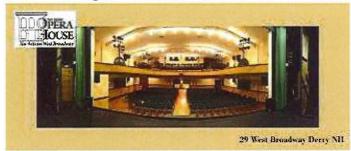


FY22 Budget
And CIP Public
Hearings
April 27, 2021







FY22 Budget – Resolution 21-21 Executive Summary

- Restores 64th frontline position in Fire Department eliminated in 2015;
- Consolidates two p-t positions in Tax into one f-t to address retention issues;
- Continues to position Tax Increment Finance Districts for additional economic development growth and fulfilling service responsibilities;
- Maintains CIP funding transition from Fund Balance to a blend of Fund Balance/budget support at FY18 Debt Service Levels;
- Limits tax rate to \$7.25, level authorized by the taxpayerapproved Tax Cap (Section 9.4 – Charter).
- Applies resources from the COVID-19 Mitigation, Response and Recovery Expendable Trust for the multi-year stabilization of town finances;
- Absorbs \$680K increase in retirement system funding;
- Sets aside funding for current and future collective bargaining agreements;
- Releases a portion of captured value in the DCC TIF District for the benefit of the Town, County and School District.

FY22 Budget - The Numbers

Projected Tow	ın T	ax Rate
Gross Appropriations:	\$	51,722,060.00
Less Estimated Revenues:	\$	(26,333,535.00)
ADD Veterans' Credits:	\$	535,834.00
ADD Overlay:	\$	300,000.00
To Be Raised:	\$	26,224,359.00
Estimated Valuation:	\$	3,615,437,130.00
Projected Town Tax Rate:	\$	7.25

	Budget - TA Propo		Taxation
Department/Function	FY22	Offsetting Revenues	I UXULION
Emergency Management	44,245.00	-	44,245.00
Executive	-		
Administration	569,629.00	3,900.00	565,729.00
Human Services	281,400.00	13,500.00	267,900.00
IT	996,550.00	56,102.00	940,448.00
Community Development	168,619.00		168,619.00
CBA Implementation Trust		_	<u>.</u>
Steps/Longevity for CBA Trust			
Finance			140.000.000000 30
Finance	640,060.00	600.00	639,460.00
Assessing	433,831.00	89,554.00	344,277.00
Tax Collector	854,455.00	6,896,900.00	(6,042,445.00
Other Municipal Obligation	4,653,764.00	3,979,554.00	674,210.00
Add'l. COVID-19 Trust Fund		660,000.00	(660,000.00
Fire			
Prevention & Emergency Services	11,456,068.00	1,831,845.00	9,624,223.00
Libraries			
Derry Public Library	1,402,659.00		1,402,659.00
Taylor Library	198,295.00	13,000.00	185,295.00
Planning	300,115.00	34,275.00	265,840.00
Police			
Police	9,825,373.00	331,379.00	9,493,994.00
Animal Control	99,486.00	2,800.00	96,686.0
Public Works			
Health	89,784.00	33,125.00	56,659.0
Highway	4,041,432.00	927,298.00	3,114,134.0
Buildings & Grounds	798,562.00	132,345.00	666,217.0
Cemeteries	175,710.00	113,200.00	62,510.0
Code Enforcement	361,940.00	234,325.00	127,615.0
Parks	909,445.00	48,549.00	860,896.0
Recreation	591,457.00	162,206.00	429,251.0
Transfer Station	2,131,265.00	782,076.00	1,349,189.0
Vehicle Maintenance	562,937.00		562,937.0
Town Clerk & Elections			
Town Clerk	164,179.00	80,018.00	84,161.0
Elections	54,966.00	125.00	54,841.0
Town Operations	41,806,226.00	16,426,676.00	25,379,550.0

FY22 Town Budget - TA Proposed - Operations			
Department/Function	FY22	Offsetting Revenues	Taxation
Capital Improvements			
Expendable Maintenance Trust	221,000.00	221,000.00	
Capital Improvements	2,014,340.00	2,014,340.00	-
Total for Town Services	44,041,566.00	18,662,016.00	25,379,550.00
Wastewater Dept.	2,621,605.00	2,621,605.00	
Water Dept.	3,262,947.00	3,262,947.00	
Cable	631,865.00	631,865.00	
TIF Districts	1,164,077.00	1,164,077.00	-
TOTAL	\$ 51,722,060.00	\$ 26,342,510.00	\$ 25,379,550.00
Veterans' Credit			\$ 535,834.00
Property Tax Overlay			\$ 300,000.00
Total to be raised			\$ 26,215,384.00
Assessed Valuation			\$ 3,615,437,130.00
Projected Town Tax Rate			\$ 7.25

- · Motor vehicle registrations relatively stable.
- Interest and Penalties income is lower due to lower interest rates per Legislature.
- Use of CBA Implementation Trust for final year CBA costs.
- Interest Income down drastically due to Pandemic.
- Use of COVID-19 and Federal Stimulus Trusts to provide multi-year budget stabilization.
- Recycling revenues impacted by worldwide market conditions
- Sale of town property continues to decline.
- \$650,000 from Unallocated Fund Balance is budgeted again this year to promote tax rate stabilization by returning excess revenues to the taxpayers.

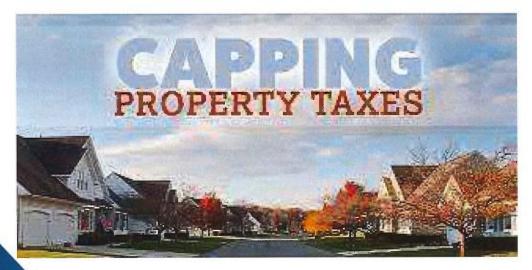


Expense Variations

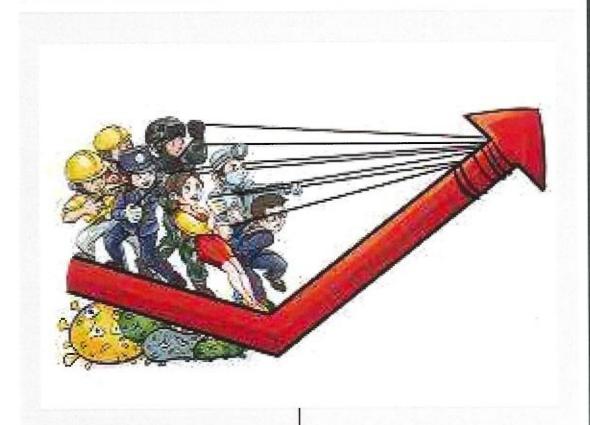
	FY21	FY22 Proposed	Change
Wages	20,131,434	20,014,814	-0.58%
Employee Benefits	5,279,716	5,375,988	1.82%
NHRS	4,183,670	4,826,446	15.36%
Water/Wastewater	6,240,025	5,884,552	-5.70%
Cable/TIF	1,449,758	1,795,942	23.88%
Capital	3,047,040	2,235,340	-26.64%
General Operations	11,296,238	11,588,978	2.59%

FY22 – Voter Approved Tax Rate Adjustment

Implementation of Town Charter Section 9.4 (A)				
Prior Year Tax Rate (FY21, or 2020)		\$	7.15	
CPI Adjustment per Section 9.4 (A) 1.4%		\$	0.10	
Northeast Regional CPI-U for CY2020				
Authorized Tax Rate for FY 22, or 2021		\$	7.25	
Project 2021 Town Tax Rate		\$	7.25	
Projected Tax Rate Adjustment	1.4%	\$	0.10	



FY 22 Structural Changes



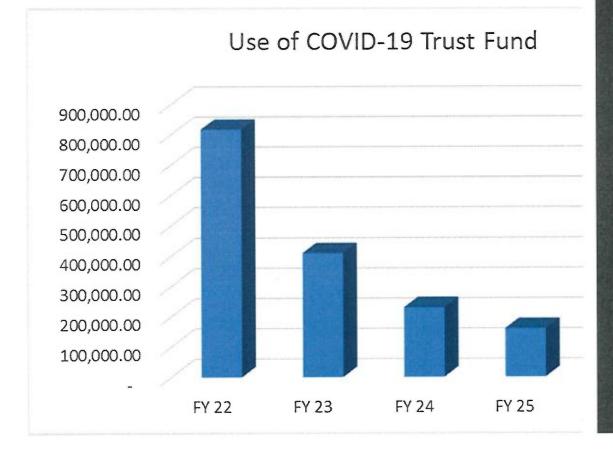
- Release portion of Captured Assessed Value in Derry Commerce Corridor TIF District
 - \$45M in assessed value to assist with Town, County and School District General Expenses;
- Update Gateway TIF
 District Development
 and Finance Plan to
 position for
 development and
 maintenance
 responsibilities;

COVID-19



- Disrupted traditional revenue stream trends.
- Town needs to maintain multi-year budget planning horizon.
- Town needs to infuse operating budgets with COVID-19 Trust and Federal Stimulus Trust Funds over the next several years to maintain services under the Tax Cap.

COVID-19 Fund

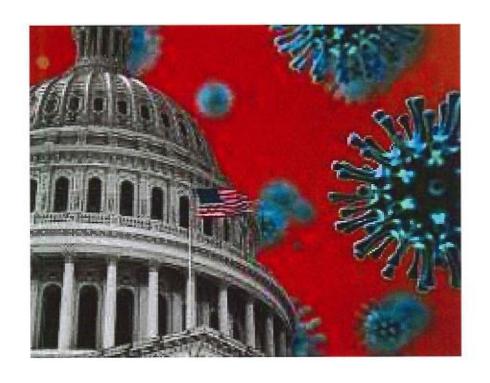


- Accumulated resources of \$1.6M
- Most extraordinary expenses reimbursed by GOFERR and/or FEMA.
- Revenue replenishment critical to operations.

FY22 Budget – Part II American Rescue Plan Act



- Derry should receive \$3.3M;
- Funds need to be expended by December 31, 2024;
- U.S. Treasury to issue rules;
- Current understanding:
 - Revenue Replenishment
 - Water, Sewer & Broadband Infrastructure
 - Assistance to businesses



US Treasury to release rules by May 11, 2021;

Staff will review in conjunction with guidance from NHMA and NLC;

Presentations to Council on opportunities to begin in June;

FY22 Budget – Part II American Rescue Plan Act

June/July Town Council action as needed to allocate/transfer ARPA funds from Derry Recovery Plan Expendable Trust (Res. 21-25)



Questions/Comments?

Resolution #21-22 Capital Improvements Plan FY 22 - 27



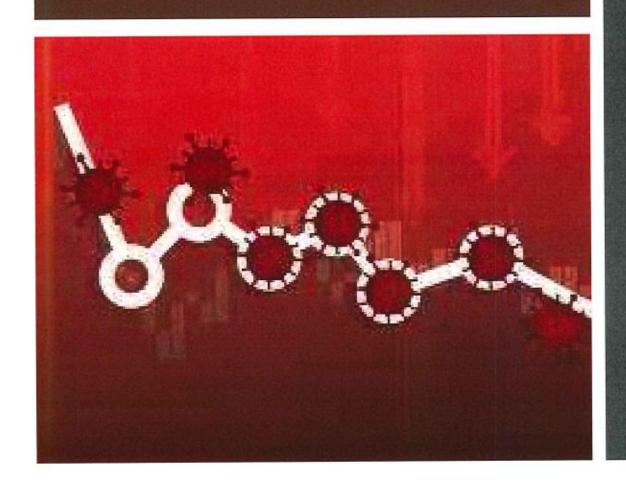
- Departments submit requests to Finance Department outlining capital needs for the next six years;
- Requests are reviewed in relation to existing services and available revenues;
- Town Administrator review draft plan;
- Plan presented to Planning Board for review and consultation;
- Town Council adopts plan with or without modification prior to June 1

Funding Structure

- Water and Wastewater projects are ultimately funded by customers;
- Cable projects are funded through franchise fees paid by cable customers;
- A vast majority of capital projects are funded through various capital reserve funds or trusts, which are replenished through a transfer from Unallocated Fund Balance (General Fund Surplus).

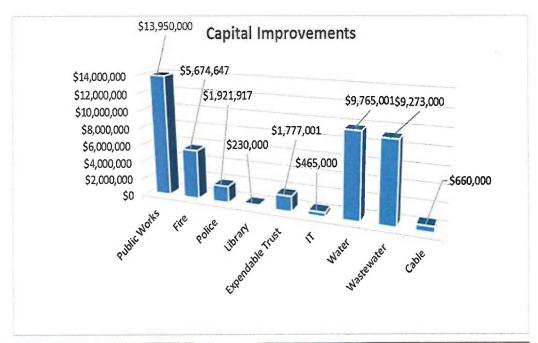


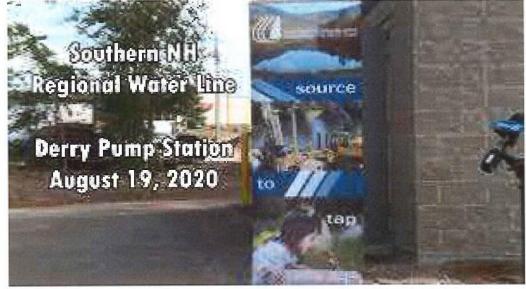
FY 21 Results — COVID-19 Impact



- Only 15 of 29 projects which were approved in CIP were implemented;
- Approximately \$1.27M will be transferred to the Capital Reserve Funds/EMT for the FY20 budget this cycle (\$250K Budget Appropriation; \$1.02M UFB);

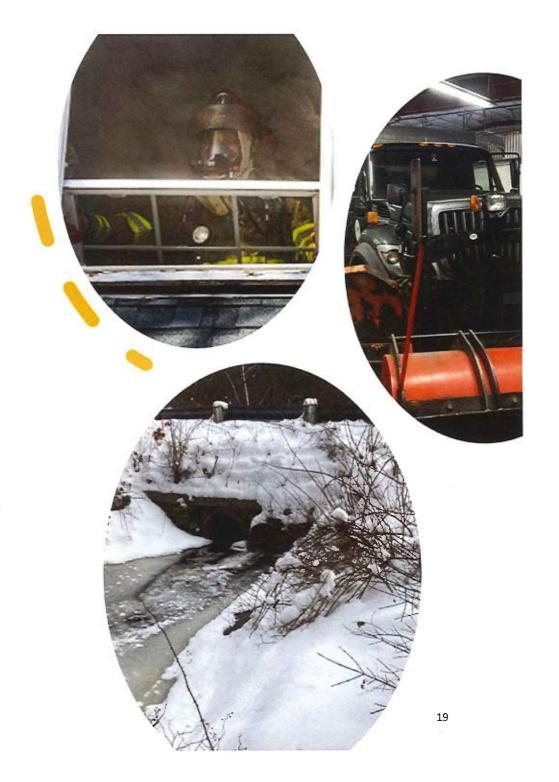
FY 22 – FY 27 Plan





Major Projects – FY22

- Implementation of Police Department's body camera systems;
- Fire Department Self-Contained Breathing Apparatus with planned federal grant assistance;
- Continuation of the Town's Roadway Management Program;
- Replacement of a 2009 Fire Department ambulance;
- Replace various vehicles and pieces of equipment across various divisions in Public Works;
- · Culvert replacements on Sunset Avenue;
- Continue four-year upgrade of traffic signal controls at various intersections;
- Improvements at Hood Park and upgrades to multi-purpose field at West Running Brook.
- Cable studio conversion and remote camera kit.



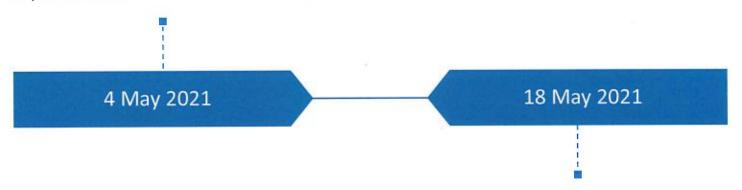
+ Capital **Improvements** Plan Continuation of FY 21 Implementation Strategy

- Request Council approval of FY22-27
 Plan as presented in its entirety.
- Continue to monitor financial performance to ensure long-term sustainability.
- Initially, approve projects which:
 - Allows Town to meeting financial obligations with current Capital Reserve Balances.
 - Plan on \$250K+/- annual appropriation to CIP.
- Adjust based upon year-end audited budget performance and additional contributions to CIP per Res. #18-20.

FY22 Budget Adoption Schedule

Resolution #21-21 — Adoption of FY21 Budget Resolution #21-22 — Adoption of FY22-25 CIP

Resolution #21-23 — Release portion of Captured Assessed Value in DCC TIF



Resolution #21-24 – Amend Gateway TIF Development and Finance Plans



Questions/Comments?