City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITEE AGENDA
Council Chambers B
July 28, 2016
6:30 PM

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

1. Acceptance of Donation - AAU Basketball

2. Cheshire Rail Trail III - Scope and Fee Increase

3. 2016 Road Rehabilitation Project - Construction Change Order

4. City Manager Recruitment

5. R-2016-25-A Fiscal Policies

MORE TIME ITEMS:

A. Charter Employee Evaluation Process

B. Relinquishment of Parking Spaces - Monadnock Food Co-op

Non Public Session
Adjournment

City of Keene, N.H.
Transmittal Form

7/22/2016

TO: Finance, Organization and Personnel Committee

FROM: Andy Bohannon, Parks, Recreation and Facilities Director

THROUGH: Medard Kopczynski, City Manager

ITEM: 1.

TITLE: Acceptance of Donation - AAU Basketball

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 $300.00 from the NH Gym Rats AAU Basketball program and that the money is used by the Parks, Recreation and Facilities Department.

BACKGROUND:
Each year the Keene Parks and Recreation Department works with the local AAU Basketball program to provide basketball opportunities for young children. After the season, the local AAU forwards a donation from its tournament receipts in appreciation of the use of the Recreation Center gym. This year's donation is $300.00.

City of Keene, N.H.
Transmittal Form

7/25/2016

TO: Finance, Organization and Personnel Committee

FROM: Will Schoefmann, Mapping Technician

THROUGH: Med Kopczynski, City Manager

ITEM: 2.

TITLE: Cheshire Rail Trail III - Scope and Fee Increase

RECOMMENDATION:

Move that the Finance, Organization and Personnel Committee recommend that the City Council authorize the City Manager to do all things necessary to execute a contract with the firm CHA Consulting, Inc (CHA) for engineering services for the Cheshire Rail Trail III project in the amount not to exceed $96,245.54.

ATTACHMENTS:

Description

NHDOT Approval Agreement - Planning Phase Letter

Scope and Fee Summary

Council Actions 4/23/16

BACKGROUND:

RFQ 02-16-05 is the qualifications based selection portion for the design of the Cheshire Rail Trail III Loop Project, a state Transportation Alternatives Project (TAP). The project is 80 percent state/federally funded and 20 percent local match funded.

There is no change to the total project cost which remains $411,615.51 with State TAP funds in the amount of $329,292.40 and a local match amount of $82,323.11; $30,000 is a financial donation from Pathways for Keene (PFK) a local non-profit and the remaining $52,323.11 is funded through the FY'16 Capital Budget (Account 64401). The proposed Engineering Services, Scope and Fee requires an increase in Survey and Design that was previously estimated to be done "in house". In house is not an option currently given the Public Works, Engineering Division's current staffing and work load obligations. The Scope and Fee as proposed has been approved by NHDOT

The scope of the contract includes Planning, Engineering Study, Preliminary and Final Design phase engineering services for in-street and separate grade bicycle and pedestrian facilities in the project area. Through a Qualifications Based Selection process CHA Engineering was chosen out of three firms. CHA's selection was based on their understanding of the project needs, history of successful completion of similar projects and their associate company, Alta Design's sole focus on Bicycle and Pedestrian infrastructure design, public outreach and input gathering.

Attachments: NHDOT Agreement-Planning Approval Letter, Scope and Fee Summary, Council Actions

New Hampshire DOT
Department of Transportation

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

July 18, 2016

Will Schoefmann
GIS Mapping Technician
City of Keene
3 Washington Street
Keene, NH 03431-3191

RE: KEENE, X-A004(408), #40439
West Street and Ami Brown Road
Transportation Alternative Program (TAP)
APPROVED CONSULTANT AGREEMENT-PLANNING PHASE

Dear Mr. Schoefmann:

The NH Department of Transportation (NHDOT) has reviewed the CHA Engineers, Inc. Consultant Services Agreement dated July 18, 2016, as sent to the City of Keene, New Hampshire. After review of the proposed agreement for the project referenced, NHDOT concludes the proposed Agreement reflects the required tasks as required in the Local Public Agency (LPA) Manual and Federal Highway Administration (FHWA) directives.

The referenced Consultant Services Agreement is entitled "**Revised Proposal for Engineering Services Related to the Cheshire Rail Trail III Loop Project (Park Avenue – Amy Brown Road); Keene RFQ 02-16-05 CHA Proposal No.: X46706-Q2**" dated July 18, 2016, from CHA Engineers, Inc. to the City of Keene.

The agreement is for planning, engineering, design and documentation of the above-referenced project during the Planning, Engineering Study, Preliminary Plans and Final Plans (PS&E) phases of the project.

NHDOT approves of the City utilizing this agreement from CHA Engineers, Inc. and the named sub-consultants for scope and cost plus fix fee for the phases of the agreement, which includes expenses.

The phases and fees are as follows:

Planning Phase	-	\$20,575.06
Engineering Study-		\$23,117.46
Preliminary Design		\$25,151.33
Final Design-		\$27,401.69
Total		\$96,245.54

NHDOT approves the agreement and specifically authorizes the work in the Planning Phase to begin. The authorization is for the planning phase with a fee of $20,575.06, other phases will be authorized when the prior phase of the work is completed and approved by NHDOT.

Any modifications to the agreement must be done in written form and approved by NHDOT. The City is authorized to have CHA Engineers, Inc. proceed with the Planning Phase of the agreement.

Please send an executed copy of the agreement to this office for our records.

If there are any questions, please contact me.

Sincerely,

Bryan F. Lynch

Bryan F. Lynch, PE
Project Manager
Bureau of Planning and Community Assistance
Tel. (603) 271-4417 / Fax (603) 271-8093

BFL/dmp
Attachments

cc: Tom Jameson, NHDOT
Kurt Blomquist, City of Keene

Planning Department

Will Schoefmann
GIS Mapping Technician
Planning Department
July 25, 2016

Cheshire Rail Trail III (Park Ave-Amy Brown Rd)
Scope and Fee Summary-Timeline

Independent Government Estimate (IGE)
Conducted by City Engineer, Don Lussier
July 7, 2016
$85,142.00

Consultant Initial Scope and Fee
Submitted by CHA, Rob Faulkner
July 8, 2016
$113,152.56

Scope and Fee Negotiations
CHA & City of Keene
July, 8 2016

Consultant Final Scope and Fee
Revised by CHA, Rob Faulkner
July, 18, 2016
$96,245.54

Scope and Fee approval NHDOT
Submitted by City of Keene, Will Schoefmann
July 18, 2016
$96,245.54

In City Council April 21, 2016.
Voted with 12 in favor and one opposed
to carry out the intent of the report.

3A|14

Patricia Little
City Clerk

City of Keene
NEW HAMPSHIRE

April 14, 2016

TO: Mayor and City Council

FROM: Finance, Organization and Personnel Committee

SUBJECT: **MEMORANDUM: Mapping Technician - Qualifications Based Selection - Cheshire Rail Trail III Loop Project Design**

On 4-0 vote, the Finance, Organization and Personnel Committee recommend the City Manager be authorized to do all things necessary to negotiate and execute a contract with the firm Clough Harbor and Associates (CHA) for engineering services for the Cheshire Rail Trail III project in the amount not to exceed $60,000 and should negotiations fall through, enable the City Manager to negotiate with the next highest ranked firms in turn.

Chairman/Designee

Background:

Mr. Blomquist stated this is also a professional services contract for the Cheshire Rail Trail Phase 3 project. This project will connect Wheelock Park through to the trail system along Park Avenue south of the Transfer Station as well as rework the trail system starting from Hurricane Road. This is a project for which the City received Transportation Alternative Project (TAP) funds . The City is doing this as a local project and for the professional services they requested a professional services qualification. There were three firms which submitted their qualifications; Clough Harbour and Associates (CHA), Dubois and King Inc., and Holden Engineering.

The selection committee reviewed the three submissions and ranked CHA as the top ranking firm and hence staff is requesting permission to negotiate with this form. The current budget for this phase is $60,000 and it is a not to exceed amount. Mr. Blomquist stated CHA has done a number of projects for the City; in 1998 the original rail trail project, most recently they were the lead on the Roundhouse T Phase 3 project and they are very familiar with the City and have done good work for the City.

Ms. Kessler added that Alta Design is sub-contracting for CHA and they have offered some impressive public engagement tools and resources to accompany this design project. Alta is a planning and design firm from Vermont.

Councilor Kahn clarified this is just the approval of the design and there is some possibility if the project should exceed the amount which was anticipated, there is still the opportunity the final bids will be approved by the Finance Committee. Mr. Blomquist stated if the construction phase is within budget, there is no action by the City Council. However, for instance, if the design phase exceeds 10% of the contract, staff will come back for authorization. Councilor Kahn stated he was referring to the $411,000 for the total project. Mr. Blomquist stated in this case the City would first have to receive approval from State and Federal Highway Departments to see if they will cover the extra amount as this is an 80/20 funding. At that point staff will come back before the Committee for approval. Councilor Kahn asked whether the entire project, post design, would come back before the Committee. Mr. Blomquist stated by approval of the CIP, the Council has approved this project to go forward without any more approval from the Council. However, staff does typically come back through the MSFI Committee to go over (in some cases) the design so Council can be familiar with what is going to be occurring.

Assistant City Manager Rebecca Landry clarified what Councilor Kahn is asking is whether staff has to come back to Council after the design phase to obtain approval for spending the additional money for the project. The answer is no, as part of the bid process this can go forward without Council approval as long as it is within the budget. However, the Council can always request the matter come back. Councilor Kahn remarked that he felt that might be a good idea. The Councilor asked about the new legislation and what dollars will be available to local communities for alternative transportation. The Councilor asked what the total amount available from the State was. Mr. Blomquist stated he did not have this number, but added the amount was reduced. Councilor Kahn stated his concern is the City not having a plan from FY18 and beyond for sidewalk and complete street construction and he felt there should some type of prioritization which needs to take place.

Mr. Blomquist stated one of the groups the Committee should have a conversation with would be the Bicycle Pedestrian Path Advisory Committee. He added it is a fairly tightly controlled project category through which the City is able to submit Federal funding within these various grants. Ms. Kessler added the Bicycle Pedestrian Path Advisory Committee is working on a Master Plan to prioritize projects within the City which is a step towards prioritization. She added the City of Keene was the only community which received TAP funds in this last round and it has become a very competitive process statewide.

Ms. Landry stated in February 2015 the State issued a press release and there were 12 communities which were issued TAP funds with total Federal funding of 4.5 million and a local match close to 7 million, with Keene being one of the cities. Eight of those cities receive more funding than Keene.

Councilor Powers asked what the Committee was requesting from staff as a follow-up with this item. Councilor Kahn stated his understanding is after the design phase there will be an estimate of the total project cost and at that point staff will be back before the Committee. The Councilor asked whether this language was going to be included in the motion. Councilor Powers felt this changes the process of how we do business and expressed concern the Committee was creating more work for staff. The Councilor stated he wasn't sure if the Committee was creating another step and if that was the case, it should be done for every project and this would create more work. Ms. Landry stated in the past when the background notes reflects there is a request for further information, the motion does not reflect the same. Staff could come back with information or information could be placed in Council mail boxes and at that point a decision could be made if the item needs to be agendized.

Councilor Kahn made the following motion which was seconded by Councilor Powers.

On 4-0 vote, the Finance, Organization and Personnel Committee recommend the City Manager be authorized to do all things necessary to negotiate and execute a contract with the firm Clough Harbor and Associates (CHA) for engineering services for the Cheshire Rail Trail III project in the amount not to exceed $60,000 and should negotiations fall through, enable the City Manager to negotiate with the next highest ranked firms in turn.

City of Keene, N.H.
Transmittal Form

7/22/2016

TO: Finance, Organization and Personnel Committee

FROM: Donald R. Lussier, P.E., City Engineer

THROUGH: Medard Kopczynski, City Manager

ITEM: 3.

TITLE: 2016 Road Rehabilitation Project - Construction Change Order

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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 construction change order with BDM Sweeper Services, Inc. for an amount not to exceed $116,813 for the 2016 Road Rehabilitation Project - Phase I.

BACKGROUND:

Construction estimates for the Road Rehabilitation Project were based on average historical pricing for paving projects. Actual bid prices received were below the estimate. The savings came predominantly in the price of bituminous asphalt pavement, which is currently at a multi-year low. Because pricing is so attractive, staff recommends expanding the scope of the current Road Rehabilitation contract.

This summer's Road Rehabilitation project was scoped to include the remaining roads from the FY16 project list (i.e., Algonquin Rd., Chesterfield Rd, Grimes Rd., Stearns Rd., and Wagner St.), as well as a portion of the road list from FY17 (i.e., Wood St.). The proposed change order will expand the current contract to include Meadow Rd. & Mill Rd. from the FY17 road list, which were planned for construction in Spring 2017.

In addition, the savings from the actual bid prices will be used to fund more road repairs; specifically, on Langley Rd. and Lee St.
Total cost of the paving work, including this Change Order, is within the budget allocated by the City Council through the FY16 and FY17 Capital Improvement Project Program.

City of Keene, N.H.
Transmittal Form

7/26/2016

TO: Finance, Organization and Personnel Committee

FROM: Kendall W. Lane, Mayor of behalf of the City Manager Recruitment Committee

ITEM: 4.

TITLE: City Manager Recruitment

RECOMMENDATION:
Accept as informational.

ATTACHMENTS:

Description

City Manager RFP

Recruitment Timeline

BACKGROUND:
The Special Committee for Recruitment of a City Manager has met regularly since January working to develop components and criteria for the City's 2017 executive search for a City Manager. The City Council has adopted an update of the salary ordinance pertaining to the City Manager as part of the 2016-2017 operating budget. The Council has also adopted a budget to support the next recruitment. The Special Committee has also determined that the criteria of residency for this position would be retained as part of the next search.

The Committee recently focused its work on development of a request for proposals (RFP) that will allow consideration of professional support from a firm experienced in City Manager/Administrator recruitments. A draft of the RFP, subject to revision, is attached. Its scope of work provides an opportunity for responding firms to outline recommended methods to various recruitment tasks including developing position criteria, recruitment strategy, marketing, evaluation of candidates, interview and assessment processes, background investigation, and negotiations. Firms have been directed to develop proposals in a manner that provides flexibility allowing the City to consider performing components of the recruitment independently. The Special Committee will evaluate responses to the RFP, and considering qualifications and cost, advance a specific recommendation regarding use of a recruitment firm.
A preliminary schedule, that includes a timeline for consideration of use of an executive recruiter, has been developed and is also included as part of this report. This schedule is preliminary as the RFP includes as a task for the recruiter process and scheduling recommendations. When developing the timeline, the Committee considered other regularly scheduled activities of the City Council and determined that a schedule that brought the recruitment effort to a final decision point in either early May or July seemed most advantageous. This preliminary schedule contemplates approval of a final contract May 4, 2017. This schedule, and one that concludes in July, both appear to provide adequate time to meet the goal of bringing a new City Manager on board in the first half of FY2018.

CITY OF KEENE,
NEW HAMPSHIRE

City Manager Recruitment Services
Request for Proposals

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Invitation to Submit Proposals

The City of Keene, New Hampshire is seeking proposals from qualified firms/providers to perform executive search services for the position of City Manager. Following the retirement of the long term City Manager in October 2015, the City conducted a recruitment process in the fall of 2015. That effort resulted in a determination to retain as City Manager, for a period of up to 2 years, a promoted Assistant City Manager providing organizational stability and an opportunity to develop a timeline, process, and conduct this executive search effort. The City of Keene is seeking professional services to assist with the recruitment, evaluation, and selection of a new City Manager with the goal of hiring a new City Manager during the spring/summer of 2017.

A Special Committee for Recruitment of a City Manager (“Special Committee”), an ad-hoc committee comprised of the Mayor and 6 members of the City Council, is charged with developing, advancing, and implementing a recruitment effort that provides to the full City Council final candidates to be considered for the City Manager position.

Proposals must be received by: *date to be inserted* no later than 4:00 P.M.

Proposal documents are available on the City website using the following link:
http://www.ci.keene.nh.us/purchasing-projects

I. General Information.

The City of Keene, located at the heart of New England in the southwest corner of New Hampshire, is the hub of employment, culture, recreation, higher education, healthcare, social service, and retail activity for the Monadnock Region. While the City has a residential population of 23,500, its estimated daytime population nearly doubles with regional residents entering the Keene to work, learn, shop, eat, play, conduct business and access services.

The City has a council-manager form of government, with a fifteen-member Council, and Mayor. The City government is made up of various functional departments reporting to the City Manager. Charter officers (City Manager, City Clerk and City Attorney) report to the City Council. The City employs approximately 285 full time and part time regular employees who provide quality services to the community. The City operates on a fiscal year with the City Council adopting annually an operating budget and a re-prioritized six-year Capital Improvement Program (CIP). For FY17, adopted operating appropriations totaled $63,285,740 and $5,532,648 was allocated for the first year of the CIP for capital expenditures. Evidenced by a "AA" long term rating by Standard & Poor's Rating Service, the City has institutionalized measures advancing financial stability.

The City of Keene has been recognized time and time again as a great place to live, work, learn, and play. It has a vibrant downtown and great public spaces, prioritizes sustainability, robust recreation assets, an extensive trail and pathway network. Through a variety of successful public/ private partnerships, and the leveraging of opportunities, significant community goals have been advanced. Keene has gained a reputation, and statewide and national recognition, for practical and innovative solutions.

II. Scope of Work

The scope of work outlines various components of a city manager recruitment effort. It is not the intent of the City to outline a rigid scope of tasks but to allow responding firms an opportunity to outline their recommended methods to the various components of this effort.

Respondents should develop proposals in a manner that provides the City with flexibility allowing the City to elect to perform components of the recruitment independently. The City of Keene, working with NH Public Risk Management Exchange (Primex3) conducted a recruitment process in the fall of 2015 and is seeking opportunities to enhance the 2017 recruitment by working with a firm specializing in City Manager/Administrator recruitments. The City of Keene may also elect to use a firm to manage the entire recruitment process.

A. <u>Developing Position Requirements</u>. Assist the City to develop a position profile for the ideal candidate. Specifics regarding methodology for development of a position profile identifying qualifications, essential skills and behaviors, community attributes, and challenges required for the position should be described. Based on the position profile develop advertisement and position/community promotional material.

B. Recruitment Strategy/Marketing. Considering the position profile, develop a recruitment timeline and process that includes a schedule for completion of the recruitment tasks. Develop and implement a marketing plan for the position. Proposals should include specifics regarding firms marketing and outreach efforts directed toward development of a diverse pool of qualified candidates.

C. Evaluate Candidates. Review resumes for background and qualifications followed by candidate telephone and/or video interviews to clarify each applicant's experience. Prepare a written summary of 10 to 15 candidates with the most promising qualifications for the position. Working with the Special Committee, further evaluate candidates identifying those for serious consideration (five to seven) assessing those candidates performance on the job as it relates to dimensions identified in the candidate profile.

D. Interview/Assessment Process. Develop with the Special Committee an interview/assessment and candidate evaluation process to narrow the identified candidates (five to seven) to a final group (two to four) for consideration by the full City Council. The Special Committee interview process (five to seven candidates) should incorporate, in a confidential matter, city staff, and community stakeholders. Develop, with the Special Committee, the interview/evaluation process for final candidates recommended to the full City Council. Moderate the candidate interviews, debrief groups, and assist if required in identifying additional candidates to interview or develop and implement additional candidate assessment methods.

E. Background. Verify selected final candidates' educational background, and conduct criminal, financial, media and civil litigation checks. Include details regarding components of this investigation effort. In the event politically sensitive or potentially embarrassing issues arise from the candidate's background, conduct in-depth interviews with principle parties to clarity the event and clearly present to the City a picture of the event.

F. Negotiations. Assist with negotiations and follow up with selected candidate.

III. City Resources

The City's Human Resources Department will be available to assist in coordinating the recruitment process, placement of advertisements, acceptance of resumes through the City's on-line application portal, acknowledgement of applications and other required candidate communications, scheduling meetings, facilitating interviews, organizing interview panels, providing general community information, and benefit package information for the selected candidate, etc.

IV. Experience Requirements

A. Each respondent, and the staff to be assigned this project, shall within the past thirty-six (36) months have worked with a public entity similar to the City of

Keene to conduct City Manager/Administrator recruitment.

B. Each respondent, and the staff assigned this project, shall have within the past twenty-four (24) months placed at least one (1) executive candidate with a public governmental entity or other similar entity.

V. Response Form and Content

A. Title Page:
Indicate the proposal subject, name of firm, local address, telephone number, name of contact person, and date of submittal.

B. Introduction:
Briefly, introduce your firm. Provide a profile of the firm including, but not limited to, the approximate number of professional staff employed, how long the firm has been in business and how long the firm has been conducting City Manager/Administrator searches. Indicate the name(s), title(s) and telephone number of person(s) who will be authorized to make representation for and to bind the firm.

C. Information to be Included in the Response:

1. Briefly state your understanding of the work to be performed. Include, but do not limit your statement to the specific items requested in the Scope of Work.
2. Describe your proposed strategy to complete the recruitment, including a general statement of the philosophy of the firm.
3. Provide a list of the respondent's City Manager/Administrator successful placements in the past thirty-six (36) months performing similar services. Particular emphasis should be placed on recruitments performed for similar-sized municipalities. Identify staff of respondent assigned to each listed recruitment effort.
4. Provide contact names, telephone numbers, and email addresses for placement communities listed above and others, if required, to total at least five (5) clients for whom your firm has worked. Include placements supported by person(s) listed in item 5 below assigned to the Keene recruitment. The City reserves the right to contact any additional individuals or firms to obtain information about the respondent.
5. Indicate the names and titles, and include resumes, of the person(s) who will be working on this project. A response to this requirement should include all contact information such as telephone number, fax number, e-mail address and web address.
6. Provide a detailed description of how the recruitment is to be conducted.
7. Indicate any additional information for the consideration of your firm's qualifications for conducting this project.

8. Discuss the general nature and extent of benefits that the City of Keene is reasonably likely to experience as a result of these services.
9. Provide a copy of a previous position profile or marketing materials your firm has completed which you feel may have some similarities to the position with the City of Keene.
10. Provide a copy, respecting the confidentiality of applicants, of a previous search report your firm has completed for another client similar to the City of Keene.
11. A complete description of the fee structure of the firm. The fee structure shall be included in a separate sealed envelope. Fee structure should be broken down into components of the recruitment effort.

VI. Submission of Responses

A. Acceptance/Rejection/Modification to Responses:
The City of Keene reserves the right to negotiate modifications to proposals that it deems acceptable, reject any and all proposals, and to waive informalities or irregularities in a proposal or in the proposal process. The City reserves the right to make the award in any manner deemed most advantageous to the City at its sole and exclusive discretion.

B. Economy of Preparation:
Proposals should be prepared simply and economically, providing a straightforward, concise description of the respondent's ability to fulfill the requirements of the project.

D. Cost of Preparation:
The City shall not be liable for any costs incurred by a respondent in preparing or submitting a proposal.

E. Ownership:
Submitted materials become the property of the City and will not be returned.

F. Public Records:
Submitted responses and any agreement or other documents become public records that are subject to review and copying by any person making an appropriate request for public records.

VII. Due Date

Sealed proposal one (1) and eleven (11) complete copies will be received by the Purchasing & Contract Services Division no later than 4:00 P.M., *Date to be inserted*. Proposals will not be accepted after this time. Proposals shall be addressed as follows:

City of Keene

Purchasing & Contract Services
City Hall – 2nd floor
3 Washington Street
Keene, NH 03431

Each response shall be submitted in a sealed envelope prior to the time established for opening, and the envelope shall be marked with the title of the proposal and the proposal opening date, as follows:

‘Proposal Enclosed – RFP No. 02-17-01
City Manager Recruitment Services’
Opening Date: *Date to be inserted*

If submitted by mail, this envelope shall be enclosed in another envelope addressed to the Purchasing Office at the address specified above. If submitted other than by mail, it shall be delivered to the above address. Proposals submitted by mail must be received in the Purchasing Office prior the time specified herein.

VIII. Withdrawal from Consideration

A respondent may withdraw its proposal at any time prior to the submission deadline by submitting a written request for withdrawal to City of Keene - Purchasing & Contract Services, City Hall – 2nd Floor, 3 Washington Street Keene, NH 03431. The request for withdrawal shall be signed by the respondent or an authorized agent. Modifications offered in any manner, oral or written, will not be considered after the deadline.

IX. Selection Process

A. Selection Committee:
1. The Special Committee, comprised of the Mayor and members of the City Council, shall review all statements of qualifications and evaluate them based upon, but not limited to, the following criteria:
   a. Responsiveness of the proposal to the Request for Proposals.
   b. Ability, capacity, and skill of the respondent to perform the services.
   c. Responses of the respondent’s references.
   d. Methodology for conducting the recruitment.
   e. Experience of the respondent and individual members of the respondent’s professional staff in performing similar services for public sector entities.
   f. The sufficiency of financial resources and ability of the respondent in performing the contract.
   g. The firm’s capability to meet the Scope of Work.
   h. The qualifications of the professional staff proposed for the project.
   i. Cost.

j. Other information as may be required or secured.

B. Request for Proposal Clarification: During the period of evaluation, the City shall have the right to request clarification for the respondents. Such requests will be sent to the email address of the primary contact person. If any respondent fails to respond to such a request within five (5) business days from the date of the request, the City shall have the right to reject the proposal.

X. Conditions of Responses

A. Late Submissions:
Proposals received by the City after the time specified for receipt shall not be considered. Respondents shall assume full responsibility for timely delivery of the statement to the location designated for receipt.

B. Completeness:
All information required by the Request for Proposals must be supplied to constitute a responsive submission.

C. Opening:
All Proposals will be received at the time and place specified. A listing of firms or individuals submitting such statements will be made available on the project website after the opening deadline. There will be no formal opening of proposals, however proposals may be reviewed upon request once the Selection Committee has completed review and evaluation, and a recommendation has been acted upon.

D. Award Presentation:
Subject to successful agreement negotiation, the Selection Committee will recommend one of the proposals, or will reject all proposals within sixty (60) calendar days from the opening.

E. Proposal Clarification Request:
During the period of evaluation, the City shall have the right to request clarification from the respondents. If any such respondent fails to respond to such a request within five (5) business days from the date of the request, the City shall have the right to reject the proposal.

F. Oral Presentations:
After all responses have been evaluated, the City's Selection Committee may require representatives of one or more of the respondents to present before the Committee in Keene, New Hampshire, for the purpose of making a final evaluation and recommendation. Presentations will be scheduled for *date to be inserted.*

G. Completion of Project

It is the City's goal to have this request for proposal project completed no later than *date to be inserted.*

H. Contract Development:
If the City selects a firm, City staff will conduct contract discussions and negotiations with the apparent successful respondent. This Request for Proposals and the respondent's submitted statement will be an integral part of the contract, but may be modified by the provisions of the contract. Respondents must be amenable to including in the contract any information provided either in response to this Request for Proposals or other requested information.

I. Competition:
It is the City's intent that this Request for Proposals permit competition. It shall be the respondent's responsibility to advise the City, in writing, if any language, requirements, scope specifications, etc., or any combinations thereof, inadvertently restricts or limits the requirements stated in this Request for Proposals to a single source. Such notification must be received by the City no later than five (5) calendar days prior to the date set for acceptance of proposals.

J. Questions:
Questions regarding this Request For Proposals shall be submitted **by e-mail only** to: Jeffrey W. Titus, Purchasing & Contract Services Manager, e-mail address: jtitus@ci.keene.nh.us.

ANTICIPATED CITY MANAGER RECRUITMENT TIMELINE 7/25/16

July 28	Informational Report to Finance, Organization & Personnel Committee (FOP)
Week of August 1	Request for Proposals (RFP) issued
August 31	Responses to RFP Due
September 2	Responses distributed to Special Committee
September 9	Special Committee selects firms to interview
September 16	Interview of selected firms by Special Committee
September 22	Special Committee recommendation to FOP
October 6	City Council action
October	Negotiations/Contract Execution
November/Dec	Candidate Profile & Update of the Recruitment Schedule
Dec– February 2017	Special Committee develops interview process and schedule
January 9, 2017	Submission of advertisement to professional publications
January 9, 2017	Deadline for Council Submitted Interview Questions
February 10, 2017	Resumes due
February 10-24	Applications narrowed to 5-7 candidates
February 24, 2017	Final Selection of “Fully Qualified” candidates
February 24, 2017	Release essay questions to candidates
March 3	Essays returned and distributed to Special Committee
March 7 & 9	Simultaneous interview panels by Special Committee, Community Committee and Employee Committee (in-person, phone or skype interviews). 5th week
March 17	Special Committee considers the results of the other Interview Committees and narrows candidates to 2 - 4

ANTICIPATED CITY MANAGER RECRUITMENT TIMELINE 7/25/16

END OF THE SPECIAL COMMITTEE WORK	
March 17-24	Top Candidates take the DISC (Human Factor) Assessment Tool
March 27	City Council – Non-public interview session - tour of City by staff
March 28	City Council – Non-public interview session - tour of City by staff
April 3	City Council – Non-public interview session - tour of City by staff
April 4	City Council – Non-public interview session - tour of City by staff
April 4–April 13	Personal and professional references checks of 2 - 4 candidates
April 13, 2017	FOP Committee makes recommendation of final candidate and establishes parameters for compensation/benefits
April 20, 2017	Council selects final candidate and makes job offer
April 21–May 4	Criminal background investigation of final candidate
April 21–May 4	Contract negotiations
May 4, 2017	City Council approves final contract

City of Keene, N.H.
Transmittal Form

7/28/2016

TO: Finance, Organization and Personnel Committee

FROM: Steve Thornton, Finance Director

THROUGH: Medard Kopczynski, City Manager

ITEM: 5.

TITLE: R-2016-25-A Fiscal Policies

RECOMMENDATION:
That the Finance, Organization, and Personnel Committee recommend the adoption of resolution R-2016-25-A relating to fiscal policies.

ATTACHMENTS:
Description
Resolution R-2016-25-A
R-2016-25-A Mark-up
Administrative Directive

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, 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.
A fiscal policies workshop was held on July 14, 2016, at which time the fiscal policies were reviewed. Based upon the discussion at the workshop, and incorporating revisions recommended by Councilors Powers and Kahn, Resolution R-2016-25-A has been prepared that incorporates the following revisions to fiscal policies:

1. Create a two part fiscal policy that consolidates certain existing policies into a Part I – Budgetary Policies section of the fiscal policies, and leaving the remainder in Part 2 – Financial Policies.

2. Amend budgetary policies as follows:
    a. City Manager approved carryovers would be reported to City Council by the first week of August. Current language schedules the report for July 15. The current date does not allow sufficient time after year end to finish paying prior year invoices to determine financial position before approving carryovers (staff recommendation). Part 1, I.c.

b. Language regarding multiyear projections amended to include language with regards to projected property tax and utility rates. Part 1, I.d.

c. Language added to incorporate the financial policy on unassigned fund balance into budget preparation. Part 1, I.e.

d. Incorporates fiscal policy on ratio of debt service and current revenue funded capital to the adopted budget into budgetary policies. Part 1, I.f.

e. Adjusts property tax guideline with regard to use of the CPI to a three year average, as of June 30. Part 1. I.i.

3. Removes purchasing language with regard to environmentally preferred purchasing and collaboration. The fiscal policy duplicates Administrative Directive 2.04, issued on 10/29/08 with regards to environmentally preferred purchasing (attached), and staff recommends the incorporation of this initiative, as well as the language with regards to collaborative purchasing in the fiscal policies into City ordinances with regard to purchasing. Part 2, IV (existing numbering on current policy)

4. Diversifying Revenues - Language change to incorporate Part 2, Section 4IV.e.with regard to maximizing non-property tax revenues into Part 2, Section IV.e. with regards to diversifying revenues. Eliminates a redundant policy.

5. Fees and Charges – sets a calendar for a review and approval by Council every two years – this will be the subject of a workshop in September.

6 . Amends the Stabilization Funds section for Other Funds (other than the General Fund) recommending fund balance target of 5-15% of operating budget, rather than 5-10%.

There are also several changes in formatting and language that do not impact the meaning or intent of existing policy, and are housekeeping in nature. All changes are shown in the "marked up" version of the attached fiscal policies. Also attached is R-2016-25-A without markup for reference.

CITY OF KEENE

R-2016-25-A

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:

PART 1 – Budgetary Policies

I. <u>Budget</u>

a. The City shall annually adopt and appropriate 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. <u>All appropriated budgets shall be balanced</u>

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 the first week of August each year.

PASSED

d. The budget document shall provide multi-year projections of revenues and expenditures/expenses including property taxes and utility (water and sewer) rates.
e. The budget will take into consideration the City's Policies on unassigned Fund Balance at the end of June,
f. The City of Keene will contain its General Fund debt service and current revenue capital outlay appropriations, on a five-year average, at or less than 15% of the General Fund operating budget.
g. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.
h. 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.

i. Property Taxes.
    i. The City shall limit its property tax revenue increases to a rolling three (3) year average of the Boston CPI, (as of June 30) 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.

II. <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 shall be reviewed by the Finance Committee, and the Planning Board.
g. The CIP will be the subject of a public hearing before adoption.
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.

PART 2 - Financial Policies

III. 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:
    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.
        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
            c. PC Replacement Fund – shall be used to account for the on-going replacement of PC's, certain peripherals, and desk top software utilized by all City departments
            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 landfill
        o Capital Projects Fund – shall be used to account for the capital projects funded by any of the governmental funds
    ii. Proprietary Funds
        o 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

IV. 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.
   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, State law, or by local CODE, no unanticipated revenues shall be designated for a specific purpose(s) unless directed by the City Council.

V. 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.
   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 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..

VI. <u>Debt</u>

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 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 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 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 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 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. 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.

VII. Capital Assets

a. 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.

b. 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

c. Depreciation: straight-line depreciation will be used to depreciate all depreciable capital assets over the estimated useful life of each asset, as determined by industry standards.

d. Asset Classification: assets will be recorded within broad asset groups (e.g. land, buildings, etc.).

e. Budgeting: the budgeting of capital assets will be in a manner that will facilitate the identification and recording of the asset in accordance with this policy.

VIII. 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.

IX. 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 fifteen (15) 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 management 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):

. Safety – the safety of principal is the foremost objective

Liquidity – investments shall remain sufficiently liquid to meet the operational cash needs of the City of Keene

. Yield – taking in to account the priority objectives of safety of principal and liquidity, a market rate of return

b. Authorized Investments:

US Treasury obligations

US government agency and instrumentality obligations

i. Repurchase agreements with NH Banks acting as principal or agent, collateralized by US Treasury/Agency obligations

. Certificates of Deposits in NH Banks (collateralized)

v. NH Public Deposit Investment Pool

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Kendall W. Lane, Mayor

R-2016-25~~02-A~~-A

Sixteen

Relating to Fiscal Policies

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

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

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

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

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

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

PART 1 – Budgetary Policies

I. Budget
   a. The City shall annually adopt and appropriate budgets for the following funds
      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 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 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 the first week of August~~July 15~~ each~~of every~~ year.

d. The budget document shall provide multi-year projections of revenues and expenditures/expenses including property taxes and utility (water and sewer) rates.

~~a.~~e. The budget will take into consideration the City's Policies on unassigned Fund Balance at the end of June,

f. The City of Keene will contain its General Fund debt service and current revenue capital outlay appropriations, on a five-year average, at or less than 15% of the General Fund operating budget.

g. Upon completion of any project, any residual funds shall be returned to the fund that provided the original appropriation.

h. 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.

i. Property Taxes.

   i. The City shall limit its property tax revenue increases to a rolling three (3) year average of the Boston CPI, (as of June 30) 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.

II. Capital Improvement Program

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 shall be reviewed by the Finance Committee, and the Planning Board.
g. The CIP will be the subject of a public hearing before adoption.
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.

PART 2 - Financial~~seal~~ Policies

~~II.~~III. 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:
    i. Governmental Funds
        - 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~~
        - 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
            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

~~REMOVE AS IT IS OTHER POLICIES OR THE City CODE. If keep need to have same language in all documents~~

~~III. Budget~~

~~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.~~

~~IV. 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.~~

~~V.~~IV. 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 ~~strive to~~ diversify its revenues, by maximizing~~s.~~ the use of non-property tax revenues such as payments in lieu of taxes and user fees and charges.

~~b.~~c. ~~in order to maintain needed services during periods of declining economic activity and/or during periods of property tax pressures need better language.~~

~~c.~~d. 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~~ CODE, 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.~~

~~VI.~~V. 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.

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 in accordance with ~~IAW~~ a schedule developed by the City Manager, that has each fee reviewed biannually .~~on an on-going basis~~, ~~and~~ R~~r~~ecommended changes will be reviewed and approved by ~~brought forth to~~ the City Council. ~~for action, to ensure that they remain appropriate and equitable~~.

~~VII. Capital Improvement Program~~

~~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.~~

~~VIII.~~VI. 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 p~~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~~ shall be 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.~~l. 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.

~~IX.~~VII. 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). It is in City CODE ARTICLE 7, Sec 2-1172~~

~~b.~~a. 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.~~b. 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.~~c. Depreciation: straight-line depreciation will be used to depreciate all depreciable capital assets over the estimated useful life of each asset, as determined by industry standards.

~~e.~~d. Asset Classification: assets will be recorded within broad asset groups (e.g. land, buildings, etc.).

~~f.~~e. Budgeting: the budgeting of capital assets will be in a manner that will facilitate the identification and recording of the asset in accordance with this policy.

~~X.~~VIII. 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 ~~authorized and~~ ,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, ~~or~~ laws or regulations, or other governments. All other net assets are reported as unrestricted.

~~XI.~~IX. 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 fifteen ~~ten~~ (15~~0~~) 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.

~~i. c. Retirement Liability Account still believe this needs to be addressed formally~~

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 ~~l~~management 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

i~~ii~~. 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

~~Left justify like the rest of the document~~

____

Kendall W. Lane, Mayor

CITY OF KEENE, NEW HAMPSHIRE
ADMINISTRATIVE DIRECTIVE

No.:2.04
Date Issued:10/29/08
Effective Date:11/10/08
Supersedes:_N/A

I. SUBJECT

Environmentally Preferable Purchasing

II. AUTHORITY

Section 1301.0, Central Purchasing, of Chapter 1300, Internal Operating Procedures of the City Code.

Resolution R-2008-2-B, Fiscal Policies

III. PURPOSE

The purpose of this policy is to maximize environmental benefits of the City's activities by establishing procedures to encourage the procurement of services and products that:

- reduce toxicity;
- conserve natural resources, materials, water, and energy; and
- maximize recyclability and recycled content and reduce waste.

By including environmental considerations in purchasing decisions along with the traditional concerns of price, performance, and availability, City departments will remain fiscally responsible while promoting practices that improve public health and safety; reduce pollution, conserve natural resources, and reward manufacturers and suppliers who reduce adverse environmental impacts in their production and distribution systems.

IV. POLICY

The City shall acquire its goods and services in a manner that complies with city, state and federal laws. The City shall promote the use of environmentally preferable products in its acquisition of goods and services.

Nothing in this policy shall be construed as requiring a department to procure products that do not perform adequately for their intended use or products that are not the lowest price bid, as required by the City's purchasing policies and procedures.

Procedures and guidelines may be established as necessary to encourage the continuation of a strong Environmental Preferable Purchasing Program (EP3).

It is the policy of the City of Keene to:

1. Procure environmentally preferable products and services where criteria have been established by governmental or other widely recognized authorities (e.g. Energy Star, Green Seal, and EPA Eco Purchasing Guidelines).

2. Where external authorities have not established purchasing criteria for products and services, City departments should work to integrate environmental factors into contract language and buying decisions, such as:

   - Replace disposables with reusable or recyclable items.
   - Support eco-labeling practices by buying products bearing such labels in preference to others that do not bear such labels, where they are available and where they provide value for the money.
   - City departments are encouraged to request and obtain life-cycle cost analysis from potential suppliers as part of the bid submittal procedure.
   - Evaluate, as appropriate, the environmental performance of vendors in providing products and services.

3. Raise staff awareness on the environmental issues affecting procurement by providing relevant information and training.

4. Encourage suppliers and contractors to offer environmentally preferable products at competitive prices.

5. Encourage providers of services to consider environmental impacts of service delivery.

6. Encourage departments to include specifications for recycled and environmentally preferable products in <u>all</u> City contracts.

7. Continue, and if possible, expand existing City programs to purchase environmentally preferable products (such as re-refined automotive oils and coolants; integrated pest-management programs, green seal custodian supplies, etc.). City departments are also encouraged to evaluate environmentally preferahle products and purchase them when possible.

V. RESPONSIBILITY

Every department is responsible for ensuring that suppliers and contractors provide the City with products and services that meet the intent of this administrative directive. Every department shall ensure its employees are familiar with this Administrative Directive.

It will be the primary responsibility of the Purchasing Agent and the EP3 Team to implement this policy by identifying program goals, providing training and information when requested, and assistance in the evaluation of the environmentally preferable purchasing status of a product or service.

The EP3 Team will be composed of, at a minimum, representatives from the Planning, Public Works, IMS, Fire, Police, Finance, and Parks, Recreation and Facilities departments. Other departments are encouraged to participate on the EP3 Team. The E3 Team will:

- Assist the Purchasing Agent to evaluate specifications and contract language for environmentally preferable purchasing to be incorporated into city contracts.
- Undertake Life Cycle Cost Analysis, on a pilot basis, when developing specifications for costly durable products.
- Participate in training and ensure that all departments are represented in training to raise awareness of environmentally preferable purchasing.
- Assist the Purchasing Agent in developing and refining environmentally preferable purchasing benchmarks and measurable goals for the program.
- Promote the environmentally preferable purchasing efforts that departments undertake currently.
- Develop and promote department recognition and participation in the program.
- Work to continuously improve the City of Keene's environmentally preferable purchasing performance.
- Apply for grant funding to support environmentally preferable purchasing activities.
- Report program outcomes/accomplishments to City Council, city committees, and the general public on a periodic basis.

VI. PROMOTION

The City can facilitate promotion of this policy throughout City departments by developing an incentive program. An environmentally preferable purchasing incentive program could include:

- An award (such as some form of recognition) for the Department with the best annual or monthly environmentally preferable purchasing outcomes.
- Creation of an Environmentally Preferable Purchasing VIP Award Program with its own review panel that includes representatives from the EP3 Team.

VII. IMPLEMENTATION

The Purchasing Agent, with assistance by the EP3 Team, will facilitate Environmentally Preferable Purchasing by creating systems to:

- Track environmentally preferable purchases by department and category/commodity (e.g. paper, paint) and report the results to all departments and City Council against the program's goals and benchmarks for success.

- Publish, on a regular basis, a "hot sheet" of new environmentally preferable products available for purchase.

- Develop an environmentally preferable purchasing web page that links to existing environmentally preferable purchasing websites, with information about products, specifications, cost comparisons, suppliers, etc.
- Incorporate environmental preferable purchasing specifications and language in City bids and contracts. The Finance Department shall implement this policy in coordination with City departments.

VIII. PROGRAM EVALUATION

a) The Finance Department shall periodically evaluate the success of this policy's implementation against the goals and benchmarks for success established for the EP3 program by the EP3 Team.

b) At a minimum, this policy and the program shall be re-evaluated once every five (5) years.

IX. DEFINITIONS

Practicable means sufficient in performance and available at the lowest bid. Final determination of the practicability of any given product must lie with the users of the product since it is the user who understands the product's performance and the user's budgetary requirements.

Environmentally Preferable Product has a lesser or reduced negative effect on human health and the environment when compared with competing products which serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, and disposal of the product. This term includes, but is not limited to, recycled products, recyclable products, low toxicity products, and reusable products.

Life Cycle Analysis is the comprehensive examination of a product's environmental and economic effects throughout its lifetime, including new material extraction, transportation, manufacturing, use, and disposal.

Recyclable Product is a product that, after its intended end use, can demonstrably be diverted from the City's solid waste stream for use as a raw material in the manufacture of another product.

Recycled Product is a product containing recycled material.

Reusable Product is a product that can be used several times for an intended use before being discarded, such as a washable food or beverage container or a refillable ballpoint pen.

X. EFFECTIVE DATES

X. EFFECTIVE DATES

This policy shall take effect on DATE OF ADOPTION.

Approved:

John A. MacLean, City Manager

10/29/08

Date