

**BOARD OF SELECTMEN**

**NOVEMBER 20, 2013**

**MEMORIAL BUILDING**

**2:30 P.M.**

*The following are to be considered draft minutes until approved by the Board of Selectmen.*

This meeting was scheduled to review information from the NH Department of Revenue (DRA) in order to set the 2013 tax rate.

Selectmen present: Chairman, Don Hill; Leigh Callaway and George McCusker.

Also present: Bill Huntoon and Art Bobruff.

Meeting called to order at 2:30 p.m.

Board reviewed the tax rate and unreserved fund balance information from the DRA. Don stated he does not feel there is much leeway over the amount of fund balance to use to reduce taxes. There is concern with potential costs from pending litigation. The Town could be on the hook in the vicinity of \$100,000 depending on the outcome of the appeal. In addition a full revaluation is due for 2015; estimated at about \$100,000. Work will probably begin in 2014. Leigh noted they have known about the reval for quite some time, and it is wise to use the fund balance for that. Meeting with department heads, there are additional capital improvement projects in the vicinity of \$180,000 that have been addressed in preparing the Capital Improvement Plan. The budget process it will determine what projects might potentially be funded through the fund balance. There may be a decision made not to fund any of the proposed projects. As per the unofficial rate document from the DRA, the town rate remained level. The increase is in school and county taxes. Don stated he feels the unanimous goal of the Selectmen is to keep taxes as low as possible. Leigh stated the fund balance should be used to fund our own projects and revaluation rather than artificially hide an increase in taxes that are out of the town's control.

The Selectmen discussed maintain the fund balance within the percentages the State recommends. If the town funds the revaluation out of the fund balance and if the appeal is lost, the fund balance would be reduced to the 10% to 12% level. The State recommends 5% (227,754) to 17% (774,362). Given that there are no capital reserve funds, or contingencies for other unknown emergencies, the fund balance has usually been used conservatively. Leigh noted he did not feel the board could take a risk with lowering it further. Motion made by Leigh to make a zero adjustment to the proposed rate, as set by the State for the tax year 2013. No second was made. In further discussion, George stated he felt the amount the State recommends maintaining is not realistic. He would like to see the tax rate reduced. There is the potential for addition to the fund balance at year's end. Leigh reported his best estimate at this point for an increase in the fund balance is \$30,000 to \$50,000. Don suggested the surplus projected for this year could be use to reduce taxes while responsibly maintaining the State's recommended balance. Motion made by Don to use \$50,000 of unreserved fund balance to offset the tax rate. George indicated he did not feel \$50,000 was enough. Leigh seconded Don's motion and the board voted with two in favor and one opposed (George).

Don stated it is hoped the appeal gets settled without exposure to the town so the town will be in a better position next year.

Adjourned at 3:15 p.m.

Submitted by,

Janet Roberts

DRAFT