



FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
Council Chambers, Keene City Hall
July 9, 2026
6:00 PM

A. AGENDA ITEMS

1. Yankee Bottle Club - Support for the Installation of a Keene Glass Company Historical Marker
Council Action of 09/18/2025 - Request for Historical Marker
2. Residential Property Revitalization Zone (RPRZ) (RSA 79-E:4-b)
Application for 429 Elm Street
Resolution R-2025-35: Relating to Adopting the Provisions of RSA 79-E "Community Revitalization Tax Relief Incentive"
3. Relating to Wage Schedule Revision
Ordinance O-2026-12
4. Execution of a Change Order for Construction Services With Lakes Region Fuel Systems for the Martell Court Fuel Tank Replacement Project — City Engineer
5. Re-allocation of Unspent Funds from the Martel Court Sewer Force Main Inspection Project — City Engineer
6. Execution of a Change Order for Engineering Services with McFarland Johnson for the Lower Winchester Street 40666 Reconstruction Project - City Engineer
7. Property Tax Exemptions and Credits - City Assessor
Resolution R-2026-25
Resolution R-2026-26
Resolution R-2026-27
Resolution R-2026-28
Resolution R-2026-29
Resolution R-2026-30
Resolution R-2026-31
Resolution R-2026-32
Resolution R-2026-33
8. Relating to Fiscal Policies
Resolution R-2026-34

B. MORE TIME ITEMS

NON PUBLIC SESSION

ADJOURNMENT

To the Honorable Mayor Jay Kahn and Keene's City Council:

Two and a half years ago while walking the dog I've been fostering on the rail trail between Eastern Avenue and Water Street, I came across and read the three historical markers that reside on this stretch of trail. (I assume everyone on the Council has read them as well) I immediately noticed a colossal unforgivable error regarding our city's industrial historical past. The three markers tell the story of the industries that manufactured goods along Marlboro Street: like the C.L. Brickyard, Wilkins Toy, New Hampshire Mold Granite, the Kingsbury Corporation, Schleicher and Schuell, and the J.A. Wright Co. but one industry is glaringly missing and that is the Marlboro Street Glass Factory or sometimes referred to as "Keene Glass" or the "South Factory" that manufactured glass bottles from 1815 to 1842.

In April of 1814 Lawrence Schoolcraft, a talented glassblower and glass manufacturing superintendent, arrived in Keene with his daughter Caty Ann, at the bequest of Timothy Twichell and other town fathers/investors in Keene to put forth a plan to possibly build a glass bottle factory on Marlboro Street. As Mr. Schoolcraft and his daughter entered lower Main Street he made this comment, "I arrived at Keene on the 16th instant and Caty Ann and myself found it one of the most beautiful country places we were ever in." The stakeholders, Twichell et al., had no working knowledge of glass making but Mr. Schoolcraft was well-seasoned in glass manufacturing, having been a glass blower and former superintendent of a glass factory in Hamilton New York. He had a wealth of knowledge of the various aspects of how glassware is produced. Mr. Schoolcraft must have felt Keene was a good place to build a glass bottle factory because he quickly contacted his son, Henry Rowe Schoolcraft, urging young Henry to entertain the thought of possibly running the yet to be built Keene plant. Henry himself, a talented glassblower and superintendent of a glass factory in Vermont, accepted the offer. Over the next several months of construction the factory moved forward as planned and at some point, in late October of 1815, the factory was completed and stood ready for production on Marlboro Street. The first glass bottles began to roll out sometime in November of that year. Henry Rowe Schoolcraft ran the "South Factory" for only two years leaving behind a legend in early American glass manufacturing lore.

{However, it is Henry's next calling that he would become better known for. Henry had an unquenchable desire to investigate, learn, and document the lives and cultures of the First Peoples (Indians) of the Upper Midwest. He was hired by the United States Government as an Agent to undertake such a task. Sometime in 1818 or so he set out for the First People's Midwest Region leaving behind his glass making life. It is here through his research and journal writings of Native cultures, languages, and stories that Henry became an authority of the Native inhabitants of this region. One such First People's story told to him caught the eye of Henry Wadsworth Longfellow. Longfellow found this story in one of Henry's journals and rewrote it in the form of a poem called, "Hiawatha". Today, Hiawatha is considered one of Longfellow's most famous and best poems.}

I am sure every member of the City Council is well versed in Keene's impressive and rich history and that everyone has a copy of Keene's history as found in our city's historical annal, "The History of the Upper Ashuelot." (later called Keene) Here members would find a whole chapter dedicated to "Keene Glass" written by Kay Fox, former Director of the Keene Public Library and an authority on Keene's history. It should be noted that of all the industries that have come and gone in Keene only one, Keene Glass, had a whole chapter dedicated to it, not even the Faulkner Colony Mill nor the Kingsbury Corp. can boast of that. It should be further noted that by 1831 one out of every six workers in Keene were employed in glass making production.

In order to right a wrong, I set out to find out how historical markers get approved and planted along a city's thoroughfares and who is responsible for undertaking such a task. I started my quest with one of my city councilors who pointed me to Amy Dixon, who heads up the historical signage commission for the State of New Hampshire in Concord. Historical markers along our "State's" roads and highways are the "State's" responsibility, other thoroughfares such as a path or rail trail in New Hampshire cities or towns are the responsibility of that town or city.

I have personally taken this story to several groups to provide for them a brief history of glass making in Keene and to seek support for finally establishing a historical marker long overdue honoring Keene Glass. Every single committee that I met with gave a resounding vote of approval for such a marker. Over a two-and-a-half-year period, I met with the following committees: the Historical District Commission. (It should be noted that I met only once with this group and they helped point me to which groups I really needed to speak with) I then met with these two groups: the Heritage Commission and the Bicycle Pedestrian Path Advisory Committee (B.P.P.A.C.) on several occasions. All three groups were extremely supportive of having a new historical marker along this stretch of rail trail.

It was at one of the B.P.P.A.C. meetings that I struck gold, however. It was my good fortune as well as the Yankee Bottle Club's fortune, that City Councilor Ed Haas was also a member of the B.P.P.A.C. group. Upon hearing about

our quest to establish a historical marker honoring Keene Glass Ed jumped on board and told me he would in effect carry the torch, to see this long overdue (184 years) recognition through. It was a "slam dunk" in terms of items the City must carry out over the course of the next year or so. Ed has been a boon in this effort by informing the City Council of the need to finally honor Keene Glass by someday making this marker a reality. Ed brought this effort to the full Council whereupon a vote of 12 to 0 in support of a historical marker was cast.

Of course, a new historical marker couldn't become a reality without some of the finer points coming into play. In order to create a marker similar in design and fabrication photographs of the historical markers found along the rail trail between Eastern Avenue and Water Street were emailed to Peter Poenessa, of Sign Worx in Keene. Additionally, a schematic rendering of the markers complete with the marker's physical dimensions were provided to Peter as well. All of this was necessary in order for Peter to estimate the cost. Peter estimated that the cost would be about \$3,700. Ed Haas also advised me to seek some "seed money" to demonstrate a good will effort to fund this project. Seed money would energize the City of Keene and its Council to hopefully finance the remaining cost of this project. It should be noted that the Heritage Commission was excited about the prospect of a new historical marker and \$500 of seed money was promised to move our goal forward. Finally, no marker would be complete without a historical script to detail the history of Keene Glass. It was our good fortune that **Alan Rumrill** provided his expert historical account for this marker.

In closing, it is my hope and the Yankee Bottle Club's hope that the City of Keene complete this task. This is not my history or the Yankee Bottle Club's History; this Historical Marker is for all of Keene and their history!

Thank you for your time and for all the incredible things you do to make Keene the shining light in the State of New Hampshire.

KEEPING KEENE'S PROUD HISTORY ALIVE!

P.S. I (Steve) will be contributing \$200 to make this happen!!!

On Behalf of the Yankee Bottle Club

Respectfully, Stephen Seraichick (Yankee Bottle Club Member and Secretary)





CITY OF KEENE NEW HAMPSHIRE

ITEM #D.3.

Meeting Date: September 18, 2025
To: Mayor and Keene City Council
From: Municipal Facilities, Services and Infrastructure Committee, Standing Committee
Through:
Subject: Councilor Haas - Request for Historical Marker - Keene Bottle Works

Council Action:

In City Council September 18, 2025.

Voted unanimously to carry out the intent of the report

Recommendation:

On a vote of 5 to 0, the Municipal Services, Facilities and Infrastructure Committee recommends that the Yankee Bottle Club be authorized to design, fabricate, and donate a historical marker for installation on the Cheshire Rail Trail, and that the City Manager be authorized to take all actions necessary to facilitate its installation.

Attachments:

None

Background:

Chair Greenwald asked to hear from Councilor Haas.

Councilor Ed Haas of 114 Jordan Rd. stated that the Yankee Bottle Club is based in Keene and runs a historical/antique bottle show every October, which is coming up, and he refers the Committee to the Yankee Bottle Club's website to find out more information. It is an exciting time if you are into old bottles. We have all used bottles in various ways, shapes, or forms over the years and have an affection for them. The club recognizes that the original site of Keene Bottle Works was just off the rail trail, behind the Public Works building, and they think it would be great to have a sign there acknowledging that site. A sign put out by the NH Department of Transportation (NHDOT) is by the Recreation Center, but that references the site that was 2.5 miles south of this point. It would be good to have a sign right on the rail trail to identify that site. Adding more signs and more history to the city is always good. He commends Alan Rumrill, a known and respected historian, who strongly supports this. He hopes the Council can do it.

Chair Greenwald asked if there were questions or comments from the Committee. Hearing none, he asked for public comment. Hearing none, he asked for a motion.

The following motion by Vice Chair Filiault was duly seconded by Councilor Tobin.

On a vote of 5 to 0, the Municipal Services, Facilities and Infrastructure Committee recommends that the Yankee Bottle Club be authorized to design, fabricate, and donate a historical marker for installation on the Cheshire Rail Trail, and that the City Manager be authorized to take all actions necessary to facilitate its installation.

09/18/2025
COUNCIL ACTION



4/21/2026

City of Keene, Community Development Department
3 Washington St., Keene, NH 03431
Attn: Evan Clements, Community Development Department

Re: 429 Elm Street – Narrative for Residential Property Revitalization Zone application for tax relief
Project Name: 429 Elm Street Project

Mr. Clements,

HG Johnson Real Estate, on behalf of the property owner JC & C Rentals, submit the following information to aid in the granting tax relief as part of the Residential Property Revitalization Zone for the lot located at 429 Elm Street (TMP#: 520-005-000-000-000).

Written Narrative:

The property currently has (3) buildings that contain (3) housing units. An unfinished barn and shed are also on the property. This project will involve renovating the interior of the existing barn to create (2) new residential apartments: (1) two-bed, one-bath units and (1) one-bed, one-bath unit. To accommodate this change, new entrances will be added to the western side of the building. Additionally, the existing garage doors will be eliminated, existing dormers will be enlarged or replaced, and new insulated windows will be installed. No other exterior modifications are planned as part of this project. The entire property is served by city water and sewer.

There are (8) existing parking spaces on the property. Once complete, there will be (5) housing units on site with an average gross living area per unit of 900 SF. The total footprint of all buildings on the site is 3,185 SF (637 SF per unit). The parcel is 0.48 acres in size and located in the Low Density (LD) zoning district.

About JC & C Rentals:

Cheryl and Joe Bagster are local property owners and developers who live in Keene and specialize in providing high quality housing options for their tenants. They currently own 12 units of housing in the city and are working to expand their portfolio through acquisitions and development in the coming years.

We look forward to taking advantage of Keene's Residential Property Revitalization Zone to help support this exciting project that will add (2) new affordable housing units to the city's housing stock. Please reach out to me with any questions or concerns. Thank you.

Best regards,

Authentisign

George Hansel

04/21/26

George Hansel, HG Johnson Real Estate

Submitted on behalf of:

Authentisign

Joe and Cheryl Bagster

04/21/26

Cheryl & Joe Bagster, Property Owners

Online Application Link: <https://keenenh.gov/residential-property-revitalization-zone-application/>

Applicant Name: JC & C Rentals LLC

Is the Applicant the Property Owner? Yes

Building Address: 429 Elm Street, Keene, NH 03431

Phone: 603-313-5909

Email: jccb00@aol.com

Is the building an existing residential structure? No

Is the structure at least 40 years old? Yes

Is the property connected to City water and sewer service? Yes

Adds new housing: Does the project involve the creation of at least one new housing unit? Yes

Does the project resolve significant life safety or health risks in one or more existing housing units? No; However, it will be replacing the water service to the existing (3) housing units on the site.

Describe Existing Structure

Include details on the current use of the residential structure, number of units by type and size, etc.

The property currently has (3) buildings that contain (3) housing units. An unfinished barn and shed are also on the property. This project will involve renovating the interior of the existing barn to create (2) new residential apartments: (1) two-bed, one-bath units and (1) one-bed, one-bath unit. The entire property is served by city water and sewer.

JB

Describe Proposed Project

Include detail on the proposed renovations, proposed use of the structure, number of units by type and size, estimated cost of renovations, etc.

Once complete, there will be (5) housing units on site with an average gross living area per unit of 900 SF.

Unit #1 (existing): 3-bedroom, 1.5 bath, 1,377 SF of living area

Unit #2 (existing): 2-bedroom, 1-bath, 732 SF of living area

Unit #3 (existing): 2-bedroom, 1-bath, 680 SF of living area

Unit #4 (under construction): 1-bedroom, 1-bath, 510 SF of living area

Unit #4 (under construction): 2-bedroom, 1-bath, 1063 SF of living area

The estimate cost of this development project is \$200,000.

Is the building eligible for listing or listed individually on the National or State Register of Historic Places or located within a locally designated, State or National Historic District? No.

Total Estimated Project Cost

Note: To be considered for this tax relief incentive, the project costs must be at least 15% of the pre-rehabilitation assessed value or \$50,000 (whichever is less). \$200,000

Estimated Project Start Date: November 2025

Expected Project Completion Date: August 2026

Attach a copy of a contract, contractor estimates, or itemized list of materials

Attach a project narrative, building plans or sketches, renderings or photographs to help explain the proposed rehabilitation or construction. Attach additional files if necessary.

Public Benefit

In order to qualify for tax relief under this program, the proposed work must provide at least one of the public benefits listed below. Greater consideration will be given to projects that provide more public benefits. You must choose at least one benefit.

It results in the creation of at least one new housing unit: Yes.



It prevents at least one housing unit from falling into obsolescence by addressing a life safety or health issue that would render the unit unlivable otherwise. No, but new water connections will be run to the existing units on the site.

It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located; or it preserves a historically significant structure that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places, such as existing carriage barns; No.

It maintains owner occupancy of a residential building or it returns a residential building to owner occupancy; No.

It increases the livability of the home by flood proofing a structure in a flood hazard zone, remediating contamination such as lead or asbestos, or significantly improving the energy performance of a home as determined by the NHSaves Home Heating Index tool by reducing the home heating index from a score of 9+ to a score of 4 or below. No.

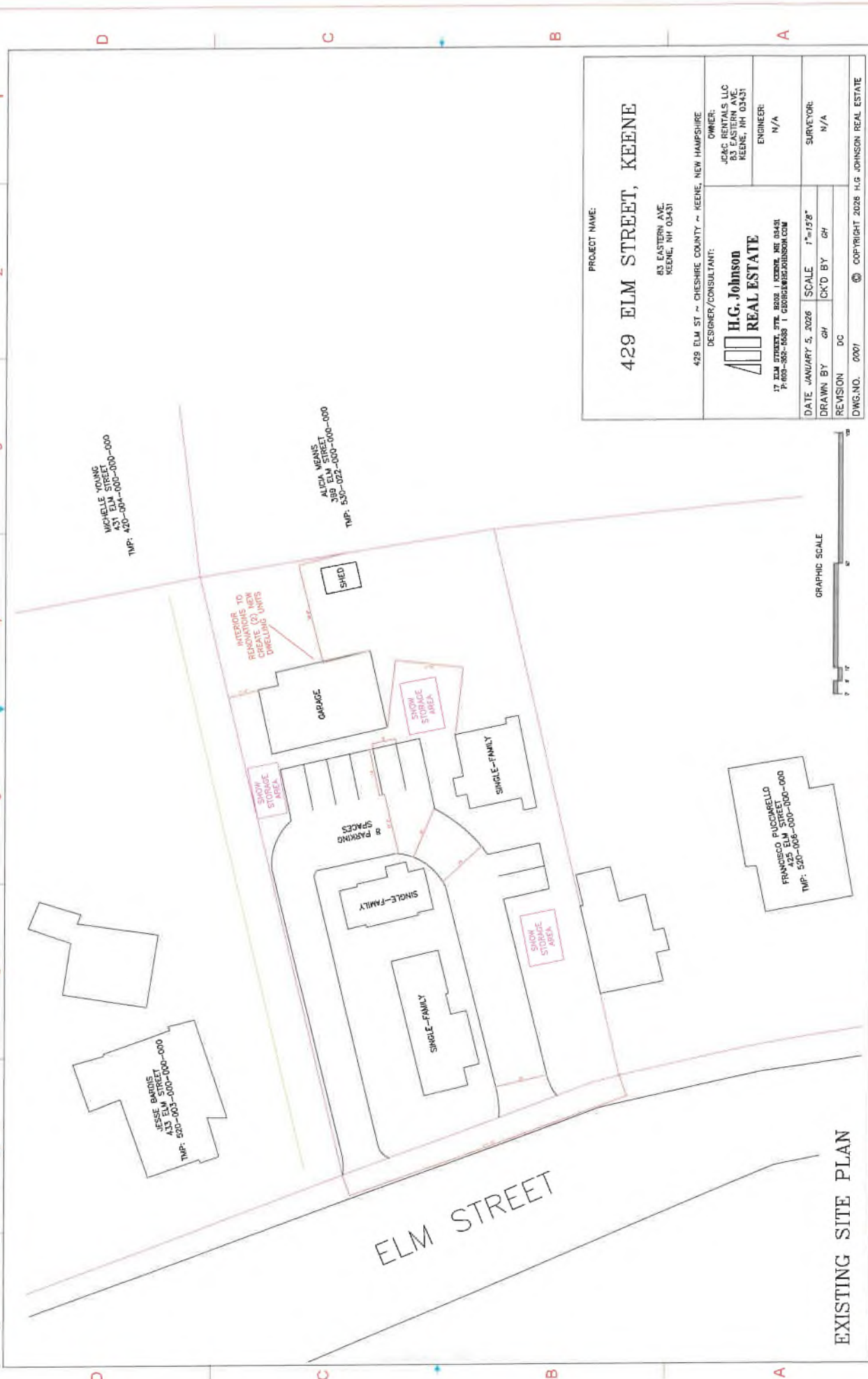
It results in a net-zero home that produces as much (or more) energy as it consumes by minimizing energy use through efficiency and meeting its remaining needs through renewable energy systems. No.





ent A

1 2 3 4 5 6 7 8



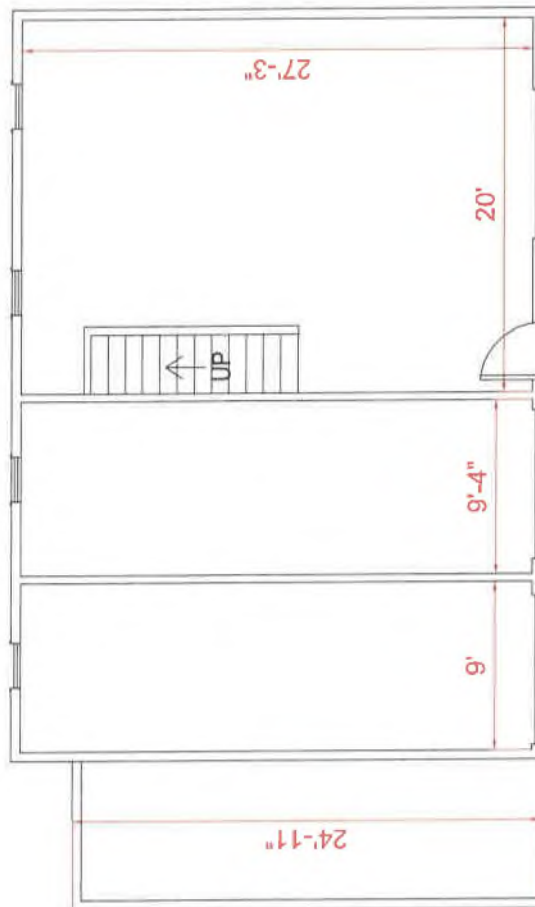
1 2 3 4 5 6 7 8

PROJECT NAME: 429 ELM STREET, KEENE 83 EASTERN AVE. KEENE, NH 03431		OWNER: JC&C RENTALS LLC 83 EASTERN AVE. KEENE, NH 03431	
DESIGNER/CONSULTANT:  H.G. Johnson REAL ESTATE 17 ELM STREET, STE. 2000 KEENE, NH 03431 P. 603-805-6535 T. 603-805-6536		ENGINEER: N/A	
DATE: JANUARY 5, 2026	SCALE: 1"=150'	SURVEYOR: N/A	
DRAWN BY: GH	CK'D BY: GH		
REVISION: DC			
DWG. NO. 0001			
		© COPYRIGHT 2026 H.G. JOHNSON REAL ESTATE	



EXISTING SITE PLAN

Attachment A

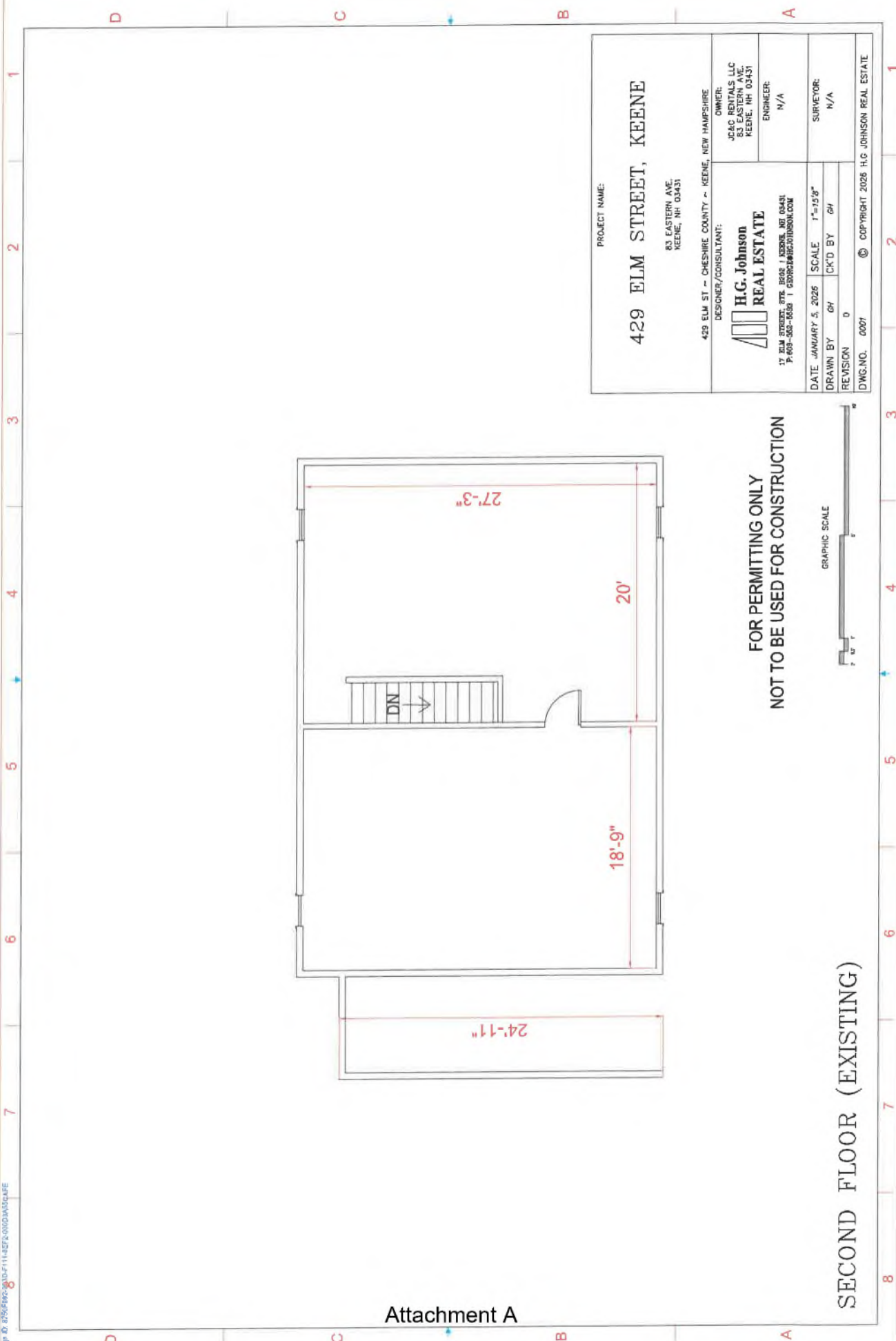


FOR PERMITTING ONLY
NOT TO BE USED FOR CONSTRUCTION

GRAPHIC SCALE

FIRST FLOOR (EXISTING)

[illegible]



Attachment A

GENERAL NOTES:

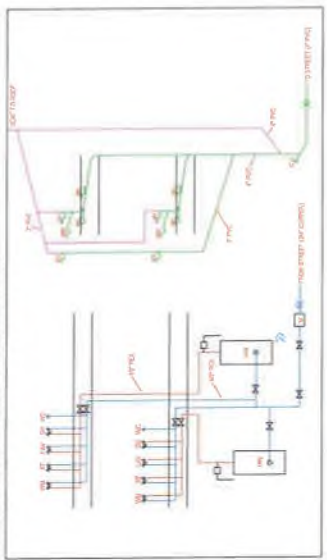
1. Contractor shall review existing conditions by field visit prior to submitting bid. Drawings and notes for permitting purposes only. Contractor shall be responsible for final design and construction documentation.
2. Contact development consultant for decisions related to variation from information shown.
3. Code used to project designs:
 - 2021 International Existing Building Code (IEBC)
 - 2021 International Building Code (IBC)
 - 2021 International Plumbing Code (IPC)
 - 2021 International Residential Code (IRC)
3. All new dwelling units, to the maximum extent technically possible, shall be designed for accessibility in accordance with the provisions for Type B units in ANSI A117.1, consistent with the design and construction requirements of the Federal Fair Housing Act, including but not limited to:
 - a. Clearance for parallel approach at sinks and bathroom vanities
 - b. Removable base cabinets
 - c. Frame blocking for future grab bars
4. Insulation requirements in renovated areas:
 - a. Floor: R-20
 - b. Exterior Walls: R-20
 - c. Attic: R-38
5. All smoke & smoke/CO2 detectors to be interconnected with battery backup.
6. Interior finishes to be painted GWB for walls, painted pine board for trim, and vinyl flooring.
7. Electrical Plan Narrative: Each unit will have its own 100A service and accessible service panel.

Attachment A

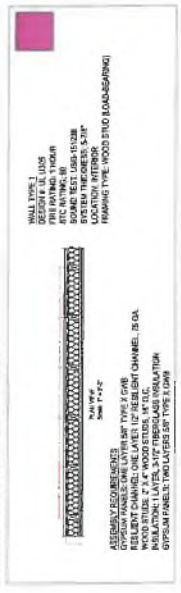
LEGEND

- TYPE 1 WALLS
- SMOKE ALARM
- SMOKE/CO2 ALARM
- CEILING LIGHT
- BATHROOM FAN
- KITCHEN FAN
- SINGLE OUTLET
- DUAL OUTLET
- SINGLE 220 OUTLET
- SINGLE SWITCH
- DUAL SWITCH
- DUAL GFI OUTLET
- VANITY LIGHT

PLUMBING RISER DIAGRAM:



TYPE 1 WALL DETAIL:



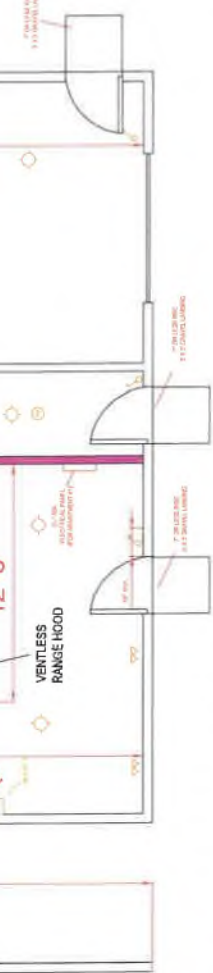
FLOOR-CEILING ASSEMBLY DETAIL:



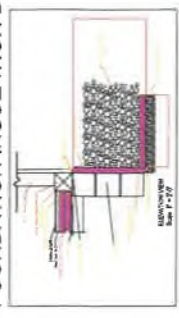
FIRST FLOOR DECK INSULATION DETAIL:



DRYER VENT
(MIN. 3' FROM WINDOW OPENING)



FOUNDATION INSULATION DETAIL:



FOR PERMITTING ONLY
NOT TO BE USED FOR CONSTRUCTION

GRAPHIC SCALE



FIRST FLOOR

PROJECT NAME:
429 ELM STREET, KEENE

83 EASTERN AVE
KEENE, NH 03431

DESIGNER/CONSULTANT:
**H.G. Johnson
REAL ESTATE**
17 ELM STREET, STE. 2000 | KEENE, NH 03431
P: 603-350-6633 | G: 603-350-6634

OWNER:
JC&C RENTALS LLC
83 EASTERN AVE.
KEENE, NH 03431

ENGINEER:
N/A

DATE: JANUARY 5, 2026
SCALE: 1"=15'-0"

DRAWN BY: GH
CK'D BY: GH

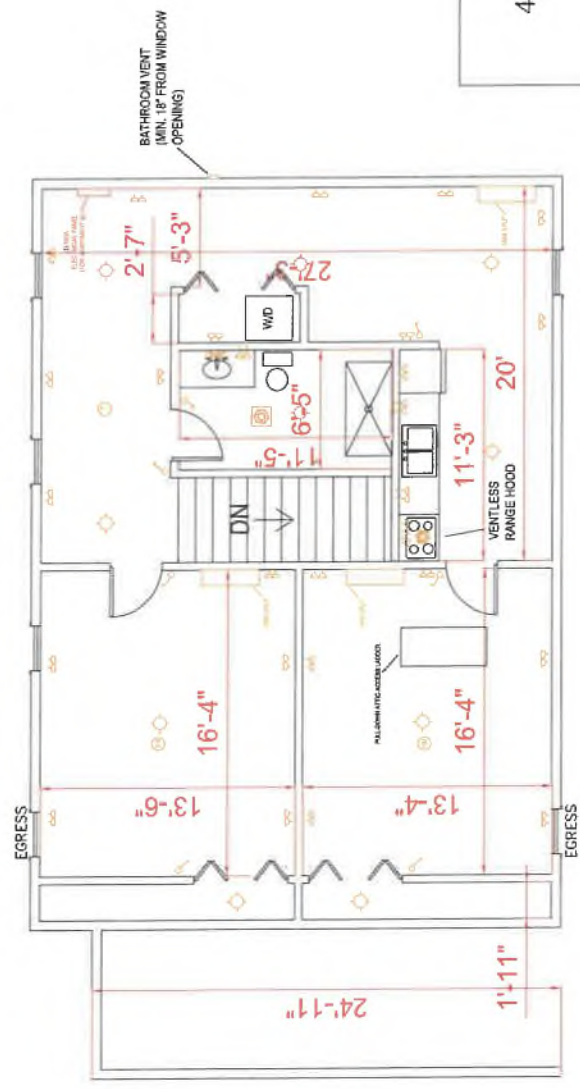
REVISION: D

DWG. NO.: 0001

SURVEYOR:
N/A

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ROOF INSULATION NOTES:
 1. All portions of the 2nd floor ceiling shall have a minimum R-value of R-38.
 2. Insulation must extend over the top of the wall plate to the outer edge and shall not be compressed in compliance with R004.2 of the IECC.



**FOR PERMITTING ONLY
 NOT TO BE USED FOR CONSTRUCTION**



SECOND FLOOR

PROJECT NAME: 429 ELM STREET, KEENE	
83 EASTERN AVE. KEENE, NH 03431	
OWNER: J&C RENTALS LLC 83 EASTERN AVE. KEENE, NH 03431	ENGINEER: N/A
DESIGNER/CONSULTANT: H.G. Johnson REAL ESTATE 17 ELM STREET, APT. 3002, 1 KEENE, NH 03431 P: 603-366-5553 E: H@HGMJH.COM	
DATE: JANUARY 5, 2026 DRAWN BY: GH REVISION: D	SCALE: 1"=10'-0" CK'D BY: GH
DWG. NO.: 0001 © COPYRIGHT 2026 H.G. JOHNSON REAL ESTATE	

Eligibility

Is the building an existing residential structure?

No

Is the structure at least 40 years old?

Yes

Is the property connected to City water and sewer service?

Yes

Project Type

Adds new housing: Does the project involve the creation of at least one new housing unit?

Yes

Preserves existing housing: Does the project resolve significant life safety or health risks in one or more existing housing units?

No

Project Information

Describe Existing Structure

The property currently has (3) buildings that contain (3) housing units. An unfinished barn and shed are also on the property. This project will involve renovating the interior of the existing barn to create (2) new residential apartments: (1) two-bed, one-bath units and (1) one-bed, one-bath unit. The entire property is served by city water and sewer.

Describe Proposed Project

Once complete, there will be (5) housing units on site with an average gross living area per unit of 900 SF.

Unit #1 (existing): 3-bedroom, 1.5 bath, 1,377 SF of living area

Unit #2 (existing): 2-bedroom, 1-bath, 732 SF of living area

Unit #3 (existing): 2-bedroom, 1-bath, 680 SF of living area

Unit #4 (under construction): 1-bedroom, 1-bath, 510 SF of living area

Unit #5 (under construction): 2-bedroom, 1-bath, 1063 SF of living area

The estimate cost of this development project is \$200,000.

Is the building eligible for listing or listed individually on the National or State Register of Historic Places or located within a locally designated, State or National Historic District?

No

Total Estimated Project Cost

\$200,000

Estimated Project Start Date

11/01/2025

Expected Project Completion Date

08/01/2026

Attach a project narrative, building plans or sketches, renderings or photographs to help explain the proposed rehabilitation or construction. Attach additional files if necessary.

- Residential-Property-Revitalization-Zone-429-Elm-Street_Signed.pdf

Public Benefit

It results in the creation of at least one new housing unit

Yes

If yes, please describe.

The project will create (2) new housing units by converting an existing garage into apartments.

It prevents at least one housing unit from falling into obsolescence by addressing a life safety or health issue that would render the unit unlivable otherwise.

No

It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located; or it preserves a historically significant structure that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places, such as existing carriage barns;

No

It maintains owner occupancy of a residential building or it returns a residential building to owner occupancy;

No

It increases the livability of the home by flood proofing a structure in a flood hazard zone, remediating contamination such as lead or asbestos, or significantly improving the energy performance of a home as determined by the NHEM Home Heating Index tool by reducing the home heating index from a score of 9+ to a score of 4 or below.

No

It results in a net-zero home that produces as much (or more) energy as it consumes by minimizing energy use through efficiency and meeting its remaining needs through renewable energy systems.

No



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Five

A RESOLUTION Relating to Adopting the Provisions of RSA 79-E “Community Revitalization Tax Relief Incentive”

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

WHEREAS, RSA 79-E “Community Revitalization Tax Relief Incentive” (hereinafter “RSA 79-E”) declares it a public benefit to enhance downtown and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality; and

WHEREAS, RSA 79-E further declares it a public benefit to encourage the rehabilitation of underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B; and

WHEREAS, RSA 79-E also declares it a public benefit to provide short-term property assessment tax relief and a related covenant to protect public benefits in order to encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of qualifying structures, as described herein; and

WHEREAS, RSA 79-E:4-b, “Residential Property Revitalization Zone,” further declares it a public benefit to revitalize and preserve existing housing stock by providing temporary tax relief for renovation projects that significantly improve the quality, condition, or use of qualifying residential structures in a designated residential property revitalization zone; and

WHEREAS, RSA 79-E:3 permits municipalities to adopt modifications of the provisions of RSA 79-E, as set forth within the Statute.

WHEREAS, on December 21, 2017 the City Council adopted RSA 79-E within certain districts located within the City as defined in R-2017-41; and

WHEREAS, on November 15, 2018 the City Council rescinded R-2017-41 and adopted RSA 79-E within certain districts located within the City as defined in R-2018-33; and

WHEREAS, the downtown district map changed when the City adopted in May 2021 with Ordinance O-2020-10-B the Land Use Code, along with the remapping of the City’s downtown zoning districts with Ordinance O-2020-11-A;

WHEREAS, on April 17, 2025, the City Council rescinded R-2017-41 and further updated the downtown district map as defined in R-2025-09;

WHEREAS, the City Council hereby rescinds R-2018-33 and R-2025-09, and readopts RSA 79-E in accordance with this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Keene that the Council hereby adopts and implements the provisions of RSA 79-E:4, with certain modifications, as follows:

RSA 79-E:4 Community Revitalization Tax Relief Incentive

A. For purposes of administering a RSA 79-E program within Keene, the City hereby defines that a “qualifying structure” shall mean non-residential use building or a mixed use building, being located within the area depicted on the map labeled “City of Keene Community Revitalization Tax Relief Incentive (RSA 79-E) District” dated December 4, 2025 attached hereto and made part of this Resolution.

B. “Substantial Rehabilitation” shall mean rehabilitation of a qualifying structure which costs at least \$75,000 and, in certain cases, replacement of a qualifying structure which costs at least \$75,000;

C. For purposes of administering the RSA 79-E program, the City Council shall ensure that the proposed substantial rehabilitation provides one or more of the following public benefits, or that the proposed replacement provides one or more of the public benefits to a greater degree than would substantial rehabilitation of the same qualifying structure:

I. It enhances the economic vitality of downtown areas;

II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;

III. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior’s Standards for Rehabilitation;

IV. It promotes efficient design, safety, and a greater sense of community in a manner consistent with the Keene Comprehensive Master Plan;

V. It will add to the City’s employment base by creating at least one new, full-time job in Keene’s downtown area;

VI. It directly supports the integration of public art in the downtown; or

VII. It addresses one or more of the City’s adopted energy and climate goals as outlined in Resolution R-2018-36 and the Keene Comprehensive Master Plan.

D. “Tax Relief Period” shall mean that for a period of up to five (5) years, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation or reconstruction thereof, beginning only upon completion of substantial rehabilitation or, in the case of a replacement structure, upon completion of its construction.

E. In accordance with RSA 79-E:5, the duration of the tax relief period for applications filed in Keene shall be considered in the context of each specific application and shall only provide that level of tax relief necessary in the discretion of the City Council to effectuate the specific targeted public benefit(s) outlined as determined by the City Council. By way of example, a qualifying project that is deemed by the City Council to provide one or two of the public benefits listed above may be granted a tax relief period of up to two years, and a qualifying project that provides three or more public benefits may be granted a tax relief period of up to five years; provided, however, that in determining what, if any, tax relief duration to provide, the City Council may consider the impact the proposed substantial rehabilitation will have on existing, or required, City infrastructure.

BE IT FURTHER RESOLVED by the Council of the City of Keene that the Council hereby adopts the provisions of RSA 79-E 4-b, as follows:

RSA 79-E: 4-b Residential Property Revitalization Zone

A. For purposes of administering the RSA 79-E:4-b Residential Property Revitalization program within Keene, the City hereby defines that a “qualifying structure” shall mean an existing residential structure which is at least 40 years old and is a one or 2-family home or an attached multi-family home with not more than 4 units. Parcel(s) must also have both city water and sewer service.

B. “Significant improvement” shall mean rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least \$50,000, whichever is less, and includes the creation of at least one new housing unit or resolves significant life safety or health risks, as determined by the Building and Health Official.

C. For purposes of administering a RSA 79-E:4-b Residential Property Revitalization program within Keene, the City Council shall ensure that the proposed significant improvement provides one or more of the following public benefits:

I. It results in the creation of at least one new housing unit;

II. It prevents at least one housing unit from falling into obsolescence by addressing a life safety or health issue that would render the unit unlivable otherwise;

III. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located; or it preserves a historically significant structure that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places, such as existing carriage barns;

IV. It maintains owner occupancy of a residential building or it returns a residential building to owner occupancy;

V. It increases the livability of the home by flood proofing a structure in a flood hazard zone, remediating contamination such as lead or asbestos, or significantly improving the energy performance of a home as determined by the NH Saves Home Heating Index tool by reducing the home heating index from a score of 9 or above to a score of 4 or below;

VI. It results in a net-zero home that produces as much (or more) energy as it consumes by minimizing energy use through efficiency and meeting its remaining needs through renewable energy systems.

D. "Tax Relief Period" shall mean that for a period of up to five (5) years the property tax on a qualifying structure shall not increase as a result of the significant improvement or reconstruction thereof, beginning only upon completion of significant improvement. The City Council may, in its discretion, add up to an additional two (2) years of tax relief for a project that results in new residential units and add up to an additional four (4) years of tax relief for the substantial rehabilitation or significant improvement of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

E. In accordance with RSA 79-E:5, the duration of the tax relief period for applications filed in Keene shall be considered in the context of each specific application and shall only provide that level of tax relief necessary in the discretion of the City Council to effectuate the specific targeted public benefit(s) outlined as determined by the City Council. In making a determination about the duration of tax relief the City Council shall consider the following: a qualifying project may be granted a base level of tax relief of up to five years and may only receive additional years as outlined in Section D based on the extent to which the project meets the criteria and public benefit(s); provided, however, that in determining what, if any, tax relief duration to provide, the City Council may consider the impact the proposed substantial rehabilitation will have on existing, or required, City infrastructure.

No property may be granted tax relief under this chapter more than once in a 20-year period.

BE IT FURTHER RESOLVED that a property owner, as a condition of being granted such tax relief, shall

A. Document the proposed public benefit(s) at the time of the application for tax relief under the Keene RSA 79-E program; and

B. Provide the City promptly with all information and documentation that the City may deem relevant for review of the application for such tax relief, as well as for review of the rehabilitation or replacement project under federal, state, and local laws, codes, and regulations, as may be applicable; and

C. Grant to the City a Covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefit(s) for which the property tax relief was granted and shall require the property owner to obtain casualty insurance, and flood insurance, if appropriate, for twice the term of the tax relief granted; and

D. Grant to the City a lien against the property for the purpose of ensuring proper restoration or demolition of damaged structures and property; and

E. Maintain the property as taxable, regardless of whether the property owner is otherwise subject to property taxes under RSA 72; and

F. The City reserves the right to conduct inspections of the property to ensure compliance with the covenant at the discretion of Community Development Director; and

BE IT FURTHER RESOLVED that if the Covenant is terminated for any reason, the City shall assess all current and arrears taxes, with interest, to the property owner as though no tax relief was granted in accordance with RSA 79-E:9,II; and

BE IT FURTHER RESOLVED that the City Manager or their designee is hereby authorized to execute all documents and undertake all actions as may be required to implement this resolution. This resolution shall take effect upon approval by City Council.



Jay V. Kahn, Mayor

In City Council December 4, 2025.
Referred to the Planning, Licenses and
Development Committee.



City Clerk

A true copy;

Attest:



City Clerk

PASSED: December 18, 2025



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

AN ORDINANCE Wage Schedule Revision

Be it ordained by the City Council of the City of Keene, as follows:

That the ordinances of the City of Keene as amended, are hereby further amended by inserting the bold text and removing the strike-through text in Section 62-194, "Administrative, Office, Technical and Management Personnel" of Chapter 62 entitled Personnel as follows:

Section 62-194. Administrative, office, technical and management personnel

- S 4 Library Aide
- S 5 Minute Taker
- S 6 Administrative Assistant; Records Clerk
- S 7 Administrative Assistant I
- S 8 NO POSITIONS ASSIGNED
- S 9 NO POSITIONS ASSIGNED
- S 10 Audio Video Production Specialist, Recreation Specialist
- S 11 Office Manager; Parking Services Technician
- S 12 Librarian I; Planning Technician; Executive Secretary; Staff Accountant;
Purchasing Specialist; Human Resource
Specialist
- S 13 **Legal Assistant**
- S 14 Assistant Planner
- S 15 Executive Assistant; Librarian II; Payroll Administrator; Human Resources Administrator;
Youth Services Manager; Engineering Technician; Assistant City Clerk; Senior Paralegal
Police Dispatch Supervisor; Social Worker; Fire Department Administrator; Deputy
Revenue Collector
Planner; Laboratory Supervisor; GIS
- S 16 Coordinator
- S 17 Property Appraiser; Recreation Programmer; Librarian III; Airport Maintenance &
Operations Manager;

- S 18 IT Systems Specialist; Parking Operations Manager; Recreation Facilities Manager
Purchasing Agent; Civil Engineer; Solid Waste Manager; Maintenance Manager; Revenue
Collector;
- Records Manager/Deputy City Clerk; Laboratory Manager; Human Services Manager;
- S 19 Treatment Plant Manager; Deputy City Clerk; Infrastructure Project Manager
Senior Planner, Recreation Manager: Fleet Services Manager; Accounting & Fund
Manager;
- S 20 Highway Operations Manager; Building Construction Manager
Systems Administrator; Purchasing & Contract Services Manager: Water/Sewer Operations
Manager
- S 21 NO POSITIONS ASSIGNED
- S 22 Assistant City Engineer
- S 23 NO POSITIONS ASSIGNED
- S 24 City Engineer; Database Administrator; Building/Health Official; Deputy City Attorney
Assistant Finance Director/Assistant Treasurer; Assistant Public Works Director/Division
S 25 Head;
- Airport Director
- S 26 City Assessor; Human Resources Director; Library Director; Parks & Recreation Director
IT Director; Community Development Director; Police Captain; Deputy Fire Chief; Fire
S 27 Marshal
- S 28 Finance Director/Treasurer
- S 29 Public Works Director
- S 30 Police Chief: Fire Chief
- S 31 Deputy City Manager
- S 32 NO POSITIONS ASSIGNED

Jay V. Kahn, Mayor

In City Council July 2, 2026.
Referred to the Finance, Organization and
Personnel Committee.

City Clerk



CITY OF KEENE NEW HAMPSHIRE

ITEM #A.4.

Meeting Date: July 9, 2026

To: Finance, Organization and Personnel Committee

From: Bryan Ruoff, City Engineer

Through: Elizabeth Ferland, City Manager
Donald Lussier, Public Works Director

Subject: **Execution of a Change Order for Construction Services With Lakes Region Fuel Systems for the Martell Court Fuel Tank Replacement Project — City Engineer**

Recommendation:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiated and execute a contract change order in an amount not to exceed \$150,000 for Construction Services with Lakes Region Fuel Systems as part of the Martell Court Pump Station Fuel Tank Replacement Project (32JM008B).

Attachments:

None

Background:

As part of the engineering services for the Martel Court Pump Station Bypass Force Main Final Design Project, the City originally included the design, permitting, and preparation of bidding and construction documents for replacement of the existing temporary fuel tank at the Martel Court Pump Station within Wright-Pierce's design contract.

During the design process, Wright-Pierce identified the need for additional engineering services to verify existing site conditions before completing the fuel system design. Following these discussions, the City consulted with Lakes Region Fuel Systems to evaluate the existing conditions. Based on that evaluation, the City determined that it would be more cost-effective to have Lakes Region Fuel Systems perform the design, permitting, and construction of the fuel tank replacement project.

Lakes Region Fuel Systems possesses extensive institutional knowledge of the City's fuel system infrastructure. The firm previously performed the decommissioning and removal of the original fuel tank in 2023, assisted with sizing and installation of the temporary fuel tank currently in operation, and has significant experience with the City's fuel systems at both the wastewater and water treatment facilities. This familiarity with the existing infrastructure and operational requirements positioned the firm to efficiently complete the remaining design and permitting work.

As a result, the fuel tank design scope was removed from Wright-Pierce's contract and the associated engineering fees were credited back to the City. Assigning these services directly to Lakes Region Fuel Systems resulted in an estimated savings of approximately \$40,000 in engineering, permitting, and NHDES approval costs. The credited funds were subsequently reallocated within the Wright-Pierce contract to cover additional permitting, flood modeling, and other design services that became necessary as the project advanced.

The proposed contract change order, in an amount not to exceed \$150,000, expands the existing agreement with Lakes Region Fuel Systems to include construction services for furnishing and installing the permanent fuel storage tank, associated piping, controls, and ancillary equipment, as well as removal of the existing temporary fuel tank. Although the change order represents an approximately 2,238 percent increase over the firm's original engineering agreement, the original contract was intentionally limited to design and permitting services only. Expanding the existing agreement to include construction services allows the City to capitalize on the contractor's familiarity with the design, permitting, and existing fuel system, providing the most efficient and cost-effective project delivery method. The proposed construction cost is approximately 20 percent below the City's Independent Government Estimate (IGE) for this work.

Funding for the contract change order is available within the FY Capital Improvement Program (CIP) Martel Court Fuel Tank Replacement Project (Project No. 32JM008B), which currently has approximately \$182,000 in unspent and unencumbered funds available to fully fund this work.



CITY OF KEENE NEW HAMPSHIRE

ITEM #A.5.

Meeting Date: July 9, 2026

To: Finance, Organization and Personnel Committee

From: Bryan Ruoff, City Engineer

Through: Elizabeth Ferland, City Manager
Donald Lussier, Public Works Director

Subject: **Re-allocation of Unspent Funds from the Martel Court Sewer Force Main Inspection Project — City Engineer**

Recommendation:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to reallocate \$50,000 from the Sewer Force Main Inspection Project (32MI0222) to the Island Street Sewer Improvement Project (32JMI0224).

Attachments:

None

Background:

As part of the Martel Court Pump Station Force Main Inspection Project (32MI0222), the City allocated capital funding and subsequently applied for, and was awarded, grant funding to support the project. As a result, a significant portion of the City's originally allocated capital funds remained unspent, as the engineering services, condition assessment, and reporting for the existing sewer force main were completed using the available grant funding.

Separately, during the cleaning of the City's 15-inch sanitary sewer main on Pearl Street near Crescent Street, a collapse of the sewer main was identified, requiring expedited rehabilitation to restore the sewer system to service. In response, the Engineering Division requested scope and fee proposals from SUR West and two other qualified contractors to complete the emergency repairs as a change order under the existing Island Street project contract with SUR West.

Based on the work completed to date, the Island Street Project (32JMI0224) is at substantial completion, and there are insufficient remaining funds within the associated purchase order and project accounts to cover the emergency repair costs. Accordingly, the unspent capital funds originally allocated to the Martel Court Pump Station Force Main Inspection project will be reallocated to fund the emergency sewer main repairs completed on Pearl Street in early June.



CITY OF KEENE NEW HAMPSHIRE

ITEM #A.6.

Meeting Date: July 9, 2026

To: Finance, Organization and Personnel Committee

From: Bryan Ruoff, City Engineer

Through: Elizabeth Ferland, City Manager
Donald Lussier, Public Works Director

Subject: **Execution of a Change Order for Engineering Services with McFarland Johnson for the Lower Winchester Street 40666 Reconstruction Project - City Engineer**

Recommendation:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to execute a contract change order in an amount not to exceed \$1,338,000 for Engineering Services with McFarland Johnson as part of the Lower Winchester Street 40666 Reconstruction Project (75J0026A).

Attachments:

None

Background:

As part of the Lower Winchester Street Corridor Reconstruction Project, the project scope and associated consultant fee were originally developed and awarded with the understanding that the Right-of-Way (ROW) evaluations and acquisitions would be performed by the New Hampshire Department of Transportation (NHDOT).

In September 2025, NHDOT informed the City that its Right-of-Way Bureau did not have the capacity to complete this work within the project schedule and that the ROW services would need to be performed by the City or its designee. Since that time, the City has worked with its consultant, McFarland Johnson, to develop, review, negotiate, and mutually agree upon a scope of services and associated fee for the additional engineering and property acquisition services required to complete this work in accordance with federal funding requirements. The scope includes additional field survey and property deed research, Title Reports and appraisals for approximately 53 parcels. The consultant will also negotiate just compensation, prepare legal documents, conduct closings and disburse payments, record property transfers with the Cheshire County registry of deeds and perform other related services. If condemnation becomes necessary, those services would be performed under a separate agreement. The City formally requested that NHDOT reimburse the City for 100% of the ROW phase services costs, given this change from the original project division of scope responsibility, to which NHDOT declined.

The proposed scope of work and associated fee have been submitted to NHDOT for review and determined to be appropriate for the project. The costs associated with this change order will be funded through the project's existing funding structure, consisting of 80 percent federal funding (\$1,040,000) and a 20 percent City match (\$260,000).

The funds required for this change order, which covers right-of-way acquisition services, have already been allocated by the City in anticipation of the project's construction phase. At the time those funds were allocated, construction was anticipated to be funded by NHDOT in FY27. Prior to construction, the City will need to appropriate additional funds through the Capital Improvement Program (CIP) update process to provide the required local match for construction phase services.



CITY OF KEENE NEW HAMPSHIRE

ITEM #A.7.

Meeting Date: July 9, 2026

To: Finance, Organization and Personnel Committee

From: Daniel Langille, City Assessor

Through: Elizabeth Ferland, City Manager

Subject: **Property Tax Exemptions and Credits - City Assessor**
Resolution R-2026-25
Resolution R-2026-26
Resolution R-2026-27
Resolution R-2026-28
Resolution R-2026-29
Resolution R-2026-30
Resolution R-2026-31
Resolution R-2026-32
Resolution R-2026-33

Recommendation:

Recommend that the City Council adopt the following resolutions for Property Tax Credits and Exemptions. Resolutions R 2026- 25 through R 2026-33

Attachments:

1. R-2026-25 Relating to Deaf or Severely Hearing-Impaired Persons Exemption
2. R-2026-26 Relating to Blind Exemption
3. R-2026-27 Relating to Elderly Exemption Qualifications
4. R-2026-28 Relating to Disabled Exemption
5. R-2026-29 Relating to Solar, Wind Powered & Wood Heating Energy System Exemptions
6. R-2026-30 Relating to the Optional Veterans' Tax Credit
7. R-2026-31 Relating to the All Veterans' Tax Credit
8. R-2026-32 Relating to Service Connected Total Disability Veteran Tax Credits
9. R-2026-33 Relating to Optional Tax Credit for Combat Service

Background:

The attached Resolutions for Property Tax Exemptions and Credits change the amounts as follows:

Exemptions

Deaf: From \$33,000 to \$55,000

Blind: From \$18,000 to \$30,000

Elderly: (Ages 64–74) From \$33,000 to \$55,000

2026-327

Elderly: (Ages 75–79) From \$45,000 to \$75,000

Elderly: (Ages 80+) From \$60,000 to \$100,000

Disabled: From \$33,000 to \$55,000

Income and Asset Limits, for Deaf, Elderly, Disabled Exemptions

Income: Single from \$32,000 to \$40,000, Married from \$43,000 to \$60,000

Assets: Single from \$61,000 to \$75,000, Married from \$87,000 to \$110,000

Readopt the Solar Exemption to include systems that are off-grid or net-metered.

Credits

Optional Veteran Credit from \$300 to \$450

Optional All Veteran Credit from \$300 to \$450

Certain Disabled Veteran Credit from \$4,300 to \$4,500 (note: City Council earlier in 2026 adjusted this credit from \$4,000 to \$4,300)

Adding for the first time: Optional Tax Credit for Combat Service



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

A RESOLUTION Relating to Deaf or Severely Hearing-Impaired Persons Exemption

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

Whereas, RSA 72:38-b was established for the purpose of granting an exemption to qualified deaf or severely hearing impaired persons and an exemption for improvements to assist persons who are deaf or severely hearing impaired and

Whereas, the City Council wishes to amend the exemption amount and the income and assets limitations related to the exemption for deaf or severely hearing impaired persons and an exemption for improvements to assist persons who are deaf or severely hearing impaired.

Now Therefore Be It Resolved by the Council of the City of Keene that Resolution R-2021-26, adopted June 3, 2021, is rescinded.

And Be It Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the modifications as set out in RSA 72:27-a, by responding in the affirmative to the following:

"Shall the Council of the City of Keene amend the exemption for qualified deaf or severely hearing impaired persons and an exemption for improvements to assist persons who are deaf or severely hearing impaired to read:

Any deaf person or person with severe hearing impairment shall be exempt each year on the assessed value, for property tax purposes, of his or her residential real estate to the value of \$55,000. The exemption applies only to property which is occupied as the principal place of abode by the eligible deaf person or person with severe hearing impairment. A deaf person or person with severe hearing impairment" means a person who has a 71 Db hearing average hearing loss or greater in the better ear as determined by a licensed audiologist or qualified otolaryngologist, who may rely on a visual means or communication, as American Sign Language or speech recognition and whose hearing is so impaired as to substantially limit the person from processing linguistic information through hearing, with or without amplification, so as to require the use of an interpreter or auxiliary aid.

The eligible person shall have resided in the state for at least 5 consecutive years preceding April 1 in the year in which the exemption is claimed, and if married, must have been married for at least 5 years. In addition, the eligible party must have a net income of not more than \$40,000, or, if married, a combined net income of not more than \$60,000 and own net assets not in excess of \$75,000, or if married, combined net asset limit of \$110,000 excluding the value of the residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance.

In addition to the exemption provided above, a person may claim an exemption for improvements to assist persons who are deaf or severely hearing impaired. The exemption for improvements shall apply to every owner of residential real estate upon which he or she resides, and to which he or she has made improvements for the purpose of assisting a person who is deaf or severely hearing impaired who also resides on such real estate. The exemption shall be determined by deducting the value of such improvements from the assessed value of the residential real estate before determining the taxes upon such real estate. The exemption shall only apply in taxable years during which the person who is deaf or severely hearing impaired resided on the residential real estate for which the exemption is claimed on April 1 in any given year." This act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

A RESOLUTION Relating to Blind Exemption

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

Whereas, RSA 72:37 was established to allow an exemption for the Blind and

Whereas, the City Council wishes to amend the exemption amount for the Blind.

Now Therefore Be It Resolved by the Council or the City of Keene that Resolution R-2021-25 adopted June 3, 2021, is rescinded.

And Be It Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the modifications as set out in RSA 72:27-a, by responding in the affirmative to the following:

"Shall the Council of the City of Keene amend the Blind Exemption to read:

Every inhabitant who is legally blind as determined by the blind services program, bureau of vocational rehabilitation, department of education shall be exempt each year on the assessed value, for property tax purposes, of his or her residential real estate in the amount of \$30,000," This act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty-Six

A RESOLUTION Relating to Elderly Exemption Qualifications

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

Whereas, RSA 72:39-a was established for the purposes of standardizing the Elderly Exemption program and

Whereas, the City Council wishes to amend the exemption amounts and the income and assets limitations related to the Elderly Exemption.

Now Therefore Be It Resolved by the Council of the City of Keene that Resolution R-2021-30 adopted June 3, 2021, is rescinded.

And Be It Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the modifications as set out in RSA 72:27-a, by responding in the affirmative to the following:

"Shall the Council of the City of Keene amend the Elderly Exemption Qualifications to read:

An elderly exemption, shall be granted for qualified taxpayers in the amount of \$55,000 for a person 65 years of age up to 75 years of age: \$75,000 for a person 75 years of age up to 80 years of age and \$100,00 for a person 80 years of age or older. To qualify, the property shall be owned by a resident, owned by a resident jointly or in common with the resident's spouse, either of whom meets the requirements for the exemption claimed, owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed, or owned by the resident's spouse, either of whom meets the requirements for the exemption claimed and when they have been married for at least 5 consecutive years. In addition, the eligible party must have a net income of not more than \$40,000 or if married a combined net income of not more than \$60,000; and own net assets not in excess of \$75,000, or if married a combined net asset limit of \$110,000 excluding the value of the residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance. The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until the remarriage of the surviving spouse". This act shall take effect as April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

A RESOLUTION Relating to Disabled Exemption

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

Whereas, RSA 72:37-b was established for the purpose of granting an exemption to property which is occupied as the principal place of abode by any person eligible under Title II or Title XVI of the federal Social Security Act for benefits to the disabled and

Whereas, the City Council wishes to amend the exemption amount and the income and asset limitation amounts related to the Exemption for the Disabled.

Now Therefore Be It Resolved by the Council of the City of Keene that Resolution R-2021-29, adopted June 3, 2021, is rescinded.

And Be It Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the modifications as set out in RSA 72:27-a, by responding in the affirmative to the following:

"Shall the Council of the City of Keene amend the Exemption for the Disabled to read:

An exemption for persons eligible under Title 11 or Title XVI of the federal Social Security Act shall be granted to qualified taxpayers in the amount of \$55,000. To qualify, the property shall be owned by a resident, owned by a resident jointly or in common with the resident's spouse, either or whom meets the requirements for the exemption claimed, owned by a resident jointly or in common with a person not the resident's spouse, if the resident meets the applicable requirements for the exemption claimed, or owned by the resident's spouse, either or whom meets the requirements for the exemption claimed and when they have been married for at least 5 consecutive years. In addition, the eligible party must have a net income of not more than \$40,000, or if married a combined net income of not more than \$60,000; and own net assets not in excess of \$75,000, or if married a combined net asset limit of \$110,000, excluding the value of the residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinances. Further, upon their sixty-fifth birthday, a person eligible for the Exemption for the Disabled shall remain eligible for a yearly exemption either in the amount of the Exemption for the Disabled or the Exemption for the Elderly, whichever is greater." This act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty-Six

A RESOLUTION Relating to Solar, Wind Powered & Wood Heating Energy System Exemptions

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

Whereas, in 1975 the legislature enacted RSA 72:62, an Exemption for Solar Energy Systems, and RSA 72:66, an Exemption for Wind Powered Energy Systems, and RSA 72:70, an Exemption for Wood heating Energy Systems, as amended from time to time: and

Whereas, the City of Keene is an active participant and leader in the “Cities for Climate Protection Program;” and

Whereas, the City Council of the City of Keene wishes to readopt the Exemption for Solar Energy, Wind Powered Energy and Wood heating Energy Systems in recognition of energy conservation;

Now Therefore, Be It Resolved by the City Council of the City of Keene that Resolution R-2019-05 adopted March 7, 2019, is hereby rescinded through the adoption of this Resolution.

And Be It Further Resolved by the City Council of the City of Keene that, in accordance with the requirements of RSA 72:27-a, the following exemptions are hereby adopted:

“The provisions of RSA 72:62 for a property tax exemption on real property equipped with a solar energy system in an amount equal to the assessed value of the solar energy system.”

“The provisions of RSA 72:66 for a property tax exemption on real property equipped with a wind powered energy system in an amount equal to the assessed value of the wind powered energy system.”

“The provisions of RSA 72:70 for a property tax exemption on real property equipped with a wood heating energy system in an amount equal to the cost, including installation, of the wood heating energy systems, up to \$10,000 in value.

This Resolution shall be effective as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty-Six

A RESOLUTION Relating to the Optional Veterans' Tax Credit

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

Whereas, the City Council wishes to modify the amount of the Optional Veterans' Tax Credit.

Now Therefore Be It Resolved by the Council of the City of Keene that Resolution R-2023-08, adopted February 16, 2023, is rescinded.

And be it Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the procedure for modification of the Optional Veterans' Tax Credit set forth in RSA 72:27-a and RSA 72:28 IV by responding in the affirmative to the following:

“Shall the Council of the City of Keene modify the Optional Veterans' Tax Credit to **\$450**” **This** act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty-Six

A RESOLUTION Relating to the All Veterans' Tax Credit

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

Whereas, RSA 72:28b was established for the purpose of granting the All Veterans' Tax Credit to veterans who do not qualify for the Veteran Credit (RSA 72:28)/ and

Whereas, the City Council wishes to modify the amount of the All Veterans' Tax Credit.

Now Therefore Be It Resolved by the Council of the City of Keene that Resolution R-2023-09, adopted February 16, 2023, is rescinded.

And Be it Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the procedure for modification of the All Veterans' Tax Credit set forth in RSA 72:27-a and 72:28 IV, by responding in the affirmative to the following:

“Shall the Council of the City of Keene modify the All Veterans' Tax Credit to **\$450**”. This act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

A RESOLUTION Relating to Service Connected Total Disability Veteran Tax Credits

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

Whereas, RSA 72:35 was established for the purpose of allowing tax credits to qualifying disabled Veterans; and

Whereas, the City Council wishes to modify the amount of the Service-Connected Total Disability Veterans' Tax Credit.

Now Therefore Be It Resolved by the Council of the City of Keene that Resolution R-2026-07, is rescinded.

And Be It Further Resolved by the Council of the City of Keene that it hereby wishes to comply with the procedure for modification of the Tax Credit for Service Connected Total Disability set forth in RSA 72:35, by responding in the affirmative to the following:

“Shall the Council of the City of Keene amend the Optional Service Connected Total Disability Veteran Tax Credit in the amount of \$4,500.”
This act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Six

A RESOLUTION Relating to Optional Tax Credit for Combat Service

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

Whereas, RSA 72:28-c was established for the purpose of granting the Optional Tax Credit for Combat Service to members of the NH National Guard or a reserve component of the US armed forces called to combat duty during the taxable period.

Now Therefore Be It Resolved by the Council of the City of Keene that it hereby wishes to comply with the procedure for adopting the Optional Tax Credit for Combat Service set forth in RSA 72:28-c, by responding in the affirmative to the following:

“Shall the Council of the City of Keene adopt the Optional Tax Credit for Combat Service of **\$450**”. This act shall take effect as of April 1, 2026.

Jay V. Kahn, Mayor



CITY OF KEENE NEW HAMPSHIRE

ITEM #A.8.

Meeting Date: July 9, 2026
To: Finance, Organization and Personnel Committee
From: Rebecca Landry, Deputy City Manager
Through: Elizabeth Ferland, City Manager
Subject: **Relating to Fiscal Policies
Resolution R-2026-34**

Recommendation:

Move that the Finance, Organization and Personnel Committee recommend the adoption of Resolution R-2026-34 Relating to Fiscal Policies

Attachments:

1. R-2026-34 Fiscal Policy Redline
2. CPI for FOP 7.9.26 fiscal policy
3. R-2024-32_ Relating to Fiscal Policies_Adopted 11/7/2024

Background:

A City Council workshop was held on June 30, 2026, to review the City's Fiscal Policies in advance of the FY28 budget process, discussing a series of proposed revisions. Key topics reviewed include the Outside Agencies funding process, the Capital Improvement Program budgeting and CIP project closeout language, updating the property tax CPI reference, updating ambulance billing language, LUCT funding, other fund balance language, an annual fees and charges review process, and removing outdated self-funded insurance language. Staff will prepare a draft resolution for formal review by the Finance, Organization and Personnel Committee.



CITY OF KEENE

In the Year of Our Lord Two Thousand
and

Twenty Six

A RESOLUTION Relating to FISCAL POLICIES

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

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; and

WHEREAS: The City Manager is hereby granted the authority to appoint a designee to temporarily perform the duties and responsibilities of the City Manager in his or her absence; and

WHEREAS: The City Manager will in writing inform the City Council of the temporary appointment including name and dates of appointment; and

WHEREAS: The Deputy City Manager designated by the City Manager shall be vested with all of the powers, rights, duties and responsibilities imposed upon the City Manager by the Charter, State Statute, the City Budget, or by any city ordinance, resolution, agreement, document or other authority; and

NOW, THEREFORE, BE IT RESOLVED that the fiscal policy should be reviewed and adopted by the City Council on an annual basis effective July 1, superseding any prior fiscal policies; 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

Strategic Governance links both operational and capital budgets to long term goals established by the City's Master Plan and prioritized through the City Council goal's process. Departments prepare budgets with proposed strategies to advance the goals of the Master Plan along with three to five Council priorities which have been stated as outcome focused goals. Budget strategies may involve multiple years of investment above and beyond the City's base budget. This budget strategy is a hybrid of the priority based and the more traditional base budgeting approach. Priority based budgeting helps the city work towards its high level goals and ensures budget dollars are tied to community and council priorities and desired outcomes. The base budgeting approach separates budget items which are supplemental requests from those that are included in the base budget. The base budget is the amount required to maintain the current level of services.

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
8. Compensated Absences 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 October each year.

D. All departments are authorized to vary actual departmental spending from line item estimates provided the total departmental budget is not exceeded within each fund; provided, however, that any item specifically eliminated by the City Council during budget approval cannot be purchased from another line item without City Council approval.

E. ~~Outside Social Service~~ Agencies seeking funding from the City shall complete an application substantiating their request, the necessity of the services provided, and financial impact on the City if services were not provided. All applicants shall meet eligibility criteria set by the City and eligible applications shall be reviewed by a committee consisting of at least 2 City Councilors, and representation from Human Services, Finance, ~~Community Development~~, and Police Departments.

The committee shall put forth a list of ~~Outside-Social Service~~ Agencies to the City Manager with recommended funding to be included in the budget.

- F. Any unexpended funds in a personnel line related to a vacancy cannot be expended without prior approval from the City Manager and the City Council unless funds are being expended to fill a vacancy, recruiting, or to employ temporary help including professional and contract services. Payments for contracted professional services rendered by temporary employment agencies shall be accounted for from the operating budget of the department. The corresponding budgetary funding shall remain within the personnel budget to ensure proper financial management and transparency.
- G. It is the City's policy to permit employees to accumulate earned and unused leave. The City shall maintain an amount equivalent to the total of the earned and unused leave at the close of each fiscal year in a Compensated Absence Fund. All vested earned leave is accrued when incurred and paid to the employee upon separation of employment as specified in the City's then current Employee Handbook and/or current Collective Bargaining Agreements, from the Compensated Absence Fund.
- H. A periodic budget status report for each fund will be provided to the City Council.
- I. The budget document shall provide multi-year projections of revenues and expenditures/expenses including property taxes and utility (water and sewer) rates.
- J. The budget will take into consideration the City's Policies on unassigned Fund Balance projected at the end of June.
- K. 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.
- L. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.
- M. Property Taxes
 - 1. The City shall limit its property tax revenue increases to a rolling three (3) year average of the Northeast Region ~~New England~~ Consumer Price Index (CPI), as published by U.S. Bureau of Labor Statistics, net of expenditures required by Federal law, State Statute, and debt service payments and capital leases. The Consumer Price Index (CPI) is used to align property tax increases with the overall inflation experienced by its citizens. The objective is to keep the cost of City services as a stable percentage of a taxpayer's overall expenses. The ~~CPI of the~~ Northeast

Region CPI measures the changes in prices of all goods and services purchased by households in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont, that accurately reflects inflation in the City's region and is reported monthly.

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 \$50,000 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 \$50,000 and which increases the useful life of the asset by at least five years.
- D. The CIP shall include all expenditure and funding activity anticipated from any capital reserve fund, including those activities less than \$50,000.
- E. 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.

F. City departments will prepare project funding requests for capital projects as instructed by the City Manager.

G. 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.

H. The CIP shall be reviewed by the Finance, Organization and Personnel Committee and the Planning Board.

I. The CIP will be the subject of a public hearing before adoption.

J. The adopted Capital Improvement Program provides a starting point for inclusion in the City Manager's annual Operating Budget preparation. 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.

K. Upon project closeout-completion, any residual funds shall be returned to the fund that provided the original appropriation unless otherwise directed by the City Council.

L. Project Transfer Requests

1. Memorandums shall be presented to City Council for transfer request approval by majority vote for projects:
 - a. Within the same fund and
 - b. Not funded with bond proceeds/debt and/or
 - c. Have prior authorization to expend capital reserve funds and is within the purpose of the capital reserve.

2. Resolutions shall be presented to City Council for transfer request adoption by 2/3 majority vote for projects:
 - a. Within the same fund and
 - b. Funded with bond/debt proceeds and/or
 - c. Funded with a new capital reserve appropriation.

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 - shall be used to account for funds that must be used for a specific purpose.
 - i. Special Revenue 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. 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.
 - iv. Compensated Absences Fund – shall be used to recognize, measure and disclose requirements for compensated absences. A liability for compensated absences is recognized for unused leave and leave that has been used but not yet paid or settled in accordance with GASB 101.

c. Capital Funds

- i. Capital Project Fund – shall be used to account for the capital projects funded by any of the governmental funds excluding the Sewer Fund and the Water Fund.
- ii. Sewer Capital Project Fund – shall be used to account for the capital projects funded by the Sewer Fund.

- iii. Water Capital Project Fund – shall be used to account for the capital projects funded by the Water Fund.
- iv. Equipment Capital Project Fund – shall be used to account for the capital projects/assets funded by the Equipment Fund.

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. PC Replacement Fund – shall be used to account for the on-going replacement of PC's, peripherals, and related software utilized by all City departments.
- b. 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 up to \$25,000 for conservation purposes, funded through the allocation of the Land Use Change Tax (LUCT). If ~~the prior years' annual~~ LUCT revenues are less than \$25,000, ~~only the amount actually received shall be designated. 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 accepted and 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 consistent with the maximum allowed according to current New Hampshire state law regarding ambulance billing rates and limits. ~~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 annually as part of the Operating Budget process 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, including but not limited to RSA 33, 33B, 34, and 162K.
- 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 or New Hampshire Municipal Bond Bank are the preferred methods 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 or capital asset.

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.
 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. Asset Management Programs

- A. The City may develop, implement, and refine 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 asset management 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 an amount between seven percent (7%) and seventeen percent (17%) 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.
2. Unrestricted fund balance, excluding capital reserves, for the enterprise funds should be maintained at an amount between the equivalent of 180 days to 365 days of the annual operating budget for that fund.
3. Unassigned/unrestricted fund balance for all remaining budgeted funds should be maintained at ~~amounts sufficient to provide for estimated expenditures, an amount between seven percent (7%) and seventeen percent (17%) of the annual operating budget for that fund.~~

~~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. B.~~ Capital Reserves

The City utilizes capital reserves, classified as committed funds, 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.

~~D. C.~~ 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.D. 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 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).

Jay V. Kahn, Mayor

Consumer Price Indexes - Annually (May)

0

	<u>Northeast Region</u> (May)	<u>NE New England</u> (May)	<u>Boston-Cambridge</u> (May)
2017	1.70	n/a	2.90
2018	1.70	2.20	3.20
2019	1.50	1.90	2.30
2020	0.60	-0.10	-1.00
2021	3.90	3.60	3.20
2022	7.50	7.90	7.50
2023	3.10	3.60	3.60
2024	3.90	3.80	4.00
2025	2.40	2.80	3.00
2026	5.00	4.60	3.20
Ten year Average %	3.13	n/a	3.19
Nine Year Average %	3.29	3.37	3.22
3 year Average	4.83		5.03
5 year Average	3.80		3.46
7 year Average	3.17		3.26
Five Year Average %	4.38	4.54	4.26
3 year Average (Fiscal Policy)	3.77	3.73	3.40

*NOTE: Social Security adjust issued in October - 9 months ago
2026 is an estimate from Senior Citizens League (July 2026)

FYI - Background

<i><u>CITY COLA</u></i> <i><u>PAB (July)</u></i>	<i><u>Social</u></i> <i><u>Security</u></i> <i><u>(October)*</u></i>
2. 00	2. 00
2. 25	2. 80
2. 50	1. 60
2. 50	1. 30
2. 00	5. 90
2. 00	8. 70
3. 00	3. 20
3. 00	2. 50
3. 00	3. 50
3. 00	3. 80
2. 53	3. 53
2. 58	3. 92
2. 67	4. 80
2. 50	4. 32
2. 46	3. 71
2. 60	4. 76
3. 00	3. 07



CITY OF KEENE

In the Year of Our Lord Two Thousand and Twenty Four

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 Budgets developed a comprehensive set of recommended practices on budgeting;

WHEREAS: one key component of those recommended practices calls for 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; and

WHEREAS: The City Manager is hereby granted the authority to appoint a designee to temporarily perform the duties and responsibilities of the City Manager in his or her absence; and

WHEREAS: The City Manager will in writing inform the City Council of the temporary appointment including name and dates of appointment; and

WHEREAS: The Deputy City Manager designated by the City Manager shall be vested with all of the powers, rights, duties and responsibilities imposed upon the City Manager by the Charter, State Statute, the City Budget, or by any city ordinance, resolution, agreement, document or other authority; and

NOW, THEREFORE, BE IT RESOLVED that the fiscal policy should be reviewed and adopted by the City Council on an annual basis effective July 1, superseding any prior fiscal policies 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

Strategic Governance links both operational and capital budgets to long term goals established by the City's Master Plan and prioritized through the City Council goal's process. Departments prepare budgets with proposed strategies to advance the goals of the Master Plan along with three to five Council priorities which have been stated as outcome focused goals. Budget strategies may involve multiple years of investment above and beyond the City's base budget. This budget strategy is a hybrid of the priority based and the more traditional base budgeting approach. Priority based budgeting helps the city work towards its high level goals and ensures budget dollars are tied to community and council priorities and desired outcomes. The base budgeting approach separates budget items which are supplemental requests from those that are included in the base budget. The base budget is the amount required to maintain the current level of services.

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 - 5) Sewer Fund**
 - 6) Water Fund**
 - 7) Equipment Fund**
 - 8) Compensated Absences 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 October each year.**
- D. All departments are authorized to vary actual departmental spending from line item estimates provided the total departmental budget is not exceeded within each fund; provided, however, that any item specifically eliminated by the City Council during budget approval cannot be purchased from another line item without City Council approval.**
- E. Outside Agencies seeking funding from the City shall complete an application substantiating their request, the necessity of the services provided, and financial impact on the City if services were not provided. All applicants shall meet eligibility criteria set by the City and eligible applications shall be reviewed by a committee consisting of at least 2 City Councilors, and representation from Human Services, Finance, Community Development, and Police Departments. The committee shall put forth a list of Outside Agencies to the City Manager with recommended funding to be included in the budget.**
- F. Any unexpended funds in a personnel line related to a vacancy cannot be expended without prior approval from the City Manager and the City Council unless funds are being expended to fill a vacancy, recruiting, or to employ temporary help including professional and contract services. Payments for contracted professional services rendered by temporary employment agencies shall be accounted for from the operating budget of the department. The corresponding budgetary funding shall remain within the personnel**

budget to ensure proper financial management and transparency.

- G. It is the City's policy to permit employees to accumulate earned and unused leave. The City shall maintain an amount equivalent to the total of the earned and unused leave at the close of each fiscal year in a Compensated Absence Fund. All vested earned leave is accrued when incurred and paid to the employee upon separation of employment as specified in the City's then current Employee Handbook and/or current Collective Bargaining Agreements, from the Compensated Absence Fund.
 - H. A periodic budget status report for each fund will be provided to the City Council.
 - I. The budget document shall provide multi-year projections of revenues and expenditures/expenses including property taxes and utility (water and sewer) rates.
 - J. The budget will take into consideration the City's Policies on unassigned Fund Balance projected at the end of June.
 - K. 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.
 - L. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.
 - M. Property Taxes.
 - 1) The City shall limit its property tax revenue increases to a rolling three (3) year average of the Northeast Region-New England Consumer Price Index (CPI) as published by U.S. Bureau of Labor Statistics net of expenditures required by Federal law, State Statute, and debt service payments and capital leases. The Consumer Price Index (CPI) is used to align property tax increases with the overall inflation experienced by its citizens. The objective is to keep the cost of City services as a stable percentage of a taxpayer's overall expenses. The CPI of the Northeast Region measures the changes in prices of all goods and services purchased by households in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, that accurately reflects inflation in the City's region and is reported monthly.
 - 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 \$50,000 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 \$50,000 and which increases the useful life of the asset by at least five years.
- D. The CIP shall include all expenditure and funding activity anticipated from any capital reserve fund, including those activities less than \$50,000.
- E. 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.
- F. City departments will prepare project funding requests for capital projects as instructed by the City Manager.
- G. 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.
- H. The CIP shall be reviewed by the Finance, Organization and Personnel Committee and the Planning Board.
- I. The CIP will be the subject of a public hearing before adoption.
- J. 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.
- K. Upon project completion, any residual funds shall be returned to the fund that provided the original appropriation unless otherwise directed by the City Council.
- L. Project transfer requests:

- 1) Memorandums shall be presented to City Council for transfer request approval by majority vote for projects:
 - a) Within the same fund and
 - b) Not funded with bond proceeds/debt and/or
 - c) Have prior authorization to expend capital reserve funds and is within the purpose of the capital reserve.
- 2) Resolutions shall be presented to City Council for transfer request adoption by 2/3 majority vote for projects:
 - a) Within the same fund and
 - b) Funded with bond/debt proceeds and/or
 - c) Funded with a new capital reserve appropriation.

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 - shall be used to account for funds that must be used for a specific purpose.
 - i. Special Revenue 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. 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.
 - iv. Compensated Absences Fund – shall be used to recognize, measure and disclose requirements for compensated absences. A liability for compensated absences is recognized for unused leave and leave that has been used but not yet paid or settled in accordance with GASB 101.
 - c) Capital Funds.
 - i. Capital Project Fund – shall be used to account for the capital projects funded by any of the governmental funds excluding the Sewer Fund and the Water Fund.
 - ii. Sewer Capital Project Fund – shall be used to account for the capital projects funded by the Sewer Fund.
 - iii. Water Capital Project Fund – shall be used to account for the

capital projects funded by the Water Fund.

- iv. Equipment Capital Project Fund – shall be used to account for the capital projects/assets funded by the Equipment Fund.

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) PC Replacement Fund – shall be used to account for the on-going replacement of PC's, peripherals, and related software utilized by all City departments.
- b) 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 accepted and 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 law, RSA 33, 33B, 34, and 162K.
- B. Debt may be issued to fund projects with a public purpose as otherwise allowed by State law.
- C. Debt will not be issued to provide for the payment of expenses for 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 or New Hampshire Municipal Bond Bank are the preferred methods 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 or capital asset.

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.
- 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. Asset Management Programs

- A. The City may develop, implement, and refine 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 asset management 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 an amount between seven percent (7%) and seventeen percent (17%) 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.
- 2) Unrestricted fund balance, excluding capital reserves, for the enterprise funds should be maintained at an amount between the equivalent of 180 days to 365 days of the annual operating budget for that fund.
- 3) Unassigned/unrestricted fund balance for all remaining budgeted funds should be maintained at an amount between seven percent (7%) and seventeen percent (17%) of the annual operating budget for that fund.

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, 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.

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 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).



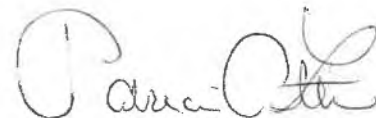
Jay V. Kahn, Mayor

In City Council October 3, 2024
Referred to the Finance, Organization
and Personnel Committee.



City Clerk

A true copy;



Attest:

City Clerk

PASSED: November 7, 2024