City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITEE AGENDA
Council Chambers B
July 14, 2016
5:30 PM

Mitchell H. Greenwald
Carl B. Jacobs
Terry M. Clark
Thomas F. Powers
Jay V. Kahn

1. MEMORANDUM: 2016 Community Night
   Elizabeth Sayre on behalf of PAB

2. REPORT OUT: Donation of Land - Off Pearl Street - Michael Kapiloff
   Rhett Lamb, Planning Director

3. MEMORANDUM: Agreement For Advanced Life Support Intercept Transport Service
   Mark Howard, Fire Chief

4. MEMORANDUM: Acceptance of Justice Assistance Grant (JAG) - 2016
   Brian Costa, Police Chief

5. MEMORANDUM: Acceptance of Civil Forfeiture
   Brian Costa, Police Chief

6. MEMORANDUM: Acceptance of Donation - Sumner Knight Chapel
   Andy Bohannon, Parks, Recreation and Facilities Director

7. MEMORANDUM: Acceptance of Donation - Dog Park
   Rhett Lamb, Planning Director

8. MEMORANDUM: Sponsorship Update - Banner Placements at Wheelock Park
   Andy Bohannon, Parks, Recreation and Facilities Director

9. MEMORANDUM: Winchester Street Bridge over Ash Swamp Brook
   Don Lussier, City Engineer

10. MEMORANDUM: Primex3 Contribution Assurance Program (CAP)
    Elizabeth Fox, ACM/Human Resources Director

11. MEMORANDUM & RESOLUTION: R-2016-25 Relating to Fiscal Policies
Steve Thornton, Finance Director

12. MEMORANDUM & RESOLUTION R-2016-26: Relating to Refunding Bonds
Steve Thornton, Finance Director

13. MEMORANDUM & RESOLUTION R-2016-27: Relating to the Reallocation of Bond Funding from the Railroad Land Infrastructure and Victoria Street Extension Projects
Steve Thornton, Finance Director

14. CONTINUED DISCUSSION: Charter Employee Evaluation Process - FOP COM

MORE TIME ITEMS:

A. Relinquishment of Easement to Parking Spaces on Railroad Property on Behalf of Monadnock Food Co-op

Non Public Session
Adjournment

City of Keene, N.H.
Transmittal Form

7/14/2016

TO: Finance, Organization and Personnel Committee

FROM: Elizabeth Sayre on behalf of PAB

THROUGH: ACM Landry for Medard Kopczynski, City Manager

ITEM: 1.

TITLE: MEMORANDUM: 2016 Community Night

RECOMMENDATION:
Move that the Finance Organization and Personnel Committee accept the report on the 2016 Community Night as informational.

BACKGROUND:
Historically the Keene Police Department has hosted a semi-annual National Night Out for the community which gives citizens the opportunity to learn about the department, tour facilities and also provide refreshments to participants. This year the event was a Community Night Open House that included numerous departments and donations.

We wish to recognize the donations of food and cash for food from:

- 30 cases of water to the Police Benevolent Association from Cumberland Farms which was given to the Open House
- $400 from the Police Benevolent Association to purchase food
- $100 from the Keene Police Officers Association to purchase food
- 192 Hamburgers and heavy duty plates from C&S Wholesale Grocers.

It is estimated that 700 community members attended the three hour evening event. They had an opportunity to meet a variety of City staff and learn about various departments and how they provide service to our community. Displays of equipment from Public Works, Airport, Police and Fire Departments were the highlight attraction!

From Public Works various sized trucks, tractors, the Vaccon and specialty vehicles used throughout the City demonstrated how much equipment is needed to maintain Water and Wastewater, Solid Waste and Highway activities, all kept in tiptop condition by Fleet Services.

A Fire Department ladder truck and the City's newest ambulance in addition to the Police Crime Scene van, Bearcat and Cruiser were on display.

Perhaps the most impressive vehicle was the Airport SRE - the biggest snow blower in town, used to clear runway surfaces to ensure compliance with FAA regulations.

"Patriot", our Police Canine was very popular and also were the tours of the Police Station.

Many examples of historical and current tools used by engineering and for behind the scenes maintenance added to the education of what is needed to keep water and services flowing.

Inside City departments displayed materials and were available to answer questions and provide information about the Library, Human Services, Youth Services and Human Resources.

City of Keene, N.H.
Transmittal Form

6/28/2016

TO: Finance, Organization and Personnel Committee

FROM: Mark Howard, Fire Chief

THROUGH: Medard Kopczynski, City Manager

ITEM: 3.

TITLE: MEMORANDUM: Agreement For Advanced Life Support Intercept Transport Service

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RECOMMENDATION:
Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute the new one year Advanced Life Support Intercept Transport Agreements.

ATTACHMENTS:

Description

2016 ALS Intercept Agreement

BACKGROUND:
With the approval of this recommendation we would move forward immediately to get these contracts out and executed. Currently we have three 2015 Advanced Life Support Agreements with the towns of Gilsum, Harrisville and Stoddard. During the current agreement all fee's required by the agreements were paid in full by the three towns.

The towns of Alstead and Winchester after review of the proposed 2015 contract choose not to enter into the agreement.

The current Advanced Life Support Intercept Transport Agreements expire on June 30, 2016 with the three communities we serve. I have worked with Elizabeth Fox, Assistant City Manager, Thomas Mullins, City Attorney and Steve Thornton, Finance Director on changes we are recommending to the existing agreements.

The new proposed contract includes changes in the following areas:

1. Updating all dates in contract to reflect new term of contract.
2. Attachment A- ALS Standby Fee Schedule: Adjustment in budget from a $10,150 to $5,174.00 budget. The cost to each town is still based on 50% flat fee and 50% based on population.
3. Attachment B- Advanced Life Support Transport Rates: The rates were updated to the reflect 2016 adopted rates.

We have adjusted the needed budget accordingly as the number of towns and call volume projected for the 2016 agreement is less with only three towns now being serviced. The new contract provides for a great service to the towns that choose to enter into an agreement while at the same time allowing the City to sustain such service.

AGREEMENT FOR ADVANCED LIFE SUPPORT INTERCEPT TRANSPORT SERVICE

BETWEEN

THE CITY OF KEENE, NEW HAMPSHIRE

AND

TOWN OF STODDARD, NEW HAMPSHIRE

Effective July 1, 2016, the City of Keene (hereinafter “City”), and the Town of Stoddard (hereinafter “Town”), agree that the Keene Fire Department (“Service Provider”) will provide emergency Advanced Life Support Intercept Transport Services (“ALS Intercept Transport Services”) to the Town for a one (1) year period, starting July 1, 2016, and ending June 30, 2017, in accordance with the terms and conditions set forth below.

WITNESSETH THAT:

WHEREAS, the Town provides primary ALS transport services to the residents of the Town either directly or through third party agreements with a primary transport service provider (“Service Receiver”); and

WHEREAS, the Town desires a secondary ALS transport service provider in the event that emergency ALS services are required and the Service Receiver is either unavailable, or the medical certification necessary for the ALS and emergency transport of the patient is unavailable; and

WHEREAS, the City is willing to provide emergency secondary ALS Intercept Transport Services to the Town in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Service Provider agrees to provide ALS Intercept Transport Services to the Town as stated under the terms of this Agreement. Service Provider will respond to such requests with Service Provider’s ambulance and equipment, and with the appropriate medical personnel, and will provide transport of the patient by its ambulance and personnel to the appropriate medical facility.

2. The Town agrees that all requests for ALS Intercept Transport Services shall be predicated upon Service Provider having available sufficient and qualified personnel and equipment necessary to respond to the Town’s request while also

maintaining Service Provider's other responsibilities, commitments, and agreements.

3. The Service Provider shall have the sole discretion to determine whether it has adequate personnel and equipment to respond to any request for ALS Intercept Transport Service by the Town. The City shall not be liable if, in the sole discretion of the Service Provider, the Service Provider is unable to provide ALS Intercept Transport Services to the Town for any reason.

4. The Town agrees to pay the City the current standby fee for providing the ALS Intercept Transport Services as stated on Attachment A to this Agreement, which is incorporated by reference herein. Payment of the fee is due within thirty (30) days of billing. In the event that the Town fails to pay the invoice within thirty (30) days of billing, the City shall have the right to terminate this agreement upon thirty (30) days' notice.

5. The Town agrees to pay the City the current fee for providing the ALS Intercept Transport Services as stated on Attachment B to this agreement, which is incorporated by reference herein. The Fee Schedule is subject to change without notice within the sole discretion of the City Council. Service Provider shall invoice the patient (or the patient's insurance provider) directly for the emergency transport services in accordance with the Rate Form attached as Attachment B. In the event that the patient invoice is not paid, the Town shall be responsible for the payment of the invoice to the Service Provider within thirty (30) days of notice by the Service Provider. The Service Provider will not balance bill the Town for any amount that is not allowable for those patients with Medicaid and/or Medicare.

6. The Town may cancel an intercept request at any time prior to ALS patient contact by the Service Provider. Cancellation of an intercept request shall be made only by an EMS provider having jurisdiction within the boundaries of the Town.

7. If, the Service Provider is required to provide ALS care during patient transport in the Town's ambulance the Town agrees to pay an intercept fee of $391.67.

8. If, at the annual town meeting of the Town, no appropriation is approved by the voters for the ALS Intercept Transport Services described herein (after a request for such appropriation has been placed on the warrant by the Selectmen and/or Budget Committee), the Town shall be released from its obligations under this Agreement not less than sixty (60) days from the date of the town meeting vote; however, the Town shall remain fully obligated to pay for ALS Intercept Transport Services provided by the Service Provider, or unpaid patient invoices under the terms and conditions of this Agreement, until the expiration of the same.

9. In performing the services contemplated by this agreement, the Service Provider, the Town, and the Service Receiver as required of it by the Town, shall comply with all applicable federal, state, and municipal laws, statutes, and ordinances.

10. The Service Provider, the Town, and the Service Receiver, as required of it by the Town, shall at all times maintain general and professional liability insurance as required by N.H. Code of Administrative Rules, He-P 1203.03 (2) b and Saf-C 5903.03 (2) b, as they may be amended from time to time, issued on an occurrence basis. The Town shall provide the City with certificates of insurance, together with appropriate endorsements, naming the City as an additional insured and evidencing compliance with the coverage requirements of He-P 1203.03 (2) b and Saf-C 5903.03 (2) b. The Town shall also provide proof of automobile insurance coverage and workers' compensation coverage within the statutory limits. The Town shall notify City in writing within ten (10) days of any proposed cancellation, actual cancellation, or change in insurance coverage.

11. The parties, and their respective successors, do hereby indemnify, defend and hold the other party and its officers, employees and officials, harmless from any liability which either party may have, if any, for loss, damages or claims for damages, which may arise out of the negligent, reckless, or intentional acts of the other party, its officials, employees or agents, arising from or related to the terms of this Agreement. In case a claim should be brought or an action filed with respect to the subject of the indemnity provided for herein, the indemnifying party may, upon mutual agreement of the other party, employ attorney(s) to appear and defend the claims or action on behalf of the other party at the expense of the indemnifying party. The indemnifying party shall have the sole authority for the direction of the defense and shall keep the other party timely informed of same. However, any compromise or settlement shall be entered only with the prior consent of the indemnified party. The parties agree to notify the other of any claim made against the party in writing within thirty (30) days by Certified Mail, at the address specified above.

12. Either party may terminate this Agreement at any time during the term of the Agreement upon providing the other party with ninety (90) days' written notice via certified mail, return receipt requested.

13. The parties understand that this Agreement is subject to review and approval by the Office of the Attorney General pursuant to RSA 53-A, and agree to revise the Agreement in such manner as may be required by the Attorney General.

14. If any ALS Intercept Transport Services are provided for after the termination or expiration of the term of this Agreement, such services and the payment therefore shall be governed by the terms and conditions set forth in this Agreement.

15. Nothing under this Agreement shall be construed to give any rights or benefits, create any duty, or make any promise to anyone other than the City, the Town,

and Service Receiver, and all duties and responsibilities undertaken pursuant to this agreement will be for the sole and exclusive benefit of the City, the Town, and the Service Receiver and not for the benefit of any other party.

16. The provisions of Paragraph11, shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their seals and the hands of their duly authorized officers to be hereto affixed this _____ day of _________________________, 2016.

TOWN OF STODDARD
By its duly elected Board of Selectmen

_______________________________ By: ________________________________
Witness

_______________________________ By: ________________________________
Witness

_______________________________ By: ________________________________
Witness

CITY OF KEENE

_______________________________ By: ________________________________
Witness Medard Kopczynski, City Manager

ATTACHMENT A

CITY OF KEENE FIRE DEPARTMENT

2016 - 2017 ALS Intercept Standby Fee

	50% (5174/50)	**Population**	**Percentage based on population**	**Fee based on population**		**Transport Agency**
Gilsum	$ 862.33	813	28.05%	$ 725.65	**$ 1587.98**	Marlow Amb
Harrisville	$ 862.33	961	33.16%	$ 857.85	**$ 1720.18**	DiLuzio
Stoddard	$ 862.33	1124	38.79%	$1003.50	**$ 1865.83**	Antrim FD
	$ 2587.00	**2,898**	**100%**	**$ 2587.00**	**$ 5,174.00**	

ATTACHMENT B
CITY OF KEENE FIRE DEPARTMENT
ADVANCED LIFE SUPPORT INTRERCEPT TRANSPORT RATES

Charges	Rate
BLS Emergency Base Rate	$ 1,312.04
ALS1 Emergency Base Rate	$1,573.36
ALS 2 Emergency Base Rate	$ 2,277.21
Mileage	$ 25.33
No Transport Fee (Patient treated on scene, refused transport by KFD to hospital)	$ 491.90
Intercept Fee (KFD Medic provided patient care during transport in Town's ambulance)	$ 391.67

City of Keene, N.H.
Transmittal Form

6/28/2016

TO: Finance, Organization and Personnel Committee

FROM: Brian Costa, Police Chief

THROUGH: ACM Landry for Medard Kopczynski, City Manager

ITEM: 4.

TITLE: MEMORANDUM: Acceptance of Justice Assistance Grant (JAG) - 2016

RECOMMENDATION:
Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to apply for and accept a grant of $7,778.50 awarded by the US Department of Justice, Justice Assistance Grants program.

BACKGROUND:
The Keene Police Department will be applying for a $15,557.00 grant, jointly, with the Cheshire County Sheriff's Office under the Justice Assistance Grant Program of the US Department of Justice. For the purposes of this grant, Cheshire County will act as the fiscal agent.

The Keene share of this grant is $7,778.50, and these monies will be used for the purchase, installation, monthly data fee charges, and maintenance of eleven (11) smartphones into each of our line cruisers for a period of eighteen (18) months.

This project will enable officers to receive critical data that is similar to the information that is sent to their cruiser Mobile Data Terminals (MDTs) when not in their cruisers. Additionally, smartphones are able to receive text messages directly along with photos of suspects that may be wanted. The real time transmittal of information is a critical asset during active investigations for capturing evidence and apprehending suspects. The reduced time that is experienced by not having to first return to the cruiser or the police station to relay and/or receive information is invaluable. They also have value in the documentation of crime scenes via their video capabilities, which can then be downloaded to official storage servers as evidence at the police station. This captured evidence and information will prove helpful in securing successful prosecution of crimes.

City of Keene, N.H.
Transmittal Form

7/4/2016

TO: Finance, Organization and Personnel Committee

FROM: Brian Costa, Police Chief

THROUGH: ACM Fox for Medard Kopczynski, City Manager

ITEM: 5.

TITLE: MEMORANDUM: Acceptance of Civil Forfeiture

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept forfeiture funds, in the amount of $1,463.70 (14-DEA-598635 - $707.29; 14-DEA-598574- $315.31; 14-DEA-598294 - $441.10), awarded to the Keene Police Department from the United States Department of Justice.

BACKGROUND:

On May 7, 2014 the Keene Police Department assisted the U.S. Drug Enforcement Agency (DEA) with the execution of a federal search warrant at Phat Stuff, a retail business formerly located at 84 Main Street in Keene. This search was the culmination of a multi-agency coordinated investigation into the selling of "bath salts", also known as chemically engineered or synthetic marijuana.

The case has since been resolved through the court process with the owner, Panagiotes J. "Panos" Eliopoulos, pleading guilty to the federal charge of causing misbranded drugs to be introduced into interstate commerce. Pursuant to his guilty plea, Mr. Eliopoulos agreed to civilly forfeit $10,729.59 as well as a quantity of drug paraphernalia that was seized. The Keene Police Department's share of the seized money is $1,463.70.

City of Keene, N.H.
Transmittal Form

6/29/2016

TO: Finance, Organization and Personnel Committee

FROM: Andy Bohannon, Parks, Recreation & Facilities Director

THROUGH: ACM Landry for Medard Kopczynski, City Manager

ITEM: 6.

TITLE: MEMORANDUM: Acceptance of Donation - Sumner Knight Chapel

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RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept a donation of $455.00 and that the money is used by the Parks, Recreation and Facilities Department for maintenance improvements of the Sumner Knight Chapel.

BACKGROUND:

Kevin Dremel with the Keene MusicFest hosts an ongoing concert series to raise money for the needed repairs in the Sumner Knight Chapel. To date, the concert series has generated $9094.00. This most recent donation was the result of a collaboration between Keene MusicFest and the Keene State Music Department.

For more information on the concert series visit http://keenemusicfestival.org and the Keene Parks and Recreation Facebook page.

City of Keene, N.H.
Transmittal Form

7/1/2016

TO: Finance, Organization and Personnel Committee

FROM: Rhett Lamb, Planning Director/ACM

THROUGH: Medard Kopczynski, City Manager

ITEM: 7.

TITLE: MEMORANDUM: Acceptance of Donation - Dog Park

RECOMMENDATION:
Move that the Finance, Organization, and Personnel Committee recommend that the City Manager be authorized to do all things necessary to accept a donation of $35.00 from Margaret Wittenborg toward the creation of a dog park.

BACKGROUND:
The Friends of Keene Dog Park continue their fundraising campaign for the creation of a dog park in the City of Keene. They recently received a donation from Margaret Wittenborg in the amount of $35.00.

City of Keene, N.H.
Transmittal Form

6/30/2016

TO: Finance, Organization and Personnel Committee

FROM: Andy Bohannon, Parks, Recreation & Facilities Director

THROUGH: ACM Landry for Medard Kopczynski, City Manager

ITEM: 8.

TITLE: MEMORANDUM: Sponsorship Update - Banner Placements at Wheelock Park

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RECOMMENDATION:
Move that the Finance, Organization and Personnel Committee accept the sponsorship update for banner placements at Wheelock Park as informational.

BACKGROUND:
On April 7, 2016, the City Council voted to approve the sponsorship policy presented by the Parks, Recreation and Facilities Department. Through the adoption, the department has secured a sponsorship agreement with ConvenientMD Urgent Care for banner placements within Wheelock Park and the Recreation Center, along with league sponsorship opportunities. This is a two year agreement beginning July 1, 2016 with the ability to renew after November 1, 2018, the financial structure of the sponsorship is $10,000.00 each year.

City of Keene, N.H.
Transmittal Form

7/8/2016

TO: Finance, Organization and Personnel Committee

FROM: Donald R. Lussier, City Engineer and Kürt D. Blomquist, Public Works/Emergency Management Director

THROUGH: ACM Landry for Medard Kopczynski, City Manager

ITEM: 9.

TITLE: MEMORANDUM: Winchester Street Bridge over Ash Swamp Brook

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RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Manager be authorized to do all things necessary to negotiate and execute a design phase change order with CHA, Inc. for an amount not to exceed $22,486 for a detailed Hydrologic and Hydraulic study of the Ash Swamp Brook associated with the Winchester Street/Rt 10 Bridge over Ash Swamp Brook Repair Project.

BACKGROUND:

CHA is currently contracted to design the repair or replacement of the Winchester Street bridge over Ash Swamp Brook. This is one of the City's 14 currently "red-listed" bridges and the project is being funded through the New Hampshire Department of Transportation's State Bridge Aid Program (i.e., 80% state funding, 20% local funding).

During our first public meeting on the project, the City received anecdotal evidence from concerned neighbors that local flooding had gotten worse in recent years. It was speculated that the Rt. 9 bridge enlargement upstream of the project site may have exacerbated historic flooding issues. At the request of City Staff, CHA reviewed the data produced during the design and permitting of the Rt. 9 bridge enlargement. It was determined that the existing flood mapping and flood insurance study data did not fully analyze the implications of the enlarged opening on the downstream Rt. 10 bridge.

The requested change order will allow the City's consultant to conduct a detailed study of the Ash Swamp Brook hydraulics in the vicinity of the project site. This detailed analysis will be used to document the need, if one exists, for a larger structure at the Winchester Street crossing.

The NHDOT has reviewed and approved the consultant's scope and fee proposal. Therefore, the additional cost will be fully participating and the City's share will be 20% of the fee (i.e., $4,497.20 of the 22,486.00). There is sufficient funding within the project budget for this change order.

City of Keene, N.H.
Transmittal Form

7/12/2016

TO: Finance, Organization and Personnel Committee

FROM: Elizabeth Fox, ACM/Human Resources Director

THROUGH: ACM Landry for Medard Kopczynski, City Manager

ITEM: 10.

TITLE: MEMORANDUM: Primex3 Contribution Assurance Program (CAP)

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend the City Manager be authorized to do all things necessary to enter into and execute an agreement extending participation with Primex^3 in a multi-year Contribution Assurance Program (CAP) through FY 2019 that provides predictable contributions and stable property and liability insurance coverage.

BACKGROUND:

The City of Keene has been a participant in Primex^3 (NH Public Risk Management Exchange) obtaining property and liability insurance and benefiting from premium savings generated by its risk management programs for approximately fourteen years. Through Primex^3 the City gains access to high-quality risk management resources and training programs critical to supporting risk reduction efforts necessary to stabilize premiums. While historically, city contribution adjustments have ranged between 2% and 8.2%, the program's 9% cap has provided benefit. with the City's commitment to the pool providing premium protection if claims performance warrants a larger adjustment resulting in premium savings in excess of $20,000 in FY15. In a marketplace that has not always provided coverage options for municipalities, membership in this stable management pool has provided the City with much needed property and liability coverage as well as risk management resources.

City of Keene, N.H.
Transmittal Form

7/7/2016

TO: Mayor and Keene City Council

FROM: Steve Thornton, Finance Director

THROUGH: ACM Fox for Medard Kopczynski, City Manager

ITEM: 11.

TITLE: MEMORANDUM & RESOLUTION: R-2016-25 Relating to Fiscal Policies

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COUNCIL ACTION:
In City Council July 7, 2016.
Referred to the Finance, Organization and Personnel Committee.

RECOMMENDATION:
That Resolution R-2016-25 relating to fiscal policies, be introduced and read at the July 7, 2016 meeting of the City Council and be referred to the Finance, Organization, and Personnel Committee for consideration, discussion, and a recommendation back to City Council.

ATTACHMENTS:

Description

R-2016-25

BACKGROUND:
One of the most elemental functions of municipal fiscal management is to establish policies to guide an organization through both good and difficult times.

The City of Keene, like many municipalities, faces many fiscal challenges. Two of these are 1) the difficulty of balancing local budget realities with decreased revenues, increased service demands and the costs of unfunded state and federal mandates and 2) the cost of infrastructure and associated costs. Fiscal policies establish standards for fiscal management and decision making both in the long and short term, and guidelines for monitoring and assessing fiscal condition while addressing those challenges.

Additionally, bond rating agencies give a higher score to communities with clearly established policies, because these agencies recognize the value measurable and enforceable policies lend to reduced investment risk.

R-2016-02-A, Relating to Fiscal Policies, was adopted by the City Council on March 17, 2016, following two fiscal workshops and review and amendment by the FOP. One of the amendments resolved that fiscal policies be reviewed and adopted in July of each year. In accordance with that amendment, attached for consideration is draft resolution R-2016-25. There are no staff recommended policy amendments for FY 2017.

CITY OF KEENE

R-2016-25

In the Year of Our Lord Two Thousand and ....Sixteen........

A RESOLUTION ....Relating to Fiscal Policies........

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

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

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

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

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

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

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

I. <u>Fund Structure</u>
   - 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:
     - i. Governmental Funds
       - o General Fund – shall be used to account for those governmental activities that are not recorded in one of the other City Funds that have been established under the authority of the City Council
       - o Special Revenue Funds:
         - a. Grants Fund – shall be used for those activities that are funded in part or in whole by contributions from other entities
         - b. Parking Fund – shall be used to account for the operations, maintenance and capital outlay needs of the municipal parking areas

PASSED

c. PC Replacement Fund – shall be used to account for the on-going replacement of PC's and certain peripherals, and desk top software utilized by all City departments
d. 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 closed landfill

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

ii. Proprietary Funds

- Enterprise Funds
  - a. Sewer Fund – shall be used to account for the operations, maintenance, and capital outlay needs of the sewer collection and treatment systems
  - b. Water Fund – shall be used to account for the operations, maintenance, and capital outlay needs of the water treatment and distribution systems
- Internal Service Funds
  - a. Equipment Fund – shall be used to account for the operations, maintenance and capital outlay needs of fleet services

II. <u>Budget</u>

a. The City shall adopt appropriated budgets for the following funds
   i. General Fund
   ii. Parking Fund
   iii. PC Replacement Fund
   iv. Solid Waste Fund
   v. Sewer Fund
   vi. Water Fund
   vii. Equipment Fund
b. All appropriated budgets shall be adopted annually.
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 Finance Department computer 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 July 15 of every year.
d. The City Council shall be presented with a budget for each of the funds that have an appropriated budget annually, and each shall be balanced.
e. The budget document shall provide projections of revenues and expenditures/expenses beyond the subject year.
f. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.
g. Partner City Committee
   i. For the Partner City Committee, general fund appropriations shall be accounted for and expended separately from donations and proceeds from fund raising activities.
   ii. Each year, if the city council approves a general fund appropriation, that amount shall be transferred into a distinct non-lapsing account. The

Partner City Committee is authorized to spend this appropriation, as well as the donations and proceeds from fund raising activities, for activities associated with their purpose, as defined in the city code. At year end, the balance remaining in the non-lapsing account funded by general fund appropriations shall be reviewed by city staff. To the extent that any balance remaining exceeds the total of the two most recent appropriations, the excess shall be returned to the general fund as surplus.

III. Purchasing

a. Environmental Preferred Purchasing. To the greatest extent possible and within budgetary constraints, the City of Keene will consider life-time costs and environmental impacts when purchasing goods and services.
   i. Practices will be developed, implemented and adhered to that will reduce waste by increasing product efficiency and effectiveness.
   ii. Products that minimize environmental impacts, toxins, pollution, and hazards to worker and community safety will be given preference to the greatest extent practicable.
   iii. To the greatest extent possible and within budgetary constraints, the City of Keene will purchase products that:
      - include recycled content,
      - are durable and long-lasting,
      - conserve energy and water,
      - use agricultural fibers and residues,
      - reduce greenhouse gas emissions.
   iv. To the greatest extent possible and within budgetary constraints, the City of Keene will incorporate green building principles and practices into the planning, design, construction, management, renovation, operation, and demolition of all City facilities.

b. Collaboration. The City will seek collaboration with other interested governmental entities or agencies to consolidate when possible and practicable employees, services, and the purchase of materials, supplies, and other consumables, when doing so:
   i. reduces duplication of effort,
   ii. provide for the efficient and effective use of public resources, and
   iii. conforms to budgetary parameters and remain cost competitive.

IV. <u>Revenues</u>

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 strive to diversify its revenues in order to maintain needed services during periods of declining economic activity and/or during periods of property tax pressures.

c. Designation of Revenues.
   i. 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, 50% of the amount over $25,000 will be designated for the 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.

ii. Direct reimbursements from other entities shall be used to offset the appropriate City expense.

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

d. Property Taxes**.**

i. The City shall limit its property tax revenue increases to the Boston CPI, net of expenditures required by law, and debt service payments. The City chooses to utilize the CPI, not because it reflects inflation in the City's costs, but because it reflects the overall inflation in what citizens purchase. This manages City spending such that increases in a citizen's tax bill are in line with increases in all of their other expenses. The goal is to have the cost of City services as a percentage of a taxpayer's total expenses remain constant.

ii. Property Tax Credits and Exemptions. All exemptions and credits will be reviewed with the City Council every three years unless there are legislative changes that cause a review to occur on a more frequent basis.

iii. 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.

e. Non-property tax revenues. The City will maximize the utilization of payments in lieu of taxes and user fees and charges.

V. <u>Fees and Charges</u>

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.

i. In the event that the benefit is community-wide, there will be no user fee or charge assessed.

ii. 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

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

ii. Fees and Charges will be set at something less than full cost recovery when:
   - A high level of cost recovery will negatively impact the delivery of service to low-income groups.
   - Collecting the fees and charges is not cost effective.
   - There is no intended relationship between the amount paid and the benefit received (e.g. social service programs).
   - There is no intent to limit the use of the service (e.g. access to parks and playgrounds).
   - 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.

iii. Fees and Charges will be set at, or above, full cost recovery when:
   - The service is also provided, or could be provided, by the private sector.
   - The use of the service is discouraged (e.g. fire or police responses to false alarms).
   - The service is regulatory in nature and voluntary compliance is not expected (e.g. building permits, plans review, subdivisions).

iv. Ambulance:
   - Service fees shall be set at 250% above the Medicare-determined usual and customary charge.
   - 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
   - There will be no charge for responses determined by the Fire Department to be "public assists."

c. 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.
d. 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**.**
e. Rate structures should be sensitive to the market price for comparable services in the private sector or other public sector entities.
f. All fees and charges shall be adopted by the City Council.
g. Fees and charges shall be reviewed on an on-going basis, and recommended changes brought forth to the City Council for action, to ensure that they remain appropriate and equitable.

VI. <u>Capital Improvement Program</u>

a. The City of Keene shall prepare a capital improvement program (CIP) with a span of six years.
b. The CIP shall be updated annually.
c. The CIP will include all projects anticipated to be undertaken in the ensuing six-year period that have an estimated cost in excess of $20,000 and an anticipated useful life of at least five years.
d. The CIP shall contain revenue projections and rate impacts that support estimated operating costs as well as the proposed capital program.

e. Each project funding-request shall originate from a city department and shall include the following information:
    i. A description of the project.
    ii. A cost estimate.
    iii. A project time line.
    iv. A priority ranking.
    v. An estimate of the operating budget impact.
    vi. A reference to Community Goals.
    vii. A reference to Master Plans.
f. The CIP will be reviewed by the Finance Committee of the City Council and by the Planning Board.
g. The CIP will be the subject of a public hearing before it is adopted.
h. The funding requests in the first year of the adopted CIP will be included in the next annual budget document.
i. Upon project completion, any residual funds shall be returned to the fund that provided the original appropriation, unless otherwise directed by the City Council.

VII. Debt

a. The City of Keene will periodically incur debt to finance capital projects. All issuances of debt are subject to State of NH RSA 34 and 162-K.
b. Debt may be issued to fund those 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 specifically provided by law
d. The City of Keene shall not incur debt that exceeds any limits set by state law.
e. All bonds are authorized by Resolution of the Keene City Council and require a 2/3 vote.
f. The City of Keene may use the services of a financial advisor to assist in preparing for, and executing, any sale of bonds. Said services shall be obtained as the result of a Request for Proposals (RFP) process, which shall be conducted at a minimum of once every five (5) years.
g. The City of Keene shall acquire the required services of bond counsel as the result of a Request for Proposals (RFP) process, which shall be conducted at a minimum of once every five (5) years.
h. Form. The City of Keene issues three types of bonds:
    i. General Obligation Bonds – repayment is backed by the full taxing power of the City of Keene.
    ii. 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.
    iii. 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.
i. Competitive sale is the preferred method of sale, however negotiated sales may occur for a current or advance refunding, or for other appropriate reasons.

j. Term
    i. Debt will be incurred only for those projects with a useful life of at least five (5) years.
    ii. The term of any debt incurred by the City shall be limited to no greater than the expected useful life of the improvement.
k. The use of short-term financing, lease or lease-purchase agreements shall be kept to a minimum.
l. The City of Keene will contain its General Fund debt service and current revenue capital outlay appropriations, on a five-year average, at or less than 15% of the General Fund operating budget.
m. Other funding sources – to the extent they are available, the City of Keene will actively pursue
    i. Grants that reduce the city's initial investment in project/improvement
    ii. Grants that contribute to the on-going debt service for city project(s)
    iii. Other financing tools such as tax credits that leverage the City's initial investment in a project.

VIII. Capital Assets

a. The City of Keene will develop and maintain a computerized capital asset system and database, including the necessary procedures and policies, to ensure the accurate and timely recording and reporting of additions, modifications, improvements, transfers and disposal of capital assets in accordance with generally accepted accounting principles (GAAP).
b. Capitalization of equipment, buildings, land and improvements other than buildings (if one or more of the following criteria are met):
    i. Cost (if known) or fair market value is greater than or equal to $5,000 and useful life is greater than one year for new or replacement items
    ii. In the case of modifications and upgrades, cost is greater than or equal to $5,000 for equipment, and $10,000 for buildings and other improvements and the changes accomplish one or more of the following:
        - Prolongs the useful life of the asset
        - Adapts the asset to a new or different use
        - Substantially increases the value of the asset
        - Does not substantially replace a current asset
    iii. All land acquisitions will be capitalized at cost (if known) or fair market value
    iv. The total cost of placing an asset into service condition will be capitalized.
c. Capitalization of infrastructure
    i. Cost greater than or equal to $10,000 and useful life greater than five years
    ii. The depreciation approach will be utilized for the reporting of all infrastructure
d. Depreciation: straight-line depreciation will be used to depreciate all depreciable capital assets over the estimated useful life of each asset, as determined by industry standards.
e. Asset Classification: assets will be recorded within broad asset groups (e.g. land, buildings, etc.).
f. Budgeting: the budgeting of capital assets will be in a manner that will facilitate the identification and recording of the asset in accordance with this policy.

IX. 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 carry forwards authorized and 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 or laws or regulations or other governments. All other net assets are reported as unrestricted.

X. Stabilization Funds

a. Unassigned Fund Balance.
   i. 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.
      - Unassigned fund balance for the General Fund will be maintained at between seven (7) and ten (10) percent 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.
      - Fund balances in all other budgeted funds should be maintained at between five (5) and ten (10) percent of the annual operating budget for that fund.

b. Self-funded health insurance.
   i. 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 months of estimated claim costs.

c. Capital Reserves.
    i. Capital Reserves, classified as committed funds, are reserves established under State of NH law, 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 RSA 34, relating to Capital Reserve Funds for Cities.
    ii. The City of Keene has established the following capital reserves:
        1. Fire Equipment Capital Reserve – for the acquisition or significant rehabilitation of fire apparatus
        2. Ambulance Capital Reserve – for the acquisition or significant rehabilitation of ambulances
        3. Intersection Improvements Capital Reserve – for the rehabilitation or reconstruction of existing intersections
        4. Hazardous Waste Site Capital Reserve – for the clean-up, mitigation and testing associated with the old City landfill located at 580 Main Street
        5. Transfer/Recycling Center Capital Reserve – for the repair and replacement of existing infrastructure, systems and equipment
        6. City Hall Parking Deck Capital Reserve – for the repair and replacement of existing infrastructure, systems and equipment
        7. Wells Street Parking Facility Capital Reserve – for the repair and replacement of existing infrastructure, systems and equipment
        8. Landfill Closure Capital Reserve – for the closure and post-closure costs associated with the City landfill located at Route 12 North.
        9. Wastewater Treatment Plant Capital Reserve – for the repair and replacement of major components of plant, including equipment and building
        10. Martel Court Pumping Station Capital Reserve – for the repair and replacement of major components of station, including equipment building
        11. Sewer Infrastructure Capital Reserve – for the repair and replacement of existing infrastructure, systems and equipment including pump stations and the collection system
        12. Water Treatment Facility Capital Reserve – for the repair and replacement of major components of facility including pumps, controls, chemical systems, etc., and building components
        13. Water Infrastructure Capital Reserve – for the repair and replacement of major components of existing infrastructure, systems and equipment including wells, lift stations, tanks, etc., and the distribution system
        14. Fleet Equipment Capital Reserve – for the replacement of vehicles and equipment under the lmanagement of Fleet Services
        15. Bridge Capital Reserve – for the construction, reconstruction and rehabilitation of bridges.

16. Downtown Infrastructure and Facility Improvement Capital Reserve – for infrastructure and facility improvements in the downtown.
17. Transportation Improvements Capital Reserve - to fund, wholly or in part, improvements in the transportation system including roads, bridges, bicycle and pedestrian facilities, and intermodal facilities, except for parking.

XI. Deposits of Excess Funds

a. Objectives (in priority order):
   i. Safety – the safety of principal is the foremost objective
   ii. Liquidity – investments shall remain sufficiently liquid to meet the operational cash needs of the City of Keene
   iii. Yield – taking in to account the priority objectives of safety of principal and liquidity, a market rate of return

b. Authorized Investments:
   i. US Treasury obligations
   ii. US government agency and instrumentality obligations
   iii. Repurchase agreements with NH Banks acting as principal or agent, collateralized by US Treasury/Agency obligations
   iv. Certificates of Deposits in NH Banks (collateralized)
   v. NH Public Deposit Investment Pool

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Kendall W. Lane, Mayor

City of Keene, N.H.
Transmittal Form

6/30/2016

TO: Mayor and Keene City Council

FROM: Steve Thornton, Finance Director

THROUGH: ACM Fox for Medard Kopczynski, City Manager

ITEM: 12.

TITLE: MEMORANDUM & RESOLUTION R-2016-26: Relating to Refunding Bonds

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COUNCIL ACTION:
In City Council July 7, 2016.
Referred to the Finance, Organization and Personnel Committee.

RECOMMENDATION:
That Resolution R-2016-26 authorizing the issuance of bonds to refinance bonds issued in 2006, 2007, and 2008 be introduced and read at the July 7, 2016 meeting of the City Council and be referred to the Finance, Organization, and Personnel Committee for consideration, discussion, and a recommendation back to City Council.

ATTACHMENTS:

Description

PFM Refunding Analysis

R-2016-26

BACKGROUND:
An analysis prepared by PFM Financial Advisors (the City's financial advisor) (attached) advises that interest rates remain at historic lows, and demand for tax exempt municipal bonds is very strong. These circumstances have resulted in a situation whereby the City can take advantage of call features in bonds issued originally between 2006 and 2008 which could result in a net present value savings (NPV) of approximately $350,000, and budgetary savings through 2029 of approximately $380,000 based upon current market conditions.
The bond issue resolution, consistent with Government Finance Officer Association guidelines, makes the refunding contingent upon achieving NPV savings in debt service of at least 3% of the aggregate outstanding principal amount of all of the bonds being refunded. Under current market conditions, the principal amount being refunded would be $3,660,000, and the estimated NPV savings of $350,000 represents 9.63% of that amount.
The City would refinance the older bonds, bearing interest rates between 4.0% and 5.0% per year, by issuing new bonds with estimated interest rates between .8% and 2.1%, and using the proceeds from the sale of the new bonds to pay off the old bonds.
The projected savings are net of all costs necessary to issue the new bonds. In addition, the repayment schedule for the new bonds would be structured so that the new bonds would be paid off at the same time that the refinanced bonds would have been paid off. In other words, the payoff dates for the original projects would not be extended.

Should market conditions change such that refinancing the existing debt would be unfavorable to the City, the City is not obligated to proceed with the refunding process.

City of Keene, New Hampshire

Refunding Proposal

Series 2006, 2007 & 2008 Bond Issues

July 1, 2016

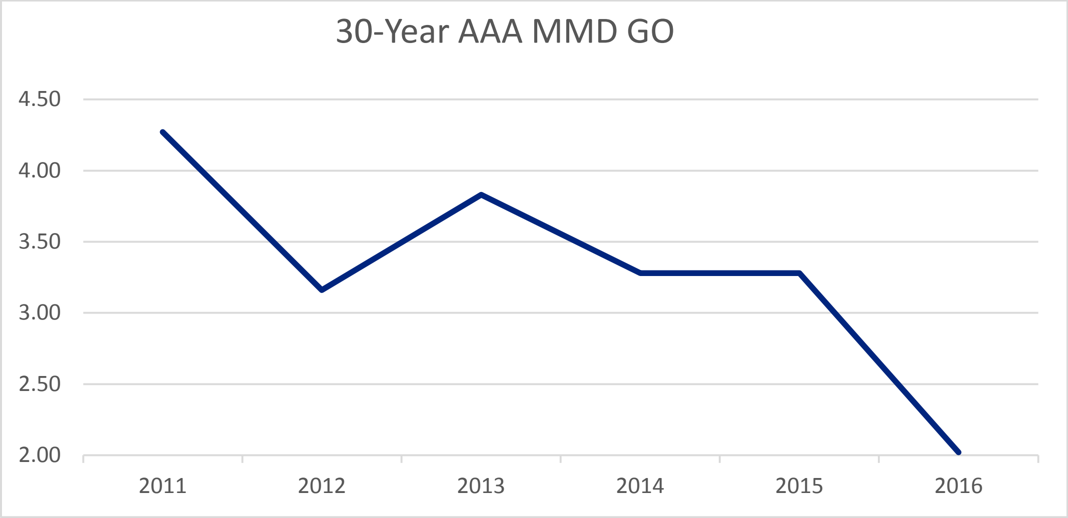
The PFM Group
Financial & Investment Advisors

PFM Financial Advisors LLC
Public Financial Management, Inc.
10 Weybosset Street • Suite 902
Providence, Rhode Island 02903
401.277.8450

William J. Fazioli, Director
fazioliw@pfm.com

Refunding Overview

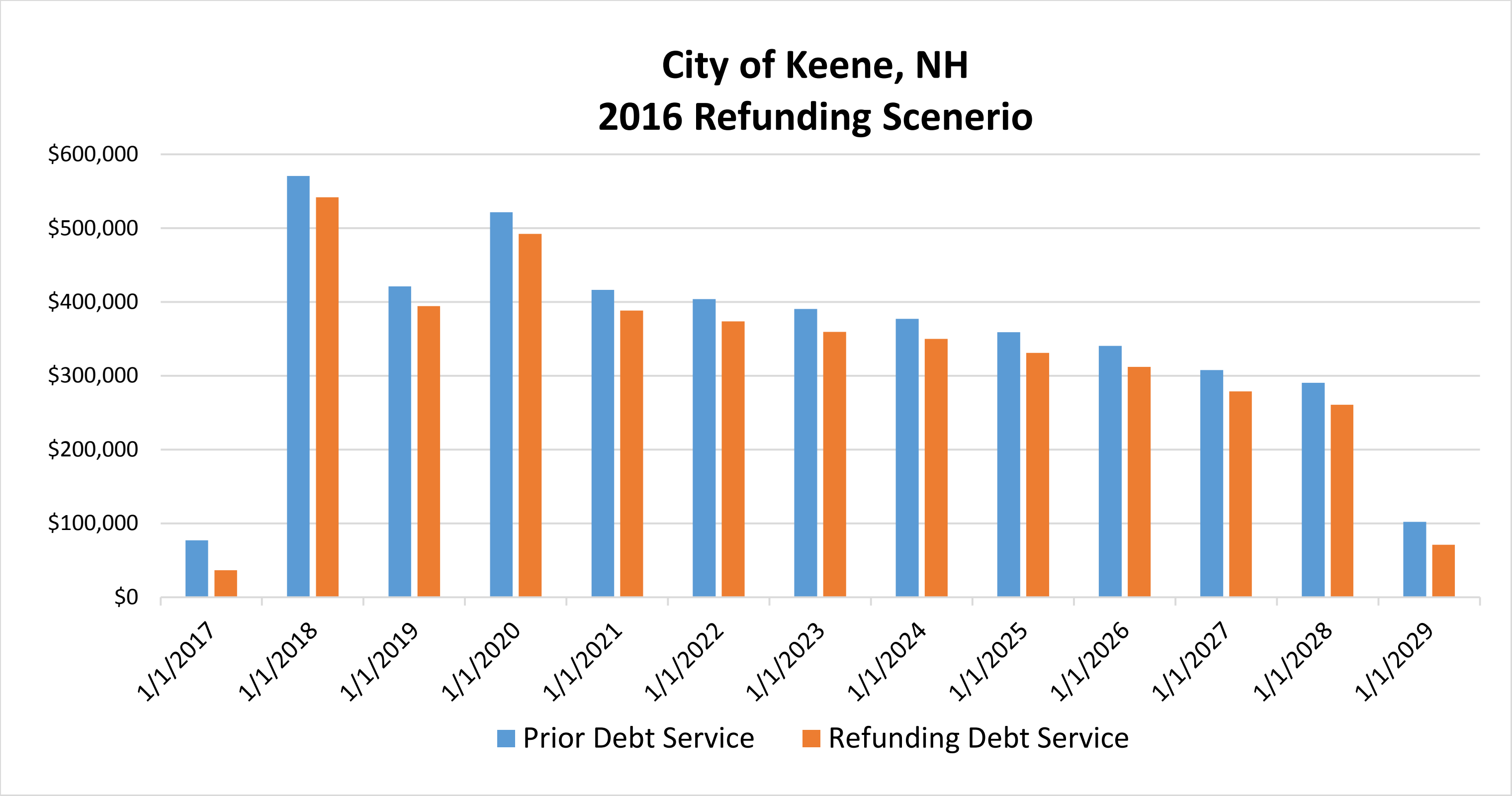
- Interest rates continue to remain at historic lows & the demand for tax exempt municipal bonds is very strong



- City can take advantage of call features to refinance its existing debt
  – A call feature enables the bonds to be refinanced prior to maturity
  – Similar communities are refunding old bonds in order to reduce future debt service payments

Savings Summary – 9% Net Present Value Basis

- Total estimated NPV savings are approximately $350,000 under current market conditions
  - These savings are well above the GFOA industry standard of 3%



Issue Summary – 2016 Refunding Details

- City's 2006, 2007 & 2008 bond issues have interest rates ranging from 4.0% to 5.0%
- Current market conditions enable bonds to be refunded between rates of approximately 0.8% to 2.10%
- Total budgetary savings over $380,000 over remaining life of issue

Date	Prior Debt Service	Refunding Debt Service	Savings
6/30/2017	77,065	36,474	-40,591
6/30/2018	570,630	542,050	-28,580
6/30/2019	421,290	394,450	-26,840
6/30/2020	521,675	492,200	-29,475
6/30/2021	416,550	388,250	-28,300
6/30/2022	403,800	373,725	-30,075
6/30/2023	390,725	359,350	-31,375
6/30/2024	377,297	350,050	-27,247
6/30/2025	358,903	330,900	-28,003
6/30/2026	340,650	312,050	-28,600
6/30/2027	307,850	278,725	-29,125
6/30/2028	290,531	260,925	-29,606
6/30/2029	102,200	71,050	-31,150
	4,579,166	4,190,199.44	-388,967

Refunding Details

- New bonds paid off in original term of refunded bonds
  - Maturities are not extended
- Projected savings are net of all costs
  - No out of pocket expenses to City
- City Council authorization is required to proceed with the refunding process
  - Does not obligate the City to continue if circumstances become unfavorable
- These savings are based on current market conditions and are subject to change

Refunding Events

- Authorizing vote by City Council
- Circulate draft documents for review & edits
- Review desired savings pattern with City
- Assist with Rating Agency presentations
- Mailing final Preliminary Official Statement
- Reviewing market conditions
- Price Refunding Bonds
- Third party CPA firm verifies savings
- Assisting with Closing/Settlement

CITY OF KEENE

R-2016-26

In the Year of Our Lord Two Thousand and Sixteen

A RESOLUTION Relating to Refunding Bonds

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

WHEREAS, the City of Keene, New Hampshire (the "City") has issued certain (i) $5,565,000 General Obligation Refunding Bonds, Series A, dated December 27, 2006 (the "2006 Bonds"); (ii) certain $3,370,000 General Obligation Bonds, dated July 15, 2007 (the "2007 Bonds"); and (iii) certain $4,430,000 General Obligation Bonds, dated July 1, 2008 (the "2008 Bonds") (the 2006 Bonds, the 2007 Bonds and the 2008 Bonds are sometimes hereinafter collectively referred to as the "Refunded Bonds"); and

WHEREAS, it appears likely that bonds issued today would have a net interest cost less than the net interest cost on the Refunded Bonds; and

WHEREAS, the City may be able to realize debt service savings by issuing certain refunding bonds (the "Refunding Bonds"), the proceeds of which would be utilized to current refund or advance refund the Refunded Bonds and to pay certain other costs relating thereto;

NOW THEREFORE, BE IT RESOLVED that the City, acting by and through its City Council, hereby authorizes the issuance of Refunding Bonds pursuant to the provisions of RSA 33:3-d and RSA 33:9, the proceeds of which shall be utilized to current refund or advance refund the Refunded Bonds, to pay the redemption premium, if any, applicable thereto, any principal and interest coming due on the Refunded Bonds prior to any redemption date, and to pay the costs of issuance of the Refunding Bonds, including any costs of credit enhancement; provided, however, that such refunding is only authorized to the extent that the same will achieve, on an aggregate basis, a net present value debt service savings in an amount equal to at least three percent (3%) of the outstanding principal amount of the Refunded Bonds; and

IT IS FURTHER RESOLVED that the City Treasurer or the City Manager, each acting singly, is hereby authorized to issue the aforesaid Refunding Bonds by entering into a Bond Purchase Contract with such bond purchaser or underwriter as they may deem appropriate in connection with the issuance of the Refunding Bonds to evidence the City's approval of the terms and conditions of the Refunding Bonds; and

PASSED

IT IS FURTHER RESOLVED that an Escrow Contract and such other documents as shall be required in connection with the issuance of the Refunding Bonds shall be signed on behalf of the City by the aforementioned individuals, or such other individuals as may be required by state law or as may be specified by bond counsel; and engage such other professionals (including a Financial Advisor, Escrow Agent, Verification Agent and Paying Agent), and to do such other things as are necessary to consummate the aforesaid refunding; and

IT IS FURTHER RESOLVED that all actions heretofore taken by the City consistent with the foregoing are hereby confirmed, ratified and approved.

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Kendall W. Lane, Mayor

City of Keene, N.H.
Transmittal Form

7/1/2016

TO: Mayor and Keene City Council

FROM: Steve Thornton, Finance Director

THROUGH: ACM Fox for Medard Kopczynski, City Manager

ITEM: 13.

TITLE: MEMORANDUM & RESOLUTION R-2016-27: Relating to the Reallocation of Bond Funding from the Railroad Land Infrastructure and Victoria Street Extension Projects

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COUNCIL ACTION:
In City Council July 7, 2016.
Referred to the Finance, Organization and Personnel Committee.

RECOMMENDATION:
That R-2016-27 authorizing the reallocation of bond proceeds from the Railroad Land Infrastructure (90154) and the Victoria Street Extension (90180) projects in the amounts of $186,000 and $155,755 for a total of $341,755, for the purpose of road repairs be referred to the Finance, Organization, and Personnel Committee for consideration, discussion, and a recommendation back to the City Council.

ATTACHMENTS:

Description

R-2016-27

BACKGROUND:
R-2016-27 would authorize the reallocation of project balances funded by bond issues originally issued for the purpose of infrastructure improvements for the use of road improvements. Bond issue guidelines issued by the IRS for tax exempt bond issues suggest that bond proceeds be spent within five years of issue.
The Victoria Street Extension Project was funded through a bond issued in 2008, in the amount of $163,603. In FY 2009, preliminary engineering review was begun, but the project was placed on hold. The 2017-2022 Capital Improvements Program includes a new Victoria Street Extension project in the amount of $1,703,000 in FY 2022.
The balance of the 2008 bond issue proceeds is $155,755. The proceeds have been held longer than recommended in anticipation of the project restarting. In light of the new project scheduled for FY 2022, it is recommended that these funds be reallocated for current use.
The Railroad Land Infrastructure Project was funded through a bond issue in 2011 in the amount of $3,653,100. That project has been completed, and in 2016 $525,100 was transferred for the purpose of funding repairs to the Wells Street Parking Deck through the FY 2016 budget process ($588,807 was appropriated).
The Wells Street Deck Repair project is complete and under budget. Bond funding in the amount of $125,000 is available to be returned to the Railroad Street Project. It is recommended that a total of $186,000 be reallocated from the balance of the 2011 bond sale funding Railroad Land Infrastructure be reallocated for current use. This will effectively close the project.

The reallocated funds will be used to fund a planned road repair project. The contemplated work includes "spot repairs" at numerous locations throughout the City. Generally, this project will address small, isolated areas of damage on roads that are not scheduled for a complete rehabilitation. The Public Works Department has prepared a prioritized list of such repair areas, and will address as many of the deficiencies as possible with the available funding.

CITY OF KEENE

R-2016-27

In the Year of Our Lord Two Thousand and Sixteen

A RESOLUTION Relating to the Reallocation of Bond Funding from the Railroad Land Infrastructure and Victoria Street Extension Projects

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

That the sums of one hundred eighty six thousand ($186,000) dollars and one hundred fifty five thousand seven hundred and fifty five ($155,755) dollars be allocated from the Railroad Land Infrastructure Project (90154) and Victoria Street Extension Project (90180) to fund road repairs.

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Kendall W. Lane, Mayor

PASSED