



CITY OF CONCORD

New Hampshire's Main Street™
City Manager's Office

Thomas J. Aspell, Jr.
City Manager

May 12, 2022

Honorable Mayor and City Council:

It is my pleasure to submit to you the proposed budget for Fiscal Year 2023. Unlike the past two years that have been dominated by reactions to an evolving pandemic and its related restrictions, Fiscal Year 2023 marks a proactive “restart” to more robustly implement the City Council’s vision to improve the quality of service delivery for our residents and business owners. This budget includes the single largest increase in the investment of emergency services in a generation. Capital projects that support public infrastructure improvements will leave a lasting legacy in the community. This budget includes network security improvements that will allow the City to better protect essential informational infrastructure from ever increasing threats pervasive today. This budget also includes a reinvigorated investment in education and training for City employees to allow enhancement of their skills and maintain certifications. In light of the worst global inflationary pressures facing this country in over 40 years, accomplishing all of this while remaining ever cautious of the financial impacts on property owners, is a challenge. All efforts have and will continue to be made to ensure that costs are contained while continuing to provide high quality services.

The General Fund Operating Budget proposes a 4.80% tax rate increase. Included is 1.82% committed to upgrade ambulance emergency response at the Fire Department (Council Goal #3). The remaining 2.98% tax rate increase is to support all other operational needs. This budget makes important investments in infrastructure, and builds upon the work to make the City more equitable and inclusive. The overall Capital Budget is up \$8 million over Fiscal Year 2022 and General Fund debt service costs are down \$147,000.

Fiscal Year 2023 Challenges

Crafting the City of Concord’s annual budget requires balancing competing fiscal challenges and demands for services. One of the most important drivers in this process is the fundamental effort to return to a balanced budget (Council Goal #1). In creating the Fiscal Year 2021 budget, when the COVID-19 pandemic was still in its infancy, the budget relied on \$1.5 million of unassigned fund balance, which provided for a 0% tax rate increase. In Fiscal Year 2022, the fund balance use was increased to \$1.75 million, which also helped limit the tax rate increase burden to 2.5%. For Fiscal Year 2023, although not completely eliminating the use of unassigned fund balance, its use has been reduced to \$375,000.

The structural constraints on Concord’s budgets are well-known to City Council and limit what the City can accomplish. These constraints include the fact that 23% of the City’s assessed value is exempt from taxation; health insurance costs continue to increase at rates higher than inflation; and ever higher employer contribution requirements to the New Hampshire Retirement System. Other factors that are reflective of our regional and national economy today are wage competition and soaring inflation that is

being felt throughout the country, as companies and organizations compete for employees. The City is experiencing significant employee competition in a number of positions and has made adjustments over the last few years, including in Fiscal Year 2023.

The region's housing shortage remains a critical concern. Attracting new companies to the community is only made more difficult if the community cannot provide potential employees with a variety of quality housing options. From a tax perspective, as was experienced this past year, the global decline in bricks and mortar retail stores and offices, coupled with Concord's limited housing supply, resulted in significant spikes in residential values. This placed a disproportionate share on homeowners to carry more of the community's property tax burden than in years past. The City's proposed form-based Code is expected to be presented to the City Council in mid Fiscal Year 2023 for review and action. These changes aim to provide greater flexibility for density allowances within development, which will, hopefully, incentivize construction of more quality units and mixed-use projects (Council Goal #2).

Finally, the City continues to make inroads to increase diversity, equity and inclusion (DEI) within the organization. Active collaborations have been formed and strengthened with organizations such as the Overcomers Refugee Services, the Concord Connections Coalition, Ascentria, New American Africans, and Second Start. The Citywide Community Center is used by local organizations such as Change for Concord, Project Story, Riverbend, and the Senior Meals Program (Council Goals #5 & #6). The City is a designated Recovery Friendly Workplace, as well as the first municipality in the state to be recognized with the New Hampshire Veteran-Friendly Bronze Business distinction.

In addition to local relationships, the City belongs to the National League of Cities and the national Local Government Hispanic Network. The City has taken advantage of DEI training and job recruitment services offered by those entities. The City has also implemented policies supportive of LGBTQ+ individuals and works with the Municipal Equality Index. The Fiscal Year 2023 budget includes additional funding to facilitate a wider recruitment net from diverse pools of candidates (Council Goal #6).

Fiscal Year 2022 Review

Several new positions were filled in Fiscal Year 2022, including an additional part-time Health Services Inspector in Code; a Trails Ranger in Community Development; a Help Desk Technician in IT; and a part-time Equipment Operator in General Services. City Council also authorized the hiring of an ICMA Local Government Management Fellow.

The Fire Department was an area of considerable focus this past year. The Department invested \$35,000 in new thermal imaging cameras and presented the findings of a Fire Station Location Study to City Council. This led to a robust discussion of how existing ambulance and emergency responders need to be distributed in the community to improve response times in areas of greatest need. The decision to move the ambulance from the Manor Station to Central Fire was an interim solution to better match resources with critical needs, along with upgrading select Emergency Medical Technicians (EMTs) to Advanced EMTs. Overtime was added to accomplish this at a cost of \$144,000 for the remainder of the fiscal year. A permanent solution is proposed in the Fiscal Year 2023 budget.

A significant amount of effort was made in the Police Department, to achieve near full staffing during this year. The Department also completed Phase 2 of the Portable Radio Replacement Program with an investment of \$100,000.

The Water Division oversaw implementation of considerable investments with the relocation and replacement of Pump Station #4 in the amount of \$4.8 million at the Water Treatment Plant. The Wastewater Division oversaw \$2.3 million in infrastructure repairs and replacements to both the Hall Street and Penacook Wastewater Treatment Plants, which included major energy saving electrical improvements. Additionally, the Hall Street plant was successful in securing American Rescue Plan Act

funds in the amount of \$760,000 towards a \$3.8 million project to replace three secondary clarifiers, thereby advancing projects from Fiscal Years 2023, 2024 and 2025.

Rate structure changes were implemented within the Water and Wastewater Funds this year to better align the fixed portion of the utility fees with industry practices. The Wastewater Fund also received, for the time being, a return of the State Aid Grant Funding for applicable projects.

Street paving in the amount of \$2,375,000 was approved this past year. Several bridges were repaired or replaced, including Birchdale Road, Hooksett Turnpike, Washington Street and the Alder Creek box culvert. Construction broke ground for improvements at the intersection of Whitney and Hoyt Roads; a project that is poised to generate a significant new tax base for the Village of Penacook and the City as a whole.

By the end of Fiscal Year 2022, it is expected that the City will have converted all 2,100 street lights to high-efficiency LED fixtures (Council Goal #6). This project will save 668,000 kilowatt-hours annually, equivalent to the emission of 473 metric tons of carbon dioxide per year. To understand the magnitude of this amount, it would be the carbon dioxide equivalent of 1,175,076 miles driven by an average gasoline-powered passenger vehicle.

Significant improvements were undertaken in the parks. At White Park, invasive lotus plants were removed from the pond, and design commenced for the renovation and refurbishment of the historic trolley stop. At Rolfe Park, four pickle ball courts and LED lights are being installed. The concrete slab at the William Thompson Play Lot was removed. Later this spring, the basketball and tennis courts at Rollins Park will undergo full-depth renovations and new LED lighting will be installed. Irrigation work is scheduled for the Keach Park athletic fields.

Several City buildings were the subject of renovations this year including the Concord Public Library, which had the exterior granite sealed and carpet replaced in the Children's Wing. Work to repoint the bricks at City Hall continues with the west side of the project nearing completion. The underground HVAC chilled water piping system was replaced, and a new security card system was installed. Comprehensive renovations to the City's School Street Parking Garage were also completed.

The City negotiated a new lease for the Prosecutor and Human Services offices at Horseshoe Pond with improved financial terms.

At Beaver Meadow Golf Course, the first phase of the tree program was undertaken in concert with a professional agronomist's report, and the creation and hiring of a full-time Assistant Golf Pro position occurred.

At the Everett Arena, the existing hot water heaters and furnace were replaced with high efficiency condensing boilers and a new Zamboni ice resurfacing machine was purchased.

Work continued on the City's Zoning Ordinance re-write, with the kick-off of Phase 2 occurring in March targeting an expected action by City Council next winter.

In April, the City received the Municipal Energy Champion Award for its longstanding sustainability, environmental and energy initiatives during NH Energy Week. NH Energy Week has become a series of events co-organized by partner organizations that highlight prominent energy topics and issues. This forum also provides an opportunity to discuss solutions, and bring leading experts to share knowledge. Concord was also recognized by the Arbor Day Foundation with a "Tree City USA Growth" award. In the downtown area, changes to the City's Outdoor Dining Regulations were implemented to more equitably and safely address private restaurant use of the public spaces.

Fiscal Year 2023 General Fund Budget

The Fiscal Year 2023 budget presented here totals \$123,578,476 across all funds with a 4.80% tax rate increase. Of this increase, 2.45% is driven by significant investment increases in public safety services — a major part of which is the addition of an ambulance crew and investments in Fire Department staff. The remaining 2.35% is for all other operational changes.

The recommended Fiscal Year 2023 Operating Budget comes after the financial rating agency's recognition of the City's strong fiscal management, before and during the pandemic, despite the impact on the City. The City's AA+ rating allows the City to secure favorable rates for infrastructure to support equity, affordability, and resiliency in all neighborhoods.

Fiscal Year 2023 Budget Assumptions

As in past years, this budget is premised on several significant financial assumptions. This year, in particular, macroeconomic trends are expected to have an outsized influence on the City's financial picture.

The City is anticipating continued price increases in gasoline and diesel, building supplies, fleet parts, and road salt/sand. Wage increases — and their commensurate employer contributions to the New Hampshire Retirement System — perpetually pressure the budget but are unavoidable to ensure the City attracts and retains a high quality, professional staff. This budget reflects wage increases for seasonal and temporary staff, including cemetery workers, lifeguards, Arena and Golf Course staff. In addition, all seven pools are budgeted to be open, reflective of Council's Goal #4 to enhance equitable access to recreational opportunities.

The City's health insurance premium will rise by 10.25% for Fiscal Year 2023. The City has been able to manage its premium increases by offering alternative insurance plans (Council Goal #1). In Fiscal Year 2023, employees' share of health care premium will increase from 5% to 10%. This budget also proposes to move the City to a self-funded dental insurance program saving \$66,000.

This budget includes \$945,000 of ARPA funding to fund employee wages and other operating costs (Council Goal #1). With the Federal Reserve's announcement of progressive interest rate increases throughout the next year, the City is programming an additional \$755,000 in investment income. Vehicle sales are also expected to return somewhat to normal as global supply-chain issues and computer chip shortages work themselves out. An additional \$350,000 in motor vehicle registration revenue is budgeted. At a more local level, with increasing calls for service, ambulance charges are estimated to increase by \$150,000.

The City is prepared to enter into a net metering agreement that is awaiting NH Department of Energy approval. This budget has allocated \$30,000 in revenue in anticipation of the approval of this agreement (Council Goal #6).

The City decreased the use of \$200,000 from the Recreation Reserve (Council Goal #1). An increase in the transfer to the Highway Reserve by .25% of the tax rate, or \$111,500, is also proposed to enhance the neighborhood street paving program. With this increase, the City now annually invests approximately 1.75% of the tax rate or \$739,000 in the Highway Reserve.

With the City Council-approved elimination of Engineering's Fund 21, effective July 1, the City will transition to a more predictable permit system for contractors and staff. The costs and revenue are projected to be neutral for this change.

Of particular note, the use of unassigned fund balance is down by \$1,375,000 in this budget as part of a multi-year approach to return to a pre-pandemic balanced budget to progressively meet Council Goal #1.

Public Safety

The Fire Department responds to approximately 10,000 calls for service annually. Sixty-nine percent (69%) of these calls are for emergency medical services (EMS). This increase has strained existing staffing levels and made it challenging to provide the response times the community needs. This budget includes the addition of four FTEs for a permanent new ambulance crew for nine months, additional full-year overtime costs for staffing, and full-year upgrading of certifications for 14 Emergency Medical Technicians (EMTs) to Advanced EMTs. These needed changes will significantly improve response times across the community and allow for enhanced services. The total cost of this upgrade in Fiscal Year 2023 is \$841,000, which, alone, represents 1.82% of the Fiscal Year 2023 total tax rate increase (Council Goal #3).

In addition to the significant investment in Fire Department staffing, this budget includes \$24,000 in fire station maintenance and improvements; \$17,000 for the maintenance fee for the Fire Department's new records management software; and \$4,000 in tuition funding for Advanced EMT positions.

Funding has been provided in the Police Department budget for a radio service agreement in the amount of \$16,600, as well as additional computer crimes training for \$15,000 and new computer crime software licenses for \$16,600; the latter an effort to strengthen law enforcement's ability to track down online predators that threaten the City's most vulnerable residents. Funding has also been provided for non-lethal enforcement tools, such as the Department's TASER maintenance and replacement program in the amount of \$33,000.

This budget reinstates, at a cost of \$127,000, the fourth Assistant Prosecutor position, which was eliminated during the last fiscal year due to the closure of the courts, budgetary savings and attrition. The criminal docket in the District Court has grown significantly since the reopening of the courts, and a part-time position is not sufficient going forward. It is vital to keep the community and victims safe with complete, timely and thorough prosecutions.

Informational Network Safety

With the installation of new software management packages for the ERP system, including Human Resources; Payroll; Employee Self-Service; and the imminent "go-live" of the Community Development permitting system, utility billing and property tax billing; the City has made significant strides toward reflecting the type of 21st century organization that residents expect. These upgrades provide residents, business owners, contractors, engineers, and developers the ability to conduct most of their municipal business virtually. As the City moves in this direction, it is important to remain increasingly vigilant of threats that can plague even the most sophisticated information infrastructure. The City already has robust informational safety protocols and this budget proposes to enhance these. The amount of \$21,000 is proposed to be invested in IT security-related improvements and a full-year of funding for the Network Security Engineer. The Engineer's job will be to monitor for threats and implement proactive measures to ward off cyber-attacks to ensure that systems, finances and information are protected. This position adds \$131,000 to the budget (Council On-Going Initiative #4).

Elections

An increase in election-related funding of \$17,000 is proposed to cover the cost of printing and mailing notifications to impacted residents to advise them of their polling location changes as a result of the 2021 redistricting. These funds will also allow the Clerk to pay for rental of heaters and lights for use in the tent at the Beaver Meadow Golf Course during elections; as well as cover added insurance and rental requirements at other sites.

Training and Recruitment Initiatives

In Fiscal Year 2021, in a cost savings measure as a reaction to the Pandemic, a significant amount of professional development dollars was eliminated from the budget, as many training opportunities were temporarily cancelled or placed on-line. Since that time, many employees have been unable to receive

training needed to stay current with their profession or to simply stay informed as to best practices in their industry. This budget includes \$45,500 (\$51,600 in total for all funds) in partially restored funding for employee education and training, building on increases that were approved in Fiscal Year 2022.

The Human Resources Department will be provided \$5,200 for the use of Circa Works, a service that promotes the City's job postings to over 600 national sites. This affords the City a more efficient and effective means to attract quality employees from a broader set of diverse candidate pools (Council Goal #6).

Protection of Open Space

Protection of the City's trail system is critical to ensuring the quality of life that many in the community value. In Fiscal Year 2022, the City Council authorized the creation of a part-time Trails Ranger position, funded in its first year from the Conservation Trust Fund. This budget now includes funding for this position from the General Fund, as contemplated.

Library Programming

This budget provides \$18,000 to enhance programming (Council Goal #4). These program funds cover vital library outreach services, including, but not limited to, author events, lectures, concerts, presenters, children's programmers, STEM supplies, craft lessons, and take and make supplies.

Economic Development

In Fiscal Year 2022, the City Council authorized the hiring of an ICMA Local Government Management Fellow to assist with City efforts in project management and economic development, as well as to provide for staff succession planning. The individual chosen as a fellow had a successful assignment and was promoted in March to a permanent, vacant Community Development Specialist position and is working closely with City Administration on a variety of initiatives. This budget maintains \$90,000 in Economic Development Reserve funds to afford the Council flexibility to quickly address any emergent economic development need (Council Goal #2).

Community Partnerships

As was noted in the "Fiscal Year 2023 Challenges" section, the City enjoys a history of collaboration with local organizations to enrich the quality of life for the community. In Fiscal Year 2023, the City expects to continue those relationships. Of note, the City will remain a coordinator for the Gas Holder building and lead for the Concord Stables preservation efforts. The City will provide support for the Capital ArtsFest, Intown Concord, and the Multicultural Festival (Council Goals #4 & #5). The Fiscal Year 2023 budget also includes a 33% increase in funding to the Concord Coalition to End Homelessness (Council Priorities #2, #4, #5 & #6). The City will continue to explore avenues to build stronger links with vulnerable populations in our community.

Sustainability

This budget adds funding for the UNH Summer Sustainability Fellow in the amount of \$4,000. The City is also pursuing opportunities for the development of solar projects and electric vehicle charging stations.

Parking

The onset of the COVID-19 Pandemic in March 2020 had significant negative financial impacts on the Parking Fund during Fiscal Years 2020 and 2021. Following the termination of Governor Sununu's emergency orders in summer 2021, revenues for the Parking Fund stabilized and significantly improved during Fiscal Year 2022. In March 2022, the City Council approved the use of \$877,000 of American Rescue Act (ARPA) funds to replace COVID-19 related revenue losses. Of this total, \$438,000 accrued to the Fund in Fiscal Year 2022. The remaining balance will be transferred to the Parking Fund in Fiscal Year 2023.

Due to the use of ARPA funds, coupled with significantly improved revenues in Fiscal Year 2022, the Parking Fund is projected to generate approximately \$658,000 of net operating income. This will increase the Fund's working capital from \$271,000 to approximately \$929,000 at the end of Fiscal Year 2022.

For Fiscal Year 2023, the Parking Fund is expected to perform well. As a result, the proposed Fiscal Year 2023 Budget includes several modifications to restore previous reductions to parking facility maintenance due to the negative impacts of the COVID-19 Pandemic. The Budget also includes funding for two Parking Officer and Equipment Technician positions, to reallocate non-meter ticket revenues to the Parking Fund, and to increase the Fund's administrative overhead payment to the General Fund, as well as implement an on-line program to improve management of the permit program. The Parking Fund's Capital Improvement Program includes the replacement of all remaining mechanical meters, upgrades to kiosk pay stations, reconstruction of the Canal Street Municipal Parking Lot in support of the new Canal Street Riverfront Park, as well as funds to design a \$10 million comprehensive renovation of the State Street Parking Garage.

Tax Increment Finance Districts

The City's three Tax Increment Finance Districts performed well in Fiscal Year 2022. The Fiscal Year 2023 Budget shall continue to release approximately 67% of the captured incremental assessed value of the North End Opportunity Corridor TIF District to support the City's General Fund, as well as the Concord School District and other taxing authorities, while simultaneously preserving working capital for future construction of CIP #18 Storrs Street North, and CIP #543 Merrimack River Greenway Trail, which will eventually traverse through the District. There are no significant changes to the Sears Block TIF District (SBTIF). However, the forthcoming redevelopment of the former NH Employment Security property will result in the SBTIF likely being well positioned to commence releasing captured assessed value in Fiscal Year 2027 to support the City's General Fund and other taxing authorities.

Lastly, because of the success of the Interchange Development and Market Basket project at Whitney Road, coupled with other past development, the Fiscal Year 2023 Budget will release 10% of the captured incremental assessed value within the Penacook Village TIF District (PVTIF) to support the City's General Fund, Merrimack Valley School District, as well as Merrimack County and the State of New Hampshire. In addition, in Fiscal Year 2023, the PVTIF will support construction of the new Canal Street Riverfront Park (CIP #567) and maintenance thereof, as well as commence repayment of outstanding past contributions from the Economic Development Reserve Fund used in the redevelopment of the former Allied Leather Tannery site.

Water & Wastewater

The two utility funds continue to provide the City with critical services to meet ever-growing demands. A 4.5% water rate increase and 2.5% wastewater rate increase are proposed for Fiscal Year 2023.

These rate increases are necessary to meet the ongoing operational increases and capital infrastructure needs. The Wastewater and Water funds have a number of capital projects planned which are vital to the long-term operations of all three plants.

Fiscal Year 2023 Proposed Capital Budget

The proposed Fiscal Year 2023 Capital Program totals \$20,000,000 (net of asterisked projects), representing a 66% increase from Fiscal Year 2022.

Road & Bridge Infrastructure

With the passage of time, McKee Square has become increasingly challenging for motorists, pedestrians and cyclists. This budget includes \$100,000 to design and engineer a permanent safe solution to address this important crossroads (Council Goal #7).

The Loudon Road Bridge is a vital infrastructure piece in the City's transportation network. As such, \$576,000 in additional design and engineering for bridge replacement is programmed. As City Council will recall, this project is supported by an 80/20 funding split with the NH Department of Transportation (NHDOT). After much effort on the City's part, NHDOT has added this project to their Ten-Year Plan and committed to providing an additional \$14 million in funding to make the bridge meet the community's needs for true multi-modal access for motorists, pedestrians and cyclists. This includes providing the critical river crossing for the Merrimack River Greenway Trail and better connecting the Heights with Downtown Concord (Council Goal #7 and On-Going Initiative #2).

The traffic signals located at State Street and Pleasant Street are the oldest signal equipment in the entire city. Replacement of these signals and the addition of audible pedestrian signals to the Pleasant Street intersections of State, Green and Storrs Streets was funded in Fiscal Year 2022; however, pricing to accomplish this work has increased exponentially due to industry-wide inflationary pressures. The budget includes \$286,000 in supplemental funding to complete this project.

During the Main Street Project, the City Council wanted to extend many of the same streetscape improvements up the lateral streets. Unfortunately, funding at the time was not available. The Fiscal Year 2023 budget takes advantage of the aforementioned signal replacement work scheduled at Pleasant Street and State Street, and provides \$100,000 in funding for the coordinated replacement of the concrete sidewalks on Pleasant Street with Main Street streetscape features to improve public safety from Odd Fellows Lane to State Street (Council Goal #2).

The Hoyt/Whitney Road Improvement project has proven to be particularly complex and encountered significant delays at the outset due to permitting issues at the State. The project will ultimately open up swaths of land to economic development; however, at the present moment, additional funding is required to address remaining items and bring the project to completion. The requested appropriation amount is \$474,791, which will be paid with impact fees and Economic Development Reserve Funds.

The City's Sustainable Street Tree Program, replacing trees that have been removed in the City's right of way, is funded in the amount of \$4,900 (Council Goal #6). Lilac Street is programmed for reclamation through the Enhanced Neighborhood Street Paving Program. Lilac Street has a skewed intersection with Borough Road and is, therefore, programmed for safer re-alignment in coordination with the paving program for \$25,000.

This budget proposes significant funding of the Enhanced Neighborhood Street Paving Program at \$2,655,000, which includes \$2,390,000 for street paving; \$140,000 for pavement preservation; \$100,000 for drainage repairs; and \$25,000 for emergency overlays (Council On-Going Initiative #2).

The City's new LED street lights will need to be maintained going forward and \$10,000 is programmed for annual maintenance.

Parks and Cemetery Improvements

Recognizing the importance of quality of life for all residents, significant park improvements are programmed for Fiscal Year 2023 (Council Goal #4).

In White Park, \$750,000 is budgeted for the installation of a splash pad as a replacement to the existing pool, thereby extending the seasonal usability; \$280,000 is programmed to address HVAC and life safety code improvements to the maintenance building and undertake needed parking lot repairs.

At Keach Park, reflecting contemporary recreational demands, \$160,000 is budgeted to convert the tennis courts to a soccer mini-pitch.

Upgrades to lighting in Rolfe and Rollins Parks to LED is programmed at \$30,000 to reduce energy usage and improve safety.

In addition, \$125,000 is budgeted for a community visioning charrette to develop a comprehensive master plan for the City for the Kiwanis Riverfront Park, Everett Arena, and City-owned cornfields located between Terrill Park and Loudon Road (referred to as the Merrimack River Recreation and Open Space Corridor) to provide a coordinated recreational, conservation, and economic development vision and strategy for these important assets.

The creation of a new park (Canal Street Riverfront Park) and the complete renovation of an existing park (Tanner Street Riverfront Park) in Downtown Penacook, in the amount of \$1.9 million, is programmed and includes external sources of funding.

The replacement of the running track at Memorial Field in the amount of \$550,000 in donations and grant funding is recommended, if a grant can be secured and other funds are available.

Supplemental funds for the Green Street Community Center for additional roof, ceiling tile and lighting improvements is programmed in the amount of \$49,000.

Continued improvements to the roadways in the Blossom Hill Cemetery are programmed and the commissioning of a study to review the condition of the cemetery's buildings for a total of \$80,000 is requested.

Information Infrastructure

This budget provides \$275,000 for the annual replacement of computer hardware and software citywide. It also includes \$10,500 for layer development of our critical Geographic Information System (GIS) and \$10,000 for the replacement of the Library's e-commerce software (Council On-Going Initiative #4). The Police Department is provided \$20,000 for computer crimes hardware and software improvements.

City Building Improvements

The Collections Office at City Hall, by far the most frequented City office in the entire organization, will receive a significant renovation to address long-standing work station layout and accessibility challenges. This project is estimated at \$175,000.

Masonry work will continue at City Hall with \$175,000 in improvements for Phase 2 of the brick repointing project. City Hall will also receive \$100,000 in upgraded HVAC controls.

The Audi will have its ceiling and cupola roof improved for \$100,000.

The City Hall Annex will see its interior chilled water piping replaced for \$200,000.

The Police Station elevator will be upgraded for \$150,000; with an additional \$25,000 for electrical service improvements.

The Central Fire Station will undergo a \$70,000 upgrade to reconstruct the apparatus bay to accommodate the new ladder truck.

The COMF will undergo \$100,000 in HVAC automation upgrades and \$80,000 in Phase 2 of its overhead door replacement program.

Vehicles and Equipment

Reflecting this budget's focus on continuous improvement in emergency response, the Fire Department is programmed to acquire a tower ladder truck for \$1,755,000 and an ambulance for \$300,000. The Department also plans a \$30,000 systematic replacement of its boats; \$35,000 for hazmat meters; \$18,000 for on-going hose and equipment replacement; and \$30,000 for on-going replacement of Personal Protective Equipment (PPE).

The Police Department is provided funds to continue its programmed fleet replacement, acquiring four SUVs for \$230,000.

The General Services Department anticipates \$1,780,000 in vehicle and equipment purchases in Fiscal Year 2023, including a 10-wheel vacuum truck replacement, two six-wheel dump trucks, and two pick-up trucks with sanders and wings.

The Parks and Recreation Department will replace a mower and snow-blower attachment for \$35,000.

Wastewater Fund Improvements

With various private sector proposals for residential development in the Heights, it is critical to understand the capacity and limitations of the sewer system in the area between Loudon Road and Manchester Street. A wastewater master plan update for \$160,000 is programmed to capture this information (Council Goal #2).

The lining of sanitary sewer lines in Penacook, at a cost of \$400,000, is recommended. In addition, \$40,000 for interceptor access road maintenance from Elm Street to Village Street is scheduled.

Design upgrades to the Chenell Drive pump station are budgeted at \$75,000.

Replacement of a screw pump at the Hall Street Wastewater Treatment Plant in the amount of \$2,400,000, plus \$400,000 for the replacement of a SCADA processor, is programmed. Concrete repairs, SCADA upgrades, and a piping system replacement in the amount of \$511,000, are included for the Penacook Wastewater Treatment Plant.

Water Fund Improvements

A design for EV charging stations at the Water Treatment Plant in the amount of \$10,000 is budgeted, in anticipation of a future move to electric vehicles (Council Goal #6).

Several maintenance projects are programmed, including renovation to the laboratory and administrative area for \$90,000; repairs to the storage tanks for \$50,000; SCADA equipment and software upgrades for \$30,000; and the replacement of the Plant's filter effluent valve for a cost of \$300,000.

The annual water meter and gate valve replacement program is budgeted at \$375,000.

Stormwater

A failing metal culvert on Portsmouth Street is programmed for replacement in the amount of \$150,000.

Beaver Meadow Golf Course

Reflecting the increased year-round popularity and success of the golf course facility and property, several significant projects are envisioned for Fiscal Year 2023. The design of a new clubhouse and parking lot is programmed at \$490,000; \$340,000 is budgeted for the next phase of the irrigation work; \$50,000 for Phase 2 of the tree management program; \$70,000 for a fairway mower; and \$40,000 for a 4-wheel drive tractor with attachments to maintain the skate pond in the winter (Council Goal #4).

Looking ahead

Due to the City Council's diligent and proactive leadership, the City is well positioned to weather most threats. However, there are challenges that remain. Of particular concern is inflation, which, if left unchecked, will continue to exact increasing pressure on wages and the prices of goods and services that will be felt throughout the organization. Energy costs will also need to be monitored closely, as the City's current contract for electricity expires in December 2023 and natural gas expires in November 2024. Health insurance costs, despite the many laudable changes made by our employees to date, continue to register double-digit annual increases. With the expiration in June 2024 of the City's current recycling

and solid waste disposal contract, it is expected that costs for this program will rise significantly. Many changes have occurred in both the recycling and solid waste disposal markets since the inception of this agreement nearly eight years ago.

Despite these challenges, there are many opportunities ahead. There are multiple housing development projects currently pending that are expected to commence construction within the next year, including the workforce housing projects at Penacook Landing Phase 2; Dakota Partners' Development at Langdon Avenue; and Brookline Partnership on Pembroke Road. In terms of market rate housing, the community can look forward to the Flatley development at the site of the former NH Employment Security building.

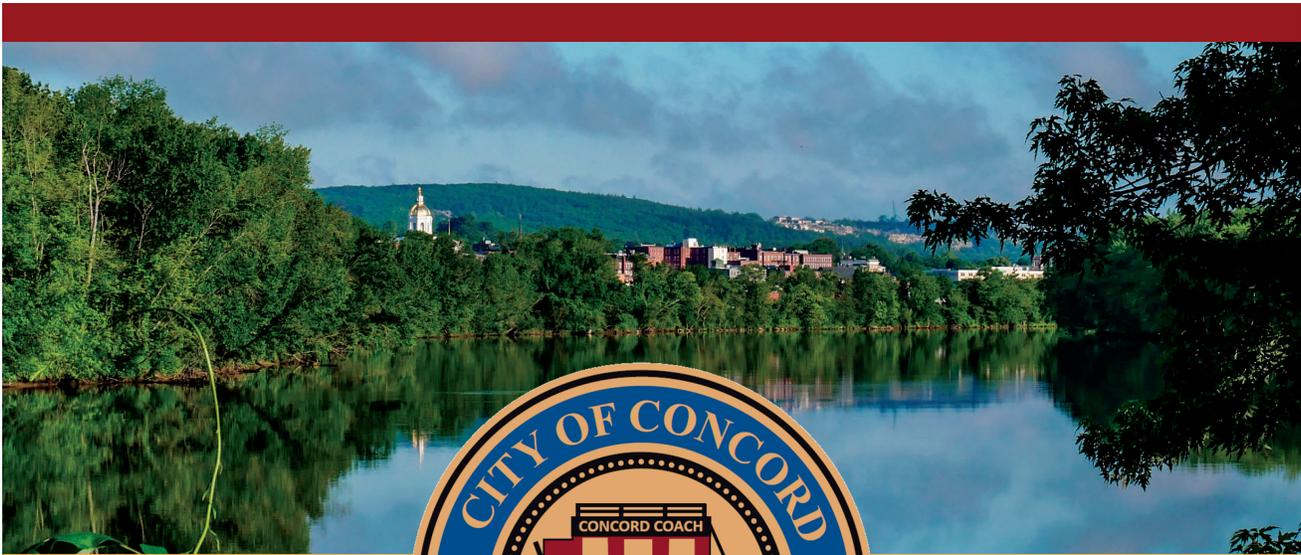
After years of negotiation, the City is poised to enter into a partnership with the NH Department of Transportation to finally acquire 6+/- miles of property required for the Merrimack River Greenway Trail (MRGT) between Horseshoe Pond and the Contoocook River. If all goes as planned, the City will own the property in early Fiscal Year 2023. Several grants and Congressional funding requests have been submitted to cover the cost to start construction on Phase 2 of the MRGT.

The premise of the MRGT raises the broader question of how residents in our community move from point A to point B. Council has identified reinforcing and expanding the City's sidewalk infrastructure as a goal. The Planning Board has echoed this position recently pursuing a "fee in lieu" for sidewalk construction that could be used by the City to build sidewalks in a more coherent fashion. I expect to present a plan to the Council in Fiscal Year 2023 to address this matter.

The proposed Fiscal Year 2023 budget implements a responsible strategy to preserve and improve municipal services, as well as make important investments in our infrastructure, thereby preserving Concord's status as an excellent community in which to live, work, or play. In addition to maintaining and enhancing quality of life for all of our citizens, this budget positions the City for continued success and a prosperous future.

I continue to be very proud of the dedicated staff that work for this organization. All department heads and their teams have provided creative leadership in shaping their budgets and the various alternatives.

I recommend this budget to the City Council.



City of Concord

FISCAL YEAR 2023

Budget in Brief



AA+
**S&P Bond
Rating**

**Certificate of
Achievement
for Excellence
in Financial
Reporting -
26th Year**

**Distinguished
Budget
Presentation
Award -
7th Year**

As stewards of taxpayer dollars, the City of Concord hopes you will find this document helpful. This Budget in Brief is intended to provide an overview of the City's proposed budget.

Fiscal Year 2023 marks a proactive “restart” to more robustly implement the City Council’s vision to improve the quality of service delivery for our residents and business owners.

Full budget details are available online at concordnh.gov.



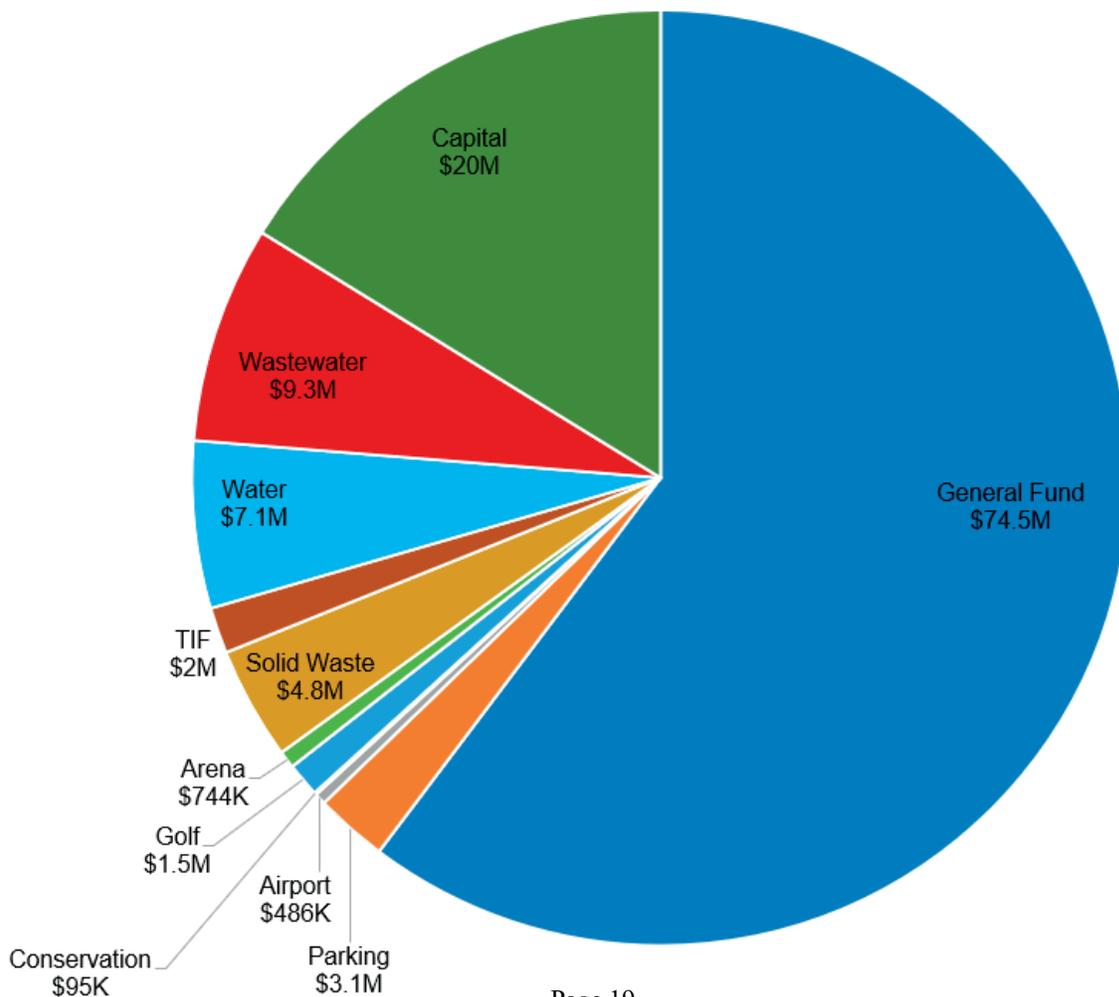
TOTAL BUDGET OVERVIEW

The proposed FY23 budget includes
a 4.8% tax rate increase

FY22 Adopted Budget*: \$109.3 million

FY23 Proposed Budget*: \$123.6 million

**Includes CIP (Capital Improvement Projects)*



CURRENT PROPERTY TAX RATES

CONCORD: \$25.12



School	City	County
\$14.12	\$8.74	\$2.26

PENACOOK: \$27.97



School	City	County
\$16.97	\$8.74	\$2.26

TAX RATE IMPACT



A 4.8% tax rate increase (City portion) equates to \$126 for a \$300K house.

What Do City Taxes Pay For?



33%
Fire

30%
Police

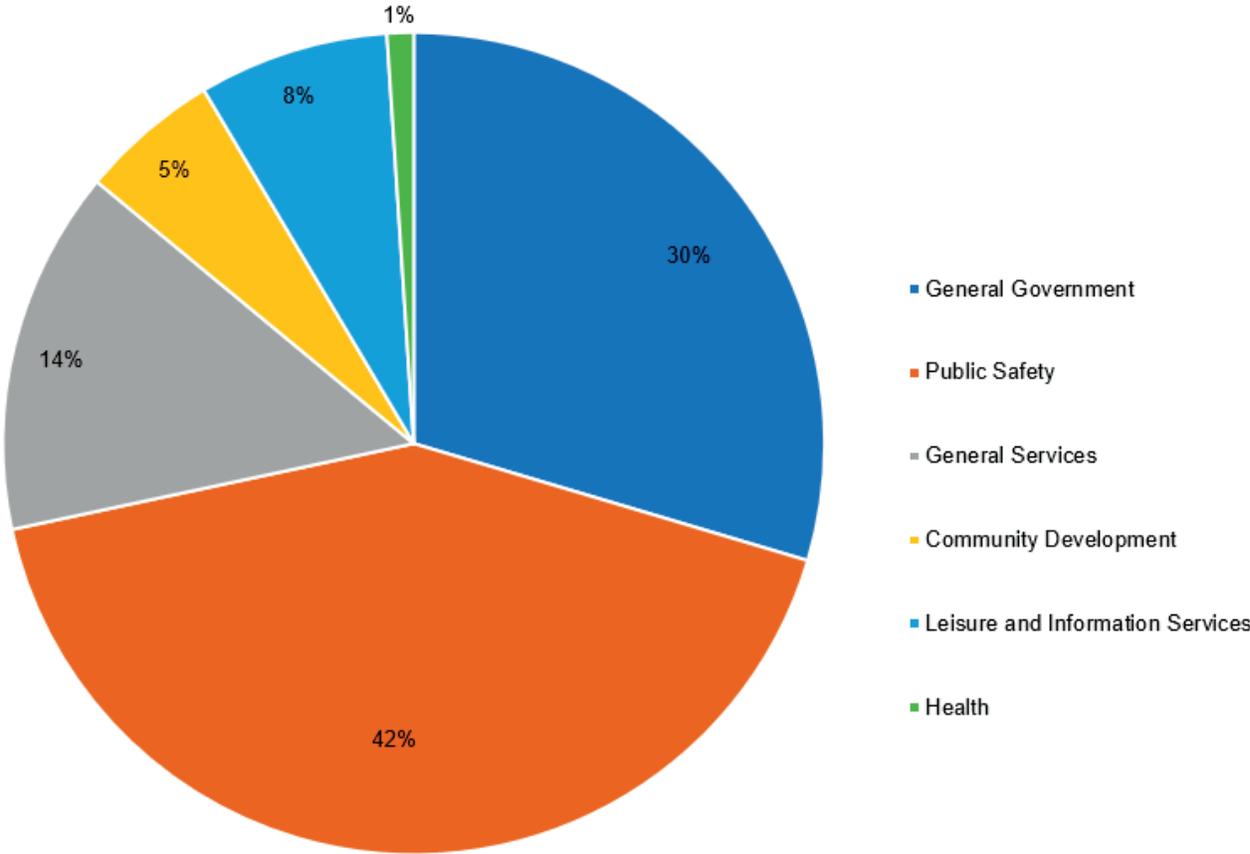
22%
General
Services

15%
Debt
Service

GENERAL FUND OVERVIEW

\$74.5 MILLION

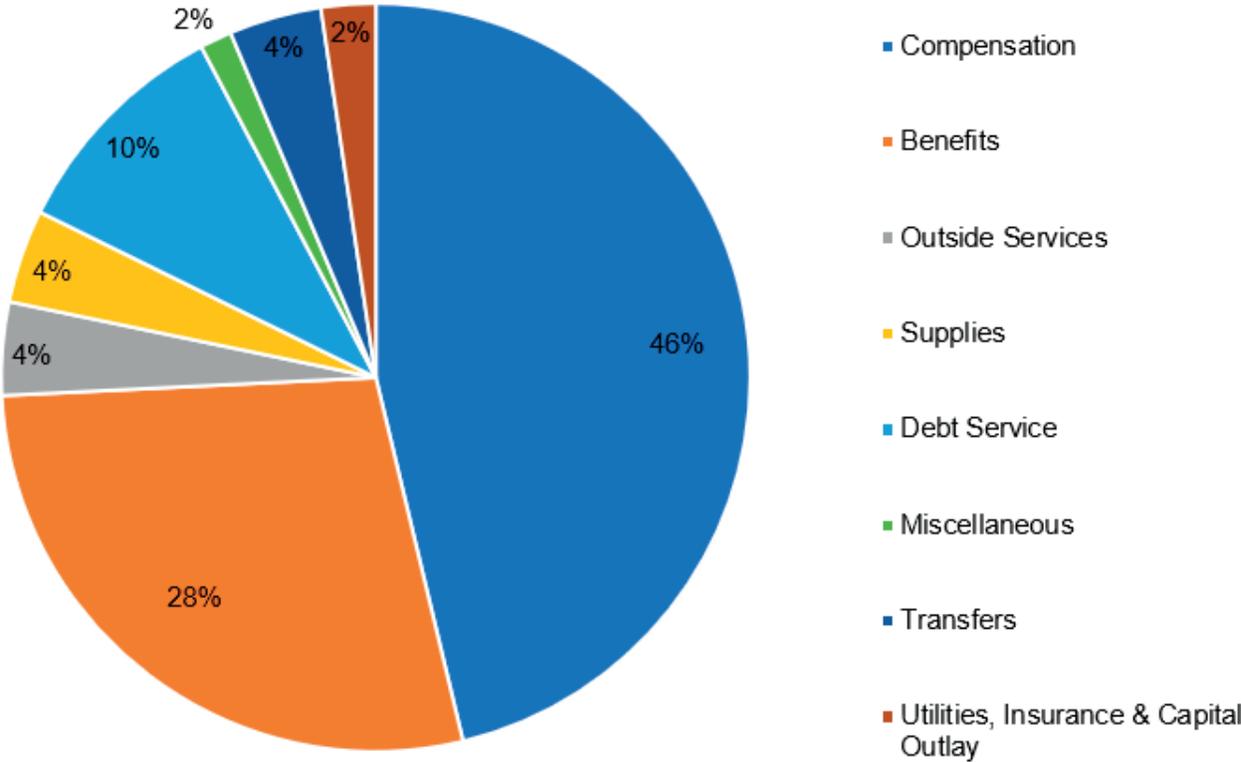
General Fund Expenses By Function



GENERAL FUND OVERVIEW

\$74.5 MILLION

General Fund Expenses By Classification



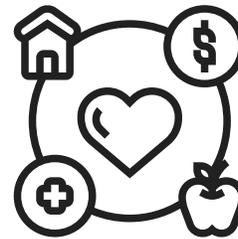
BUDGET TO BUDGET GENERAL FUND COMPARISON

FISCAL YEAR 2022 TO FISCAL YEAR 2023

Notable Budget Increases / Decreases



All Other Wages:
+\$2 million



Benefits:
+\$1.1 million



Fire Department - New
Ambulance Staffing:
+\$842K



Debt Service:
-\$147K



Use of Fund
Balance:
-\$1.4M

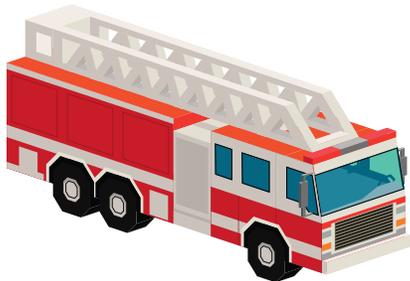
NOTABLE ITEMS IN THE FY 23 BUDGET



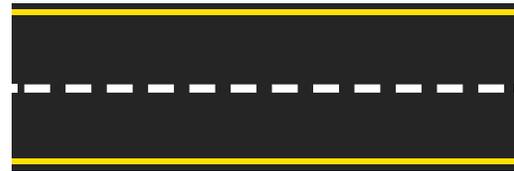
**1 New Ambulance:
\$300K**



**4 New Police Vehicles:
\$230K**



**New Tower Truck:
\$1.8M**



**Neighborhood Street
Paving Program:
\$2.7 million**



**2.5% Wastewater
Rate Increase**

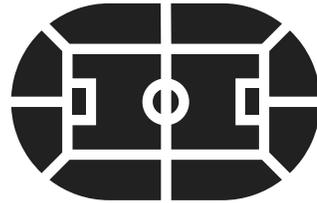


**4.5% Water
Rate Increase**

NOTABLE ITEMS IN THE FY 23 BUDGET



**Golf Fund: \$2K
Projected Gain**



**Arena Fund: \$23K
Projected Loss**



**Parking Fund: \$400K
Projected Gain***
*Includes \$438K in ARPA
Funds



**Airport Fund: \$95K
Projected Loss**

NEIGHBORHOOD STREET PAVING PROGRAM



The City of Concord continues to increase the neighborhood street paving program plan with additional funding in FY23.

FY23: \$2.7 million

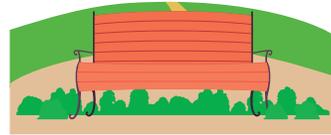
Annual transfer from the General Fund to the Highway Reserve:

- FY22: \$1.2 million
- FY23: \$1.3 million

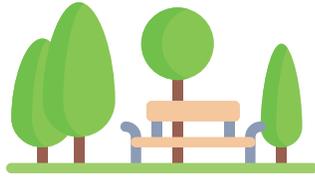
CAPITAL IMPROVEMENT PROJECTS



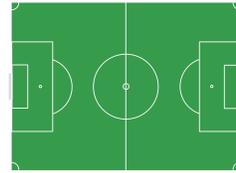
**City-Wide Parks &
Recreational Facility
Improvements:
\$668K**



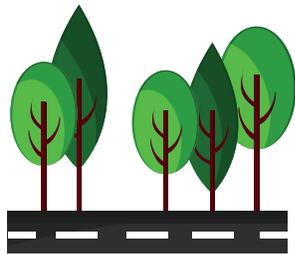
**Penacook
Riverfront Park:
\$1.9 million**



**Kiwanis Park Charette
& Master Plan:
\$125K**



**Keach Park Soccer
Mini Pitch:
\$160K**



**Downtown Corridors
Streetscape Improvements
& Tree Planting:
\$105K**



**Cemetery
Improvements:
\$80K**

CAPITAL IMPROVEMENT PROJECTS



**Parking Meter
Replacement:
\$420K**



**State Street Parking
Garage Design:
\$1.0 million**



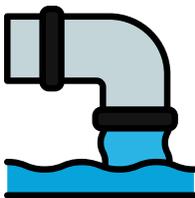
**Sewer Plants
Improvements:
\$3.3 million**



**Water Plant & Tank
Improvements:
\$470K**



**Water Meter
Replacement:
\$375K**



**Sewer Mains &
Pump Station:
\$515K**

CAPITAL IMPROVEMENT PROJECTS



**Bridge & Dam
Projects:
\$576K**



**General Services
Vehicle Replacement:
\$1.8 million**



**Golf Course
Improvements:
\$460K**



**New Clubhouse
Design at Golf Course:
\$490K**



**City Hall
Improvements:
\$750K**



**White Park Maintenance
Building & Parking Lot
Upgrades:
\$280K**

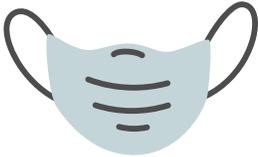
CAPITAL IMPROVEMENT PROJECTS



**Fire Station
Improvements:
\$70K**



**COMF Improvements:
\$180K**



**Fire Department Hose
& PPE Replacement:
\$83K**



**Police Station
Improvements:
\$175K**

SUSTAINABILITY INITIATIVES



Design for EV
Charging Station
at the Water
Treatment Plant
(2023)



Growth Award,
Arbor Day
Foundation
(2020 & 2021)



Trails Ranger
position
(2022 & 2023)

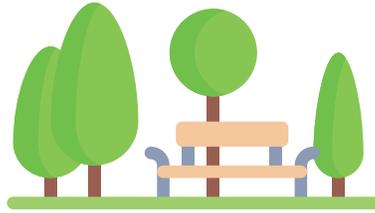


Municipal Energy
Champion Award
(2022)

CONCORD AT A GLANCE



**80+ miles
of trails**



**230+ acres
of parks**



**220 miles of
roads**



**231K circulation items
from Concord
libraries (2021)**



**55K calls for
service/responses for
Police & Fire
(2021)**



**2nd Hottest Real Estate
Market in the U.S.
(Realtor.com, March
2022)**

LOOKING FORWARD

With COVID-19 mostly in the rear-view mirror, the City is looking forward to new projects and continued improvements.

The City is aggressively working to reduce and eliminate the use of fund balance by FY 2024. Additionally, the City is making building and infrastructure investments in the water and wastewater systems, improvements to parks, recreation areas/facilities and cemeteries, the City Hall complex, Fire & Police facilities and moving forward with a golf course clubhouse design. An increase in the Neighborhood Street Paving Program and a design for the Loudon Road Bridge project are included. Continued investments are being made in equipment for the General Services, Police, and Fire Departments, including a new ambulance and tower truck.

There are new major developments scheduled to come to fruition this year and several in the planning and design stages for the next few years. City Council also received reports from the Police and Fire departments for future facility needs.

The City will continue to work on diversity, equity, and inclusion initiatives as part of the overall approach to continue to make Concord an incredible place to live, work, and play. These initiatives, along with escalating housing costs, increasing wage and benefit costs associated with attracting and maintaining qualified talent for City operations and significant increases in the costs of goods, services and energy, will require continued effort and flexibility for funding, while managing reasonable tax rate increases and costs for taxpayers.