

Town of Derry, NH

Fiscal Committee Meeting — February 7, 2023

Present: Doug Flood, David Caron, Mark Fleischer and Craig Corbett

Absent: Allan Virr-Treasurer

Guests: Town Clerk-Tina Guilford

Opened Meeting: 5:00pm - Mark Fleischer taking the minutes.

Approval of Minutes: Approval of the minutes from the December 20, 2022 meeting – Motion by Dave Caron, Second by Doug Flood.

CFO Report - Mark Fleischer reviewed the revenue and expenditure reports through December 31, 2022. December 31 represents a target of 50% of the fiscal year that has been completed. Revenues and expenditures from operations in the General Fund are at 80% and 70%, respectively compared to 62% and 57% for the same period last year. A review of revenue highlights included Fire exceeding budget due to receipts of intergovernmental payments for contracted ambulance and dispatch services. Also, ambulance revenues are trending at 63.5% of budget. Motor Vehicle revenues are slightly above the benchmark at 52% of budget. Town Clerk revenues are slightly above the benchmark at 56% of budget with Dog License issuances increasing during the 2nd half of the year. Planning applications are currently 220% of budget. Code enforcement revenues are 84.5% of budget as building permits and zoning fees are trending above budget and a \$50K fine was collected earlier in the 2nd quarter. In reviewing expenditures, Fire has vacant positions however, overtime expenses are 82.3% of budget. Police is lower due to vacant positions and SRO details are 37.7% of budget. Information Technology is higher due to annual software support payments. Human Services is high due to reservation of funds paid quarterly to outside supportive agencies. Highway and Streets is high due to reservation of funds designated to our roadway maintenance program and Transfer Station is high due to reservation of funds for annual contractual services.

Also reviewed were revenues and expenditures in the other funds; Cable, Water and Wastewater. The next quarterly franchise payment from Comcast will be received in January 2022 therefore Cable revenues are 29% of budget. Expenses for Cable are at 59% of budget. Water revenues and expenses are at 19% and 27% and Wastewater is at 41% and 47%, respectively. In Water, the annual purchased water budget has been encumbered. Additionally, \$1.3M in grant revenue has been budgeted but not received. In Wastewater, the annual electricity budget has also been encumbered.

Treasurers Report – Mark Fleischer present Allan Virr's report. Cash balances through 12/31/22(\$88.8M) were about \$20M higher than 12/31/21 (\$68.0). Of the increase, \$20.0M is comprised of bond funds for the new fire station and (3) culvert replacements. Rates have increased since a year ago. TD is currently paying 2.78% compared to Citizens which is paying 2.02%. New Hampshire Public Deposit Investment Pool (NHPDIP) was paying 4.24%. The bond

funds mentioned above are in a separate account with NHPDIP and have earned \$275K since July. After allocations to other funds such as Water and Wastewater, as well as unspent bond proceeds, Municipal Obligation interest revenues was 294.4% of budget as of 12/31/22. (Total received \$294.4K.). Not included in that number is \$275K earned on bond funds as that interest is posted to the related Capital Project funds.

Trustee of Trust Funds – Trustees of the Trust Funds Chair Craig Corbett reported the trustees last met on 1/23/23 and will meet next on 4/17/23.

December 31, 2022 Market Value

Trust Funds \$9,321,287 – (57.3% in Equities, 32.6% Fixed Income and 10.1% in Cash)
Capital Reserves \$15,601,657- (All Fixed Income and Cash)
Expendable Fund \$1,310,751 (typo of \$11,310,751 on original report corrected)-(All Fixed Income and Cash)

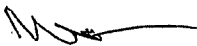
Total return for the Quarter Ending December 31, 2022 -Managed by Cambridge Trust Co.

Trust Funds (7.61)%
Capital Reserves (2.01) %
Expendable Fund (4.28) %

The negative returns are a function of short-term rates increasing due to the Fed's monetary policy as they try to control inflation. Trust Funds for the last year slightly outperformed market due to equity and fixed income performance All securities in the fund(s) are high quality government securities maturing in 2024 and the decline in price will come back to par level as we get closer to the maturity date.

Next meeting Date: April 18, 2023

Meeting adjourned at 5:25pm

Approved:  C F O

Date: 4/18/23