



STAFF REPORT

AGENDA ITEM #: 22-67 & 22-123
 COUNCIL MTG OF: October 18, 2022
 FROM: Mark A. Fleischer
 OFFERED BY: Administration
 PREPARED BY: Mark A. Fleischer, Chief Financial Officer
 SUBJECT: Finalize the FY2023 Budget

INTRODUCTION: This report is to account for several post FY2023 budget adoption resolutions related to the new Fire Station and Culvert projects that impact the FY2023 budget, and to confirm the overall FY23 appropriation.

TOWN ADMINISTRATOR COMMENTS: As the Town Council is able to approval Supplemental Resolutions, the Department of Revenue Administration has requested confirmation of the FY23 budget total in order to set the CY2022 tax rate. Thus, this staff report addresses two actions:

- 1) Finalize the transfer of \$1.0M of ARPA funds to the Central Fire Station project. The Council tabled this matter in May as the Town had not yet received the second tranche of ARPA funds of approximately \$1.75M.
- 2) Confirm the total FY23 budget number to proceed with tax rate setting.

BACKGROUND

Per resolution 2022-028, the FY2023 budget was adopted by the Town Council on 5/3/2022 in the amount of **\$53,107,736**. Post budget adoption, there were several resolutions approved by the Town Council related to the new Fire Station and Culvert projects which impacts FY2023 appropriations and revenues.

DISCUSSION

Below represents a summary of Town Council approvals related to these projects: **Revenues are in ()**

Resolution 2022-038: supplemental appropriation for a new Fire Station:	\$18,400,000
Resolution 2022-036: authorized the issuance of long-term bonds for the new station:	(\$18,400,000)
Resolution 2022-037: supplemental appropriation for a (3) culvert upgrades:	\$1,600,000
Resolution 2022-035: authorized the issuance of long-term bonds for culverts:	(\$1,600,000)
Resolution 2022-039: supplemental appropriation and authorized a transfer to the Fire Facility Capital Reserve Fund:	\$1,750,000
Resolution 2022-039: Use of Fund Balance to offset the above supplemental:	(\$1,000,000)

Tabled from the 5/19/22 Town Council Meeting

Resolution 2022-033: authorize the transfer of \$1M ARPA funds from the Derry Recovery Fund to the Fire Facility Capital Reserve Fund-	\$1,000,000
offsetting transfer:	(\$1,000,000)

FISCAL IMPACT

- The supplemental appropriations for the new Fire Station and culverts are offset by bond revenues.
- For resolution 2022-039, the supplemental appropriation and Use of Fund Balance offset will have a tax rate impact of **\$750,000** for FY2023. Amended appropriations for FY2023 total **\$75,857,736** and we are also seeking approval of this amount in order to set the tax rate.

- Transfers between Capital Reserve Funds, such as the ARPA funds transfer between the Derry Recovery Fund and Fire Facility Capital Reserve. We are seeking approval, however, of resolution **2022-033** which authorizes this transfer and was previously tabled until receipt of the 2nd ARPA funds tranche. Receipts of funds occurred in late July.

RECOMMENDED ACTION & MOTION BY COUNCIL

Please see Resolutions **#2022-033** & #2022-073



RESOLUTION

Number 2022-033

Transfer Funds from the Derry Recovery Expendable Trust Fund

WHEREAS, Section 9.7 of the Town Charter empowers the Town Council to transfer any unencumbered appropriation balance; and

WHEREAS, the Town Council pursuant to Resolution #2021-025 created an Expendable Trust for the Derry Recovery Plan to receive funds from the American Rescue Plan Act and disburse as necessary; and

WHEREAS, transfers are necessary to implement policy and budget decisions of the Council;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town Administrator is authorized to transfer the sum of \$1,000,000 from the Derry Recovery Expendable Trust Fund to the Fire Facilities Capital Reserve Fund.

Further, that said amount to be transferred is a portion of revenues losses as defined by the U.S. Department of the Treasury.

This Resolution shall take effect immediately upon its passage.

Adopted: October 18, 2022

Attest:

X _____

Joshua Bourdon, Council Chair

Date: _____

X _____

Cristina Guilford, Town Clerk

Date: _____