



STAFF REPORT
Public Hearing 6-20-17

AGENDA ITEM #: 17-73
COUNCIL MTG OF: June 6, 2017
FROM: David Caron, Town Administrator
OFFERED BY: Michael A. Fowler, P. E., Public Works Director
PREPARED BY: Michael A. Fowler, P. E., Public Works Director
SUBJECT: FY2017 Supplemental Appropriation – Winter Maintenance Fund

PURPOSE

The purpose of this document is request approval by the Town Council for a supplemental appropriation and to transfer funds from the Winter Maintenance fund to the General Fund to cover unanticipated expenses due to winter conditions.

TOWN ADMINISTRATOR COMMENTS

The Council is encouraged to schedule a public hearing on June 20 and approve a Supplemental Appropriation as requested after the hearing.

BACKGROUND

The Town of Derry Highway division experienced an abnormally active winter, capped by two heavy storms in mid-March and early April. These operations require Derry DPW overtime and contracted equipment to perform the required duties along with use of rock salt for ice control. The division budget has historically been established for an average winter but the number of operations in winter 2016/2017 has exceeded an average winter. Expenses for other divisions with related tasks such as Buildings & Grounds and Vehicle Maintenance have support roles to the Highway operation and incurred the same cost overruns due to the severity of the winter.

DISCUSSION

The FY17 Highway budget line items are provided below:

	YTD 5/24/17	FY17 Budget
HWY Overtime	\$179,202	\$121,000
HWY Contractors	\$343,270	\$259,800
HWY Salt/Sand	\$235,431	\$183,645
B & G Overtime	\$ 26,791	\$ 7,850
VM Overtime	\$ 29,543	\$ 9,050

FISCAL IMPACT

There is no impact on the tax rate. The Winter Maintenance Fund was established for the purpose of supplementing the operating budget in a year where winter conditions required more responses by DPW personnel and contractors. The department has been responsible in banking unspent funds from past years to address this scenario. This budget transfer would deplete the account balance. However, it is the intent to restore fund to this reserve in the future when a mild winter is experienced.

RECOMMENDED ACTION BY COUNCIL

It is recommended that the Council, vote to transfer \$218,000 from the Winter Maintenance Fund be transferred to cover winter related expenditures.

RECOMMENDED MOTION

The Derry Town Council moves to adopt Resolution #2017-039 as attached. that a supplemental appropriation in the following amounts be authorized:

\$58,200 18422000 140001 Highway Overtime
\$83,470 18422001 430005 Highway Contracted Snowplowing
\$51,786 18422001 630000 Highway Supplies – Maintenance
\$18,941 18020000 140001 Buildings & Grounds Overtime
\$5,603 18620000 140001 Vehicle Maintenance Overtime

And, further that this appropriation be funded by a transfer in the amount of \$218,000 from the Winter Maintenance Fund.