

## Appendix D

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### FUND STRUCTURE

As a governmental organization, the City of Concord utilizes a fund accounting structure where financial activities are aggregated for specific purposes.

The General Fund is the largest fund and encompasses the more traditional governmental services. The General fund is primarily funded by property taxes. General fund revenues are listed in detail by function and classification at the beginning of the budget document, followed by General fund department appropriation recommendations. The General fund is considered a major fund.

The Cemetery Permanent Fund is a now a major fund.

Other funds are established pursuant to state law or prudent financial management and are accounted for using Generally Accepted Accounting Principles (GAAP).

Special Revenue funds are used to account for revenues dedicated to a specific purpose. These funds include Parking, Airport, Conservation Property, Revolving Loan, Golf, Arena, and Solid Waste and are considered non-major. Revenues and expenses are listed by fund.

Enterprise funds are similar to a commercial enterprise in that they are self-supporting and provide goods or services to the public on a user charge basis. These funds include Water and Wastewater. Revenues and expenses are listed by fund. The Water and Wastewater funds are considered major funds.

Capital funds are used to account for capital improvement projects. The City produces an annual capital budget that details the current year funding for the ten-year Capital Improvement Program (CIP). The current year portion of capital expenditures to be met from operating funds is contained in the operating budget as transfers, along with debt service on bonded projects. Capital Project funds are considered major funds. Additionally, these funds are non-lapsing at the end of the fiscal year, and as such, span more than one fiscal year.

Debt Service funds are established to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources. These funds include the North End Opportunity Corridor Tax Increment Financing (NEOCTIF) District, Sears Block Tax Increment Financing (SBTIF) District, and Penacook Village Tax Increment (PVTIF) Financing District.

The City has a number of additional non-major funds that are audited and included in the City's Annual Comprehensive Financial Report (ACFR) that are not part of this budget document and may receive an appropriation during the fiscal year. When they do, City Council must approve the appropriation with a two-thirds majority vote. Those funds are:

Special Revenue funds: Community Development, Impact Fee, Grants and Donations, Durgin Garage, Nelson, Forrest and Conservation, Cemetery, Library, Mountain Green, Downtown Economic Development, SVMS Project, Fire Facility Renovations, Open Space Protection, and Capital Commons Garage

Capital Project funds: Route 3 Corridor, Manchester Street, North End Opportunity Corridor, Sears Block, and Penacook Village Capital

Permanent funds: Cemetery, Library, Dedicated Income, and Other

Financial results for all funds can be found in the ACFR.

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### **BASIS for ACCOUNTING and BUDGETING**

Basis for Accounting - when revenues, expenditures, and related assets and liabilities are recognized and reported on the entity's financial statements.

The modified accrual basis of accounting is used by all General, Special Revenue, and Capital Project funds. This means that revenues are recognized when they become both measurable (meaning that the amount of the transaction can be determined) and available (meaning that it is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period). For these purposes, the City considers certain revenues related to the current period to be available if they are collected within 60 days of the end of the current period. Expenditures are recorded when liabilities are incurred, with the exception of principal and interest payments on long-term debt, which are recognized as expenditures when due.

The accrual basis of accounting is utilized by all Enterprise funds, where revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Appropriations in all operating Funds lapse at year-end, however, encumbrances and amounts specifically designed to be carried forward to the subsequent year (i.e., multi-year capital projects and approved grants and donations) do not lapse.

Basis for Budgeting - The City's basis for budgeting is consistent with Generally Accepted Accounting Principles (GAAP) and with the City's financial statements as presented in the Annual Comprehensive Financial Report (ACFR). Exceptions are as follows:

- Capital expenditures within the Enterprise funds are recorded as assets on an accounting basis but are shown as expenditures on a budgetary basis.
- Depreciation of capital assets and amortization of various deferred charges are recorded on an accounting basis only.
- Principal payments on long-term debt within the Enterprise funds are applied to the outstanding liability on an accounting basis but are shown as expenditures on a budgetary basis.
- Principal payments received on State Grants within the Enterprise funds are applied to the outstanding Receivable on an accounting basis but are shown as revenues on a budgetary basis.
- Within the Enterprise funds, increases or decreases in compensated absences are not reported for budgetary purposes, but are reflected as adjustments to expenditures on an accounting basis.

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### **THE BUDGET PROCESS**

Managerial Preparation - City departments begin preparing requests for the budget in December. By amended City Charter, the City Manager must review these requests and submit a budget to the City Council forty-five days before the beginning of the fiscal year, or no later than May 16th each year. According to the Charter, City Council must then adopt a budget by July 27th, or the City Manager's Proposed Budget is automatically adopted. However, City Council has adopted an ordinance providing for budget adoption by the beginning of the new fiscal year.

City staff keeps the City Council advised through quarterly financial statements with an executive summary. The Fiscal Policy Advisory Committee (FPAC) and the City Council also receive a modeled projection of revenues and expenditures for the current and five future years.

City Council Review, Public Hearing, and Adoption - Section 35 of the City Charter requires a public hearing on the budget. In preparation thereof, the City Council forms a "committee of the whole" called the Finance Committee that reviews the budget between introduction and adoption (see the "Budget Schedule" section for meeting dates). The Finance Committee holds a public hearing and may amend the budget before a final vote is taken.

Amendment - No appropriation shall be made for any purpose not included in the annual budget unless voted by two-thirds majority of the Council after a public hearing is held to discuss said appropriation. The Council shall, by resolution, designate the source of any money so appropriated.

Budget Control - At the beginning of each quarterly period during the fiscal year and more often if required by the City Council, the City Manager shall submit to the City Council data showing the relationship between the estimated and actual income and expenses to date, and if it shall appear that the income is less than anticipated, the City Council or City Manager with approval of the City Council, may reduce the appropriation for any item or items, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the cash income. The City Manager may provide for monthly or quarterly allotments of appropriations to departments, funds, or agencies under such rules as the City Manager shall prescribe.

Annual Report of Financial Results - Following the end of the budget accounting period, the City prepares (in accordance with Generally Accepted Auditing Standards) and distributes a Annual Comprehensive Financial Report (ACFR) audited by an independent accounting firm. This ACFR includes a comparison of budgeted to actual revenues and expenditures. The ACFR can be found on the City's website using the following URL: <http://www.concordnh.gov/index.aspx?NID=948>

Year-to-Year Expense Comparison - General Fund - All fringe benefits and insurances are distributed to each operating agency in order to give a more complete picture of costs. Revenues are shown with the responsible department in order to portray what each agency generates of own-source revenues and what each agency costs in other general or tax revenues.

Long-term Financial Planning - The City Finance Department presents regular financial reports to elected officials and management staff. In addition to these reports, annually and/or as part of the budget process, the City prepares a five year General fund operating pro forma and tax rate projection, a twenty year Capital Improvement Plan, and a pro forma for each Enterprise fund and five of the Special Revenue funds.

Also, as part of the annual budget process, the City reviews all general fund revenues to determine budgetary needs. Enterprise and Special Revenue funds are reviewed for competitiveness and support of operations. Enterprise funds are fully self-supporting and provide administrative overhead payments to the General fund. Though not all Special Revenue funds are self-supporting, each fund strives to have current revenues cover current expenditures.

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## Classifications - Revenue

### Property Taxes

Property Taxes

### Other Taxes

Timber Tax

Payment-In-Lieu-of-Tax (PILOT)

Excavation Activity Tax

### Intergov Revenue

Other Gov Agencies - Federal

Other Gov Agencies - State

Drug Forfeiture or Restitution

Airport Operators Grant

Rooms and Meals Tax

Highway Block Grant

Household Waste

Share of Debt Service

Railroad Tax

Other Gov Agencies - Local

School District Payments

### Rental Income

Rental Income

### Fines and Penalties

Fines and Penalties

Parking Penalties

False Alarm Penalties

Fines for Overdue Items

Fines for Code Prosecution

Court Ordered Payments

### Licenses and Permits

Fire Prevention Permits

Construction Permits

Other Permits

Licenses

Street Damage Fees

### Investment Income

Investment Income

### Donations

Donations

### Transfer In

Transfer In - Trust

Transfer In - General

Transfer In - Parking

Transfer In - Airport

Transfer In - Conserv Prop

Transfer In - Impact Fee

Transfer In - Grts & Donations

Transfer In - Golf

Transfer In - Arena

Transfer In - Solid Waste

Transfer In - NEOCTIF

Transfer In - Sears Block TIF

Transfer In - Penacook TIF

Transfer In - Water

Transfer In - Wastewater

### Capital Contribution

Utility Investment Fee

### Use of Fund Bal/RE

Use of Fund Balance

### Motor Vehicle Reg

Motor Vehicle Registrations

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### Dept Service Charges

MV Transportation Surcharge  
MV Transportation Admin  
MV Waste Disposal  
MV State Agent Admin  
Reports, Prints, and Copies  
Recording Fees  
Application Fees  
Review Fees  
Inspectin Fees  
Camps  
Aquatics Programs  
Program Fees  
Salt Sales  
Tree Sales  
Timber Sales  
Mark-up  
Non-Resident Library Fees  
Sundry Services  
Special Duty Services  
Police Patrol Services  
Cruiser Rental Fee  
Police Witness Fees  
Ambulance Charges  
Alarm Boxes  
Motor Vehicle Waste Disposal  
Concession Sales  
Private Fire Service  
Other Service Charges  
Sludge Disposal  
Testing Services  
Loan Repayments

### Parking-Metered

Metered Parking  
Metered Parking Cards

### Water Sales

Water Usage  
Water Availability

### Wastewater Sales

Sewer Usage  
Sewer Fixed Charges  
Sewer Usage-Towns  
Leachate Processing  
Septage Processing

### SW Commercial Sales

Commercial Disposal  
DTSWRD - Downtown SW Rem Dist

### SW Residential Sales

PAYT Bags  
PAYT Containers  
Contaminated Loads  
Cart Collection Program

### Golf Permit and Fees

Seasonal Passes  
Daily Fees

### Pro Shop Sales

Cart Rental  
Handicapping  
Driving Range  
League and Tournament Fees  
Golf Simulator Revenue  
Pro Shop Sales

### Retiree Health Reimb

Retiree Health Insurance

### Other Revenue

Sales of Lots and Niches  
Sale of Assets  
Advertising  
Cable TV Franchise  
Finance Charges  
Insurance Dist and Credits  
Forest Loss Reimbursement  
Reimbursements  
Other Revenue

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### Classifications - Expense

#### Compensation

Full Time  
Part Time  
Temporary  
Overtime  
Holiday  
Allowance

#### Fringe Benefits

Retirement  
FICA  
Beneflex  
Retiree Health  
Worker's Compensation  
Unemployment Insurance

#### Outside Services

Professional Development  
Business Expense  
Dues & Memberships  
Repairs and Maintenance  
Professional Services  
Software/Hardware Maintenance  
Advertising  
Rent  
Communications  
Postage  
Bond Costs

#### Supplies

Office Supplies  
Library Books and Materials  
Departmental Supplies  
Auto Parts  
Grounds and Horticultural  
Building Supplies  
Uniforms  
COGS  
League and Tournament  
Chemicals  
Vehicle Fuel  
Winter Treatment Supplies

#### Utilities

Electricity  
Natural Gas and Propane  
Solid Waste Disposal  
Heating Oil and Kerosene  
Water and Wastewater

#### Insurance

Insurance Deductible  
Property and Auto Insurance  
Liability Insurance

#### Capital Outlay

Capital Outlay - GL

#### Debt Service

Principal  
Interest

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### Miscellaneous

Other  
Taxes - Real Estate  
Special Programs  
Contingency

### Transfer Out

Transfer Out - Trust  
Transfer Out - General  
Transfer Out - Inspection  
Transfer Out - Parking  
Transfer Out -Grts & Donations  
Transfer Out - Solid Waste  
Transfer Out - Gen Cap Proj  
Transfer Out - Water Capital  
Transfer Out - Wastewater Cap

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### GLOSSARY

**Accrual** - An accrual allows an entity to record expenses and revenues for which it expects to expend cash or receive cash, respectively, in a future reporting period.

**ACFR (Annual Comprehensive Financial Report)** - The ACFR is the industry standard financial report for local governments. The City of Concord's ACFR is recognized as meeting the highest possible level of reporting excellence and complies completely with GAAP.

**Appropriation** - A legal authorization granted by the City Council to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and the time period in which it may be expended.

**Assessed Value (Taxable)** - The total taxable book value of property in the City for municipal purposes only. This is established on April 1st each year by the Concord Board of Assessors.

**Balanced Budget** - A balanced budget refers to a budget in which revenues are equal to expenditures.

**Bond (municipal)** - A municipal bond is a debt security issued by a state, municipality, or county to finance its capital expenditures.

**Budget** - An estimation of the revenue and expenses over a specified future period of time.

**Capital Budget** - A plan of proposed capital outlays and projects and the means of financing them in the current twelve-month period. It is the first year of the Capital Improvement Program (CIP).

**Capital Budgeting and Accounting** - Capital projects can be funded by current revenues (transfers), grants, or the issuance of bonds. Projects may be small or large, requiring a few months to several years to complete. Relatively small, possibly recurring capital outlays are budgeted in operating funds and will appear in operating department accounts. Unspent outlay funds at year-end typically lapse. Large, more complex, or longer term projects with multiple revenue sources (including bonds) are accounted for in separate Capital Project funds. Capital Project funds do not lapse at year-end, but must be "closed out" at project completion.

**Capital Expenditure** - Payments made by the City to acquire, upgrade, improve, or extend the life of long-term assets such as property, infrastructure, or equipment with a useful life of more than five years. These expenditures are not for day-to-day operations such as compensation, inventory, maintenance, and advertising.

**Capital Improvement Program (CIP)** - A plan for capital expenditures to be incurred each year over ten plus years to meet capital needs arising from the long-term work program or other needs. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the resources estimated to be available to finance the projected expenditures.

**Classification (of Revenue or Expense)** - A grouping of similar line items (see complete listing in preceding "Classifications" section).

**COMF (Combined Operations and Maintenance Facility)** - The facility, constructed in 1990 at 311 North State Street, serves the City General Services operations and Concord School District transportation operations.

**Debt Service** - Principal and interest payments on bonds issued by the City to fund Capital Projects. This includes debt service on past bond issues, as well as those anticipated in the current year of the CIP.

**Depreciation** - A method of allocating the cost of a tangible asset over its useful life. Businesses depreciate long-term assets for both tax and accounting purposes. Depreciation is a decrease in value due to wear and tear, decay, decline in price, etc.

**ERP (Enterprise Resource Planning) System** - an organization-wide computing platform consisting primarily of financial, procurement, human resource, and budget modules, but expandable and flexible enough to provide 24/7 customer self-service and other integrated components.

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FTE (Full Time Equivalent) - A unit of measure that indicates the workload of an employed person in a way that makes workloads comparable across various contexts. An FTE of 1.0 indicates a workload 40 hours per week for 52 weeks per year or 2,080 hours annually ( $40 * 52 = 2,080$ ). For example, a person or position may be budgeted to work 20 hours per week annually, and the calculation would be:  $(20 * 52 = 1040) 1040 \text{ hrs} / 2080 \text{ hrs} = .5 \text{ FTE}$ .

Function – A term used to identify functional areas (e.g. General Government, Public Safety, Parking, Golf, Solid Waste, Sears Block TIF District).

Fund - A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities, and residual equities or balances (and changes therein), are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance – Generally, fund balance represents the difference between current assets and current liabilities. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The City’s fund balance classifications are as follows:

- 1) Non-spendable funds are either un-spendable in the current form (i.e. inventory or prepaid items) or can never be spent (i.e. perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of Special Revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of resolutions passed by the highest decision-making authority in the City, the City Council. These resolutions constitute a binding constraint that establishes, modifies, or rescinds a fund balance commitment.
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. The City’s fund balance policy, approved by City Council, permits the City Manager and Finance Director to assign fund balance amounts to a specific purpose. This account also includes fund balance to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

Fund Equity - Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Type - Categories into which all funds are placed. Governmental fund types include General, Special Revenue, Tax Increment Finance District (Debt Service), and Capital Project funds, whereas proprietary fund types include Enterprise funds.

GAAP (Generally Accepted Accounting Principles) Accounting - GAAP standards are established by the Governmental Accounting Standards Board and are similar to standards set for accounting in the private sector. The City complies with this standard.

GASB (Governmental Accounting Standards Board) - A board whose mission is to establish and improve standards of state and local governmental accounting and financial reporting that results in useful information for users of financial reports.

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GASB 45 - Compliance with this accounting requirement reveals the accrued liability for Other Post-Employment Benefits (OPEB) excluding pensions.

GASB 54 - Compliance with this accounting requirement created new categories of fund balance reporting to provide consistency among governmental agencies.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing uses for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Overlay and War Credits - This represents a portion of municipal taxes raised to cover the expense of tax appeals and credits against taxes due by veterans.

Reserves or Assigned, Committed, Restricted, or Non-spendable Fund Balance - Those portions of fund balance that are not appropriate for general expenditure or that are legally segregated for a specific future use.

Retained Earnings - An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Service Indicators - Are used to describe activities conducted or performed by a program, department, or division. Service indicators support quantifiable and qualifiable funding levels as indicated in the budget.

Surplus - The portion of prior year unassigned fund balance that may be used to offset current year tax revenues.

Tax Anticipation Notes (TANs) - Notes (or warrants) issued in anticipation of the collection of taxes, usually retirable only from tax collections, and frequently only from the proceeds of the tax levy whose collection they anticipate.

Tax Increment Finance (TIF) District - financing of public improvements with the incremental taxes created either by new construction, expansion, or renovation of property within a defined portion of the community.

Tax Stabilization Reserve - A reserve of general fund committed fund balance on the balance sheet with Council approval. See the City's most recent Annual Comprehensive Financial Report (ACFR).

Transfers In/Out - Transfers between City funds. In the General Fund, transfers-in from other funds recognize the cost of providing administrative services by the General fund to Special Revenue and Enterprise funds. General Services also charges administrative services to the Special Revenue and Enterprise funds under its management control.

Trust Fund - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Unassigned Fund Balance - The portion of fund equity not assigned, committed, restricted for a specific purpose, or a non-spendable balance. A portion would be available for offsetting future year's expenditures. The City Council Fiscal Goals Committee has set target unassigned fund balance levels to retain for each operating fund to help ensure fiscal health.

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### STATISTICAL INFORMATION

#### Community and Economic Profile

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. According to the U.S. Census Bureau, the City has an estimated population of 44,503 as of July 1, 2022, a 1.20% increase over the last official census as of July 2020 number of 43,976, and occupies a land area of 64 square miles.

Concord was originally settled in 1727, incorporated in 1765, and established as the state capital in 1808. Government is by an elected 15-member council and an appointed City Manager. The City also serves as the Merrimack County seat and Federal Court seat. Two separate school districts serve the City - the Concord School District and the Merrimack Valley School District.

Policymaking and legislative authority are vested by City Charter in the 15-member Council. Under the Charter, originally adopted in 1853, and most recently amended in 2012, the appointed City Manager is solely responsible for carrying out the policies and ordinances of the City Council. The Council is elected on a nonpartisan basis. Ten ward councilors, and the mayor, are elected every two years. The four remaining “at-large” councilors are elected to staggered 4-year terms, two every two years. The current mayor is former City Councilor James P. Bouley who was first elected mayor in November 2007. In November 2023, current at-large City Councilor Byron Champlin was elected mayor after Mayor Bouley did not run for re-election. Byron Champlin’s term as mayor will begin in January 2024. Thomas J. Aspell, Jr., the City Manager, was appointed in April 2006. The City has had four City Managers since 1978. The City Manager, pursuant to the City Charter, has all appointive and dismissal powers for paid employees of the City. Appointive authority for boards and commissions is shared between the Mayor, City Council and City Manager.

In addition to serving as the seat of state and county government, Concord hosts several federal agencies, and is the only full-service local government between Laconia - 25 miles to the north, Manchester - 20 miles to the south, Keene – 54 miles to the west, and Portsmouth - 50 miles to the east. The City provides and annually appropriates for the following services: water treatment and supply; wastewater collection and treatment; solid waste collection and recycling; highway construction and maintenance, including snow plowing, storm sewer system and related infrastructure maintenance and construction; prosecutorial, police and fire protective services (including advanced life support); airport, parks, golf course and ice arena; library and recreational facilities and programs; human services; planning, economic and community development, and code enforcement services.

#### Local Economy

In fiscal year 2023, operations had largely returned to normal following the COVID- 19 pandemic. The City applied for and recognized revenues from a variety of sources, including \$2,165,583 from the American Rescue Plan Act, \$46,446 from the State of New Hampshire Governor’s Office for Emergency Relief and Recovery (GOFERR), \$13,000 from Coronavirus Response Relief Supplemental Appropriations Act (CRRSA), and \$30,000 from the Coronavirus Aid, Relief, and Economic Security Act.

Compared to other cities in New Hampshire, New England and the Nation, Concord has comparably low unemployment. As reported by the New Hampshire Department of Employment Security, Concord’s unemployment rate as of June 2023 was 1.6%. This compares favorably to New Hampshire’s rate of 1.8% and to the United States rate of 3.6%. Concord’s rate also remains the lowest among the top three New Hampshire cities with Manchester at 1.8% and Nashua at 2.0%.

The assessed value of taxable property as of April 1, 2022 increased overall by 1.0% compared to April 1, 2021. The cumulative total residential, manufactured homes and condominiums increased 0.76% in assessed value. The average assessed value of a single-family home in Concord as of April 1, 2022 was \$325,833, up 0.56% from \$324,005 the year before.

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The City Finance Department presents regular financial reports to elected officials and management staff. In addition to these reports, annually and/or as part of the budget process, the City prepares a five-year General Fund operating pro forma and tax rate projection, a twenty-year Capital Improvement Plan and a pro forma for each enterprise and major special revenue fund.

The City has a robust program of business attraction and retention coordinated by its Community Development Department and City Administration.

Economic Development successes that occurred during FY2023 included the following:

- 1) On April 1, 2023, the City entered into a land lease agreement with United Therapeutics Corporation (UTC) concerning 2.88 acres of land at the Concord Municipal Airport for a new 36,000SF, \$22 million corporate aircraft hangar. Construction on the project began in late FY2023. UTC is a publicly traded biotechnology company headquartered in Silver Spring, MD. The company was established in 1996 with the goal of finding a cure for a rare, life-threatening illness suffered by the company's founder / CEO. Today, the company specializes in treatments for pulmonary arterial hypertension (high blood pressure in the lungs), as well as pediatric high-risk neuroblastoma (a rare tumorous cancer). The hangar will support the company's operations in southern New Hampshire.
- 2) On September 27, 2022, the City closed on a gap financing loan in the amount of \$600,000 with the Caleb Group to support Phase 2 of the Penacook Landing affordable housing development. The loan is part of a \$6 million financing package, which will result in the development of 20 housing units at 35 Canal Street, of which 18 units will be affordable units reserved for low / moderate income households. Upon completion, the project will create \$1.6 million of net new assessed value for the community and generate approximately \$45,000 / year in property tax revenues. Construction began in October 2022 and will be completed in late 2023.
- 3) On May 11, 2021, the City entered into a Development Agreement with Interchange Development L.L.C. which established a public / private partnership concerning development of 210,000SF of new commercial / industrial uses on a 43-acre site located at 1 Whitney Road. Phase I of the project features an 80,000SF grocery store, 20,000SF attached retail space, and 13,500SF State of NH Liquor and Wine Outlet. To support the development, the City has agreed to construct \$4.9 million of roadway improvements to U.S. Route 4 and Whitney Road. Phase I of the Developer's project, as well as the City's highway improvements, were completed in Q1 of FY2023. Phase I of the Developer's project will create 435 employment opportunities, as well as \$9.5+/- million of net new assessed value, which will generate approximately \$295,000 in property taxes annually. During FY2023, the Developer secured permits and approvals for Phase 2 of the project, including medical office and retail uses. Additionally, the Developer has broken ground on a coffee shop and pharmacy at a separate site abutting this development.
- 4) On June 23, 2023, Onyx Partners Limited purchased the former Regal Cinema property located at 282 Loudon Road. The property will be redeveloped into a grocery store with attached retail tenant, as well as pad site with bank or fast-food restaurant. The same developer also obtained a Purchase and Sales Agreement on the abutting Steeplegate Mall and plans to redevelop the property by demolishing most of the former mall and constructing 175,000SF Costco and retail tenants on pad sites, as well as 600+/- residential units. Construction is slated for spring / summer 2024.

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### **Long-term Financial Planning**

The City Finance Department presents regular financial reports to elected officials and management staff. In addition to these reports, annually and/or as part of the budget process, the City prepares a five-year General Fund operating pro forma and tax rate projection, a twenty-year Capital Improvement Plan and a pro forma for each enterprise and major special revenue fund.

Also, as part of the annual budget process, the City reviews all General Fund revenues to determine budgetary needs. Enterprise and Special Revenue Funds are reviewed for competitiveness and support of operations. Most Enterprise and Special Revenue Funds are fully self-supporting and provide administrative overhead payments to the General Fund. The exceptions are the Parking Fund, which received General Fund support for its Fiscal Year 2023 operations, and Solid Waste Fund, which receives approximately \$1,100,000 annually.

### ***Financial Position***

Other than Fiscal Year 2014, Fiscal Years 2010 through 2022 reported surpluses ranging from \$28,203 to \$1.5 million. The Fiscal Year 2023 surplus is \$3,251,829. In June 2023, the City Council adopted the Fiscal Year 2024 General Fund operating budget using \$295,150 from prior year surplus to offset tax rate increases.

The total General Fund Unassigned Fund Balance increased to \$15.6 million after City management assigned \$2,979,500, \$2,534,300 of which is anticipated to be transferred to trust fund reserve accounts in Fiscal Year 2024, and the remaining \$445,200 of which \$295,200 is assigned for use in the Fiscal Year 2024 budget, \$50,000 is assigned for a Class & Compensation study set to begin in Fiscal Year 2024, and \$100,000 is assigned for overlay for the settlement of future abatements. The \$15.6 million Unassigned Fund Balance represents a \$2,351,000 increase over Fiscal Year 2022. The purposes of the Assigned Fund Balance to be transferred to Trust Fund reserves in Fiscal Year 2024 are for transfers to Highway Paving Reserve (\$900,000), Equipment Reserve (\$399,300), Recreation (\$650,000), Economic Development Reserve (\$100,000), Assessing Reserve (\$385,000), and Technology Infrastructure & Equipment Reserve (\$100,000).

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Demographics\*



Community Contact	Concord Community Development Department Matthew Walsh, Deputy City Manager 41 Green Street, City Hall Concord, NH 03301 (603) 225-8595
Telephone	(603) 225-8595
E-mail	communitydevelopment@concordnh.gov
Web Site	www.concordnh.gov
Municipal Office Hours	Monday 8:00 am - 4:30 pm Tuesday 8:00 am - 4:30 pm Wednesday 8:00 am - 4:30 pm Thursday 8:00 am - 6:00 pm Friday 8:00 am - 4:30 pm
County	Merrimack
Labor Market Area	Concord, NH Micropolitan NECTA
Tourism Region	Merrimack Valley
Planning Commission	Central NH Regional
Regional Development	Capital Regional Development Council
Election Districts:	
US Congress	District 2 (All Wards)
Executive Council	District 2 (All Wards)
State Senate	District 15 (All Wards)
State Representative	Merrimack County Districts: 15 (Ward 1), 16 (Ward 2), 17 (Ward 3), 18 (Ward 4), 19 (Ward 5), 20 (Ward 6), 21 (Ward 7), 22 (Ward 8), 23 (Ward 9), 24 (Ward 10), 28 (Wards 1-3), 29 (Wards 4, 9, 10), 30 (Wards 5-8)

**Villages and Place Names:** Concord Heights, East Concord, Penacook, Riverhill, West Concord, Curtisville, Diamond Hill

**Population:** Year of the First Census Taken: 1,747 residents in 1790

**Population Trends:** Population change for Concord totaled 13,672 over 50 years, from 30,022 in 1970 to 43,694 in 2020. The 2022 Census estimate for Concord was 44,503 residents, which ranked third among New Hampshire's incorporated cities and towns.

**Population Density and Land Area, 2019 (US Census Bureau):** 695.8 persons per square mile of land area. Concord contains 64.0 square miles of land area and 3.2 square miles of inland water area.

## Appendix D

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Housing (American Community Survey (ACS) 2017-2021)

Total Housing Units	18,656
Single-Family Units, Detached or Attached	9,009
Units in Multiple-Family Structures:	
Two to Four Units in Structure	3,420
Five or More Units in Structure	5,280
Mobile Homes and Other Housing Units	947

Population (US Census Bureau)

<u>Total Population</u>	<u>Community</u>	<u>County</u>
2022	44,503	156,020
2020	43,976	153,808
2010	42,695	146,445
2000	40,765	136,716
1990	36,994	120,618
1980	30,400	98,302

Demographics (ACS 2017-2021)

Population by Age Group

Under age 5	2,119
Age 5 to 19	6,444
Age 20 to 34	9,841
Age 35 to 54	11,211
Age 55 to 64	6,385
Age 65 and over	7,552
Median Age (in years)	41

Income, Inflation Adjusted \$ (ACS 2017-2021)

Per Capita Income	\$38,798
Median family income	\$94,442
Median household income	\$73,156
Median Earnings, full-time, year-round workers	
Male	\$57,953
Female	\$47,500
Individuals below the poverty level	9.3%

## Appendix D

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### Labor Force (NHES - ELMI)

Annual Average	<u>2012</u>	<u>2022</u>
Civilian Labor Force	22,593	22,527
Employed	21,523	22,019
Unemployed	1,070	508
Unemployment Rate	4.7%	2.3%

### Employment & Wages (NHES - ELMI)

Annual Average Covered Employment	<u>2012</u>	<u>2022</u>
Goods Producing Industries		
Average Employment	1,778	1,587
Average Weekly Wage	\$1,083	\$1,384
Service Providing Industries		
Average Employment	27,103	26,539
Average Weekly Wage	\$854	\$1,260
Total Private Industry		
Average Employment	28,881	28,127
Average Weekly Wage	\$868	\$1,267
Government (Federal, State, and Local)		
Average Employment	10,694	10,597
Average Weekly Wage	\$961	\$1,292
Total, Private plus Government		
Average Employment	39,575	38,724
Average Weekly Wage	\$893	\$1,274

Source: <https://www.nhes.nh.gov/elmi/products/cp/profiles-htm/concord.htm>

Economic & Labor Market Information Bureau, NH Employment Security, October 2023

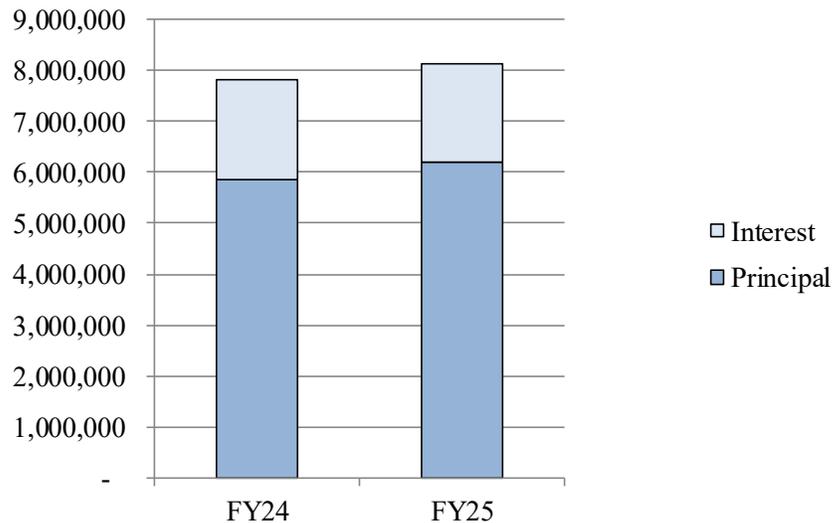
## Appendix D

Ward Density

Ward	Population	Square Miles of Land Area	Persons per Square Mile of Land Area
1	4,452	7.3	609.9
2	4,567	6.8	671.6
3	2,266	1.9	1,192.6
4	4,398	1.7	2,587.1
5	4,338	15.8	274.6
6	4,231	1.9	2,226.8
7	4,310	4.0	1,077.5
8	4,204	7.2	583.9
9	4,543	1.0	4,543.0
10	4,421	17.9	247.0

Aggregated Debt Service—Other Appropriations (Non-General Fund)

Debt Service	FY24	FY25
Interest	1,961,510	1,944,910
Principal	5,858,480	6,187,890
<b>Grand Total</b>	<b>7,819,990</b>	<b>8,132,800</b>



## Appendix D

Projected Ending FY24 Fund Balance/Net Position Description of Changes +/- 10%

Fund	Estimated Beginning FY24 Fund Balance/ Net Position	FY25 Budget Revenue	FY25 Budget Expense	Projected Increase/(Decrease) in Fund Balance/ Net Position	Projected Ending FY25 Fund Balance/ Net Position	% Change
General Fund	26,081,977	83,379,501	83,379,501	-	26,081,977	0%
Non-Major	7,393,194	10,883,789	12,104,315	(1,220,526)	6,172,667	-17%
Water Fund	47,213,068	7,387,578	7,886,680	(499,102)	46,713,966	-1%
Sewer Fund	41,519,226	11,244,102	11,688,396	(444,294)	41,074,932	-1%
Total Enterprise Funds	88,732,294	18,631,680	19,575,076	(943,396)	87,788,898	-2%
N End Opportunity Corridor TIF	2,879,432	509,201	250,240	258,961	3,138,393	9%
Sears Block TIF District	336,713	1,138,575	1,246,283	(107,708)	229,005	-32%
Penacook Village TIF District	631,438	670,983	506,175	164,808	796,246	26%
Total Debt Service Funds	3,847,584	2,318,759	2,002,698	316,061	4,163,645	1%

For Budgetary Purposes Only

Non-Major Funds

The Solid Waste fund, within this group of fund, anticipates increase expenses of \$835,000. These increases are due to contractual increase in curbside collection, disposal of municipal solid waste and recycling materials. The Parking fund continues to face a structural deficit. Additionally, this deficit is exacerbated by a one time capital expenditure of \$100,000.

Tax Increment Finance (TIF) Districts/Debt Service Funds

The Sears Block TIF's (SBTIF) change in fund balance is anticipated to decrease by 32%. This decrease is driven by a decline in revenue from property taxes that can be attributed to a release of assessed value, lowering the total retained assessed value in the fund. The fund has enough fund balance to cover the budget deficit for FY25.

The Penacook Village TIF (PVTIF) has experienced an increase in property tax revenue that can be attributed to new development within the district.

# Appendix D

Departmental Fund Relationship

Department	Major Funds					Non-Major Funds				
	General Fund	Cemetery Permanent Fund	Major Capital Projects Fund	Enterprise Funds		Special Revenue Funds				Debt Service Funds
				Water Fund	Sewer Fund	Solid Waste Fund	Arena Fund	Golf Fund	Other Funds	
City Manager	X		X						X	
Legal	X									
Assessing	X									
Human Resources	X									
Finance	X	X	X	X	X	X	X	X	X	X
Information Technology	X		X							
City Council	X									
City Clerk	X									
General Overhead	X		X	X	X	X	X	X	X	X
Police	X		X						X	
Fire	X		X							
General Services	X		X	X	X	X	X		X	X
Community Development	X		X						X	X
Library	X									
Parks & Recreation	X	X	X					X		
Human Services	X									