A regular meeting of the Keene City Council was held on Thursday, July 2, 2026. The Honorable Mayor Jay V. Kahn called the meeting to order at 7:00 PM. Roll called: Randy L. Filiault, Michele A. Chalice, Catherine I. Workman, Bryan J. Lake, Jacob R. Favolise, Laura E. Tobin, Robert C. Williams, Kris E. Roberts, Bettina A. Chadbourne, Edward J. Haas, Laura E. Ruttle-Miller, Molly V. Ellis, Thomas F. Powers, and Mitchell H. Greenwald were present. Councilor Philip M. Jones was absent. Councilor Haas led the Pledge of Allegiance.

MINUTES OF THE PRECEDING MEETING

A motion by Councilor Greenwald to adopt the June 18, 2026 minutes as presented was duly seconded by Councilor Powers. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Jones was absent.

ANNOUNCEMENTS

Mayor Kahn announced upcoming dates of interest in July 2026:

- Friday, July 3, 2026: SwampBats Independence Day Eve game and fireworks
    - The baseball game would begin at 6:30 PM on Friday evening and fireworks would follow between 9:30 and 9:45 PM
- Saturday, July 4, 2026:
    - 4 on the 4th Road Race
        - Sponsored by Pathways for Keene and dollars raised will benefit their work on rail trails throughout the City
    - Monadnock 250th Independence Day Celebration
        - The Mayor said it should be a really good celebration; a lot of work has gone into it, and a lot of people are contributing to it. Councilor Ellis said Councilors should arrive at 10:00 to 10:30 AM at the Public Works Building and be ready to either carry a banner or ride in the carriage and it would be fun. Emergency Management Director Kürt Blomquist had championed the parade. Mayor Kahn provided guidance for younger family members to walk alongside a family member. Youngsters on bikes were invited to take part in the festivities. If they want to decorate their bikes with streamers and things appropriate to the holiday, that opportunity will be at the Keene State College, Spalding Gym parking lot, beginning at 9:30 AM; people just need to bring their bikes and a parent if they need to be accompanied. Materials will be provided by the 250th Committee. Those kids and family members will line up in the parade and be at the forefront, so that they arrive safely at the destination downtown.
        - At 10:45 AM, there would be a reading of the Declaration of Independence, by five members of the Mayor's Youth Council from Keene High School
        - Councilor Powers clarified that the banner would be in front of the horse carriage, not behind it, and those carrying it should meet at the corner of Baker and Main Streets before 11:00 AM
        - Mayor Kahn said the afternoon would be fun. As the parade comes down to Railroad Square, there would be a community sing along of patriotic songs led by vocal leaders in the community. There are other performances beginning at

1:00 PM by the Nelson Town Band, the Keene Jazz orchestra and other pop bands on Main Street. The Colonial Theatre would be open with a movie showing, so people can cool off if needed. There would be porta potties at Wyman Tavern and Railroad Square. There would also be food vendors downtown and a misting tent on Gilbo Avenue.

    - The Mayor said the 250th Committee had done a really good job trying to anticipate people's needs. He thanked the primary event contributors: Savings Bank of Walpole, Cheshire Medical Center, Fenton Family Dealerships, C&S Wholesale Grocers, and Mascoma Savings Bank. He thanked all the other donors in the community who contributed to this event, either with their volunteer labor or with their donations.
    - An announcement made at the beginning of the City Manager's report: The Mayor encouraged everybody in the City do come down to Main Street that day, stating that it would be a truly exceptional parade, with 60 entries at this time, from individuals to antique cars and more that represent the many facets of the Monadnock Region. There would be some transportation on Main Street for those parked someplace else. He recognized Keene State College's in-kind contribution of opening their parking lots, mostly along Winchester Street, for this event.
- Friday, July 10, 2026: chronic disease day

The Mayor thanked all Councilors who attended the Fiscal Policy Workshop on Tuesday, June 30, 2026. He knew the City Manager would be following up with some of the Policy changes, suggestions, and questions.

Councilor Powers announced that the Keene Fire Department Color Guard would present the Colors at the Red Sox game on Friday, July 17, 2026 at 7:00 PM.

Mayor Kahn reported that Dig Into Keene would have an event coinciding with other events on August 8, 2026, sponsored by the Keene Downtown Group.

PROCLAMATION - NATIONAL PARKS & RECREATION MONTH

Mayor Kahn welcomed Parks and Recreation Director Carrah Fisk-Hennessey. The Mayor read into the record and presented Director Fisk-Hennessey with a Proclamation, declaring July 2026 as Parks and Recreation Month in Keene, New Hampshire, and encouraged all residents to celebrate the power of parks by visiting our parks; participating in recreation programs; enjoying our trails and open spaces; and recognizing the dedicated staff, volunteers, and community partners who make this experience possible. Mayor Kahn thanked Director Fisk-Hennessey and her staff for all their efforts.

Director Fisk-Hennessey said there is a jam-packed July for National Park and Recreation Month. She cited the following activities: water workout Wednesdays and pool parties, pop-up parks, summer concerts at Fuller Park, and more. She directed those interested to the Parks and Recreation summer events calendar on the website.

PUBLIC HEARING - RESIDENTIAL PROPERTY REVITALIZATION ZONE (RPRZ) (RSA 79-E:4-B) APPLICATION FOR 429 ELM STREET; *AND* PUBLIC HEARING ATTACHMENTS

Mayor Kahn opened the Public Hearing at 7:16 PM and the City Clerk read the Notice of Hearing. Mayor Kahn welcomed the Community Development Director, Paul Andrus, who provided an introduction.

Mr. Andrus explained this application submitted by Joe and Cheryl Bagster for Residential Property Revitalization Zone (RPRZ) tax relief for the property located at 429 Elm St. The property owners are represented by George Hansel of H.G. Johnson Real Estate, who assisted them in preparing the application and providing an overview of the proposed project. Mr. Andrus recalled that in 2025, the RPRZ program was adopted by City Council to encourage the rehabilitation of existing residential properties and the creation of additional housing units through temporary tax relief. Staff conducted an administrative review of the application for completeness, in accordance with the City's RPRZ program requirements, and determined that the application was complete and as a result, the committee recommended that this public hearing be scheduled in accordance with RSA 79-E. He explained that the proposed project involves rehabilitating an existing barn on the property to create two new residential dwelling units while preserving the existing residential uses on the site. Once complete, the property will increase from three dwelling units to five dwelling units. The applicant estimates approximately $200,000 in rehab costs and the proposed public benefit identified in the application is the creation of two additional housing units. Mr. Andrus said this public hearing is a first step in the City’s review process and following the hearing, the application will be forwarded to the Finance, Organization and Personnel Committee for its review and consideration of whether the proposed project provides a qualifying benefit under the City’s program and RSA 79-E. The FOP Committee will then make a recommendation to City Council for its consideration. Mr. Andrus noted the purpose of tonight's hearing was to provide an opportunity for the Council and members of the public to learn more about the proposed project and offer comments as a part of the City review process.

Mayor Kahn welcomed George Hansel on behalf of the property owners, Cheryl and Joe Bagster, who Mr. Hansel said he would consider small- to medium-sized local developers and residential property owners in the City of Keene. He wished there were more of those sized developers creating housing in the City. He noted that he was working on behalf of the owners and Mr. Hansel works with large and small developers to help them figure out how to do development on their properties. He called the Bagsters on the smaller side and said there are very limited supports, benefits, or programs for folks doing two-unit developments; most are for big projects. So, he said this would be a great opportunity for the applicants to do this work and get a modest benefit over a period of years and have the City recognize their contribution of capital and their ingenuity to convert an otherwise underutilized structure into workforce housing. Mr. Hansel said this would be the first 79-E project he was aware of in the City and the first one being utilized this way.

Mr. Hansel continued, explaining that as the property existed it was three residential units and was really a Cottage Court before they were a thing. They went through the process in 2025 to have it designated as a Cottage Court in order to do this new development. He said the project in question would take an existing barn—used as a garage and storage—and convert it into two units of housing. It is a significant investment of a couple hundred thousand dollars. They are raising the roof on the barn to create some more head space on the second floor and develop a creative design for the two apartments. Mr. Hansel said it fits really well with the existing use of the property, and he did not see any negative impacts to the neighborhood; he thought it would be an enhancement. He said the applicants were asking the Council to consider as much as possible to give them some kind of relief and recognition for this investment. Mr. Hansel understood this would be going to FOP, so he kept his comments short and welcomed questions.

Mayor Kahn saw an estimated start date in the packet of November 2025 and asked if the project was near completion, citing a completion date of August 2026. Mr. Hansel said no, the project was not near completion. At this point, he said they did a lot of work on the shell of the building to get it ready, but right now, all the interior finishes still needed to go in. It was not near completion. In that way, Mr. Hansel looked to the Council because he thought this 79-E Program may have a little way to go as far as being effective for this kind of development. The problem the Bagsters ran into was that they started this project in 2025 but just found out about this program and started working toward it in 2026. He commented on the timing issues but said they had been able to work with staff to make sure there would still hopefully be a good benefit if the Council approves this. He reiterated that the barn was basically just a shell at this time, and they added some height to the barn roof for more height on the second floor. Mayor Kahn asked for the estimated completion date. Mr. Hansel said they hoped by fall 2026, and the goal would be as soon as possible. Mayor Kahn asked whether the applicants are living at this residence. Mr. Hansel said no, it is an investment property for them. Mayor Kahn said the 79-E rules were just adopted in fall 2025, and this application would not have been timely if those rules were not adopted, so the Mayor though things were occurring in the order they could.

Councilor Favolise said because this is the first application under this program, he wanted to understand the maximum range of tax relief the City would provide. His math in reading the resolution adopting this was that the relief provided could be up to seven years: the five-year base and an additional two years of tax relief for a project resulting in new residential units. He asked if that was staff's understanding and interpretation of the cap. Mr. Andrus said that was his understanding. Mayor Kahn said it was his understanding that the estimated value of the improvement is something to be left to the City Assessor. Mr. Andrus said that is correct, it is the format and analysis the Assessor does. The Assessor had been on this site very recently to understand the project.

Councilor Tobin did not remember all the guidelines for 79-E but read that it was for not more than four dwelling units and this project would become five, so she sought clarification around that. Mr. Andrus said staff looked at the guidelines on the program to understand this aspect, and it is a little grey in terms of how it could be interpreted. He continued that staff felt this project met the criteria because it was the creation of two units themselves, separately from the existing three. They looked at it from the standpoint of the actual structure itself that is being worked on. Councilor Tobin read, "at least 40 years old and contains no more than four dwelling units," so she was looking to clarify that by adding two units, it goes from three to five units. She asked if that would still be within the parameters. Mr. Andrus said that City staff determined that it meets the program guidelines and intent.

Councilor Haas noted that this would go to the Finance, Organization and Personnel Committee where the financials would be considered. He said he thinks it is important for the City Assessor to be present at that meeting to speak in terms of this application, the assessed values, and how it is going to reflect in the overall assessment of the City that is underway.

There were no public comments.

Upon hearing no further comments, the Mayor closed the Public Hearing at 7:28 PM, except for written public comments, which would be accepted up until 1:00 PM on Tuesday, July 7, 2026. Written comments must be signed and submitted to the City Clerk by that date and time to be included in the record. Mayor Kahn referred this matter to the Finance, Organization and Personnel Committee meeting on July 9, 2026.

A true record, attest: Cassi Wood
City Clerk

COMMUNICATION - LET IT SHINE - REQUEST FOR USE OF CITY PROPERTY - KEENE PUMPKIN FESTIVAL - OCTOBER 17, 2026

A communication was received from Michael Giacomo, on behalf of Let It Shine, requesting the annual license for use of downtown City property on October 17, 2026 to conduct the 2026 Keene Pumpkin Festival. The applicant has requested Community Event funding for this FY27 event. Mayor Kahn referred the communication to the Planning, Licenses and Development Committee.

COMMUNICATION - YANKEE BOTTLE CLUB - SUPPORT FOR THE INSTALLATION OF A KEENE GLASS COMPANY HISTORICAL MARKER

A communication was received from Stephen Seraichick, on behalf of the Yankee Bottle Club, requesting City support for the installation of a historical marker recognizing the Keene Glass Factory. The communication outlines the historical significance of the proposed marker, prior outreach efforts, project costs, and fundraising activities. Mayor Kahn referred the communication to the Finance, Organization and Personnel Committee.

COMMUNICATION - COUNCILOR FILIAULT - REQUEST FOR CONSIDERATION OF AN ORDINANCE AMENDMENT REGULATING DOGS AT DOWNTOWN EVENTS

A communication was received from Councilor Randy Filiault, recommending that the City Council consider amendments to the ordinance regulating dogs at downtown events based on public safety concerns observed at a recent downtown event. Mayor Kahn referred the communication to the Planning, Licenses and Development Committee.

COMMUNICATION - ERIK MURPHY - PETITION - SAFETY IMPROVEMENTS AT THE SOUTH LINCOLN STREET AND ROXBURY STREET INTERSECTION

A communication was received from Erik Murphy, with a petition containing 45 signatures, on behalf of area residents, requesting an engineering and traffic safety review of the South Lincoln Street and Roxbury Street intersection and consideration of improvements to enhance pedestrian and vehicular safety. Mayor Kahn referred the communication to the Municipal Services, Facilities and Infrastructure Committee.

COMMUNICATION - COUNCILOR WILLIAMS – REQUEST TO CONSIDER RESTRICTING THE SALE OF 7- HYDROXYMITRAGYNINE (7-OH) AND CONCENTRATED KRATOM PRODUCTS

A communication was received from Councilor Robert Williams, requesting that the City Council explore local regulatory options to address the retail sale of 7-hydroxymitragynine (7-OH) and other concentrated psychoactive kratom products within the City of Keene. The communication cites concerns regarding the products' opioid-like properties, potential public health impacts, and the perceived need for local action considering limited state and federal regulation. Mayor Kahn referred the communication to the Planning, Licenses and Development Committee.

Councilor Greenwald asked what these products are. Councilor Williams explained that there is a tree called the kratom tree that grows in Southeast Asia and it has leaves that have some interesting chemical properties and has been used in Indonesia for generations as a tea. More recently, it has been exported to the United States, and he said some clever people have been able to figure out how to extract the more interesting chemicals from this leaf. Because it is marketed as an herbal supplement, it can be sold in gas stations and convenience stores without any regulation at all. He said the problem is that some of these chemicals affect opiate receptors in the brain and he recalled the very tragic history in the past of opioids getting out of hand with Oxycontin turning into a heroin epidemic. Councilor Williams is concerned that if we have these unregulated products available in stores without any restrictions at all, this could cause some serious problems for a lot of people. So, he thinks the City should look at this. Mayor Kahn said it would be an interesting PLD hearing, noting the State Legislature had dealt with this question in the past, but he did not think they had developed any regulations or guidance around it. Although, there would probably be a public record and plenty of information available.

MSFI REPORT - COUNCILOR HAAS - REQUEST FOR PROJECT INFORMATION SIGNAGE AND ENHANCED PUBLIC OUTREACH FOR CAPITAL PROJECTS

A Municipal Services, Facilities and Infrastructure Committee report was read, unanimously recommending the communication "Request for Project Information Signage and Enhanced Public Outreach for Capital Projects" be referred to the City Manager. A motion by Councilor Greenwald to carry out the intent of the Committee report was duly seconded by Councilor Workman. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Jones was absent.

MSFI REPORTS - ELIZABETH HANSEL - REQUEST FOR RESOLUTIONS REGARDING SINGLE-USE PLASTIC REDUCTION; SKYE STEPHENSON - TREE REPLACEMENT ALONG MAPLE AVENUE; KENNETH KOST - UPDATE ON NEIGHBORHOOD STEWARDSHIP OF 100 CHURCH STREET AND REQUEST FOR PERMANENT POCKET PARK DESIGNATION; *AND* DOWNTOWN INFRASTRUCTURE PROJECT UPDATE - PUBLIC WORKS DIRECTOR

A Municipal Services, Facilities and Infrastructure Committee report was read, unanimously recommending accepting the communication "Request for Resolutions Regarding Single-Use Plastic Reduction" as informational. A second Municipal Services, Facilities and Infrastructure Committee report was read, unanimously recommending accepting the communication "Tree Replacement Along Maple Avenue" as informational. A third Municipal Services, Facilities and Infrastructure Committee report was read, unanimously recommending accepting the communication "Update on Neighborhood Stewardship of 100 Church Street and Request for a Permanent Pocket Park Designation" as informational. A fourth Municipal Services, Facilities and Infrastructure Committee report was read, unanimously recommending accepting the Downtown Infrastructure Project Update as informational. Mayor Kahn accepted the four reports as informational.

Regarding the Keene Downtown Project, Councilor Greenwald noted that there was a "Coffee and Hard Hats" meeting scheduled for July 8, 2026 at 9:00 AM. [These are hosted by Keene Public Works at the Transportation Center, 12 Gilbo Avenue.]

FOP REPORT - ACCEPTANCE OF DONATION - SUSTAINABILITY - ASSISTANT PLANNER

A Finance, Organization and Personnel Committee report was read, unanimously recommending that the City Manager be authorized to do all things necessary to accept a donation of $25,000 per year in aggregate for three years beginning in fiscal year 2026-27 from various donors, and that the money is allocated to fund a portion of the annual salary of the Assistant Planner – Sustainability position in the Community Development Department (CDD). A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Lake. The motion carried unanimously with 14 Councilors present and voting in favor. Councilor Jones was absent.

FOP REPORT - UPDATE ON FY26 FIRE DEPARTMENT BUDGET - FIRE CHIEF

A Finance, Organization and Personnel Committee report was read, unanimously recommending the update on the Fire Department FY26 Operating budget be accepted as informational. Mayor Kahn filed the report as informational.

FOP REPORT - PROPERTY TAX EXEMPTIONS AND CREDITS REVIEW - CITY ASSESSOR

The first recommendation in the Finance, Organization and Personnel Committee report was read, unanimously recommending that the City Manager direct staff to draft resolutions for the following exemptions and credits with the following amounts:

- Deaf severely hearing-impaired exemption, $55,000
- Blind exemption, $30,000
- Elderly exemption 65 years to 75 years old, $55,000
- Elderly exemption for 75 to 79 years old, $75,000
- Elderly exemption 80 years plus, $100,000
- Disabled exemption, $55,000
- Income limits for the deaf, elderly, disabled exemptions for single, $40,000 and married, $60,000
- Asset limits for the deaf, elderly, disabled exemptions single, $75,000 and married, $110,000, and also
- Readopt the solar exemption

A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Chadbourne.

Councilor Haas asked the Mayor to specify what exemptions and credits are included in this section. The Mayor referred him to page 83 for the items recognized: the deaf and severely hearing impaired exemption, blind exemption, elderly exemptions, disabled exemption, and a solar exemption.

Councilor Haas requested to recuse himself as a recipient of the solar exemption. Councilor Chalice requested to recuse herself as well for the same item. Councilor Greenwald also requested to recuse himself.

Mayor Kahn requested guidance from the City Attorney, noting this request is to draft the resolution and not the vote on the resolution. City Attorney Palmeira said under the rules, it is fully up to the City Council to determine if the other Councilors do have a conflict. She said the vote, even though it is about a Resolution, there are amounts assigned to it, so while that could still change if the Councilors feel that is a financial interest that they would be receiving through that vote, it would be appropriate for them to raise that.

Councilor Lake personally thought the Councilors should not need to recuse themselves. He went back to budget season and thought about the fact that there would be Councilors involved in several different things. If accepting these as a package and those Councilors were not making amendments to specifics that they are therefore affected by, he did not see where the conflict would be. He said these were being accepted as a package just like the budget. Mayor Kahn thought Councilor Lake was interpreting this as anyone in the City with a solar panel could qualify for this exemption, so there is not a specific benefit that accrues to these Councilors that does not exist for everyone else in the City. Mayor Kahn called that a valid interpretation.

The City Manager added that this would not be adoption of the solar exemption, the solar exemption was already adopted and is in place. What this vote would do is make the assessed value of solar panels or solar projects exempt from taxation; it is increased by the assessed value and then taken off, so there is no impact on the taxes from solar projects throughout the City of Keene.

Councilor Filiault agreed with Councilor Lake, stating that over the years the Council had obviously debated conflicts, but said if they get to this point, they could literally say none of them could vote on increasing the budget because it affects all their tax rates individually. Councilor Filiault appreciated that the Council was being very careful when talking about conflicts but thought they were going too far.

Mayor Kahn appreciated the Councilors raising the question because there is a benefit that they receive but again said that anybody in the City would qualify for this benefit. There was nothing they applied for that gives them a gain anybody in the City could not receive.

Councilor Favolise said he understood the points made by Councilors Filiault and Lake. However, he noted that when the Veteran's Tax Credit was previously considered, the Council allowed Councilor Roberts to recuse himself from that portion of the matter. Because of that prior action, Councilor Favolise questioned why the Veteran's Tax Credit would be considered separately in this instance if the position now was that all of the tax credits constituted a single package and therefore no recusals were necessary. He believed this appeared inconsistent with the Council's previous handling of the same issue. While he appreciated the arguments made by Councilors Lake and Filiault, his view was shaped more by the Council's prior practice than by the legal or procedural arguments presented.

Councilor Roberts said he thinks he fits into a different category. First, one is the perception. He said that when you are taking $4,300 off your tax bill, it really gives the perception that he is doing something to personally gain. Additionally, his job as a Veteran’s Support Officer (VSO) is to get as many people who he thinks qualify for tax exemption as possible qualified; there have been about 25 people over his nine years. So, people could say he is picking and choosing who he wants to work with to get the exemption. Councilor Roberts said there is so much doubt and question that can be applied in his situation and whether he is being fair. He said that he does not benefit any more than any other normal disabled veteran but because of his job it makes a big difference in his conflict.

Councilor Ellis thought a big difference was that, for example, she does not have solar panels right now, but she would like to get them eventually: should she recuse herself because she is planning to get them in the future? She did not think anybody was planning on becoming a totally disabled veteran. Councilor Ellis thought it became a little ridiculous to all start recusing themselves because maybe someday they may buy a home, and install solar panels, and could benefit. She said it did not make sense.

Councilor Workman thanked the Councilors who brought this to the Council’s attention. She reminded everyone that this was still up to the Council. She said it is the Councilors’ responsibility to raise the question of a potential conflict of interest. Right now, she said the question was whether the Council accepted those conflicts. Councilor Workman called the question.

On a vote with 2 Councilors voting in favor and 12 Councilors voting in opposition, Councilors' Haas, Chalice, and Greenwald's recusals were denied. Councilors Tobin and Haas voted in the minority. Councilor Jones was absent.

Mayor Kahn asked if there were any changes to these dollar amounts from previous years. The City Manager said yes, the City Assessor brought forward an increase that was based on an anticipated increase in assessed values of 60%. To equalize the value of the exemption, so that those who are receiving the exemption now continue to get the same level, the Assessor proposed these numbers. Hence, Mayor Kahn said we need a new resolution, which will note the changes.

Councilor Greenwald asked if the Council needs to reaffirm the solar exemption every year. The City Manager said no. City Assessor Dan Langille added that the reason he asked the Council to readopt the solar exemption this year was because the law changed: to exempt properties that have net metering, you have to readopt the solar exemption because it happened after 2020. The new law came into place in 2020, and the Council previously adopted the solar exemption prior to that, so to allow net metering, he said they would have to readopt it. Once it is readopted, it will be final.

Councilor Haas said he thinks it becomes a bonus that the Council should be scrupulously careful when voting for anything that essentially puts money into their pockets. Now he understood the idea of the broader view of things. He thought about if most Councilors had solar panels on their houses; at that point he thought they would maybe need to reconsider how solar exemptions are considered and just build into the City Code that they are not taxed or something, rather than granting exemptions to individuals. Councilor Haas said he supports the idea of exemptions, of course, to promote different things and support some populations, but he is uncomfortable any time he votes on something that is giving him a direct benefit.

Councilor Ruttle-Miller thought it was on the record who is benefiting from it at this point; it is not hidden. She asked if anyone else would like to share, noting it would be in The Sentinel article, so everyone is aware.

The motion to carry out the intent of the first recommendation in the Finance, Organization and Personnel Committee report carried unanimously with 14 Councilors present and voting in favor. Councilor Jones was absent.

Mayor Kahn recognized Councilor Roberts' standing Conflict of Interest on the next two items.

A second recommendation from the Finance, Organization and Personnel Committee report was read, unanimously recommending that the City Manager direct staff to draft resolutions for the following exemptions and credits with the following amounts:

- Optional veterans credit $450
- All veterans credit $450

- Service connected disabled veteran credit $4,500

A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Chadbourne.

The motion carried unanimously with 13 Councilors present and voting in favor. Councilor Roberts abstained. Councilor Jones was absent.

A third recommendation from the Finance, Organization and Personnel Committee report was read, unanimously recommending amending the motion to include a Resolution for RSA 72:28C – optional tax credit for combat service. A motion by Councilor Powers to carry out the intent of the Committee report was duly seconded by Councilor Greenwald. The motion carried unanimously with 13 Councilors present and voting in favor. Councilor Roberts abstained. Councilor Jones was absent.

CITY MANAGER COMMENTS

The City Manager, Elizabeth Ferland, reported another Dinsmoor Woods walk. The Parks and Recreation Director secured both Alex Barrett, Contracted Forester with Long View Forest, and Ilissa Sargent, Southwest Regional Stewardship Manager with the Society for the Protection of New Hampshire Forests for a post-harvest Dinsmoor Walk on Thursday, July 9, 2026 at 10:00 AM. Please park at Jonathan Daniels School parking lot and start the walk from there.

The City Manager mentioned the Fiscal Policy Workshop on June 30, 2026, noting that based on the feedback received staff would be preparing a draft resolution that incorporates the proposed changes. The Resolution would go to the Finance, Organization and Personnel Committee meeting on Thursday, July 9, 2026, when the Council would continue to review the proposed updates to the Fiscal Policy.

Lastly, City Manager Ferland reported on the pre-construction meeting for the downtown infrastructure improvement project on June 30, 2026. This meeting included our contractor, GPI, our engineering oversight consultants, our internal staff (DPW, Water, Sewer, Keene Police Department, Fire, Parking, Communications), our Ombudsman, New Hampshire Department of Environmental Services, and Liberty Utilities. This meeting was of note because Liberty Utilities are expected to begin work on July 13, 2026, and then Casella will begin work on July 27. The hope is Liberty Utilities will be able to accomplish their underground work on one side of the road and move to the other side, so that Casella can come in and the two will not interfere. There is a lot of coordination involved with this project and a lot of technical ground was covered during this meeting regarding contract requirements, funding requirements, and traffic plans. Most importantly, the City stressed the need for constant communication and coordination because honestly, she said we will work hard to coordinate all these things, but things will change and they will evolve. The City Manager said the most important thing is to have good information and to communicate that information, which is a full-time job. The next Coffee and Hard Hats meeting is July 8 at 9:00 AM at the Transportation Center and they will continue the second Wednesday of each month at 9:00 AM.

Councilor Ruttle-Miller reported meeting someone who just moved to Keene and was registering their child for classes at Keene State College. In their personal life experience at University of Michigan and University of Pennsylvania, he said his experience in Keene and at Keene State had blown both those places out of the water with how kind, personable, and caring everybody had been. He had some positive interactions with the City so far too. Councilor Ruttle-Miller thinks of Keene State as how she came to the City too and she is really proud to hear when people have been here for only a week and have been so welcomed into the community so fast. The City Manager thanked her for sharing the awesome story.

ORDINANCE FOR FIRST READING - RELATING TO WAGE SCHEDULE REVISION - ORDINANCE O-2026-12

A memorandum was received from Human Resources Director Darcy Newport, recommending that Ordinance O-2026-12: Relating to Wage Schedule Revision be referred to the Finance, Organization and Personnel Committee for discussion and a recommendation to the City Council for adoption. Mayor Kahn referred Ordinance O-2026-12 to the Finance, Organization and Personnel Committee.

ORDINANCE FOR FIRST READING - RELATING TO ZONING MAP AMENDMENT - 0 HOWARD STREET - MEDIUM DENSITY TO CONSERVATION - ORDINANCE O-2026-13

An application was received from Steven Ringland, requesting to amend the official City of Keene Zoning Map to re-zone a .91-acre parcel located at 0 Howard Street (TMP 536-034-000) from Medium Density to Conservation, which was accompanied by Ordinance O-2026-13: Relating to Zoning Map Amendment – 0 Howard Street – Medium Density to Conservation. The subject property is owned by the City of Keene. Mayor Kahn referred the application and Ordinance O-2026-13 to the Joint Planning Board / Planning, Licenses and Development Committee.

RESOLUTION - RELATING TO THE ABSOLUTE DISCONTINUANCE OF A PORTION OF A RIGHT OF WAY ACROSS A PORTION OF PROPERTY LOCATED ON ELM STREET (IDENTIFIED BY TAX MAP NUMBER 521-004-000) - PETITION AND RESOLUTION R-2026-22-A

Mayor Kahn recognized that Councilor Greenwald has a conflict of interest on record for this matter and would be recused from discussion and voting on the matter.

A Municipal Services, Facilities and Infrastructure Committee report was read, unanimously recommending the adoption of Resolution R-2026-22-A: Relating to the Absolute Discontinuance of a Portion of Right of Way Across a Portion of Property Located on Elm Street, with changes as requested by the City Attorney. Mayor Kahn filed the report. A motion by Councilor Workman to adopt Resolution R-2026-22-A was duly seconded by Councilor Favolise. The motion carried unanimously with 13 Councilors present and voting in favor. Councilor Greenwald abstained. Councilor Jones was absent.

CITY MANAGER – ADDITIONAL COMMENTS

The City Manager provided a detailed update on the 5 MW Keene Airport Solar Project and the status of potential federal tax credit eligibility. She reminded the Council that the project was approved in 2025 based on analyses prepared by ReVision Energy and independently reviewed by Beacon Integrated. Those analyses demonstrated that the project would provide significant long-term financial benefits even without federal tax credits, with estimated net savings of approximately $8 million to $13 million over the 25-year warranty period through a net metering arrangement.

The City Manager reviewed the actions taken in late 2025 to preserve eligibility for the federal tax credit by meeting the 5% Safe Harbor requirements through the purchase of eligible project equipment. She explained that the City knew it would not meet the federal physical work test before the deadline and therefore relied on the alternative safe harbor provision by purchasing qualifying solar modules.

City Manager Ferland further explained that subsequent IRS guidance indicated projects larger than 1.5 MW would not qualify under that approach, prompting ReVision Energy to evaluate an alternative pathway based on domestic content requirements. During her review of the issue, the City Manager identified a June 2026 federal court decision that vacated IRS Notice 2025-42, restoring the 5% Safe Harbor pathway for projects that began construction by incurring at least 5% of eligible costs before the applicable deadline. Because the City purchased qualifying equipment in 2025, ReVision Energy advised that the project may once again qualify for an elective payment currently estimated at up to approximately $2.9 million, subject to the outcome of the pending appeal period.

The City Manager explained that ReVision Energy also identified an opportunity to strengthen the City's tax credit position by using domestically produced steel for the project's racking system. Although this could increase project costs by approximately $200,000, it would provide an additional pathway to federal tax credit eligibility if the court decision were overturned and could also increase the value of the available tax credit.

The City Manager also explained that because the project's solar modules were purchased in 2025 before sufficient domestic manufacturing capacity existed, the City and ReVision Energy were working to obtain independent documentation, demonstrating that compliant domestic modules were not commercially available at that time. Such documentation may support an exception allowing those modules to be treated as qualifying components for purposes of calculating the project's domestic content percentage.

The City Manager further explained that, under the restored 5% Safe Harbor provisions, the project must be placed in service by December 31, 2027, to maintain eligibility for the federal tax credit. As a result, ReVision Energy was evaluating the availability, delivery schedule, and cost of domestic steel, as well as whether it can be obtained without delaying project completion. She emphasized that protecting the project's required in-service date remains the City's highest priority, as failure to meet that deadline could eliminate eligibility for the federal incentive.

The City Manager stated that, unless significant concerns are identified, she intends to authorize a change order under her purchasing authority if ReVision Energy can reasonably demonstrate that domestic steel can be obtained without jeopardizing the project schedule. Should that occur, she will return to the Finance, Organization and Personnel Committee and the City Council with a request to amend the previously approved bond authorization by up to approximately $200,000. If ReVision Energy cannot provide confidence that domestic steel can be obtained without risking the project's schedule or federal tax credit eligibility, no change order will be issued and the City will continue relying on the restored 5% Safe Harbor while awaiting the outcome of the pending federal litigation.

The City Manager concluded by emphasizing that the City's objective remains maximizing available federal reimbursement while protecting a project that provides substantial long-term financial benefits regardless of the ultimate tax credit outcome.

Mayor Kahn thought there were two takeaways: (1) the City Manager is trying to act in the best interest of the City and have the greatest savings from this project as possible and clearly there are hurdles in executing that. So, it is great that the City Manager is staying on top of it and holding people accountable. (2) There is a bit of a catch-22, and the City Manager is making this initial bet that if risking the $200,000, there is the potential of a $400,000 gain, which pays off the 200,000 and winds up with even greater savings on the project. So, the Mayor called this a good thing, and he appreciated the City Manager bringing this to the Council's attention because it was complicated from the beginning. The City Manager agreed, very complicated. She said she had pretty much settled on the fact that the City would not get that original 5% Safe Harbor until she found the court reversal and she was excited to have that opportunity again, because going the other path is more work and it is not as guaranteed. She reminded the Council that even without these tax credits, the City is still saving $8 to $13 million in net savings on the solar project over the next 25 years. So, factoring in the cost, this is a net metering project; the credits come from our net metering agreements. She said it is still a very good project that makes a lot of financial sense. Still, she obviously wants to get as much money as possible to offset the overall cost and make those savings more.

Councilor Favolise said he had intended to note that, based on his recollection of the Council's initial discussion, we maybe didn't think we were going to get the 5% encumbrance in, but he believed the overall financial arrangement would still be favorable. He appreciated the City Manager's comments, as they confirmed his understanding of the matter. Councilor Favolise also recalled the City Manager stating that the matter stemmed from a federal court decision that was expected to be appealed. He asked whether she had any sense of whether the appeal would be heard in a circuit that might be favorable to the City's position. The City Manager said she was unsure. The City Attorney responded that the appeal would be heard by the U.S. Court of Appeals for the District of Columbia Circuit and based on her understanding, the outcome there could go either way.

Mayor Kahn thanked the City Manager for the update. There will be more at a future Council meeting.

ADJOURNMENT

Councilor Filiault raised a point of order regarding the Rules of Order for Calling the Question. He said that for the past few Council meetings, the Council had skirted the Rule when somebody called the question. He said it requires a motion and a second, then there is no more discussion, and it requires a 2/3 vote of the Council to uphold. If not following that process, it is not procedurally correct. Councilor Filiault wanted to point it out for the future.

There being no further business, Mayor Kahn adjourned the meeting at 8:27 PM.

A true record, attest: Terri Hood
City Clerk