



Rockingham Planning Commission

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MEMO TO: RPC Commissioners

FROM: Executive Committee
Cliff Sinnott, Executive Director

DATE: April 7, 2004

SUBJECT: Executive Committee Report

The following summarizes items discussed and/or acted on at the last Executive Committee meeting, which was held on March 31, 2004.

Communications: Sinnott noted that he became aware of SB-481, which would establish a regional sewer district for implementing a regional sewer outfall project. Since the Commission's position on the regional outfall project is that it is worthy of serious study but no other action at this point, he prepared testimony saying that it was premature to establish a governmental entity to implement and operate a regional sewer outfall project. The testimony notes that the Commission was unaware of and has not considered SB-481 specifically.

Financial Report: The Committee reviewed the financial report covering year-to-date revenues and expenses through the month of February. Sinnott noted that with 67% of the year elapsed, only 51% of expenses have been incurred. When the 'contracted services' line item is taken out of the mix, however, 63% has been expended. Cash flow was perilously low at the end of February but has improved somewhat since. Dues influx in April will also help. Sinnott said that cash flow in general will be difficult for some time due to the loss in fund balance in FY 2003.

FY 2003 Financial Audit: Steve Grzelak of our auditing firm Grzelak & Co. presented the audit for FY 2003. He commended staff for excellent cost accounting systems and methods. He commented that the financial controls are good, though due in part to the size of the organization, redundancy is limited. In summary of the audit findings, Grzelak said that this was an unqualified audit with no reportable conditions and no instances of noncompliance of regulatory requirements. His only real concern is the very low cash reserves of the agency. Cash on hand is typically less than one month's worth of expenses, while the recommended level is three to four months at a minimum. The agency lost \$28,343 in fund equity in FY 2003, which will worsen the problem. Sinnott noted that these losses were the result of inadequate cost control over projects, with expenses exceeding revenues in many separate instances. This is most common in circuit rider contracts, but also occurred in some transportation contracts for the first time. Discussion took place on improved methods for monitoring excess time spent on contract fulfillment, providing feedback to client communities in the case of circuit riders, and revising contracts as necessary to account for underestimates of time required.

Traffic Vehicle Lease Purchase: Sinnott noted that the Commission deferred this decision and authorization to the Executive Committee. The question is whether to purchase the traffic research vehicle or initiate a new lease. Because the vehicle is still in excellent condition and has only 18,000 miles, it appears to be a better value to purchase it, via a conventional loan. Our auditor has pointed out that by statute, the Commission can only secure a one-year loan. Sinnott said he has asked the NHDOT about the possibility of using a state vehicle since it is used exclusively for transportation related work (road inventory/data collection). Another option is to purchase it outright using UPWP funds. The Committee authorized Sinnott to take whatever action is best under the circumstances.

First Look at Funding for FY 2005: A summary table of estimated revenues for the coming year was distributed and discussed. Overall, the expected funding falls about 7% below last year. When pass-through funds are excluded, funding for the core operating budget is down by 1.4% -- a more manageable number. Sinnott noted that the contracting line item will be considerably smaller next year with the ending of the model update project. The biggest question at this time is whether or not the State's projected budget shortfall will impact state-funded projects such as REPP and TBG. Since they are already funded in the second year of the biennium, Sinnott has assumed they will continue, but this will need to be monitored carefully, and contingencies prepared.

Establishing Nominating Committee for FY 2005 Slate: The nominating committee for the year was established consisting of Susan Hastings (Hampstead), Bob Landman (No. Hampton) and Bob Brown (Rye).

Other Business: Sinnott mentioned that HB-534, to move the Coastal Program and Estuaries Program from NHOEP to NHDES will be heard next week and outlined some potential concerns. It was agreed that Sinnott would submit testimony expressing support for the programs as they are and concern about possible loss of support for local planning assistance as a consequence of reorganization. Richard Cooney suggested that the Commission staff review SB-488, to study the effects of utility deregulation on state dam maintenance. Annual meeting speakers were discussed. Coppelman will contact George Bald, newly chosen Director of the PDA; Tom Wessel, naturalist and author will be considered as an alternative.