

## STAFF REPORT

AGENDA ITEM #: 19-52  
COUNCIL MTG OF: May 7, 2019  
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: FY2019 Budget Transfer – Hazardous Building Capital Reserve Fund

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### PURPOSE

The purpose of this document is to request approval by the Town Council to transfer funds from the Hazardous Building Capital Reserve Fund to the General Fund – DPW – Highway to cover expenses related to a building demolition at 40 Kilrea Road

### TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to adopt Resolution #2019-028.

### BACKGROUND

The Town of Derry became responsible for a 600 sf dilapidated garage located at 40 Kilrea Road after a tax deed was executed in 2014. The building was located on frontage of a PID development, now known as Squamscott Avenue. Almost immediately after the Town taking ownership of the building, the Town of Derry received calls from residents concerned about the appearance and safety of the building.

### DISCUSSION

The process required analysis and abatement of lead and asbestos containing materials prior to committing to the building demolition. The total cost to demolish the building and furnish a compliant asbestos abatement was \$13,018.60. The building was removed in Fall 2018.

In the FY 2019 budget, Town Council created the Hazardous Building Capital Reserve Fund to address the demolition of hazardous structures. Previously, these expenditures were taken from the general fund, often sacrificing programs within the Department of Public Works operating budget. The Town Council's requested action is to move \$13,018 from the capital reserve to the operating budget consistent with the intended purpose of the fund.

### FISCAL IMPACT

No tax impact, approximately \$12,000 will remain in the Hazardous Building Capital Reserve Fund after the transfer of funds.

### RECOMMENDED ACTION BY COUNCIL

It is recommended that Town Council approve a \$13,018 budget transfer from the Hazardous Building Capital Reserve to FY 2019 General Fund – Highway (18422000 – 490000)

### RECOMMENDED MOTION

See Resolution #2019-028