoff stated that this is for the George Street Bridge replacement. GPI again was the identified consultant and has been approved by DOT. This project is 80% funded by DOT and 20% funded by City match. The project duration will be around six months and will require environmental testing due to contamination in the area.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute an agreement with Greenman-Pedersen Inc (GPI) for engineering services during construction as part of the George Street Bridge Replacement Project (75M020A), up to \$350,000.

5) Relating to the Appropriation of Funds for the Beaver Street Bridge and Spring Street Bridge Load Rating Study Resolution R-2025-22

Mr. Ruoff stated this is the Resolution for the Beaver Street Bridge and Spring Street Bridge load rating study.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-22.

6) Relating to Appropriations of Funds for the Transfer Station Paving Project Resolution R-2025-23

Mr. Ruoff stated this project is for the allocation of additional funds for the transfer station paving projects. The project was bid in March and received only one bid. He stated the that project is significantly under budget by about \$90,000. Mr. Ruoff stated that in the CIP this was essentially a shim and paving project, but when it was reviewed closely by engineering staff, it was realized that there is a lot more that is needed for the project.

In an effort not to shut down the transfer station, the contractor has agreed to do this work in the evenings, ensuring no disruption to transfer station services. Mr. Ruoff stated there is a contingency for the project in the amount of \$20,000 as well as an asphalt escalation in the amount of \$20,000.

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

On a 4-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-23.

- 7) **Relating to the Appropriation of Funds for the FY 2025-2026 Bond Issues: Fire Apparatus Replacement Program; Lower Winchester Street Reconstruction Project; Roadway Preservation & Rehabilitation Project; Stormwater Resiliency Program; T-Hangar Apron Maintenance Project; Sewer Improvements Program; 3MG Water Tank Repairs; Water Distribution Improvements Program; Well Field Upgrade Program**
Resolution R-2025-13
Resolution R-2025-14
Resolution R-2025-15
Resolution R-2025-16
Resolution R-2025-17
Resolution R-2025-18
Resolution R-2025-19
Resolution R-2025-20
Resolution R-2025-21

The City Manager spoke about these items.

The first Resolution is for appropriation of funds of \$1,308,000 for the Fire Apparatus Replacement Program.

The second Resolution is for \$687,000 for the Lower Winchester Street Reconstruction project.

The third Resolution is for \$1,402,000 related to funds for the Roadway Preservation and Rehabilitation Project. This is an annual project for road repair.

The fourth Resolution is for the Stormwater Resiliency Program for \$1,320,000 which is an ongoing program.

The fifth Resolution is for \$201,000 for the T Hanger Apron maintenance project.

The sixth Resolution is related to Sewer Improvements for \$1,275,000.

The seventh Resolution is related to the 3,000,000-gallon Water Tank Repair Project for \$690,000.

The eighth Resolution is related to the funds for the Water Distribution Improvements Program for \$970,000.

The ninth Resolution is the Well Field Upgrade for \$709,000.

The City Manager stated that these are projects that are reviewed as part of the Capital Plan. Each year, when appropriating funds for the Operating Budget, the next year of the CIP is included. When putting together the Operating Budget and Capital Plan for this year, only a few changes were made: The bathroom that was planned for Gilbo Avenue has been taken out as the Gilbo project is a couple of years away. The West Station Fire Station project was also moved

out and staff intends to continue to move this project out until the City is able to identify some grant funds.

Mayor Kahn asked what kind of state funds these bonds are leveraging. The City Manager referred to the Capital Plan in the budget (pages 49 - 51) and mentioned that all projects are broken down by funding source. The City Manager noted that on page 53 where grants are listed for this year - for instance the Lower Winchester Street Grant is \$4,731,000. The Obstruction Management project \$475,000. The Pavement Maintenance program is 158,000, \$330,000 coming in for the Transportation Heritage Program and the wildlife perimeter fence (funded over multiple years) almost 1.9 million dollars – all of which adds up to nearly 7 million dollars.

The Mayor stated that given what we are hearing about state budgets (the lack of funding) he asked the City Manager that from her perspective can she predict what the implications might be for new allocations in the future. The City Manager stated that these grants are a combination of both state and federal funds. For instance, the large dollars coming in for the airport are funded through the FAA, which is primarily federal funding. With reference to this budget for this year, these are grants the City has in hand and nothing that the City is hoping to get in the future. The City Manager stated that it is difficult to predict what funding sources will be available in the future, and all the City can do is to continue to take advantage of what is available.

In terms of other revenue, the City Manager stated that funds from the state are level-funded. For example things like meals and rooms, the budget only has the amounts that the City knows of right now.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of the following Resolutions: Resolution R-2025-13; Resolution R-2025-14; Resolution R-2025-15; Resolution R-2025-16; Resolution R-2025-17; Resolution R-2025-18; Resolution R-2025-19; Resolution R-2025-20; Resolution R-2025-21.

Councilor Chadbourne joined the session at 6 pm.

8) Relating to Class Allocation and Salary Schedule
Ordinance O-2025-18

Asst. City Manager/ HR Director Beth Fox addressed the committee next. Ms. Fox stated this item is in reference to salary ordinance that applies to the City's non-union personnel which is approximately 100 or so employees that fit in this group. Most of these employees are full-time.

Ms. Fox stated the ordinance generally reflects a 3% across-the-board adjustment. Some of the other changes in the Ordinance are primarily context or grammar. For instance, the description of the salary schedule for Council appointments has six designators, it always only had five.

Generally, there are no other changes in the proposed Ordinance besides the cost-of-living adjustment and the addition of two job titles on the probationary Public Works, hourly wage schedule to align with some changes that were made in the union contracts over the past year.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Ordinance O-2025-18.

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

Finance Director, Kari Chamberlain stated that the next item relates to the Operating Budget Resolution R-2025-12. She indicated that the Council was provided with a memo dated May 5, 2025 that had a number of proposed adjustments to the budget that were staff recommended changes. The attachment provided this evening shows an additional \$100,000 for Compensated Fund Balance. This was not included in the aggregated total and staff is looking to approve the Resolution.

The City Manager said that with reference to compensated absences – this was aggregated as part of the General Fund. A couple of years ago the auditors required the City to separate this amount out. The City Manager explained that this is earned time that has not been used by employees. Each year, funds are set aside to have the money available for people to use their earned time or when they retire and want to cash out their earned time. There is no net change to the budget as a result of that.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends amending the Operation Budget as described in the May 5th, 2025, memo from the Finance Director, net impact to the bottom line is zero.

A motion was made by Councilor Chadbourne that the Finance, Organization and Personnel Committee recommends amending Resolution R-2025-12 to include \$100,000 in the compensated absences fund and reflect total estimated operating revenues aggregating \$81,047,049.

Councilor Remy noted the Finance Committee's packet that is published online, the number of estimated operating revenue is substantially different than what is in the motion for tonight – it is off by 600,000. The packet shows \$84,123,890.

The Finance Director explained this was in response to the committee's question a couple of nights ago regarding the Fleet Fund as to why there was the \$500,000 offset. She stated the wrong amount got attached to the packet. Staff was questioning whether or not they had to include that in with other debt in the capital section of the fleet fund. That amount needed to be

included with the debt in the capital section of the fleet fund. The number should be the original amount plus the \$100,000 for the compensated fund.

The motion was seconded by Councilor Lake and was unanimously approved.

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

On a 5-0 vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-12-A as amended.

The Chair thanked all staff for this work on the budget.

There being no further business, Chair Powers adjourned the meeting at 6:10 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Edits submitted by,
Kathleen Richards, Deputy City Clerk