

ADOPTED

City of Keene
New Hampshire

COUNCIL GOAL SETTING COMMITTEE
MEETING MINUTES

Wednesday, January 25, 2017

4:45 PM

**IT Training Room,
City Hall**

Members Present:

Carl Jacobs, Chair
Steve Hooper
Philip Jones
Robert O'Connor

Staff Present:

Thomas Mullins, City Attorney
Patty Little, City Clerk
Rebecca Landry, ACM/IT Director

Members Not Present:

Bettina Chadbourne

1) **Call to Order**

Chair Jacobs called the meeting to order at 4:48 PM. He stated Rebecca Landry, IT Director/Assistant City Manager was present on behalf of the City Manager.

2) **Approval of Minutes – January 11, 2017**

Councilor Jones made a motion to approve the minutes of January 11, 2017, which was seconded by Councilor O'Connor and carried unanimously.

3) **Goal Two Objectives**

Chair Jacobs began the discussion with Goal Two: Establish a Competitive and Prosperous Local Economy. The City Clerk provided the Committee with comments from the Comprehensive Master Plans that were related to Goal Two.

Chair Jacobs asked the Committee if there were any objectives to bring forward. He said one of things he saw had to do with taxes. He continued that in light of the recent presen-

tation from the Finance Director, he thought taxes were a result of factors such as the property evaluation and the budget. He continued as far as economic development was concerned, it seemed there were discussions going on in a lot of places regarding taxes. Chair Jacobs said he wanted the Committee to discuss taxes in regards to economic development.

Ms. Landry explained that the issue of taxes was discussed by the ad hoc Economic Development Committee and, in particular, whether or not the reduction of taxes should be an objective of the Economic Development Plan. She explained the Comprehensive Economic Development Committee (CEDC) concluded their meetings in December and their plan would be presented to City Council next month. Ms. Landry continued asking the Committee to look at the bullet on page two of the “Statements from Comprehensive Master Plan”, which stated, “High quality jobs that pay a living wage are viewed as imperative to Keene’s long term economic sustainability, expansion of tax base and lessening the tax burden on homeowners”. She explained the last piece “lessening the tax burden on homeowners” was stated by the CEDC because there were other factors affecting taxes. She explained the CEDC was trying to encourage development that would bring up the tax base and also focused on lessening the tax burden by providing more property on the tax rolls.

Chair Jacobs asked Ms. Landry about “lowering the tax burden on homeowners”. Ms. Landry said an interesting discussion that took place with the CEDC was that there were a few members that thought the focus of economic development should be to increase the tax base through development to lower the burden on the tax payer. Chair Jacobs said he would agree with that idea along with the exercise of making sure the City was not doing things wastefully. Ms. Landry said that was where the CEDC’s thinking landed as well.

The City Attorney said the bottom of the first page on “Statements from Comprehensive Master Plan” wrapped up what the CCG was discussing. The City Attorney read the following, “Balancing the tax base among industrial, commercial and residential uses builds resiliency within the community. A healthy mixture and balance of land uses provides economic stability, reduces sprawl and the inefficient use of land, and increases community resiliency”. He suggested an objective would be to achieve a balance in the tax base among industrial, commercial and residential uses.

Ms. Landry said she felt compelled to represent the City Manager and wanted to point out that one of the challenges of the municipality was that the residents pay a big burden because there was so much tax exempt property. She said that was part of the balancing act that was unique to the City of Keene. Councilor Hooper said the word “balance” had been discussed and he heard some of the goals as increasing the tax base in order to reduce the tax burden off residents. He asked if the City should have a goal to increase tax base rather than balancing the tax base. Chair Jacobs replied both suggestions were worth saying.

Ms. Landry said that it seemed increasing the tax base would be required to achieve a better balance. Chair Jacobs recommended that the Goals Committee should speak to

both balancing and increasing the tax base. The City Attorney said part of the discussion was determining an equitable division and balance of the tax base. He noted the tax base was comprised of industrial, commercial and residential properties, but what about the tax exempt entities. The City Attorney said somehow the tax base should reflect the existence of the non-tax paying entities.

Councilor O'Connor asked if PILOT (Payment in Lieu of Taxes) would be part of the equation. The City Attorney replied that it was because it directly assisted the City in providing the cost of services that would otherwise have to raise taxes through taxation from non-exempt entities. Councilor O'Connor asked what services would be considered. The City Attorney replied the services were fire, police, roads, emergency response, etc. The City Attorney said that a potential priority should be to try and sweep more of the tax exempt entities into a PILOT. He continued technically it was true that those entities did not fall within the tax base, but they did contribute to the tax burden.

Ms. Landry said there were reasons why tax exempt entities were tax exempt. She said in communities such as Swanzey, Marlborough, Nelson or Harrisville did not have the shelters, nonprofit organization or the educational institutions that Keene had to offer.

The City Attorney said from his perspective the objective should read tax burden rather than tax base. He continued tax burden was to reflect tax exempt properties because they were still burdening the rest of the tax base with the services that needed to be required. Chair Jacobs said the objective with Goal Two was to better balance by being more affordable to live and work in the City. The City Attorney said the objective was really directed toward the exempt properties and was saying these properties needed to step up and pay their fair share. He continued that way the City could do all of the other good things. Chair Jacobs said it also implied that the City should find more manufacturing and he did not want to single anyone out. He continued it was a way saying there was a need to look at a balance. The Committee agreed on the following: **Goal Two Objective One: Achieve an Equitable Balance in the Tax Burden among Industrial, Commercial, Residential and Tax Exempt Properties.**

Councilor Jones recalled that during the Saturday workshop, the City Council talked about broadband in their list of goals. He asked if this was the section to put something in regards to broadband. Chair Jacobs replied yes. Ms. Landry said her testimony to the House Legislation two weeks ago surrounded the issues of the economic development challenges and how broadband fit into economic development. Chair Jacobs said the Committee should expand on the statement of fixing the broadband problem. The City Clerk recalled the excerpt from the Southwest New Hampshire Broadband Plan that listed goals. She read the listed goals as: Goal One: Eliminate gaps in broadband availability for all users and provide choices in cost and quality of service. Goal Two: Provide and Maintain reliable, high-capacity broadband infrastructure and technology in all areas of the Region over time. Goal Three: Position broadband as a critical utility and a basic requirement for economic development, community vitality and sustained quality of life. Goal Four: Respect those features that define the Region's cultural and physical landscape while meeting the broadband infrastructure needs of the future.

Ms. Landry explained that from a high level, there would be a need of more competition for broadband services to become more competitive with other communities throughout New England that provided better broadband services. She said she did not want to put the City in a position of becoming a broadband provider as much as improving competition, and bring prices down.

Councilor Hooper asked if the City lost business due to the lack of broadband. Ms. Landry replied it was hard to determine, but referenced two examples to illustrate what happens when adequate broadband is not present. She continued Hannah Grimes paid to run fiber under streets, on telephone phone poles and around buildings in downtown Keene to make broadband happen. She continued there was another business in the Hannah Grimes building that was very successful and needed to move to another downtown space in order to expand their business. Ms. Landry said this business decided not to move because they could not get fiber for a reasonable price.

Councilor Hooper said it was evident there was a positive result when it was easier to have broadband available. He continued adequate broadband should be an objective. Chair Jacobs said he heard efforts to bring business to the City were severely hampered by not having enough broadband to make it viable. Ms. Landry said what made Keene unique was that Fast Roads was present in Keene. She continued Fast Roads deployed a fiber network, but it did not have enough tentacles. Ms. Landry said Keene already had an advantage with a 7 million dollar investment in broadband, whereas other communities would need to spend 7 million dollars for a broadband investment. She noted this was a huge advantage if Fast Roads could be kept alive. The Committee agreed on the following: **Goal Two, Objective Two: Coordinate and Collaborate with the Southwest Regional Planning Commission's implementation of their Broadband Plan.**

Councilor Hooper suggested a marketing and recruitment plan to promote the area as well as create more competition. He inquired whether a part-time position could be hired or an existing staff person assigned this responsibility. Ms. Landry replied there was no staff with that specific position. The City Clerk said at one time there was an Economic Coordinator position on City staff and that position was eliminated when the City started working with Keene Housing Authority on the Community Development Block Grant applications.

The City Attorney said it was a great idea, a strategy that coordinated with other entities such as the Chamber of Commerce. He asked Ms. Landry if the report from the CEDC included specific objectives or strategies with respect to achieving what it set out to do. Ms. Landry replied there were priorities and then there were specific recommendations. She continued the recommendations were a marketing and outreach plan, a business advocacy and response mechanism, and recruiting. Ms. Landry said there would be some recommendations that required human resources, but there was not a recommendation to have a person or assign a person to complete those tasks. The Committee agreed on the

following: **Goal Two, Objective Three: Implement the Priorities and Recommendations identified in the Economic Development Action Plan.**

Councilor Hooper discussed small businesses in regards to regulations in updating the fees. He asked how to streamline the regulation process for opening new businesses as well as an expansion of existing businesses. The City Clerk asked if those recommendations were in the Economic Development Action Plan. Ms. Landry replied yes. She continued an interesting fact was that 60% or more of the business in Keene had 4 or fewer employees. She said they received a lot of feedback from the people that said they were not trying to recruit new business but rather support the existing businesses.

The City Clerk asked Ms. Landry if there was any statement from the CMP that was not picked up in the Economic Development Action Plan. Ms. Landry replied they did not focus on diversity, food producers, and there was a brief mention of the arts and they talked generally about workforce development. She continued parking, streets and sidewalk were not included in the Economic Development Action Plan. She noted that would be an important discussion to know where the City Council stood in order to understand if that was a priority.

Chair Jacobs recalled one of the things that came out of the Saturday goal setting workshop was the development of the Eastside. The City Attorney said during the CIP discussion, asset management was discussed. He continued Black Brook would not have happened without the City creating a TIF District which then allowed investing in the infrastructure that was necessary for the Corporate Park to be successful. He continued it was important to recognize that part of establishing a competitive, prosperous local economy was having one built on an infrastructure that worked. The City Clerk said a great deal also depended on utilities. Ms. Landry said roads were also an important factor. Chair Jacobs said another key factor was having an attractive downtown area.

Ms. Landry said the Committee was talking about goals and her experience with the City Council were the priorities that were set by the budget and where the money was allocated. She said that the infrastructure always rose to top of the priorities list. The Committee agreed on the following: **Goal Two, Objective Four: Maintain and Enhance the Infrastructure Asset Base to Support a Prosperous Local Economy.**

Chair Jacobs said words discussed earlier in the meeting were diversity and he thought it should allude to economic diversity. The City Attorney suggested an objective should be a diversified economy that was another important thought. Chair Jacobs said the idea of diversity was that there could include other areas such as the arts. He noted this was discussed amongst Councilor's as a growth potential for the area. The City Clerk said the CMP had a statement about providing public art throughout the community. The City Attorney said the concept was having a diverse economic base. He noted that was one of things when the City received its audits and bond ratings that Keene did have some good diversity in respect to economic activities. The City Attorney explained the economic activities were the schools, manufacturing, industrial, retail and service industry.

The City Clerk asked if that was a role of the City Government. Chair Jacobs replied yes. The Committee agreed on the following: **Goal Two, Objective Five: Incentivize Diverse Economic Activity.**

Chair Jacobs said in March the Historical Society was having a Holi Festival. He explained those festivals such as this and the Fall Festival celebrated diversity and helped people feel like Keene was a wonderful place to live. He said the objective was to really become a place to live and work.

4) **Next Steps**

The Committee will discuss objectives for **Goal Five: Enhance Regional Collaboration** at the next meeting.

5) **Adjourn**

Hearing no further business, Chair Jacobs adjourned the meeting at 5:47 PM.

Respectfully submitted by,
Jennifer Clark, Minute Taker
January 28, 2016