

Date: May 10, 2007

To: Hampton Board of Selectmen cc: Fred Welch; Budget Committee

From: Mike Schwotzer

Subject: April '07 Income / Expense Statements / Revolvers

Attached is a copy of the Income and Expense Statements for the month ending April 30, 2007. The first three pages detail the income; the next page (numbered 16 of 16) is the summary by department; the next fifteen pages (numbered 1, 2, ... of 16) are the expenses by line item; then four revolving accounts (Rec.; Cable; Detail; and EMS) with the last page showing the first quarter ambulance billing activity. The 2007 budget column uses the default budget as adjusted by the BoS.

Notable items:

- On (Income) page 1, the Motor Vehicle Fees were very heavy at \$317k for the month of April compared to \$590k for the entire 1st quarter. A new daily record was set on April 30th. Year-to-date is now at budget.
- On (Income) page 2, the second payment of the State's Highway Subsidy was received in April.
- On the same page, the Income from Departments is ahead of target by a small percentage but the **\$62,805** Miscellaneous Income (billed) for the school SRO is still affecting the analysis. When that billing is replaced by only 1/3, the total drops back to \$109k or 25% of the budget. I believe that the short fall will be made up during the summer by other seasonal income accounts such as: Parking Tickets and the Transfer Station.
- On (Income) page 3, the parking lot revenues are shown at gross. The large budgeted income item on that page, Real Estate Trust Income will be recorded late in December.
- The next page (marked 16 of 16) shows the year to date expenses by department. At the end of April, the operating departments were 5.8% below target or \$1.4M to the good. Only a few were above the 33% level and will be discussed below.
- On page 1 (of 16), \$5,800 of the Town Manager's supplies expense relates to the cost of the TM search. As the year progresses, this one time cost will have less and less impact on the percentage used calculation.

- On page 2 (of 16), Finance repairs (\$10k) and the supplies (\$10k) relates to “once a year” costs (discussed last month) Similar situation is the Tax Collector’s supplies account where the majority of the expense relates to annual software contract costs (\$13k).
- On page 3 (of 16), MIS is charged with maintenance of the Town’s computer systems and so far this year, 3 pcs and the Vision (assessing program) server have needed replacement. Under “Legal Expense”, the Outside Counsel Fee (\$3k) has some carry over from last year when our Town Attorney was the acting Town Manager. The final total for this account in ‘06 was \$38k.
- On the same page, an additional \$22k was book to employee separation costs in April.
- On page 4 (of 16), the Planning Board’s Contracted Services (\$10.8k) is the annual dues payment for the Rockingham Planning Commission.
- On page 5 (of 16), Municipal Insurances, the second of four payments for Worker’s Comp was made in April.
- Note that a new account **8907 0000 April ’07 Storm** has been set up in Police, Fire and Public Works. These will be used to accumulate costs that will be reimbursed through Grants or insurance. As with a grant account, if unanticipated, the costs will not count against a department’s budget. No costs were booked to those accounts in April.
- On pages 6 & 7 (of 16) the Police Department in total is well within its budget. However, in ’06 the Mounted Patrol was funded through the default budget amount plus a warrant article. In ’07, only the default budget is available and so some costs will have to be reduced resulting in the Mounted Patrol being maintained at a lower operational standard.
- On pages 8 & 9 (of 16) the Fire Department is within budget in total but two areas, Fire Suppression OT and Vehicle Maintenance are showing the restricting effect of a default budget in a time of high demand. The Department is contractually mandated to fill the shifts of members out on sick or vacation leave. The maintenance account is now being impacted by an aging pumper fleet which is not being replaced in a timely fashion as recommended in the CIP.
- On page 10 (of 16), the ’06 PO and ’07 Actual costs for Engineering and Drainage Construction were discussed last month.

On the Administration Building Maintenance line 6300 0000, the \$26k '06 PO is for the replacement of a large generator that failed last winter, the majority of the pieces having been received and paid for. In last month's report, the '06 PO amount was on the wrong line (1 down).

- On page 11 (of 16), the \$78k in Administration Engineering expense relates to the '06 Warrant Article for WWTP repairs and upgrades. These monies will be transferred to a project fund in May for accounting purposes. The rest of Public Works is currently in line or below budgeted levels.
- Welfare, page 13 (of 16), continues to experience high demand for services that this department has been experiencing since the fall.
- The Library, page 14 (of 16), has received the second of four quarterly payments of its Appropriation causing the % used to be at 50.
- On page 15 (of 16), the Social Service warrant articles were discussed last month regarding request and payment.
- On the same page, at the bottom, the breakout of the '06 spending from the '07 shows that '06 accounts for slightly over 3% of the total YTD spending. A further refinement of the encumbrance tracking was instituted in April. When a '06 PO is "liquidated" (the unspent funds are released), the encumbrance shown in the 2006 PO column is reduced by that amount with the total YTD reduction (\$41k) being shown as "Expired". This means that money can only be spent for the stated purpose on the original PO.
- With regards to the revolving accounts (Funds 024 - 027), the income shown for the EMS fund (027) only reflects three months vs. four months of expenses. Comstar's reports run a month behind on average.
- The last page shows the first quarter's billings, receipts, and adjustments for the ambulance as prepared by Comstar.