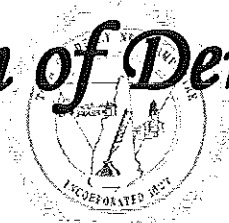


Town of Derry, NH



Finance Committee Meeting – February 21, 2017 **DRAFT**

Present: Richard Tripp, David Caron, Allan Virr, Mark Fleischer, Susan Hickey, Joel Olbricht, Joan Crimlisk

Guests: Ethan Hogan, Union Leader Staff Reporter

Absent: None

Opened Meeting: 4:35pm

Approved Minutes: D. Caron motioned, M. Fleischer second, Approved unanimously.

CFO Report – December 31, 2016 Revenues and Expenditures reviewed by Susan Hickey. Revenues are tracking at 47% with the average at this time of year being 50%. Expenditure reports show a total of 46% as of December 31, 2016. Most of the amounts have been spent or encumbered for annual contracts and obligations including IT, Human Services, Assessing, Other Municipal Obligations for property insurance through FY17, Highway for engineering fees and roadway maintenance funds and Transfer Station for the purchase of equipment. Cable, Sewer and Water were also reviewed and are within their limits. Capital purchases and associated revenues will be done within the next quarter. Expenditures will also be higher in the next quarters report due to snow storms.

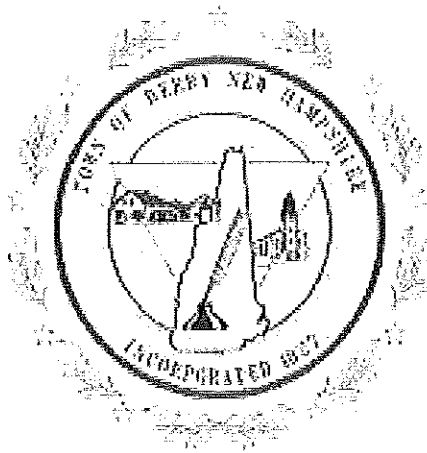
Treasurers Report - Allan Virr reviewed the cash balances through 1/31/17. Rates are remaining flat remaining apprehension of how rates will adjust going forward. He remains on top of all of the funds and transfers to make the most in interest that we possibly can. S Hickey commended Allan Virr on his investment activity, which the Town received over \$200k in the previous fiscal year as compared with boarder communities that received no interest income in order to offset fees for banking services.

Trustee of Trust Funds – J. Olbricht presented a new investment policy for the Trustee of Trust Funds. The committee put the policy together with the assistance of Cambridge Bank. J. Olbricht thanked M. Fleischer for his assistance in attending the Trustee meetings and providing information regarding their funds. To date, Capital Reserve accounts had \$10,560,079 and Trust accounts had \$7,763,770.

R. Tripp asked if town email accounts can be set up for the committee chairs. S. Hickey said she would speak with IT and report back.

Next meeting scheduled for April 18, 2017 at 4:30pm.

Meeting adjourned at 5:15pm.



Report to the Finance Committee

FY 2017 Financial Statements

for the

Nine Months Ended March 31, 2017

- Narrative Comments on Financial Statements
- General Fund Revenues - Actual vs. Budget for 9 Months Ended 3/31/17
- General Fund Expenditures - Actual vs. Budget for 9 Months ended 3/31/17
- Cable TV, Water, & Wastewater Revenues & Expenditures - Actual vs. Budget for 9 Months Ended 3/31/17

Town of Derry, New Hampshire

Narrative Comments on FY 2017 Financial Statements For Nine Months Ended March 31, 2017

Revenue and Expenditures

Set forth below are comments on notable deviations from the March anticipated level of 75%.

Revenue

- Total general fund collections to date, excluding property taxes are 77% of anticipated revenues.
- Activity centers that are at a notable level include the following:
 - Dispatch and EMS – Intergovernmental grants have been received. The department is at 46% due to capital purchases not being made as of the date of the report.
 - Police is low at this point in time due to timing of revenues and transfers from capital reserve funds.
 - Information Technology has received very little revenue to date. Most sources are capital reserve transfers for the purchase of equipment, which hasn't taken place to date.
 - Other Municipal Obligations is high due to the MTBE water line extension grant being repaid. To date, we have received \$1.352M of the \$2.509M. We anticipate receiving the remainder by the end of the fiscal year.
 - Town Clerk is high based on vital record requests and receipts of civil forfeitures.
 - Planning is low. They have received 22% to date. Their Review revenue line has received \$508 as compared with a \$20k budget. The Planning Department has not had a lot of new developments that would trigger sending the plans to an outside consultant for review. In speaking with the Planning Director, he anticipates receiving approximately \$2k from Parkland Hospital by June 30th.
 - Parks and Recreation is low as most revenue is seasonally driven.
 - Cemetery is low due to trust fund transfers that are made in June to cover expenditures up to \$55k.
 - Highway is below target due to trust transfers and capital transfers that haven't been completed. Once they are, the capital reserve revenue will be transferred into the activity center.
- Previous year revenues in March 2016 were at 73%.

Expenditures

- Total expenditures to date are 71%. It is important to note encumbrances are not included in the 71% expended percentage. General Fund encumbrances total \$3,019,908. Further, with the Town Council adoption of the Health Savings Fund approximately \$238k will be transferred out of the department's payroll and health insurance line items. I expect the transfer will be made after the adoption of the HSF.
- Most departments range from 23% (Community Development) to 95% (Vehicle Maintenance) expended. Activity centers that are at a notable level include the following:
 - Prevention and Emergency Services – While this activity center is trending at 74%, my concern is the salary line and overtime line. Salaries are at 75.3% with three vacancies. Overtime is trending at 86.5%. While there is capacity in the health insurance line (61.2%), it may not be enough to cover the Fire Departments share of the HSF transfer. Once all department amounts by line item are completed in spreadsheet form, I will calculate their budget including the adjustment to determine if they may have a deficit as we get closer to year end. Their proficiency pay will be issued the first week in June and is budgeted at \$282k.
 - Police – 63%. Vacancies within the department are creating a lower than expected expenditure level in salary and benefit lines. Overtime is trending at 75.2%, which is low when taking vacancies into account. Future large expenditures are vehicles budgeted at \$528k. We will be taking delivery shortly and will recognize that expense. However, there will be an offsetting capital reserve transfer for some of the vehicles.
 - Assessing – Vacancies within the department create a lower than anticipated expenditure level of 60%.
 - Finance – Staff changes within the department has created savings in several of the benefit line items. Additionally funds have been budgeted for an actuarial study per the requirements of GASB 75; however the work has not been completed yet. I anticipate it will be done by June 30th.
 - Highway – While salaries are trending slightly below (73%), overtime is over budget by \$43k. Further snowplowing is over by \$51k. The winter Snow/Ice Fund has \$218k; therefore budgetary transfers will be able to be approved without concern.
 - Vehicle Maintenance – This activity center has had more work done to repair vehicles and is at 95% of their budget. The overtime line has been over expended by \$17k. The remaining overages are specific to repairs of vehicles.
- Previous year expenditures in March 2016 were at 72%.

Town of Derry, New Hampshire
FY 2016 Preliminary Financial Report
For the Period ending March 31, 2017

General Fund Revenues

March = 75.0%

No.	Activity Center Name	Original Approved Budget	Budget Adjustments	Annual Adjusted Budget	Revenues Through 3/31/17	Remaining	% actual to Adjusted Budget	Notes
4	Derry Public Library	71,254	-	71,254	473	70,781	0%	
6	Taylor Library	2,000	-	2,000	1,326	674	66%	
10	Prev. & Emergency Svcs.	2,691,832	-	2,691,832	1,813,873	877,959	67%	
12	Emergency Management	-	-	-	6	(6)	0%	
13	Health	32,950	-	32,950	26,194	6,756	79%	
16	Dispatch-Prev. & EMS	394,870	-	394,870	181,872	212,998	46%	
20	Police	1,044,660	-	1,044,660	203,091	841,569	19%	
22	Animal Control	4,630	-	4,630	3,540	1,090	76%	
30	Town Administration	3,900	-	3,900	3,513	387	90%	Fees for Business Licenses increased
32	Information Technology	50,188	-	50,188	757	49,431	2%	
36	Human Services	13,500	-	13,500	10,114	3,386	75%	STD payments received
38	Assessing	98,004	-	98,004	90,817	7,187	93%	PILOT revenue received
40	Finance	6,100	-	6,100	4,681	1,419	77%	
42	Tax Collection	6,449,965	-	6,449,965	5,072,448	1,377,517	79%	
44	Other Municipal Obligations	2,512,685	-	2,512,685	3,303,651	(790,966)	131%	State grants received
50	Town Clerk	62,636	-	62,636	69,967	(7,331)	112%	Increase in Civil Forfeitures
52	Town Clerk/Elections	125	-	125	128	(3)	102%	
60	Planning	32,450	-	32,450	7,204	25,246	22%	
62	Code Enforcement	277,125	-	277,125	233,836	43,289	84%	Building Permits are at 75%
70	Recreation	195,702	-	195,702	114,893	80,809	59%	
72	Parks	135,370	-	135,370	18,115	117,255	13%	Trust fund transfers not made yet
80	Buildings & Grounds	115,837	-	115,837	94,415	21,422	82%	
82	Cemetery	140,600	-	140,600	34,650	105,950	25%	
84	Highway	1,215,996	-	1,215,996	755,580	460,416	62%	
86	Vehicle Maintenance	-	-	-	2,660	(2,660)	0%	
88	Transfer Station	883,251	-	883,251	578,781	304,470	66%	
	Totals	16,435,630	-	16,435,630	12,626,585	3,809,045	77%	
99	TIF District	322,316	-	322,316	658,313	(335,997)	204%	
1	Taxes and Overlay	-	74,139,255	74,139,255	\$73,673,648	465,607	99%	All unpaid property taxes will be liened
	Total General Government	16,757,946	74,139,255	90,897,201	86,958,546	3,938,655	96%	

Town of Derry, New Hampshire
FY 2016 Preliminary Financial Report
For the Period ending March 31, 2017

General Fund Expenditures

March = 75.0%

No.	Activity Center Name	Original Approved Budget	Budget Adjustments	Annual Adjusted Budget	(No Encumbrances) Expenditures Through 3/31/2017	Remaining	% to Adjusted Budget	Available by Dept.	Notes
4	Derry Public Library	\$ 1,311,414	4,500	\$ 1,315,914	\$ 916,094	\$ 399,820	70%	399,820	
6	Taylor Library	183,446	-	183,446	119,778	63,668	65%	63,668	
10	Prev. & Emergency Svcs.	10,950,487	306,761	11,257,248	8,373,585	2,883,663	74%	2,883,663	
12	Emergency Management	69,361	-	69,361	40,409	28,952	58%	28,952	
13	Health	83,323	-	83,323	49,089	34,234	59%	34,234	
16	Dispatch-Prev. & EMS	972,790	-	972,790	658,578	314,212	68%	314,212	
20	Police	9,607,023	(50,000)	9,557,023	5,983,923	3,573,100	63%	3,573,100	
22	Animal Control	80,001	-	80,001	59,530	20,471	74%	20,471	
30	Town Administration	536,378	5,225	541,603	392,940	148,663	73%	148,663	
31	Community Development	130,000	-	130,000	29,932	100,068	23%	100,068	
32	Information Technology	598,382	36,894	635,286	491,467	143,819	77%	143,819	Service contracts paid, Supplies expended, Machinery and Equipment purchased
36	Human Services	389,963	-	389,963	287,316	102,647	74%	102,647	
38	Assessing	512,083	18,418	530,501	318,244	212,257	60%	212,257	
40	Finance	730,279	43,312	773,591	486,051	287,540	63%	287,540	
42	Tax Collection	792,166	100,212	892,378	576,232	316,146	65%	316,146	
44	Other Municipal Obligations	2,112,402	1,669,442	3,781,844	2,792,096	989,748	74%	989,748	Property Insurance paid for FY17. Funds reserved for Exit 4A supplemental appropriation
50	Town Clerk	137,778	-	137,778	100,041	37,737	73%	37,737	
52	Town Clerk/Elections	64,791	-	64,791	50,292	14,499	78%	14,499	
60	Planning	266,367	-	266,367	193,089	73,278	72%	73,278	
62	Code Enforcement	352,810	-	352,810	280,259	72,551	79%	72,551	
70	Recreation	596,532	-	596,532	415,798	180,734	70%	180,734	
72	Parks	906,758	-	906,758	672,233	234,525	74%	234,525	
80	Buildings & Grounds	730,284	-	730,284	526,424	203,860	72%	203,860	
82	Cemetery	251,761	-	251,761	164,803	86,958	65%	86,958	
84	Highway	4,004,167	53,776	4,057,943	2,781,328	1,276,615	69%	1,276,615	Engineering fees reserved, Roadway maintenance reserved, Machinery and Equipment purchased
86	Vehicle Maintenance	456,889	-	456,889	432,651	24,238	95%	24,238	
88	Transfer Station	1,758,182	4,786	1,762,968	1,585,589	197,379	89%	197,379	Contracts for collection reserved, Machinery and Equipment reserved
	Totals	38,585,827	2,193,326	40,779,153	28,757,781	12,021,372	71%	11,921,304	
99	TIF District	322,316	-	322,316	270,333	51,983	84%	51,983	Bond payment made for Route 28 TIF
	School District Taxes Raised	-	49,117,114	49,117,114	31,400,000	17,717,114	64%	17,717,114	
	County	-	2,791,766	2,791,766	2,791,766	-	100%	-	
	Total Pmts to other govt	-	51,908,880	51,908,880	34,191,766	17,717,114	66%	17,717,114	
	Total General Government	38,908,143	54,102,206	93,010,349	63,219,880	29,790,489	68%		

Town of Derry, New Hampshire
FY 2016 Preliminary Financial Report
For the Period ending March 31, 2017

Fund Number	Fund	Original Approved Budget	Budget Adjustments	Annual Adjusted Budget	(No Encumbrances) Revenue/Expenditures through 3/31/2017	March = 75.0%	
						% to Adjusted Budget	Notes
3002	<u>Cable TV (Special Revenue Fund)</u>						
	Revenue	419,143	-	419,143	189,341	45%	
	Expenditures	419,143	-	419,143	291,815	70%	
9000	<u>Water (Enterprise Fund)</u>						
	Revenue	2,591,672	-	2,591,672	3,476,182	134%	\$1m received for MTBE Pollution Grant
	Expenditures	2,591,672	445,786	3,037,458	3,076,437	101%	MTBE Projects started
9200	<u>Wastewater (Enterprise Fund)</u>						
	Revenue	2,220,563	-	2,220,563	1,685,032	76%	
	Expenditures	2,220,563	614,460	2,835,023	1,328,849	47%	

TREASURER'S REPORT

**TRUSTEES OF
TRUST FUNDS
REPORT**