

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, February 28, 2019

6:30 PM

Council Chambers

Members Present:

Carl B. Jacobs, Vice-Chair
Thomas F. Powers
Terry M. Clark
Bettina A. Chadbourne

Members Not Present

Mitchell H. Greenwald, Chair

Councilors Present

Councilor George Hansel

Staff Present:

City Manager, Elizabeth Dragon
City Attorney, Thomas Mullins
Asst. City Manager/IT Director Rebecca Landry
Asst. Public Works Director, Laboratory Manager, Tom Moran
City Assessor, Dan Langille
Asst. City Manager/Human Resources Director Beth Fox
Finance Director, Merri Howe
Industrial Pre-Treatment Coordinator, Eric Swope

Mayor Kendall Lane

Vice-Chair Jacobs called the meeting to order at 6:30 PM.

1) Request for Approval to Solicit Donations to be Used as Prizes for City of Keene Fourth Grade Water Science Fairs - Public Works Department

Industrial Pre-Treatment Coordinator Eric Swope was the first to address the Committee. Mr. Swope stated since 1997 the water science fair has been a part of this community. Since that time close to 1900 children have gone through this program, which is well supported by teachers, parents and local businesses.

Mr. Swope stated what typically happens is that he presents the idea of the science fair to the various elementary schools. A few months later, each school conducts its own science fair. The top two from each school compete at the City level and the top two from the City attend the State Fair. Mr. Swope acknowledged the exemplary work these students put into this event.

Mr. Swope stated last year close to 15 businesses donated a variety of prizes which were used at the fairs. Last year, Keene took home the first two places in the State as well as honorable mention in 2018. The students have a really good time with this program and they become the 4th grade experts on their subjects.

Vice-Chair Jacobs commended the program and noted the winners always come to a Council meeting for recognition.

Councilor Clark made the following motion which was seconded by Councilor Powers.

On 4-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to solicit and accept donations to be used as prizes for the Fourth Grade Water Science Fairs from local and regional businesses.

2) Workplace Lactation Support Grant - Human Resources

Asst. City Manager/Human Resources Director Beth Fox stated the City has been fortunate enough to receive the worksite lactation mini-grant in the amount of \$5,000. Ms. Fox stated this is a proactive step to help families with children, and to help mothers who come back to work after having a child. Ms. Fox stated the City will be working with Keene State College which will be providing technical assistance.

Vice-Chair Jacobs asked whether this grant is for the purpose of coming up with a policy. Ms. Fox stated it is to create a policy, develop a space in City Hall and to purchase equipment.

Councilor Jacobs stated he hoped this could be something that could also help new fathers. Ms. Fox stated this is a discussion she has had with the interns from Keene State College – about having a broader impact not a space just for new mothers.

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

On 4-0 vote, the Finance, Organization and Personnel Committee recommends the City Manager be authorized to do all things necessary to accept a worksite lactation mini-grant of up to \$5,000 through a partnership between Keene State College's Public Health Faculty, NH Department of Health and Human Services and the Centers for Disease Control and Prevention .

3) Acquisition of Property – 0 Chapman Road Owned by Robert Beauregard Rev. Trust

City Manager Elizabeth Dragon was the next speaker. Ms. Dragon stated in September 2018, Mr. Bill Beauregard approached the Council regarding selling a piece of property, which was part of his father's estate. The property abuts City land on Beech Hill. Ms. Dragon stated the Conservation Commission is in support of this purchase. She

indicated the property has been appraised and the value of the property came in at \$58,000. Mr. Beauregard has agreed to accept this price. The funds for the purchase will come from the conservation land use change tax. This fund has a balance of a little over \$144,000.

Councilor Clark noted he has a piece of property that abuts this parcel of land for sale. He stated the proposed sale would not have any effect on the property he has for sale.

Councilor Powers felt this purchase would add to the conservation land in this area.

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

On 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to purchase the 27.5 acre property at 0 Chapman Road TMP# 241-018-000-000-000 from the Robert Beauregard Rev. Trust for an amount not to exceed \$58,000.00.

4. Attorney Thomas Burack/560 Main Street, LLC - Expression of Interest in Acquiring City Property - 560 Main Street

Attorney Thomas Burack and Mark Froling of Froling Energy addressed the Committee next. Attorney Burack stated they are before the Committee to negotiate an agreement to acquire a portion of property located at 560 Main Street. The property would be used to relocate Mr. Froling's rapidly growing business to Keene.

Mr. Froling stated he owns and operates Froling Energy in Peterborough. He described his business as a full-service biomass boiler systems contractor specializing in the installation of wood chip and wood pellet boiler systems. They are outgrowing the property they currently lease. Attorney Burack stated his client's desire is to purchase approximately 10 acres located on the westerly edge of 560 Main Street. The first phase would be to construct a facility so that Froling Energy could process wood chips and turn them into a fuel source.

The second phase would be the construction of an office area and boiler showroom. He felt this is a good use for a property that is zoned industrial

Councilor Chadbourne stated she welcomes any new business coming to Keene.

Councilor Clark clarified the entrance would be on Manchester Street. The Manager answered in the affirmative.

Councilor Powers stated he was glad to see something being done with this property, but questioned what happens to the operations the City undertakes at this site. Ms. Dragon stated these are discussions that would continue, but noted the applicant is proposing to only purchase the front piece of the property. The Public Works Department uses the rear of the property. The salt shed is in the front and this would need to be transitioned over time to another location and this is part of the proposal staff will be bringing

forward. The Councilor asked how soon this site can be transferred to the applicant. Ms. Dragon stated this is a complicated site, and things would have to be worked out with the Brownsfield Program. Staff plans to move things along as soon as they can.

Vice-Chair Jacobs asked whether there would be any pollutants caused by this operation. Mr. Froling stated they essentially run a boiler (operated by wood chips) which dry the wet wood chips and make the product lighter to truck around. The emissions are that of a one megawatt boiler. Attorney Burack stated they would need a permit through DES and added the emission would be very low, most of what would be seen is steam.

Councilor Hansel asked where they purchase their chips from. Mr. Froling stated 90% of the chips come from a 25 mile radius, he stated they don't have to travel too far to purchase these chips. Councilor Hansel referred to the wood chip boiler installed in his company and spoke how efficiently this system works.

Councilor Powers asked whether this item will come back after negotiations are complete. Ms. Dragon stated it would.

Councilor Chadbourne asked about the traffic volume. Mr. Froling stated they have three in bound tractor trailer trucks per day and about four out bound smaller trucks. They are also a mechanical company hence they also own about ten vans. 50% of these vans come into the facility on a daily basis. The Councilor expressed concern for the residential properties located on this street. Attorney Mullins noted not all of the properties are occupied. Mr. Froling stated Manchester Street veers off to a dead end street where the residential properties are located and they would not be accessing that street.

Councilor Clark made the following motion which was seconded by Councilor Powers.

On 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to negotiate the subdivision and sale of a portion of City owned property located at 560 Main Street to 560 Main Street LLC.

5. Zach Luse/Paragon Digital Marketing - Application for Community Revitalization Tax Relief Incentive (79-E) - Former Grace Methodist Church at 34 Court Street

Mr. Zach Luse owner of Paragon Digital Marketing addressed the Committee next. Mr. Luse stated he operates a 13 person website development company. They are currently housed above the Bank of America building, but they are fast outgrowing this space. In September 2018, he purchased the Grace Methodist Church building. He noted this building is on the Historic Register as well as on the New Hampshire Preservation Alliance's "Seven to Save" list and currently stands as it was built 150 years ago. Mr. Luse stated he is glad to be able to save this building and use it for a modern use and to continue his company to grow downtown.

Mr. Luse stated he plans on preserving as much of this historic building as possible and turn it into an energy efficient building. He stated the plan is to replace the first floor windows but preserve the stain glass windows, installing insulation, replacing the south facing roof, installing a 37.4 kw solar array on the roof to heat and cool the building. Mr. Luse stated this application meets six of the nine items required under 79-E.

Vice-Chair Jacobs asked what the term “qualified” means with reference to putting this item on more time. Ms. Dragon stated this is an exciting item for the city as it is the 1st 79-E application. The next step in the process is a review of the application by a three-member staff committee. After their review, a report from that committee will go before the City Council and a public hearing will be scheduled.

Councilor Clark asked whether the solar exemption under this application falls under the existing solar exemption. Ms. Dragon stated the item before Council at this time is for an entire solar installation on a building to be exempt and if that moves forward it would apply to this building. Councilor Clark asked for added clarification on the solar exemption.

City Assessor Dan Langille stated the City’s current exemption is \$30,000 and any additional value will be taxed. The new proposal being considered is to exempt an entire solar installation regardless of its value and the exemption would last as long as the installation is functional. Councilor Clark asked whether for the first five years most of this property was going to be tax exempt? Mr. Langille responded the value of this property is as of the date of the 79-E application. The current assessed value (at the point of the application) would remain for the first five years.

Attorney Mullins explained the entire 79-E process is not complete until the improvements are complete and a covenant with respect to those improvements and the public benefits generated from these improvements is recorded at the Registry of Deeds. He added all these numbers might not be in place at the public hearing; the numbers will be finalized only after the Assessor reviews the property. The purpose of the public hearing is to allow the 79E application to go forward, but the numbers won’t be finalized until the City Assessor finishes his revaluation.

Councilor Clark commended this project and stated this is the most complete renovation project he has seen with respect to sustainable energy in the City.

Councilor Powers made the following motion which was seconded by Councilor Chadbourne.

On 4-0 vote, the Finance, Organization and Personnel Committee recommends the item be placed on more time to allow for 79-E application to be qualified.

6. Jehovah's Witness Land Lease - Airport Manager

Asst. City Manager/IT Director Rebecca Landry stated the original request for this item was written by Jack Wozmak. The Jehovah’s Witness Church has been leasing this

property from the City and is requesting a renewal of that lease. She indicated there are new provisions in the lease, which will make this able to be automatically renewed and there is a 3% escalator included on a yearly basis.

Councilor Chadbourne asked how the lease amount and space is determined. Ms. Landry stated it is lease on a prescribed space 100 feet x 132 feet and the applicant uses it for overflow parking.

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

On 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Manager be authorized to do all things necessary to execute a land lease with the Jehovah's Witness church for purposes of vehicle parking.

7. Relating to Property Tax Exemptions for Solar, Wind & Wood Heating Energy Systems Resolution R-2019-05

Mr. Langille addressed the Committee and stated this Resolution was before the Committee recently. He noted the City currently has a solar, wind and wood exemption for the City. This proposed Resolution removes the cap of \$30,000 the City currently has and to completely exempt those systems. Mr. Langille went on to say there is current legislation in place which is looking at the definition for this exemption. Staff is working with the New Hampshire Municipal Association to make sure it meets the criteria the City is looking at.

This Resolution takes effect as of April 1, 2019.

Councilor Clark made the following motion which was seconded by Councilor Chadbourne.

On 4-0 vote, the Finance, Organization and Personnel Committee recommends the rescission of Resolution R-2017-18 and the adoption of Resolution R-2019-05

8. Mayor Kendall Lane - Public Hearing Date on the Operating Budget

Mayor Lane addressed the committee next. The Mayor stated under the statute the City is required to hold a public hearing on the operating budget. The statute is silent as to when the public hearing should happen. The Mayor added there is also confusion as to what budget (the City Manager's or the budget as recommended by the Finance, Organization and Personnel Committee) the public hearing is being held for. He indicated the last several years the public hearing was held on the City Manager's budget before the Finance Committee's made its recommendation.

Mayor Lane stated the schedule he is proposing would schedule the public hearing after the Finance Committee has made its recommendation on the budget. Once the public hearing is completed the budget would go before the City Council and if changes need to

be made based on information given during the public hearing, the Council would have the opportunity to make those modifications.

The Mayor stated this schedule would give the public the opportunity to respond to the budget on changes recommended by the Finance Committee. The changes the committee often makes are in relation to outside agencies or community events. If the public hearing is held prior to the Finance Committee making its changes the public has no way of responding to them.

Councilor Clark asked whether the time period given to the public to submit their comments on the budget would still remain the same. Mayor Lane stated that schedule would remain the same and added if the Finance Committee is comfortable with these changes, he plans on sitting down with the City Clerk to make sure the Rules of Order are consistent with this change.

At the present time there is a week between the public hearing and the Council meeting and the Council has five days should it want to make any changes based on the public hearing.

Vice-Chair Jacobs clarified the public has the opportunity to make changes when the Finance Committee makes its recommendation. The Mayor agreed it does.

Councilor Powers raised concern about not having the public hearing at a regular City Council meeting.

Councilor Clark asked whether the public hearing will be on the same day of the Finance Committee meeting. Mayor Lane stated May has a 5th week and the public hearing would be on that week which will give the public the opportunity to focus on the budget. The Councilor asked whether this would be how it is scheduled every year. Mayor Lane stated May won't have a 5th every year and they would have to wait to see how this year works out. Councilor Powers stated he would be opposed to not having it being consistent with the Council meeting; he did not feel having it on a separate night when there has already not been much participation would be effective. Mayor Lane stated there was attempt made to not schedule this on a separate night but the seven day notice requirement for the public hearing was not possible to meet.

Councilor Chadbourne stated she was all about transparency and felt it should be tried and if the public doesn't show up it doesn't have to be done next year.

Councilor Clark asked if staff presence would be required for this meeting when there might not be too much public participation. Mayor Lane stated he would not expect all staff to be present, except if one particular department has a change that department head is likely to be present. The Manager stated she would like department heads present as this is a public hearing and you never know what concerns are going to be raised and it would be helpful to have staff present as a resource. Councilor Chadbourne stated she is

FOP Meeting Minutes

glad to hear this as she would like to have staff present to address concerns the Finance Committee might not have answers to.

Councilor Powers stated his concerns is dramatically changing something that has worked well all these years and noted the public makes their concerns known without attending a meeting. The Mayor reminded Councilor Powers that when he was the Police Chief, the Finance Committee made its recommendations prior to the public hearing (that meeting was held on a Saturday). The Mayor felt what he is proposing should be tried at least for this one year.

Vice-Chair Jacobs felt there hasn't been too much opposition to what the Mayor has proposed and the Mayor does have prerogative to schedule such the public hearing date. The Mayor stated he was trying to be transparent with this issue.

Councilor Chadbourne made the following motion which was seconded by Councilor Powers.

On 4-0 vote, the Finance, Organization and Personnel Committee recommends accepting this item as informational.

The meeting adjourned at 7:30 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker