

# Managing Severe Weather Events within Municipal Budgets

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# Alstead October 8, 2005



- ▶ Town of Alstead hit hard when the Cold River and its tributaries overflowed due to the heavy rain and water flowing downstream, inundating the community.
- ▶ Damages totaled \$15.8 million primarily in Cheshire County.
- ▶ The storm dropped nearly 18 inches of liquid precipitation, including nearly 3 feet of snow on the summit of Mount Washington. This contributed to a record-setting month on the peak, which recorded 28.7 inches and 78.9 inches of snow, a record for the month of October.

# No Spending Without An Appropriation RSA 32:8

No board of selectmen, school board, village district commissioners or any other officer, employee, or agency of the municipality acting as such shall pay or agree to pay any money, or incur any liability involving the expenditure of any money, for any purpose in excess of the amount appropriated by the legislative body for that purpose, or for any purpose for which no appropriation has been made, except as provided in RSA 32:9-11.

# Options for absorbing an unexpected infrastructure repair cost

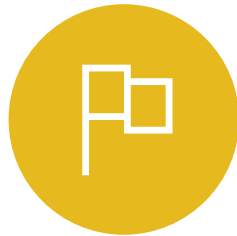


- ▶ Capital reserve/trust funds
- ▶ Contingency Fund
- ▶ DRA permission
- ▶ Special Town Meeting

# Reserve Funds



SAVINGS  
ACCOUNT



EXPENDABLE  
TRUST FUND, RSA  
31:19-a



CAPITAL RESERVE  
FUND, RSA CH.  
35



NON-CAPITAL  
RESERVE FUNDS,  
RSA 35:1-c

**RSA 79-E4-a, IV.** Municipalities may create a nonlapsing CRIZ fund as a capital reserve fund under RSA 34 or RSA 35, or a town-created trust fund under RSA 31:19-a, to provide funding for projected municipal costs associated with projected storm surge, sea-level rise, and extreme precipitation, and such funds may be used to support the coastal resilience incentive zone purpose established in this section

# 31:98-a Contingency Fund

- ▶ **31:98-a Contingency Fund.** - Must be adopted annually, and cannot exceed 1% of town appropriations from preceding year. Can be spent for any unanticipated expenses.

*Suggested Warrant Article: To see if the town will vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate  $\{AMOUNT\}$  to put in the fund. This sum to come from unassigned fund balance. Any appropriation left in the fund at the end of the year will lapse to the general fund. (Majority vote required).*



# *DRA permission to overspend - RSA 32:11*



- ▶ DRA permission - only in an emergency situation, and only if you can identify a funding source (usually the unassigned fund balance). RSA 32:11.
- ▶ Governing body holds public hearing on the request, and (if there is an official budget committee) the budget committee must approve the application to DRA.
- ▶ Application must be made to DRA, and the authority granted, before spending the money.
- ▶ DRA generally does not approve “after the fact” requests if there was reasonable time and opportunity to ask for permission ahead of time.

# Special Town Meeting



- ▶ Under RSA 31:5, in case of emergency requiring an immediate expenditure of money, the selectmen may petition the superior court for permission to hold a special town meeting.
- ▶ To verify that an emergency exists the court shall consider, a number of factors including:
  - (1) The severity of the harm to be avoided.
  - (2) The urgency of the petitioner's need.
  - (3) Whether the claimed emergency was foreseeable or avoidable.
  - (4) Whether the appropriation could have been made at the annual meeting.
  - (5) Whether there are alternative remedies not requiring an appropriation.



# *Special Town Meeting - Disaster Funds*



- ▶ **31:5-a Appropriations of Disaster Funds.** - Notwithstanding RSA 31:5, the selectmen may call a special town meeting to authorize the expenditure of federal funds allocated to the town as a result of a major disaster as declared by the governor and to appropriate the local matching share for such funds. The authorization to expend federal funds and the appropriation of matching funds shall be the only action taken at such meeting. Any special meeting called under this section shall have the same authority as that of an annual town meeting.