ADOPTED

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE MEETING MINUTES

Thursday, July 23, 2026 **6:00 PM** **Council Chambers, City Hall**

Members Present:
Thomas F. Powers, Chair
Bettina A. Chadbourne, Vice Chair
Bryan J. Lake
Kris E. Roberts

Members Not Present:
Michele A. Chalice

Staff Present:
Amanda Palmeira, City Attorney
Brandon Latham, Deputy City Attorney
Andy Bohannon, Deputy City Manager
Rebecca Landry, Deputy City Manager
Christian Tarr, Utilities Maintenance Manager
Kathleen Richards, Deputy City Clerk
Heather Fitz-Simon, Assistant Clerk

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

1. **79-E 112 Washington St: Waiving City's Claim Against Proceeds from Casualty and Flood Insurance**

Chair Powers noted the owner of this property is a family member. The Committee did not feel there was a conflict.

City Attorney Palmeira explained when 79E tax relief is granted to a property, a covenant is recorded on their property. The Covenant is intended to be a restriction on the property so that they are obligated to complete what they outlined they would complete on their application. The Attorney noted this is under State Law.

There is a provision that gives the governing body sole discretion as to what is included in the Covenant to include a lien on the property and this lien would get recorded with the Covenant. The Covenant would be for the City to receive the proceeds of flood and casualty insurance if the property owner does not complete what is outlined in this application. The statue also says if the municipality receives those proceeds; the municipality is obligated to use those funds to finish that project. The funds cannot be used to raze what has been built nor can the funds be used for anything else other than to complete the project.

This issue came to the attention of the City on previous 79 E tax relief properties. When the lien was recorded, the property owners had issues getting financing for their property because the lien would be superior to future mortgages and banks did not want that lien included.
She noted the City has completed two subrogations for those liens. Instead of going through that process again in the future, staff is bringing these two pieces back to Committee so that there can be a vote to not include that lien in the first instance.

Attorney Palmeira stated the City would not want those proceeds because there is an obligation to use it to finish the process and added this is not something the City is in the business of doing.

The following motion by Councilor Lake was duly seconded by Councilor Chadbourne.

On a vote of 4 to 0, the Finance, Organization and Personnel Committee recommends that the City Council forgo the right to include a lien against proceeds from casualty and flood insurance in the covenant to be recorded for the 79-E Community Revitalization Tax Relief previously granted to 112 Washington LLC.

2. **79-E 34 Court LLC: Waiving City's Claim Against Proceeds from Casualty and Flood Insurance**

Attorney Palmeira stated this is the same as the first item. Should the Committee have questions, the City Assessor is present today.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 4 to 0, the Finance, Organization and Personnel Committee recommends that the City Council forgo the right to include a lien against proceeds from casualty and flood insurance in the covenant to be recorded for the 79-E Community Revitalization Tax Relief previously granted to 34 Court LLC.

3. **Request to Carry Forward Fiscal Year 2026 Personnel Funds for City Clerk's Office Renovations - Deputy City Clerk and Assistant Clerk**

Deputy City Clerk Kathleen Richards and Assistant Clerk Heather Fitz-Simon were the next two speakers. Ms. Richards stated they were before the Committee tonight to request approval to carry forward $22,000 in unexpended FY26 personnel funds to augment the City Hall structural repairs project with improvements to the City Clerk’s office. She noted their office would be temporarily relocated for approximately three to four months to complete these structural repairs.

Ms. Richards stated while that relocation presents some challenges, it also provides the Clerk’s Office a unique opportunity. Once the office is vacant and the construction has exposed ceilings and floors, improvements can be completed far more efficiently and at a lower cost.

Ms. Fitz-Simon stated these improvements are significant, as this space has not been renovated in over 20 years. During the 20 years, their responsibilities have expanded considerably, but the workspace has remained largely the same. Ms. Fitz-Simon stated they have ADA accessibility concerns, limited privacy for customer transactions, a crowded public lobby, and safety concerns for the front counter staff. She added while this relocation would cause a challenge for staff and the public, the renovated office would allow for better service to customers in the future.

Ms. Richards stated the proposed improvements include a larger and more functional public lobby, private areas for confidential conversations, improved accessibility, enhanced staff safety, and workspace that better reflects how the office operates today. She stressed these are not cosmetic changes but functional improvements that will serve the City well for many years.

In closing, Ms. Fitz-Simon stated, by completing these improvements while construction is already underway, the City avoids future demolition, additional project costs, and other disruptions to City operations. Staff believe this is a fiscally responsible way to improve the long-term functionality of the City Clerk's office while leveraging an otherwise disruptive construction project that will occur either way.

The following motion by Councilor Roberts was duly seconded by Councilor Lake.

On a vote of 4 to 0, the Finance, Organization and Personnel Committee recommends that the City Council authorize the City Clerk to carry forward $22,000 in unexpended Fiscal Year 2026 personnel appropriations and repurpose those funds to augment the City Hall Structural Repairs Capital Improvement Project for City Clerk's Office renovations that address accessibility, customer service, operational efficiency, and security concerns.

4. **Relating to Fiscal Policies – Resolution R-2026-34**

Deputy City Manager Rebecca Landry addressed the Committee next. Ms. Landry stated Resolution 2026-34 was reviewed last week with the Finance Committee and staff created an A version to respond to Councilor Lake's request to establish some criteria for the land use change tax.

Ms. Landry noted staff has added the language to the land use change tax, which is in Section 2 C on page 7 of 14 of the Fiscal Policies (page 12 of the packet). Instead of saying *that the City will cover the difference between any land use change, tax revenue received in the $25,000*, it says *up to a fund balance of $100,000 for that year*. She explained if there were a difference, the City would cover it. If it is over $100,000, the General Fund will not be contributing into the Conservation Fund. It still has the original maximum fund balance not to exceed $500,000. In a year when there is little or no land use change tax, the General Fund will still be making up the difference between the $25,000 and anything received. Ms. Landry went on to say, in a year when there might be a large land sale and a large land use change tax, the General Fund would not be participating.

Councilor Chadbourne asked for comment from the City Assessor.

City Assessor Dan Langille addressed the Committee and explained the land use change tax occurs (one-time penalty or tax) when land comes out of current use. He noted current use is when a property owner has 10 or more acres of undeveloped land. This can be forest, farmland, or wetlands and they can't develop. If they decide to develop it or if it becomes less than 10 acres, then it no longer qualifies for current use.

Current use is a reduced fee on the value of the land the State determines. Mr. Langille stated instead of paying thousands of dollars per acre, you could probably be paying hundreds of dollars per acre. Current use is to encourage open space and conservation. Mr. Langille added there is also a one-time penalty of 10% of market value when land is taken off current use. That is what a land use change tax is.

Councilor Chadbourne asked on average does the City go over the $25,000. Mr. Langille stated in the past 10 years it has been zero for several years to $100,000 which was the largest amount in a year. He felt it averages about $20,000 per year but it can be as less as $10,000.

The Councilor asked if it is $20,000 for a year, does $5,000 get taken from the General Fund to reach the 25,000? Mr. Langille agreed and added when the City Manager completes her budget every year, she assumes the General Fund would contribute $25,000 to this fund. Councilor Chadbourne asked about those years when $100,000 is brought in. Mr. Langille stated the first $25,000 would go into the land use fund. 50% of the remainder would go into the General Fund and the balance into the land use change tax fund. The Councilor stated she wanted to make sure it remains as such. Mr. Langille stated it will remain as such until it gets to $100,000 once it is $100,000, the City will no longer be putting any money into the land use change tax. Councilor Chadbourne went on to say her concern is if a big track of land comes up for sale and there is not enough money because Council starts placing these limitations.

Ms. Landry stated she would like to read for the record the A version language to make sure everybody understands it: *Each year, the City shall designate and set aside up to $25,000 for conservation purposes from land use change tax revenues. If annual land use change tax revenues are less than $25,000, only amount actually received shall be designated unless the balance of the Conservation Fund is less than $100,000, in which case the General Fund shall provide the difference necessary to achieve the $25,000 annual designation. When annual land use change tax revenues exceed $25,000, an additional amount equal to 50% of the land use change tax revenues in excess of $25,000 shall also be designated for conservation purposes. Expenditures from the fund shall require City Council approval. The balance of the Conservation Fund shall not exceed $500,000.*

Councilor Chadbourne stated the only change is putting a cap on $100,000 which she noted is what she wants to avoid because receiving that amount is very rare. Mr. Langille stated the cap is to make sure that there is at least $100,000 in that fund.

The Councilor stated her concern is if it is more than $100,000, it won't go into the fund. Mr. Langille stated if more than $100,000 is received, $25,000 plus 50% above and beyond would still go into that fund. Mr. Langille stated the goal is to minimize the amount of money being taken from the General Fund to put it into this account.

Ms. Landry explained the original recommendation discussed at the workshop was that the General Fund would no longer make up the difference between the $25,000 and the actual revenue received if it was less than 25,000. The response received from the Finance Committee was that they still wanted the General Fund to contribute if it was needed to get the fund to $100,000. If the fund was under $100,000, everything stays the same. If it is over $100,000, then the General Fund no longer augments the revenue into the Conservation Fund.

The following motion by Councilor Lake was duly seconded by Councilor Chadbourne.

On a vote of 4 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-34-A.

5. **Relating to the Appropriation of Wastewater Treatment Plant Capital Reserve Funds to the Wastewater Treatment Plant HVAC Replacement Project Resolution R-2026-36**

Utilities Maintenance Manager, Christian Tarr addressed the Committee and stated this item is in reference to Resolution R-2026-36 to appropriate $32,000 from the Wastewater Capital Reserve Fund to the Wastewater Treatment HVAC Replacement Project. He explained in January of 2026, the City contracted with Precision Temperature Controls to replace an HVAC system at the Wastewater Plant. When the work started, the contractor found a multitude of other issues that need to be addressed. Staff feels it would be cost-effective to address all those issues under this one project. The contractor found unbalanced pH, which causes corrosion in some of the copper equipment. Part of this work would replace 500 gallons of glycol for the system, which would involve a filter and associated piping for the filtration system to keep it clean. The work would also consist of replacing ten valves in the heating system, which were also failing.

The following motion by Councilor Chadbourne was duly seconded by Councilor Roberts.

On a vote of 4 to 0, the Finance, Organization and Personnel Committee recommends the adoption of Resolution R-2026-36.

There being no further business, Chair Powers adjourned the meeting at 6:25 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Reviewed and edited by,
Kathleen Richards, Deputy City Clerk