

# FY 2020 Year-End Projections & FY 21 Budget Adjustments August 28, 2020

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## COVID-19 Pandemic Impacts

- Derry Municipal Center was closed to the public from March 19 until July 6.
- All essential services continued to be provided either on-line, drop box or through the DMC drive-thru.
- Masks are recommended in Town buildings.
- Public meetings are now a combination of live and virtual.
- Anticipate continuation of “new normal” until Governor lifts State of Emergency and/or public health permits otherwise.

# FY 21 Revenue Trends

## Interest Revenue

| (\$000)    | Annual Budget | July Y-T-D | July     |
|------------|---------------|------------|----------|
| FY20       | \$527         | \$ 95.0    | \$95.0   |
| FY21       | \$289         | \$ 19.4    | \$19.4   |
| Difference |               | (\$ 75.6)  | (\$75.6) |
| % Change   |               | (79.6%)    | (79.6%)  |

Interest income continue to drop although the Town's cash balance remains consistent from FY20. Revenue infusion from COVID-19 Trust may be necessary in June 21 should this trend continue.

# FY 21 Revenue Trends

| (ooo)      | Annual Budget | July Y-T-D   | July         | # Monthly Transactions | Average \$ Per Transaction (Net) |
|------------|---------------|--------------|--------------|------------------------|----------------------------------|
| FY20       | \$6,232       | \$765        | \$765        | 4750                   | \$161                            |
| FY21       | \$6,332       | <u>\$777</u> | <u>\$777</u> | 4612                   | \$168                            |
| Difference |               | \$ 12        | \$ 12        |                        |                                  |
| % Change   |               | 1.6%         | 1.6%         |                        |                                  |

Motor vehicle revenues remain steady with a sizeable number of new registrations (approx. 22% of vehicle registrations).

# FY 21 Revenue Trends

## Building Permits

| (000)      | Annual Budget | July Y-T-D  | July        |
|------------|---------------|-------------|-------------|
| FY20       | \$225         | \$24        | \$24        |
| FY21       | \$225         | <u>\$18</u> | <u>\$18</u> |
| Difference |               | (\$6)       | (\$6)       |
| % Change   |               | (25%)       | (25%)       |

Building permit activity is down for July; permit activity historical fluctuates on a monthly basis therefore, no trends can be identified as of yet for FY 21.

# FY 21 Revenue Trends

## Transfer Station Revenue

| (ooo)      | Annual Budget | July Y-T-D        | July              |
|------------|---------------|-------------------|-------------------|
| FY20       | \$439         | \$48.7            | \$48.7            |
| FY21       | \$465         | <del>\$57.4</del> | <del>\$57.4</del> |
| Difference |               | \$8.7             | \$8.7             |
| % Change   |               | 17.9%             | 17.9%             |

Revenues from disposable items remain strong during the Stay at Home order and the current Safer At Home advisory.

# FY 21 Revenue Trends

## Tax Revenue

| (000)      | Annual Budget | July Y-T-D      | July            |
|------------|---------------|-----------------|-----------------|
| FY20       | \$83,197      | \$40,114        | \$40,114        |
| FY21       | TBD           | <u>\$41,094</u> | <u>\$41,094</u> |
| Difference |               | \$980           | \$980           |
| % Change   |               | 2.4%            | 2.4%            |

Tax revenues for the preliminary 2020 levy were due on July 1 with receipts exceeding prior year by 2.4%. The total amount to be raised by taxation in 2020 will be finalized when the Town's tax rate is established in September.

# FY 21 Revenue Trends

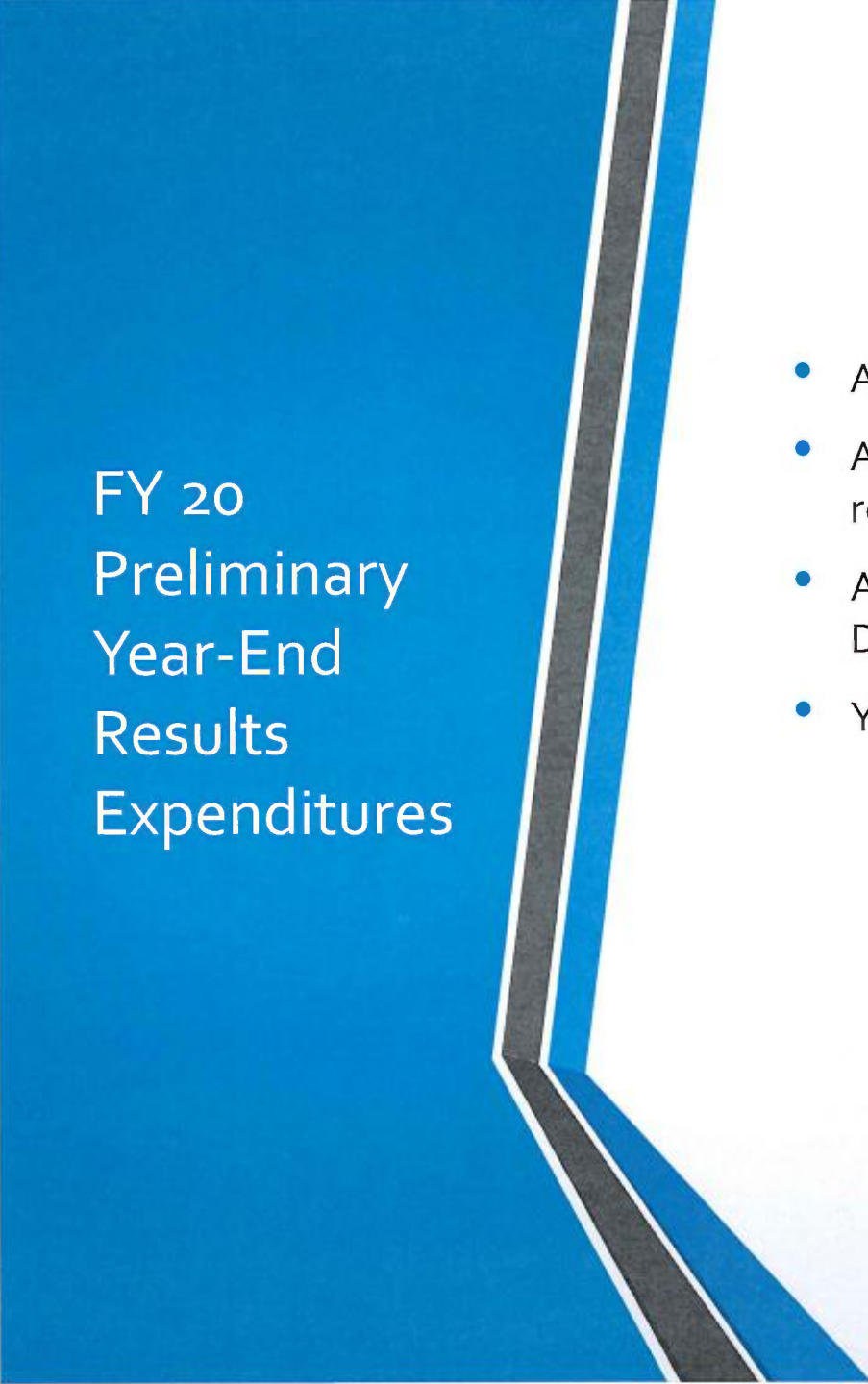
## Anticipated State Aid

| Revenue Source             | FY 21 Budget Estimate | Expectation  | Balance     |
|----------------------------|-----------------------|--------------|-------------|
| Meals & Rooms Distribution | \$ 1,689,517          | \$ 1,689,517 | \$ 0        |
| State Infrastructure Grant | \$ 496,031            | \$ 496,031   | \$ 0        |
| Highway Block Grant        | \$ 701,298            | \$ 662,567   | \$ 0        |
| TOTAL                      | \$ 2,886,846          | \$ 2,848,115 | (\$ 38,731) |



# Resolution #2020-040

- Per Town Charter Section 9.5, adjust Town budget to keep expenditures within anticipated revenues.
- NHDOT notified Town of \$38,731 reduction in Highway Block Grant Funding for FY 21
- Recommend reducing Highway Repairs and Maintenance Budget by \$38,731 from \$1,597,586 to \$1,558,855



## FY 20 Preliminary Year-End Results Expenditures

- Anticipate 97% of budget to be expensed
- All COVID-19 extraordinary expenses will be reimbursed
- Approx. \$800K in CARES Funding set aside for Derry – approx. \$200K expensed to date
- Year-end expense balance of \$1.0M
  - General Assistance low due to COVID-19 Safety Net
  - Balance of surplus due to vacant positions

# FY 20 Preliminary Year-End Results Revenues

- Year-End closing complicated by various COVID Grant programs
- Strong first 3 Quarters resulted in most revenues exceeding projections.
  - Parks and Recreation (\$65K)
  - Building Permits \$62K
  - Tax (Motor Vehicle) \$230K
  - Police (\$126K)
- Tax Collections for July 2020 OK
- Overall, anticipate excess revenues of \$450K




# COVID-19 TRUST FUND

- Established by the Council under Resolution #2020-012
- To create a fund to assist with mitigation, response and recovery from COVID-19
- TA authorized to apply for and accept unanticipated revenues
- Council retains appropriating authority as Agents to Expend

| Activity                                | Receipts             | Expenditures           | Notes        |
|-----------------------------------------|----------------------|------------------------|--------------|
| OMO Debt Service                        | \$ 112,813.00        |                        | #2020-012    |
| FY 20 State Infrastructure Grant        | \$ 356,030.86        |                        | #2020-012    |
| FY 21 Revenue Offset -Interest Earnings |                      | \$ (158,000.00)        | FY 21 Budget |
| Medicare Reimbursement                  | \$ 33,814.00         |                        | #2020-023    |
| First Responders Grant                  | \$ 288,470.94        |                        | #2020-037    |
| First Responders Stipend Payments       |                      | \$ (288,470.94)        | #2020-037    |
| GOFERR Reimbursement Requests 1 & 2     | \$ 110,723.72        |                        | #2020-037    |
| Reimbursement back to impacted Depts.   |                      | \$ (110,723.72)        | #2020-037    |
| FEMA Reimbursement Request              | \$ 64,636.79         |                        | #2020-037    |
| Reimbursement back to impacted Depts.   |                      | \$ (64,636.79)         | #2020-037    |
|                                         | <u>\$ 966,489.31</u> | <u>\$ (621,831.45)</u> |              |
| <b>Current Balance</b>                  | <b>\$ 344,657.86</b> |                        |              |

# COVID-19 Trust Activity



| <b>Activity</b>                         | <b>Receipts</b>        | <b>Expenditures</b> | <b>Notes</b> |
|-----------------------------------------|------------------------|---------------------|--------------|
| GOFERR Reimbursement #3                 | \$ 675,152.28          |                     |              |
| FY 21 State Infrastructure Grant        | \$ 396,031.00          |                     | #2020-041    |
| E. Derry Sidewalk Project               | \$ 100,000.00          |                     | Delayed      |
| Unreimbursed COVID-19 Election Expenses |                        |                     | Pending      |
| Excess Solid Waste Disposal Costs       |                        |                     | Pending      |
| FFCRA Expenses                          |                        |                     | Pending      |
| Other                                   |                        |                     | Pending      |
|                                         |                        |                     |              |
|                                         |                        |                     |              |
|                                         |                        |                     |              |
|                                         |                        |                     |              |
|                                         | \$ 1,171,183.28        | \$ -                |              |
| <b>Pending Balance</b>                  | <b>\$ 1,515,841.14</b> |                     |              |

## COVID-19 Trust Future Activity

## Resolution #2020-041

- Per Town Charter Section 9.7, Transfer any unencumbered appropriation, per approval of Town Council.
- To guard against a reduction of revenues in FY 21, transfer available balance of FY 21 State Infrastructure Grant to the COVID-19 Trust.
- The FY 21 Budget appropriated \$100K from State Infrastructure Grant to reconstruction of East Derry Road Sidewalk. That appropriation will remain for now – project deferred to Spring 2021 pending budget status at that time.