



STAFF REPORT

AGENDA ITEM #: 20-82
COUNCIL MTG OF: August 18, 2020
FROM: Dave Caron, Town Administrator
OFFERED BY: Dave Caron, Town Administrator
PREPARED BY: Dave Caron, Town Administrator
SUBJECT: Amend FY 21 Budget

PURPOSE

The purpose of this report is to recommend that the Town Council, under Article 9.5 of the Town Charter, approve the Town Administrator's action to reduce FY 21 appropriations to keep total expenditures within total anticipated revenues.

TOWN ADMINISTRATOR COMMENTS:

See comments within this report.

BACKGROUND

The Town Charter anticipated circumstances whereby the budget would need to be adjusted after adoption due to a reduction in revenues. Town staff has been monitoring the budget and making monthly reports to the Town Council in anticipation of revenue reductions resulting from the impacts of COVID-19 upon the community.

DISCUSSION

COVID-19 began significantly impacting New Hampshire during the Town's FY 20 4th Quarter. Initially, revenues dropped precipitously and later recovered whereby the FY 20 budget closed with a positive balance.

Although revenues have rebounded nicely toward the end of FY 20 and into Q1 of FY 21, the mid-term impacts of COVID-19 upon the economy remains uncertain. To prepare, the Council established a Trust Fund into which one-time capital grants and other available funds were deposited, to be used as revenue replenishment as needed in the future.

Governor Sununu has announced that FY 21 State Revenues to municipalities would not be altered, as that process would require Legislative action. Most of state revenues are fairly static from year to year, although the Highway Block Grant varies according to road toll (gas tax) receipts. The Town was recently informed that its Highway Block Grant for FY 21 is anticipated to experience a 5% reduction, or \$38,731. It is this amount which is recommended to be removed from the Highway Repairs and Maintenance line item for FY 21.

FISCAL IMPACT

Passage of Resolution #2020-040 would reduce the Highway budget by \$38,731 to offset measurable revenue reductions from the State of New Hampshire for FY 21.

RECOMMENDED ACTION BY COUNCIL

Please see Resolution #2020-040 (please read Resolution).