

TOWN OF RYE SELECT BOARD
TAX RATE SETTING
Friday, November 19, 2021
10:00 a.m.
Rye Town Hall

Present: *Chair Bill Epperson, Vice-Chair Phil Winslow and Selectman Tom King*

Others Present: *Town Administrator Rebecca Bergeron, Water District Commissioner Ralph Hickson and Rye Beach Village District Commissioner Frank Drake*

I. CALL TO ORDER

At 10:00 a.m., Chair Epperson called the meeting to order.

II. 2021 TAX RATE SETTING

Town Administrator Bergeron noted that the preliminary tax rate starts at \$11.11 with the prior rate being \$10.22. The town is required by statute to retain between 5% to 17% of the fund balance. At this time, the town's fund balance is 4.3 million, which represents 14.84% of the total appropriations. Based on the current evaluation of 2.2 billion, for every \$22,048 of expenditures it equates to 1¢ on the mill rate.

Administrator Bergeron continued that there are a few scenarios to consider. One is keeping the tax rate flat at \$10.22. A second option is an increase of 1.5% which would give a rate of \$10.37. Another option is an increase of 2.5% which would be a rate of \$10.47.

Vice-Chair Winslow noted that the town's fund balance this year is 30% higher than last year. It's up by one million.

Selectman King asked what the options are for the unassigned fund balance.

Administrator Bergeron explained that with the unassigned fund balance they could support warrant articles for capital expenditures, instead of raising the tax rate for that expense. The warrant article would be worded for the funds would come from the unassigned fund balance, so there would be no tax impact. She further explained there are specific emergent issues where the Select Board could vote to use funds from the unassigned fund balance to cover those emergencies under certain conditions. The funds can also be used to offset the tax rate.

Chair Epperson asked how much of a decrease there would be in the fund balance if the tax rate was kept at \$10.22.

Administrator Bergeron stated that in order to keep the tax rate flat, they would be using \$1,962,272 from the fund balance. This would leave a balance of \$2,345,958.

Vice-Chair Epperson expressed concerns about how inflation, along with the rising costs of utility bills and heating costs, is going to affect people, especially those who are on a fixed income. He hates to burden tax payers with additional costs. He feels that leaving 2.3 million in the fund balance is a good decision in these times.

Selectman King asked what the fund balance would be if the rate were to increase 1.5%.

Administrator Bergeron noted that they would be using \$1,631,552. This would leave \$2,676,678 for a fund balance.

Chair Epperson agreed with Vice-Chair Winslow to keep the tax rate at \$10.22 by offsetting the rate with the unassigned fund balance.

Selectman King spoke in regards to using the unassigned fund balance towards expenses that would provide future gains for the town. He would like to see them invest some of this money versus giving it all back.

There was some discussion about a possible warrant article to use some of the unassigned fund balance for town projects.

Chair Epperson opened to the public for comments.

Frank Drake stated that this retained money is the taxpayers' money. He's not a fan of taking hypothetical situations and saving it for that by calling it an investment. There is plenty of time before the federal money is ready. There is plenty of time to come up with budgets for the projects. This has nothing to do with what is trying to be done today. The tax rate should be flat at \$10.22. This would leave the town with 2.3 million dollars. He would expect this is above the average of the fund balance over the past 15 years. The bottom line is it's the taxpayers' money and the town didn't need it, so it should be given back.

Selectman King stated it's about how much they have and what they want to do with it. He agreed that some should be given back. However, he would like to see the Select Board do something that provides the opportunity for greater gains than just giving it back. He supports giving some of the money back; however, he would like a warrant article for infrastructure engineering, which will provide the opportunity to for multiple returns on the money.

Town Administrator Bergeron agreed to work with Dennis McCarthy to get some estimates for a warrant article.

Motion by Bill Epperson to keep the tax rate flat at \$10.22 and use \$1,962,272 from the unassigned fund balance in order to reduce the taxes. Seconded by Phil Winslow.

Vote: 3-0 All in favor.

The unofficial base town tax rate pending final approval from DRA was set at \$10.22 which is broke down as follows:

TOWN RATE	2.80
LOCAL SCHOOL RATE	4.34
STATE SCHOOL RATE	2.10
COUNTY	.98
TOTAL ESTIMATED RATE W/O DISTRICTS	10.22

The precinct rates were set as follows:

	2021 Rate	2020 Rate	2019 Rate
Jenness Beach	.12	.16	.19
Rye Beach	.41	.34	.27
Rye Water District	.65	.54	.57

III. OTHER BUSINESS

None

ADJOURNMENT

Motion by Phil Winslow to adjourn at 10:41 a.m. Seconded by Bill Epperson. All in favor.

Respectfully Submitted,
Dyana F. Ledger