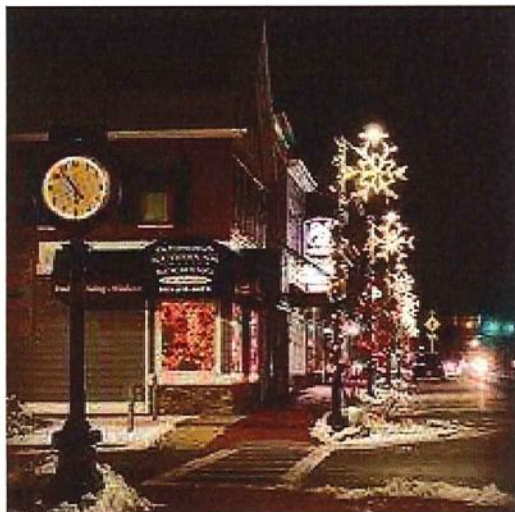




**Town of Derry
FY23 Budget
Public Hearing
April 26, 2022**



FY23 Budget – Executive Summary

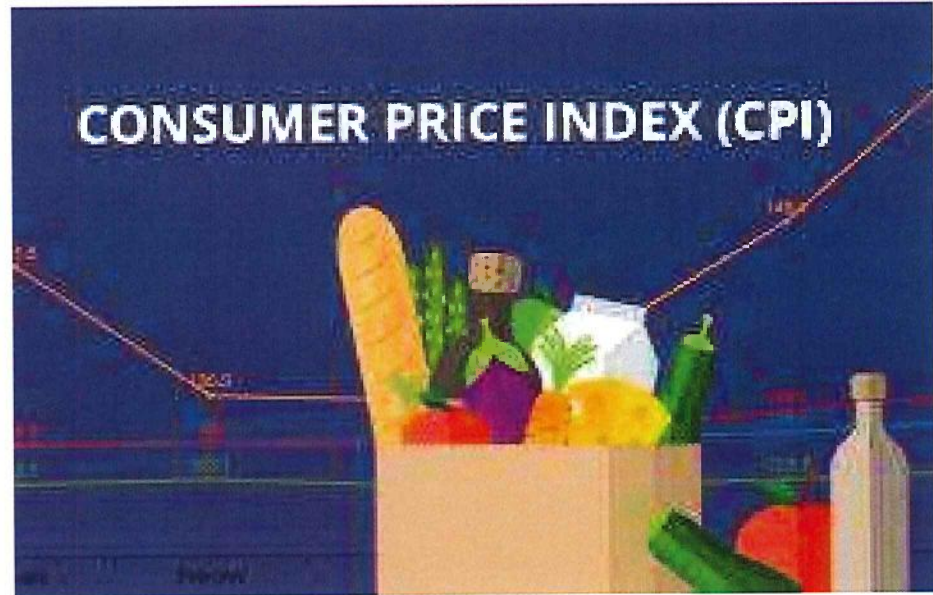
Executive Summary

- *Limits tax rate to \$7.43, half the potential increase authorized by the taxpayer-approved Tax Cap (Section 9.4 – Charter).*
- *Fully funds collective bargaining agreements approved in FY22.*
- *Adds no additional full-time positions unless funded outside of the property tax base.*
- *Adds one f-t Parks position beginning January 1 to sustain the community's \$2.0M investment into recreational facilities, funded by the DCC TIF and Alexander-Carr Park Trust.*
- *Continues to position Tax Increment Finance Districts for additional economic development growth and to fulfill service responsibilities.*
- *Maintains CIP funding transition from Fund Balance to a blend of Fund Balance/budget support at FY18 Debt Service Levels.*
- *Continues to utilize resources from the Derry Economic Recovery Trust for the multi-year stabilization of town finances.*
- *Absorbs \$489K in unanticipated inflationary increases in obligations and essential commodities.*
- *Although some minor revenue streams are trending toward pre-Pandemic levels, other major sources anticipate stagnation due to supply chain issues and other economic conditions.*

FY23 Budget – The Numbers

<i>Projected Town Tax Rate</i>	
Gross Appropriations:	\$ 53,107,736.00
Less Estimated Revenues:	\$ (26,891,501.00)
ADD Veterans' Credits:	\$ 533,667.00
ADD Overlay:	\$ 300,000.00
To Be Raised:	\$ 27,049,902.00
Estimated Valuation:	\$ 3,636,174,466.00
Projected Town Tax Rate:	\$ 7.43

FY23 Budget Perspective



Town Tax Rate History

FY	CPI	Allowable	Actual	%
23	5.9%	\$ 7.65	\$ 7.43	2.9%
22	1.4%	\$ 7.25	\$ 7.22	0.9%
21	1.9%	\$ 7.15	\$ 7.15	1.9%
20	1.7%	\$ 7.73	\$ 7.72	1.6%
19	1.7%	\$ 7.64	\$ 7.60	1.2%
18	1.9%	\$ 8.46	\$ 8.44	1.7%

FY23 Budget Challenges



Commodity	FY22	FY23	Delta	Budget	Tax Rate	% Impact
				Increase	Impact	
Trash Disposal	\$ 1,416,500.00	\$ 1,608,720.00	\$ 192,220.00	13.6%	\$ 0.05	0.7%
Recycling Revenues	\$ (652,000.00)	\$ (785,500.00)	\$ (133,500.00)	20.5%	\$ (0.04)	-0.5%
Fuel	\$ 220,813.00	\$ 283,766.00	\$ 62,953.00	28.5%	\$ 0.02	0.2%
Road Salt	\$ 181,500.00	\$ 254,100.00	\$ 72,600.00	40.0%	\$ 0.02	0.3%
EE Insurances	\$ 4,069,393.00	\$ 4,363,882.00	\$ 294,489.00	7.2%	\$ 0.08	1.1%
	\$ 5,236,206.00	\$ 5,724,968.00	\$ 488,762.00	9.3%	\$ 0.13	1.9%



FY23 Budget Options

Budget Stabilization Resources

CBA Trust	\$ 1,236,000.00
Derry Recovery Trust (ARPA I)	\$ 1,333,000.00
COVID-19 Trust	\$ 592,000.00
ARPA-II (May, 2023)	\$ 1,750,000.00

FY 23-27 Operating Budget Planning

FY23 CPI Allowable Increase: 5.9%

CPI Increase	2.00%	2.25%	2.50%	3.00%	4.00%	5.00%
FY23 Town Tax Rate	\$ 7.36	\$ 7.38	\$ 7.40	\$ 7.44	\$ 7.51	\$ 7.58
FY27 Town Tax Rate	\$ 7.84	\$ 7.85	\$ 7.87	\$ 7.91	\$ 7.99	8.07
Revenue Status (Prior to Stabilization Funds)						
FY23	\$ (785,265.76)	\$ (719,632.81)	\$ (653,999.86)	\$ (522,733.97)	\$ (260,202.17)	\$ 2,329.63
FY24	\$ (783,027.96)	\$ (715,970.94)	\$ (648,913.93)	\$ (514,799.90)	\$ (246,571.85)	\$ 21,656.21
FY25	\$ (905,275.68)	\$ (836,933.19)	\$ (768,590.70)	\$ (631,905.72)	\$ (408,535.76)	\$ (85,165.80)
FY26	\$ (919,852.13)	\$ (850,200.69)	\$ (780,549.25)	\$ (641,246.37)	\$ (362,640.60)	\$ (84,034.83)
FY27	\$ (904,000.06)	\$ (833,015.78)	\$ (792,031.49)	\$ (620,062.92)	\$ (336,125.78)	\$ (52,188.64)
Balance of Recovery Revenues after FY27:						
CBA Trust	\$ 56,000.00	\$ 143,000.00	\$ 293,000.00	\$ 446,000.00	\$ 538,000.00	\$1,236,000.00
Recovery Trust (ARPA I)**	\$ -	\$ -	\$ -	\$ -	\$ 417,000.00	\$1,333,000.00
COVID-19 Trust	\$ -	\$ -	\$ -	\$ 162,000.00	\$ 592,000.00	\$ 592,000.00
ARPA-II**	\$ 645,000.00	\$ 810,000.00	\$1,020,000.00	\$1,420,000.00	\$1,750,000.00	\$1,750,000.00

Revenue Recalculations

Total C&D non-res revenue
greater than projected =
\$48,000

Correction of Waste Tire
Transfer = \$44,000

Reduction in reliance on Derry
Recovery Trust = (\$92,000)

Town of Derry	
Impact of Revenue Adjustments	
FY 23-27	
FY23 CPI Allowable Increase: 5.9%	
CPI Increase	3.00%
FY23 Town Tax Rate	\$ 7.44
FY27 Town Tax Rate	\$ 7.91
Revenue Status (Prior to Stabilization Funds)	
FY23	\$ (430,733.97)
FY24	\$ (422,799.90)
FY25	\$ (478,451.72)
FY26	\$ (487,792.37)
FY27	\$ (466,608.92)
Balance of Recovery Revenues after FY27:	
CBA Trust	\$ 626,000.00
Derry Recovery Trust (ARPA I)**	\$ -
COVID-19 Trust	\$ 247,000.00
ARPA-II**	\$ 1,750,000.00
<i>** Expendable only through 12/31/24</i>	

FY23 Town Budget -TA Proposed - Operations			
Department/Function	FY23	Offsetting Revenues	Taxation
Emergency Management	44,256.00	-	44,256.00
Executive			
Administration	588,870.00	3,400.00	585,470.00
Human Services	288,900.00	13,500.00	275,400.00
IT	1,034,467.00	58,388.00	976,079.00
Community Development	180,653.00	-	180,653.00
Finance			
Finance	669,770.00	600.00	669,170.00
Assessing	445,268.00	94,354.00	350,914.00
Tax Collector	859,117.00	6,845,700.00	(5,986,583.00)
Other Municipal Obligation	3,859,942.00	4,173,850.00	(313,908.00)
Fire			
Prevention & Emergency Services	11,779,226.00	1,843,339.00	9,935,887.00
Libraries			
Derry Public Library	1,409,543.00	-	1,409,543.00
Taylor Library	198,532.00		198,532.00
Planning	307,623.00	34,275.00	273,348.00
Police			
Police	10,176,778.00	340,892.00	9,835,886.00
Animal Control	102,551.00	2,800.00	99,751.00
Public Works			
Health	151,612.00	79,485.00	72,127.00
Highway	3,981,625.00	889,579.00	3,092,046.00
Buildings & Grounds	830,319.00	138,591.00	691,728.00
Cemeteries	171,692.00	113,200.00	58,492.00
Code Enforcement	369,770.00	234,325.00	135,445.00
Parks	994,033.00	69,809.00	924,224.00
Recreation	607,315.00	148,056.00	459,259.00
Transfer Station	2,365,205.00	915,284.00	1,449,921.00
Vehicle Maintenance	624,559.00	500.00	624,059.00
Town Clerk & Elections			
Town Clerk	170,933.00	84,318.00	86,615.00
Elections	88,046.00	125.00	87,921.00
Total for Town Operations	42,300,605.00	16,084,370.00	26,216,235.00

FY23 Town Budget -TA Proposed - Special Funds and Capital Outlay

Capital Improvements			
Expendable Maintenance Trust	125,000.00	125,000.00	-
Capital Improvements	2,147,265.00	2,147,265.00	-
Wastewater Dept.	2,819,152.00	2,819,152.00	
Water Dept.	3,726,094.00	3,726,094.00	
Cable	682,226.00	682,226.00	-
TIF Districts	1,307,394.00	1,307,394.00	-
TOTAL	\$ 53,107,736.00	\$ 26,891,501.00	\$ 26,216,235.00
Veterans' Credit			533,667.00
Property Tax Overlay			<u>300,000.00</u>
Total to be raised			<u>27,049,902.00</u>
Assessed Valuation			3,636,174,466.00
Anticipated Town Tax Rate:			\$ 7.43

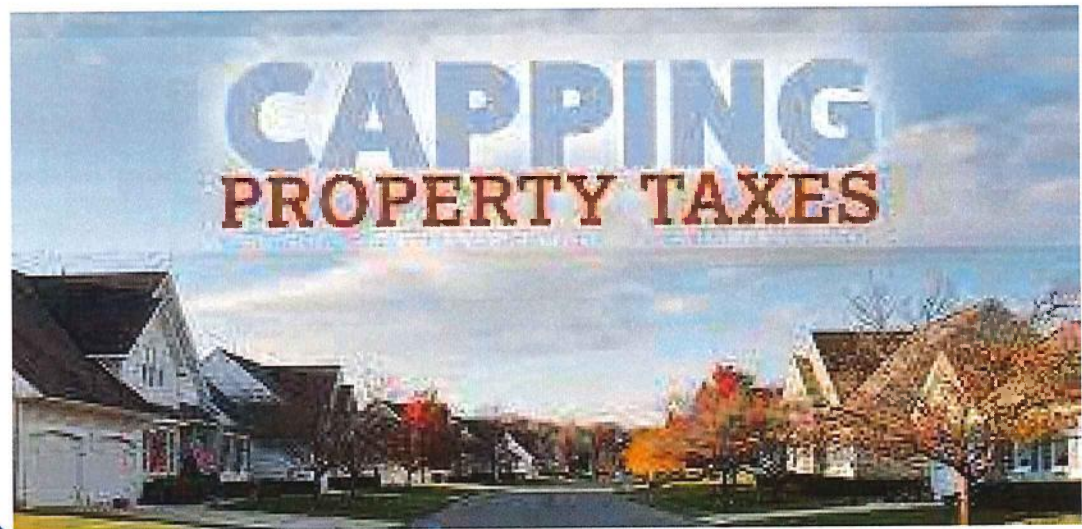
FY23 – Breaking Down the Numbers

	<i>Revised</i>	<i>Initial</i>
FY21	\$ 8,523.05	\$ 8,523.05
FY22	\$ 818,000.00	\$ 818,000.00
FY23	\$ 433,000.00	\$ 410,000.00
FY24	\$ 423,000.00	\$ 230,000.00
FY25	\$ 488,000.00	\$ 160,000.00
FY26	\$ 467,000.00	\$ 75,000.00

	FY22	FY23 Proposed	Change
General Fund	\$ 46,842,571.00	\$ 42,300,605.00	-9.7%
Capital Investments	\$ 2,235,340.00	\$ 2,272,265.00	1.7%
Water Fund	\$ 3,459,442.00	\$ 3,726,094.00	7.7%
Wastewater Fund	\$ 2,626,116.00	\$ 2,820,060.00	7.4%
Cable Revolving Fund	\$ 633,229.00	\$ 682,226.00	7.7%
TIF Districts	\$ 1,664,077.00	\$ 1,307,394.00	-21.4%
Revenues	\$ 32,271,850.00	\$ 26,891,501.00	-16.7%
Tax Rate	\$ 7.22	\$ 7.43	2.9%
Impact on \$250 home			\$ 52.50

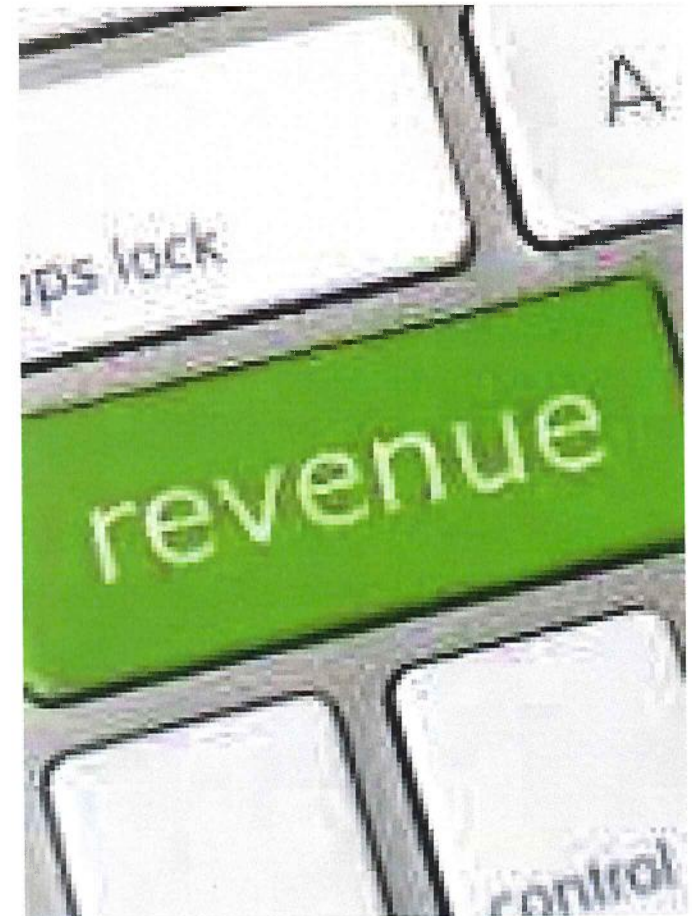
FY23 – Voter Approved Tax Rate Adjustment

Implementation of Town Charter Section 9.4 (A)		
Prior Year Tax Rate (FY 22 - 2021)		\$ 7.22
CPI Adjustment per Section 9.4 (A)	5.9%	\$ 0.43
Northeast Region CPI-U for CY2021		
Authorized Tax Rate for FY23 - 2022		\$ 7.65
Projected 2022 Town Tax Rate		\$ 7.43
Projected Tax Rate Adjustment	2.9%	\$ 0.21



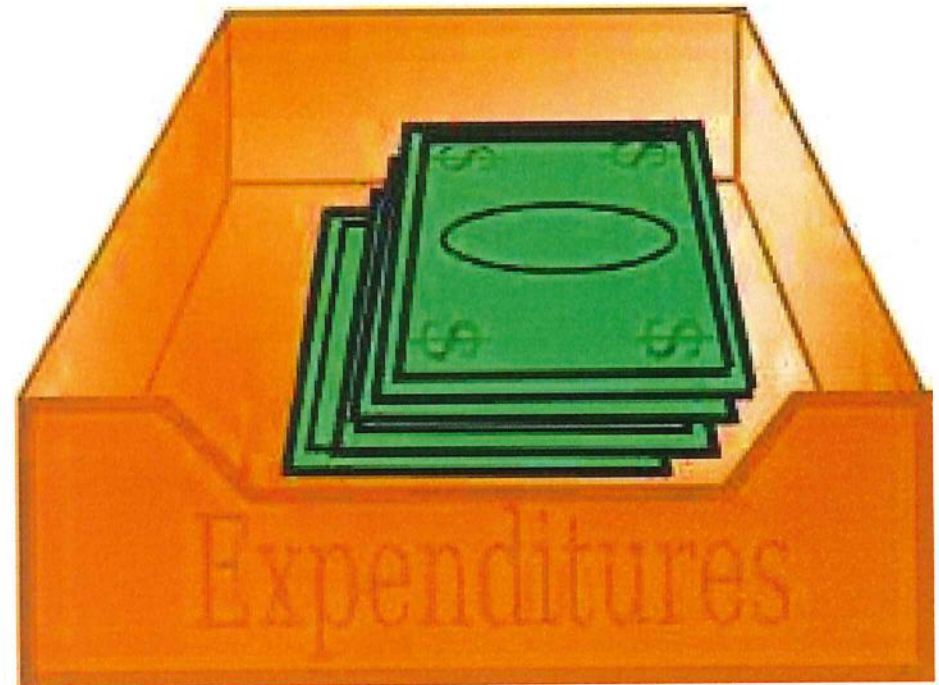
Revenue Variations

- Motor vehicle registrations showing no growth – supply chain issues;
- Interest income should be increasing in the next few years;
- Use of Derry Recovery Trust to stabilize operating budget;
- Recycling revenues rebounding due to oil prices;



Expense Variations

- Trash Disposal, Fuel, Salt, all driving expenses.
- New Parks Division position (1/2 year) to maintain investment in recreation facilities – paid from A/C Trust and DCC TIF
- Isaiah 58 and Family Promises added to social services safety net at total cost of \$7,500
- Employee Health Insurance at 6.4% increase.



COVID-19



- Operations back to normal.
- Continue to disrupt traditional revenue stream trends.
- Town maintains multi-year budget planning horizon.
- Town will need 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.



Questions/Comments?

Capital Improvements Plan



- 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).



Capital Reserve Fund Projections

FY23-28

Current Investment Trends

CRF Fund	FY22 Balance	FY27 Balance	Largest Deficit	Largest Deficit Year
Police	\$ 913,812.00	\$ (41,515.00)	\$ (41,514.00)	FY27
Fire	\$ 1,915,865.00	\$ (432,470.00)	\$ (2,426,816.00)	FY32
Public Works	\$ 1,079,708.00	\$ (169,545.00)	\$ (606,561.00)	FY30
EMT/B&G	\$ 422,549.00	\$ 734,516.00	n/a	n/a
IT	\$ 94,645.00	\$ (76,152.00)	\$ (76,152.00)	FY27

Financial Projections with
Previous Investment Schedule

Capital Reserve Fund Projections

FY23-28

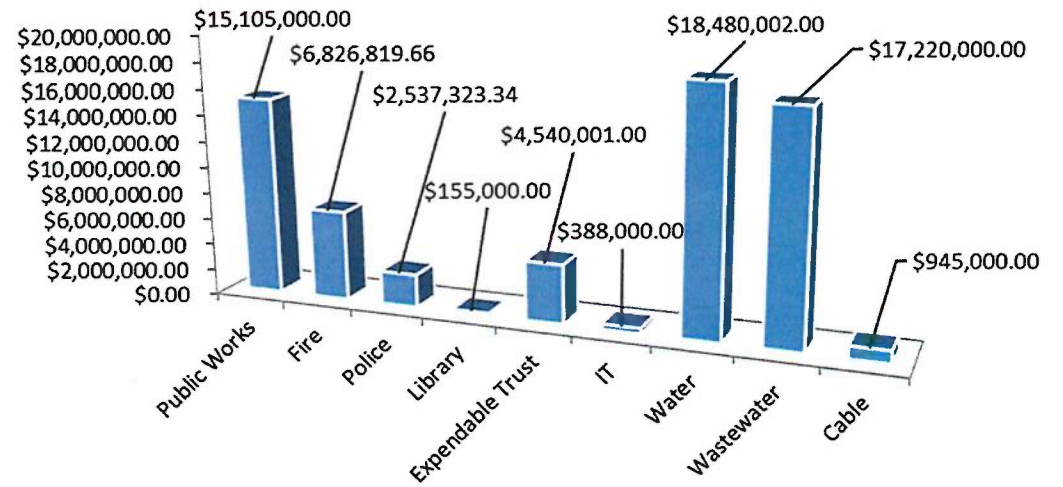
Town Administrator Recommendations

CRF Fund	FY22 Balance	FY27 Balance	Largest Deficit	Largest Deficit Year
Police	\$ 913,812.00	\$ 217,780.00	n/a	n/a
Fire	\$ 1,915,865.00	\$ 326,917.00	\$(1,087,879.00)	FY34
Public Works	\$ 1,079,708.00	\$ 231,420.00	\$ (17,818.00)	FY30
EMT/B&G	\$ 387,549.00	\$ 724,516.00	n/a	n/a
IT	\$ 94,645.00	\$ 88,964.00	n/a	n/a

Revised Capital Investment
Schedule

FY 23 – FY 28 Plan

Capital Improvements



Major Projects – FY23

- Replacement of 10 of the Police Department's 17 marked cruisers.
- Upgrade Computer Aid Dispatch in the Fire Department.
- Continuation of the Town's Roadway Management Program.
- Replacement of a 1991 Fire Department tanker with a dual-purpose Pumper-Tanker.
- Replace various vehicles and pieces of equipment across various divisions in Public Works;
- Culvert replacements on Sunset Avenue and Franklin Street;
- Continue four-year upgrade of traffic signal controls at various intersections;
- Major improvements at Hood Park, skateboard facility at Alexander-Carr and lighting enhancements at various playing fields throughout the community.
- Equipment and processing upgrades in the Cable Department.





Questions?