

Appendix E

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.

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 Project Inspection, Parking, Airport, and Conservation Property. 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 Golf, Arena, Solid Waste, Water, and Wastewater. Revenues and expenses are listed by fund. The Water, Wastewater and Solid Waste 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 capital outlays or transfers, along with debt service on bonded projects. The Major Capital Project Fund is considered a Major fund.

The City has a number of additional Nonmajor Funds that are audited and included in the City's Comprehensive Annual Financial Report (CAFR) and are not part of this budget document. Some of those funds 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: Community Development Fund, Housing Revolving Loan Fund, Impact Fee, Miscellaneous Special Revenue, Durgin Garage, Nelson, Forrest and Conservation, Cemetery, Library, Mountain Green, Downtown Economic Development, SVMS Project, Fire Facility Renovations, Open Space Protection Fund, and Capital Commons Garage Fund.

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

Permanent Funds: Cemetery Fund, Library Fund, Dedicated Income Fund, and Other Fund.

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

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.

Appendix E

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” and “available” - “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 Comprehensive Annual Financial Report (CAFR). 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.

THE BUDGET PROCESS

Managerial Preparation - City departments began preparing requests for this 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 27, 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 “Schedule” tab for meeting dates. The Finance Committee reports its changes to the Manager’s Proposed Budget in the form of an amending resolution prior to adoption of the budget by City Council. This amending resolution will identify the differences between the Manager’s Proposed and Council’s Adopted Budgets.

Appendix E

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 Comprehensive Annual Financial Report (CAFR) audited by an independent accounting firm. This CAFR includes a comparison of budgeted to actual revenues and expenditures. The CAFR 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 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/special revenue funds are fully self-supporting and provide administrative overhead payments to the General Fund. Exceptions are the Solid Waste Fund which received general tax base support as part of its planned operation and the Golf Fund which received general fund support through Fiscal Year 2017 for debt service.

Appendix E

Classifications - Revenue

Property Taxes

Property Taxes

Other Taxes

Timber Tax
 Payment-In-Lieu of Tax
 Excavation Activity Tax

Intergovernmental

Railroad Tax
 US Dep of Homeland Security/FEMA
 Medicare D Reimbursement
 Drug Forfeiture/Restitution
 Drug Unit OT Reimbursement
 Rooms and Meals Tax
 Highway Block Grant
 Household Waste
 Share of Debt Service
 Forest Loss Reimbursement
 Fire Service Aid
 Airport Operators Grant
 School District Payments
 Multiple Local Governments

Rents and Leases

Cruiser Rental Fee
 Building Lease or Rental
 Facility Lease or Rental
 Ice Rental
 Land Lease or Rental
 Parking Rental

Fines and Penalties

Interest Costs and Penalties
 Court Ordered Payments-Parks & Rec
 Court Ordered Payments-Cemeteries
 Court Ordered Payments-Legal
 Parking Penalties
 False Alarm Penalties
 Fines For Overdue Books
 Fines For Code Prosecution

Licenses and Permits

Building Permits
 Electrical Permits
 Mechanical Permits
 Plumbing Permits
 Sign Permits
 Fire Protect Permits
 PD Licenses and Permits
 Engineering Permits
 Engineering Licenses
 Engineering Pole License Recording Fees
 POA Inspection Fees
 School Inspection Fees
 Waste Haulers Permit
 Food Service Licenses
 Amusement Center Licenses
 Rooming House Licenses
 Yard Sales Permits
 Taxi Cab Licenses
 Peddler Licenses
 Amusement Device Licenses
 Billiard and Bowling Licenses
 Entertainment Licenses
 Convalescent Home Licenses
 Recycling Center Licenses
 Solicitation Licenses
 Taxi Drivers Licenses
 Misc Licenses & Permits
 Pawnbroker/Secondhand Dealer Licenses
 Dog Licenses
 Marriage Licenses

Appendix E

Investment Income

Investment Income

Donations

Donations

Music Program Donations

Fireworks Donation

Transfer In

Transfer In-General Fund

Transfer In-Engineering Inspections

Transfer In-Parking Fund

Transfer In-Parking Fund Snow Reim

Transfer In-Airport Fund

Transfer In-CD Con Prop Mgmt Fund

Transfer In-Impact Fee Fund

Transfer In-NEOCTIF

Transfer In-Sears Block TIF

Transfer In-Penacook TIF

Transfer In-Golf Fund

Transfer In-Arena Fund

Transfer In-Solid Waste Fund

Transfer In-Water Fund

Transfer In-Wastewater Fund

Transfer In-Trust Fund

Transfer In-Trust/Capital Reserve

Transfer In-Trust/Concord Calvary

Transfer In-Trust/Conservation

Transfer In-Trust/Durgin

Transfer In-Trust/Economic Dev

Transfer In-Trust/Flowers

Transfer In-Trust/Forest

Transfer In-Trust/General Care

Transfer In-Trust/Library

Transfer In-Trust/Self Insurance

Transfer In-Trust/Shrubs

Capital Contributions

Contribution In Aid

Investment Fee

Use of Fund Balance/Retained Earnings

Budgetary Use of Fund Balance

Motor Vehicle Registrations

Vehicle Registrations

Department Service Charges

Salt Sales

Street Tree Sales

Timber Sales

MV State Agent Admin

MV Transportation Admin

MV Transportation Surcharge

MV Waste Disposal

Alarm Panel Plug In/Out

Master Alarm Box Connection

Advanced Life Support Intercept

Ambulance Service Charge

Recording Fees

Application Fee

Application for Appeal

Review Fee-Site Plans

Review Fee-Subdivision

Reports, Prints and Copies

Special Fire Duty Services

Testing Services

Recreation Player Fee-Parks

Private Fire Service

Sundry Services

Labor Services-Water

Misc. Recollectible

Police Patrol Services

Police Witness Fees

Special Police Duty Services

Cross Connection

Interment

Cemetery Maintenance

Fuel Flow Mark-up

Inventory Mark-up

Overtime & Supply Charges

Labor Services-Wastewater

Miscellaneous Services

Appendix E

Department Service Charges *continued*

Sludge Disposal
Non-Resident Library Fees
Camps
Aquatics Program
Lighting Charge
Motor Vehicle Waste Disposal
Concession Income

Water Sales

Commercial Sales
Water Availability

Wastewater Sales

Sewer Service
Sewer Service-Boscawen
Sewer Service-Bow
Leachate Processing
Septage Processing

SW Commercial Sales

Commercial Disposal
DTSWRD-Dwntwn Sol Waste Rem Dstr

SW Residential Sales

Contaminated Loads
PAYT Bags
PAYT Containers
Cart Collection Program

Parking Metered Spaces

Metered Parking
Metered Parking-Cards

Golf Permit and Fees

Seasonal Passes
Daily Fees

Golf Sales

Cart Rental
Handicapping
Driving Range
League & Tournament Fees
Pro Shop Sales
Pro Shop Sales-Rentals & Other

Retiree Health Reimbursement

NHRS subsidy for Retiree Health Ins
Retiree share of Health Ins

Parking Penalties

Parking Penalties

Other Revenue

Cable TV Franchise
Interest Costs and Penalties
Finance Charges
Insurance Distributions & Credits
Utility Demand Compensation
Contribution-Purchase of Lots
Contribution-Purchase of Niches
Reimbursements
Sale of Surplus Property
Miscellaneous
Advertising Revenue

Appendix E

Classifications - Expense

Compensation

Permanent Full Time
 Permanent Part Time
 Part Time
 Temporary
 Overtime
 Holiday
 Elected & Appointed Officials Comp
 Election Officials Compensation
 Car Allowance
 Computer Allowance
 Clothing Allowance
 Business Expense Allowance
 Compensation Adjustment

Fringe Benefits

Retirement
 FICA
 Beneflex
 Health Ins-Employee & Retiree
 Worker's Compensation Insurance
 Unemployment Insurance

Outside Services

Professional Development & Expense
 Professional Development – Tax & Assessing
 Mileage & Business Expense
 Dues & Memberships
 Building Services and Repairs
 Prof & Tech Serv
 Prof & Tech Serv – Containerized Illegal Dumping
 Prof & Tech Serv – Tax & Assessing
 Prof & Tech Serv – Legal
 Prof & Tech Serv – Personal
 Prof & Tech Serv – Commer Disposal
 Prof & Tech Serv – Dwntwn Solid Waste
 Prof & Tech Serv – Other
 Wellflex Program Donation Expense
 Business & Tech Equip Repairs
 Industrial Equipment Repairs

Outside Services *continued*

Traffic Light Repairs
 Auto Repairs
 Other Repairs or Installations
 Advertising
 Rent and Op Leases-Tech Equip
 Rent and Op Leases-Land/Build
 Rent and Op Leases-Vehicles
 Special Investigation Expenses
 Special Program Services
 Communications Services
 Postal and Delivery Services
 Other Services

Supplies

Office IT and Printed Supplies
 Photographic and ID Supplies
 Library Books and Materials
 Recreation Supplies and Equipment
 Auto Repair Parts and Supplies
 Grounds and Horticultural Supplies
 Building Maintenance & Repair Supplies
 Welding Supplies & Small Tools
 Minor Tools and Equipment
 Uniforms and Personal Equipment
 COGS (cost of goods sold)
 COGS (cost of goods sold)-Freight
 League & Tournament Expenses
 Laboratory Supplies and Equipment
 Chemicals
 Gasoline Diesel and Lubricants
 Other Supplies and Equipment
 Memorial Flowers
 Special Flowers
 Alarm System Supplies

Utilities

Electricity
 Natural Gas and Propane
 Heating Oil and Kerosene
 Steam
 Water/Wastewater

Appendix E

Insurance

Insurance Deductible and Reserve
 Property Insurance
 Liability Insurance
 Auto Liability and Comp Insurance

Capital Outlay

Cap Outlay<\$10k-Off Bus Equip
 Cap Outlay<\$10k-Veh Equip
 Cap Outlay<\$10k-Other
 Capital Outlay-Comm Equip
 Capital Outlay-Automotive Equip
 Capital Outlay-Infra Impvts
 Capital Outlay-Other

Debt Service

Principal on Bonds and Notes
 Bond Costs
 Interest on Bonds and Notes

Miscellaneous

Misc. Expense
 Taxes-Real Estate
 Cable TV System
 Community Action Program
 Concord Area Transit (CAT)
 Crisis Center of Central NH
 Edna McKenna House
 Friends Program
 Holiday Celebrations
 Intown Concord
 Penacook Community Center
 SPCA
 Special Programs
 City Council Contingency
 Operational Contingency
 New American Africans
 NH Coalition to End Homelessness
 League of NH Craftsmen

Transfer Out

Transfer Out-General Fund
 Transfer to Gen Fund Snow Removal
 Transfer Out-Parking Fund
 Transfer Out-Capital Project Fund
 Transfer Out-Sears Block TIF Capital Project Fund
 Transfer Out-Penacook TIF Capital Fund
 Transfer Out-Golf Course Fund
 Transfer Out-Golf Capital Project Fund
 Transfer Out-Arena Fund
 Transfer Out-Arena Capital Project Fund
 Transfer Out-Solid Waste Fund
 Transfer Out-Solid Waste Capital Fund
 Transfer Out-Water Capital Fund
 Transfer Out-Trust

(GAIN) Loss on F/A Disposals

(Gain) Loss on F/A Disposals

(GAIN) Loss on Refunding

(Gain) Loss on Refunding

Depreciation

Depreciation Expense

Appendix E

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.

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.

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

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 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 Budgeting and Accounting - Capital projects can be funded by current revenues (outlays or 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 most likely to be budgeted in operating funds and will appear often 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 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 under Budget Summary, Classification Descriptions.

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. A decrease in value due to wear and tear, decay, decline in price, etc.

Appendix E

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 eventually provide 24/7 customer self-service and other integrated components.

FTE (Full Time Equivalent) - is 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: $(20 * 52) = 1040$ hrs. and $(1040 / 2080) = .5$ 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 the 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, therefore, 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) Nonspendable funds are either undependable 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 motions passed by the highest decision making authority in the government (i.e., the City Council). A resolution, the highest level action, constitutes the most binding constraint should be considered to establish, modify, or rescind 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.

Appendix E

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.

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 Nonspendable Fund Balance - Those portions of fund balance that are not appropriable 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 Comprehensive Annual Financial Report.

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.

Appendix E

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 42,904 as of July 1, 2016, a 0.49% increase over the last official census as of April 1, 2010 number of 42,695, 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 non-partisan 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, 2 every 2 years. The current mayor is former City Councilor James P. Bouley, who was first elected mayor in November 2007. In November 2017, he was re-elected for his sixth consecutive term. 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 among 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

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 2017 was 2.3%. This compares favorably to New Hampshire’s rate of 2.7% and to the United States rate of 4.5 %. Concord’s rate also remains the lowest among the top three New Hampshire cities with Manchester at 2.7% and Nashua at 2.9%. Concord’s unemployment rates have remained lower than the State since 1992 except for the months of March, April, and June 2005.

The assessed value of taxable property as of April 1, 2016, increased overall by 2.01% compared to April 1, 2015. The cumulative total residential, manufactured homes, and condominiums increased just over 4% in assessed value. The average assessed value of a single-family home in Concord as of April 1, 2016, was \$237,011, up slightly from \$228,355 the year before.

Tax collections percentage as of June 30, 2017, for the 2016 Tax Year was 98.9%, slightly higher than the previous year. Total tax delinquencies for all years were stated at \$2.0 million, down \$0.6 million from the previous year. Vigorous collection efforts by the Tax Collector’s Office have resulted in no material increases in the number of properties which the City takes title through tax deeds. Anticipating increased delinquencies, the Collector’s Office initiated a significant outreach, communication and visitation program to affect this result. The City Council’s Number One Fiscal Goal for cash management is directed towards a targeted property tax collection program which is aimed at maintaining high collection rates.

Appendix E

The City continues to work with existing businesses to maintain and increase their workforce, and has several economic development initiatives underway. During Fiscal Year 2016, the Mayor and Council issued a call to the Greater Concord Chamber of Commerce and the City's Economic Development Advisory Council to provide strategic recommendations that the City should consider to bolster economic development. The most prominent of these measures was the creation of an Economic Development Director position which was subsequently funded as part of the FY 2017 budget. The City hired an Economic Development Director in May 2017 who is working to implement the City's economic development initiatives.

In May 2017, the City entered into a Purchase Option Agreement to sell 2.5 acres of the former Allied Leather Tannery site to the Caleb Development Corporation for \$540,000. Caleb plans to develop a 54-unit workforce housing project at the property. When fully completed, the project will generate \$3 million in new Assessed Value. The developer is in the process of securing permits and approvals for the project, as well as financing. Construction on Phase I of the project (34 units - \$8.6M) is scheduled for summer/fall 2018.

In October 2017, the City Council approved selling the former NH Employment Security property to Dol Soul Properties, L.L.C., for \$1.075 million. The developer plans to construct a new 120,000 SF mixed-use building featuring approximately 100 apartments and 5,000 SF of commercial space. The development is projected to generate \$12.5 million in new Assessed Value. The project is scheduled to begin in fall 2018.

Another key economic development initiative that continued during Fiscal Year 2017 was the \$14 million Downtown Complete Streets Project. The goal of this project is to make downtown a more vibrant, attractive place for economic development activity, including redevelopment of vacant upper stories and construction of market rate housing. Key features of the project include wider sidewalks, improved crosswalks, ADA improvements to 15+/- properties, public art, as well as comprehensive street-scape improvements. The project was completed in fall 2016. The project is already paying dividends, as 31 new residential units in the heart of the project area are slated to start construction in December 2017. In addition, another 130 units, including the Dol Soul Project, are currently in the planning stages. Also, the City has experienced a sharp uptick in developers inquiring about potential opportunities in the downtown area.

Appendix E

Demographics*



Community Contact	Concord Community Development Department Carlos Baia, Deputy City Manager 41 Green Street, City Hall Concord, NH 03301
Telephone	(603) 225-8595
E-mail	communitydevelopment@concordnh.gov
Web Site	www.concordnh.gov
Municipal Office Hours	Monday, Tuesday, Wednesday, Friday, 8 am - 4:30 pm, Thursday, 8 am - 6 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 11, 27 (Ward 1) 12, 27 (Ward 2) 13, 27 (Ward 3) 14, 27 (Ward 4) 10 (Ward 5) 15, 27 (Ward 6) 16, 27 (Ward 7) 17, 28 (Ward 8) 18, 28 (Ward 9) 19, 28 (Ward 10)

Origin: This area's first settlement in 1659 was named Penacook, for the Indian name Pannukog, meaning crooked place or bend in the river. The first land grant was in 1725, and the town was incorporated as Rumford in 1733. The name was changed to Concord in 1765 upon resolution of a bitter boundary dispute between Rumford and Bow. Its central location was the logical choice for state capital, and Concord was so named in 1808. The State House, built in 1818 and first occupied in 1819, is the oldest in continuous use in the country. In 1853, the State granted Concord a city charter. It was in Concord that the Abbotts built the famous Concord Coach, modeled after the coronation coach for King George III. Granite quarrying has been another major industry, and Concord's quarries supplied granite for the US Library of Congress. Concord was home to Franklin Pierce, 14th President of the United States, following his presidency.

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

Appendix E

Population Trends: Concord had the tenth largest numeric change in population, totaling 13,546 over 55 years, from 28,991 in 1960 to 42,537 in 2015. The largest decennial percent change was a 22 percent increase between 1980 and 1990; all other decades increased by ten percent or less. The 2015 Census estimate for Concord was 42,537 residents, which ranked third among New Hampshire's incorporated cities and towns.

Population Density and Land Area, 2015 (US Census Bureau): 665.1 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.

Housing (American Community Survey (ACS) 2011-2015)

Total Housing Units	18,257
Single-Family Units, Detached or Attached	9,262
Units in Multiple-Family Structures:	
Two to Four Units in Structure	2,937
Five or More Units in Structure	4,927
Mobile Homes and Other Housing Units	1,131

Demographics (US Census Bureau)

<u>Total Population</u>	<u>Community</u>	<u>County</u>
2015	42,537	147,262
2010	42,695	146,445
2000	40,765	136,716
1990	36,994	120,618
1980	30,400	98,302
1970	30,022	80,925

Demographics (ACS 2011-2015)

Population by Age Group

Under age 5	2,225
Age 5 to 19	7,210
Age 20 to 34	9,258
Age 35 to 54	12,102
Age 55 to 64	5,633
Age 65 and over	6,109
Median Age	40.1 years

Population by Gender

Male:	20,609
Female:	21,928

Appendix E

Labor Force (NHES - ELMI)

	<u>2006</u>	<u>2016</u>
Annual Average		
Civilian Labor Force	21,756	22,460
Employed	21,078	21,910
Unemployed	678	550
Unemployment Rate	3.1%	2.4%

Employment & Wages (NHES - ELMI)

	<u>2006</u>	<u>2016</u>
Annual Average Covered Employment		
Goods Producing Industries		
Average Employment	2,002	1,589
Average Weekly Wage	\$858	\$1,134
Service Providing Industries		
Average Employment	27,113	27,793
Average Weekly Wage	\$723	\$947
Total Private Industry		
Average Employment	29,115	29,381
Average Weekly Wage	\$732	\$958
Government (Federal, State, and Local)		
Average Employment	11,848	11,015
Average Weekly Wage	\$776	\$1,076
Total, Private plus Government		
Average Employment	40,963	40,396
Average Weekly Wage	\$745	\$990

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

Economic & Labor Market Information Bureau, NH Employment Security, November 2017.

Appendix E

Projected Ending FY19 Fund Balance/Net Position

Fund	Estimated Beginning FY19 Fund Balance/ Net Position	FY19 Budget Revenue	FY19 Budget Expense	Projected Increase/(Decrease) in Fund Balance/ Net Position	Projected Ending FY19 Fund Balance/ Net Position	% Change
General Fund	19,138,941	65,049,302	65,049,302	-	19,138,941	0%
Engineering Inspection Fund	27,151	315,050	314,269	781	27,932	3%
Parking Fund	(11,955)	2,571,902	2,527,750	44,152	32,197	-369%
Airport Fund	505,240	365,199	445,908	(80,709)	424,531	-16%
Conservation Property Management Fund	29,636	115,187	115,187	-	29,636	0%
Total Special Revenue Funds	550,072	3,367,338	3,403,114	(35,776)	514,296	-7%
Water Fund	53,110,859	6,295,160	6,422,623	(127,463)	52,983,396	0%
Sewer Fund	49,387,740	7,502,760	8,264,461	(761,701)	48,626,039	-2%
Solid Waste Fund	1,214,671	4,374,084	4,359,198	14,886	1,229,557	1%
Non-Major	1,138,578	1,705,319	1,798,986	(93,667)	1,044,911	-8%
Total Enterprise Funds	104,851,848	19,877,323	20,845,268	(967,945)	103,883,903	-1%
N End Opportunity Corridor TIF	1,322,289	510,520	244,280	266,240	1,588,529	20%
Sears Block TIF District	201,607	1,046,530	1,005,005	41,525	243,132	21%
Penacook Village TIF District	89,325	60,595	58,410	2,185	91,510	2%
Total Debt Service Funds	1,613,221	1,617,645	1,307,695	309,950	1,923,171	19%

For Budgetary Purposes Only

Appendix E

Projected Ending FY19 Fund Balance/Net Position Description

Parking Fund

This budget reflects the implementation of the first phase of a strategic plan to return the Parking fund to self-supporting operation. The projected fund balance goes from a net loss to a positive net position.

Airport Fund

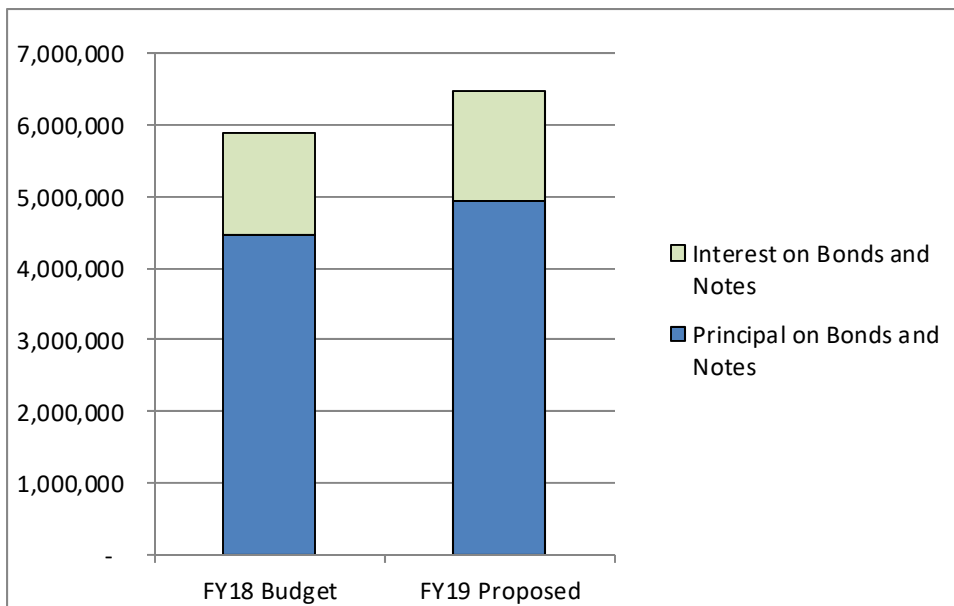
Changes in the use of small general aviation airports continues to place significant pressure on this fund. Operating, maintenance, and capital needs continue to be incurred as necessitated by Federal obligations. The fund remains in a positive fund balance position at this time, although fund deficits have become structural. Long term economic growth in this segment of the economy is needed before this fund will return to a positive operating position.

Tax Increment Finance (TIF) Districts/Debt Service Funds

The three TIF districts anticipate growth in tax revenue greater than their budgeted expenses. Two of the districts North End Opportunity Corridor and Penacook Village are anticipated to retain more revenue in this budget.

Aggregated Debt Service - Other Appropriations (Non General Fund)

Debt Service	FY18 Budget	FY19 Proposed
Interest on Bonds and Notes	1,412,404	1,547,445
Principal on Bonds and Notes	<u>4,459,514</u>	<u>4,922,400</u>
Grand Total	5,871,918	6,469,845



Appendix E

Departmental Fund Relationship

Department	Major Funds					Non-Major Funds			
	General Fund	Major Capital Projects Fund	Enterprise Funds			Arena Fund	Golf Fund	Special Revenue Funds	Debt Service Funds
			Water Fund	Sewer Fund	Solid Waste Fund				
City Manager	X	X						X	X
Legal	X								
Assessing	X								
Human Resources	X								
Finance	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	
Library	X								
Parks & Recreation	X	X					X		
Human Services	X								