

Town Status Report – January 7, 2019

Tax Deeded Property – Two items to discuss on this topic:

1. An announcement in public forum of a Milford Board of Selectmen decision made in non-public session to encumber \$30,000 for legal fees relating to environmental liability matters to protect the town and the possible seizure of tax delinquent property at 11 Jennison Road & 8 Hayden Lane known as the Grugnale property.
2. We have had a request from an interested party to purchased town owned, tax deeded property on McGettigan Road. These are two small lots (numbers 10-75-2 and 10-75-3) that abut property in Wilton. Total assessed value for both lots is \$6,100. The selectmen are authorized by NH RSA 80:80 to sell these properties at either a public auction or by advertised sealed bid and return the lots to the tax roll. Staff supports the possible sale by advertised sealed bid with the understanding that the selectmen can establish a minimum bid amount and the terms or conditions of the sale including the right to reject any and all offers. We need a motion, second and vote to proceed with a sale and set any terms.

Tax Impact and Tax Rate Calculation for 2019 Operating Budget and Proposed Warrant Articles – As requested during our last meeting, Finance Director Jack Sheehy has calculated the tax impact of the 2019 Operating Budget and each warrant article. Projected non-property tax revenue of \$6,461,650 was included in the calculation. This information will be useful as the Selectmen review each warrant article.

Additionally, the selectmen can consider using a portion of the Fund Balance to reduce taxes. Reference the Fund Balance History spreadsheet in your packets that provides details from 2006. Over the past four years we have focused on rebuilding the Fund Balance and have not used it to reduce taxes. NH Department of Revenue Administration guidelines recommend municipalities retain 5 to 15 percent of regular town & school general fund operating expenses. We have improved our percentage from a low just under 5% in 2013 to the current 8% level. We have prepared two spreadsheets for the Tax Rate Calculation:

1. Using \$100,000 of the fund balance to reduce taxes would yield a 2019 tax rate of \$6.65 or an increase of 4.2% from the current rate.
2. Using \$200,000 of the fund balance to reduce taxes would yield a 2019 tax rate of \$6.58 or an increase of 3.1% from the current rate. Staff supports this option.