



# CITY OF CONCORD

*New Hampshire's Main Street™*

**DATE:** May 10, 2019  
**TO:** Honorable Mayor James Bouley and the Concord City Council  
**FROM:** Thomas J. Aspell, Jr., City Manager  
**SUBJECT:** Fiscal Year 2020 Budget Transmittal Letter

Herewith, I respectfully submit to you the City of Concord Operating Budget and Capital Improvement Program for the fiscal year July 1, 2019 through June 30, 2020.

This balanced budget strengthens public safety, adds to the community's social safety network, invests in human capital and municipal infrastructure, provides an enhanced quality of life to our residents, and prepares us for a sustainable, long-term future; all done while maintaining the City's strong financial position and bond rating of AA+. This fiscally conservative budget proposes a tax rate increase of 1.92%, and a \$500,000 reduction in General Fund bonded capital projects as compared to Fiscal Year 2019.

## **Fiscal Year 2019 Highlights**

Accomplishments this past fiscal year included:

### Public Safety

- Continued Facility Improvements at Fire and Police Stations and City Hall;
- Taser Replacement;
- Police Department Video System Replacement; and
- Replacement of Ambulance 7.

### Human Capital

- Hired new full-time Health and Licensing Officer in Code Administration;
- Hired new Building Inspector;
- Hired new Treasurer/Tax Collector;
- Hired new Library Technicians to staff new Community Center; and
- Hired new Community Center staff;
  - Maintenance Technician
  - Two Part-time Recreation Specialists
  - Part-time Custodian
  - Six part-time Guest Services Associates

## Fiscal Year 2020 Budget Transmittal Letter

### General Infrastructure

- Continued Phased Replacement of Beaver Meadow Irrigation System;
- Continued Water Main Replacements;
- Completed engineering for Replacement of Primary Clarifier at Hall Street Wastewater Treatment Plant;
- Continued implementation of the Enhanced Neighborhood Street Paving Program;
- Completed water infrastructure work around Concord High School and adjacent streets;
- Completed terminal lobby improvements at Concord Municipal Airport;
- Continued Renovation of School Street Parking Garage;
- Completed Multi-Purpose Building at White Park;
- Opened new Multi-Generational Community Center; and
- Replaced Point of Sale software at Beaver Meadow Golf Course.

### Financial Position

- Re-aligned three Enterprise Funds to Special Revenue Funds; and
- Continued significant work on Financial ERP software replacement with Phase I scheduled to go live July 1, 2019.

### **Fiscal Year 2020 Budget Highlights**

*New General Fund budgetary items include:*

#### Public Safety

- \$27,000 Merrimack Valley Middle School Resource Officer – net amount;
- \$9,000 AirVac filters for Fire Department vehicle exhaust system;
- \$8,300 Plausawa Hill Tower additional rental space;
- \$8,000 Taser equipment;
- \$6,000 Increase for Police ammunition;
- \$5,000 Police communications equipment;
- \$5,000 New Fire training facility operations and maintenance costs;
- \$1,000 Promotional and educational materials for Police Community Services Division; and
- \$1,000 Hazardous material sensor to meter post fire environments.

#### Human Capital

- \$19,000 Increase overtime for Parks and Recreation;
- \$5,000 Information Technology Department compensation study;
- \$13,000 Elections overtime and temporary staffing increase;
- \$7,000 City Solicitor/Deputy Solicitor labor grade changes;
- \$5,000 Library Assistant II to Library Technician;
- \$4,000 Fire Administrative Specialist II to Fiscal Supervisor;
- \$4,000 Lifeguard certification reimbursement; and
- \$2,000 General Services professional development.

General Infrastructure

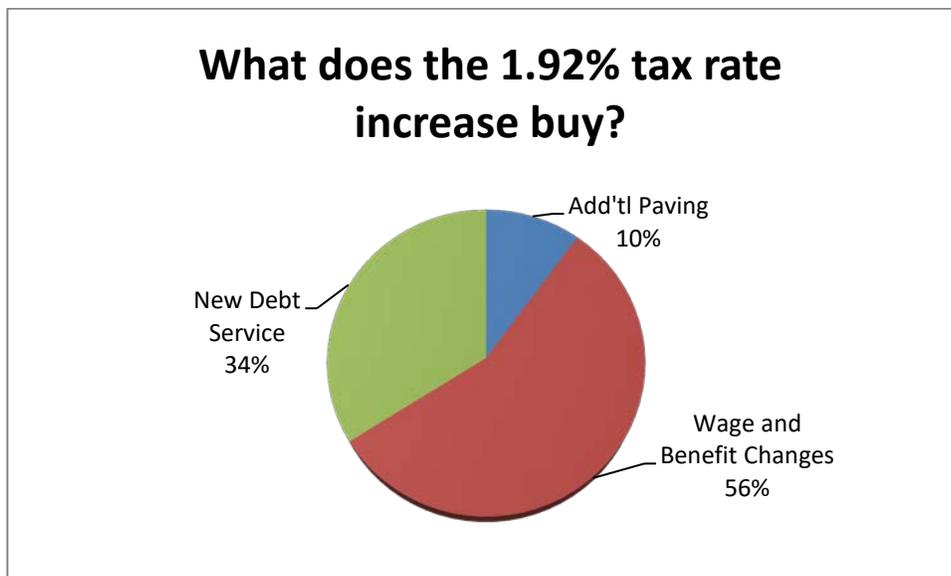
- \$105,000 additional .25% for paving program;
- \$64,000 White Park skate house operating costs (less \$64,000 offsetting revenue);
- \$40,000 Increase in vehicle parts for General Services fleet;
- \$7,500 Main Street sidewalk sealing (plus \$7,500 from Sears Block TIF for total \$15,000);
- \$6,000 Increased costs for General Services Highway small equipment replacement;
- \$4,000 Additional snow removal contract costs; and
- \$1,000 Filters for Multi-Generational Community Center HVAC system.

Sustainability

- \$13,000 for Street Trees (\$13,000 offsetting revenue); and
- \$7,000 Solar array consulting services.

Financial Position

- \$942,000 compensation adjustments;
- \$354,000 in additional debt service costs;
- \$105,000 in additional paving;
- (\$365,000) health insurance and benefits savings; and
- (\$64,000) retirement cost savings.



## Fiscal Year 2020 Budget Transmittal Letter

### *Proposed Capital Improvement Program*

#### Public Safety

- Systematic Replacement of Citywide Opticom system;
- Replacement of Fire Department Forestry vehicle #7;
- Purchase off road utility vehicle for Fire Department and EMS coverage for City's trail system;
- Radio and dispatch console replacement at Fire Department;
- Mobile radio replacement in all unmarked Police Department vehicles;
- Firing range structure demolition and disposal;
- Fire alarm infrastructure replacement;
- Systematic replacement of firefighting protective clothing;
- Replacement of 4 Police vehicles and evidence van; and
- Replacement of Police Radio and Phone Line Recording System.

#### Parks

- Repair of deteriorated portions of the concrete parking lot at White Park;
- Crack sealing, colorization and restriping of two tennis courts at Rolfe Park;
- Repair historic stone bridge and the final phase of the stone wall repair at Rollins Park;
- Replace chlorinators and pumps at six City pools;
- Crack seal, colorize stripe and replace standards and backboards on basketball courts at Merrill Park;
- Replace standards and backboards at the West Street Pocket Park, Fletcher Murphy Park and the Thompson Street Play Lot;
- Funding to review alternative routes in lieu of boardwalk through Merrimack River wetland for the Merrimack River Greenway Trail Project;
- 50% design of new Riverfront Park at former Allied Leather Tannery/Penacook Landing Site;
- Blossom Hill paving project, phase 3 of 6;
- Eagle Square fountain, valves and pump replacement; and
- Bicentennial Square tree/landscape improvements.

#### Beaver Meadow Golf Course

- Pond and cross country ski trail purchase of equipment – 4WD tractor with cab, snow blower and plow, trail groomer and snowmobile;
- Clubhouse additional funding for bathroom improvements and Pro Shop window and door replacement; and
- Phase 3 of irrigation and drainage system improvements and 9<sup>th</sup> fairway improvements.

#### Transportation Network

- Design and permitting of Storrs Street North Ext. (Stores to Constitution Ave);
- Annual highway improvement program, pavement preservation, drainage repairs and emergency overlays;
- Design, permitting and construction of culvert replacement on Alder Creek Drive (Beaver Meadow Brook);
- Replace underground wiring of traffic signals at Ft. Eddy Rd./Ft. Eddy Plaza;

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- Hookset Turnpike and Birchdale Road bridge construction;
- Construct sidewalk/vertical curb on the west side of Westbourne Road from School Street to Concord High School;
- Survey of Whitney Road Corridor from Sewall’s Falls Road to Hoit Road;
- Bridge and dam repairs and replacements – pressure wash and seal Washington Street over Mill Outlet, Washington Street over Canal Outlet, and Island Road over Canal Inlet;
- Phase 1 of Horseshoe Pond drainage improvement upgrade;
- Design of Washington Street bridge replacement project; and
- Engineering and design of Loudon Road bridge improvement project.

Water/Wastewater

- Relocation and replacement of pump station #4, phase II, Water;
- Water SCADA equipment upgrades;
- Water meter phased replacement program;
- Wastewater interceptor access road maintenance – Dunbarton Road to Langley Parkway, Phase 2, and design of lining, various streets;
- Hall Street Wastewater Treatment Plant improvements – replace secondary building, chlorine building and admin motor control centers;
- Hall Street - replace primary clarifier;
- Hall Street - asset management evaluation;
- Wastewater pump station East Concord space heating system upgrade;
- Wastewater design for Hannah Dustin pump station and standby generator replacement; and
- Penacook Wastewater Treatment Plant – replace holding tank drain valves, sequencing batch reactor concrete repairs and exterior lighting upgrades.

*Debt Service*

As compared to Fiscal Year 2019, new debt service costs for Fiscal Year 2020 are \$354,000, increasing total debt service to \$7,355,000 or 11.06% of the General Fund budget. This is within the City’s Fiscal Goal E1, which limits the General Fund debt service expenditures to between 10 and 14% of total appropriations.

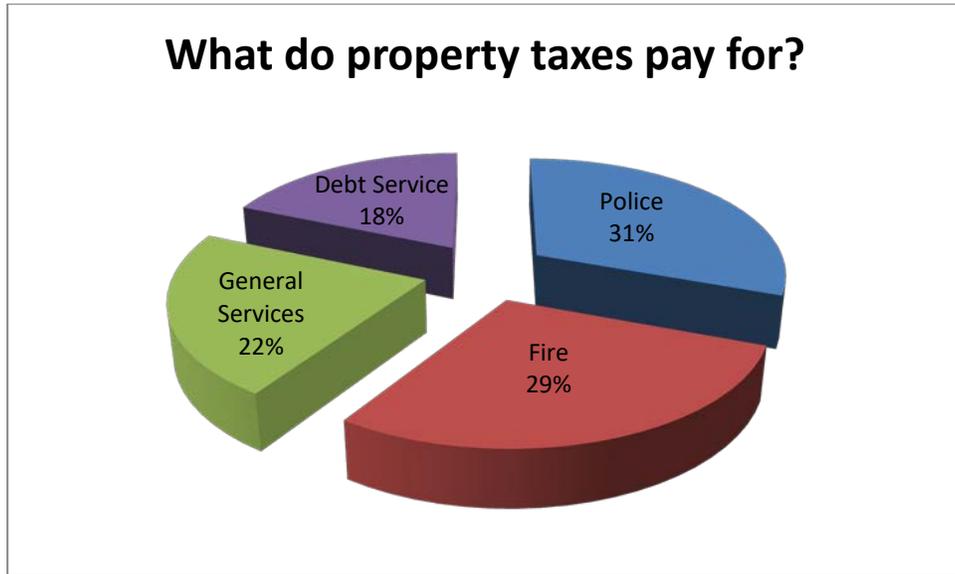
What does this debt service buy for the community? Some of the notable projects included in the Fiscal Year 2020 debt service costs are:

|                                      | <u>2020 Debt Service Amount</u> |
|--------------------------------------|---------------------------------|
| Multi-Generational Community Center  | \$247,000                       |
| Storm Water improvements             | \$113,000                       |
| GSD vehicle replacement              | \$96,000                        |
| Fire Department vehicle replacement  | \$76,000                        |
| COMF improvements                    | \$31,000                        |
| Beaver Meadow Golf Course irrigation | \$30,000                        |
| Police firearms range improvements   | \$25,000                        |

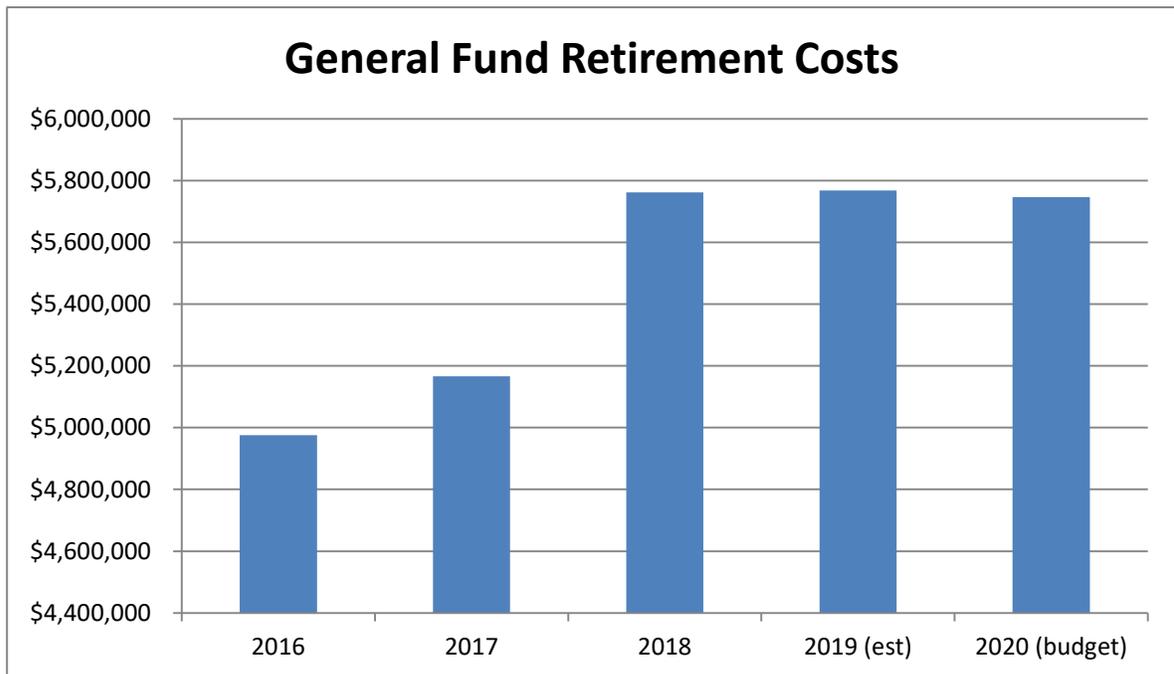
In addition to the Fiscal Year 2020 General Fund debt service increase, the City also has \$1.5 million in General Fund authorized bond appropriations that have not been issued yet.

*The Fiscal Year 2020 Total Budget Picture*

The total Fiscal Year 2020 General Fund Operating budget is \$66,502,857. The amount to raise in taxation, excluding overlay and veterans credits, is \$41,869,229. This amount essentially supports Police, Fire and General Services operations (less associated revenues), plus debt service, totaling \$39,627,986.

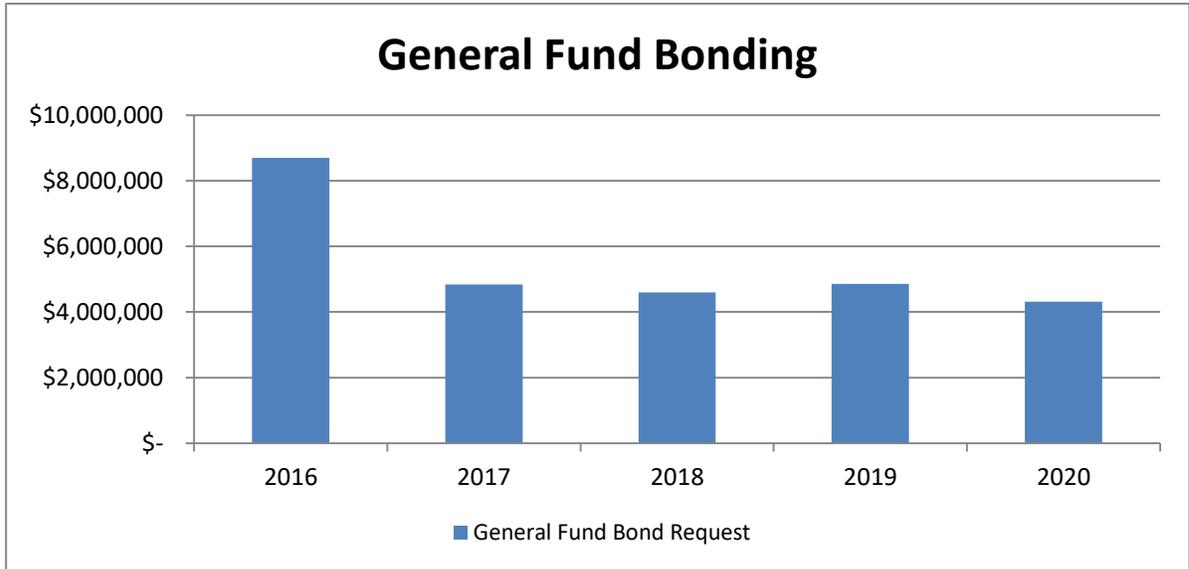


The City’s retirement expense has grown considerably in the past few years and now consumes 8.6% of the overall General Fund budget and just under \$5.8 million for Fiscal Year 2020. Fiscal Year 2020 is the first year retirement costs have decreased (\$64,000) in many years.



The Fiscal Year 2020 Capital Improvement Program (CIP) moves Concord residents' priorities from thought to action. Concord is a city that will expand opportunity for all, create a dynamic economy, improve quality of life, and will be sustainable. The General Fund 2020 CIP budget presents total bonding needs of \$4.3 million.

The graph below illustrates bond projections from Fiscal Years 2016 through 2020.



### *Sustainability & Energy*

The City continues to maintain a diversified approach to energy pricing strategy, while limiting risk to ensure price certainty and best take advantage of market opportunities. We take into consideration varying contract terms and will secure longer terms if a better yield is provided. At the same time, the City considers characters of service including Renewable Portfolio Standard compliance, Green-e clean energy certification, and renewable energy credits.

While the City regularly enters into gasoline, diesel, natural gas and electricity contracts that extend more than 12 months, we also work to secure supply that is environmentally friendly. The City evaluates its segmented electricity accounts to optimize pricing considerations. Currently, the City has contracts in place for 100% renewable electricity through a term ending in December 2020.

It is anticipated that long-term energy costs will continue to increase as the economy improves. The City anticipates continued increases in electricity rates in the long term; although contract pricing for electricity for Fiscal Year 2020 will result in no rate increases for all classes of accounts. The General Fund electricity budget is expected to remain flat for 2020. Contract pricing for natural gas for Fiscal Year 2020 will result in a rate changes from -.75% to 1.9% depending on the class of account. The General Fund change in the natural gas budget will remain flat for Fiscal Year 2020.

The City's Energy and Environment Committee is working with City staff to develop a comprehensive request for proposal (RFP) to place solar arrays at various City properties. It is expected that the results of the RFP will be presented near the end of 2019.

*Fiscal Challenges*

Concord remains in a better financial position than most other communities in New Hampshire, the State government, and the nation. However, significant challenges still remain, which include:

- PFAS issues and future costs in the Wastewater Fund;
- Solid Waste & Recycling concerns and future contracted costs;
- Unfunded post-employment liabilities (OPEB);
- Benefit costs associated with an underfunded State retirement system;
- Increasing health insurance costs in the future;
- Remaining debt service costs on amounts currently authorized and unissued;
- Declining cable TV franchise revenue; and
- Ongoing capital needs primarily in:
  - Public buildings and properties
  - Neighborhood streets
  - Wastewater
  - Storm water systems
  - Golf Course
  - Arena

*Fiscal Resources*

Although fiscal resources continue to be scarce, some non-tax revenue sources are showing signs of improvement. Motor vehicle registrations are expected to be ahead of budget by \$413,000 or 6.1% for Fiscal Year 2019, and are budgeted to be ahead by \$341,000 or 5.1% for Fiscal Year 2020. Ambulance service charges are expected to be ahead of the Fiscal Year 2019 budget by \$245,000 or 14% for fiscal year 2019, and are budgeted to be ahead by \$200,000 or 11.4% for Fiscal Year 2020. Meals and Rooms revenue is projected to be flat for both Fiscal Years 2019 and 2020.

There was one increase in the Federal Funds rate during Fiscal Year 2019. The Federal Reserve Bank does not anticipate raising rates further in calendar year 2019. Even with these increases, the rates continue to be at very low levels. Investment income is expected to increase to \$700,000 in Fiscal Year 2020, up from a budget of \$582,000 in Fiscal Year 2019. This higher amount is still considerably less than the \$1.5 million dollar range that this revenue item was in the early 2000's.

*General Fund Highlights*

The following table is a summary of Fiscal Year 2020 General Fund Budget proposed Appropriations, Revenues and Tax Rate – compared to the adopted Fiscal Year 2019 budget. For Fiscal Year 2020, General Fund gross appropriation increases by \$1,397,895 or 2.1% of spending.

**General Fund Budget Comparison Summary  
Fiscal Year 2019 Adopted Budget to  
Fiscal Year 2020 Manager's Recommended Budget**

| <b>Revenues</b>      |                     |                     |                    |             |
|----------------------|---------------------|---------------------|--------------------|-------------|
| Description          | FY 2019             | FY 2020             | Difference         | %           |
| All Other Revenues   | \$24,287,252        | \$24,633,628        | \$346,376          | 1.4%        |
| Property Taxes       | \$40,817,710        | \$41,869,229        | \$1,051,519        | 2.6%        |
| <b>Total Sources</b> | <b>\$65,104,962</b> | <b>\$66,502,857</b> | <b>\$1,397,895</b> | <b>2.1%</b> |

| <b>Appropriations</b>     |                     |                     |                    |             |
|---------------------------|---------------------|---------------------|--------------------|-------------|
| Description               | FY 2019             | FY 2020             | Difference         | %           |
| All Expenses              | \$65,104,962        | \$66,502,857        | \$1,397,895        | 2.1%        |
| <b>Total Use of Funds</b> | <b>\$65,104,962</b> | <b>\$66,502,857</b> | <b>\$1,397,895</b> | <b>2.1%</b> |

The total \$4.2058 billion projected assessed valuation used in this budget to calculate the estimated tax rate reflects an increase of \$25 million in real growth. This increase is net of abatements and elderly/blind exemptions. Market value change is not included in the target tax rate calculation.

*Use of General Fund Surplus*

For the eleventh year in a row, this budget does not include the use of any General Fund surplus to offset the tax rate.

*Tax Increment Finance (TIF) Districts*

Currently, the City has three tax increment finance (TIF) districts: the North End Opportunity Corridor TIF (NEOCTIF), the Sears Block TIF (SBTIF), and the Penacook Village TIF (PVTIF). Since 1998, the City has made a combined investment of \$36,160,000 in infrastructure improvements within these Districts, of which \$17,993,000 were TIF funds and \$18,167,000 were supported by other funding sources. These investments have yielded total new development valued at \$91,974,000 (FY 2020 estimate). The NEOCTIF and SBTIF have exceeded expectations. The PVTIF, enacted in 2010, is also performing well. Despite limited development activity, the PVTIF is well positioned to support the impending redevelopment of the remaining Allied Leather Tannery site; specifically, development of a new riverfront park at 35 Canal Street, as proposed in CIP #567. Appropriation of PVTIF funds proposed in the Fiscal Year 2020 Capital Improvement Program will be pursued separately from the budget adoption process due to certain requirements set forth in RSA 162-K.

Continuing in Fiscal Year 2020, the SBTIF will support debt service payments and operating expenses for infrastructure improvements directly financed by the District, as well as provide financial contributions to the General Fund and Parking Fund for debt service reimbursements associated with the Storrs Street

Parking Garage / Capital Commons Redevelopment Project constructed during 2005-2007. Specifically, the SBTIF will make a \$461,000 contribution to the General Fund in 2020, as follows:

- \$23,000 in Administrative Fees associated with management and administration of the SBTIF District;
- \$180,000 to support debt service payments associated with those portions of the Main Street Complete Streets Project (CIP #460), which are located within the SBTIF. This figure excludes debt service associated with burying aerial utilities on South Main Street, as those debt costs are paid from the SBTIF District directly;
- \$39,000 to support cleaning and maintenance operations carried out by the Downtown Services Team within the SBTIF District, as previously initiated in Fiscal Year 2017. Approximately 53% of the Main Street Complete Streets Project is located within the SBTIF; therefore, financial support, to the extent the TIF can afford to make such investments, is appropriate; and,
- \$220,000 for current and past debt service associated with a \$2,282,000 General Fund supported bond issued for the Capital Commons/Storrs Street Parking Garage Project in 2007.

Relative to the Parking Fund, the SBTIF will transfer a total of \$225,000 in Fiscal Year 2020. Of this total, \$216,000 shall support debt payments to be incurred by the Parking Fund in Fiscal Year 2020 for the Storrs Street Parking Garage. These debt service contributions will continue through Fiscal Year 2027. The remaining \$9,000 to be transferred from the SBTIF to the Parking Fund represents financial support for snow removal at the former New Hampshire Employment Security building parking lot. The Fiscal Year 2020 SBTIF pro forma intentionally excludes any future property tax revenues associated with the redevelopment of the former New Hampshire Employment Security building at this time.

Lastly, in accordance with practices implemented in Fiscal Year 2005, this budget includes the release of a significant portion of the captured tax revenues generated by new incremental development constructed in the NEOCTIF District since it was enacted in 1998. Sixty-six percent (66%) of the total new incremental assessed value within the District shall be released in Fiscal Year 2020, resulting in approximately \$970,000 in TIF generated property tax revenues to support the City's General Fund, Concord School District, and other taxing authorities. The Fiscal Year 2020 Capital Improvement Program includes \$650,000 in capital transfer supported by the NEOCTIF District for design and permitting of the extension of Storrs Street north to Constitution Avenue, as proposed in CIP #18. Appropriation of these funds will also be pursued separately from the budget adoption process due to certain requirements set forth in RSA 162-K.

### Special Revenue Funds

#### *Parking Fund*

The proposed Fiscal Year 2020 Budget continues implementation of the Parking Strategic Plan, as adopted by the City Council on December 11, 2017 (Fiscal Year 2018).

The Fiscal Year 2020 Budget continues this implementation and includes installation of 338 additional parking meters. Revenues associated with these new meters are projected at \$145,000 and presumes they will be operational for 50% of Fiscal Year 2020 (i.e. January 2020 – June 2020).

The Fiscal Year 2020 Budget also includes modification of staffing for the Parking Division, notably Parking Enforcement Officers and Meter Technicians.

The Fiscal Year 2020 Budget proposes the elimination of all existing and proposed Part-Time Parking Enforcement Officers and the creation of three (3) new Full-Time Parking Enforcement Officer positions. This will result in the City having a total of six (6) full-time, 40 hour Parking Enforcement Officer positions. The Fiscal Year 2020 Budget also includes funding to upgrade Parking Enforcement Officer positions by two (2) labor grades. By improving compensation, as well as changing part-time positions to full-time, City Administration hopes to eliminate chronic Parking Enforcement Officer staffing vacancies. In addition to parking enforcement, Parking Enforcement Officers will continue to be cross-trained in some minor parking meter maintenance duties such as coin collection, kiosk paper replacement, and basic repairs. However, their core responsibility will remain enforcement of parking laws and ordinances.

The Fiscal Year 2020 Budget also proposes staffing changes relative to Parking Meter Technicians. Currently, the Parking Division has one 40 hour Meter Technician. In accordance with the Parking Strategic Plan, the Fiscal Year 2020 budget includes funding for creation of a second 24 hour Meter Technician (0.6 FTEs). The purpose of this new position is to support maintenance and collection of the 338 additional meters included in the Fiscal Year 2020 budget, as well as the new 43 meters added on South Main Street and Concord Street in Fiscal Year 2019. Combined, these 381 new meters have effectively doubled the quantity of single space meters operated by the City, hence the need for additional staff. The position has been budgeted for nine months of Fiscal Year 2020 (October 2019 – June 2020). The Fiscal Year 2020 Budget also includes funding to upgrade the Meter Technician positions by one labor grade in order to keep them competitive in the market place.

The Fiscal Year 2020 Budget maintains and builds upon the City's commitment to appropriately maintain parking facilities. Specifically, an additional \$26,260 has been added to support expanded pressure washing at the State Street Parking Garage.

The Fiscal Year 2020 Budget includes \$1,741,000 in capital improvement projects. These include \$1,060,000 for repairs and renovations to the Storrs Street Parking Garage; \$345,000 to purchase smart meters for meter zone expansion; \$255,000 in supplemental funding for ongoing repairs and renovations to the School Street Parking Garage; \$45,000 to replace the meter technician vehicle; and \$30,000 to conduct a facility needs assessment for the State Street Parking Garage in anticipation of \$3 million of repairs and renovations scheduled in Fiscal Year 2021.

The financial implications of these changes have been incorporated into the proposed Fiscal Year 2020 Budget.

In keeping with past practice, the Parking Fund will continue to transfer \$98,000 to the General Fund for overhead and technology support.

### *Golf Fund*

This fund anticipates a loss of \$117,000 as compared to a budgeted loss of \$50,000 or \$67,000 more than anticipated for Fiscal Year 2019. Expenses are projected to be under budget by \$11,000, barring any additional unexpected repairs and including an additional \$10,000 in league and tournament pass through expenses. Revenues are projected to be under budget by \$55,000 based on anticipated memberships, greens fee play, cart rentals, driving range, pro shop sales, concession income and advertising revenues. Fiscal Year 2019 has been a difficult year for revenues, as the golf portion of the City's business is extremely weather dependent. Golf simulator revenue has been a bright spot for the golf course again for Fiscal Year 2019, with anticipated revenue of \$75,000, \$10,000 more than the \$65,000 budgeted. The spring 2019 golf season began at the same time as 2018, opening on April 12. The weather as of this

writing has been spotty with significant rain the first couple of weeks. We are hoping for a strong spring for greens fee play and memberships.

### *Enterprise Funds*

#### *Wastewater and Water Funds*

For Fiscal Year 2020, the contribution to the overhead in the General Fund decreases by \$4,000 for Water and increases by \$14,000 for Wastewater. Additionally, right-of-way maintenance contributions from the Water and Wastewater Funds remain at \$215,000 and \$135,000, respectively. Fiscal Year 2019 remained solid for both utility funds, as the Water Fund is expected to end the year better than the budgeted loss, and the Wastewater Fund is expected to end the year with a greater loss than budgeted.

The Fiscal Year 2020 anticipated rate increase for the Wastewater Fund is 7%. No increase is proposed for the Water Fund.

An issue that the City is facing, along with all other communities, is emerging regulations regarding polyfluoroalkyl substances (PFAS) contamination. PFAS are a family of synthetic chemical compounds developed more than 60 years ago and widely used throughout the world. Two of the substances publicized in New Hampshire are PFOA's and PFOS. PFOAs are used in the production of non-stick cookware, firefighting foam and stain resistant fabrics, to name a few. PFOS is an ingredient in fabric treatment and stain repellants. These compounds can be found in wastewater leachate. New NHDES regulations governing these compounds are anticipated to have a negative impact on the Wastewater Fund's revenue in future years for processing leachate from haulers and in the City's disposal of its bio solids expenditures.

#### *Solid Waste Fund*

Waste removal and recycling services are one of the most important core services the City provides. Local governments across the country are currently amidst an international recycling crisis. Continued changes in macroeconomic trends, spurred by foreign and domestic regulatory policies, have created an unprecedented increase in what it takes to manage waste removal and process recycled materials. Across the state and country, cities are abandoning their recycling programs due to significant cost increases. Concord is not. The City's current waste removal and recycling contract is in place through Fiscal Year 2024. In Fiscal Year 2022, the City Council and staff should review, in earnest, our future needs and best alternatives that will be available to address those needs.

Again, it is anticipated that the Solid Waste Fund will remain solvent through Fiscal Year 2025.

### *Fiscal Year 2020 Budget Preparation*

#### *General Comments*

A presentation was made to the Fiscal Policy Advisory Committee (FPAC) in February 2019. FPAC again recommended that the City Manager bring a responsible budget to the City Council that is in keeping with the Council's priorities and goals, and cognizant of the continued downshifting of costs from the State.

Below are the major changes that helped to balance the budget:

- \$400,000 Funding from Recreation Reserve;
- \$365,000 savings in health insurance and benefits;
- \$341,000 Increase in motor vehicle registration revenue;
- \$200,000 Increase in ambulance service charges;
- \$117,500 Increase in investment income; and
- \$64,000 Savings in New Hampshire Retirement Contributions.

## **Conclusion**

The Fiscal Year 2020 Budget is balanced, sustainable, and forward looking.

While the larger macroeconomic landscape continues to show signs of uncertainty, Concord continues to be a thriving City - adding new people, jobs and development. City departments continue to demonstrate responsible spending, cost management practices, data-driven decision making, proactive fiscal management and long-term planning. The City maintains its AA+ bond rating and this shared sense of fiscal responsibility will ensure the City maintains that rating into the future.

The City of Concord has achieved balanced budgets through both difficult and improving economic periods. City management places a high priority on adhering to comprehensive financial policies and long-range planning strategies, as well as exercising strong fiscal discipline. These practices ensure the City's ability to maintain essential services and address future needs, and the Mayor and City Council are committed to keeping property taxes affordable.

The City strives to reach a state of good repair on all major City assets. This year's proposed capital budget includes over \$2 million in roadway design and maintenance. In addition, over \$2 million is allocated for bridge design, maintenance and construction. Supporting these assets is especially important, as these vital connections allow residents, visitors and businesses to thrive and prosper.

The commitment the City Council has made to continued fiscal responsibility continues to yield tangible results. At the same time, City services are now more efficient, effective and responsive to the needs of Concord's residents than ever before. This recommended budget reflects moderate growth estimates that will enable us to maintain existing levels of service.

The Fiscal Year 2020 budget affirms a commitment to progress, opportunity and innovation by investing in Concord's neighborhoods while maintaining our strong record of financial management. The budget plan is balanced, sustainable and accelerates progress across public policy areas.

*Thank you*

I wish to recognize the employees that helped bring the many parts of this endeavor together into one document for the City Council and this great community. All department heads and their immediate staff have provided creative leadership in shaping their budgets and various alternatives.

I recommend this budget to the City Council.