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FUND STRUCTURE

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

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

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 Inspection, Parking, Airport, Conservation Property, Golf, Arena, and Solid Waste and are considered non-major. Revenues and expenses are listed by fund.

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

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

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

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

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

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

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

Financial results for all funds can be found in the 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.

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

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

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

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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 fund and five of the Special Revenue funds.

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

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Classifications - Revenue

Property Taxes

Property Taxes

Other Taxes

Excavation Activity Tax

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

Timber Tax

Intergov Revenue

Other Gov Agencies - Federal

Other Gov Agencies - State

Drug Forfeiture or Restitution

Airport Operators Grant

Rooms and Meals Tax

Highway Block Grant

Household Waste

Share of Debt Service

Railroad Tax

Other Gov Agencies - Local

School District Payments

Rental Income

Rental Income

Fines and Penalties

Fines and Penalties

Parking Penalties

False Alarm Penalties

Fines for Overdue Items

Fines for Code Prosecution

Court Ordered Payments

Licenses and Permits

Fire Prevention Permits

Construction Permits

Other Permits

Licenses

Street Damage Fees

Investment Income

Investment Income

Donations

Donations

Transfer In

Transfer In - Trust

Transfer In - General

Transfer In - Inspection

Transfer In - Parking

Transfer In - Airport

Transfer In - Conserv Prop

Transfer In - Impact Fee

Transfer In - Golf

Transfer In - Arena

Transfer In - Solid Waste

Transfer In - NEOCTIF

Transfer In - Sears Block TIF

Transfer In - Penacook TIF

Transfer In - Water

Transfer In - Wastewater

Capital Contribution

Utility Investment Fee

Use of Fund Bal/RE

Use of Fund Balance

Motor Vehicle Reg

Motor Vehicle Registrations

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Dept Service Charges

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

Parking-Metered

Metered Parking
 Metered Parking Cards

Water Sales

Water Usage
 Water Availability

Wastewater Sales

Sewer Usage
 Sewer Usage-Towns
 Leachate Processing
 Septage Processing

SW Commercial Sales

Commercial Disposal
 DTSWRD - Downtown SW Rem Dist

SW Residential Sales

PAYT Bags
 PAYT Containers
 Contaminated Loads
 Cart Collection Program

Golf Permit and Fees

Seasonal Passes
 Daily Fees

Pro Shop Sales

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

Retiree Health Reimb

Retiree Health Insurance

Other Revenue

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

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Classifications - Expense

Compensation

Full Time
Part Time
Temporary
Overtime
Holiday
Allowance

Fringe Benefits

Retirement
FICA
Beneflex
Retiree Health
Worker's Compensation
Unemployment Insurance

Outside Services

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

Supplies

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

Utilities

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

Insurance

Insurance Deductible
Property and Auto Insurance
Liability Insurance

Capital Outlay

Capital Outlay - GL

Debt Service

Principal
Interest

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Miscellaneous

- Other
- Taxes - Real Estate
- Special Programs
- Contingency

Transfer Out

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

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GLOSSARY

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

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

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

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

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

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

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

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

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

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FTE (Full Time Equivalent) - 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: $(20 * 52 = 1040) 1040\text{hrs} / 2080 \text{ hrs} = .5 \text{ FTE}$.

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

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

Fund Balance – Generally, fund balance represents the difference between 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 are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The City's fund balance classifications are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tax Stabilization Reserve - A reserve of general fund committed fund balance on the balance sheet with Council approval. See the City's most recent 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.

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STATISTICAL INFORMATION

Community and Economic Profile

The City of Concord is located in Merrimack County, approximately 70 miles north of Boston, Massachusetts, on the Merrimack River in South Central New Hampshire. According to the U.S. Census Bureau, the City has an estimated population of 43,627 as of July 1, 2019, a 2.21% increase over the last official census as of April 1, 2010 number of 42,683, 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, two every two years. The current mayor is former City Councilor James P. Bouley who was first elected mayor in November 2007. In November 2019 he was re-elected for his seventh 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 between Laconia - 25 miles to the north, Manchester - 20 miles to the south, Keene - 54 miles to the west, and Portsmouth - 50 miles to the east. The City provides and annually appropriates for the following services: water treatment and supply; wastewater collection and treatment; solid waste collection and recycling; highway construction and maintenance, including snow plowing, storm sewer system and related infrastructure maintenance and construction; prosecutorial, police and fire protective services (including advanced life support); airport, parks, golf course and ice arena; library and recreational facilities and programs; human services; planning, economic and community development, and code enforcement services.

Local Economy

Fiscal year 2020 brought about many unforeseen challenges as the coronavirus pandemic took hold of our community and nation during the last few months of the fiscal year. The City took steps to help mitigate the medical and financial impacts of the pandemic to its citizens, including closing city recreational and leisure facilities in accordance with the Governor’s Safer at Home order, encouraging employees who have the ability to work from home to do so, working with local eateries and easing outdoor dining regulations to enable them to offer new or additional outdoor dining options to their customers, and temporarily halting the pay-as-you-throw bag requirement and allowing residents to dispose of refuse at no cost. To help offset the cost of some of these programs, the City applied for and recognized revenues from a variety of sources, including \$54,317.57 from the Federal Emergency Management Agency (FEMA), \$31,756.97 from the United States Department of Justice, \$60,364.12 from the United States Department of Health and Human Services, \$725,681.72 from the State of New Hampshire Governor’s Office for Emergency Relief and Recovery (GOFERR) including \$382,799.40 as part of the First Responder Stipend Program, and \$36,281.77 from the State of New Hampshire as a reimbursement for employee emergency management services rendered.

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 2020 was 8.6%. This compares favorably to New Hampshire’s rate of 9.1% and to the United States rate of 11.2 %. Concord’s rate also remains the lowest among the top three New Hampshire cities with Manchester at 10.5% and Nashua at 10.6%. Concord’s unemployment rates have remained lower than the State since 1992 except for the months of March, April and June, 2005.

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The assessed value of taxable property as of April 1, 2019 increased overall by 3.90% compared to April 1, 2018. The cumulative total residential, manufactured homes and condominiums increased 5.14% in assessed value. The average assessed value of a single family home in Concord as of April 1, 2019 was \$267,155, up 4.6% from \$255,319 the year before.

Tax collections percentage as of June 30, 2020 for the 2019 Tax Year was 98.0%, slightly lower than the previous year. Total tax delinquencies for all years were stated at \$3.1 million, up \$0.7 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.

The City has a robust program of business attraction and retention coordinated by its Economic Development Director, Community Development Department and City Administration. Resources include a separate Economic Development website as well as a real estate database to assist site selectors. The Economic Development Director also conducts the City's business visitation program.

During FY20, NH Mutual Bancorp opened its second New Hampshire based operating center at 16 Foundry Street.

The City also continued its efforts to overhaul its zoning ordinance via a new form-based code in FY20. This work will result in a complete re-understanding of zoning and land use in the community. Implementation of phase 1 of this effort is expected in FY21.

On September 18, 2019, the City sold 2.5 acres of the former Allied Leather Tannery site to the Caleb Development Corporation for \$540,000 for the purposes of developing a 54 unit workforce housing project at the property. Phase I was initiated in FY20 and was completed in October 2020. When fully completed, the project will generate \$4 million in new Assessed Value. To support the project, the City secured a \$500,000 Community Development Block Grant (CDBG) to complete various infrastructure improvements on behalf of the project.

Since the completion of the Downtown Complete Streets Project (aka the Main Street Project) in 2016, 88 new market rate dwelling units have been built in the greater Main Street area. These units have tapped into a significant demand for quality housing in Concord demonstrated by a 0.8% vacancy rate for residential.

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. The exception is the Golf Fund, which received general fund support for their Fiscal Year 2020 operations, and Solid Waste Fund, which receives approximately \$1,000,000 annually.

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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

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Population Trends: Population change for Concord totaled 13,605 over 49 years, from 30,022 in 1970 to 43,627 in 2019. The largest decennial percent change was a 22 percent increase between 1980 and 1990; all other decades increased by ten percent or less. The 2019 Census estimate for Concord was 43,627 residents, which ranked third among New Hampshire's incorporated cities and towns.

Population Density and Land Area, 2019 (US Census Bureau): 682.1 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) 2015-2019)

Total Housing Units	18,663
Single-Family Units, Detached or Attached	9,045
Units in Multiple-Family Structures:	
Two to Four Units in Structure	3,063
Five or More Units in Structure	5,604
Mobile Homes and Other Housing Units	951

Population (US Census Bureau)

<u>Total Population</u>	<u>Community</u>	<u>County</u>
2019	43,627	151,391
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 2015-2019)

Population by Age Group

Under age 5	2,089
Age 5 to 19	6,806
Age 20 to 34	9,993
Age 35 to 54	11,540
Age 55 to 64	5,731
Age 65 and over	7,085
Median Age	40.2 years

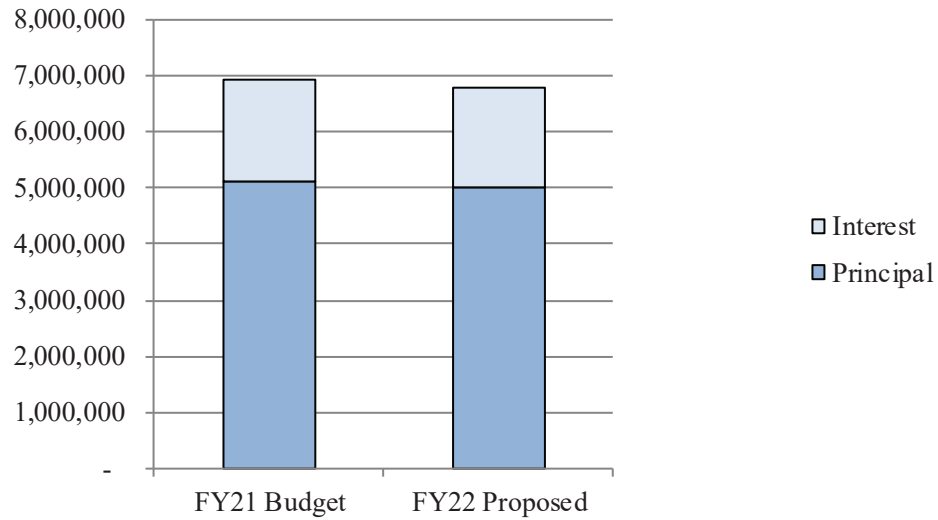
Educational Attainment, population 25 years and over

High School graduate or higher	92.2%
Bachelor's degree or higher	37.9%

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Aggregated Debt Service—Other Appropriations (Non General Fund)

Debt Service	FY21 Budget	FY22 Proposed
Interest	1,791,730	1,787,050
Principal	<u>5,120,790</u>	<u>4,996,350</u>
Grand Total	6,912,520	6,783,400



Appendix D

Projected Ending FY22 Fund Balance/Net Position Description of Changes +/- 10%

Fund	Estimated Beginning FY22 Fund Balance/ Net Position	FY22 Budget Revenue	FY22 Budget Expense	Projected Increase/(Decrease) in Fund Balance/ Net Position	Projected Ending FY22 Fund Balance/ Net Position	% Change
General Fund	18,793,718	69,638,734	69,638,734	-	18,793,718	0%
Non-Major	2,577,230	9,784,496	10,298,880	(514,383)	2,062,848	-20%
Water Fund	51,426,878	6,510,860	7,005,233	(494,373)	50,932,505	-1%
Sewer Fund	46,282,801	8,449,403	8,766,529	(317,126)	45,965,675	-1%
Total Enterprise Funds	97,709,679	14,960,263	15,771,762	(811,499)	96,898,180	-1%
N End Opportunity Corridor TIF	2,122,414	368,325	245,810	122,515	2,244,929	6%
Sears Block TIF District	447,284	1,049,830	1,200,550	(150,720)	296,564	-34%
Penacook Village TIF District	239,353	206,260	81,125	125,135	364,488	52%
Total Debt Service Funds	2,809,051	1,624,415	1,527,485	96,930	2,905,981	3%

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Non-Major Funds

Due to the COVID-19 pandemic four of the seven special revenue funds are anticipated to have expenses greater than revenue in FY22 continuing the trend started in late FY20. In FY21, six of the seven funds are anticipated to experience losses estimated at \$820,000 eroding each funds' ending FY21 balance. Projecting that the current local economic trend will continue through part of FY22 these same funds anticipate losses for FY22 of \$521,000. The Parking fund anticipates a negative fund balance at the end of FY22 of \$72,000.

The Golf fund is the outlier of these non-major funds. It has experienced revenue growth as people shows a renewed interest in all things outdoors. This is the only funds that projects a growth in net fund balance for FY21 and FY22.

Tax Increment Finance (TIF) Districts/Debt Service Funds

Although, the total for the three debt services funds is expected to change by three percent, it is worth noting that the Sears Block TIF (SBTIF) anticipates a drop in revenue from property taxes of \$184,000. This can be attributed to a drop in assessed value for commercial property due to the pandemic.

Appendix D

Departmental Fund Relationship

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