

Budget Advisory Committee Town of Temple, NH

Meeting Agenda

6:00 PM, 30 April 2020, Remote Access via Zoom

1. Call to Order and Roll Call
2. Sub-Committee Report Out: Risk Management Strategy for Town Operating Cash Flow
 - a) Mission
 - b) Modeling approach: variables, methods
 - c) Data and assumptions for resulting scenarios
 - d) Monitoring strategy to predict where lies the actual path
 - e) Situational response strategies
 - f) Pre-emptive strategies
 - g) Open Discussion
 - h) Assignment of Action items
3. New Business
4. Adjourn

Joint SB-BAC Meeting

When Thu Apr 30, 2020 6pm – 8pm Eastern Time - New York

Where <https://us02web.zoom.us/j/82261519808> ([map](#))

Who • emailadmin@templenh.org - creator

Carole Singelais is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/82261519808>

Meeting ID: 822 6151 9808

Password: 026977

One tap mobile

+13126266799,,82261519808#,,1#,026977# US (Chicago)

+16465588656,,82261519808#,,1#,026977# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Germantown)

+1 346 248 7799 US (Houston)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

Find your local number: <https://us02web.zoom.us/j/kyXenxpl3>

TOWN OF TEMPLE COVID19 FINANCIAL MODELING INITIAL FEEDBACK

The Mission:

On April 14th, at the recommendation of the BAC, the Select Board tasked a sub-committee of the BAC to provide a Risk Management Strategy for addressing potential COVID19 economic impacts on the Town's operating cash flow. That risk assessment is now complete and a joint meeting of the SB and BAC is being scheduled to review the findings.

The Model:

Several revenue and expense line items in the Temple Budget were prioritized based on anticipated impact. The modeling started with the Town's April 17, 2020 cash position and tracked cash income and expenses each month through December 2020 (and under the pessimistic-scenario through March 2021.) Overall, nine different revenue/expense scenarios were considered and two were selected as best estimates of possible future scenarios.

The committee proposes that the optimistic scenario (labeled "S2B-20") expresses a scenario in which there is a 15% probability that revenues will be as good or better. The more pessimistic scenario (labeled "S3C-20"), expresses a scenario in which there is a 15% probability that revenues and expenditures will be as bad or worse. This leaves a 70% probability that reality will occur somewhere between these two scenarios.

The Results (See Attached Chart):

1. If Temple, were to stay on the "S2B-20" track in May/June we could weather the storm although it would be prudent to work with Department Heads to control non-essential expenses.
2. If Temple heads for the "S3C-20" track in May/June, we would be perilously close to running out of cash in late 2020 and again in the first/second quarter of 2021; it would, therefore, be essential to make significant expense cutbacks starting in early July.

The Proposed Next Steps:

1. BAC sub-committee will hold a joint meeting with the whole BAC and SB to discuss details of our Risk Management Strategy.
2. BAC will initiate a weekly review of key variables to discover as soon as possible how our cash flow track is evolving.
3. SB will meet with Department Heads and Committee Chairs to discuss the findings and to direct that, only mission critical expenditures should be made until further notice.

Month End Cash Balance

Normal Burn Rate ~ \$250/mo after revenues

