



# CITY OF CONCORD

*New Hampshire's Main Street™*  
Finance

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DATE: February 25, 2026

TO: Honorable Mayor and Members of the City Council  
Thomas J. Aspell, Jr. City Manager

FROM: Brian LeBrun, Deputy City Manager – Finance

RE: Capital Reserves (Reserves), Recreation Reserve example, Trustees of Trust Funds, and Friends  
of the Beav Donation

## I. Introduction

This report is being provided to the City Council and the Citizens of Concord to document and explain the process for deposits to and withdrawals from the City's capital reserve funds. This report also explains the role of the Trustees of the Trust Funds in the operation of these reserve accounts and discusses a recent donation from the Friends of the Beav, which was received and processed by the City. Finally, this document provides a detailed analysis of the Recreation Reserve to demonstrate, in general, how the flows in and out of the reserve accounts operate and to address any questions that have been raised specific to that fund.

Attached to this report are supporting exhibits that document the specific actions taken by the City Council to authorize deposit of funds to and withdrawal of funds from reserve accounts. While there are a number of transactions to and from several of the reserve accounts each year, this report will use the Recreation Reserve as an example of how these transfers work and details all activity since the inception of the Recreation Reserve. The City Council authorized creation of the Recreation Reserve on July 11, 2016.

## II. General Process for Reserve Fund

### A. Withdrawals

Each year during the budget process, or during the fiscal year as a supplemental appropriation, the City Council authorizes the use of reserves. For Fiscal Year 2026, the City Council authorized the use of \$4,232,500 in both operating and capital accounts, as detailed in Chart A below. While most of the items in this chart were included in the proposed operating or capital budgets, two items were the result of decisions made by the City Council at the June 5, 2025 budget adoption meeting. The two items totaling \$449,000 from the Community Improvement reserve, include \$205,000 to cleanup Healey Park and \$244,000 as part of the final budget allocation and this reduced the tax rate to a 2.95% increase, as directed by City Council.

<b>Chart A</b> <b>Fiscal Year 2026 City Council Authorization for Use of Capital Reserves</b> <b>June 5, 2025 Budget Adoption and October 14, 2025 Supplemental Appropriation</b>		
<b>Reserve</b>	<b>Amount</b>	<b>Description</b>
Highway	\$ 2,995,000	\$2,800,000 Annual Highway Improvements CIP#78 \$15,000 Sidewalk, Bikeway and Streetscapes CIP#17 \$180,000 Intersection Safety CIP#520
Economic Development	\$ 275,000	\$30,000 Intown Concord \$90,000 to offset Community Development Expenses \$150,000 Grants for Events \$5,000 Visioning Facilitation October 14, 2025 Supplemental
Wastewater Investment Fee	\$ 150,000	Hall Street Treatment Plant Improvements CIP#104
Recreation	\$ 100,000	To offset Community Center Expenses
Community Improvement	\$ 452,500	\$205,000 Healey Park Cleanup \$244,000 Final Budget Adoption \$3,500 Penacook Street Cleanup October 14, 2025 Supplemental
Opioid Reserve	\$ 85,000	To offset Police Social Worker positions expenses
Bridge	\$ 175,000	\$100,000 Loudon Road Bridge CIP#588 \$75,000 Iron Works Road Bridge CIP#602
<b>Total</b>	<b>\$4,232,500</b>	

Note: See **Exhibit 1** for supporting documents for Use of Capital Reserve items in Chart A. Also note that \$85,000 for Opioid reserve will only be transferred at the end of the fiscal-year and will not show on the MS-9 report until that time. See **Exhibit 2** for Community Improvement Reserve transfer to General Fund – budget report and ledger transaction detail.

**B. Deposits**

Additionally, each year when the Fiscal Year-end report is presented to City Council for the results of the previous fiscal year, a recommendation is made to transfer funds into various reserve accounts. On January 12, 2026, the City Council approved the transfer of \$2,050,000 to reserves, as detailed in Chart B below.

<b>Chart B</b> <b>Fiscal Year 2026 City Council Authorized</b> <b>Transfer in to Capital Reserves</b> <b>January 12, 2026 Approval</b>	
<b>Reserve</b>	<b>Amount</b>
Highway Reserve (Paving)	\$ 1,500,000
Technology Infrastructure and Equipment Reserve	\$ 50,000
Equipment Reserve	\$ 150,000
Recreation Reserve	\$ 250,000
Economic Development Reserve	\$ 100,000
<b>Total</b>	<b>\$ 2,050,000</b>

Note: See **Exhibit 3** for resolution detailing transfer to capital reserves supporting Chart B.

These are the same processes that have been used for many years to carry out the direction and votes of the City Council.

### III. Recreation Reserve Fund Details

Comments have been made about the use of the Recreation Reserve. In order to address any questions, we are providing a detailed history of the establishment and use of this reserve fund. This reserve was established by the City Council on July 11, 2016, with an initial deposit of \$650,000. Each year, the City Council may authorize deposits into the Recreation Reserve during the fiscal year-end or surplus report. Chart C, below, shows each of the authorized deposit amounts since 2016. Most deposits are from year end surplus unless otherwise noted. Notes 1-7 below provide the supporting detail for the transaction in charts C and D.

Chart C		
Date Approved by City Council	Deposit Amount	Description
July 11, 2016	\$ 650,000	Establish Recreation Reserve and initial funding Resolution #8935
June 12, 2017	\$ 1,500	Resolution #9003
December 11, 2017	\$ 350,000	Year end Surplus Resolution #9061
December 10, 2018	\$ 400,000	Year end Surplus Resolution #9156
December 9, 2019	\$ 370,000	Year end Surplus Resolution #9246
February 8, 2021	\$ 250,000	Year end Surplus Resolution #9348
February 8, 2021	\$ 75,000	Sale of Eastman School Resolution #9350
February 14, 2022	\$ 250,000	Year end Surplus Resolution #9347
January 9, 2023	\$ 100,000	Year end Surplus Resolution #9520
January 8, 2024	\$ 650,000	Year end Surplus Resolution #9608
January 13, 2025	\$ 400,000	Year end Surplus Resolution #9173
January 12, 2026	\$ 250,000	Year end Surplus Resolution #9803
	\$ 3,746,500	

Note 1: the January 12, 2026 deposit of \$250,000 not yet reflected on MS-9 report

Note 2: See **Exhibit 4** for resolutions supporting deposit amounts

Note 3: See **Exhibit 5** for MS-9 reports for each fiscal year starting in 2016 (for Charts C and D)

Chart D, below, details the withdrawals from Recreation Reserve. Amounts identified as “Adopted Budget” are withdrawals approved (with the fiscal year identified) as part of the annual budget process. Other separately identified amounts have authorizing resolutions or minutes to support the transaction. MS-9 reports are also attached that support the transactions to and from the Recreation Reserve.

Chart D		
Fiscal Year	Withdrawal Amount	Description
FY16	\$ -	
FY17	\$ -	
FY18	\$ -	
FY19	\$ 575,000	\$400,000 FY19 Adopted Budget \$175,000 for Skatehouse Res #9171 March 11, 2019
FY20	\$ 410,000	\$400,000 FY20 Adopted Budget \$10,000 for Childhood Obesity
FY21	\$ 411,015	\$400,000 Adopted Budget \$11,015 for White Park Playground Design Res#9345 January 11, 2021
FY22	\$ 400,000	\$400,000 Adopted Budget
FY23	\$ 374,843	\$200,000 Adopted Budget and \$174,843 additional amount used from Recreation Reserve during June 9, 2022 Finance Committee Meeting and June 9, 2022 Budget Adoption
FY24	\$ 396,937	\$200,000 Adopted Budget \$196,936.62 for Skatehouse to offset lack of donations Res #9611 January 8, 2024
FY25	\$ 205,000	\$200,000 Adopted Budget \$5,000 for Snowrabbit Repairs Res #9722 February 10, 2025
FY26	\$ 100,000	\$100,000 Adopted Budget
	\$ 2,872,795	

Note 4: Adopted Budget withdrawals are to support the City Wide Community Center

Note 5: See **Exhibit 6** for resolutions supporting withdrawal amounts other than adopted budget

Note 6: See **Exhibit 7** for budget detail entries for each year starting in 2019 (noted as Adopted budget)

Note 7: See **Exhibit 8** for FY26 \$100,000 Recreation Reserve transfer to General Fund ledger detail printout and budget report

#### IV. Role of the Trustees of the Trust Funds

We have received questions about the activity of the Trustees of the Trust Funds, including assertions that they have not met since 2021. The trustees have met quarterly or more frequently, as needed, and the minutes of their meetings are on the City's website <https://concordnh.gov/Archive.aspx>. While the minutes have been available, they were not posted to the City's website until December 2025. They met on the following dates:

October 14, 2021	January 19, 2023	April 11, 2024	July 10, 2025
January 20, 2022	April 13, 2023	July 18, 2024	October 16, 2025
April 14, 2022	July 13, 2023	October 17, 2024	November 10, 2025
July 14, 2022	October 12, 2023	January 16, 2025	November 24, 2025
October 13, 2022	January 11, 2024	April 17, 2025	January 15, 2026

It is important to note that the minutes of previous years do not reflect approval of the MS-9 and MS-10 reports before they were submitted to the NH Department of Revenue Administration (DRA). For the past two fiscal years, under the guidance of the current Treasurer, the Trustees have been provided the MS-9 and MS-10 for review and approval before they are submitted to the DRA, and they also are provided with backup for the use of capital reserves to fulfill their responsibilities under New Hampshire law.

While there are 16 sections and one subsection under New Hampshire Statutes, Chapter 34: Capital Reserve Funds for Cities, the sections listed below have been the most discussed and are included here for reference in conjunction with this report.

**34:1 Establishment of Reserves Authorized** – Any city may raise and appropriate money as provided by RSA 34:2, from any source other than money given to the city for charitable purposes, for the establishment of a capital reserve fund for the financing of all or part of the cost of: summarizing (construction, specific capital improvement, acquisition of specific equipment, reappraisals by appraisers, acquisition of land, acquisition of tax map of such city, municipal and regional transportation improvement projects, repayment of bonded debt).

**34:1-a Non-Capital reserve Funds Authorized** – Any city may establish a reserve fund for the maintenance and operation of a specific public facility or type of facility, a specific item or type of equipment, or for any other distinctly-stated; specific public purpose that is not foreign to its institution or incompatible with the objects of its organization. Such funds shall be subject to all provisions and limitations of this chapter as are applicable to capital reserve funds. The legal validity of such fund properly established shall not be affected by its designation as a “trust”. “reserve”. “capital reserve”, or any other designation.

**34:6 Trustee of Trust Funds** – The trustees of trust funds of the city shall have custody of all capital reserves. Said trustees shall give bond in such amount and in such form as the city council or board of alderman shall prescribe and any trustee who shall make payment of income or principal from any such capital reserve fund before the approval of his bond in writing by the city council or board of aldermen shall be personally liable to the city for any loss resulting from such payment, to be recovered by the city at the suit of any citizen. The expenses of said trustees in said capacity and the expense of their bonds shall be charged as incidental city charges.

**34:7 Payments from Surplus.** – Whenever the city councils have voted in accordance with RSA 34:3 to transfer any accumulated surplus to the capital reserve fund, the city clerk shall forward immediately to the city treasurer a certified copy of said vote; and the city treasurer on receipt of said copy shall transfer immediately to the trustees of trust funds of said city the amount specified in said vote.

**34:8 Transfer of Sums Appropriated.** – Whenever the city councils legally vote to raise and appropriate any sum for the capital reserve fund, the same duties shall devolve upon the city clerk and city treasurer, as specified in RSA 34:7, except that said sum must be transferred on or before the end of the fiscal year in which said vote is made.

**34:10- Expenditures** – The trustees of trust funds holding said capital reserve funds in trust, as hereinbefore provided, shall hold the same until such time as the city councils shall name agents of the city to carry out the objects designated by the city councils as prescribed by RSA 34:2. Expenditures from said capital reserve funds shall be made only for or in connection with the purposes for which said fund was established, or as amended as provided by RSA 34:11.

**34:11 Change of Purpose** – After the purpose for which a capital reserve fund is established has been determined, no change shall be made in the purpose for which said fund may be expended unless and until such change has been authorized by a favorable vote of  $\frac{3}{4}$  of all members of the city councils or board of aldermen, for a specific capital improvement or specific item or type of equipment and such change shall be made only after a public hearing held pursuant to notice as provided in RSA 34:1

**34:12 Audit; Records.** – The accounts of the trustees of trust funds holding the capital reserve funds shall be audited annually by the city auditor, the securities shall be exhibited to said auditor, and said auditor shall

certify the facts found by the audit and the list of all securities held. Said trustees holding said funds shall keep a record of all such capital reserve funds in a record book, which shall be open to public inspection.

A report and resolution to clarify the City Council's intended use and purpose of reserves was presented to the January 12, 2026 City Council meeting in accordance with RSA 34:11. After a duly posted public hearing, the City Council approved the changes to the use and purpose of the reserves by the required favorable vote of  $\frac{3}{4}$  of the City Council members.

The Trustees of the Trust Fund have been provided a copy of both the original and amended use and purpose statements for all of the reserve accounts and are aware of their obligations under RSA 34:10 to review and execute the actions of the City Council when such actions are consistent with the purpose of the reserve fund.

#### V. Donation from Friends of the Beav

We are aware of public comments relating to receipt of donation funds from Friends of the Beav in the amount of \$25,000. The City received an actual check on December 8, 2025, in the amount of \$25,000, which was deposited on December 9, 2025 and recorded in the capital project donation revenue line approved by the City Council on June 5, 2025, CIP#107 Clubhouse Construction. Attached is **Exhibit #9**, a printout of the CIP project with donation revenue showing the \$25,000 entry, along with a copy of the check and deposit ticket. For this and all other projects, once the City Council approves the project and revenue sources, no additional action is required by the City Council before the project proceeds or when revenue is received.

#### VI. Conclusion

The City's finances and accounting are subject to both internal and external oversight and controls. City accounts, including reserve accounts, are audited annually by independent auditors, currently CBIZ, and they conduct their audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The Independent Auditors' Report can be found starting on page 16 of the Fiscal Year ended June 30, 2025 Annual Comprehensive Financial Report, which is on the City's website.

This report is intended to help clarify questions regarding how City Administration carries out the direction of the City Council with regard to reserve funds. The City Council authorizes deposits and withdrawals from reserve accounts. City staff facilitate those directions and record all transactions in the City ledgers, from the initial budget proposals, subsequent changes during budget deliberations, and supplemental appropriations and approvals. For operating funds, these transactions are reported in the financial statements provided to the City Council on a quarterly basis. As mentioned at the Council Orientation meeting in January, City Administration will be presenting a report format to the Fiscal Policy Advisory Committee, this spring, for Capital and Grants/Donation Funds that is intended to become part of the regular reporting structure. We will be glad to answer any questions about this report.