

**TOWN OF RYE - SELECT BOARD
MEETING**

**Wednesday, November 9, 2022 – 1:00 p.m.
Rye Town Hall**

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

Others Present: *Town Administrator Matt Scruton, Finance Director/Asst. Town Administrator Becky Bergeron, and Town Clerk/Tax Collector Donna DeCotis, Rye Beach Village District Commissioner Frank Drake, Rye Water District Commissioner Ralph Hickson*

I. CALL TO ORDER

Chair Winslow called the meeting to order at 1:02 p.m. and led the pledge of allegiance.

II. 2022 TAX RATE SETTING

Assistant Town Administrator/Finance Director Becky Bergeron noted that the tax rate setting is based upon appropriations of the town, less the revenues, county assessment, net local school, and the retained state school tax effort; which is total appropriations divided by the increased valuation. This year's valuation for the town is \$3,244,252,900 which gives a preliminary rate of \$7.28 per thousand. The estimated taxes to be raised for the town is \$23,588,806., with the three precincts \$24,618,300.

There was review of the unassigned fund balance, overall revenues, and appropriations.

Finance Director Bergeron noted that she worked on two scenarios. She did one based on what a \$600,000 house was prior to the revaluation and what it is now based on a 49% increase in valuation. She then did a scenario based on a house at \$1,000,000. A million dollar home is now \$1.49M with the 49% increase in valuation. In 2021, with the town tax rate of \$10.22 the taxes were \$10,220 in taxes. In 2022, with a tax rate of \$7.28 the taxes would be \$10,847.

Chair Winslow pointed out that if 8% is kept in the unassigned fund balance the amount would be \$1,887,984. If 10% was retained it would be \$2,359,981. The State requires the town to retain between 5% and 17%.

Finance Director Bergeron noted that last year 8.08% was retained.

Vice-Chair King stated that they were talking about trying to do a warrant article for contingency purposes. The Select Board was talking about \$50,000. This should be taken into consideration and not make it part of the percentage being retained.

Town Administrator Matt Scruton noted that many municipalities will balance the warrant articles between use of general taxation or using fund balance to fund the warrant article, which has a zero tax impact. He pointed out that it would have an indirect tax impact in looking at the fact that it would reduce the available fund balance for the following tax rate setting.

Chair Winslow pointed out that if they retained 10% it would be \$2,359,981 and last year the retainage was 8% at \$2,345,00., which is essentially the same dollar amount. He asked what the taxes would be on a million dollar home if they were to retain 10%.

Finance Director Bergeron explained that at some point in time, the continued use of a significant amount of fund balance is going to cause the tax rate to spike. She thinks that given the inflation, Consumer Price Index (CPI), and everything that is continuing to increase in the economy, it would be realistic to have the taxes increase 1% to 2%. In retaining 10% with the \$50,000 contingency, on a 1.49M home the taxes would be \$10,102. At a 3% increase in taxes, .30 would be taken off the mil rate and \$973,326 would be taken from the fund balance. The fund balance would be \$3,065,104. That would make the mil rate \$6.98 per thousand.

Chair Winslow commented that he agrees that they don't want to spike the taxes. This is the time to probably be ramping it up. He would be comfortable with 3%.

Selectman Epperson pointed out that last year they had the discussion about the fact they wanted to keep it level because of Covid and other things. He also thinks the Board had a realistic expectation that it wasn't going to stay level forever and this year it would be reevaluated with adjustments made as necessary. He thinks 3% is a legitimate number for this year.

Vice-Chair King noted that the preliminary budget for 2023 has increased 1.2M and that doesn't include the school or things the Water District may do between now and March. He pointed out that the town is not the only thing increasing. The Board does not control the Water District and doesn't control the school. The Board knows that the town's part is going to increase a fair amount. Others may go up just as much. He likes 3%; however, what is that going to do next year with what is known right now?

Chair Winslow replied that if they are looking at a 3% increase this year and a 5% increase next year, that's not a major spike. If they were looking at a 3% this year and a 10% next year, he would want to move the 3% up. However, he thinks 3% is a very modest increase.

Finance Director Bergeron noted that using the fund balance of \$973,326 and lowering the tax rate to \$6.98, this would bring the taxes for a one million dollar home to \$10,400.

After discussion, the Select Board agreed a 3% increase would be reasonable, as the intent is to not spike the taxes.

**Motion by Phil Winslow to set the tax rate at \$6.98. Seconded by Bill Epperson.
Vote: 3-0 All in favor.**

Motion by Phil Winslow to use \$973,326 from the unassigned fund balance to reduce the tax base and also an overlay of \$30,000. Seconded by Bill Epperson.
Vote: 3-0 All in favor.

The unofficial base town tax rate pending final approval from DRA was set at \$6.98 which is broken down as follows:

TOWN RATE	\$2.07
COUNTY	\$0.67
LOCAL SCHOOL RATE	\$3.20
STATE SCHOOL RATE	\$1.04
TOTAL ESTIMATED RATE W/O DISTRICTS	\$6.98

The precinct rates are as follows:

	2022 Rate	2021 Rate	2020 Rate
Jenness Beach	.12	.12	.16
Rye Beach	.29	.41	.34
Rye Water	.41	.65	.54

III. OTHER BUSINESS

The Select Board received an application from St. Thomas Aquinas to collect canned goods and donations at the Transfer Station, which will be distributed to all food pantries along the Seacoast for Thanksgiving. The request is for Saturday, November 12th anywhere from 8:00am to 3:00pm for two to three hours. The Select Board asked Town Administrator Scruton to speak with Public Works Director Jason Rucker about the request to be sure it's set up properly.

Motion by Tom King to approve the St. Thomas Aquinas food drive at the Transfer Station on November 12th from 8:00am to 3:00pm and to waive the requirement to show the Select Board collateral materials. Seconded by Bill Epperson. All in favor.

Motion by Phil Winslow to recess the meeting until 2:00 p.m. Seconded by Tom King. All in favor.

Respectfully Submitted,
Dyana F. Ledger