



AGENDA ITEMS #: #23-95
COUNCIL MTG OF: August 15, 2023
FROM: David Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Mark A. Fleischer, Chief Financial Officer
SUBJECT: Transfer to the Derry Economic Development Expendable Trust Fund.

STAFF REPORT

PURPOSE: The Town Council is being requested to authorize a transfer of 50% of the water wheeling revenues received for participating in the Southern New Hampshire Regional Water Interconnection Project to the Derry Economic Development Expendable Trust Fund. This transfer applies to wheeling revenues received for the period of 7/1/22-6/30/23.

TOWN ADMINISTRATOR COMMENTS: The Town Council is encouraged to approve the transfer of the water wheeling revenues associated with the Southern New Hampshire Regional Water Interconnection Project to the Derry Economic Development Expendable Trust Fund for future economic development purposes.

BACKGROUND:

The Governor signed into law on July 1, 2021, SB 87 which, effective August 30, 2021, allows Derry to repurpose no more than 50% of the wheeling charges received for participating in the Southern New Hampshire Regional Water Interconnection Project for economic development purposes.

Per Resolution #2021-047, the Town Council established the Derry Economic Development Expendable Trust Fund to place 50% of the wheeling revenue associated with the Southern New Hampshire Regional Water Interconnection Project for future economic development investment and expenditure purposes.

DISCUSSION:

Fiscal Year 2023 wheeling revenue totaled \$254,960.00 of which up to 50% or **\$127,480.00** is eligible to be transferred to the Derry Economic Development Expendable Trust Fund. We are seeking approval to transfer the **\$127,480.00** from Water account# 901000.

FISCAL IMPACT:

The Water Fund is an enterprise fund which is supported by the users of the water system. The Water division will retain \$127,480.00 of the FY2023 wheeling revenue for operational and maintenance expenses associated with the Southern New Hampshire Regional Water Interconnection Project with any excess revenues accruing to the Water Division Fund Balance.

In the General Fund, this transfer has no effect on the tax rate however, \$127,480.00 will be earmarked for future economic development purposes. After this transfer, the balance in the Fund will be \$224,575.52.

RECOMMENDED MOTION:

Please see Resolutions 2023-057 (Please read Resolution).

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RESOLUTION

Number 2023-057

Transfer Funds to the Derry Economic Development 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 previously authorized participation in the Southern New Hampshire Regional Water Interconnection Project; and

WHEREAS, participation included receiving wheeling charges from users of the Derry system within the Project; and

WHEREAS, the Town advocated to the Legislature to amend the statute to allow a portion of the revenues to be utilized for economic development purposes;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town Administrator is authorized to transfer the sum \$127,480.00 from the Water Division Wheeling Revenue account to the Derry Economic Development Expendable Trust Fund.

This Resolution shall take effect immediately upon its passage.

Adopted: August 15, 2023

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Cristina Guilford, Town Clerk

Date: _____