MINUTES

City of Concord Finance Committee Meeting
June 1, 2026 @ 5:30 PM
City Council Chambers

Present: Mayor Byron Champlin, City Councilors Stacey Brown, Mark Davie, Nathan Fennessy, Jeff Foote, Aislinn Kalob, Fred Keach, Jennifer Kretovic, Judith Kurtz, Jim Schlosser, Kris Schultz, Ali Sekou, and Brent Todd.

Excused: Councilors Michele Horne and Amanda Grady Sexton.

The Mayor opened the meeting at 5:30 PM.

A motion was made and seconded to approve the May 18, 2026 and May 21, 2026 draft meeting minutes. Councilor Brown requested an amendment to the May 18, 2026 meeting minutes. She requested that under the City Solicitor section of the minutes, where 91-A requests are discussed, language be added to indicate that Right-to-Know Requests are a legal right. The amended minutes of the May 18, 2026 meeting and the minutes of the May 21, 2026 meeting were approved with a unanimous voice vote.

Manager Aspell stated that this meeting was to review the FY 2027 budgets for the Special Revenue and Enterprise Funds.

Manager Aspell began his review with the Special Revenue Funds.

PARKING: Manager Aspell noted that revenues for FY 2026 are projected to be better than budget by $148,000, mainly due to an increase in parking penalties of $50,000; an increase in metered parking fees of $123,000; a decrease in rental income of $32,000; and an increase in finance charges of $20,000. FY 2027 revenues are down $41000, mainly due to the reduction of transfer-in from the Sears Block TIF of $300,000. Parking penalties, metered parking, and rental income are all projected to increase in FY 2027.

FY 2026 projected expenses are under budget by $230,400, mainly due to wages and benefits being under budget.

FY 2027 expenses are budgeted to decrease by $311,000 or 9%. This is driven by the following:

- Increase in wages and benefits, $80,000;
- Decrease in debt service, $513,000;
- Increase in transfer-out to General Fund, $166,000; and
- Decrease in transfer-out to Capital, $50,000.

Manager Aspell gave an overview of the Parking pro forma, which shows a budgeted loss of $352,000 for FY 2026. The same projected net line shows an estimated gain of $26,000 for FY 2026, which is $378,000 better than budget. With this $353,000 gain, the ending working capital is projected to be $2.3 million.

In FY 2027, we are budgeting for a loss of $83,000, which would decrease the ending working capital to $2.2 million.

FY 2026 was the last year of the Sears Block TIF District transfer to support debt service for the Storrs Street garage bonds which were issued in 2005 and 2007.

There are major capital expenses planned for Fiscal Years 2028 and 2029. Along with those capital expenses is the debt service to support those needed projects.

Manager Aspell noted that he has made significant changes in the Capital Improvement Program, greatly reducing the bonded projects in all funds. This effort resulted in corresponding changes to future debt service costs.

This proforma shows annual losses in future years, although the ending working capital remains solid for several years. In the future, the City Council will need to consider parking rate increases.

AIRPORT: FY 2026 projected revenues are ahead of budget by $23,000, mainly due to an increase in fuel markup and rental income. For FY 2027, revenues budget to budget, are up $29,000, or 6%, due to an increase in rental income and fuel markup.

FY 2027 expenses, budget to budget, are up $104,000 or 20%, due to the following factors:

- Increased wages and benefits, $9,000;
- Increased debt service, $33,000; and
- Transfer-out to Capital, $57,000.

Manager Aspell reviewed the Airport pro forma.

For FY 2026, in the projected net line, revenues are projected to be less than expenses by $20,000.

In the FY 2026 estimate column, the projected net is for revenues to be less than expenses by $3,000. This is better than budget by $17,000 and produces an ending working capital of $427,000.

In FY 2027, the Airport projects that revenue will be less than expenses by $96,000, and produces an ending working capital of $331,000.

This fund is projected to need General Fund transfers-in starting in FY 2029. This is one year later than projected in last year’s pro forma.

Councilor Fennessy asked if the airport had been experiencing any fuel shortages, to which the response by Manager Aspell was no.

Mayor Champlin asked Manager Aspell how the airport is doing from an economic standpoint. Manager Aspell indicated that the airport is very important to the business community. He also noted that the City works closely with and has an agreement with the National Guard to utilize parts of the airport, which generates revenue for the City.

Councilor Foote expressed concerns about accessibility to bathrooms and such at the Airport, especially with the terminal project being delayed. He feels that the City needs to do better with this. Assistant Community Development Director Tim Thompson indicated that the accessibility issues are slated to be addressed in FY 2028.

CONSERVATION PROPERTY FUND: Manager Aspell briefly explained the purpose of the Conservation Fund.

Manager Aspell noted that the revenues in this fund are projected to be flat. Expenses, budget to budget, are also flat.

There is no pro forma for this fund.

Councilor Brown asked if the revenue from the Conservation Property leases go to the General Fund. Manager Aspell indicated that they do not. The funds stay in the Conservation Property Fund.

REVOLVING LOAN FUND: Manager Aspell noted that the FY 2027 proposed revenue of $666,000 is a portion of the estimated unexpended balance of the fund, plus the scheduled loan repayments and investment income revenues.

Expenses include $10,000 for any services needed to administer loans under this fund, and an appropriation for up to $650,000 in revolving loans.

To date, there have been no loans issued in this fund in FY 2026.

There is no pro forma for this fund.

Councilor Schlosser expressed concern that there were no loans issued this year and asked how the City communicates information about this program to the public so they are aware of it. It was noted that the local banks often direct people to this program if they do not qualify for a bank loan. Manufactured housing parks are also aware of the program and often refer people. Councilor Kurtz stated that her understanding is that this program should be used as a last resort.

Councilor Schlosser asked if there is any General Fund appropriation to this fund. Assistant Community Development Director Thompson responded that no General Funds are appropriated to the Revolving Loan Fund. The Revolving Loan Fund is made up of leftover funds from the Community Development Block Grants.

Councilor Schultz asked if the Revolving Loan Fund could be used to keep rents down. Assistant Director Thompson indicated that they could not, per CDBG regulations.

GOLF COURSE: FY 2026 revenues are projected at $2.1 million or 3% ahead of budget due to the following:

- Season passes are projected to be slightly ahead of budget by $17,000;
- Daily fees are projected to be up $17,000;
- Cart rentals are projected to be up slightly by $3,900;
- Pro Shop sales are projected to be up $71,000;
- Simulator revenue is down by $22,000;
- Driving range revenue is on target with budget; and
- League and tournament fees are on target with budget.

For FY 2027, revenues, budget to budget, are up $135,000 due to the following:

- Season passes are down $32,000;
- Daily fees are up $68,000;
- Cart rentals are up $74,000;
- Driving range revenue is up $11,000;
- League and tournament fees are down $4,000;
- Simulator revenues are flat; and
- Concession revenue is flat.

FY 2026 expenses, projected to budget, are down by $68,000 due to the following:

- Wages and benefits are down $110,000;
- Rent is up $7,000;
- Cost of Goods Sold is higher than budget by $42,000 and is a function of increased sales; and
- League and tournament expenses are higher than budget.

FY 2027 expenses, budget to budget, are up $457,000 due to the following:

- Wages and Benefits up $8,700;
- Rent is up $45,000 due to an increase in the golf cart lease;
- Communications is down $4,600 as a result of new phone system;
- Cost of Goods Sold is up $28,000 due to a budgeted increase in Pro Shop sales;
- Vehicle fuel is down $8,200;
- Debt service is up $96,000 due to increased bond payments, mainly for the parking lot; and
- Transfer-out to General Fund is up $250,000 for clubhouse debt service and increased general overhead allocation.

Manager Aspell reviewed the Golf Course pro forma.

In FY 2026, the fund projected a gain of $200,000. The FY 2026 estimate shows a gain of $334,000, or $134,000 better than budget, and produces an ending working capital of $1.35 million.

In FY 2027, the projected net is a loss of $122,000, with an ending working capital of $1.23 million.

Manager Aspell pointed out that this pro forma includes a $250,000 contribution to the General Fund for the clubhouse debt service through 2032, and provides for a positive working capital through 2032.

Councilor Brown asked for the total amount of principal and interest, since 2018, that the General Fund has paid for golf projects. Deputy City Manager Brian LeBrun will provide.

Councilor Todd mentioned public testimony that was received whereby the constituent suggested the City sell the golf course. Deputy City Manager LeBrun indicated that there are challenges with selling the golf course. Due to Land & Water Conservation Fund (LWCF) restrictions, the area can only be used for recreational purposes, unless we find a similar size plot of land to purchase and replace it with. This would require a major City investment. If the City were to stop using it as a golf course and turn it into a park, we would lose the golf revenue, but we would still have the expenses of maintaining the park and running programs.

Councilor Brown asked if the Golf Fund contributes to the Recreation Reserve, to which Deputy City Manager LeBrun indicated it does not. She also asked if having a food vendor and a Pro Shop are acceptable to the LWCF. Deputy City Manager LeBrun indicated that they are acceptable because they support recreational activities.

BMGC Director of Operations Pat Lanman explained the golf cart lease contract. At Councilor Kurtz' request, he also explained the purpose and importance of leagues, tournaments and outings to the golf course and the community.

Councilor Brown asked how much the NH Golf Association pays per tournament. Director of Operations Lanman explained that each tournament is different. Councilor Brown requested that Mr. Lanman provide the total amount the NHGA has paid us this year for tournaments. Mr. Lanman will provide this information.

Councilor Brown asked how much coordination takes place between the golf course and the Parks and Recreation Department. Director of Operations Lanman indicated that the course's golf camps are advertised in the Parks and Recreation annual brochure, and that winter activities at BMGC are coordinated by Parks and Rec.

Councilor Brown asked about the dollar savings program, which includes a coupon to play at BMGC for 30% off. Director of Operations Lanman indicated that he is not sure when that went into effect and/or who coordinated it, but he will look into it and report back.

There was a brief discussion about the 3-year contract with the food vendor. Councilor Kalob asked if the City had ever considered managing food and drink sales on its own. Manager Aspell indicated that this had been considered in the past and the City Council did not want to take on the liability of serving alcohol.

Councilor Brown requested a list of BMGC members be provided, including when the memberships were purchased. Deputy City Manager LeBrun indicated that Councilor Brown had previously requested this information as a 91-A request, which the City responded to and provided a timeline for responding. He indicated that the information would be provided according to the timeline provided.

In response to a question raised by Councilor Kalob about Special Revenue and Enterprise Funds being self-sustaining, Deputy City Manager LeBrun provided an explanation as to the difference between a Special Revenue Fund and an Enterprise Fund; noting that Special Revenue Funds often need support from the General Fund, whereby Enterprise Funds are intended to be self-sustaining like a business. As an example, Manager Aspell noted that for many years the General Fund supported the Airport.

ARENA: Projected FY 2026 revenues are down $16,000 compared to budget. This is due to reduced Pro Shop sales and rental income. FY 2027 revenues, budget to budget, are up $183,000 or 24% also due to concession sales ($5,500), rental income ($10,900), and transfer-in from General Fund of $170,000.

Projected FY 2026 expenses, budget to estimate, are up $12,000, mainly due to wages and benefits ($7,700), Electricity ($3,000), and Natural Gas ($4,300).

Expenses for FY 2027, budget to budget, are up $56,000 or 6% due to an increase in wages and benefits of $38,000, an increase in Electricity, $10,000, and a transfer-out to the General Fund in the amount of $7,800.

Manager Aspell went on to review the Arena pro forma.

For FY 2026, the Arena was budgeted to lose $115,000. The FY 2026 estimate is projected to lose $143,000, or $28,000 worse than budget, and results in an ending working capital of negative $7,000.

As the fiscal year closes, we will monitor the actual expenditures and may return to the City Council for a budgetary supplemental appropriation for this fund, but only if necessary.

For FY 2027, the projected net is a gain of $12,000, and this includes a proposed transfer-in of $170,000 from the General Fund.

Unless there are additional revenue streams developed for the Arena, this fund will need General Fund support in the future for both operational and capital expenditures.

Councilor Kretovic suggested that the Arena Advisory Committee be tasked with developing a plan to turn things around at the Arena, similar to what the Golf Course Advisory Committee was tasked with. Manager Aspell indicated that at this time, what it really comes down to, is bringing in more revenue.

Discussion ensued and suggestions were made regarding ways the Arena could bring in more revenue. Suggestions included using it as a music venue, putting down a turf field in the arena, and conducting fundraising for the new compressors that are needed. Arena Manager Jeff Bardwell noted that the Arena has and continues to sell as much advertising as possible. He also explained that the current compressors are from 1949 and 1952, which means they were in used condition when the Arena opened in the mid-1960's. The compressors are now at the end of their life span. General Services Director Jeff Hoadley commented that replacement of the compressors is also a matter of public safety, as malfunctioning compressors can potentially cause an ammonia leak, which would be catastrophic.

Councilor Kurtz encouraged her peers to attend an Arena Advisory Committee Meeting.

SOLID WASTE: FY 2026 revenues, budget to estimate, are up $510,000. This is due to the City receiving its pro-rated share of the sale of land on Whitney Road by the Concord Regional Solid Waste Cooperative of $522,000, and a decrease in container revenue of $13,000.

FY 2027 revenues, budget to budget, are up $180,000 or 4% due to:

- Downtown Solid Waste District up $16,000; and
- Transfer-in from the General Fund up $145,000.

FY 2026 expenses, budget to estimate, are down $39,000 due to savings in wages and benefits and professional services.

FY 2027 expenses, budget to budget, are up $292,000, or 6%, due to the following:

- Wage and Benefit increases, $31,000;
- Professional Services/PAYT contractual increases, $251,000;
- PAYT compliance monitoring and outreach costs, $32,000. This is for the new automated collection pilot program starting in July to ensure residents maintain compliance with the purple bag program and to help educate residents in the pilot program.
- Establishment of a food waste drop off collection program, $2,500;
- Site inspection and evaluation for Old Suncook Road landfill, $3,000; and
- Debt service increase, $9,600.

Manager Aspell reviewed the Solid Waste pro forma.

For FY 2026, the projected net is a loss of $1.02 million. For FY 2026, the estimated net is a loss of $468,000, or $549,000 better than budget, and results in an ending working capital of $2.9 million. This included the $522,000 received for the sale of land on Whitney Road.

For FY 2027, the projected net is a loss of $1.1 million. Without the use of fund balance, the General Fund transfer would be much more significant and will need to increase in the next few years. Following the ending working capital line to the out years, the balance remains positive and is on target at the end of FY 2032, with increasing transfers-in from the General Fund and a projected bag price increase in FY 2028.

Councilor Foote asked how much the price of purple bags would have to increase in order to cover the projected $1.1 million loss. General Services Administration Division Manager Adam Clark indicated the price would have to go up by two-thirds of the current cost.

Councilor Todd pointed out, and Mr. Clark confirmed, that if the City were to get rid of the purple bag program, the annual property taxes on a $400,000 house would go up by about $150, according to a study that was conducted several years ago.

At 7:34 PM, Mayor Champlin called for a recess. The meeting reconvened at 7:38 PM.

<u>WATER FUND</u>: FY 2026 revenues, projected to budget, are down $111,000 due to the following:

- Water usage is down $192,000; and
- Investment income is up $31,000.

FY 2027 revenues, budget to budget, are up $585,000, or 7%, due to the following:

- Usage revenue is up $375,000, which includes the 6% rate increase;
- Availability is up $182,000, due to the increase in the availability charge;
- Investment income is down $7,800;
- Other revenue is down $8,700; and
- Transfer-in from trust is up $47,500.

FY 2026 expenses, projected to budget, are down $198,000, due to the following:

- Wages and benefits are down $192,000;
- Electricity is down $15,000; and
- Heating oil and kerosene is up $10,000.

FY 2027 expenses, budget to budget, are up $616,000 or 8%, due to:

- Wages and benefits are up $82,000;
- Professional Services are up $52,000;
- Debt service is up $170,000;
- Transfer out to General Fund for Overhead is up $64,000; and
- Transfer to Capital is up $164,000.

Manager Aspell reviewed the Water fund pro forma.

The projected net for FY 2026 is a loss of $150,000. The FY 2026 estimated loss is $64,000, or $86,000 better than budget. This provides for an ending working capital of $2.4 million.

The FY 2027 request calls for a 6% water rate increase and provides for a loss of $181,000. This results in an ending working capital of $2.2 million.

Manager Aspell explained that, in the out years, the pro forma is calling for rate increases of 3.5% each year. Managing capital projects in future years will help to keep these rate increases reasonable.

The ending working capital in FY 2032 is lower than the target working capital goal and still very manageable.

Manager Aspell presented a water rate comparison to other communities, which showed Concord as having the third lowest rate of those communities. He noted that, for the average property owner using 8 CCF of water, the 6% rate increase identified in the pro forma will result in an increase of about $1.65 per month for the water portion of their bill.

WASTEWATER: Projected FY 2026 revenues are expected to be $97,000 under budget, due to the following:

- Sewer usage revenue is down $595,000;
- Sewer fixed charges are up $73,000;

- Septage processing is up $100,000; and
- Investment income is up $330,000.

FY 2027 revenues, budget to budget, are up $1.4 million or 13% due to the following:

- Sewer usage is up $751,000 (includes a 15% rate increase);
- Fixed charges are up $381,000;
- Septage processing is up $100,000;
- Investment income is up $149,000; and
- Share of debt service from the State is up $42,000.

FY 2026 expenses, projected to budget, are down $114,000 due to the following:

- Professional Services is down $4,000;
- Wages and benefits are down $47,000;
- Department supplies are down $10,000; and
- Electricity is down $57,000.

FY 2027 expenses, budget to budget, are up $1.6 million or 12%, due to the following:

- Wages and benefits are up $262,000;
- Professional Services is up $80,000;
- Department supplies are down $10,000;
- Electricity is up $18,000;
- Debt service is up $1.1 million;
- Transfer to General Fund is up $124,000; and
- Transfer to Capital is down $2,000 and includes the wastewater portion of the source capacity fee study of $47,500.

Manager Aspell reviewed the Wastewater fund pro forma.

The projected net for FY 2026 is a loss of $1.95 million. The estimated net loss for FY 2026 is $1.93 million or $17,000 better than budget. This results in an ending working capital of $4.74 million.

For FY 2027, we are budgeting a loss of $2.09 million, which includes the proposed 15% wastewater rate increase. This results in an ending working capital of $2.66 million.

Manager Aspell explained that, in the out years, the pro forma is calling for rate increases of 20% in FY 2028 and FY 2029, and 17.5% in FY 2030, then decreasing to 10% in FY 2031 and 5% in FY 2032; all driven by the significant capital investments that are planned and necessary over the next few years. The ending working capital of $5.3 million in FY 2032 is slightly less than the target of $5.8 million and still manageable.

Manager Aspell presented a wastewater rate comparison to other communities, which showed Concord as having the fifth lowest rate of those communities.

Manager Aspell noted that, for the average property owner using 8 CCF of water, the 15% rate increase identified in the pro forma will result in an increase of about $5.72 per month for the wastewater portion of their bill.

There was a brief conversation about leachate processing, with Manager Aspell explaining that the City decided to get out of the leachate processing business, which resulted in the loss of a very large source of revenue.

APPENDICES: Manager Aspell discussed the General Fund pro forma (Appendix E), as well as two new appendices – Appendix G and Appendix H.

In the General Fund pro forma, under the 2026 Budget column, the Use of Fund Balance was budgeted at $3.03 million, which is the bottom line of the revenue section.

Under the 2026 Estimate column, the same Use of Fund Balance revenue line is $0, because we do not post revenue in the Use of Fund Balance line. In FY 2026, it is anticipated that other revenues or reductions in expenses will not fully make up the Use of Fund Balance and this will result in revenues being short of expenses by a projected $1,442,351.

It is expected that the amount will likely be somewhat higher than this due to the City Council decision at their May 2026 meeting to use $385,000 to remove the bleachers at Memorial Field. This amount is in addition to the 2026 revised Use of Fund Balance budget of $3.03 million.

Appendix G provides a listing and description of the Capital Reserve accounts (as requested).

Appendix H is the budget detail for each account line in all operating budgets.

Councilor Brown indicated that she doesn't feel the population reported for Ward 3, which includes the men's prison population, is accurate. Although the numbers were obtained from the 2020 U.S. Census, she requested that City Administration look into the matter because the population reported is not in sync with previous budget years.

The Mayor opened up a public hearing on the Special Revenue and Enterprise Fund budgets.

Lucy Hodder and Emilie Burack, representing the NH Book Festival, spoke in support of the Event Arts Grant Program, and thanked the City Council for its support, which allowed the very successful NH Book Festival to get off the ground and running in Concord.

Concord resident Roy Schweiker spoke about the following:

- 2020 Census was done incorrectly;
- People in manufactured homes are going to see a 50% increase in their property taxes. The City should be making this information known and giving people fair warning.
- Why does the parking vehicle for meter maintenance, which travels very few miles, need to be replaced?
- When the new Police Station is open, will the Parking Enforcement Officers still walk to downtown, or will they need to take a vehicle?
- Parking rates downtown should be increased.

- Is opposed to the project to extend the taxiway at the Airport.
- More goals should be added for the Water Fund.
- Wastewater fees are unfair to small users.
- Why are Community Development salaries charged to the Wastewater Fund?
- A connection fee or the creation of a special assessment district should be considered for the cost of the Heights Pump Station.
- All Golf finances should be in one account.
- City should consider leasing the golf course to an outside entity.
- Why are Derryfield Country Club members paying less than residents to play golf at BMGC?
- A Golf Funding Committee should be created where no members are golfers.

Martha LeMire, Executive Director of Kimball Jenkins Estate spoke in support of the Event Arts Grant Program and thanked the City Council for its two years of support for their Holiday at the Estates event. She indicated that their events are published on their website, www.kimballjenkins.com.

With no further public testimony, the Mayor closed the public hearing.

Mayor Champlin noted that the next meeting of the Finance Committee will be held on Thursday, June 4, 2026 at 5:30 PM. City Council will convene as the Finance Committee and will hold a work session to discuss any potential changes they'd like to make to the budget. Immediately following the Finance Committee meeting, there will be a City Council meeting at which time there will be one last public hearing on the budget, followed by budget adoption.

With no other discussion, the meeting adjourned at 8:51 PM.

A true copy, I attest;
Sue Stevens, Executive Assistant