



Operating Budget and Tax Rate Overview

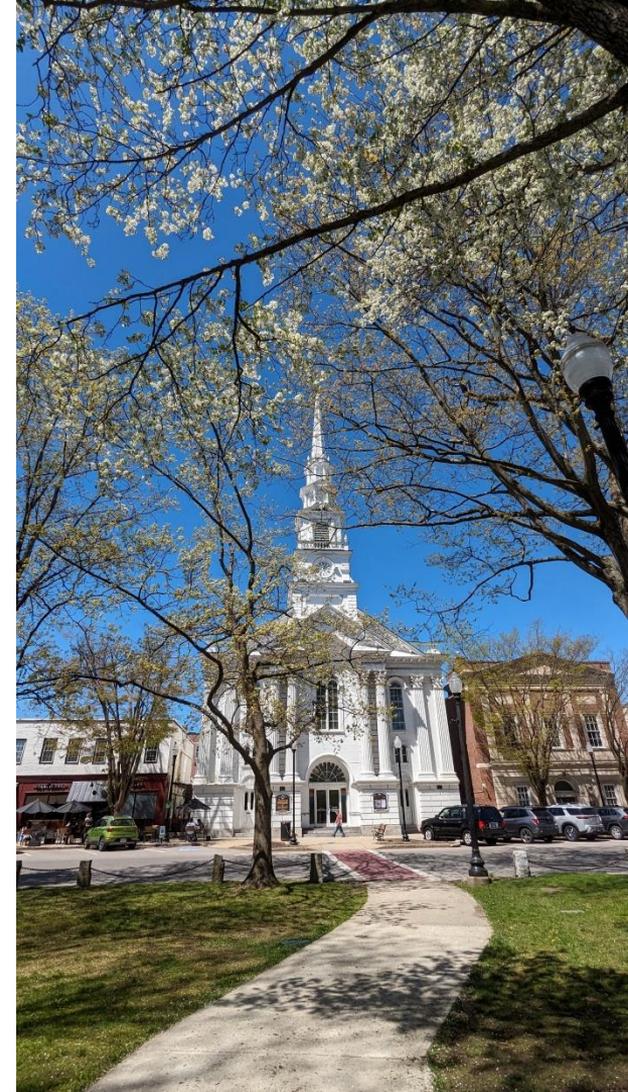
February 26, 2026 Finance, Organization & Personnel Committee

Budget Overview

General Fund (the main operating fund of the City of Keene)

– resources necessary for day-to-day operations:

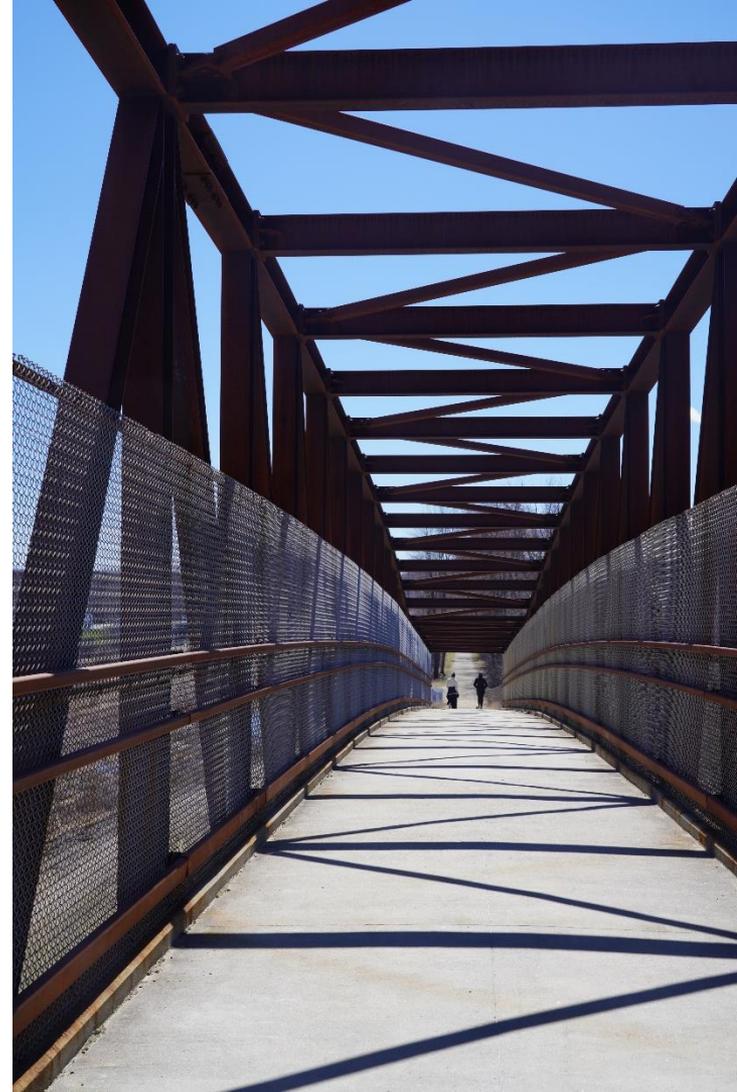
- Airport, Assessing, City Attorney, City Clerk, City Manager, Community Development, Facilities, Finance (includes Human Services), Fire, Human Resources, Information Technology, Library, Mayor & Council (includes Community Events and Outside Agencies), Police, Parks & Recreation, Public Works
- Resources are discretionary allowing Mayor and Council to allocate to programs and services with few restrictions.



Budget Overview

Enterprise Funds – self-supporting through user fees, not through general taxes

- Parking
- Sewer
- Solid Waste
- Water



Budget Process

1. The Capital Improvement Program (CIP) is updated. (Once the CIP has been adopted by the City Council, the first two years of the Capital Budget are presented as part of the next Operating Budget proposal.)
2. City departments submit Operating Budget recommendations to the Finance Department who compiles and calculates overall City budget impacts.
3. Departments present their respective budget proposals to the City Manager.



Budget Process

4. The City Manager reviews departmental and overall budget priorities and impacts and makes necessary revisions to comply with the Fiscal Policy (R-2024-32):

➤ **Unassigned Fund Balance**

Funds used to offset emergency expenditures, downturn in collection of significant revenues, or other unforeseen events. Restricted to between 7% and 17% of the sum of the total General Fund Operating Budget plus the tax commitment for the School and County.

➤ **Consumer Price Index (CPI)**

The limit within which property taxes revenues may increase using a rolling 3-year average of the *Northeast Region - New England CPI* net of expenditures required by law, excluding debt service payments and capital leases.

➤ **Debt Service Limitations**

Capped at a 5-year average of 12% or less of the General Fund Operating Budget.



Budget Process

5. The City Manager presents the proposed budget to City Council.
6. Departments present their respective budget proposals to the Finance Organization and Personnel Committee (public meetings).
7. A Public Hearing is held.
8. The City Council adopts the Operating Budget (with any adjustments as adopted by vote of the City Council).



Opportunities to Learn and/or Participate

MAY						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

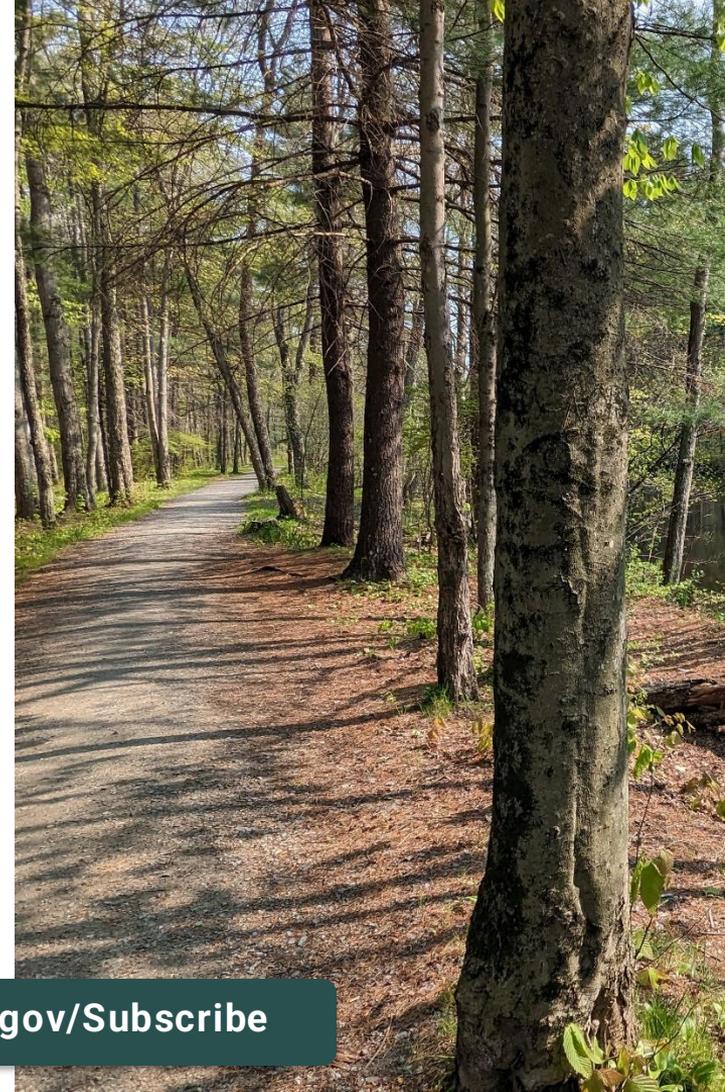
JUN						
M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Council Meetings

FOP Meetings

Special FOP Meetings

Public Hearing

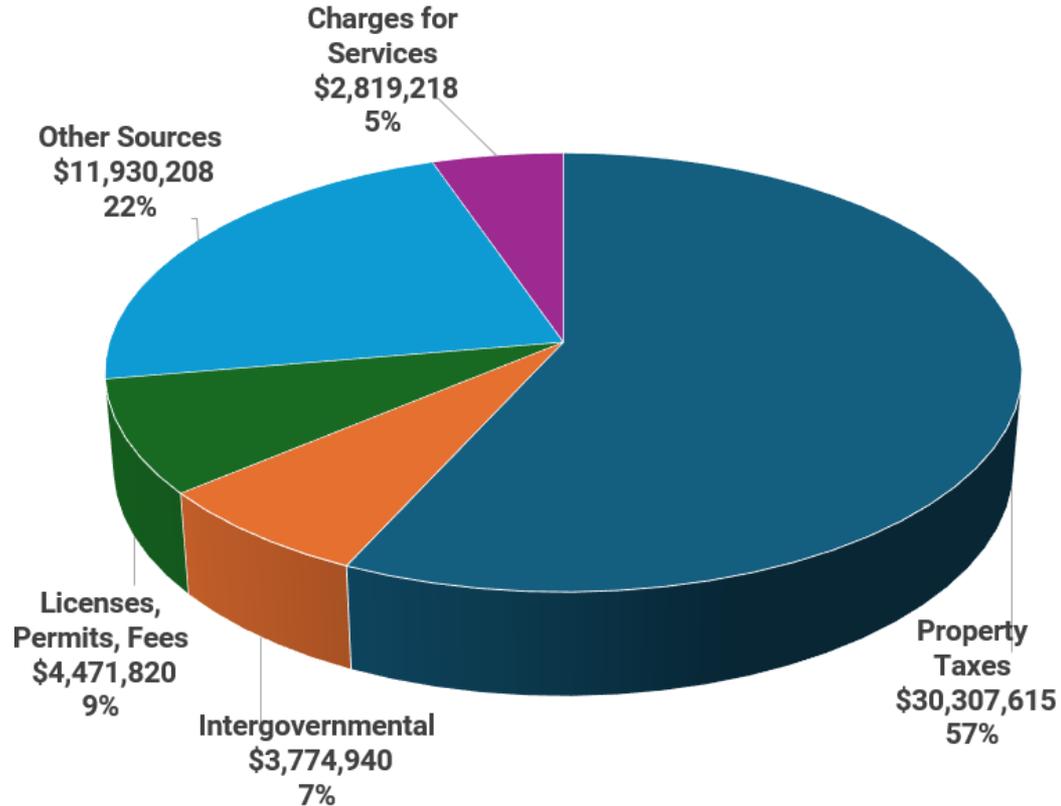


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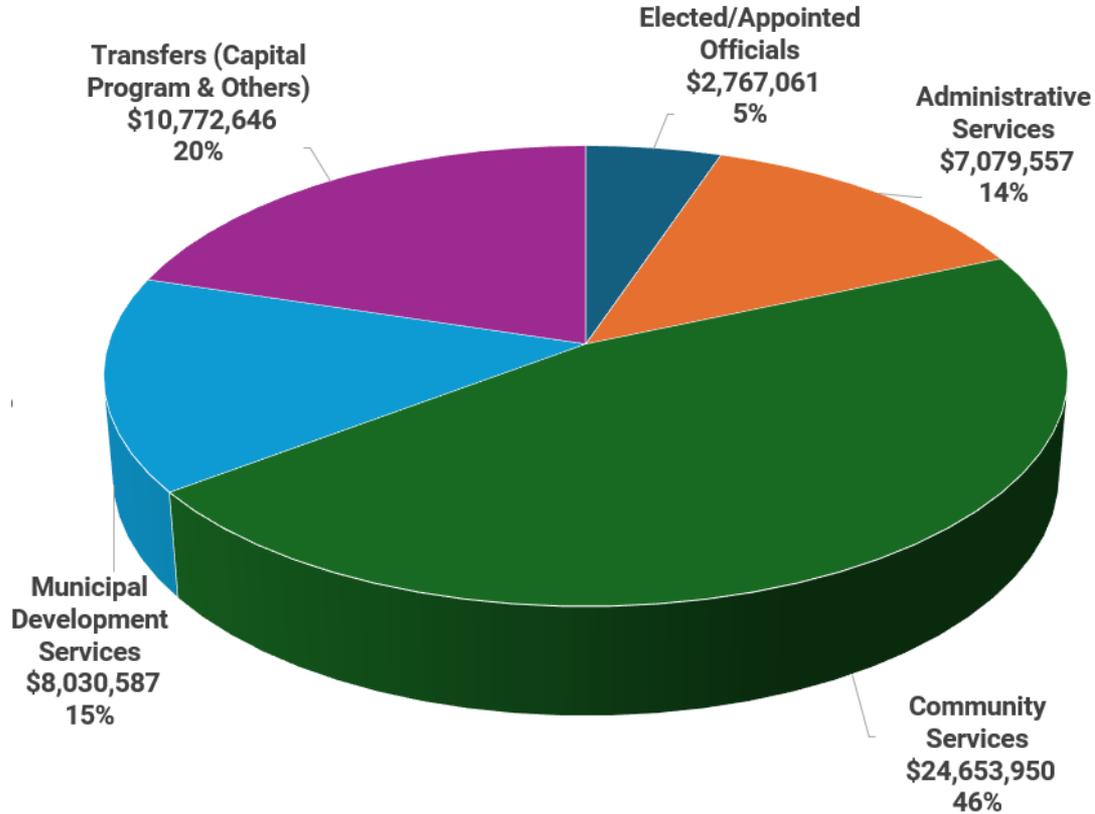
FY26 Budget



FY26 General Fund Budget Revenues



FY26 General Fund Budget Expenditures



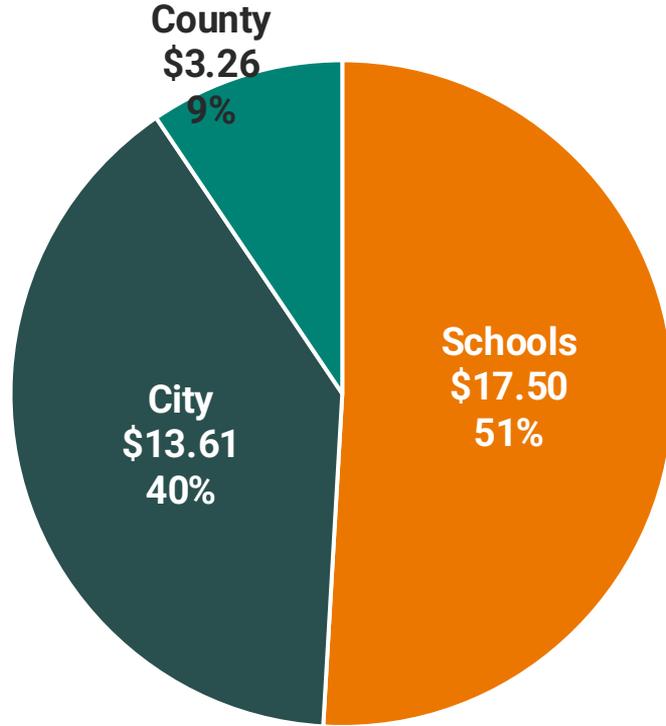
How the Tax Rate is Set

- The NH Department of Revenue Administration (DRA) reviews all budget appropriations approved by the City, County, and Schools and all revenues expected. This information is used to calculate the local property tax rate as follows:

$$\frac{\text{(Voted Appropriations – All Other Revenue)}}{\text{Local Assessed Property Value x 1,000}} = \text{Tax Rate per 1,000 of property value}$$

- The certified rate is typically received by the City from the DRA in November. Bills are then issued and due in December.

Tax Rate Breakdown

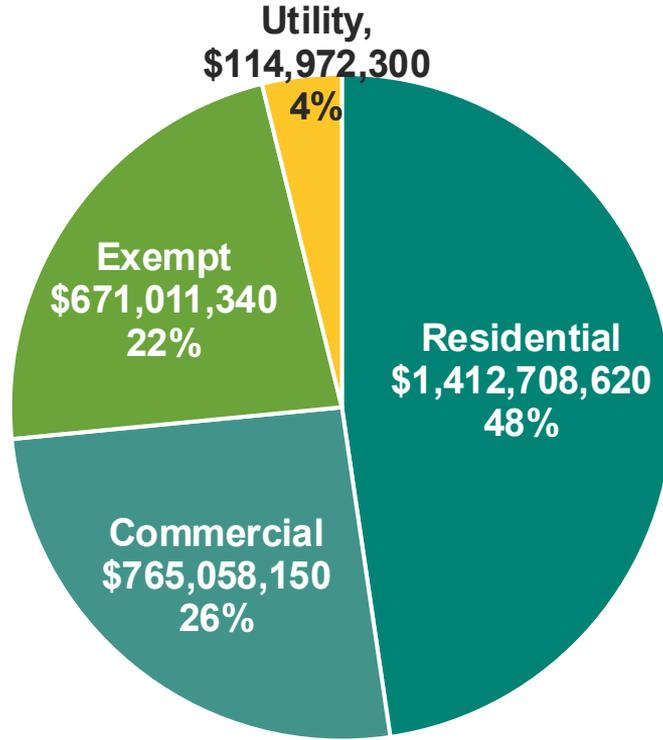


2025 Total Tax Rate: \$34.37

For a property valued at \$250,000, the property tax is distributed as follows:

- **\$4,375 Schools**
- **\$3,402 City**
- **\$ 815 County**

2025 Assessed Valuation Breakdown



Total Assessed Value
\$2,963,750,410

Taxable Assessed Value
\$2,292,739,070

2025 Assessment to Sale
Median Ratio: 66.8%

[Tax Rate & Property Values Demonstration](#)

Thank You

