



City of Keene
New Hampshire

**FINANCE, ORGANIZATION
AND PERSONNEL COMMITTEE
AGENDA
Council Chambers B
August 29, 2019
6:30 PM**

Mitchell H. Greenwald
Carl B. Jacobs
Terry M. Clark
Thomas F. Powers
Bettina A. Chadbourne

-
1. Acceptance of Grant - Vermont Yankee - Public Works Department
 2. Acceptance of Donation - Fire Department
 3. Acceptance of FY2019 Byrne Justice Assistance Grant (JAG) - Police Department
 4. Acceptance of Donation - Parks, Recreation and Facilities Department
 5. Discussion - Request to Purchase City Property - Adjacent to Bicycle/Pedestrian Path - 160 Emerald Street
 6. RFP 02-20-01 Aerial Flyover, Photogrammetry and Base Mapping - Planning Department
 7. Sponsorship Update - Parks, Recreation and Facilities Department
 8. Project Share - Parks, Recreation and Facilities Department
 9. Primex3 Contribution Assurance Program (CAP) - Property & Liability Program - Human Resources Department
 10. Primex3 Contribution Assurance Program (CAP) - Workers Compensation Program - Human Resources Department
 11. Relating to Fiscal Policies
Resolution R-2019-26
 12. Continued Discussion - Campaign Finance Ordinance

Non Public Session
Adjournment



City of Keene, N.H.
Transmittal Form

July 19, 2019

TO: Finance, Organization and Personnel Committee

FROM: Kurt D. Blomquist, PE, Public Works Director/Emergency Management Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 1.

SUBJECT: Acceptance of Grant - Vermont Yankee - Public Works Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept \$1,000 Vermont Yankee Emergency Planning funding allotment from the New Hampshire Department of Homeland Security and Emergency Management (NHSEM).

BACKGROUND:

When the Vermont Yankee (VY) nuclear plant was in operation, the City of Keene was part of the emergency response team for events that might have occurred. The owner of VY provided funding through the State of New Hampshire to communities who played a role in supporting responses to emergencies at the facility in Vernon, Vermont. The funding was provide to support the necessary training, materials and equipment to carry out the designated community role.

When VY closed, the State of New Hampshire negotiated with the owners for a planned reduction in funding. For the City of Keene, this represented payments of \$1,000 through FY20. These funds can be used by the City for emergency management expenses. This request represents the FY19 allocation. The intended use of the funds will be for emergency management training for staff, supplies, and equipment for the City's Emergency Operation Center (EOC).



City of Keene, N.H.
Transmittal Form

July 30, 2019

TO: Finance, Organization and Personnel Committee

FROM: Mark Howard, Fire Chief

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 2.

SUBJECT: Acceptance of Donation - Fire Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept a donation of \$1000.00.

BACKGROUND:

The Keene Fire Department has received a donation from Mr. Edward Bussieres for his appreciation of our services. A thank you letter has been sent to Mr. Bussieres for his donation.



City of Keene, N.H.
Transmittal Form

August 15, 2019

TO: Finance, Organization and Personnel Committee

FROM: Steve Stewart, Police Captain

THROUGH: Elizabeth A. Dragon, City Manager, Steve Russo, Police Chief

ITEM: 3.

SUBJECT: Acceptance of FY2019 Byrne Justice Assistance Grant (JAG) - Police Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to co-apply with the County of Cheshire, and to accept, the U.S. Department of Justice FY2019 JAG grant in the amount allocated to the City of \$6,427.

BACKGROUND:

The County of Cheshire is the fiscal agent and the City of Keene, a sub-recipient of the proposed grant for the period of 10/1/18 to 9/30/20. These funds would be for the continued deployment of smart phones in police cruisers (10) and within the Bureau of Criminal Investigations (2). By approving the recommendation, the City Council is approving the submission of the grant application and entering into a Memorandum of Understanding with the County for the allocation and use of the funds. The application is a public document and should be open to public comment for a period of at least 30 days from the date of approval and subject to a public hearing upon a sufficient number of requests.



City of Keene, N.H.
Transmittal Form

August 19, 2019

TO: Finance, Organization and Personnel Committee

FROM: Andy Bohannon, Parks, Recreation and Facilities Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 4.

SUBJECT: Acceptance of Donation - Parks, Recreation and Facilities Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept a donation of \$2,000.00 from C & S Wholesale Grocers, Inc. and \$2,500 from the Gallup Fund of the Goldman Sachs Philanthropy Fund and that the money is used for the Human Rights Committee collaboration with the Keene International Festival.

BACKGROUND:

In 2017, a team of educators and community organizers met to establish a Keene International Festival. The first event, held in 2018, drew in over 500 people from around southwest New Hampshire and beyond. The event was created to showcase and celebrate the rich cultural diversity of the Keene community through activities that engage and connect people to each other.

The Human Rights Committee has collaborated with the Keene International Festival to host the annual event at the Recreation Center on Saturday, September 21 from 11:00am to 2:00pm.

Activities include food trucks and vendors, workshops for African drumming and Bollywood dancing, games, arts and crafts, and performances.

C&S Wholesale Grocers, Inc. generously donated \$2,000.00 and the Gallup Fund of the Goldman Sachs Philanthropy Fund generously donated \$2,500 for the purpose of event logistics.

The event is free and open to the public.

Updates on the event can be found on Facebook or visit keeneinternationalfestival.org



City of Keene, N.H.
Transmittal Form

August 22, 2019

TO: Finance, Organization and Personnel Committee

FROM: Will Schoefmann, GIS Technician

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 6.

SUBJECT: RFP 02-20-01 Aerial Flyover, Photogrammetry and Base Mapping - Planning Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute a contract with the selected firm, Kucera International Inc. for their professional services; and should negotiations fail allow for negotiations with the next highest ranked firms in order.

ATTACHMENTS:

Description

selection summary

BACKGROUND:

RFP 02-20-01, the Aerial Flyover, Photogrammetry and Base Mapping Project is an interim update to GIS mapping data and aerial photography that was completed in 2015. The project is scheduled in the CIP for fiscal year 2020 and has a total budget of \$55,000 with imagery and Lidar capture scheduled for Spring of 2020.

This project will provide the City with updated imagery and Lidar citywide and include the Airport Parcel (Swanzy) and Babbidge Reservoir Parcel (Roxbury). Lidar collection will provide 3D surface data for the City to be modeling a 3D GIS. Limited ground feature identification (Planimetrics) will be part of the project but will include Buildings, Driveways, Edge of Pavement, Decks/Patios and Pools; Woods roads for the Babbidge Reservoir and Impervious surfaces for the Airport. This selection of Planimetrics will assist the Assessing Department in the Revaluation Project scheduled for FY 2021. Updates to core datasets including imagery and building features are an important resource to the City for first responders, utility maintenance and assessing purposes.

The RFP was issued on June 18, 2019 with an initial due date of July 18, 2019. An addendum for the specifications was released on July 9, 2019. Answers to questions that were received during the RFP period were answered via the City's "Purchasing Portal" website. Nine proposals were received by the due date and the RFP selection committee met July 24, 2019 for initial review of all proposals and a determination on the top three candidates. During that meeting Kucera International was found to be the only responsive bidder based on base bid and planimetric (ground feature identification) costs. Review records are available in the attached documents. Kucera International was one of three firms selected for interviews during the 2015 project.

Firm	Cost \$K	Score:	Dlus	WS	HM	Dlang
KUCERA International Inc.	48.5		86	98	92	99
WSP	73.3		77	93	X	X
Lidar America Inc.	61.7		67	75	X	X

WSP and Lidar America over available budget



City of Keene, N.H.
Transmittal Form

August 29, 2019

TO: Finance, Organization and Personnel Committee

FROM: Andy Bohannon, Parks, Recreation and Facilities Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 7.

SUBJECT: Sponsorship Update - Parks, Recreation and Facilities Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend the acceptance of the sponsorship update for Wheelock Park and the Recreation Center as informational.

BACKGROUND:

On April 7, 2016, the City Council voted to approve the sponsorship policy presented by the Parks, Recreation and Facilities Department. Through the adoption, the department secured a sponsorship agreement with ConvenientMD Urgent Care for banner placements within Wheelock Park and the Recreation Center, along with league sponsorship opportunities. The financial structure of the sponsorship was \$10,000.00 each year. This was a two-year agreement ending November 1, 2018, with options for additional 3 one-year terms.

The opportunity to renew a one-year agreement turned into a new agreement for \$12,000.00 each year for a five-year term ending on May 16, 2024.

Additional sponsorship opportunities are still in progress. To learn more about opportunities through the department, organizations should contact the department online or by phone.



City of Keene, N.H.
Transmittal Form

August 27, 2019

TO: Finance, Organization and Personnel Committee

FROM: Andy Bohannon, Parks, Recreation and Facilities Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 8.

SUBJECT: Project Share - Parks, Recreation and Facilities Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that Project Share submit an application for the Outside Community Agency funding process for the next fiscal year for continued operations at the Recreation Center located at 312 Washington Street at a free or reduced lease rate.

BACKGROUND:

In 1971, Hazel Thresher and Beverly Richmond asked for permission from the City Council to host a “Project Share” workshop in the basement of the Recreation Center. In a report to City Council on February 3, 1972, “As Xmas drew near, Share Workshop was turned into “Santa’s Workshop” as we volunteered our services to handle the NH Dept. of Welfare’s “Operation Santa Clause.” This included soliciting donations and gifts. The generous contributions we received made “Operation Santa Clause” a big success in 1971.” This written report from “Project Share Workshop” was accepted by the Council from the Committee Parks, Recreation & Library advising the Council on Project Shares first months activity.

The agreement to occupy the space was never documented in a form of a written agreement or Council permission. When the new Recreation Center was built in 1986, agreements were also not made at that time with the now named Project Share and the Monadnock Model Train Club who also occupied spaced. The model train club disbanded and the space was utilized by Project Share.

In late 2017, the Parks, Recreation and Facilities Department began conversations with the Keene Senior Center to explore the possibility of coexisting at the Recreation Center, and through a feasibility study created a plan for the building. As these discussions moved forward, it was discovered that Project Share did not have a written agreement with the City to occupy the space.

In 2019, a proposal from the City was made to Project Share to continue its operations in the basement of the Recreation Center. The proposal outlined items such as heat, electricity, trash removal, and indemnification insurance; all items are found in lease agreements with other tenants of the City of Keene. The space occupied by Project Share is roughly 1,983 square feet. The purpose of the proposal was to have an agreement structured like other lease agreements that the City manages.

It is recommended that if Project Share wants to continue to operate at the Recreation Center that they submit an application for Outside Agency Community funding through the budget process. This action will provide equality to all the other nonprofit agencies that the City supports. Until this time, the City will remain with the

current status of the former arrangement given that it has the proper insurance, which was provided to the City in June of 2019, with an expiration date of April 5, 2020.

The future direction of Project Share within the Recreation Center will be determined by the City Council during its budget process.



City of Keene, N.H.
Transmittal Form

August 26, 2019

TO: Finance, Organization and Personnel Committee

FROM: Elizabeth Fox, ACM/Human Resources Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 9.

SUBJECT: Primex3 Contribution Assurance Program (CAP) - Property & Liability Program - Human Resources Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend the City Manager be authorized to do all things necessary to enter into and execute an agreement extending participation with Primex³ in a multi-year Contribution Assurance Program (CAP) through FY23 that has provided predictable contributions and stable property and liability insurance coverage.

BACKGROUND:

The City of Keene has been a participant in Primex³ (NH Public Risk Management Exchange) obtaining property and liability insurance and benefiting from premium savings generated by its risk management programs for approximately fourteen years. Through Primex³ the City gains access to high-quality risk management resources and training programs critical to supporting risk reduction efforts necessary to stabilize premiums. In recent year's favorable claim's trends have actually resulted in lower annual property and liability contributions. Property and liability contributions declined 3.7% and 5.8% for FY19 and FY20 respectively. By electing to extend a commitment to the CAP program, Primex³ maintains a commitment to limit premium increases to no more than 5% annually, in the event that claims experience is less favorable. This commitment to the pool provides premium protection if claims performance warrants a larger adjustment as was the case in FY15 when program participation provided premium savings in excess of \$20,000. While recent loss experience has trended favorably, in a marketplace that has not always provided coverage options for municipalities, membership in this stable management pool has provides the City with much needed property and liability coverage as well as risk management resources.



City of Keene, N.H.
Transmittal Form

August 26, 2019

TO: Finance, Organization and Personnel Committee

FROM: Elizabeth Fox, ACM/Human Resources Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 10.

SUBJECT: Primex3 Contribution Assurance Program (CAP) - Workers Compensation Program - Human Resources Department

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend the City Manager be authorized to do all things necessary to enter into and execute an agreement extending participation with Primex³ in a multi-year Contribution Assurance Program (CAP) through calendar year 2022 providing for mitigation in the event of adverse experience, and assurance of predictable contributions for future workers' compensation insurance.

BACKGROUND:

The City of Keene has been a participant in Primex³ (NH Public Risk Management Exchange) securing worker's compensation insurance and benefiting from risk management programs since 1979. The City enrolled in CAP for this line of coverage in 2012 and this program has provided contribution predictability.

Primex³ services support loss prevention, activities of the City's Joint Loss Management Committee, trainings advancing employee safety. It provides the organization with tools and expertise to manage claims and proactively identify and address loss trends producing benefits for the City. While the City's loss ratio remains favorable at .87%, several serious workplace injuries have produced higher claims causing this ratio to rise. The City has benefited from protection provided by the CAP program mitigating contribution increases during the past 2 calendar years. With a proactive safety effort and an active Joint Loss Management Committee, frequency of claims has remained stable over time and the majority workplace injuries documented do not require medical treatment. Continued CAP participation provides the City with protection from a higher contribution increases when future period claims performance may warrant an adjustment exceeding 6%, as they did in CY18 and CY19, and continues the benefits of predictability and rate stability through 2022.



City of Keene, N.H.
Transmittal Form

July 30, 2019

TO: Mayor and Keene City Council

FROM: Merri Howe, Finance Director

THROUGH: Elizabeth A. Dragon, City Manager

ITEM: 11.

SUBJECT: Relating to Fiscal Policies

COUNCIL ACTION:

In City Council August 1, 2019.

Referred to the Finance, Organization and Personnel Committee.

RECOMMENDATION:

That resolution R-2019-26 relating to fiscal policies be introduced and read at the August 1, 2019 meeting of the City Council and be referred to the Finance, Organization, and Personnel Committee (FOP) for consideration, discussion, and a recommendation back to City Council.

ATTACHMENTS:

Description

Resolution R-2019-26_redlined

Resolution R-2019-26

BACKGROUND:

Fiscal policies serve as a tool to address questions and provide guidance for fiscal management and decision making. Each year the policy is reviewed and amendments proposed. This year the proposed amendments focus on the topics of the budget, CIP, bonded debt and other funding sources, and stabilization funds, with updates to terms and references to current conditions.

The Fiscal Policy Workshop was held on July 30, 2019 where an in-depth presentation of the proposed amendments was made to the City Council.

Nineteen

Relating to FISCAL POLICIES

WHEREAS: the National Advisory Council on State and Local Budgeting (NACSLB) has developed a comprehensive set of recommended practices on budgeting; and

WHEREAS: one key component of those recommended practices calls for the adoption of fiscal policies by the local legislative body to help frame resource allocation decisions; and

WHEREAS: the Government Finance Officers' Association (GFOA) has endorsed the recommended practice developed by the NACSLB; and

WHEREAS: it is the intent of the City Council, by this resolution, to articulate this financial blueprint as clearly and completely as possible.

NOW, THEREFORE, BE IT RESOLVED that the fiscal policy should be reviewed and adopted by the City Council on an annual basis in the month of July, and

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Keene that its fiscal policies are as follows:

PART 1 – Budgetary Policies

I. Budget

- A. The City shall annually adopt and appropriate budgets for the following funds
 - 1) General Fund
 - 2) Parking Fund
 - 3) PC Replacement Fund
 - 4) Solid Waste Fund
 - 5) Sewer Fund
 - 6) Water Fund
 - 7) Equipment Fund
- B. All appropriated budgets shall be balanced.
- C. All appropriations for annual operating budgets (exclusive of capital projects) shall lapse at fiscal year-end unless encumbered by a City of Keene purchase order that is recorded in the financial system on or before June 30th of any year, or as authorized by the City Manager in writing, on a case-by-case basis. Those encumbrances shall be reported to the City Council in an informational memorandum by the first week of September each year.
- D. The budget document shall provide multi-year projections of revenues and expenditures/expenses including property taxes and utility (water and sewer) rates.
- E. The budget will take into consideration the City's Policies on unassigned Fund Balance **projected** at the end of June.

- F. The City of Keene will contain its General Fund debt service ~~and current revenue capital outlay appropriations~~, on a five (5) year average, at or less than ~~fifteen~~ **twelve** percent (~~15-12~~%) of the General Fund operating budget.
- G. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.
- H. Property Taxes.
 - 1) The City shall limit its property tax revenue increases to a rolling three (3) year average of the **Boston-Cambridge-Newton, (MA-NH) CPI** ~~Boston-CPI, (as of June 30th)~~ net of expenditures required by law, and debt service payments **and capital leases**. The City chooses to utilize the CPI, not because it reflects inflation in the City's costs, but because it reflects the overall inflation in what citizens purchase. This manages City spending such that increases in a citizen's tax bill are in line with increases in all of their other expenses. The goal is to have the cost of City services as a percentage of a taxpayer's total expenses remain constant.
 - 2) Property Tax Credits and Exemptions.
All exemptions and credits will be reviewed with the City **Council at least every five (5) years in conjunction with the City revaluation** ~~every three (3) years~~ unless there are legislative changes that cause a review to occur on a more frequent basis.
 - 3) The State has chosen to solve its revenue problem by downshifting expenses to the local communities and tapping into the broad based property tax at the local level. Downshifting is an effective strategy for the State; however, it is unsustainable at the local level and would quickly lead to a significant reduction in City services. The City is sensitive to these added expenses to the taxpayers and will attempt to limit the impact; however, as a State expense, the City will pass through the State downshifting to the taxpayers.

II. Capital Improvement Program

- A. The City of Keene shall prepare a capital improvement program (CIP) with a span of **seven (7)** ~~six (6)~~ years.
- B. The CIP shall be **updated prepared biannually** ~~annually~~ **with a review each year during the operating budget cycle.**
- C. All capital projects or equipment purchases that have an estimated cost of at least **\$25,000** ~~20,000~~ and an estimated useful life of at least five years will be included in the capital improvement program (CIP) planning process. These projects may include capital asset preservation projects (designed to preserve the functionality and condition of major infrastructure systems and City facilities) with an estimated cost of at least **\$25,000** ~~20,000~~ and which **increases** the useful life of the asset by at least five years.
- D. The CIP shall contain revenue projections and rate impacts that support estimated operating costs as well as the proposed capital program. Expenditures included in each year of the CIP (operations, debt service and capital) will be equal to estimated revenue available to finance proposed activity in each year of the CIP. Cost and revenue estimates in projected years will be presented for planning purposes, and are based upon the then current best available information.

- E. **City departments will prepare project funding-requests for capital projects as instructed by the City Manager.**
~~*Each project funding request shall originate from a City department and shall include the following information (as applicable):*~~
- ~~1) — A description of the project.~~
 - ~~2) — A cost estimate and funding profile.~~
 - ~~3) — A project time line.~~
 - ~~4) — An estimate of the operating budget impact.~~
 - ~~5) — A reference to alignment with City Council Goals.~~
 - ~~6) — A reference to alignment with the Comprehensive Master Plan (Focus Area).~~
- F. CIP Funding Methodology
- 1) Whenever possible, CIP projects will be funded with available resources, examples of which are current revenues, grants, donations, and reserves, but not debt.
 - 2) Appropriate uses of debt include projects such as:
 - a) One-time nonrecurring investments (e.g. the construction of a new asset, or the expansion or adaptation of an existing asset) to provide added service delivery capacity or to meet changing community needs.
 - b) Projects necessary due to regulatory requirements (e.g. water treatment plant expansion due to EPA permit changes) when resources other than debt are not available.
 - c) Projects necessary due to asset or system operational failure or obsolescence when resources other than debt are not available.
- G. The CIP shall be reviewed by the Finance, Organization and Personnel Committee and the Planning Board.
- H. The CIP will be the subject of a public hearing before adoption.
- I. The funding requests in the first year of the adopted CIP will be included in the next annual budget document. **The City Manager after review will include the second year funding request in the subsequent budget document.**
- J. Upon project completion, any residual funds shall be returned to the fund that provided the original appropriation unless otherwise directed by the City Council.

PART 2 - Financial Policies

- I. Fund Structure
 - A. All funds are intended to be self-supporting, with no subsidies from one fund to another required for operations or capital outlay.
 - B. The City will continue to conduct its financial activities through the use of the following funds:
 - 1) Governmental Funds.
 - a) General Fund – shall be used to account for those governmental activities that are not recorded in one of the other City Funds.
 - b) Special Revenue Funds.

- i. Grants Fund – shall be used for those activities that are funded in part or in whole by contributions from other entities.
 - ii. Parking Fund – shall be used to account for the operations, maintenance and capital outlay needs of the municipal parking areas.
 - iii. PC Replacement Fund – shall be used to account for the on-going replacement of PC’s, certain peripherals, and desk top software utilized by all City departments.
 - iv. Solid Waste Fund – shall be used to account for the activities of the transfer and recycling operations and for post-closure costs associated with the landfill.
 - c) Capital Projects Fund – shall be used to account for the capital projects funded by any of the governmental funds.
- 2) Proprietary Funds.
 - a) Enterprise Funds.
 - i. Sewer Fund – shall be used to account for the operations, maintenance, and capital outlay needs of the sewer collection and treatment systems.
 - ii. Water Fund – shall be used to account for the operations, maintenance, and capital outlay needs of the water treatment and distribution systems.
- 3) Internal Service Funds.
 - a) Equipment Fund – shall be used to account for the operations, maintenance, and capital outlay needs of fleet services.

II. Revenues

- A. One-Time Revenues.
One-time revenues will only be applied toward one-time expenditures; they will not be used to finance on-going programs or services. On-going revenues should be equal to, or greater than, on-going expenditures.
- B. Diversity.
The City will diversify its revenues by maximizing the use of non- property tax revenues such as payments in lieu of taxes, and user fees and charges.
- C. Designation of Revenues.
 - 1) Each year, the City shall designate and set aside \$25,000 for conservation purposes, funded through the allocation of the Land Use Change Tax (LUCT). If the prior years’ LUCT revenues are less than \$25,000, the General Fund will provide the difference from general revenues to ensure an annual contribution of \$25,000. Additionally, in the years when the LUCT revenues exceed \$25,000, fifty percent (50%) of the amount over \$25,000 will be designated for conservation purposes, with the total annual designation not to exceed \$100,000. Expenditure of funds to be made upon approval of the City Council. Balance of said sum not to exceed \$500,000.
 - 2) Direct reimbursements from other entities shall be used to offset the appropriate City expense.

- 3) Except for the provisions stated above, or as provided otherwise by Federal, State law, or by local Code of Ordinances, no unanticipated revenues shall be designated for a specific purpose(s) unless directed by the City Council.

III. Fees and Charges

- A. Certain services provided by the City of Keene will be assigned a fee or charge for the users of the service, dependent upon how the community benefits from the provision of those services.
 - 1) In the case of general governmental services (such as fire protection, law enforcement, or general street maintenance) there will be no user fee or charge assessed.
 - 2) In the event that the service benefits a finite and definable sector of the community then that group will be assessed a fee or charge for provision of the service.
- B. Cost Recovery Standard for Fees and Charges.

Cost recovery should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and **when permitted** organization-wide support costs (e.g. accounting, human resources, data processing, insurance, vehicle maintenance, and regulatory and enforcement costs).
- C. Exceptions to Cost Recovery Standard for Fees and Charges:
 - 1) Fees and Charges may be set at something less than full cost recovery when:
 - a) A high level of cost recovery will negatively impact the delivery of service to low-income groups.
 - b) Collecting the fees and charges is not cost effective.
 - c) There is no intended relationship between the amount paid and the benefit received (e.g. social service programs).
 - d) There is no intent to limit the use of the service (e.g. access to parks and playgrounds).
 - e) Collecting the fees would discourage compliance with regulatory requirements and adherence to said requirements is self-identified, and as such, failure to comply would not be readily detected by the City of Keene.
 - 2) Fees and Charges will be set at, or above, full cost recovery when:
 - a) The service is also provided, or could be provided, by the private sector.
 - b) The use of the service is discouraged (e.g. fire or police responses to false alarms).
 - c) The service is regulatory in nature and voluntary compliance is not expected (e.g. building permits, plans review, subdivisions).
 - d) When the fee or charge for the use of City property or resources is incurred by a commercial entity.
 - 3) Ambulance:
 - a) Service fees shall be set at two hundred fifty percent (250%) above the Medicare-determined usual and customary charge.

- b) A fee will be implemented for those instances when responses that involve the use of drugs or specialized services are provided but there is no transport.
- c) There will be no charge for responses determined by the Fire Department to be “public assists.”
- D. The method of assessing and collecting fees should be made as simple as possible in order to reduce the administrative and support costs of collection.
- E. The City will periodically utilize the services of a collection agency when all other reasonable efforts to collect fees and fines have been exhausted; fees for such services to be paid from amounts collected.
- F. Rate structures should be sensitive to the market price for comparable services in the private sector or other public sector entities.
- G. ~~All~~ Fees and charges shall be adopted by the City Council **when required**.
- H. Fees and charges shall be reviewed in accordance with a schedule developed by the City Manager that has each fee reviewed biannually. Recommended changes will be reviewed and approved by the City Council **when required**.

IV. Bonded Debt

- A. The City of Keene will periodically incur debt to finance capital projects. All issuances of debt are subject to State of New Hampshire Statutes, RSA 34 and 162-K.
- B. Debt may be issued to fund projects with a public purpose of a lasting nature or as otherwise allowed by State law.
- C. Debt will not be issued to provide for the payment of expenses for current maintenance and operation except as otherwise provided by law.
- D. The City of Keene shall not incur debt that exceeds any limits set by State law.
- E. All bonds shall be authorized by resolution of the City Council and require a two-thirds (2/3) vote. ~~The City of Keene may use the services of a financial advisor to assist in preparing for, and executing, any sale of bonds. Said services shall be obtained as the result of a Request for Proposals (RFP) process, which shall be conducted at a minimum of every five (5) years.~~
- F. ~~The City of Keene shall acquire the required services of bond counsel as the result of a Request for Proposals (RFP) process, which shall be conducted at a minimum of every five (5) years.~~
The City of Keene may use the services of bond counsel and a financial advisor, if required, to assist in preparing for and executing the sale of bonds.
- G. ~~Form.~~ The City of Keene issues ~~three types of~~ bonds **including but not limited to:**
 - 1) General Obligation Bonds – repayment is backed by the full taxing power of the City of Keene.
 - 2) Tax Increment Financing Bonds – repayment is first backed by the revenue stream generated by increased revenues created within an established Tax Increment Financing District. To the extent that the increased revenues created within the district are not adequate, the repayment of the bonds would then be backed by the full taxing power of

the City of Keene.

- 3) Refunding Bonds – these bonds are issued to refinance outstanding bonds before their term in order to either remove restrictions on the original bonds and/or to take advantage of lower interest rates. Repayment is backed by the full taxing power of the City of Keene.

H. Competitive sale is the preferred method of sale; however, negotiated sales may occur for a current or advance refunding, or for other appropriate reasons.

I. Term.

- 1) Debt will be incurred only for projects with a useful life of at least ~~five~~ **seven** (~~5-7~~) years.
- 2) The term of any debt incurred by the City shall be limited to no greater than the expected useful life of the improvement.

V. Other Sources

A. To the extent they are available, the City of Keene will consider on a case-by-case basis, the use of other financing mechanisms including but not limited to:

- 1) Capital leases.
- 2) State programs (e.g. State Revolving Fund Loan programs).

~~B. The use of short term financing, leases, or lease purchase agreements shall be kept to a minimum.~~

B. To the extent they are available, the City of Keene will actively pursue **other funding sources including but not limited to:**

- 1) Grants that reduce the City's initial investment in project/improvement.
- 2) Grants that contribute to the on-going debt service for city project(s).
- 3) Other financing tools such as tax credits that leverage the City's initial investment in a project.
- 4) **Public-private partnerships.**
- 5) **Unanticipated revenues. These sources will be evaluated for placement and designated as committed fund balance for advancing budgetary policies related to bonded debt, capital outlay or property taxes.**

VI. Capital Assets

A. Capitalization of equipment, buildings, land and improvements other than buildings (if one or more of the following criteria are met):

- 1) Cost (if known) or fair market value is greater than or equal to \$5,000 and useful life is greater than one (1) year for new or replacement items.
- 2) In the case of modifications and upgrades, cost is greater than or equal to \$5,000 for equipment, and \$10,000 for buildings and other improvements and the changes accomplish one or more of the following:
 - a) Prolongs the useful life of the asset
 - b) Adapts the asset to a new or different use
 - c) Substantially increases the value of the asset
 - d) Does not substantially replace a current asset
- 3) All land acquisitions will be capitalized at cost (if known) or fair market value.

- 4) The total cost of placing an asset into service condition will be capitalized.
- B. Capitalization of Infrastructure.
- 1) Cost greater than or equal to \$10,000, and useful life greater than five (5) years.
 - 2) The depreciation approach will be utilized for the reporting of all infrastructure.
- C. Depreciation.
- Straight-line depreciation will be used to depreciate all depreciable capital assets over the estimated useful life of each asset, as determined by industry standards.
- D. Asset Classification.
- Assets will be recorded within broad asset groups (e.g. land, buildings, etc.).
- E. Budgeting.
- The budgeting of capital assets will be in a manner that will facilitate the identification and recording of the asset in accordance with this policy.
- F. The City may develop, implement, and refine capital asset management programs (defined as an integrated business approach involving planning, engineering, finance, facilities management, utilities, technology and operations to effectively manage existing and new facilities and infrastructure to maximize benefits, manage cost, reduce risk, and provide satisfactory levels of service to community users in a socially, environmentally, and economically sustainable manner). The capital asset management plans should contain at least the following elements:
- 1) Periodic inventories and assessment of the physical condition of City capital assets and infrastructure.
 - 2) Establishment of condition and functional standards for various types of asset.
 - 3) Criteria to evaluate infrastructure and facility assets and set priorities.
 - 4) Financing policies to maintain a condition assessment system(s) and promote sufficient funding for capital asset preservation, repair, and maintenance.
 - 5) Monitoring and development of periodic plain language status reports on the various components of the City's capital assets and infrastructure.

VII. Fund Balance Classification Policies and Procedures

A. Fund Balance.

Fund balance represents the difference between current assets and liabilities and shall be comprised of non-spendable, restricted, committed, assigned, and unassigned amounts defined as follows:

- 1) Non-spendable fund balance - includes amounts that are not in spendable form such as inventory or prepaid expenses or are required to be maintained intact such as perpetual care or the principal of an endowment fund.
- 2) Restricted fund balance - includes amounts that can only be spent for

specific purposes stipulated by external resource providers such as grantors or, as in the case of special revenue funds, as established through enabling legislation.

- 3) Committed fund balance - includes amounts that can be reported and expended as a result of motions passed by the highest decision making authority - the City Council.
- 4) Assigned fund balance - includes amounts to be used for specific purposes including encumbrances and authorized carry forwards or fund balance to be used in the subsequent fiscal year.
- 5) Unassigned fund balance - includes amounts that are not obligated or specifically designated, and is available in future periods.

B. Spending Prioritization.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

C. Net Assets.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations, or other governments. All other net assets are reported as unrestricted.

VIII. Stabilization Funds

A. Unassigned Fund Balance.

That portion of available funds within each fund that can be used to offset emergency expenditures, a downturn in collection of significant revenues, or other unforeseen events.

- 1) Unassigned fund balance for the General Fund will be maintained at between seven percent (7%) and ten percent (10%) of the sum of the total of the General Fund annual operating budget and the property tax commitment for the school (both local and State) and the county.
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B. Self-Funded Health Insurance.

The City shall retain funds for its self-funded health insurance program. The intended purposes for these funds are to provide a measure to smooth rate fluctuations, to accommodate an unforeseen increase in claims, and to provide financial protection from run-out costs in the event the City moves toward a fully insured plan. The amount retained shall not exceed three (3) months of estimated claim costs.

C. Capital Reserves.

The City utilizes capital reserves, classified as committed funds, ~~are reserves~~ established under State of New Hampshire law, and invested by

the Trustees of Trust Funds, for several purposes that include the construction, reconstruction, or acquisition of a specific capital improvement, or the acquisition of a specific item or of specific items of equipment, or other purposes identified in NH RSA 34, relating to Capital Reserve Funds for Cities.

- ~~1) — The City of Keene has established the following capital reserves:~~
 - ~~a) — Fire Equipment Capital Reserve — for the acquisition or significant rehabilitation of fire apparatus.~~
 - ~~b) — Ambulance Capital Reserve — for the acquisition or significant rehabilitation of ambulances~~
 - ~~c) — Intersection Improvements Capital Reserve — for the rehabilitation or reconstruction of existing intersections.~~
 - ~~d) — Hazardous Waste Site Capital Reserve — for the clean-up, mitigation and testing associated with the Old City Landfill located at 580 Main Street.~~
 - ~~e) — Transfer/Recycling Center Capital Reserve — for the repair and replacement of existing infrastructure, systems, and equipment.~~
 - ~~f) — City Hall Parking Deck Capital Reserve — for the repair and replacement of existing infrastructure, systems and equipment.~~
 - ~~g) — Wells Street Parking Facility Capital Reserve — for the repair and replacement of existing infrastructure, systems, and equipment.~~
 - ~~h) — Landfill Closure Capital Reserve — for the closure and post-closure costs associated with the City Landfill located at Route 12 North.~~
 - ~~i) — Wastewater Treatment Plant Capital Reserve — for the repair and replacement of major components of plant, including equipment and building.~~
 - ~~j) — Martel Court Pumping Station Capital Reserve — for the repair and replacement of major components of station, including equipment building.~~
 - ~~k) — Sewer Infrastructure Capital Reserve — for the repair and replacement of existing infrastructure, systems and equipment including pump stations and the collection system.~~
 - ~~l) — Water Treatment Facility Capital Reserve — for the repair and replacement of major components of facility including pumps, controls, chemical systems, etc., and building components.~~
 - ~~m) — Water Infrastructure Capital Reserve — for the repair and replacement of major components of existing infrastructure, systems and equipment including wells, lift stations, tanks, etc., and the distribution system.~~
 - ~~n) — Fleet Equipment Capital Reserve — for the replacement of vehicles and equipment under the management of Fleet Services.~~
 - ~~o) — Bridge Capital Reserve — for the construction, reconstruction, and rehabilitation of bridges.~~
 - ~~p) — Downtown Infrastructure and Facility Improvement Capital Reserve — for infrastructure and facility improvements in the~~

~~downtown.~~

~~g) — Transportation Improvements Capital Reserve — to fund, wholly or in part, improvements in the transportation system including roads, bridges, bicycle and pedestrian facilities, and intermodal facilities, except for parking.~~

D. Expendable Trust Funds.

The City Council may create and fund through annual operating budget appropriations, various expendable trust funds as it deems necessary for the maintenance and operation of the City; and any other public purpose that is not foreign to the City's institution or incompatible with the objects of its organization. The trust funds will be administered by the Trustees of the Trust Funds.

E. Revolving Funds.

The City Council may authorize the establishment and use of revolving funds as it deems necessary. The purpose of the funds and source of revenues will be determined at the time of creation. Monies in the revolving fund shall be allowed to accumulate from year to year, and shall not be considered a part of the City's general surplus.

IX. Deposits of Excess Funds in Custody of City Treasurer

A. Objectives (in priority order):

- 1) Safety – the safety of principal is the foremost objective.
- 2) Liquidity – investments shall remain sufficiently liquid to meet the operational cash needs of the City of Keene.
- 3) Yield – taking into account the priority objectives of safety of principal and liquidity, a market rate of return.

B. Authorized Investments:

- 1) US Treasury obligations.
- 2) US government agency and instrumentality obligations.
- 3) Repurchase agreements with New Hampshire Banks acting as principal or agent, collateralized by US Treasury/Agency obligations.
- 4) Certificates of Deposits in New Hampshire Banks (collateralized).
- 5) New Hampshire Public Deposit Investment Pool.
- 6) **Certificate of Deposit Account Registry Service (CDARS).**

Kendall W. Lane, Mayor



CITY OF KEENE

R-2019-26

In the Year of Our Lord Two Thousand and Nineteen

A RESOLUTION Relating to FISCAL POLICIES

Resolved by the City Council of the City of Keene, as follows:

WHEREAS: the National Advisory Council on State and Local Budgeting (NACSLB) has developed a comprehensive set of recommended practices on budgeting; and

WHEREAS: one key component of those recommended practices calls for the adoption of fiscal policies by the local legislative body to help frame resource allocation decisions; and

WHEREAS: the Government Finance Officers' Association (GFOA) has endorsed the recommended practice developed by the NACSLB; and

WHEREAS: it is the intent of the City Council, by this resolution, to articulate this financial blueprint as clearly and completely as possible.

NOW, THEREFORE, BE IT RESOLVED that the fiscal policy should be reviewed and adopted by the City Council on an annual basis in the month of July, and

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Keene that its fiscal policies are as follows:

PART 1 – Budgetary Policies

I. Budget

- A. The City shall annually adopt and appropriate budgets for the following funds
 - 1) General Fund
 - 2) Parking Fund
 - 3) PC Replacement Fund
 - 4) Solid Waste Fund
 - 5) Sewer Fund
 - 6) Water Fund
 - 7) Equipment Fund
- B. All appropriated budgets shall be balanced.
- C. All appropriations for annual operating budgets (exclusive of capital projects) shall lapse at fiscal year-end unless encumbered by a City of Keene purchase order that is recorded in the financial system on or before June 30th of any year, or as authorized by the City Manager in writing, on a case-by-case basis. Those encumbrances shall be reported to the City Council in an informational memorandum by the first week of September each year.
- D. The budget document shall provide multi-year projections of revenues and expenditures/expenses including property taxes and utility (water and sewer) rates.
- E. The budget will take into consideration the City's Policies on unassigned

Fund Balance projected at the end of June.

- F. The City of Keene will contain its General Fund debt service, on a five (5) year average, at or less than twelve percent (12%) of the General Fund operating budget.
- G. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.
- H. Property Taxes.
 - 1) The City shall limit its property tax revenue increases to a rolling three (3) year average of the Boston-Cambridge-Newton, (MA-NH) CPI net of expenditures required by law, and debt service payments and capital leases. The City chooses to utilize the CPI, not because it reflects inflation in the City's costs, but because it reflects the overall inflation in what citizens purchase. This manages City spending such that increases in a citizen's tax bill are in line with increases in all of their other expenses. The goal is to have the cost of City services as a percentage of a taxpayer's total expenses remain constant.
 - 2) Property Tax Credits and Exemptions.

All exemptions and credits will be reviewed with the City Council at least every five (5) years in conjunction with the City revaluation unless there are legislative changes that cause a review to occur on a more frequent basis.
 - 3) The State has chosen to solve its revenue problem by downshifting expenses to the local communities and tapping into the broad based property tax at the local level. Downshifting is an effective strategy for the State; however, it is unsustainable at the local level and would quickly lead to a significant reduction in City services. The City is sensitive to these added expenses to the taxpayers and will attempt to limit the impact; however, as a State expense, the City will pass through the State downshifting to the taxpayers.

II. Capital Improvement Program

- A. The City of Keene shall prepare a capital improvement program (CIP) with a span of seven (7) years.
- B. The CIP shall be prepared biannually with a review each year during the operating budget cycle.
- C. All capital projects or equipment purchases that have an estimated cost of at least \$25,000 and an estimated useful life of at least five years will be included in the capital improvement program (CIP) planning process. These projects may include capital asset preservation projects (designed to preserve the functionality and condition of major infrastructure systems and City facilities) with an estimated cost of at least \$25,000 and which increases the useful life of the asset by at least five years.
- D. The CIP shall contain revenue projections and rate impacts that support estimated operating costs as well as the proposed capital program. Expenditures included in each year of the CIP (operations, debt service and capital) will be equal to estimated revenue available to finance proposed activity in each year of the CIP. Cost and revenue estimates in projected years will be presented for planning purposes, and are based upon the then current best available information.

- E. City departments will prepare project funding-requests for capital projects as instructed by the City Manager.
- F. CIP Funding Methodology
 - 1) Whenever possible, CIP projects will be funded with available resources, examples of which are current revenues, grants, donations, and reserves, but not debt.
 - 2) Appropriate uses of debt include projects such as:
 - a) One-time nonrecurring investments (e.g. the construction of a new asset, or the expansion or adaptation of an existing asset) to provide added service delivery capacity or to meet changing community needs.
 - b) Projects necessary due to regulatory requirements (e.g. water treatment plant expansion due to EPA permit changes) when resources other than debt are not available.
 - c) Projects necessary due to asset or system operational failure or obsolescence when resources other than debt are not available.
- G. The CIP shall be reviewed by the Finance, Organization and Personnel Committee and the Planning Board.
- H. The CIP will be the subject of a public hearing before adoption.
- I. The funding requests in the first year of the adopted CIP will be included in the next annual budget document. The City Manager after review will include the second year funding request in the subsequent budget document.
- J. Upon project completion, any residual funds shall be returned to the fund that provided the original appropriation unless otherwise directed by the City Council.

PART 2 - Financial Policies

I. Fund Structure

- A. All funds are intended to be self-supporting, with no subsidies from one fund to another required for operations or capital outlay.
- B. The City will continue to conduct its financial activities through the use of the following funds:
 - 1) Governmental Funds.
 - a) General Fund – shall be used to account for those governmental activities that are not recorded in one of the other City Funds.
 - b) Special Revenue Funds.
 - i. Grants Fund – shall be used for those activities that are funded in part or in whole by contributions from other entities.
 - ii. Parking Fund – shall be used to account for the operations, maintenance and capital outlay needs of the municipal parking areas.
 - iii. PC Replacement Fund – shall be used to account for the on-going replacement of PC's, certain peripherals, and desk top software utilized by all City departments.
 - iv. Solid Waste Fund – shall be used to account for the

activities of the transfer and recycling operations and for post-closure costs associated with the landfill.

c) Capital Projects Fund – shall be used to account for the capital projects funded by any of the governmental funds.

2) Proprietary Funds.

a) Enterprise Funds.

i. Sewer Fund – shall be used to account for the operations, maintenance, and capital outlay needs of the sewer collection and treatment systems.

ii. Water Fund – shall be used to account for the operations, maintenance, and capital outlay needs of the water treatment and distribution systems.

3) Internal Service Funds.

a) Equipment Fund - shall be used to account for the operations, maintenance, and capital outlay needs of fleet services.

II. Revenues

A. One-Time Revenues.

One-time revenues will only be applied toward one-time expenditures; they will not be used to finance on-going programs or services. On-going revenues should be equal to, or greater than, on-going expenditures.

B. Diversity.

The City will diversify its revenues by maximizing the use of non- property tax revenues such as payments in lieu of taxes, and user fees and charges.

C. Designation of Revenues.

- 1) Each year, the City shall designate and set aside \$25,000 for conservation purposes, funded through the allocation of the Land Use Change Tax (LUCT). If the prior years' LUCT revenues are less than \$25,000, the General Fund will provide the difference from general revenues to ensure an annual contribution of \$25,000. Additionally, in the years when the LUCT revenues exceed \$25,000, fifty percent (50%) of the amount over \$25,000 will be designated for conservation purposes, with the total annual designation not to exceed \$100,000. Expenditure of funds to be made upon approval of the City Council. Balance of said sum not to exceed \$500,000.
- 2) Direct reimbursements from other entities shall be used to offset the appropriate City expense.
- 3) Except for the provisions stated above, or as provided otherwise by Federal, State law, or by local Code of Ordinances, no unanticipated revenues shall be designated for a specific purpose(s) unless directed by the City Council.

III. Fees and Charges

A. Certain services provided by the City of Keene will be assigned a fee or charge for the users of the service, dependent upon how the community benefits from the provision of those services.

- 1) In the case of general governmental services (such as fire protection, law enforcement, or general street maintenance) there will be no user fee or

charge assessed.

- 2) In the event that the service benefits a finite and definable sector of the community then that group will be assessed a fee or charge for provision of the service.

B. Cost Recovery Standard for Fees and Charges.

Cost recovery should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and when permitted organization-wide support costs (e.g. accounting, human resources, data processing, insurance, vehicle maintenance, and regulatory and enforcement costs).

C. Exceptions to Cost Recovery Standard for Fees and Charges:

- 1) Fees and Charges may be set at something less than full cost recovery when:
 - a) A high level of cost recovery will negatively impact the delivery of service to low-income groups.
 - b) Collecting the fees and charges is not cost effective.
 - c) There is no intended relationship between the amount paid and the benefit received (e.g. social service programs).
 - d) There is no intent to limit the use of the service (e.g. access to parks and playgrounds).
 - e) Collecting the fees would discourage compliance with regulatory requirements and adherence to said requirements is self-identified, and as such, failure to comply would not be readily detected by the City of Keene.
- 2) Fees and Charges will be set at, or above, full cost recovery when:
 - a) The service is also provided, or could be provided, by the private sector.
 - b) The use of the service is discouraged (e.g. fire or police responses to false alarms).
 - c) The service is regulatory in nature and voluntary compliance is not expected (e.g. building permits, plans review, subdivisions).
 - d) When the fee or charge for the use of City property or resources is incurred by a commercial entity.
- 3) Ambulance:
 - a) Service fees shall be set at two hundred fifty percent (250%) above the Medicare-determined usual and customary charge.
 - b) A fee will be implemented for those instances when responses that involve the use of drugs or specialized services are provided but there is no transport.
 - c) There will be no charge for responses determined by the Fire Department to be "public assists."

D. The method of assessing and collecting fees should be made as simple as possible in order to reduce the administrative and support costs of collection.

E. The City will periodically utilize the services of a collection agency when all other reasonable efforts to collect fees and fines have been exhausted; fees for such services to be paid from amounts collected.

- F. Rate structures should be sensitive to the market price for comparable services in the private sector or other public sector entities.
- G. Fees and charges shall be adopted by the City Council when required.
- H. Fees and charges shall be reviewed in accordance with a schedule developed by the City Manager that has each fee reviewed biannually. Recommended changes will be reviewed and approved by the City Council when required.

IV. Bonded Debt

- A. The City of Keene will periodically incur debt to finance capital projects. All issuances of debt are subject to State of New Hampshire Statutes, RSA 34 and 162-K.
- B. Debt may be issued to fund projects with a public purpose of a lasting nature or as otherwise allowed by State law.
- C. Debt will not be issued to provide for the payment of expenses for current maintenance and operation except as otherwise provided by law.
- D. The City of Keene shall not incur debt that exceeds any limits set by State law.
- E. All bonds shall be authorized by resolution of the City Council and require a two-thirds (2/3) vote.
- F. The City of Keene may use the services of bond counsel and a financial advisor, if required, to assist in preparing for and executing the sale of bonds.
- G. The City of Keene issues bonds including but not limited to:
 - 1) General Obligation Bonds – repayment is backed by the full taxing power of the City of Keene.
 - 2) Tax Increment Financing Bonds – repayment is first backed by the revenue stream generated by increased revenues created within an established Tax Increment Financing District. To the extent that the increased revenues created within the district are not adequate, the repayment of the bonds would then be backed by the full taxing power of the City of Keene.
 - 3) Refunding Bonds – these bonds are issued to refinance outstanding bonds before their term in order to either remove restrictions on the original bonds and/or to take advantage of lower interest rates. Repayment is backed by the full taxing power of the City of Keene.
- H. Competitive sale is the preferred method of sale; however, negotiated sales may occur for a current or advance refunding, or for other appropriate reasons.
- I. Term.
 - 1) Debt will be incurred only for projects with a useful life of at least seven (7) years.
 - 2) The term of any debt incurred by the City shall be limited to no greater than the expected useful life of the improvement.

V. Other Sources

- A. To the extent they are available, the City of Keene will consider on a case-by-case basis, the use of other financing mechanisms including but not

limited to:

- 1) Capital leases.
 - 2) State programs (e.g. State Revolving Fund Loan programs).
- B. To the extent they are available, the City of Keene will actively pursue other funding sources including but not limited to:
- 1) Grants that reduce the City's initial investment in project/improvement.
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Kendall W. Lane, Mayor

In City Council August 1, 2019.
Referred to the Finance, Organization
and Personnel Committee.



City Clerk