



CITY OF KEENE

In the Year of Our Lord One Thousand Nine Hundred and . . . NINETY-FOUR

A RESOLUTION . . . RELATING TO CITY OF KEENE BUDGETARY POLICIES

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

WHEREAS the City Council has adopted Resolution R-94-9-a, Relating to City of Keene budgetary policies and,

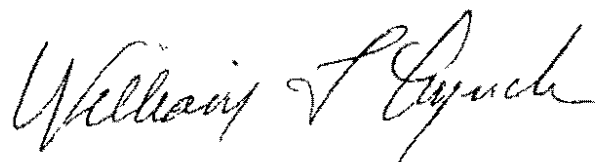
WHEREAS Subsection 5 of R-94-9-a, states "the alternative to line item budgeting approach embarked upon in FY 94, shall be continued as long as the total budget is adhered to in order that the City Manager and Staff have wide managerial latitude to make the most of the funds available." and

WHEREAS the City Council wishes to refine and further define that overall general budget policy as defined in Resolution R-94-9-a, and

WHEREAS a workshop was conducted by the City Council on August 31, 1994, to discuss the alternative to line item budgeting approach.

NOW THEREFORE BE IT RESOLVED that as a result of that workshop the City Council fully reiterates its endorsement of the alternative to line item budgeting approach amended with the following guidelines:

1. A monthly memo report will be provided to the City Council to include any line item that has been overspent and/or any funds expended on items that were not previously budgeted.
2. Any unexpected funds in a personnel line can not be expended without prior approval from the City Manager and the City Council, unless funds are being expended to fill the vacancy, recruiting, or to employ temporary help.
3. Any item specifically eliminated by the City Council during budget approval can not be purchased from another line item without City Council approval.





CITY OF KEENE

R-94-9-A

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Four

A RESOLUTION RELATING TO CITY OF KEENE BUDGET POLICIES

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

WHEREAS: The Mayor and Council of the City of Keene have adopted the general recommendation of the Mission Committee report that a budgetary process be developed in which the Mayor and Council focus on setting public policy guidelines in advance which are aimed at achieving certain results based upon a review of the economic climate of the community, assessments, the Capital Improvement Program, the ability of the citizens of Keene to pay, and anticipated revenues with a target set on the percentage increase or the amount to be raised for City services in accordance with a financial policy-setting/budget process (which is attached hereto as Exhibit A); and

WHEREAS: That process calls for a public hearing to be held early in February on the proposed Capital Improvement Program and proposed annual operating budget policies; and

WHEREAS: It is the intent of the City Council by this resolution to begin to articulate future year budget policy as clearly and completely as possible;

NOW THEREFORE BE IT RESOLVED by the Council of the City of Keene that its budget policies for the next three years (FY95-96-97) are by Fund as follows:

PASSED

GENERAL FUND:

- 1) For the next three years the City will limit General Fund increases at close to the rate of inflation not to exceed 3-1/2 percent per year.
- 2) Property tax increases will be held to 5% per year.
- 3) Non-bonded capital spending and bonded debt service together will be held at approximately 15% of the General Fund Annual Operating Budget.
- 4) General Fund Unappropriated Fund Balance will be held at approximately 5% of the General Fund Annual Operating Budget.
- 5) Non-property tax revenues will continuously be reviewed for appropriate increases and new potential non-property tax revenue sources must continuously be sought.
- 6) The City will promote property tax base expansion in accordance with Mission Committee recommendations and the Economic Development Master Plan and overall Master Plan.

WATER FUND:

- 1) Revenue sufficient to cover the cost of the Water Fund should continue to be raised through adequate charges to the users of the system.
- 2) Water rates should be adjusted annually as appropriate to reduce or eliminate the type of rate shock required in the past two years.
- 3) Water Fund operational expenses should not increase by more than three percent per year for the next three years.
- 4) Water Fund rate increases should be held at approximately 5 per cent per year for the next three years in order to allow for necessary Water Fund capital projects.

SEWER FUND

- 1) Revenue sufficient to cover the cost of the Sewer Fund should continue to be raised through adequate charges to the users of the system.
- 2) Sewer rates should be adjusted annually as appropriate to reduce or eliminate the type of rate shock required in the past two years.
- 3) Sewer Fund operational expenses should not increase by more than three percent per year for the next three years.
- 4) Sewer Fund rate increases should be held at approximately 5 percent for the next three years in order to allow for necessary Sewer Fund capital projects.

SOLID WASTE FUND:

- 1) Since the primary means of disposal for solid waste is currently undergoing a major transition with the impending closure of the landfill and a new recycling facility and transfer station, it is anticipated that dramatic increases in the revenue necessary to operate this fund will have to be implemented over the course of the next few years as well as dramatic changes in the way these new revenues are obtained. Insofar as possible, it will continue to be the policy of the City through this transition to develop methods of user payment and rates that tie the amount the system is used by each user to the amount paid by that user.
- 2) Since maximizing recycling and minimizing waste transfer or other means of disposal is overall the least expensive and environmentally sound means of disposal, charges for recycling disposal will remain at zero or be nominal.

- 3) It is the intent of the City to implement a so-called "Bag & Tag" charge system on completion of the new recycling facility in approximately July of 1994 as the sole means of charging residential users of the system. At such time as the Keene landfill is actually closed and the transfer of waste via the new transfer facility is initiated, in addition to implementing the necessary increase in tipping fees at the transfer facility for the disposal of waste from commercial users, the City may elect to implement one or more of the following or such other measures as it may deem appropriate.
 - a) Impose a "solid waste disposal assessment" on all commercial property owners and/or users as a means to keep the commercial tipping fee at the transfer station competitive enough to keep waste from being transferred to other disposal sites by private haulers.
 - b) License private haulers in order to insure appropriate collection standards for recycling and waste disposal and as a means to insure that Keene's waste is disposed via Keene's solid waste disposal facility.
 - c) Subsidize to a certain degree the commercial tipping fee charge at the transfer station through the residential "Bag & Tag" charge.

PARKING FUND:

- 1) It will continue to be the policy of the City that the costs involved with Parking Fund purposes of providing public parking and ancillary facilities, public parking regulations and public parking facility maintenance in the downtown area of the City where there is otherwise inadequate parking, will be funded by charges to the users of those facilities.
- 2) The City Council will define more clearly the purpose and limits of the Parking Fund.

OVERALL GENERAL BUDGET POLICIES:

- 1) The City will continue to develop means for gauging its resources devoted to a particular function relative to other similarly situated communities.
- 2) The City will shift its budgetary emphasis from managing inputs (line items) to achieving desired results and how to measure those results.
- 3) The City will develop means wherever possible to demonstrate the competitiveness of each function with the private sector as well as the public sector. Accordingly, wherever feasible, City functions will regularly and aggressively be exposed to private competition, competition from other City departments or competition from other sectors of government.
- 4) Quality government requires quality people. Accordingly, the City will attempt to keep pay and benefit levels comparable with similar position in the public and private sectors.
- 5) The alternative to line item budgeting approach embarked upon in FY94 shall be continued as long as the total budget is adhered to in order that the City Manager and staff have wide managerial latitude to make the most of the funds available.
- 6) The City Manager will provide for a Human Resources position in the next budget.
- 7) The City Manager is hereby directed to submit a budget in May of 1994 which accomplishes the above policy directives.


William F. Lynch, Mayor

Passed: February 17, 1994

A true copy; attest:

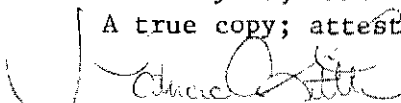

City Clerk

EXHIBIT A

FINANCIAL POLICY SETTING/BUDGET PROCESS

- October (2nd week) - 3 year financial forecasts for each fund submitted to Council for review.
- November (1st week) - Proposed Capital Improvements Program submitted to Council and Planning Board.
- December (1st week) - Joint FINCOM/Planning Board review of Capital Improvements Program and financial forecasts.
- December - Planning Board recommendations made with respect to Capital Improvements Program.
- January (2-3rd wks) - Orientation for new Councilors combined with departmental priority presentations - what they do and want to do.
- January (4th week)/ February (1st week) - FINCOM policy setting with respect to Capital Improvements Program and annual operating budget.
 - a. Financial capacity for each fund
 - b. CIP
 - c. Operations and operation priorities
 - d. Spending levels for each fund
 - e. Tax and utility rates for each fund
- February 2nd week) - Public Hearing on Capital Improvements Program and proposed annual operating budget policies.
- February (end of) - Council finalizes and approves Capital Improvements Program and annual operating budget policies.
- March/ April - City Manager prepares annual operating budget based on adopted Council budgetary policies.
- May 1 - City Manager's budget submitted to Council.
- May - FINCOM review of budget (one or two meetings) to see that Council policies are met (line items provided but not reviewed in detail).
- June - Public Hearing on annual operating budget held.
- June (3rd week) - Full Council review and adoption.
- July/ December - FIN, PLL, HSHS, PWRA Committees formulate and submit to Council line-function and capital policy priority recommendations.