

MINUTES
SELECT BOARD
TOWN OF PETERBOROUGH
Friday, November 22, 2019 – 4:00pm
1 Grove Street, Peterborough, New Hampshire

Present: Karen Hatcher, Bill Taylor, Tyler Ward

Also Present: Rodney Bartlett, Kristin Bixby, Leo Smith

Chair Ward called the meeting to order at 4:00pm.

Discussion on Setting the 2019 Tax Rate – Leo Smith, Finance Director

Mr. Bartlett prefaced the conversation by saying that there should be no surprises by the proposed tax rate, and that Leo Smith's efforts and the new software have made this process go well. Mr. Smith distributed a handout from the New Hampshire Department of Revenue Administration (NHDRA) and displayed an excel spreadsheet on the projector.

Mr. Smith started by saying that now was an opportunity for the Select Board to evaluate this proposal and discuss whether they would like to use some of the unassigned fund balance to reduce the municipal appropriation of funds. Mr. Smith noted that on page 4 of the handout, it noted the fund balance retention rate was at 14.4%. He explained the measurement uses total town-wide operating expenses, and noted that last year, \$43.5 million had been used, and this year it was approximately \$29.9 million. Mr. Smith went on to summarize what was meant by appropriations and unassigned fund balances, and how the percentages being recommended were based on these factors.

Mr. Smith showed that, after review with NHDRA, the proposed 2019 tax rate was \$30.89. He went on to break down how that was allocated to each jurisdiction of the tax. Looking at the portion that goes to the Town, this proposal reflected an increase of 3.4% from last year. For the School District, there was an increase of 2.8%. For State education, a decrease of 3%. For Hillsborough County, a decrease in 2.9%. In comparing all tax money raised from last year to this year, there was an increase in \$256,000. Mr. Smith also noted that the most increased assessments had gone into the South Peterborough TIF District, so the assessments had stayed relatively flat.

Ms. Hatcher noted that the State raised more funds towards education this year, with Mr. Bartlett adding that the school district's appropriation went up more than what the State gave. Ms. Hatcher said that if the expectation from residents is that the State had provided some relief, then they should also be seeing some relief in the overall taxation amount. There was further discussion on what the school district has been doing to try and shave down budgets on their end, and it was noted that roughly 70% of their budget is contractual. Ms. Hatcher stated that she would like to see if it was possible to either stabilize or decrease the 2019 tax rate. Mr. Taylor added that he would be in favor of getting the tax rate under \$30, considering roughly \$1 million of last year's budget was not spent.

Per the request of the Board, Mr. Smith utilized the projected spreadsheet and ran different scenarios for a tax rate if the Select Board were to vote on a different amount to be taken from the unassigned fund balance. There was discussion on how much money should be retained in the unassigned fund balance, and how that factored into how much the rate could be lowered.

Chair Ward asked about any upcoming large expenditures that the Board should be prepared for. It was noted that there was a need for a new snowblower that would cost about \$500,000, and that something like that should be paid off altogether instead of getting bonded, as it would save the Town money from unnecessary interest. It was also noted that the initial payments for the new Town Library were already included in the budget, however, the two proposed facilities (Fire and Highway) were not yet factored into the budget and could cost \$11 million combined, with yearly bond payments of \$800,000. Chair Ward asked the Board to weigh in on how much should be retained in the general fund to help offset those facilities "when they come down the pike."

Chair Ward said the Board should be considering what will be coming online for development, especially in areas that fall outside of the three TIF Districts. The Board also briefly discussed how other towns in the area had set their tax rate, noting that Jaffrey had gone up by ~\$1.00, and Antrim had gone down by ~\$1.00.

Ms. Hatcher asked to split the difference so that the tax rate could still fall under \$30. In running the numbers, it was found that taking \$800,000 out of the Town apportionment would equate to a tax rate of \$29.75, while still retaining 11.7% in the unassigned general fund balance. Mr. Smith noted that the NHDRA recommends no less than 10% retention. The Board members all noted that this amount seemed like a good compromise.

Mr. Smith added that the Town should be at a minimum of 95% equalization ratio of the overall assessed value. He noted that there has been a trend where properties have been selling for higher than the value for which they had been assessed. He said the assessors will begin evaluating the need to update assessments in 2021.

Motion:

Ms. Hatcher made a motion to transfer \$800,000 from the general fund balance to offset the Town's 2019 appropriation and reduce the tax rate. Chair Ward seconded the motion.

Vote:

Ms. Hatcher, Mr. Taylor and Chair Ward voted in favor of the motion; the motion carried.

Adjournment

With no further business, Ms. Hatcher made a motion to adjourn; Chair Ward seconded. With all in favor, the meeting adjourned at 4:42pm.

Respectfully Submitted,
Kristin Bixby, Assistant Planner

PETERBOROUGH
SELECT BOARD:


Tyler Ward, Chair

Karen Hatcher


Bill Taylor

ACTION ITEM PENDING LIST

1.