

**Town of Auburn  
Board of Selectmen  
Workshop Meeting  
November 3, 2014**

**Selectmen Present:** Russell Sullivan, James Headd & Richard Eaton

**Also Present:** Town Clerk Joanne Linxweiler; Tax Collector Kathleen Sylvia; Police Chief Edward Picard; Library Director Ricky Sirois; Finance Director Adele Frisella; Assessing Coordinator Dale Phillips; Deputy Tax Collector Susan Jenkins; Executive Assistant Kate Skoglund and Town Administrator William Herman.

Mr. Sullivan called the meeting to order at 8:30 a.m.

**2014 Tax Rate**

Mr. Sullivan noted the purpose of the meeting was for the Selectmen and Town department heads and employees to meet to review and understand the 2014 tax rate, and its overall impact on the property owners and taxpayers of Auburn. He outlined the following comparison between 2013 and 2014:

	2013	2014	Change
Town	\$ 4.31	\$ 4.53	\$0.22
Local Education	11.53	13.11	1.58
State Education	2.59	2.57	-0.02
County	<u>1.16</u>	<u>1.10</u>	<u>-0.06</u>
 TOTAL	 \$19.59	 \$21.31	 \$1.72

Mr. Sullivan indicated the tax rate increases were 5.1% for the Town portion and 13.7% for the school district.

Mr. Herman indicated the tax rate increases largely are due to revenue issues for both the Town and the school district. On the Town portion, overall revenues were less than 2013, largely due to the impact of the Payment in Lieu of Taxes (PILOT) agreement with Manchester Water Works. On the School District portion, the School Board had some unexpected issues come up mid-way or later in the school year including increased Special Education students and replacement of the heating system. The School Board was upfront with the public and went through a process in April with the Budget Committee and the Commissioner of Education to utilize what would have been the undesignated fund balance from the 2013-2014 school budget to cover these expenses. Normally, the School District's Undesignated Fund Balance becomes a revenue source to reduce taxes in the following year, but for this one year, there was no undesignated fund balance available for this purpose, resulting in the increase in property taxes.

Mr. Herman also noted the 2014 Town budget as approved by voters represented a 2.24% increase over 2013, while the School District budget and appropriations represented an 8.044% increase. Mr. Sullivan felt the Town budget basically went up by the cost of living increase.

Mrs. Jenkins asked if there is an anticipation of further increases in 2015. Mr. Herman indicated that based on representations so far before the Budget Committee, it appears safe to assume there will be no significant budget increases coming forward from either the Town or the School District. And it appears reasonable to assume that revenue levels for the Town will remain stable, while the School District is anticipating having an undesignated fund balance to return next year. With the increasing base property valuation due to the number of new homes and subdivision lots in the pipeline, it is reasonable to assume the tax rate will stabilize if not be reduced in the coming year.

There was a discussion as to how individuals should respond to residents and taxpayers who make inquiry about the causes for the increase in the tax rate. There was general agreement that we should not refer to percentages of any numbers, but reflect the specific increases of the tax rate (i.e. – 22-cent for the Town portion and \$1.58 for the School District). We can identify the revenue shortfall issue for the Town portion of the rate, but should not attempt to speak for the School District for their business items. Instead, we should refer individuals to either the SAU or the School District for information.

Mr. Sullivan suggested an explanation of the tax rate and its increase should be the basis for the Board's information the next edition of the Auburn Village Crier to be published in December.

## **Adjourn**

***Mr. Eaton moved to adjourn; Mr. Headd seconded the motion. All were in favor, the motion passed and the meeting adjourned at 9:05 a.m.***