

MINUTES

Fiscal Policy Advisory Committee
February 23, 2012 4:30-6:00 PM
Second Floor Conference Room

In Attendance: Chair – Allen Bennett; City Councilors – Jan McClure, Dan St. Hilaire, Fred Keach Candace White Bouchard, Mark Coen, Keith Nyhan, and Mayor Bouley; City Staff - Tom Aspell, City Manager; Brian LeBrun, Deputy City Manager Finance; Carlos Baia, Deputy City Manager Development; Bob McManus, OMB Director; Ben Leubsdorf, Concord Monitor

Excused:

- 1) **Approval of January 19, 2012 Meeting Minutes:** Chair Bennett called the meeting to order at 4:34 PM and requested a motion to approve the minutes of January 19, 2012. **Councilor Nyhan moved to accept the minutes, seconded by Councilor Keach. The minutes were unanimously approved as presented.**
- 2) **General Fund Proforma Model and Tax Rate Target** – Deputy City Manager LeBrun presented the Model for Fiscal Years 2013-17. He discussed the assumptions that went into building both the revenue and expense projections and explained how the 11.95% tax rate increase was arrived at. He also indicated that there was no projection for increased “real” growth in assessed value included in the projections.

City Manager Aspell discussed the loss of revenue, the possibility of the loss of real growth value and, in addition to the projected increases presented in the Model, the new expenses associated with the move of the Human Services Department, the Prosecutors Office and those costs associated with the proposal to acquire Dame School from the Concord School District. He also discussed the Municipal Price Index increased by almost 5%, and the CPI-U that is used by many tax cap communities increased by 3.2%. His recommendation was for FPAC to consider a possible tax rate target of between 2.5 and 4%.

Mayor Bouley expressed concerns about the costs for Dame School, the Prosecutors Office move and the new facility/move for the Human Services Department. His recommendation was to provide the City Manager the discretion to bring a responsible budget to the City Council that will take all of the necessary factors into consideration and that the Council will make its decisions in June.

City Manager Aspell reminded FPAC that a 3% increase in the City budget reflects approximately a 1% increase in taxes to the average taxpayer because the City comprises approximately 1/3 of the overall tax bill.

The committee discussed the pros and cons of not providing the City Manager a tax rate target and ultimately agreed on recommending to the full Council the following motion: to give the City Manager the discretion to bring in a fiscally conservative FY 2013 budget that is in keeping with FPAC and City Council Goals. **Councilor Nyhan moved the motion; Councilor Coen seconded it and all members present voted in favor.**

- 3) **Adjournment** - A motion was made by Chairman Bennett to adjourn, seconded by Councilor Bouchard, and a unanimous vote brought the meeting to an end at 5:32 PM.

Respectfully submitted,

Brian LeBrun
Deputy City Manager – Finance