

NEW DURHAM BOARD OF SELECTMEN
New Durham Town Hall
November 15, 2018, 5:00 p.m.

Final Approved 12-10-18

Present:

Chair David Swenson
Selectman Cecile Chase
Selectman Dorothy Veisel

Also Present:

Scott Kinmond, Town Administrator
David Bickford, Resident

Call to Order

Chair Swenson called the meeting to order at 6:05 p.m.

New Business

2019 Tax Rate Setting

Chair Swenson stated the purpose of this meeting is to look at the Department of Revenue Administration's recommendation for the tax rate setting and make decisions on what the local rate will be along with consideration of the Unassigned Fund Balance applied to the tax rate.

The Board reviewed the 2017 tax rate and Chair Swenson explained the breakdown of how the total of \$23.40 per thousand valuation was determined: \$5.02 which includes \$150,000 from the Unassigned Fund Balance, for the school \$12.60, for the county \$2.91 and \$2.49 for state education. Chair Swenson noted the Town has no control of the changes of the rates for the school, county, or state education and stated for the new tax rate the school increased to \$12.75, the county goes down to \$2.78 and the state education rate goes to \$2.36. He noted it is approximately \$17.89 of the total property tax rate which is not controlled by the Town.

The Board reviewed the projected Town's fund balance according to DRA data of \$1,300,000. Chair Swenson stated the Board of Selectmen established the guideline reserve in 2014 at 8% of the operational amount and this amounts to roughly \$890,000 to hold in the Town's reserve. Therefore, the projected balance would leave up to about \$400,000 to potentially use to apply to the new tax rate. Chair Swenson stated the DRA calculated rate for the Town without any unassigned fund balance would be \$6.13 per thousand valuation. He explained there is not enough in the fund balance to keep a flat rate. Chair Swenson explained how the \$6.13 was calculated. The Board discussed the amount of the fund balance which could be applied to the tax rate and the warrant articles. Town Administrator Kinmond commented on considering how the community looks at the rates being set noting setting funds towards future projects helps prevent spikes in rates when these projects come up. The Board discussed the options with

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applying various amounts from the fund balance and the impact on the town tax rate. Chair Swenson indicated that for every \$100,000 there is an equivalent of about \$0.245 to the tax rate

David Bickford, resident, stated the \$150,000 most likely came from the assessing capital reserve fund that was dissolved in the previous year. Chair Swenson replied that is not really correct as some of that has already spent on the assessing work for this year and the much of the remainder is committed to with going towards next year's costs. Town Administrator Kinmond gave a breakdown of the costs covered by the remainder of the balance.

Town Administrator Kinmond explained the requirements the Tax Collector is required to follow and the Board discussed the tax billing process including due dates and mailing dates.

Selectman Chase made a motion to take \$275,000 from the Unassigned Fund Balance and apply it to the 2019 tax rate. Selectman Veisel seconded the motion. Motion passed 3-0-0.

Old Business

2019 Budget Review – CRF / ETF

Chair Swenson presented a summary of the proposed road projects for 2019 which include culvert at 130 South Shore culvert, a culvert at 284 South Shore, and engineering; asphalt rubber chip seal of Valley Road and Old Bay Road, shim and / or overlay on Old Bay Rd, Ham Rd, and Valley Rd, and wetland engineering of Middleton Road with a total proposed account of \$748,000. The Board reviewed the funding sources for this account which include 2018 funding and a highway block grant. The total taxation needed for roads would be \$3.26 per thousand valuation. Chair Swenson explained the funding options for the solid waste scale as well as other CRF / ETF options giving different scenarios with various CRF / ETF accounts.

There was also discussion of scenarios involving postponing various road projects. By consensus of the Board the culvert at 284 South Shore would be postponed; the Meetinghouse would be funded at \$10,000; Town and Building ETF would be funded at \$65,000; Highway Trucks at \$70,000; Police Cruiser ETF was reduced by \$10,000; Smith Ballfield was reduced by \$10,000. Selectman Chase suggested putting the Meetinghouse on as separate warrant article so people understand how it will affect the tax rate. The Board also reviewed and confirmed the funding amounts for ETF and CRF accounts. These will be further reviewed at the next Select Board meeting.

Adjourn

Selectman Chase made a motion to adjourn. Selectman Veisel seconded the motion. Motion passed 3-0-0.

The meeting was adjourned at 6:45 p.m.

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Respectfully Submitted,

Jennifer Riel, Recording Secretary