Quarterly Financial Report for March 31, 2021

THIRD QUARTER OF FY 2020-21
UNAUDITED
COVID 19 Impact on Budgets

The Town has been awarded seven grants related to the COVID-19 pandemic for a total of $861,042.86 as of March 31, 2021.

Direct expenses related to COVID-19 for the Town’s operating budget last year (FY 2019-20) were $294,119.50 and for the current budget (FY 2020-21) as of March 31st, are $405,682.32.

Library, Wastewater and the Ambulance fund have received $106,594.98 to date.

FEMA is now funding 100% of overtime for both Police and Fire back to the start of the pandemic. Staff is currently working to determine the cost impact.
COVID 19 Impact on Revenues

volent Largest loss in revenues due to COVID 19 is interest on deposits. This is the interest earned on the Town’s bank accounts. We anticipated a loss of $230,000 for FY 2020-21.

miser Smaller losses from State funding also anticipated are $100,000.

good American Rescue Plan Act (ARPA) provides $130 billion dollars in emergency funding for cities and counties to remedy this mismatch between rising costs and falling revenues. More to come on this...
### General Fund Operating Budget

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2020-21</td>
<td>$18,572,284</td>
<td>$13,150,757</td>
<td>$5,421,527</td>
</tr>
<tr>
<td>FY 2019-20</td>
<td>17,750,209</td>
<td>12,406,162</td>
<td>5,344,047</td>
</tr>
<tr>
<td>FY 2018-19</td>
<td>17,329,841</td>
<td>12,327,252</td>
<td>5,002,589</td>
</tr>
</tbody>
</table>

1) Budget amounts include encumbrances, transfers, grants and donations approved by Council as of March 31st of each year.
The current budget and spending have increased largely due to staff changes and COVID-19 costs. The FY 2019-20 includes $24,046 in encumbrances primarily for IT projects for the Fire Department. FY 2018-19 was a default budget year, but does include $60,576 of encumbrances related to IT projects.

The legal line can be very volatile. Current year to date is 85% spent. This compares to last March which was 77% spent and March of 2019 which was 88% spent.

The FY 2020-21 department’s budget received $111,450 in grant funding to offset COVID-19 expenses as of this report.
Fire-Rescue Department Expenditure

Over the last three fiscal years, this budget has increased $489,447 or 12%. This increase includes a 4% increase in overtime related to COVID-19 and a 5% increase in wages and overtime, a 0.5% increase in both health insurance costs and the employer’s share of NH Retirement and another 2% increase in general operations for items such as hydrant rentals, vehicle maintenance and new equipment.

Spending has stayed at or near the March benchmark of 75% each year. Beginning in March of 2020, all open shifts are being filled with overtime due to COVID-19, which requires extra time to transport patients and disinfect the ambulances and equipment.

Included in the FY 2020-21 department’s budget is $207,865 in grant funding to offset COVID-19 expenses.

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>$4,610,081</td>
<td>$3,296,783</td>
<td>72%</td>
</tr>
<tr>
<td>2019-20</td>
<td>$4,255,331</td>
<td>$2,995,462</td>
<td>70%</td>
</tr>
<tr>
<td>2018-19</td>
<td>$4,120,634</td>
<td>$2,866,721</td>
<td>70%</td>
</tr>
</tbody>
</table>
Police Department Expenditure

The overall increase in the Police budget for the last three fiscal years was $213,847 or 4%. Wages and overtime increased 3%; health insurance has increased 0.5%; employer’s share of retirement has remained level and general operations increased 0.5%.

The department historically underspends its budget due to vacant positions. FY 2020-21, there was one officer position vacant all year.

The FY 2020-21 department’s budget received $21,123 in grant funding to offset COVID-19 expenses.

<table>
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<tr>
<th>Year</th>
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<th>Actual</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td>2020-21</td>
<td>$4,855,904</td>
<td>$3,329,792</td>
<td>69%</td>
</tr>
<tr>
<td>2019-20</td>
<td>4,709,950</td>
<td>3,202,563</td>
<td>68%</td>
</tr>
<tr>
<td>2018-19</td>
<td>4,642,057</td>
<td>3,210,796</td>
<td>69%</td>
</tr>
</tbody>
</table>
This division of Public Works includes Administration, Roads, Fleet and Building Maintenance.

Each year part of the budget is encumbered into the following year’s budget for projects like road paving and building maintenance. The FY 2020-21 budget includes $174,091 of encumbrances from the prior year and the FY 2019-20 budget includes $374,540 from FY 2018-19. In FY 2018-19 there was $644,908 from FY 2017-18.

If you remove all of the encumbrances from each of the budget years, the actual budget has increased $230,464 or 8.5% over the three years.
The $230,464 or 8.5% breaks down as follows: 3.5% on wages and overtime; 1% decrease in health insurance; 0.5% increase in employer’s share of NH Retirement and $146,153 or 5.5% increase in general operations.

Year to date actuals are 66% of the budget. Half of this year’s paving was done in the fall. The Town paved Morse Road, Silver Avenue, Dale Road, Donati Park and the DPW access road. The Town also spent $46,250 to switch the streetlights to LED’s, which should provide better lighting and save in monthly electricity costs.

Staffing levels for the Highway Division have remained level for the past three years. All full-time positions are filled as of this report.

The FY 2020-21 department’s budget received $23,423 in grant funding to offset COVID-19 expenses as of March 31st.
This budget has increased $125,808 or 11% over the past three years. Wages and overtime have increased 1%. The Town added one full-time Administrative Assistant in the FY 2020-21 budget as approved by the voters. Health insurance has increased by 2%. The Town’s share of NH Retirement has remained level over the three years. General operations have increased by $97,669 or 8% largely due to tipping fees.

Position vacancies explain why actuals are at 57% and the March benchmark is 75%. There was one truck driver and one heavy equipment operator position that have been vacant for eight months of the year. Currently the Crew Chief’s position has been vacant for about two months.
The cost to dispose of trash has increased just under $100,000 or 8% for two reasons.

First, the contractual rate for tipping fees has increased. The Town is in a long term contract to dispose of trash. The rate was $71.77 per ton in 2018 and is now $74.66 which is a 4% increase in three years.

Second, more trash is being disposed due to the change in the recycling market. For many years recycling was less expensive than trash to dispose of. Currently it costs more to recycle materials than to dispose of as trash, which led the Town to end single stream curbside collection in April 2019.

Cardboard recycling is mandatory as of November 2019 and the Town still recycles items such as metals and aluminum cans whenever possible.
General Fund Revenues

<table>
<thead>
<tr>
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<th>Actual</th>
<th>Budget</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2020-21</td>
<td>$ 7,180,822</td>
<td>$ 6,021,311</td>
<td>$(1,159,511)</td>
<td>84%</td>
</tr>
<tr>
<td>FY 2019-20</td>
<td>8,934,463</td>
<td>7,539,442</td>
<td>(1,395,021)</td>
<td>84%</td>
</tr>
<tr>
<td>FY 2018-19</td>
<td>7,941,343</td>
<td>5,918,765</td>
<td>(2,022,578)</td>
<td>75%</td>
</tr>
</tbody>
</table>

1) Budget amounts include encumbrances, transfers, grants and donations approved by Council as of March 31st of each year.
The top revenue source for the Town are fees collected for registering motor vehicles. The budget increased $900,000 in the past three years and the increases are based on year-end collections. In 2020 the number of fleet registrations has increased.

As of June 2020 the Town collected $4,082,084

June 2019 collections were $3,873,297

June 2018 collections were $3,481,730

The Town is on track to meet its anticipated budget of $4,300,000 as of June 30th.
Interest & Penalties on Tax Revenues

This interest comes from property taxes not being paid timely and the penalties are fees to execute liens and notices. Many property owners pay off delinquent taxes in the spring to avoid the Town deeding their property and also when they want to sell their property. Due to COVID-19 the Town delayed deeding property from the spring of 2020 to the early 2021.

Collections for the last three years are as follows:

- June 2020: $188,143
- June 2019: $304,891
- June 2018: $171,195
These fees are paid for residential and commercial construction. Collections have increased over the last three fiscal years. In FY 2020-21 the town issued permits for Starbucks and the Sports Dome.

Number of permits issued as of March of each year are as follows:

- 7/1/19 to 3/31/21: 1242
- 7/1/19 to 3/31/20: 938
- 7/1/18 to 3/31/19: 882
State of NH Revenues

The Meals & Rooms Tax has been steady for the last three budget years. The effects of COVID-19 are still unknown for the next budget year. The State has reported that actual collection of State revenues is down, but better than they anticipated.

I anticipated a 10 to 14% decrease in State revenues, which is approximately a $100,000 loss.

Highway Block Grant for FY 2020-21 was reduced $17,275.

No State Shared Revenues have been received since FY 2009-10.

Both FY 2019-20 and FY 2020-21 reflect approximately $150,000 in Municipal Aid from the State. These payments were one time allocations.
This revenue is the interest the Town earns on the cash in our bank accounts. The Treasurer invests excess cash in accordance to the Town’s investment policy.

Collections have roller-coasted over the last three years to finish each year as follows:

- June 2020 $196,697
- June 2019 $256,393
- June 2018 $148,706

Based on this information and collections as of 9/30/2020, the budget was reduced to $30,000 when the tax rate was set in November. This is the largest loss in revenue due to COVID-19.