

MINUTES OF THE FINANCE COMMITTEE

October 5, 2021 @ 6:00 p.m.

City Council Chambers

Committee Members present: Councilor David A. Witham, Chairman
Councilor Donald Austin, Vice-Chairman
Councilor Martin Dumont

Committee Members Absent: Councilor Martin Pepin

Administration/Staff present: Finance Director & Deputy City Manager Scott Smith
City Clerk Jonathan Slaven

SAU56 Staff present: Superintendent Lori Lane
SAU56 Business Administrator Katie Krauss

The meeting was called to order by Chairman Witham at 6:00 p.m.

APPROVE PAST MEETING MINUTES OF AUGUST 18, 2021

Councilor Austin made a motion to approve the minutes of the August 18, 2021 meeting. The motion was seconded by Councilor Dumont and passed 3-0.

SCHOOL DEPARTMENT SITE REVENUE UPDATE

Ms. Krauss explained to the Committee that School adequacy grant estimates are provided in November of each year and are guaranteed not to go below 95% of the estimate. The School Department budgeted for 100%, or \$6.8 million. Due to changes in the formula and additional funding just this year, the adequacy grant this fiscal year will be approximately \$8 million, or \$1.2 million more than what was used to develop the adopted budget. The School Department's Building and Grounds Committee recently voted to support utilizing \$600,000 of the \$1.2 million not budgeted for Capital Improvement Projects. Ms. Krauss said she and Superintendent Lane met with City Manager Belmore and Deputy City Manager Smith to discuss this plan and the process required for consideration. Some of the Capital Improvement projects the school would like to proceed with include fixing a sagging wall on the middle school, replacing old doors/windows, renovate the middle school bathrooms, repairing or replacing the concession stand, and re-keying the entire School District.

Director Smith stated he contacted the Department of Revenue Administration (DRA) and they confirmed that if the City is inclined they will allow us to amend our State Forms and adjust the budget accordingly. The first of two options the City has is to do nothing and the State will include the correct amount of adequacy grant funding and it will lower the tax rate by approximately 73 cents. The second option which is being recommended this evening is to support a supplemental appropriation. If the City moves forward with the supplemental appropriation, the State will allow us to amend the budget, and if the approval is to use \$600,000 for Capital Improvements, it will lower the tax rate by approximately 19 cents.

Councilor Witham stated he is in favor of the supplemental appropriation due to the fact that these excess funds are not guaranteed every year and it is a good idea to get some of these projects done that have been sitting on the shelf for a while. Witham also inquired if the City has the ability to provide the additional funds if projects come in more than the \$600k appropriation. Director Smith

said the City could, but would require some additional action. If the School Department had funds available in their budget they could use them for these projects, or the City could consider another supplemental appropriation.

Superintendent Lane informed the committee that the School Board will be meeting tomorrow night and will be discussing this issue. Councilor Witham asked if the School Board must take action on this before we can consider the Supplemental Appropriation.

Director Smith stated in an effort to get this on the October 11 Council agenda, the committee could consider voting to sponsor an Ordinance subject to School Board ratification.

Councilor Austin made a motion to sponsor an Ordinance for a Supplemental Appropriation in the amount of \$600,000 subject to ratification from the School Board. Seconded by Councilor Dumont.

Councilor Dumont commented on concerns regarding what the adequacy funding will look like next year, the State's 10-year plan, and the impact the plan for a supplemental appropriation will have on the tax rate. He stated he is in favor of this plan, but it isn't the City's job to level the playing field which could put the City in a situation.

Councilor Witham replied that our CIP doesn't have a funding mechanism and it just a plan. Councilor Austin added that the CIP for the School Department also does not have and funds built into it and the extra funds we are planning to appropriate to the School will not always be available.

The motion passed 3-0.

CITY INVESTMENT POLICY

Director Smith informed the Committee there are no changes recommended to be made to the City's investment policy, but State Statute require an Investment Policy be adopted by Council annually.

Councilor Dumont asked what is the Investment Pool that is referred to in the policy. Director Smith informed the Committee that this is the NH Public Deposit Investment Pool. It was created in State Law, and gives municipalities an investment vehicle where they can pool investments.

Councilor Dumont made a motion to support the approval of the City's Investment Policy. The motion was seconded by Councilor Witham and passed 3-0.

MISCELLANEOUS

No miscellaneous items were discussed.

ADJOURNMENT

Councilor Austin made a motion to adjourn. The motion was seconded by Councilor Dumont and passed 3-0. The meeting adjourned at 6:40 p.m.

Respectfully submitted,

