

TOWN OF DERRY

**Town Council
Derry Municipal Center**

**May 21, 2013
Tuesday - 7:30 PM**

7:30 PM Call to order

Pledge of Allegiance, Warning of Fire Exits, Handicap Access, Turn off all Cell Phones

**Roll Call: Councilors Cardon, Osborne, Dimmock, Wetherbee, and Chairman Fairbanks.
Katsakories via phone (Absent Benson)**

Consent Agenda

- 13-56** Approve Non-Public Minutes – May 14, 2013
- 13-49** Schedule Public Hearing – June 4, 2013 – Approve Teamster's Local #633 Collective Bargaining Agreement
- 13-57** Schedule Public Hearing – June 4, 2013 – Commercial District Revisions - Zoning Ordinance – to amend Article II, Word Usage and Definitions, Section 165-5, Definitions to add definitions to define the following: Clinic, Bus Depot, Day Care, Health Service Facility, Library, Medical Office, Open Space, Private Educational Facility/Private School, Radio Broadcast Facility and Sale of Travel Accommodation; to amend Article II, General Provisions, Section 165-14 Churches; to amend Article VI, District Provisions, Section 165-32.A through B, General Commercial District; and to amend Article VI, District Provisions, Section 165-35.B.4, Office Medical Business District

Approved as written

Chairman's Report –

Meeting and decorum – The meetings will be conducted per Town Council Rules and Robert's Rules. The Chairman reviewed some of the rules that he will be following going forward.

Workshops to be scheduled: Exit 4A (non-public 6/18), Planning Board, Schools, Cable TV Fund, Town Council Rules and Goals, Tax Cap, Libraries, Collective Bargaining Agreements and Economic Development.

Councilor Wetherbee asked if the Town Councilor Goals should be at the top of the list. He also stated he doesn't think more money needs to be spent on meeting with the attorneys regarding Exit 4A. There are other means to get this information and there is a legal opinion that exists. He suggested the new Town Councilors obtain latest legal opinion to read regarding Exit 4A. The Town Administrator will have that for them in their next packet.

Chairman Fairbanks acknowledged the petition presented by Kevin Coyle and deemed it a "Free Petition" and asked if the Council would like to take any action. It was decided it would be taken up after the public hearing on the Union Contract on June 4th.

Chairman Fairbanks: Councilor Benson requested review of the May 14th Town Council meeting to address any issue brought up in public forum or public hearing. The Chairman's review saw questions, opinions, suggestions and requests.

Councilor Wetherbee asked if they could revisit this when Councilor Benson arrived. All were in agreement.

Town Administrator's Report –

Work has begun on the Beaver Meadows Dam and concrete has been poured. The NH DES wants additional work to be done on the dam wing structure. There will be additional costs for this repair.

Tax bills are projected to be mailed out at end of May. These bills are half of last year's paid bills.

Mr. Anderson has spoken to Mr. Fowler regarding crosswalks and striping. Manchester Road striping is complete and within two weeks downtown will be complete.

***** FY 2013 3rd Quarter Financial Report

Frank Childs and Janice Mobsby- highlighted the report (Attachment A)

Janice Mobsby –General Fund cash is \$41M, the use of the fund for the Rte.28 TIF brings the total over last year down by \$400,000. Current year taxes increased and are 28% higher over the prior year. Part of the increase is attributed to the change in elderly tax liens, mostly due to greater values being liens. Other outstanding receivables of net reserve are \$197,000 higher than the prior year. The \$267,000 billed to the State of NH will be paid shortly as this is a reimbursement of 80%. There will be a delay in ambulance payments in the 4th qtr. due to recertification.

Capital assets exceeded annual depreciation within Land & Improvements, roadways, vehicles, tax deeded property held for resale and the construction in progress on the Manchester Rte. 28TIF. The Town's investment in capital assets did not keep pace with depreciation in Buildings & Improvements or Bridges & Sidewalks. Machinery & Equipment stayed the same.

General Fund cash includes \$4.4M held for inter-fund liability. Capital project disbursements were responsible for the decrease in liability. Cash held for other major funds include: Water, Wastewater, bridge projects, Cable and Conservation. The General Government Bond Debt of \$9,070,000 decreased from last year. Fund balance totals \$135.3M the largest portion of this balance is related to capital assets, net of related debt associated with the purchase of these assets. Unassigned general fund balance totaled \$13M, a \$2.4M increase over the prior year. The increase is the return of grant reimbursements collected for completed capital projects.

(Councilor Benson arrived 7:58 p.m.)

Frank Childs – Ambulance service revenue is down due to a delay in payments from State of NH for Medicaid reimbursement and federal Medicare reimbursements. The Transfer Station is projected to be \$90K below budget at year-end due to softness in commodity costs and citizens making direct contact with scrap metal vendors. Human Services is running behind budget. Legal expenses exceeded the budget by \$12,000.

Chairman Fairbanks asked if this is a trend concerning commodities at the transfer station. This is only with metals. At the new transfer station, we will be recycling more items than we recycle now, for more revenue.

Councilor Benson asked if Mr. Childs knew what the unassigned fund balance would be at the end of this Fiscal Year. Mr. Childs replied, can't answer that at this time.

Public Forum –

Open Public Forum 7-0-0

Phil Bruno Windham Rd – Talked about roosters and was puzzled by the ordinance. He referenced Section #165-155 of the Town Ordinance. The ordinance needs to be changed.

Maureen Heard, Windham Rd – Also spoke about the rooster keeping her family awake; however she does understand agriculture issues in Derry. This rooster is a public nuisance and wakes them up at 3:30 in a.m. She is also concerned about other parts of this ordinance.

Councilor Kastsakiores asked if anyone had contacted legislators and maybe they could redefine the law.

Janet Fairbanks, Rose Ave – Asked if the Farmer's Market is going to continue and where does the revenue already collected go? How much money is left for this year?

Mr. Anderson replied that it is in this fiscal year. Discussion continued.

Mrs. Fairbanks also stated she stands behind every statement she's made at meetings in the past. Mrs. Fairbanks then questioned the Recreation Department employee who would be assisting at the Farmer's market (is it overtime, compensation)

John Burtis, Lori Rd – His concern was the emptying of the budget lines by department heads at the end of the fiscal year. Questioned if there was a process on any money left over at end of year and where it goes.

Another issue he inquired about was ambulance receivable collections being 64% behind in the 9 month period as stated in the 3rd Qtr. Financial Report.

Kelly Martin, Bayberry Lane – was concerned that the documentation for the meeting wasn't posted on the website. She also wanted Unassigned Fund Balance explained.

Mr. Anderson and Councilor Benson gave an overview of Unassigned Fund Balance and that it was the money acquired through taxes not spent at the end of the fiscal year which reverts to the General Fund.

Ms. Martin's last question was in regards to the iPads not being used by the Town Council.

Mr. Anderson stated they are being used by other Town Departments and are not sitting on a shelf.

Steve Trefethen, resident of 4 Mulberry St., Windham, NH, Business owner in Derry, - Taxes are an issue.

Rhianna Vonash – Wanted to address the high cost of lawsuits to the Town and the complaints of higher taxes. She states some people shouldn't hold themselves to higher standards when they are part of reasons for lawsuit, referring to Mr. Trefethen.

John Burtis, Lori Rd – He would like to attend the workshop on the union bargaining contracts because they are key to understanding. Labor costs are always higher. He asked to have Code Enforcement check out the junk yard that has sprung up on Island Pond Rd across from Webber's. He questioned the Sawyer property and he was under the impression the land was divided and was going to remain undeveloped but now is for sale.

Councilor Wetherbee stated that property is not owned by the Town's Conservation Commission.

Close Public Hearing 7-0-0

Recess 8:55 p.m., for meeting with legal counsel.

Reconvened at 9:10 p.m.

Public Hearings –

- 13-36** Authorize Town Administrator to apply for and accept grant funds from the NH Highway Safety Agency for Pedestrian Patrols and Red Light Running Patrols

Chief Garone gave an overview of this grant. He stated that it is very infrequent that court cases increase due to this grant.

Councilor Dimmock asked if this involves overtime. Chief Garone responded that the grant pays for the overtime rate.

Chief Garone also stated that bike patrols are not part of this grant they are paid for with budgeted overtime.

Open Public Hearing 7-0-0 Osborne/Dimmock

No public input

Close Public Hearing 7-0-0

Councilor Dimmock/Councilor Kastsakiores

Move to grant authority to the Town Administrator John Anderson to apply for and accept on behalf of the Town, grant funds associated with the 2013 NH Highway Safety Project as follows:

- Derry Pedestrian Patrols \$5720
- Derry Red Light Running Patrol \$5720

Further to grant authority to the Town Administrator to execute any contracts or documents associated with those projects.

Motion by Councilor Osborne seconded by Councilor Cardon

Vote: 7-0-0

Chairman Fairbanks asked Council to move to Item #13-45 next for the public hearing. All agreed.

13-37 Acceptance of a Pavilion Structure from Derry Village Rotary Club *(no action heard due to time constraints)*

13-38 Barkland Acres Association Petition: Community Water System Acquisition
(No action heard due to time constraints)

13-46 Amend the Code of the Town of Derry, Chapter 150, Traffic Ordinance Article I, Section 150-5 (1) Limited Parking Highland Avenue
(No action heard due to time constraints)

13-45 Supplemental appropriation of \$450,000 to acquire downtown property for economic development and a \$50,000 related budget transfer

Motion to unseal the non-public minutes in regards to #13-45 made by Councilor Wetherbee seconded by Councilor Benson

Vote: 4-3-0 (Cardon, Osborne, Dimmock)

Mr. Anderson gave a history and background on this area and the purpose of this purchase.

Councilor Wetherbee wanted it clarified that this purchase has no impact on taxes.

Mr. Anderson replied that there was no tax impact.

Open Public Hearing 7-0-0 Councilor Wetherbee/Councilor Katsakiores

Michael Gendron, Old Auburn Rd- He is a member of the Derry Downtown Committee and he gave suggestions of what the downtown could be if this area is marketed effectively, supports purchase.

Steve Trefethen, 4 Mulberry St., Windham, NH – questions about the purchase and RFP, the numbers don't work.

David Choate, Colliers International aka Grubb & Ellis – gave background and response to previous speaker. He was assigned to acquire properties in this area so that redevelopment of this area could be marketed as one parcel. He stated that, "If for some reason this transaction does not go forward now that Mr. Varney has evicted people."

Kevin Coyle, North Shore Rd. – Asked what the realtor would receive from the sale price. Mr. Anderson stated, "7%".

Mr. Coyle stated there is a liquidated damage clause for \$5000 in the contract. This building is the worst maintained building in Derry, It is assessed at \$260,000 and the town is paying \$100,000 more. He disagrees with the purchase. If it was worth it, a private developer would have already done something with it by now.

Ron Varney, building owner- wanted to touch on a couple of points. Several months ago he was approached for the purchase of this property and he came to the terms of the agreement which was to free the building of all tenants. He has evicted all tenants as per agreement. He worked hard to keep his end of agreement as some of these tenants are handicapped.

Mike Iannuzzi, Sawyer Ct – stated there is purchasing all around him. Questioned what would happen to the property value of the Paradis Property if development moves forward.

Steve Trefethen, 4 Mulberry St., Windham, NH – he is neither for nor against the purchase of this property.

Paula Osborne, Bayberry Lane – Asked why would we buy this building when there are so many empty buildings downtown? Do not buy it.

Kelly Martin, Bayberry Lane – Agrees property should not be bought.

David Choate, Collier's International – The Town did make several attempts to purchase the Paradis property. There was no response from family to repeated attempts to purchase the property. Tax revenue loss is temporary. The plan would generate far more than the loss.

Donna Paradis – stated that she did receive mail, however the property is in probate and she did return his call and told him not interested in selling at this time.

Motion to extend 10 minutes – Councilor Osborne/Councilor Dimmock

Vote: 7-0-0

Janet Fairbanks – asked the Council what is the plan for the property? She is hoping that the Council does the right thing.

Mike Gendron – state that we think small minded in this town. The downtown can become vibrant. We are trying to move forward to improve downtown.

Kevin Coyle – so far the town has invested \$1M in the downtown. We can't continue to throw good money after bad.

John Bonner – there no simple solution to this. If the town makes the wrong choice they'll be a price to pay one way or another. It's timing, money and town's people.

Close Public Hearing 7-0-0 Councilor Osborne/Councilor Cardon

**Motion to extend additional 10 minutes Councilor Dimmock/Councilor Osborne
Vote: 7-0-0**

**Move a supplemental appropriation of \$450,000 to the Executive account 710 to acquire property for economic development funded by:
\$180,000 from the Land and Building Capital Reserve Fund and, \$270,000 from Assigned General Fund Balance. Further, I authorize a budget transfer of \$50,000 from the Executive Department's Economic Development account #390 – Other Professional Services to account #710 – Land Acquisition to complete the property acquisition and project demolition costs of both properties in the total amount of \$500,000. The appropriate will lapse on June 30, 2014 if not encumbered or expended. I further authorize the Town Administrator to execute all documents associated with the property acquisition and project demolition.**

**Motion by Councilor Wetherbee, seconded by Councilor Benson
Vote: 3-4-0 (Cardon, Osborne, Dimmock & Fairbanks) Motion failed**

New Business –

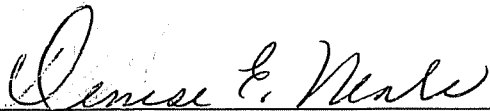
**13-58 Wal-Mart Grant - \$1,000 – Human Services Food Pantry
(No discussion due to time constraints)**

**Council Requests / Open Discussion
None**

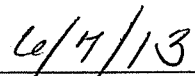
Adjournment 10:20 p.m.

Recorded & Transcribed by Denise Neale, Town Clerk 5/24/2013

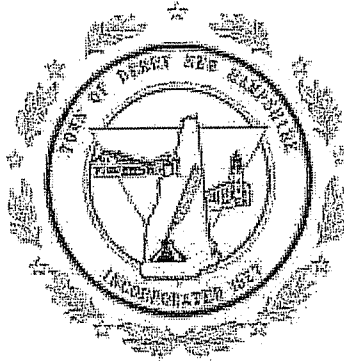
Reviewed by: John P Anderson, Town Administrator



Town Clerk



Date



Report to Town Council
FY2013 Financial Statements
for the
Nine Months Ended March 31, 2013

- Narrative Comments on Financial Statements
- Comparative Balance Sheet as of March 31, 2013
- General Fund Revenues – Actual vs. Budget & Prior Year for 9 Months Ended 3/31/13
- General Fund Expenditures – Actual vs. Budget & Prior Year for 9 Months ended 3/31/13
- Cable TV, Water, & Wastewater Revenues & Expenditures – Actual vs. Budget & Prior Year for 9 Months ended 3/31/13

Town of Derry, New Hampshire

Narrative Comments on FY 2013 Financial Statements For the Nine Months Ended March 31, 2013

Balance Sheet

As of 3/31/13, general fund cash totaled \$41 million, down \$400,000 from the prior year. This change is due to using bond proceeds raised in the prior year to pay for road improvements in the Route 28 TIF district, as planned.

Unpaid current year taxes increased \$35,000 to \$1.8 million during the past 12 months. Though the value is higher than the prior year, the increase is less than the increase in the tax levy.

Unpaid tax liens have increased \$290,000 (28%) to \$1.3 million during the same time. While part of the increase is attributable to changing the reporting of elderly tax liens (\$42,000), most is due to greater values being liened.

Other outstanding receivables, net of reserves, totaled \$416,000. Balances were \$197,000 higher than the prior year comparable period. The \$267,000 billed to the State of NH for their share of the Highway Equipment Grant for Salt Trucks, paid shortly after the end of the quarter, affected the increase as of 3/31/13.

The Rockingham Economic Development Corporation administers the Town's economic development loan program. Currently, there are three loans outstanding and \$150,000 held in escrow for future lending opportunities.

Overall, capital assets, net of depreciation increased \$2.5 million over the prior year comparative period. The majority of the increase (\$1.6 million) is associated with infrastructure for Route 28, which is recorded as Construction in Progress as of 3/31/13 until completion of final paving and striping this spring.

The Town's investment in capital assets exceeded annual depreciation during the past twelve months within the following categories:

➤ Land & Improvements	\$ 826,000
➤ Roadways	\$ 295,000
➤ Tax deeded property held for resale	\$ 231,000
➤ Vehicles	\$ 112,000
➤ Construction in progress	\$1,586,000

The Town's investment in capital assets did not keep pace with depreciation during the past twelve months in the following categories:

➤ Buildings & Improvements	(\$ 295,000)
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- Machinery & equipment (\$ 10,000)
- Bridges & Sidewalks (\$ 141,000)

New investments in capital assets valued over \$10,000 during the past quarter include:

- \$483,000 - Route 28 improvements
- \$160,000 - Plow/salt trucks
- \$ 14,000 - Rockingham Road & bridge engineering
- \$ 91,000 - Land acquisition
- \$ 16,000 - Transfer Station Upgrade
- \$ 28,000 - GMC Canyon Pickup
- \$ 9,000 - Fire Rescue Equipment
- \$ 2,500 - Police Station interior improvements

General fund cash includes \$4.4 million held for other funds (inter-fund liability). Route 28 TIF Capital project disbursements were responsible for the \$2.8 million decrease in liability. Cash held for other major funds include:

- Water \$1,927,000
- Wastewater Division \$ 816,000
- Bridge Projects \$ 596,000
- Cable \$ 515,000
- Conservation \$ 508,000

Compensated absences liability of \$3.6 million decreased by \$88,000 since 3/31/12. In general, staff is utilizing more of their earned time resulting in a 1.84% decrease in unused hours from the prior year comparative period. The actual earned time liability is 2.35% lower. The cost of earned time for newer employees is less due to the effect of new vesting rules with the retirement system that excludes earned time payments from eligible retirement compensation. This change has reduced the town's liability for non-vested and new employees.

The OPEB liability continues to phase in over the next 26 years based on an actuarial analysis of the value of an implicit rate subsidy for health benefits that our retirees receive. In accordance with accounting rules, the town has recorded an OPEB liability of \$3.7 million as of 6/30/12.

General Government Bond Debt of \$9,070,000 decreased \$590,000 due to annual debt payments during the past year. Subsequent to this quarter, the town issued \$4.75 million in bonds for the Transfer Station Capital Project, Woodlands water system upgrade and Rockingham Road Improvements, including water/wastewater improvements. The town also refinanced the Municipal Center bond to take advantage of lower interest rates. Capital lease debt decreased \$137,000 to \$699,000 as of 3/31/13.

Fund balance totals \$135.3 million. The largest portion of this balance is the portion related to capital assets, net of related debt associated with the purchase of these assets. This category represents \$107.2 million of the total fund balance. The value of capital assets, net of related debt increased \$4.8 million since the prior year. This change occurs as the Town invests in

capital assets at a rate higher than depreciation without debt, as occurs with road dedications, capital grants and use of operating revenue.

The detailed reserves and categories of fund balance are indicative of prudent management of town funds by both Town staff and Town Council. Net of all other restrictions or reservations, unassigned general fund balance totaled \$13 million, a \$2.4 million increase over the prior year. The reason for this increase is the return of grant reimbursements collected for completed capital projects to the general fund in fiscal year 2012.

Revenue & Expenditures

Set forth below are comments on actual vs. revised budget variances for revenue and expenditures in various activity centers, as shown on the attached statements.

The summary of the comments below is that both revenues and expenditures are generally tracking the budget, with few exceptions. Two revenue items that are a concern are Ambulance and Transfer Station recycling revenues, as highlighted in their respective write-ups. On the expense side, we see lower payments of Human Services direct service assistance than budgeted, while legal expense will exceed the budget given ongoing litigation and the expenditure of 96% of that budget through this period.

Revenue

- Taxes – The amount of collected 2012 final tax billing has increased from last year, collecting 96.2% compared to only 95.1% last year for the same nine month period. The amount of uncollected taxes for the final billing of 2012 was \$1.8M, slightly higher than the \$1.7M uncollected at the same time last year; this is due to the tax warrant increasing by \$3.4M. Foreclosures remain high, though decreasing to 146 for this nine month period compared to 165 during the same period last year. Foreclosures continue to help the collections by mortgage holders insuring payment of taxes to clear the title to offer the properties for resale.
- Derry Public Library – The budgeted revenue is a transfer from the library's capital reserve fund to cover the cost of repaving the parking lot/driveway. That project has been delayed until the conversion to natural gas, approved in the FY14 budget, is completed.
- Prevention & Emergency Services – Ambulance service revenue represents 63% of the budget and is running at 64% of the \$1.1M budget, behind for the nine month period. Compared to the prior year, this revenue is behind both in dollars and percent of budget realized in the period. The current shortfalls are partly attributed to a delay in payment from the State of New Hampshire DHHS for Medicaid reimbursement, as well as federal Medicare reimbursements. Delays in these payments are partially due to delays in the recertification process that was required by both agencies. We are working jointly with our ambulance service billing company and those agencies to remedy the situation and expect back payments before the end of the fiscal year. It is anticipated that the revenue for the remaining year will not meet budget expectations and we predict a year-end

shortfall of approximately \$150,000. 25% of the revenue is from capital reserve funds and use of dedicated fund balance that will be recorded in the 4th quarter.

- Health – 88% of the budget relates to health permit revenue received mostly during the latter part of the fiscal year, with 87% of this budget having been received through March. The remaining 12% relates to the timing of school reimbursement for a portion of the cost related to the Town's mosquito control program. The payments from both the DCSD and Pinkerton Academy have exceeded the original budget estimates.
- Dispatch-Prev. & EMS – The provision of dispatch services to other communities makes up 83% of the budget and was received during the 1st quarter. 10% of the budget revenue relates to capital projects that will be done latter in the year.
- Police – Budgeted revenues include use of fund balance (\$128K or 26% of the total) for the paving the entrance/parking lot. While that project has been completed, the use of fund balance to cover the costs has not yet been transferred. 50% of the budgeted revenue is for reimbursement for Police details and related cruiser use, and tracks expenditures incurred. For the nine month period, 56% of the revenue for this item has been received. Workers Compensation and disability reimbursement has exceeded the budget by \$14K, while unbudgeted restitution revenue is \$6K. Revenues also are impacted by the timing of receipt of state witness fees, court fines and grants.
- Town Administration – Revenue is for permits and miscellaneous copying charges, the timing for which varies throughout the year. Revenues also include an unbudgeted miscellaneous revenue amount of \$3.8K that is primarily from Farmers' Market fees.
- Information Technology – Year-to-date revenue reflects the transfer in of \$50K (42% of budget) of drug forfeiture funds to cover the costs of the Police phone system upgrade. Budgeted revenues include \$48K (40% of budget) use of Fire fund balance to cover their phone system upgrade and \$17K (14% of the budget) is capital lease revenue for copier replacements, both of which are scheduled to occur during the 4th quarter.
- Human Services – Revenues are well above budget due to the successful pursuit of an outstanding \$20K welfare lean during the 2nd quarter, as well as another \$12K from smaller liens.
- Assessing – \$68K of the budgeted revenue relates to payments in lieu of taxes (PILOT) that were billed in the 2nd quarter after the tax rate is set. Actual PILOT payments were \$83K, \$15K above budget increases for Nutfield Heights (\$14K) and Pillsbury Senior Housing (\$1K). Both were impacted by the higher tax rate for 2012, while the Nutfield Heights calculation reflected higher income and lower expenses as well. Timber tax revenue received is \$1,300 above the \$6,500 budget. \$20K of the revenue will be a transfer from the Assessing capital reserve fund that will take place in the 4th quarter. \$5K is budgeted for NH State & Forest Land, none of which was received during the nine month period.
- Finance – Revenues appears way over budget due to \$20K of unallocated insurance reimbursements that will ultimately be allocated to the appropriate activity centers to offset property damage costs incurred by the Town. The majority of budgeted revenue (\$9.6K) reflects collection of small claims court fees, with \$12.2K received during the nine month period. These revenues reflect the actual expense incurred by the Town for

such fees. Revenues also include \$7.9K of unbudgeted short-term disability during the 2nd quarter.

- Tax Collection - Motor vehicle registration revenue increased for this nine month period by 2.16% from last year. The revenue went from \$3.12M to \$3.19M, even though the number of vehicles registered decreased 980 for this period. This indicates a sign of the economy changing for the better. More new cars are being purchased replacing older vehicles, offset by a decline in the number of vehicles registered per household. The online registration process (E-Reg) is being utilized more by the citizens, increasing by almost 300 renewals using that process for this nine month period.
- Other Municipal Obligations – Revenues are impacted by the timing during the year of receipt of monies from the state for rooms and meals tax (\$1.5M) and courthouse bond reimbursement (\$108K), interest earned on invested funds (\$186K), the use of capital reserve funds to pay for earned time retirement payouts (\$224K) and the budgetary use of fund balance (212K) for transferring reserved monies to the compensated absences capital reserve fund. To date, revenue has been received for the Rooms & Meals tax, the courthouse reimbursement and 67% of the budgeted interest income. The Town continues to use three banks other than our lead bank to maximize the return on available funds and during the 4th quarter will place funds with a 4th bank in ongoing efforts to maximize the return on invested funds. The actual nine month results also reflect unbudgeted interest and fair value changes in the capital reserve funds.
- Planning – Planning applications have exceeded the \$14K budget by \$2.8K, while only 35% of the \$20K budgeted for outside planning reviews has been received. This offset by lower costs for professional services.
- Code Enforcement – 94% of the budget is from building permits (\$150K), with only 67% received during the nine month period. We project that this item meet budget by year end.
- Recreation – Appears slightly below budget due to 12% of the revenue (\$25K) coming from trust fund income that will be received during the 4th quarter.
- Parks – \$16.5K of the year-to-date revenue is short-term disability reimbursement that was not budgeted. \$46K (43%) of the budget is reimbursement from the Alexander Carr trust that will occur in June. \$43.5 (40%) is capital lease revenue, \$25K of which has been received for a pickup replacement. A decision was made in October to purchase a tractor outright, rather than lease it, thus this item will be \$18.5K under budget at year end.
- Buildings & Grounds – The budget represents three items: \$31K for Adams Memorial Building rent; \$20K from Cable to support the cable space in the DMC; and \$52K from tower rentals. Adams and Cable revenue is on budget in the period, while tower rental revenue was over the original due to an unanticipated lump sum payment (\$19k) for shared tenant receipts at the Kendall Pond Road site.
- Cemetery – \$75K or 59% of the budgeted revenue comes from utilizing cemetery trust fund income to support overall cemetery operations, a transfer which occurs in June. The remaining revenue primarily relates to the timing of cemetery lot purchases, related

perpetual care and burials, with those items at 85% of budget during this period. The perpetual care revenue is transferred to the cemetery trust fund.

- Highway – Revenue for the period appears below due to the timing of items noted below, but revenues will be above budgeted amounts at the end of the fiscal year. \$1M of the budget is from bond proceeds that were received in early May for the reconstruction of Rockingham Road, while \$160K is a transfer that will occur in June from the capital reserve fund to support ongoing highway improvements. All of the \$178K lease revenue budgeted for new equipment was received during the 1st quarter. NH Highway Block Grant funds are on budget. The year-to-date revenues also include revenue from truck replacement chloride grants, FEMA reimbursement of \$39K for the NEMO and Sandy storms and \$18K for the purchase of a used dump truck by Water/Wastewater, a transaction that was delayed from FY12 into FY13.
- Vehicle Maintenance – Reflects unbudgeted workers compensation reimbursement.
- Transfer Station – The budget includes \$3M of bond revenue for the construction of a new transfer station facility and \$87K to be transferred from the waste tire trust. The Bond revenue was received in early May, while receipt of the transfer from the waste tire trust fund will occur in June. Overall, recycling revenues was at 54% of budget during the nine month period and is projected to be \$90K below budget at year-end due to a ‘softness’ in commodity costs for recycled material. A key contributor to this is that we are seeing a significant reduction in metals; it appears that citizens are making direct transactions with scrap metal vendors that result in them receiving funds for this product.
- Cable – Revenue is almost entirely from cable franchise fees and is simply impacted by the timing of payments to the Town by Comcast, generally for each quarter, in the subsequent quarter.
- Water – Water service related revenue on budget for the period. Bond proceeds of \$250K not received until early May.

Expenditures

- Prevention & Emergency Services – While overtime for the nine month period was 95% of the budget, that cost has been offset by lower regular wages and other personnel related costs. Additionally, the purchase order for an ambulance was not placed during the nine month period. The contract to purchase the ambulance was signed in May and we expect delivery by September 1, 2013. A few unanticipated issues have occurred during the year, as follows: having to replace the septic system (\$14K) at the English Range Road Station; and replacing a blown diesel ambulance engine (\$16K). These items will be handled within the existing budget. Overall the budget remains on track.
- Emergency Management – Temporary wages and overtime are running behind budget at this point in the year. The \$15K budgeted for the Code Red community communications software renewal was fully paid during this period and represents 25% of the total budget. \$17K will be spent during the current fiscal year for a portable information sign board that was removed during the FY2014 budget discussions.

- Police – Slightly below budget due to lower personnel cost than budget. This includes reimbursable overtime that results in lower revenue as discussed earlier in this report.
- Town Administration – None of the \$75K budget for economic development service or the \$285K budgeted for union contract settlements were expended during this period. The total of those two amounts represents 38% of the total budget.
- Human Services – Running below budget due to 47% of the \$140K budgeted for direct service assistance being expended during the nine month period. We expect this item to be below budget at year end.
- Assessing – Expenditures are below budget due to only \$78K of the \$180K budgeted for outside assessing service expended during this period. The use of this service increased significantly beginning in January and will continue through final work for FY2013. Expenditures will be below budget at year end. Other items are generally on budget.
- Finance – Appears slightly below budget since none of the \$43K budgeted for audit services was expended during the nine month period. Only 64% of the \$12K budgeted for other professional services, primarily related to ambulance collection activity, was expended during the period.
- Tax Collection - Expenditures appear under budget since \$272K (37%) of the budget is for transfer of waste tire reclamation and transportation improvement fees, collected as part of motor vehicle registration, with 43% transferred during this period. Only 32% of the \$27K budgeted for outside services was expended this quarter. However these items are expected to be on budget at year end. Compensation, health insurance and health buyouts were lower than budget and will continue that way throughout the year due to changes in personnel and coverage elections.
- Other Municipal Obligations – The timing for various obligations (debt service, retiree earned time payouts, professional services, etc.) varies throughout the year and with one exception, things are basically on track. That one exception is legal services, where 96% of the \$250K budget was expended during the period. As of the end of April, expenditures had exceeded the budget by \$12K.
- Town Clerk/Elections – Expenses are at 92% of budget since all the regular elections budgeted for have been held.
- Recreation – Personnel costs running slightly below budget.
- Parks – Personnel costs are running below budget due to the timing of filling vacancies. As a result, the overall division is trending below budget for the end of the fiscal year.
- Cemetery – Lower wages than budgeted, health insurance costs lower than expected due to coverage elections and only 60% of the cemetery perpetual care funds budgeted being transferred to the trust fund are the primary reasons this area is running behind budget.
- Highway – 20% of the budget is the \$1M for the Rockingham Road rebuild that will be transferred to a capital project fund. This project was funded with the bond proceeds in early May and construction will begin in September. The winter plowing and snow removal budget of 551,000 was exceeded by \$60,000 due to the frequency and severity of

several storms in February. Overall, this increase will be absorbed within the Public Works Department, with the overall department being within budget at fiscal year-end.

- Transfer Station – While expenditures appear significantly below budget, this is due to the \$3M budgeted for the new transfer station facility that will be transferred to a capital project fund, with construction slated to begin in the fall of 2013. All other expenditures are generally on budget, with some varying just due to the timing of activity during the year.
- Cable – The lower expenditures during the six month period reflect the expenditure of only 42% of capital expenditures and no transfer to the DCSD for their capital requirements. The amounts budgeted are \$51K and \$10K, respectively, and represent 24% of the total cable budget.
- Water – Lower overtime and healthcare costs, combined with the timing of capital purchases/projects is the reason for the budget being at 68% after 3 quarters of operation.
- Wastewater – The timing of debt service payments and capital acquisitions during the year are the primary reasons for the budget appearing to be below budget. Most other expenditures are generally on budget.

5/17/13

TOWN OF DERRY, NH
Preliminary Comparative Balance Sheet
General Fund and Long Term Accounts
As of March 31, 2013 and March 31, 2012

	As of March 31, 2013	As of March 31, 2012	CHANGE
ASSETS:			
PETTY CASH	1,905	1,905	
OPERATING CASH	35,718,316	36,721,272	
CAPITAL LEASE PROCEEDS HELD IN ESCROW	-	311	
ECONOMIC DEVELOPMENT FUNDS AVAILABLE (REDC)	150,355	139,040	
CAPITAL RESERVE CASH	<u>5,125,214</u>	<u>4,537,473</u>	
TOTAL CASH	40,995,789	41,400,001	-1%
A/R REAL ESTATE TAX-CURRENT YEAR	1,754,862	1,719,749	
A/R YIELD & EXCAVATION TAX	<u>1,348</u>	<u>721</u>	
TOTAL TAX A/R	1,756,210	1,720,470	2%
TAX LIEN RECEIVABLE-2001 THROUGH 2007	88,716	137,709	
TAX LIEN RECEIVABLE-2008	62,248	130,734	
TAX LIEN RECEIVABLE-2009	152,740	413,826	
TAX LIEN RECEIVABLE-2010	472,355	771,738	
TAX LIEN RECEIVABLE-2011	925,800	-	
ELDERLY & DISABLED TAX DEFERRED	42,462	-	
ALLOWANCE FOR TAX RECEIVABLES	<u>(400,000)</u>	<u>(400,000)</u>	
TOTAL TAX LIENS	1,344,320	1,054,008	28%
A/R GENERAL BILLING & AMBULANCE	838,691	740,866	
A/R DUE FROM BANK FOR EXECUTED LOAN	-	59,950	
A/R NSF CHECKS	1,298	1,768	
A/R WELFARE LIENS	236,406	243,525	
ALLOWANCE FOR GENERAL RECEIVABLES	<u>(1,021,302)</u>	<u>(935,396)</u>	
TOTAL GENERAL RECEIVABLES	55,093	110,712	-50%
DUE FROM OTHER GOVERNMENTS	376,250	113,837	
ALLOWANCE FOR GOVERNMENTAL RECEIVABLES	<u>(100,273)</u>	<u>(100,273)</u>	
TOTAL GOVERNMENTAL RECEIVABLES	275,977	13,564	
ECONOMIC DEVELOPMENT LOANS RECEIVABLE	85,220	94,592	-10%
PREPAID EXPENSES	94,836	115,004	-18%
ACCRUED INTEREST ON SHORT TERM INVESTMENT OF CASH	21,692	34,176	-37%
LAND	7,671,293	6,863,452	
LAND IMPROVEMENTS	5,191,860	4,927,533	
ACCUM DEPRECIATION-LAND IMPROVEMENTS	<u>(2,333,836)</u>	<u>(2,087,807)</u>	
NET LAND & IMPROVEMENTS	10,529,317	9,703,178	9%
BUILDINGS & BUILDING IMPROVEMENTS	19,057,006	18,839,897	
ACCUM DEPRECIATION-BUILDINGS	<u>(6,089,407)</u>	<u>(5,576,837)</u>	
NET BUILDINGS	12,967,599	13,263,060	-2%
MACHINERY & EQUIPMENT	5,410,105	5,034,192	
ACCUM DEPRECIATION-MACHINERY & EQUIPMENT	<u>(3,632,257)</u>	<u>(3,245,845)</u>	
NET MACHINERY & EQUIPMENT	1,777,848	1,788,347	-1%
VEHICLES	7,172,652	6,806,923	
ACCUM DEPRECIATION-VEHICLES	<u>(4,866,687)</u>	<u>(4,613,138)</u>	
NET VEHICLES	2,305,965	2,193,785	5%
CONSTRUCTION IN PROGRESS	4,166,687	2,580,209	61%
DEPRECIABLE INFRASTRUCTURE (OTHER IMPROVEMENTS)	6,027,395	6,060,744	
ACCUM DEPRECIATION-INFRASTRUCTURE	<u>(1,140,520)</u>	<u>(1,033,200)</u>	
NET DEPRECIABLE INFRASTRUCTURE	4,886,875	5,027,544	-3%
NON DEPRECIABLE INFRASTRUCTURE	76,778,208	76,482,719	0%
INTANGIBLES - SOFTWARE	660,755	660,755	
INTANGIBLES - EASEMENTS	2,606,696	2,606,698	
ACCUM DEPRECIATION-INTANGIBLE ASSETS	<u>(609,459)</u>	<u>(578,225)</u>	
NET INTANGIBLES	2,657,992	2,689,228	-1%
NON DEPRECIABLE MONUMENTS/ART/HISTORIC TREASURE	184,201	173,931	6%
TAX DEEDED PROPERTY HELD FOR RESALE	529,111	298,492	77%
TAX DEEDED PROPERTY TO BE RETAINED	<u>90,256</u>	<u>90,256</u>	0%
TOTAL ASSETS	<u><u>161,503,197</u></u>	<u><u>158,833,276</u></u>	2%

TOWN OF DERRY, NH
Preliminary Comparative Balance Sheet
General Fund and Long Term Accounts
As of March 31, 2013 and March 31, 2012

As of March 31, 2013

As of March 31, 2012

CHANGE

LIABILITIES:

ACCOUNTS PAYABLE	613,985		667,191	
ACCRUED PAYROLL	467,765		400,560	
TOTAL ACCOUNTS PAYABLE & ACCRUED LIABILITIES		1,081,750		1,067,751 1%
DUE TO STATE-LICENSES & VITALS	8,597		11,029	
DUE TO STATE-ESCHEATS (ABANDONED PROPERTY)	788		247	
TOTAL DUE TO STATE OF NH		9,385		11,276 -17%
INTERFUND PAYABLE		4,440,829		7,274,350 -39%
DEFERRED REVENUE		3,185,750		2,869,070 11%
CURRENT MATURITIES-NOTES	-		-	
CURRENT MATURITIES-BONDS	590,000		590,000	
CURRENT MATURITIES-LEASES	218,677		298,277	
TOTAL CURRENT MATURITIES		808,677		888,277 -9%
CUSTOMER DEPOSITS & PREPAYMENTS		231,574		145,820 59%
CONTRACT RETAINAGE		-		3,763 -100%
LONG TERM DEBT-BONDS	8,480,000		9,070,000	
LONG TERM DEBT-LEASES	480,138		538,009	
TOTAL LONG TERM BONDS & LEASES		8,960,138		9,608,009 -7%
ACCRUED INTEREST-LTD	106,626		113,088	
COMPENSATED ABSENCES PAYABLE	3,634,282		3,721,892	
NET OPEB OBLIGATION	3,651,773		2,602,460	
LANDFILL CLOSURE LIABILITY	62,477		74,247	
ADVANCE BOND REFUNDING	59,868		63,348	
TOTAL OTHER LONG TERM LIABILITIES		7,515,026		6,575,035 14%
TOTAL LIABILITIES		26,233,129		28,443,351 -8%

FUND BALANCE:

RESTRICTED - NON SPENDABLE PREPAIDS	94,836		115,004	-18%
RESTRICTED - DERRY FIRE DISTRICT	362,061		462,186	-22%
RESTRICTED - DEBT PROCEEDS AVAILABLE FOR CAPITAL	-		1,458,760	-100%
RESTRICTED - EXIT 4A BAN PROCEEDS	97,984		117,144	-16%
RESTRICTED - FOR SCHOOL DISTRICT	10,123,132		8,677,553	17%
COMMITTED FOR COMPENSATED ABSENCES	3,714,630		3,283,749	13%
COMMITTED FOR ECONOMIC DEVELOPMENT LOAN PROGRAM	150,355		139,040	8%
COMMITTED FOR OTHER CAPITAL RESERVES	1,410,584		1,253,724	13%
COMMITTED FUNDS FOR CURRENT BUDGET (net of anticipated revenue, remaining cy principal bond/lease payments, prepaids)	4,490,616		6,645,887	-32%
COMMITTED FOR TIF DISTRICT DEBT SERVICE	263,193		141,038	87%
ASSIGNED FOR CHARTER COMMISSION	-		4,811	-100%
ASSIGNED FOR CONTRACTUAL AGREEMENT	370,000		-	#DIV/0!
ASSIGNED FOR COMPENSATED ABSENCES	-		93,292	-100%
ASSIGNED FOR ENCUMBRANCES (open PO's)	1,148,590		1,037,743	11%
ASSIGNED FOR FOREST MANAGEMENT	40,585		36,842	10%
ASSIGNED FOR TAX RATE SETTING (Use of Fund Balance)	340,000		556,851	-39%
UNASSIGNED FUND BALANCE	13,025,219		10,588,945	23%
OTHER LONG TERM LIABILITIES (not reported in General Fund)	(7,515,026)		(6,575,035)	14%
CAPITAL ASSETS NET OF RELATED DEBT	107,153,309		102,352,391	5%
TOTAL FUND BALANCE		135,270,068		130,389,925 4%
TOTAL LIABILITIES & FUND BALANCE		161,503,197		158,833,276 2%

Town of Derry, NH
FY 2013 Preliminary Financial Report
Nine Months Ended March 31, 2013

General Fund Revenues

No.	Activity Center Name	Original Approved Budget	Budget Adjustments	Annual Adjusted Budget	Revenues Through		% to Original Budget	% to Adjusted Budget	3/31/13 as a % of 3/31/12
					3/31/13	3/31/12			
	Taxes, Overlay & Tax								
00	Interest	\$71,033,774		\$71,033,774	\$69,704,669	\$65,611,980	98%	98%	106%
04	Derry Public Library	\$10,000		10,000	106	1,523	1%	1%	7%
10	Prev. & Emergency Svcs.	1,790,375		1,790,375	1,021,857	1,002,795	57%	57%	102%
12	Emergency Management	0		0	0	200	N/A	N/A	N/A
13	Health	28,830		28,830	31,205	24,356	108%	108%	128%
16	Dispatch-Prev. & EMS	229,670		229,670	216,601	196,654	94%	94%	N/A
20	Police	494,306		494,306	250,450	533,885	51%	51%	47%
22	Animal Control	4,300		4,300	3,122	3,589	73%	73%	87%
30	Town Administration	3,600		3,600	7,835	4,585	218%	218%	171%
32	Information Technology	119,968		119,968	51,117	4,324	43%	43%	1182%
36	Human Services	16,000		16,000	32,341	9,155	202%	202%	353%
38	Assessing	101,259	(\$954)	100,305	91,223	74,543	90%	91%	122%
40	Finance	10,280		10,280	39,676	85,078	386%	386%	47%
42	Tax Collection	4,646,483		4,646,483	3,401,624	4,288,363	73%	73%	79%
44	Other Municipal Obligations	2,208,558	166,712	2,375,270	1,760,737	3,471,034	80%	74%	98%
50	Town Clerk	61,625		61,625	44,622	43,776	72%	72%	102%
52	Town Clerk/Elections	125		125	1,043	35	834%	834%	2980%
60	Planning	34,200		34,200	24,282	18,030	71%	71%	135%
62	Code Enforcement	159,025		159,025	102,721	74,548	65%	65%	138%
70	Recreation	203,911		203,911	143,127	156,500	70%	70%	91%
72	Parks	107,623		107,623	56,466	11,588	52%	52%	487%
80	Buildings & Grounds	102,541		102,541	98,000	121,651	96%	96%	81%
82	Cemetery	126,725		126,725	46,628	39,977	37%	37%	117%
84	Highway	2,032,577		2,032,577	1,183,894	698,382	58%	58%	170%
86	Vehicle Maintenance	0		0	3,270	2,403	N/A	N/A	136%
88	Transfer Station	3,591,200		3,591,200	278,495	456,621	8%	8%	61%
	Totals	\$87,116,955	\$165,758	\$87,282,713	\$78,595,111	\$76,935,575	90%	90%	102%

Town of Derry, NH
FY 2013 Preliminary Financial Report
Nine Months Ended March 31, 2013

General Fund Expenditures

No.	Activity Center Name	Original Approved Budget	Budget Adjustments	Annual Adjusted Budget	Expenditures Through		% to Original Budget	% to Adjusted Budget	13/31/2013 as a % of 3/31/12
					3/31/13	3/31/12			
4	Derry Public Library	\$1,150,914		\$1,150,914	\$858,609	\$822,991	75%	75%	104%
6	Taylor Library	171,303		171,303	130,394	128,206	76%	76%	102%
10	Prev. & Emergency Svcs.	9,969,580		9,969,580	7,097,912	7,228,151	71%	71%	98%
12	Emergency Management	60,202		60,202	29,999	32,363	50%	50%	93%
13	Health	97,844		97,844	71,286	54,573	73%	73%	131%
16	Dispatch-Prev. & EMS	695,810		695,810	498,577	482,060	72%	72%	103%
20	Police	8,544,312		8,544,312	6,077,903	6,190,027	71%	71%	98%
22	Animal Control	86,253		86,253	64,622	66,516	75%	75%	97%
30	Town Administration	944,050		944,050	449,004	452,679	48%	48%	99%
32	Information Technology	593,571		593,571	437,387	351,102	74%	74%	125%
36	Human Services	462,650		462,650	298,048	271,284	64%	64%	110%
38	Assessing	568,491		568,491	359,329	371,507	63%	63%	97%
40	Finance	701,748		701,748	495,662	482,927	71%	71%	103%
42	Tax Collection	734,745		734,745	399,697	317,532	54%	54%	126%
44	Other Municipal Obligations	1,739,645	173,000	1,912,645	1,542,846	1,305,416	89%	81%	118%
50	Town Clerk	118,582		118,582	89,179	86,822	75%	75%	103%
52	Town Clerk/Elections	66,330		66,330	60,773	42,123	92%	92%	144%
60	Planning	263,050		263,050	194,179	193,276	74%	74%	100%
62	Code Enforcement	308,853		308,853	230,159	228,236	75%	75%	101%
70	Recreation	592,495		592,495	411,930	446,236	70%	70%	92%
72	Parks	930,689		930,689	617,034	605,009	66%	66%	102%
80	Buildings & Grounds	713,975		713,975	536,351	534,577	75%	75%	100%
82	Cemetery	204,684		204,684	129,416	153,024	63%	63%	85%
84	Highway	5,086,362		5,086,362	3,000,094	2,732,843	59%	59%	110%
86	Vehicle Maintenance	442,079		442,079	336,763	312,736	76%	76%	108%
88	Transfer Station	4,571,516		4,571,516	1,168,595	1,161,757	26%	26%	101%
Totals		\$39,819,733	\$173,000	\$39,992,733	\$25,585,748	\$25,053,973	64%	64%	102%
School District Taxes Raised		\$44,103,132		44,103,132	\$33,980,000	\$32,800,000	77%	77%	104%

Town of Derry, NH
FY 2013 Preliminary Financial Report
Nine Months Ended March 31, 2013

Fund Number	Fund	Original Approved Budget	Budget Adjustments	Annual Adjusted Budget	Revenue/Expenditures through		% to Original Budget	% to Adjusted Budget	3/31/13 as a % of 3/31/12
					3/31/13	3/31/12			
3002	<u>Cable TV (Special Revenue Fund)</u>								
	Revenue	\$250,342		\$250,342	\$161,033	\$156,491	64%	64%	103%
	Expenditures	\$250,342		\$250,342	\$156,843	\$144,845	63%	63%	108%
9000	<u>Water (Enterprise Fund)</u>								
	Revenue	\$2,728,961		\$2,728,961	\$1,908,814	\$1,946,251	70%	70%	98%
	Expenditures	\$2,728,961		\$2,728,961	\$1,858,597	\$1,755,286	68%	68%	106%
9200	<u>Wastewater (Enterprise Fund)</u>								
	Revenue	\$2,263,265		\$2,263,265	\$1,628,727	\$1,635,972	72%	72%	100%
	Expenditures	\$2,263,265		\$2,263,265	\$1,452,613	\$1,341,000	64%	64%	108%