ADOPTED

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, October 22, 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
Michele A. Chalice

Jay V. Kahn, Mayor

Members Not Present:
All Present

Staff Present:
Deputy City Manager Rebecca Landry
Brandon Latham, Deputy City Attorney
Paul Andrus, Community Development Director
Bryan Ruoff, City Engineer
Carrah Fisk-Hennessey, Parks and Recreation Director
Don Lussier, Public Works Director
Chelsea North, Parking Operations Manager

Chair Powers called the meeting to order at 6 PM.

1. Residential Property Revitalization Zone (RPRZ) Application 128-130 School Street

Community Development Director Paul Andrus addressed the Committee first. Mr. Andrus stated this project is located at 128-130 School Street and is an application for property revitalization program tax relief. He stated staff has accepted and reviewed the application as complete. There was a public hearing held on this application on October 15. He explained the Finance Committee's role today is to consider whether the proposed project provides sufficient public benefit to warrant approval of the requested tax relief and to forward a recommendation to full council, along with the timeline.

Mr. Andrus introduced Evan Ray, property owner and applicant who is present tonight.

The Chair asked for a quick overview from the applicant. Mr. Ray stated the application is to expand a duplex into a three-unit property; the second floor of the barn would be converted to a one-bedroom unit, approximately 646 square feet in size.

Councilor Lake commended the project and clarified that originally the applicant had also asked for the second floor reconstruction as well but that is no longer part of this application. He added that state law prohibits the City from doing this more than one time for any property in a 20-year period. He asked whether the applicant intends on reconstructing the first floor at some future time. Mr. Ray stated the first floor most likely would remain as is because the neighborhood is low density.

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

That the Finance, Organization and Personnel Committee recommends that the structure proposed for redevelopment located at 128-130 School Street is a qualifying structure as defined by RSA 79-E:4-b; that the structure is not within a currently defined Tax Increment Financing District; that the structure is not a residential property subject to an election for tax assessment relief under the low income housing tax credit program of RSA 75:1-a; that the proposed rehabilitation cost estimates exceed the threshold amount of $50,000 and constitutes substantial rehabilitation; that the property is served by city water and sewer; that this proposed rehabilitation is consistent with the City's Master Plan; and that the proposed rehabilitation provides the following public benefits as required by Resolution R-2025-35:

1. It adds at least one unit of new housing;
2. It maintains owner occupancy of a residential building;
3. It promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan.

Therefore, the Committee recommends that the Application for real property tax relief on any assessed tax increment resulting from the substantial rehabilitation of the qualifying structure be granted for a period of three years beginning with the completion of the substantial rehabilitation as determined by the City's Community Development Department, and conditioned upon the property owner granting to the City at the time of substantial completion a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for the period of the tax relief, to be recorded at the Cheshire County Registry of Deeds at the cost and expense of the property owner. Further, the Committee recommends that the City Council waive the inclusion of a lien against proceeds from casualty and flood insurance claims in the covenant.

Councilor Lake stated the last time this item was discussed the Committee had talked about setting some precedence regarding the number of years that the City would grant for these applications. The basis would be up to five years for this program, an additional two years if there are units being added and an additional five years for historic buildings.

He indicated last time it was discussed because the applicant was adding two units they would be give the two additional years. However, the applicant is only proposing one unit; hence the time would be reduced to a year. The Councilor went on to say he had suggested a base of two years for some of these projects, plus one year for the one unit. He felt this also meets that criteria for maintaining owner occupancy of a residential building, which he felt was an important public benefit. The Councilor suggested he would recommend for the first zero to five years to add an additional year and felt four years makes sense for this project.

Councilor Lake amended the motion to four years instead of three years. The amendment was seconded by Councilor Roberts.

Councilor Chadbourne asked if there was a time limit for maintaining owner occupancy. Mr. Andrus stated this is not a requirement of the program. He noted the last project the City approved was not owner occupied. This is not something the City would track nor is it a requirement of the program.

Councilor Roberts asked whether staff knows how much lost revenue the City would incur going from three years to four years. Mr. Andrus stated this is a conversation he has had with the Assessor who indicated this would be difficult to estimate at this time. The Councilor asked for this cost to be determined for future projects.

Councilor Chadbourne stated she is concerned about these amendments; being this generous and how it impacts other property owners. She stated this is a great benefit to the person that is coming forward with this application and it does contribute to the community. She stated she is concerned about the precedent the Council is setting by giving out tax relief.

Councilor Chalice stated she supports what Councilor Chadbourne stated and noted the City is rewarding people who have the money to be able to do this but was comfortable with three years and setting a precedent that for one unit it is three years and additional time for any additional units.

Chair Powers stated the reality is that the value of the property is being increased and felt there was no loss of revenue; another taxpayer is not paying for any portion of this project. The property will be taxed at full value at the end of the term.

Councilor Chadbourne stated she was not implying what the Chair stated but that this individual is receiving substantial benefit and the question is do we want to keep adding more years? Is that fair in the long run?

The amended motion carried on a 3-2 vote, with Councilors Chalice and Chadbourne voting in opposition.

The motion as amended carried on a 5-0 vote.

2. Relating to the Allocation of Funds for Construction of the Monadnock View Cemetery Expansion Project Resolution R-2026-42

City Engineer Bryan Ruoff and Parks and Recreation Director Carrah Fisk-Hennessey were the next two speakers. Ms. Fisk-Hennessey stated staff has discussed previously the need for this cemetery expansion. She indicated the Committee had asked how many spaces this expansion would provide and how long this expansion would last.

Ms. Fisk-Hennessey stated the master plan for the cemetery expansion is for 5,700 graves. She noted the trend right now is more towards cremation and with cremation, you can fit two cremation spaces for each cremation plot. In addition, you can fit three cremations on top of each full burial plot. When referring to 5,700 full burial plots what is being referred to are 9,500 to 10,500 burials that could happen in this expansion as a whole.

It is phased into 12 different sections. Each section is about 500 full graves. Staff is striving to be as efficient as possible, and to have what the community needs in terms of expansion space.

Mr. Ruoff addressed the Committee next. He stated in securing funding for the project, the City has advertised the project for bidding. The amount that is being allocated is 1.4 million dollars, which will be paid by the Trustees. The funds will be paid by the City and the City in turn will be reimbursed by the Trustees at each payment requisition from the City. Mr. Ruoff stated they are bidding this time right now to get far enough ahead that lots are ready for next year. There are almost no plots remaining in the cemetery.

Mr. Ruoff stated there are items that would be completed such as landscaping if there are funds available. The bid opening is scheduled for next Tuesday and staff will expedite the review on the same day, confirm the low bidder and provide a recommendation to the Trustees for their approval to award the next day.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2026-42.

3. Execution of a Federal Funding Project Agreement for the THT Phase 2 Project NHDOT#45251 - City Engineer

Public Works Director, Don Lussier addressed the next item. He stated this is an authorization for a contract; an agreement with the NHDOT. He noted the City was selected for a grant for phase two of the Transportation Heritage Trail. He stated phase one ends where the Old Rail Bed meets the Route 101. Phase 2 will pick up where that project leaves off. It includes the installation of the Historic Pro Bridge over Route 101. The project will also include safety railings on the Stone Arch Bridge.

Mr. Lussier stated this grant program requires a 20% local match with an 80% federal share. DOT estimates the total project at 3.1 million. He explained the project would go through a preliminary design phase, engineering study with public outreach and then construction.

Councilor Chalice asked for clarification on the amount being requested today. Mr. Lussier stated staff is not asking for any funds tonight. The Council has already appropriated approximately $71,000 for the local share which is in the FY27 CIP. What staff is requesting today is authorization for the City Manager to enter into the agreement for the project with the NHDOT.

Mr. Chuck Redfern of 9 Colby Street addressed the Committee and stated Pathways for Keene is committed to raising approximately half of the local share as it has done with all projects on the trail system since 1995.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute a project agreement with the New Hampshire Department of Transportation for the Transportation Heritage Trail Phase 2 Project (NHDOT Project No. 45251) and to accept and expend funds from a Federal Highway Administration "Transportation Alternatives Program" grant for said project.

4. Acceptance of Donations from Pathways for Keene — Public Works Director

Mr. Lussier began by stating that Pathways for Keene has been around for nearly 32 years and has been raising money for our trail network. He stated as mentioned by Mr. Redfern earlier, Pathway for Keene has committed historically to raising half of the local share that is required for these grant funded projects.

Mr. Lussier introduced the Treasurer for Pathways for Keene, Kurt Blomquist. Mr. Blomquist stated as mentioned, Pathways for Keene has committed over the years to fund half of the local match. For this project again, they will be presenting a check to City Council for $35,746.

He went on to say as the Public Works Director indicated the next phase of this project would be the construction phase, which is scheduled for FY31. He indicated at the present time Pathways for Keene is only about $60,000 below what they need to match half of that grant but are expecting 100% of the funding to be available.

Mr. Blomquist noted their biggest fundraiser is the four on the 4th and this year is their 25th anniversary.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to accept and expend a donation in the amount of $35,746 from Pathways for Keene for the Engineering Services for Transportation Heritage Trail Phase 2 project.

5. 3 Million Gallon Tank Repair - Recommendation for Additional Scope of Work - City Engineer

Mr. Ruoff addressed the next agenda item and stated that the City was significantly under budget on the scope of planned CIP project work for the rehabilitation of the three million gallon water tank at water treatment plant. The total budget for the tank repair was roughly $3.1 million. The funds that were allocated towards that were $2.4 million in FY23 and the remaining was allocated in FY25. Of the $3.1 million that was allocated, roughly $1.5 million has been spent for the original scope of the repairs, and roughly $1.6 million remains as unspent.

What staff is looking to do at this time is at the water treatment plant there are valves that date back to the 1920's and there is also some interior rehab to the tank that staff would like to

address. The cost for this work is estimated to be around 1.2 million, which is within the remaining budget of 1.6 million. Staff is requesting to utilize these remaining project funds for that scope of additional work.

Councilor Lake asked whether the additional work is going to be done in house.
Mr. Ruoff stated the project has been designed in house but is looking to bid out the project.

Mr. Lussier explained what staff is asking is to augment the CIP project Council approved using the existing appropriations.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to add and execute additional scope of work as part of the 3 Million Gallon Water Tank Repair Project 34JI004A.

6. Re-allocation of Funds from the Sullivan Road Bridge Project to the George Street Bridge Project - City Engineer Bryan Ruoff, City Engineer

Mr. Ruoff stated this request is for the reallocation of funds for the Sullivan Road Bridge project to the George Street Bridge replacement project. He explained that in 2023, City Council approved funding through Resolution 2023-07 to provide a local match anticipating receiving FEMA funding for the rehabilitation of the Sullivan Road Bridge. Through their process, FEMA decided not to provide those funds to the City and the City currently does not have a project planned for the rehab or replacement of that bridge; it is not a highest priority as far as bridges.

What staff is requesting is to use revenue received from New Hampshire Legislature specifically for bridges as a City's match for the George Street Bridge Project. If there are funds unspent as far as the George Street project, the City would then continue to use it in the bridge replacement program. Essentially reallocating funding that was directly appropriated for Sullivan Road Bridge.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to re-allocate $125,000 in project budget from the Sullivan Road Bridge Replacement Project (75M020B) to the George Street Bridge Replacement Project (75M020A).

7. Execution of an Agreement for Engineering Services with KenWave Solutions, Inc for the Scope of the Transmission Water Main Inspection Project - City Engineer Bryan Ruoff, City Engineer

Mr. Ruoff stated the next agenda item is the request to execute an agreement for engineering professional services with KenWave solutions for the scope of the transmission water main inspection project.

The City received three submissions for this project and it was added in the last CIP as an identified need based on the number of water main breaks in the transmission main. This project will perform a detailed inspection of the 2.5 miles of the City's 16-inch water transmission main, identify deficiencies in areas that need to be repaired or replaced.

The Selection Committee consisting of City staff, reviewed the proposals. The low bidder fell short of the scope the City is looking to accomplish. As a result, the Committee went with the second low bid whose qualifications and previous work experience are exemplary in this type of work.

Councilor Chalice stated she is looking forward to the results so that the City could be better prepared for what is needed.

Councilor Favolise thanked staff for providing concise details to Council in the past few months as to how bids are awarded.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute an agreement with KenWave Solutions, Inc for the Transmission Water Main Inspection Project (34JW016A) in an amount not to exceed $134,280.74.

8. Relating to the Execution of a Change Order with Structural Preservation Services - City Hall Parking Garage Rehab Project - City Engineer

Mr. Ruoff stated a month ago he had requested a change order for structural preservation services. The contractor did a good job on the parking garage but unfortunately a very small item that was done at the very end of the project was not accounted for in his request for the previous change order amount. The previous change order amount was for $65,325. Staff is requesting an additional $1,600 more for stair tread repair that was done at the last minute and was not accounted for in the $65,325. Mr. Ruoff apologized for this error. He added because the $1,600 wasn't included in the original amount, staff couldn't execute the change that they needed for the work that was completed for the project.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate and execute a contract change order with Structural Preservation Services, Inc. in an amount not to exceed $67,000 for the City Hall Parking Garage Rehab Project (22M006AA).

9. Relating to Wells Garage Lower Level Public Parking Ordinance O-2026-16

Deputy City Manager Rebecca Landry addressed the Committee on this item and stated she wanted to provide some background information about why staff is recommending adding public parking to the Wells Garage, which is an existing parking structure.

She stated parking services annual budget goals include identifying parking needs and implementing solutions to meet those needs. Those needs change over time. Wells Garage at the present time is underutilized and is close to downtown businesses, which creates a good opportunity. Ms. Landry noted there are permit spaces that are sitting empty right now, while there is also demand for public spaces close to downtown businesses.

Another good opportunity is that the City can add public parking that will enable utilization of that facility. Converting underutilized permit spaces to public pay by hour spaces, also advances the Council's goals of minimizing the burden on the taxpayers by making sure the parking fund remains self-funding and ensuring the infrastructure supports the various needs of its residents and businesses.

Parking Operations Manager, Chelsea North addressed the Committee next. Ms. North stated the parking system over the last few years has seen some changes. Some of those changes include changing the Wells Garage, which was previously pay by hour parking to permit only. She stated the utilization of this Garage is not what it used to be. She stated one of the reasons for this is the change to the overnight and winter maintenance parking restrictions. Because people are able to park on the street overnight except for during times of declaration, there is no real reason to have an overnight permit, which was the majority of the permits. She noted the City went from having a near permanent waiting list to having 50% occupancy. As a result, the City wants to make better use of the spaces by opening it back up to the public.

Ms. North went on to say during the FY27 budget cycle the City would need to evaluate the increase of fees. She indicated although this was not mentioned in the budget cycle, this is another way to provide additional revenue to the parking fund, especially in light of the free parking that is being offered on Main Street and Central Square for the last four months of the calendar year.

Ms. North stated during the free parking discussion she had provided information that this revenue source could create up to $127,000 based on $2.00 an hour charge which she indicated is higher than on street, but this is the only covered parking the City offers to the public. This is premium parking during hot summer months and winter months, giving people an ability to get their car out of the elements and make it easier for them to come and go. She further stated she based the number off 50% occupancy and that number comes from historical data from when the parking garage was opened to the public for pay by hour.

Ms. Landry stated she wants to mention that these are not overnight spaces. They are pay by hour until 5:00 pm. They can stay until midnight but then have to be vacate by 6:00 AM. She added there is also still plenty of space for overnight permit parking.

Ms. Chalice asked if we are saying these spaces are only during the day until midnight, does the City miss the potential for additional revenue for these new spaces to allow those people to stay overnight. She asked whether there was a reasonable way to accomplish this without putting undue work on staff. Ms. North stated this is something staff will need to look into in the future. Currently the parking system as written in the Code is effective from 8:00 am to 5:00 pm. There has not been a provision to pay for parking during the night. The City offers permit parking for people who use the Garage for overnight only. There are multiple types of quarterly permits, including one for just evening hours which equates to about $0.15 or $0.16 cents an hour.

Ms. Chalice stated she was referring to guests who come to the hotel and want to park in a covered area and are going to be there overnight. Ms. North stated the hotel has their own spaces, which they oversee and pay for into the parking fund. If this is something that they would like to expand into the covered parking, the hotel would need to work with the City on this.

Ms. Landry indicated the City needs to keep its eye on the parking fund. Permit parking is a revenue source for the City and if we provide free parking elsewhere, it impacts that permit parking; it is about balancing how many spaces are permitted versus pay by hour.

Councilor Lake asked how many spaces are going to be opened up for pay by hour parking. Ms. North stated it will be between 40 and 50 spaces open to the public at all times which will be sectioned off from the spaces that are guaranteed to the quarterly permit holders.

Councilor Roberts felt this is going to be a tremendous service for the community.

Councilor Favolise stated he would like a discussion from the Committee relating to the $2.00 rate to make sure it was the correct amount. He further stated a recent Sentinel article referred to a dozen new apartments opening downtown and questioned whether this influences staff's thinking around the number of permitted spaces the City might want to retain. Ms. North responded by saying the major factors for Wells Garage being turned into a permit only space is because of the number of apartments that were being converted downtown and at the time that was the right thing to do. However, a few years later, it is time to reverse course and provide a better equilibrium with the spaces. She noted the way the garage is sectioned out operationally, there is nothing saying that if the demand for permits goes back up again, the City can't revisit this issue.

Councilor Chalice asked how staff arrived at the $2.00 rate and asked how that compares to other locations in the City. Ms. North stated $2.00 an hour is the highest per hour charge the City would charge. The rationale behind that is because of the covered parking and City rates are fairly low compared to regional rates. Staff did not find this to be unreasonable.

Councilor Lake stated he is in support of this rate but would like to reconsider this issue in the future.

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

On a vote of 5 to 0, the Finance, Organization and Personnel Committee recommends the adoption Ordinance O-2026-16.

There being no further business, Chair Powers adjourned the meeting at 7:02 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Reviewed and edited by,
Terri Hood, City Clerk and Kathleen Richards, Deputy City Clerk