



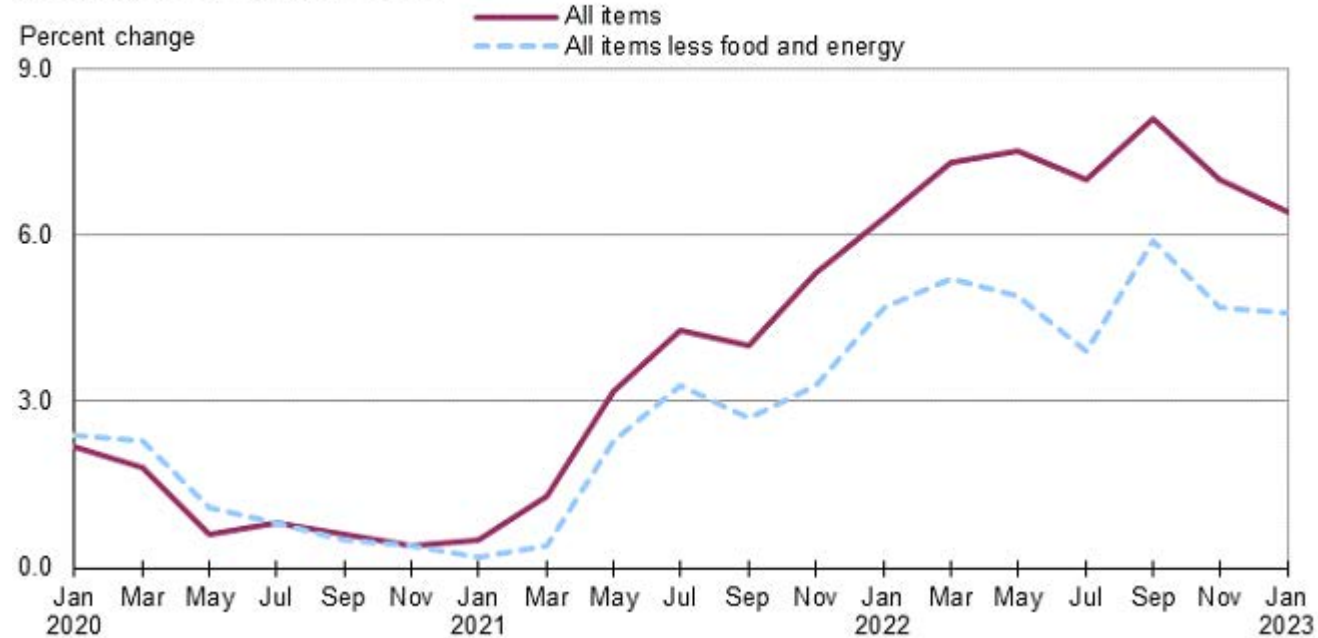
2024 Financial Outlook

CITY OF LEBANON, NH

125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
86,502	35,000	101,090	154,000
	83,000	101,684	110,000
	45,000	101,962	8,000
		102,747	
		2,006	

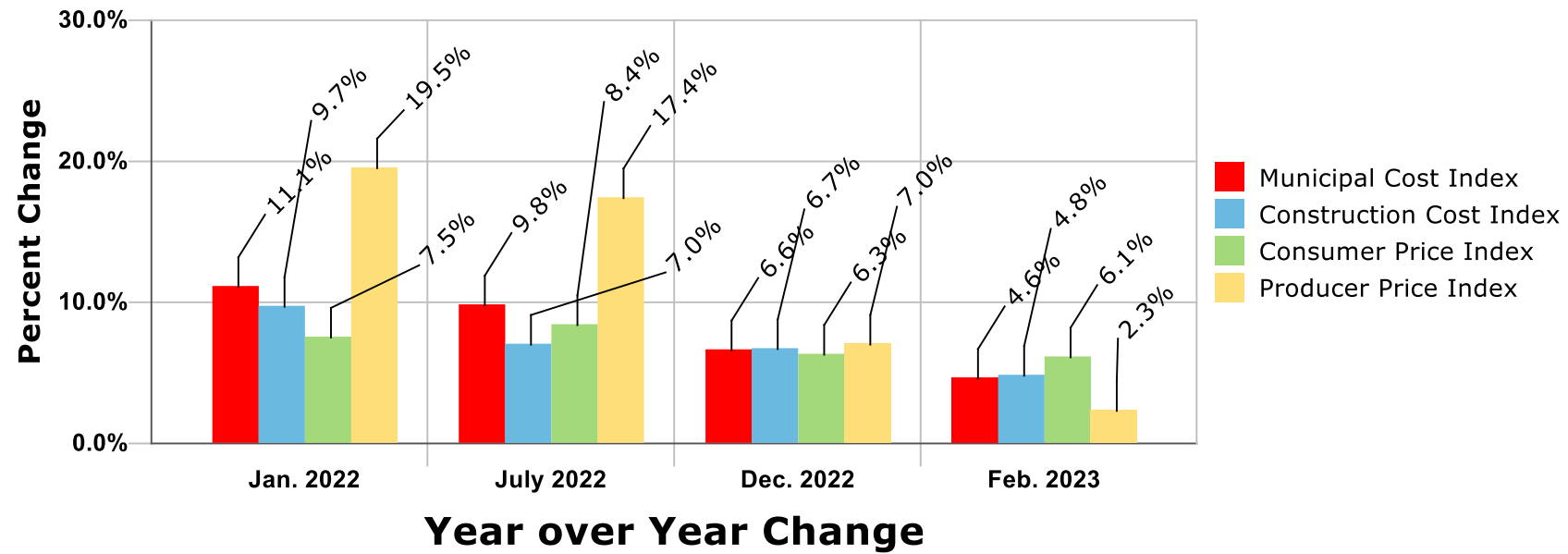
Consumer Price Index

Chart 1. Over-the-year percent change in CPI-U, Boston-Cambridge-Newton, MA-NH, January 2020–January 2023



Source: U.S. Bureau of Labor Statistics.

Municipal Cost Index



NOTE: The consumer and producer price indexes are published monthly by the U.S. Department of Labor's Bureau of Labor Statistics. The PPI figure used is the number for all commodities. The municipal cost index incorporates the construction cost index, the consumer price index and the production price index.

City Revenue Impacts Vary by Source



Property Tax



MV Registration
Fees



Rooms & Meals Tax



Development Fees



Utility Users Tax,
Franchise Payments



Recreation and Fee
Programs



State Revenue Impacts

No funding this year to offset retirement system

Municipal Bridge Aid & Highway Block Grant funding

Grants relative to Housing

Rooms & Meals Tax Distribution

Challenges

CIP Projects stacking up = Debt Service spike scenarios

Return of Airport Fund subsidy = draw on the general fund

Unassigned Fund Balance diminishing = Reduces ability to hedge the tax rate

Competitive Labor Markets = Upward pressure on salaries

Tax base growth slowing as construction slows = limits spread of cost on tax base

Roadway/Infrastructure maintenance backlog growing worse

PLANNED TAX RATE INCREASES

Tax rate increases were planned in conjunction with the use of fund balance to reduce tax rate spikes and allow for adequate service delivery.



Planned tax rate increases

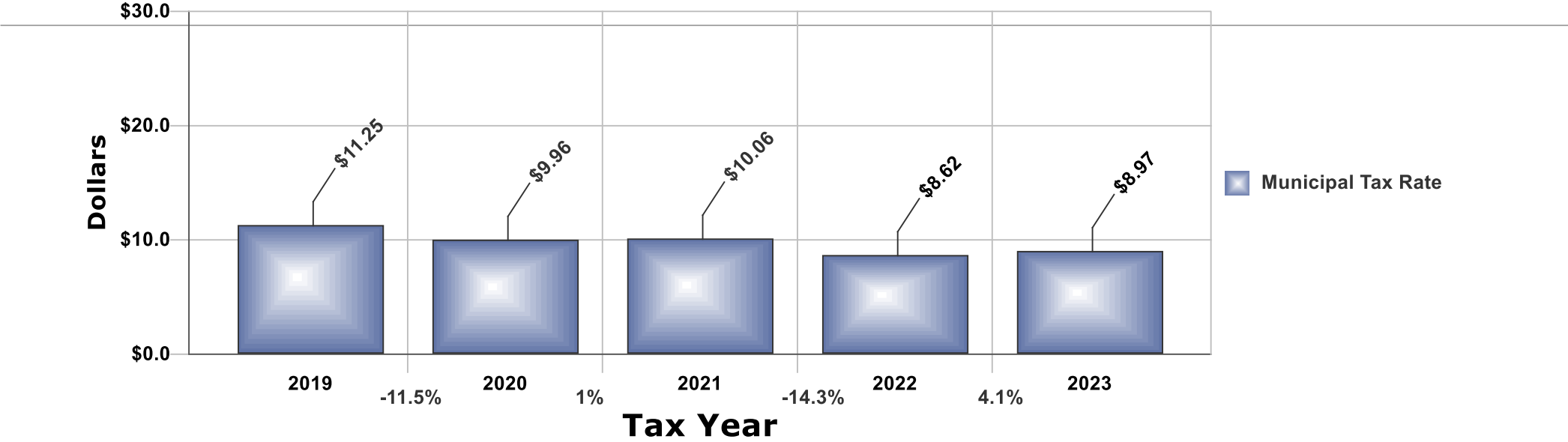
2023- 4%



Projected tax rate increases for 2024-2026

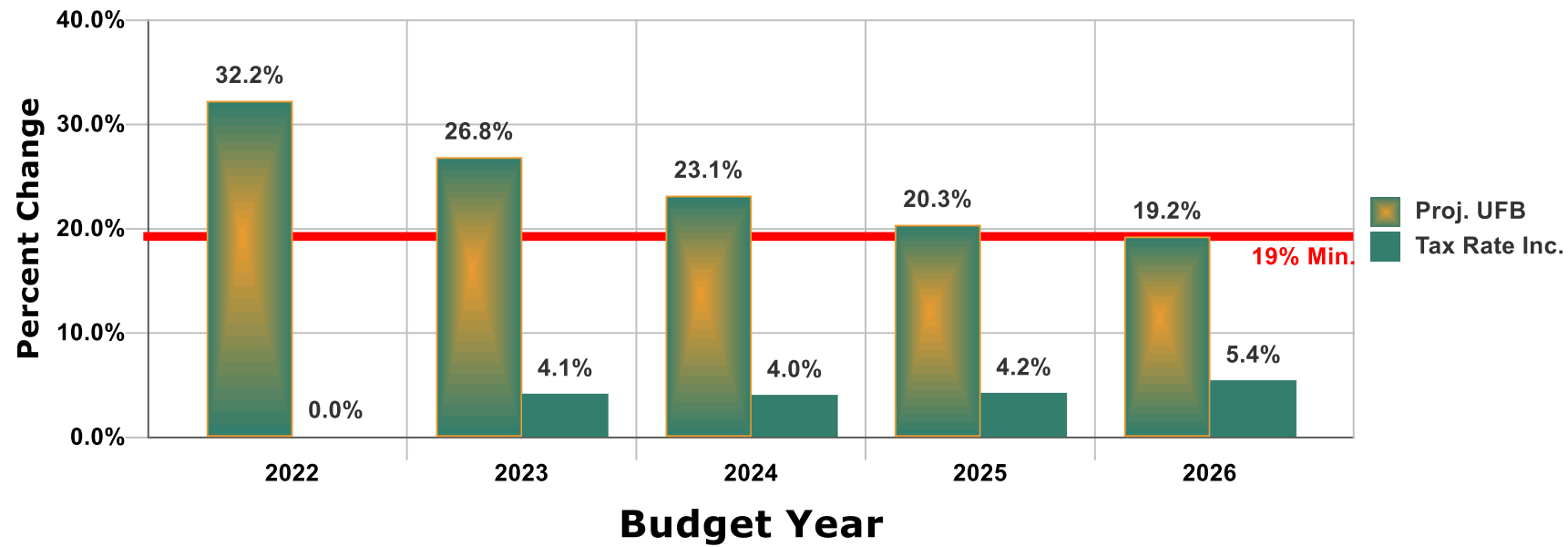
4-5% each year

Change in Municipal Tax Rate



NOTE: The tax rate for 2023 is projected based on a set of variable assumptions. The actual rate will be set in the fall of 2023.

Unassigned Fund Balance Change



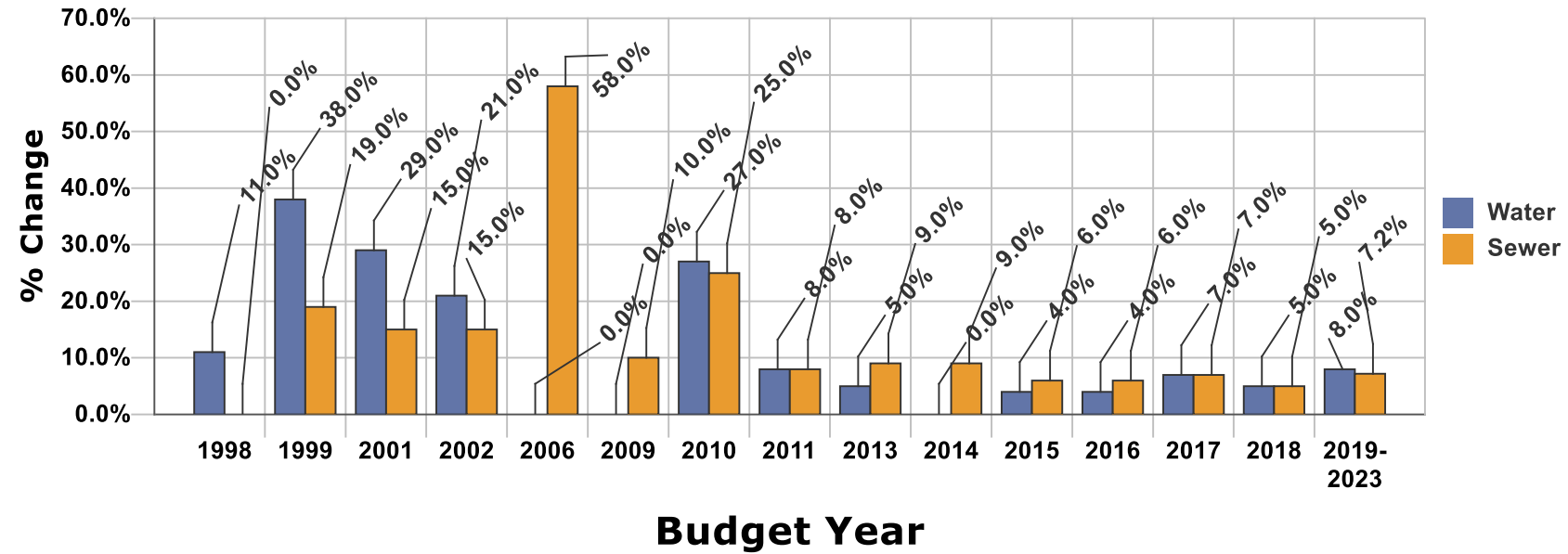
NOTE: Assumes 3-4% increase in expenditures year over year and a 2% increase in revenues other than property taxes
Other caveats such as Overlay projections which change at different rates and new property tax inventory growth estimated .5% year over year.

Payment In Lieu of Taxes (PILOT)

Alice Peck Day Hospital
owes approximately
\$856,096 in property
taxes

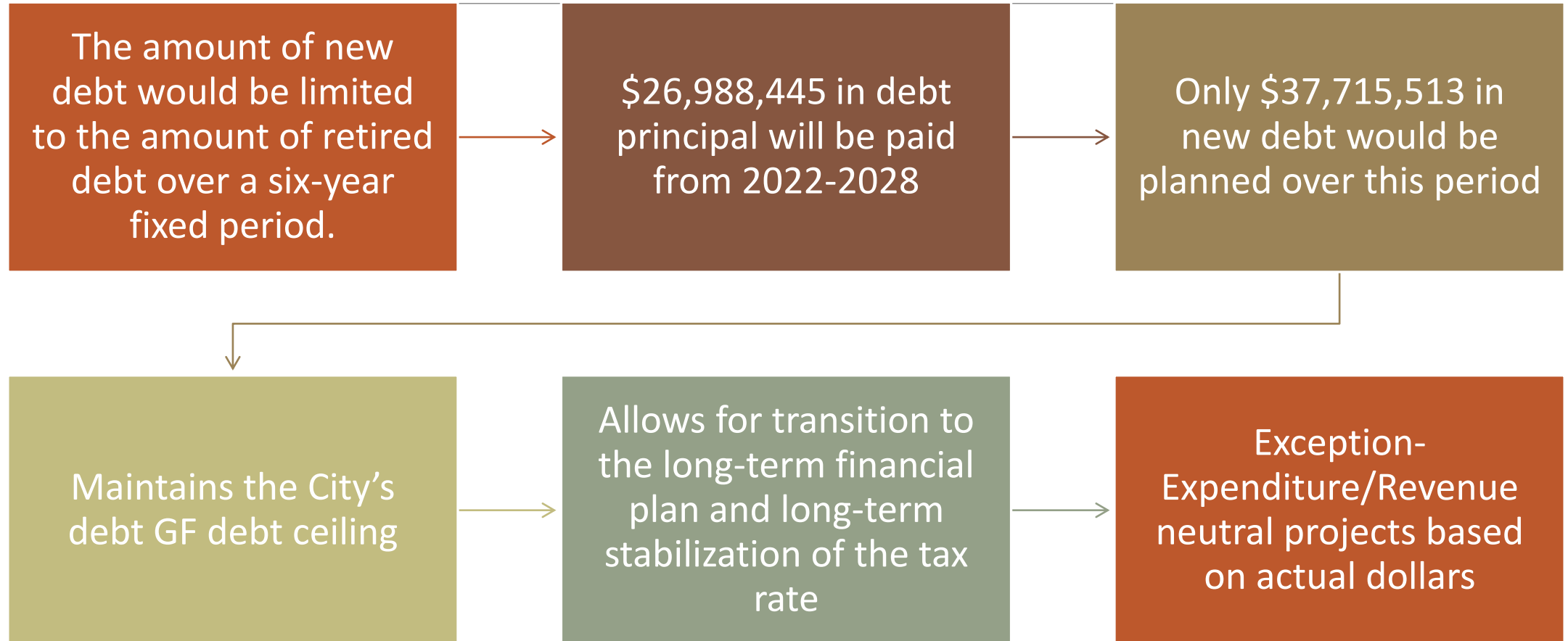
PILOT agreement
presently under
negotiation

Water & Sewer Rate Increases



* 2019-2023 8% and 7.2% actual or planned for each year

Limitation of Future Capital Projects General Fund



Impacts on CIP

Projects have been backed up due to the impact of the CSO

Failure to address known issues may result in cascading impacts

- Facilities
- Transportation Infrastructure
- Equipment and Vehicles

Could result in higher long-term costs and negative service delivery impacts





Policy requires fund balance to be between 19% and 24% of Revenues or Expenditures for any budget year



Present fund balance is 32.2% (2022 Unaudited)



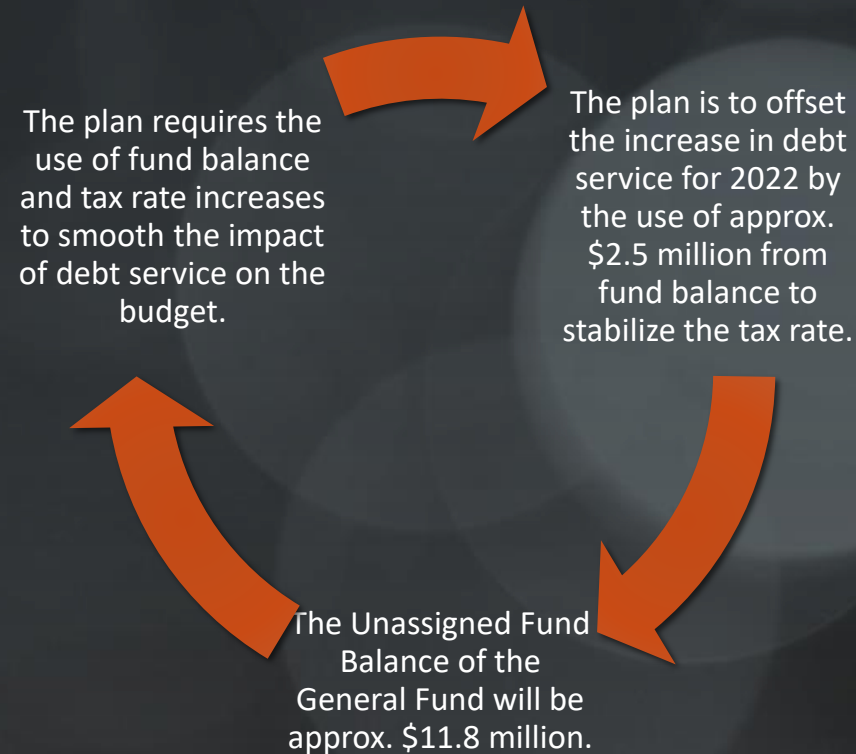
Use fund balance at \$3.3 million for 2023 tax rate stabilization



Utilize excess fund balance after debt smoothing to fund Capital Reserve Funds

Unassigned Fund Balance Ratios

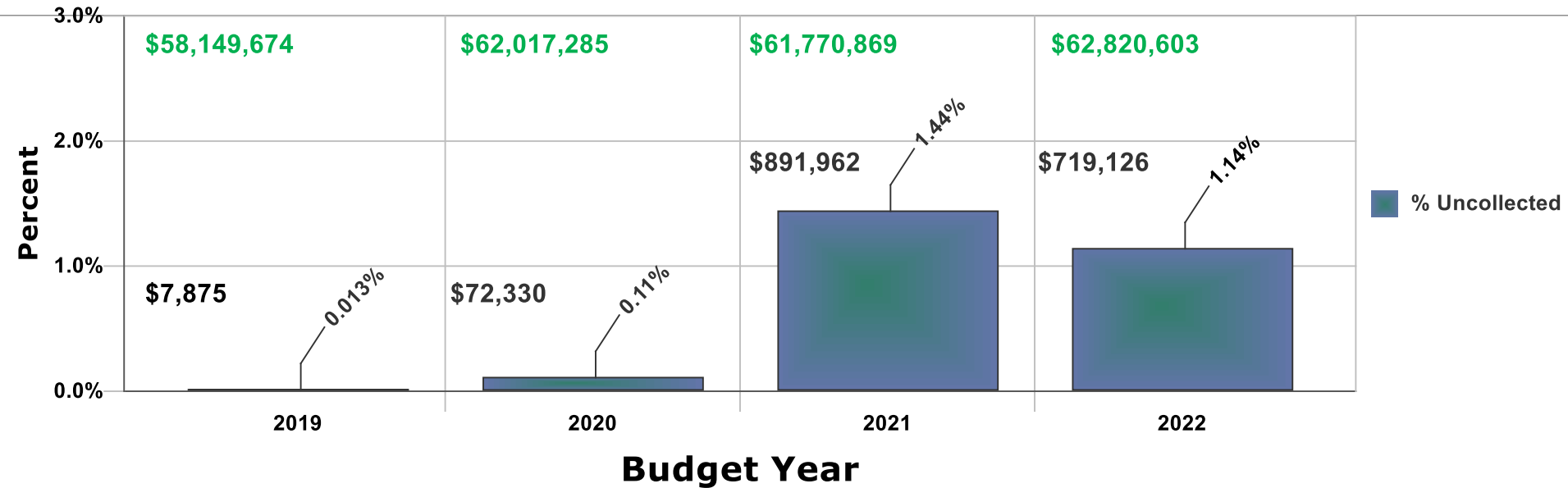
Fund Balance Use to Offset Debt. Service



Long Term Financial Plan

Reduce or eliminate	Reduce or eliminate the use of fund balance to offset the tax rate.
Utilize	<p>Utilize the Unassigned Fund Balance to offset the cost of Capital Projects</p> <ul style="list-style-type: none">• Pay as you go- using cash to pay for projects/equipment• Capital Reserve Funds
Eliminate	Eliminate the use of the UFB to subsidize the cost of operating expenses

Property Tax Uncollected



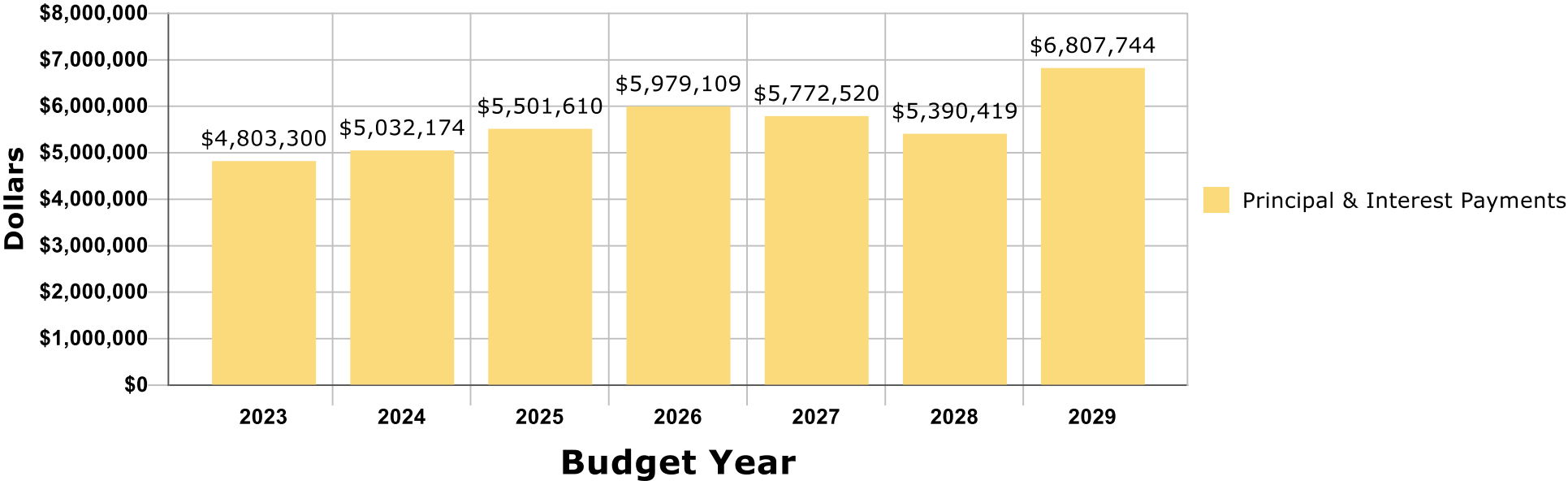
NOTE: 2021 Uncollected includes \$728,283 due from Alice Peck Day Hospital which is in negotiations relative to a PILOT agreement

Total Amount of Property Tax Warrant

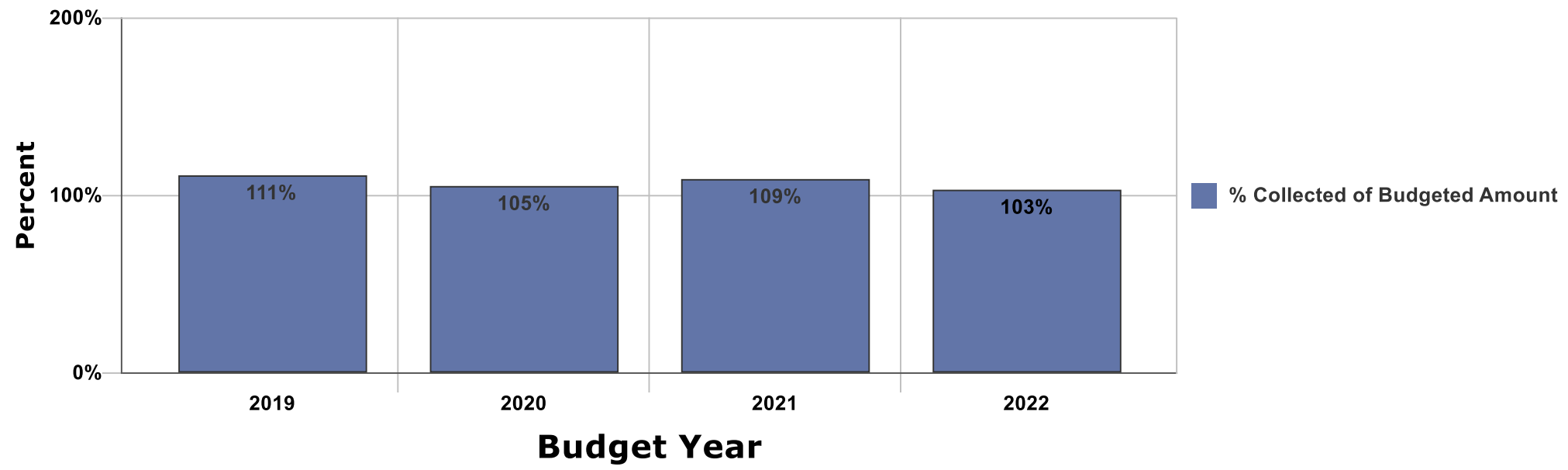
A close-up photograph of a pair of hands, likely belonging to an older person, holding a small pile of coins. The hands are cupped together, and the coins are scattered in the palm. The background is dark and out of focus. The text 'GENERAL FUND' is overlaid in white, sans-serif capital letters, centered horizontally. There are thin white horizontal lines above and below the text.

GENERAL FUND

General Fund Debt Service

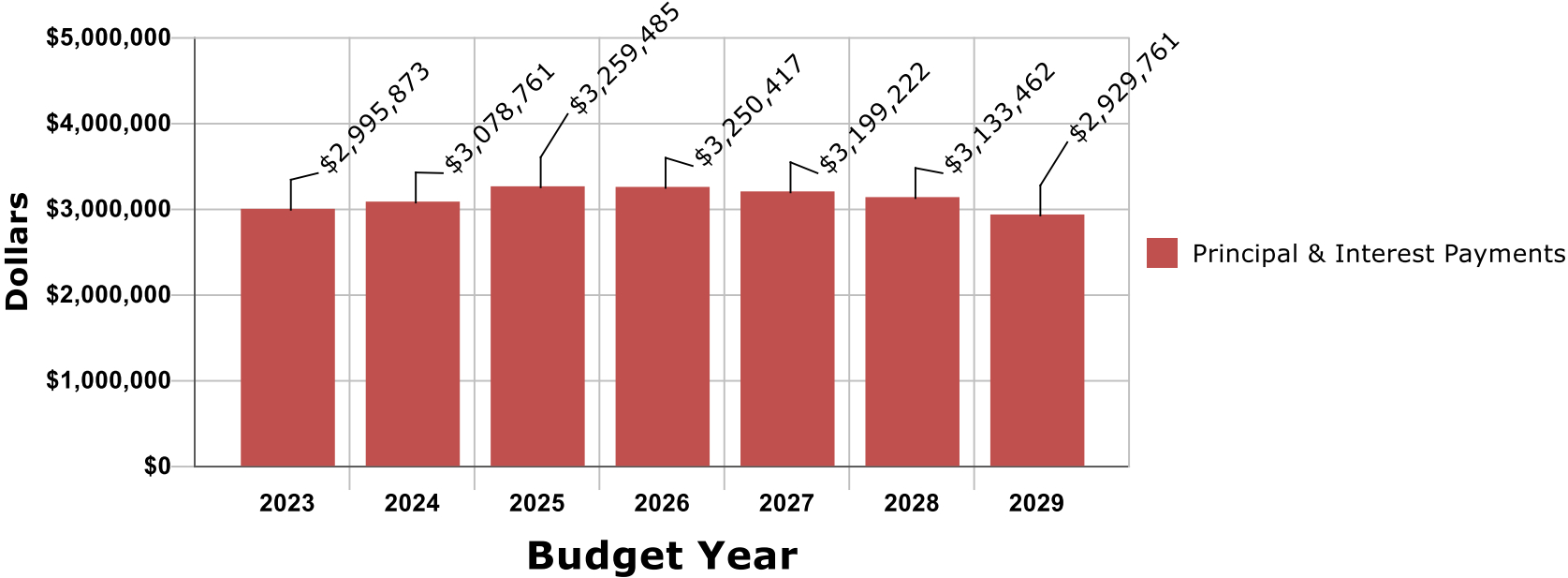


MV Registration Collection Rates

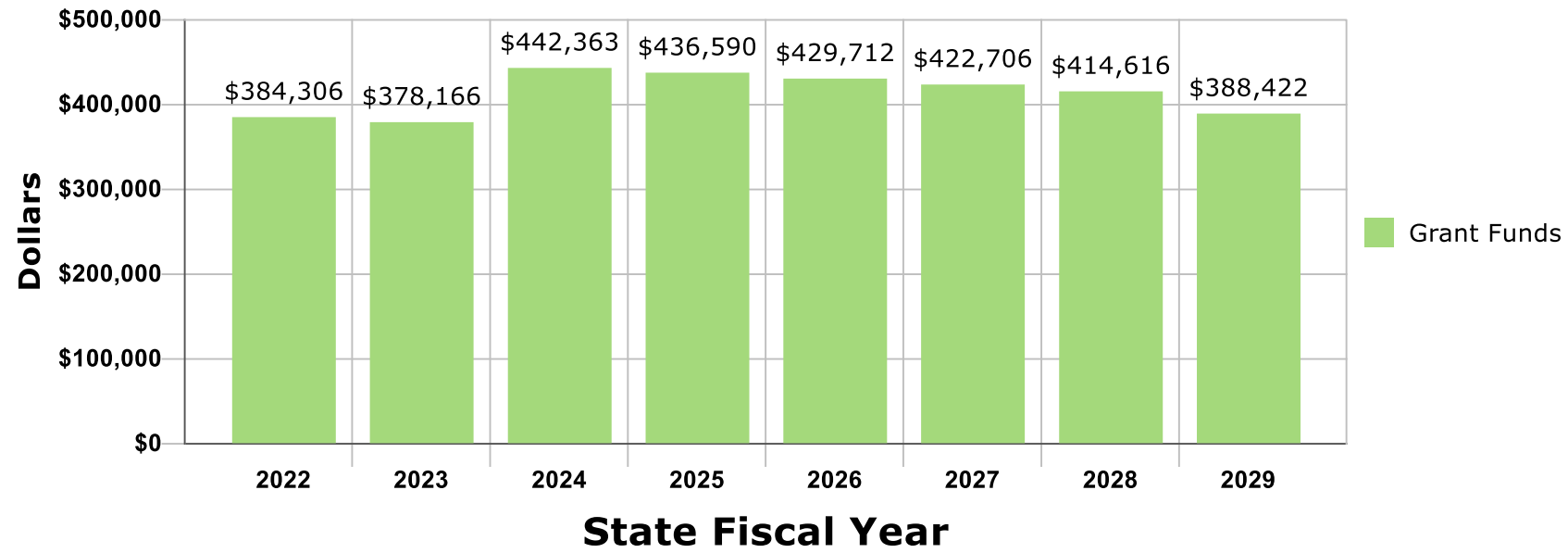


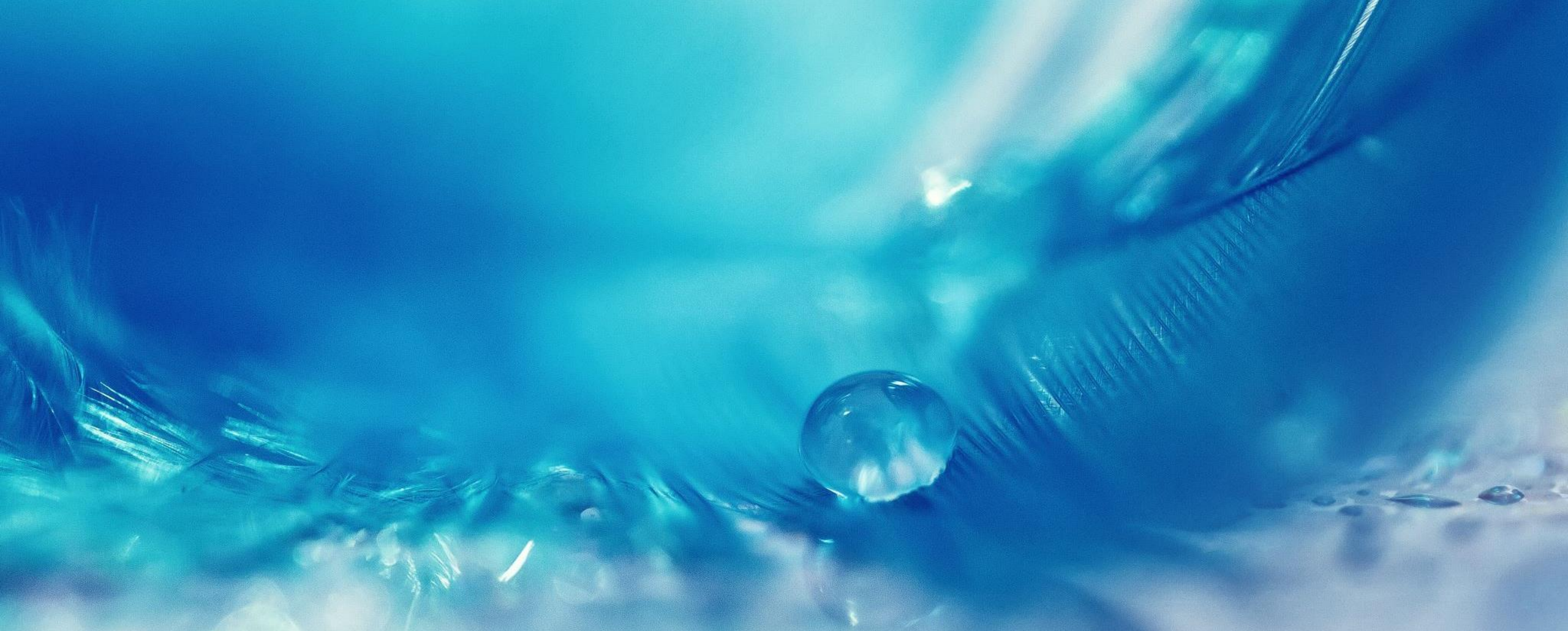
SEWER FUND

Sewer Fund Debt Service



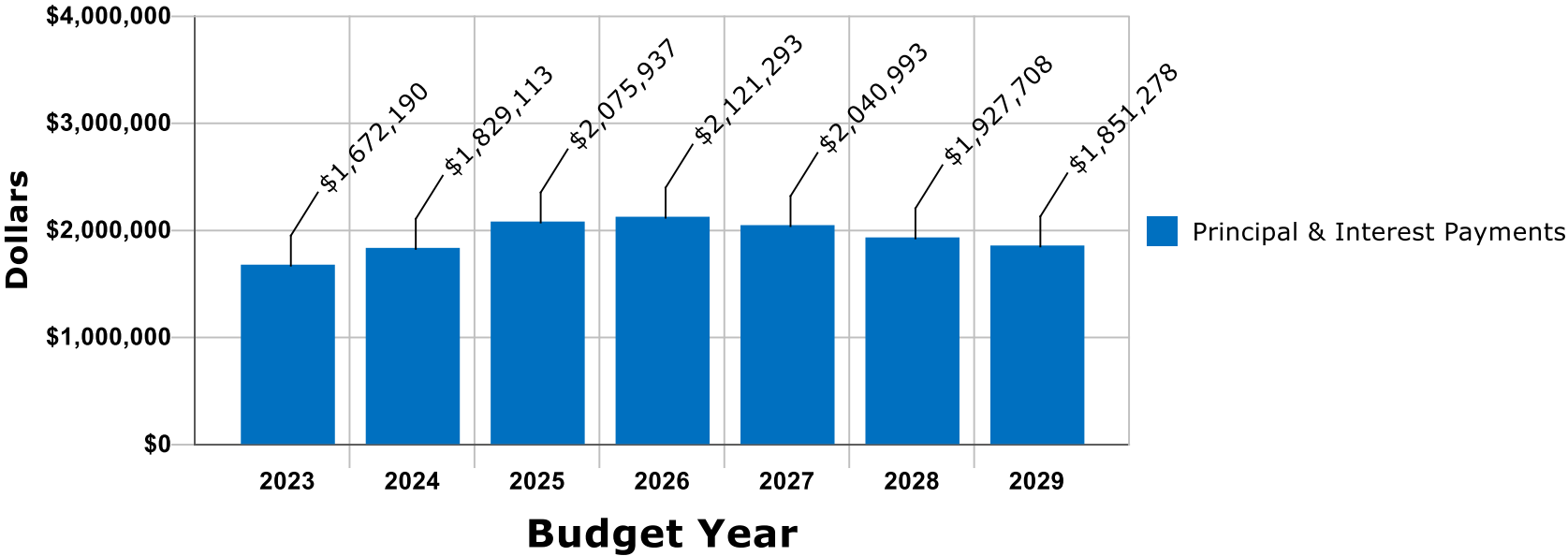
State Aid Grants-Wastewater Projects





WATER FUND

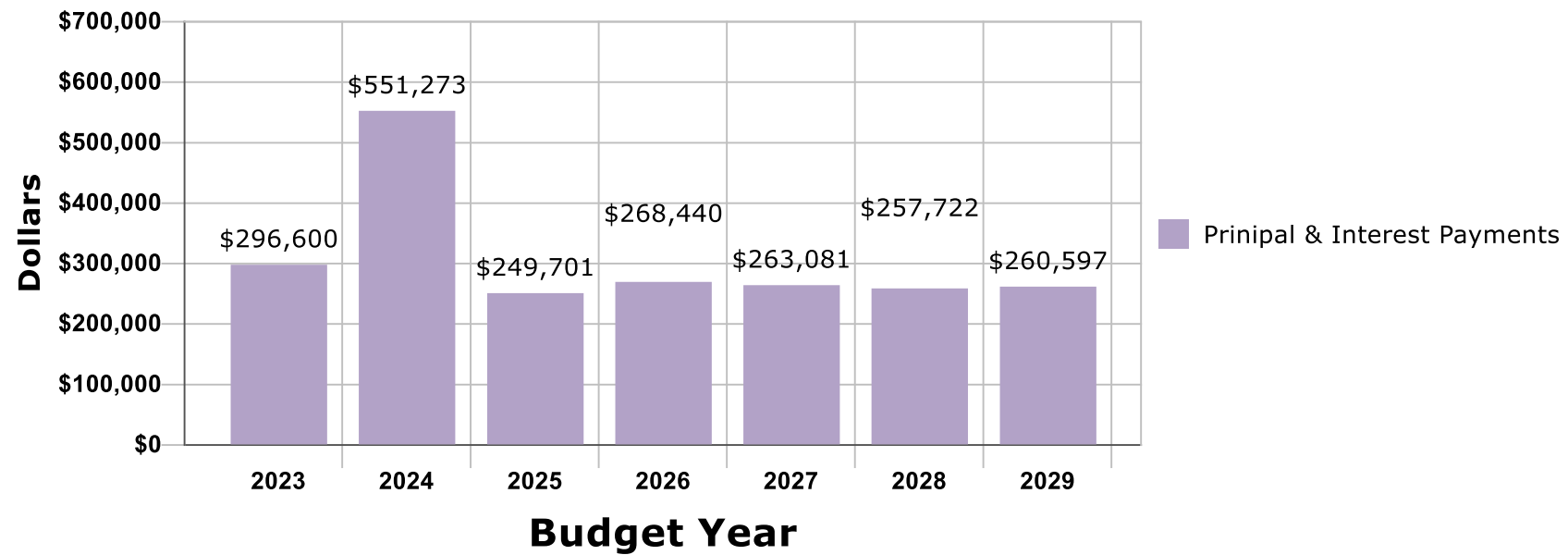
Water Fund Debt Service





SOLID WASTE FUND

Solid Waste Fund Debt Service



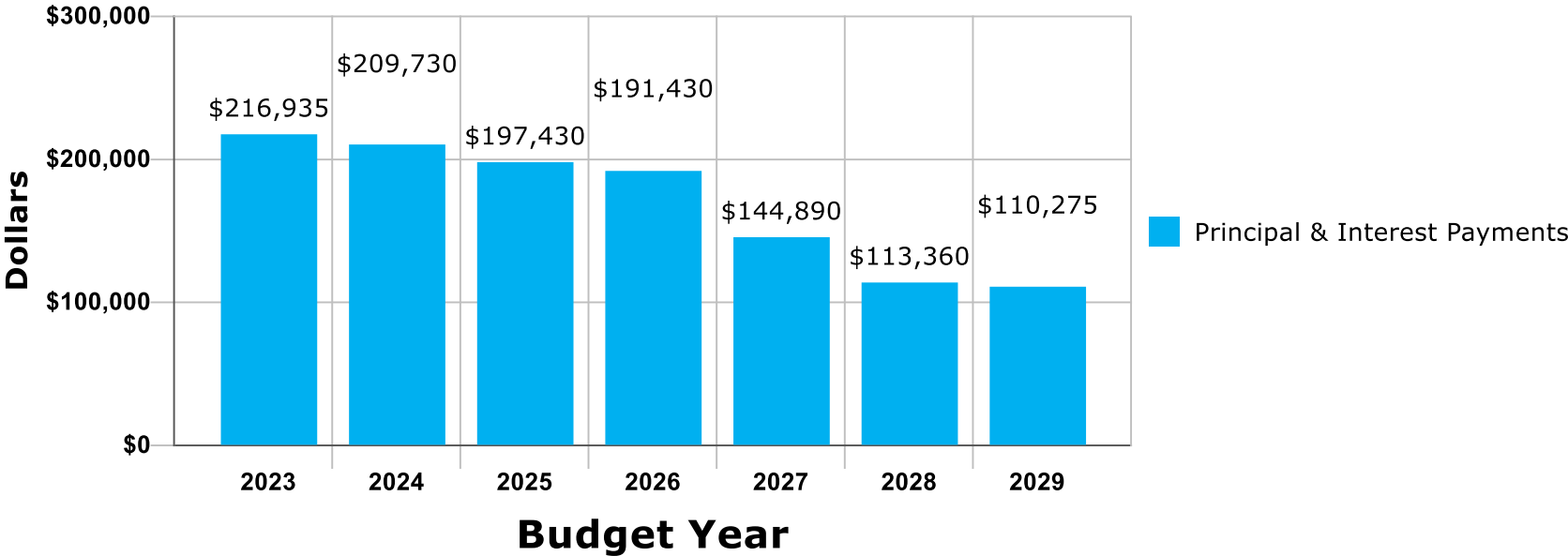


AIRPORT

Airport COVID Related Grants

Grant Name	Grant Number	Award Year	Amount	Drawdown	Remaining
CARES Act	63	2020	\$1,060,370	\$1,060,370	\$0
ACRGP (Airport Coronavirus Response Grant Program)	67	2021	\$1,003,536	\$1,003,536	\$0
ACRGP Concession Relief	68	2021	\$2,220	\$2,220	\$0
ARPA (Airport Rescue Grant)	69	2022	\$1,051,081	\$353,239	\$697,842

Airport Fund Debt Service



General Fund Subsidy to the Airport Fund

