



Town of Derry  
FY24 Budget  
Overview  
April 4, 2023



# FY24 Budget – Executive Summary

## *Executive Summary*

- *Limits tax rate to \$5.85, half the allowable increase authorized by the taxpayer-approved Tax Cap (Section 9.4 – Charter).*
- *Fully funds collective bargaining agreements approved in FY22, including significant increases in health insurance costs.*
- *Elevates two, permanent part-time positions to full-time status, including one which was impacted by the FY15 fiscal crisis.*
- *Absorbs new debt service resulting from the Central Fire and Culvert Replacement projects.*
- *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.*
- *Continues to utilize resources from the Derry Economic Recovery Trust for the multi-year stabilization of town finances.*
- *Absorbs \$900K in unanticipated inflationary increases in obligations and essential commodities.*
- *Although some minor revenue streams are trending toward pre-Pandemic levels, other major sources anticipate continued slow growth or stagnation due to supply chain issues and other economic conditions.*

# *FY 24 Budget Adjustment*

- Town notified by Health Insurance Trust late last week that rate increase is 6.2%, not 14.7% Guaranteed Maximum Increase
- Impact on Expense side is (\$271,856)
- Original budget estimated use of \$200K in CBA Trust to soften impact, along with \$62K in ARPA funding
- Revised budget recommendations removed \$200K and reduced overall ARPA revenue contribution to \$484,770.
- Tax rate impact remains at \$5.85



# FY24 Budget – The Numbers

<i>Projected Town Tax Rate</i>	
Gross Appropriations:	\$ 58,361,838.00
Less Estimated Revenues:	\$ (31,173,418.00)
ADD Veterans' Credits:	\$ 526,667.00
ADD Overlay:	\$ 300,000.00
To Be Raised:	\$ 28,015,087.00
Estimated Valuation:	\$ 4,785,088,782.00
Projected Town Tax Rate:	\$ 5.85

# FY24 Budget Perspective



<i>Town Tax Rate History</i>					
FY	CPI	Allowable	Actual *	Actual %	
24	6.1%	\$ 6.03	\$ 5.85	3.0%	
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%	
* <i>Before Revaluations</i>					

# FY24 Budget General Fund Significant Changes



*General Fund Budget Variations*

Commodity	FY23	FY24	Delta
HVAC	\$ 116,083.00	\$ 151,174.00	\$ 35,091.00
Gasoline and Diesel	\$ 239,291.00	\$ 377,957.00	\$ 138,666.00
Workers' Compensation	\$ 538,447.00	\$ 585,725.00	\$ 47,278.00
EE Insurances	\$ 3,592,748.00	\$ 3,932,793.00	\$ 340,045.00
Overtime	\$ 1,982,325.00	\$ 2,090,055.00	\$ 107,730.00
NHRS	\$ 4,947,294.00	\$ 4,703,165.00	\$ (244,129.00)
Electricity	\$ 271,136.00	\$ 378,368.00	\$ 107,232.00
Roadway Maintenance	\$ 1,395,767.00	\$ 1,500,000.00	\$ 104,233.00
Debt Service	\$ 727,430.00	\$ 2,383,251.00	\$ 1,655,821.00
CBA Implementation	\$ 15,785,758.00	\$ 16,191,245.00	\$ 405,487.00
Solid Waste Disposal	\$ 1,662,110.00	\$ 2,039,600.00	\$ 377,490.00

# FY24 Budget Stabilization

<i>Budget Stabilization Resources</i>	
CBA Trust	\$ 1,488,400.00
Derry Recovery Trust (ARPA)	\$ 1,662,591.00
COVID-19 Trust	\$ 588,300.00



<i>Projected Use of One-Time Revenues</i>		
FY24	\$	559,770.00
FY25	\$	445,000.00
FY26	\$	315,000.00
FY27	\$	120,000.00

# FY24 – Breaking Down the Numbers

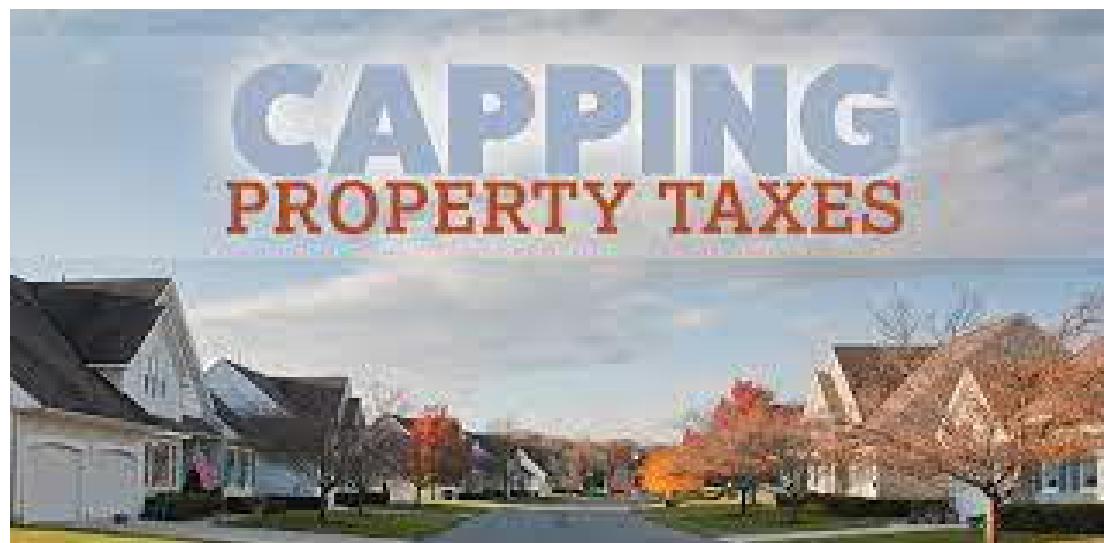


<i>FY24 Budget Groups</i>			
	FY23	FY24 Proposed	Change
General Fund	\$45,050,605.00	\$46,627,035.00	3.50%
Capital Investments	\$2,272,265.00	\$1,065,009.00	-53.13%
Capital Bonds	\$20,000,000.00	\$0.00	-100.00%
Water Fund	\$3,726,094.00	\$4,220,290.00	13.26%
Wastewater Fund	\$2,819,152.00	\$3,786,569.00	34.32%
Cable Revolving Fund	\$682,226.00	\$719,856.00	5.52%
TIF Districts	\$1,307,394.00	\$1,943,294.00	48.64%
Revenues	\$49,624,327.00	\$31,173,418.00	-37.18%
Tax Rate	\$5.68	\$5.85	2.99%
Impact on \$300 home			\$51.00



# FY24 – Voter Approved Tax Rate Adjustment

Implementation of Town Charter Section 9.4 (A)		
Prior Year Tax Rate (FY 23 - 2022 Tax Bill)		\$5.68
CPI Adjustment per Section 9.4 (A)	6.1%	\$0.35
Northeast Region CPI-U for CY2021		
Authorized Tax Rate for FY24 - 2023 Tax Bill		\$6.03
Projected 2023 Town Tax Rate		\$5.85
Projected Tax Rate Adjustment	3.0%	\$0.17





# Council Action Items – Wrapping Up FY22



- # 1 Exit 4A Corridor Impacts– Contract A underway; Contract B design finalized; Gateway TIF funded; seeking grants to study Downtown Traffic Patterns; finalize zoning.
- #2 Recreation Facilities Development Plan – A/C Park – playground, skatepark; Vet’s/O’Hara lights, parking, batting cages, reconfiguration; Hood Park – major renovation 2023; enhanced staffing.
- #3 Public Safety Facilities – Design underway for Central Fire Station; construction 2023-2024.
- #4 Municipal Sewer to Ryan’s Hill – Secured \$3.2M EPA Grant; design imminent.
- #5 Elderly Exemption Program – Council adjusted income levels.
- #6 Energy Efficiency Goals – Landfill solar slated for 2023 construction; analysis of EV applications; Community Power study underway; received \$75K Fed Grant for Energy Efficiency.
- #7 Development At Abbott Court – Parking Structure design underway; MDA under review; awaiting court decision.
- #8 Citizen ballots – Voters weighed in a legalizing cannabis.
- #9 ARPA Funding - \$1.0M towards Central Fire; \$1.737M for revenue replenishment; \$768K for community reinvestment TBD in 2023.

# Council Action Items –FY23

- #1 Recreation Facility Development - – A/C Park – playground, skatepark; Vet's/O'Hara lights, parking, batting cages, reconfiguration; Hood Park – major renovation 2023; enhanced staffing.
- #2 Municipal Sewer to Ryan's Hill – Secured \$3.2M EPA Grant; design imminent.
- #3 Development At Abbott Court – Parking Structure design underway; MDA under review; awaiting court decision.
- #4 Support Legislation for Cannabis and NHRS Cost-Share – Currently under consideration at the State Legislature
- #5 Fire Station Project – Land secured through Court Petition; design underway, construction 2023-2024
- #6 – 19 Elm Street – Ongoing Challenge
- #7 – Pinkerton Invest in Solar – Ongoing discussions
- #8 - Exit 4A Corridor Impacts– Contract A underway; Contract B design finalized; Gateway TIF funded; seeking grants to study Downtown Traffic Patterns; finalize zoning.
- #9 – Monitor EV Implementation – NZTF reviewed operations and applicability. Most impactful implementation in out years.
- #10 Rabies Clinic Implementation – Recently completed year two clinic



# Revenue Variations

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- Motor vehicle registrations showing slow growth;
- Interest income continues to increase into FY 24;
- Use of Derry Recovery Trust to stabilize operating budget;
- Limited use of surplus funds for one-time expenses:
  - Absorb one-time electrical cost increases between 3<sup>rd</sup> party contract expiration and landfill solar going online.
  - Fund salary survey per CBA



# Expense Variations

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- Trash Disposal, Fuel, Employee Insurances, Debt Service all driving expenses.
- Elevate two permanent p-t positions to full-time.
- Continued implementation of Collective Bargaining Agreements.
- Debt Retirement Associated with FY23 Capital Projects.



# Capital Improvements Plan



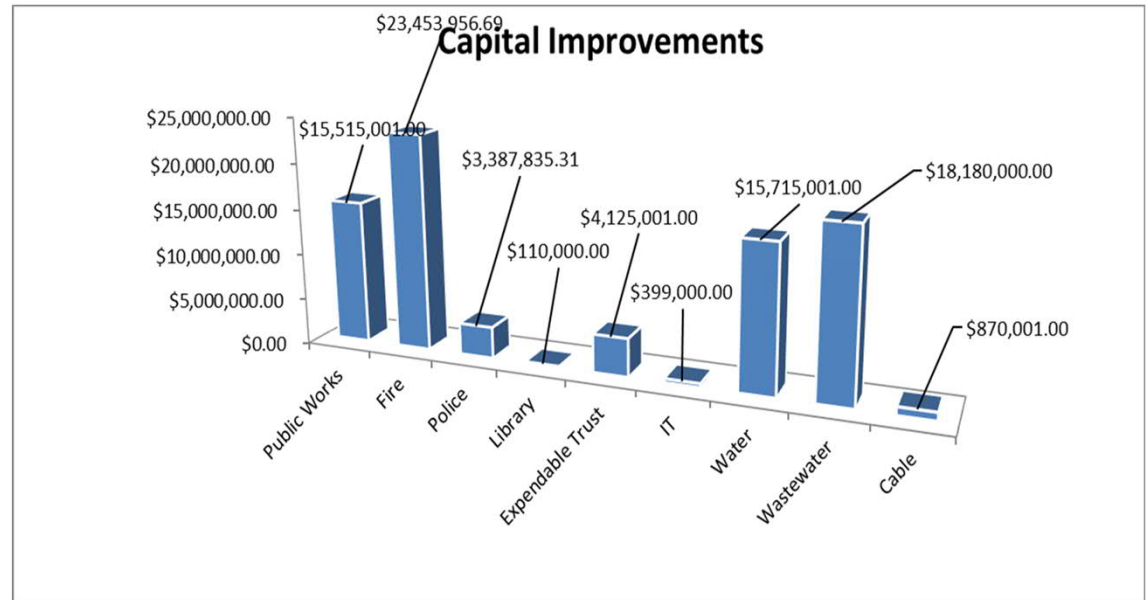
- Departments submit requests to Finance Department outlining capital needs for the next six years;
- Requests are reviewed in relation to existing services and available revenues;
- Town Administrator review draft plan;
- Plan presented to Planning Board for review and consultation;
- Town Council adopts 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).



# FY 24 – FY 29 Plan







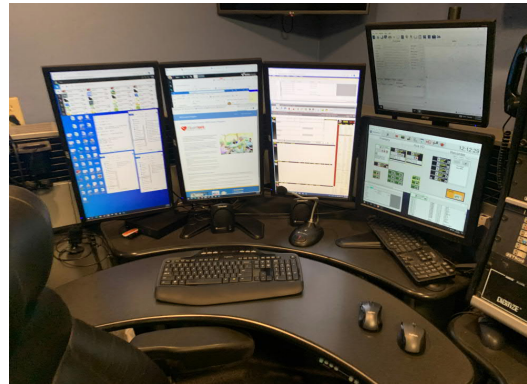
## Major Projects – FY24

- Police Patrol Division Commander SUV EV (replace 2014 model)
- Replace 60 Tasers
- Fire Department Off-Road Gator
  - Assigned to Fire, will be used by PD and other Town Departments for off-road assignments and emergencies.



# Major Projects – FY24

- Replace 2003 Dispatch Console Furniture – transferrable to new Central Fire Station



# Central Fire Station



# Major Projects - FY24 DPW Vehicles



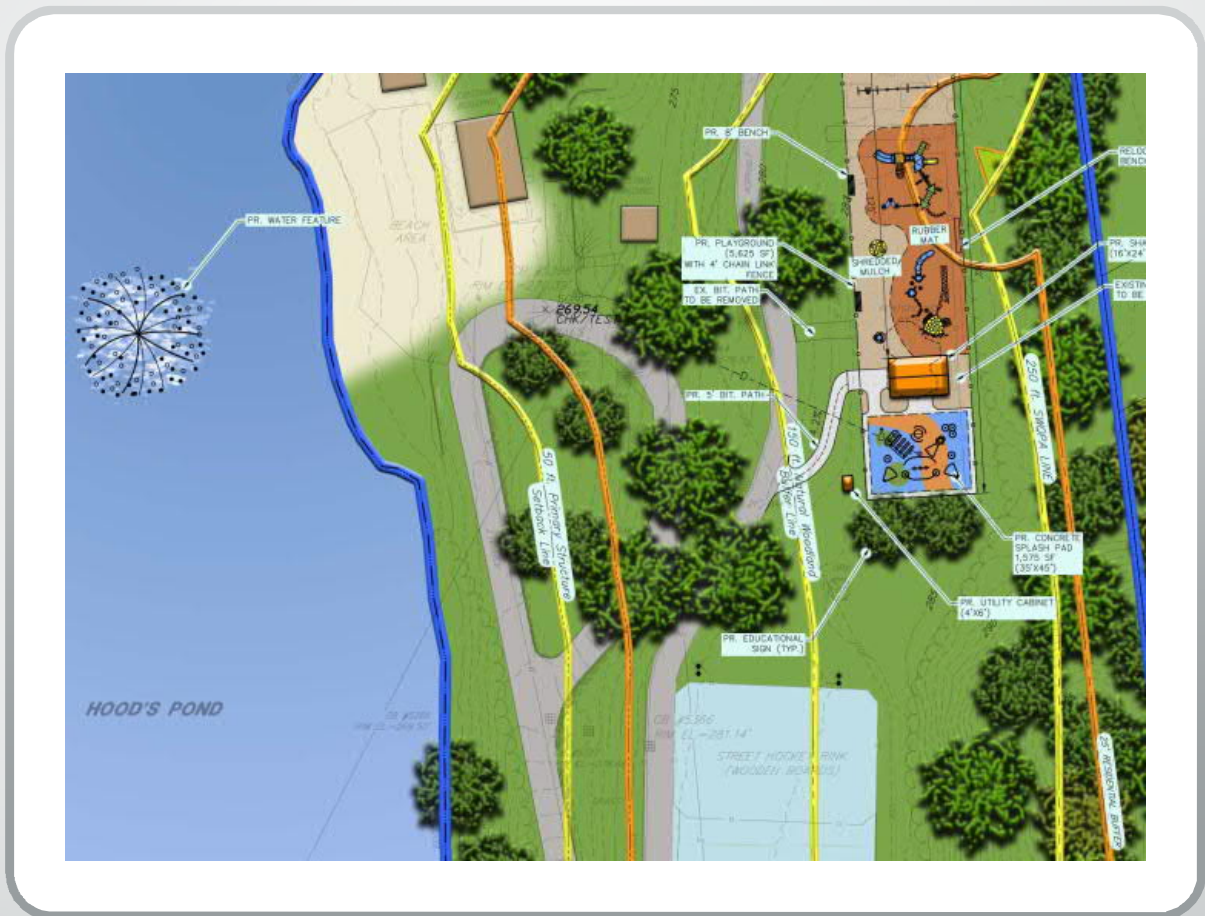
# Major Projects – FY24

- Sunset Avenue Culverts Replacement
- Franklin St. Culvert Design
- Traffic Signal Upgrades

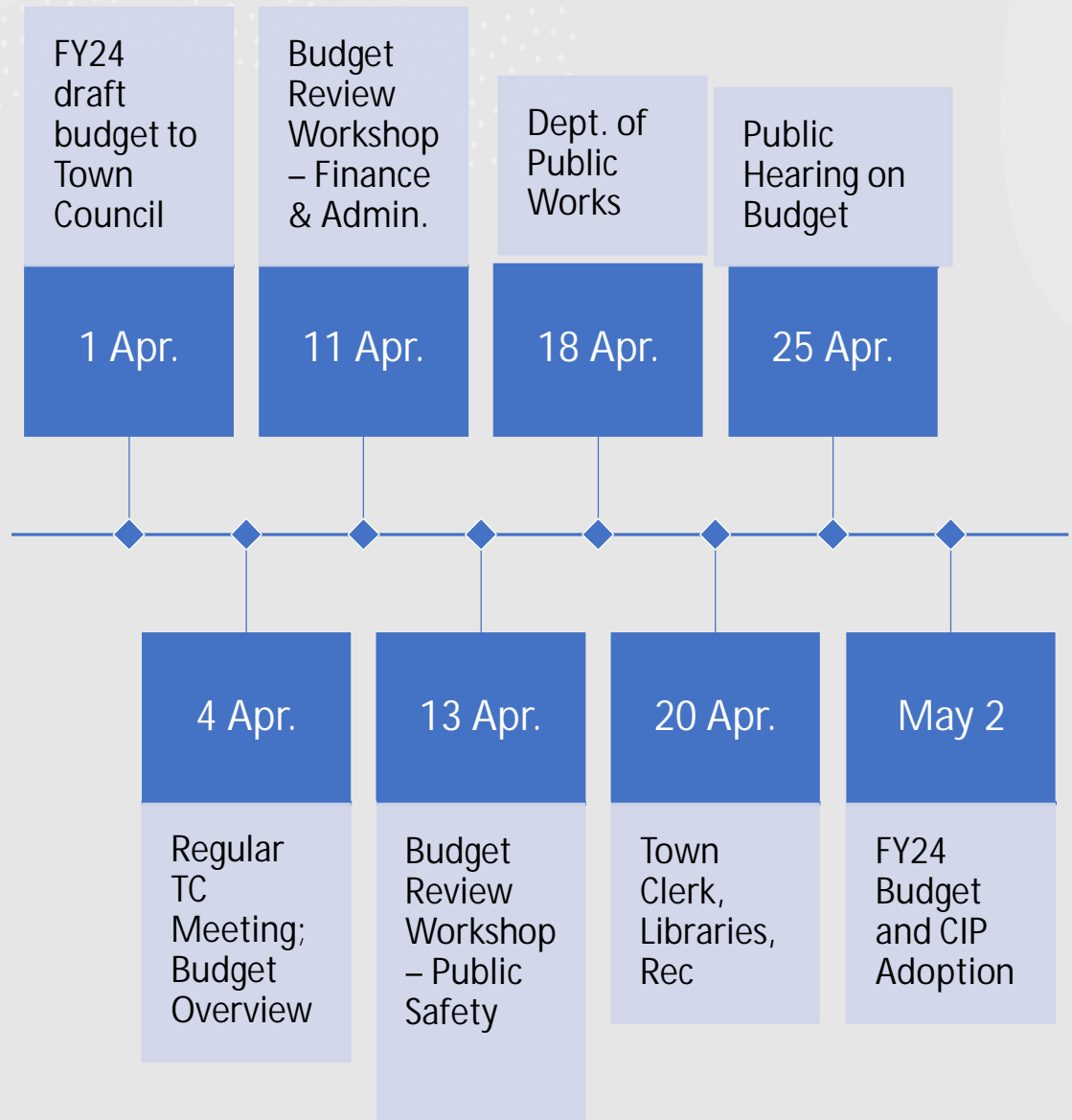


# Major Projects – FY24

- Hood Park Renovations
- Alexander – Carr Renovations
- Lighting at various fields



# Budget Schedule





Questions?