



STAFF REPORT
Public Hearing 4-21-20

AGENDA ITEM #: 20-31
COUNCIL MTG OF: April 7, 2020
FROM: David Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Administration
SUBJECT: To Establish an Expendable Trust for COVID-19 Mitigation, Response and Recovery.

PURPOSE

The purpose of this report is to request that an Expendable Trust for COVID-19 Mitigation, Response and Recovery be established to prepare the Town for extraordinary costs and revenue shortfalls which may result from the Pandemic.

TOWN ADMINISTRATOR COMMENTS

The Council is encouraged to schedule a public hearing on April 21 and subsequently vote to establish this Trust.

BACKGROUND

The anticipated severe economic impact resulting from the COVID-19 Pandemic has been well documented throughout society. For the Town, it can be anticipated that revenue shortfalls both at the State and Local levels will occur, as well as the assumption of extraordinary costs. This fund, with the Town Council designated as Agents to Expend, is designed to provide a vehicle to accumulate resources for the mitigation, response and recovery from the Pandemic.

DISCUSSION

RSA 31:19-a allows municipalities to establish trust funds for any public purpose which is not foreign to the Town's institution or incompatible with the objects of its organization. Financial stability and our obligation to respond to emergencies is certainly within the goals and responsibilities of the Town.

It is proposed that this fund be used as a vehicle to receive excess funds or other resources which would not lapse at year end and would be available to assist the Town during this crisis. The Council would authorize expenses per Resolution.

The Town expects to receive 75% reimbursement from the Federal Emergency Management Agency for most expenses incurred responding to the Pandemic; it is unknown if the Federal or State Governments will assist local governments to replenish any revenue shortfalls. This fund can be used to pay for the non-federal share of expenses, as well as assist with revenue shortfalls and implement appropriate economic development assistance to the community.

FISCAL IMPACT

There are two funding sources which are initially recommended to be transferred to the Fund:

Debt Service raised for Interest Payment on the 4-A/Rec Bond, which was paid with bond premiums - \$122,813;

Balance of the State's Infrastructure Grant for FY 20 - \$356,030.86. While it was originally intended to use these funds for various capital projects throughout the community, it is prudent to reserve these funds to address the Pandemic. Funds can also be re-purposed by the Council at a later date.

RECOMMENDED ACTION BY COUNCIL

It is recommended that the Council schedule a public hearing for April 21 and then vote to establish the Fund.

RECOMMENDED MOTIONS:

See Resolution #2020-12



RESOLUTION

Number 2020-012

To Create and Fund an Expendable Trust for COVID-19 Mitigation, Response & Recovery

WHEREAS, Section 5.1 of the Town Charter establishes the Town Council as the governing and legislative body of the Town; and

WHEREAS, the Town has been impacted by the COVID-19 Pandemic and anticipates extraordinary expenses to mitigate, respond and recover from circumstances resulting from the Pandemic; and

WHEREAS, mitigation, response and recovery expenditures may include, but not limited to, personnel and equipment costs; general assistance activity, revenue augmentation; and economic development restoration; and

WHEREAS, the Town has been thoroughly tracking these expenses for potential reimbursement from the Federal Emergency Management Agency; and

WHEREAS, one-time situational revenues are available to fund this Trust;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that an Expendable Trust Fund for COVID-19 Mitigation, Response and Recovery is hereby created pursuant to RSA 31:19-a; further, the Town Administrator, pursuant to Section 9.7 of the Town Charter, is hereby authorized to transfer the following amounts to the Trust.

Acct. #14431001 981000	OMO Debt Service Interest	\$122,813.00
Acct. #14403000 033595	OMO REV NH State Reimbursement	<u>\$356,030.86</u>
TOTAL:		\$478,843.86

Finally, the Town Council is hereby designated as Agents to Expend.

This Resolution shall take effect immediately upon its passage.

Adopted: April 21, 2020.

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Daniel Healey, Town Clerk

Date: _____