

AGENDA ITEM #: 20-83
COUNCIL MTG OF: August 18, 2020
FROM: Dave Caron, Town Administrator
OFFERED BY: Mark A. Fleischer, Chief Financial Officer
PREPARED BY: Mark A. Fleischer, Chief Financial Officer
SUBJECT: Transfer Appropriations to COVID-19 Trust



STAFF REPORT

INTRODUCTION:

The effects on the Town of Derry's operations due to COVID-19 are many. The Pandemic has resulted in significant unemployment and other negative impacts upon the economy.

Anticipating negative impacts upon town revenue streams, the Council is asked to transfer additional appropriations to the COVID-19 Trust to safeguard against these revenue disruptions and pay for extraordinary costs.

TOWN ADMINISTRATOR COMMENTS:

The Town Council is encouraged to support Resolution #2020-041 to further solidify the Town's financial position.

BACKGROUND

The Town has been responding to the impacts resulting from the COVID-19 pandemic since March 2020. To date, the Town has experienced minimal impact on revenues during the recession which resulted. Recognizing that the length of the recession will eventually result in an erosion of some revenue sources, one-time appropriations have been identified for transfer to the COVID-19 Trust to be used either for payment of extraordinary expenses or revenue augmentation.

DISCUSSION

To date, the Town has accumulated approximately \$344,658 in resources for use to combat the impacts of COVID-19 upon the Town's budget. As set forth on the Power Point associated with this agenda item, we have preliminary identified an additional \$1.17M for transfer into the Trust Fund. They are as follows:

1. The State has adjusted its requirements regarding reimbursement from the GOFERR Fund. In addition to submitting receipts for eligible expense, the State recently authorized the submittal of public safety payroll information as an eligible expense. Therefore, the Town will be submitting payroll information which is sufficiently large to allow the Town to recover the final \$635K allocated to Derry. As these payroll expenses are already budgeted in the FY 21 budget, these revenues will accrue to the COVID-19 Trust pursuant to Resolution #2020-023. It is anticipated that a portion of these funds will be needed for:
 - a. Unreimbursed election expenses
 - b. Excess solid waste costs
 - c. FFCRA Expenses (federally mandated paid time off for COVID related events)
 - d. Any other extraordinary costs incurred due to COVID-19
 - e. Revenue stabilization
2. The Town included \$396,031 in the FY 21 budget as the second portion of the State's one-time infrastructure grant. The Town Council previously approved inclusion of the FY 20 Infrastructure Grant into the Trust. It is these funds which require Council approval for transfer into the Trust.

3. The FY 21 Budget appropriated \$100,000 from the State Infrastructure Grant for the reconstruction of the East Derry Road sidewalk. Although it is not currently recommended that these funds be transferred into the COVID-19 Trust, this project will be deferred until Spring 2021 when the Town will have a better picture of any COVID-19 impacts upon the budget.

FISCAL IMPACT

Without the East Derry sidewalk project, based upon Council approval of this Resolution, the Town will have approximately \$1.4M in the Trust Fund to address extraordinary expenses and any required budget stabilization. All these funds have previously been budgeted or were received from outside sources, with no impact upon the local property tax rate.

RECOMMENDED ACTION & MOTION BY COUNCIL

I move the adoption of Resolution #2020-041 (please read the Resolution).