

Town of Middleton
Board of Selectmen Meeting
December 7th, 2021

Approved By
Board of Selectmen


Called to order at 5:30pm.

BOS Members Present: Joseph Varga, Michael Boisvert, Lee Britton

Pledge Recited.

New Business:

Selectman Varga states that the purpose of this meeting and the only purpose of this meeting is to set the tax rate. States we have the preliminary tax rate from the DRA. It breaks down as follows: Town is \$9.40, County \$2.83, Local Education \$14.34, State Education \$1.96, totaling \$28.53. Village district is 0.55. States that is up from a total of \$28.27 from last year. It only equates to the total to be raised from tax \$5,280,558.00, which is actually only up from \$5,269,138.00 for a total of \$11,420.00. The change in tax rate should have only been a \$1.00 change to the tax rate, but what happened was that town valuation went from 186747102 to a value of 185402361. R Tufts-Keegan asks it went down. Selectman Varga states it went down almost 1.4 million. R. Tufts-Keegan asks on assessments. Selectman Varga states on the value. States he has reached out to Avitar to find out what happened. The only response he got was exemptions normally do this. So there is only one exemption that went into place from last year that would have this drastic affect, and it's the solar field. States he believes that is where the town value got lost, he is not positive, He doesn't have all the paperwork to figure it all out, but he knows that it was up around 1 million dollar value last year when we were going through it. Selectman Varga states any exemptions given forward is probably where we lost it and that would make sense considering from 2019-2020 the town value went up over 2 million. Normally only goes up around a million, so if you were to take that value out, we are probably right on track to where we normally would be. Nothing to do about that, it was a town voted exemption for the solar panels, so they have every right to that.

Selectman Varga states basically what we can discuss is that we can use our unassigned fund balance to go ahead and reduce our tax rate. States he has run a ton of numbers, Lee has been looking at numbers. Selectman Varga states he is up for thoughts and will give his to start with, states he is not in favor of using a lot of money to buy down the value from the unassigned balance, although we do have money to probably use out of the unassigned fund balance, because if we were to buy down a ton it would come back up next year. He is not against buying it down a little bit to try to help out. States the numbers he has run are, if we want to reduce the tax rate to \$26.00 we would have to take \$469,000.00 to do that. To reduce it to \$27.00 would be somewhere around \$283,000.00. To reduce it to \$28.00, it is basically \$98,000.00. Beating last years tax rate was \$28.27, states he is okay with doing \$100,000.00 and bringing it down to basically just under \$28.00. States he is open to any suggestions or thoughts.

States if you are wondering according to the MS-535 that we just got done, and if he is reading it correctly, unassigned fund balance, should be \$1,429,000.00.

Selectman Britton states if thoughts are we are at 23.8% and state recommends 17%. States he feels comfortable bringing it down somewhere close to 17%. Selectman Boisvert states that would be bringing it down \$395,000.00 and change to bring it down to 17%. Selectman Varga states that would bring the unassigned fund balance down to 17%. Selectman Boisvert states it would bring it from \$1,379,544.00 down to \$984,108. The total number would be \$395,486. States that would probably bring it down to about \$26.50. Selectman Varga states the only downside is next year, basically your tax rate is set off of previous years expenditures, so next years will go off of this years. Selectman Boisvert states and we are going to try to match the budget. Selectman Varga states trying to match the budget for 2022 to 2021, next year we are going to be paying the taxes on this years expenditures. States it makes things a little hard and then with the valuation changing as much as it did. States reality is that our tax rate probably should have went down, but our valuation went down so much instead of going up like it normally does, it actually went in the other direction. Selectman Boisvert asks so if we didn't lose that million the tax rate would have went down. Selectman Varga states yeah if we didn't lose that million the tax rate would have been down, but there is nothing we can do about that. States the total being \$11,000.00 is just over a penny per thousand.

Selectman Varga states he is good with any motion they want to make. We are talking about using some of the unassigned fund balance in the budget next year for the fire department if they couldn't get grants. States he knows they are working hard on that, but grants are not a guarantee, so there was some talk about using warrant articles to try and get them some of the things they may need. Now that was going to come out of the unassigned fund balance, but that was only about \$100,000.00, maybe \$70,000.00. So still plenty in there should we need it. Selectman Varga states he is just worried about people getting mad about doing down \$2.00 and up \$2.00 possibly next year or you can cut it in half and that way you can try to level it out the next year. That's what I'm looking at. States he thinks what gets people in trouble is when their tax rate drops that much then their escrow, if they escrow for their mortgages, their escrow, drops and then it almost doubles if the tax rate goes up at all two years later. States he thinks that's when people get upset, so if we can level it, it will be more stable. Selectman Boisvert asks Selectman Varga if he knows roughly what gets contributed to the fund balance every year. Selectman Varga answers he doesn't know. Selectman Britton states buy down half this year and then the other half next year. Selectman Varga states yeah that's what I'm thinking, trying to stabilize because that where we want to be, and if it's done right we might be able to stabilize for a few more years down the road. Especially if whoever is on the board next year continues to have what we have done this year to try to get things down.

R. Tufts-Keegan states she agrees, she wouldn't buy it down the full amount, pull it down some and then see where you are after your warrant articles. Could use some of that money, for like the fire department or what not. Specifically if you don't use it, it will go up against the tax rate next year. States she certainly doesn't agree to pull it all down now, because we will have (inaudible) effect she thinks,

which people would be all happy, but then come next year they will be all hollering at you, the new people or whatever. States she agrees maybe doing half, and then see where you are next year, that's just my two cents. Selectman Varga states he does agree that we do have money that we should be funneling back to people. R. Tufts-Keegan states she also thinks that have to be cautious with that because you don't want people to think we are going to have this every year, even if its just one year. Selectman Varga states that's what happened 2 years ago, the Board of Selectmen offset the tax rate \$100,000.00 and then we went up \$2.00 when it probably should have been under \$2.00. States its like a yo-yo game.

Selectman Boisvert states that if we were to go down \$197,718.00 that is going to bring us down to roughly 20 something percent. That leaves us \$1,181,826.00, so even if we pulled \$100,000.00 or \$70,000.00 for fire, that's going to keep us above the 17% mark, more around 20%. Selectman Varga states that would be \$27.46 and about \$28.00 for village district, states he is good with that. Selectman Boisvert states that we are still healthy here and giving money back to the community, that leaves us money for warrant articles, we are still above our 17%. Selectman Varga states correct and even if we don't warrant articles or if the warrant articles are not needed next year we can then, or who ever is on next year can do the same thing can try to stabilize right around the 27 ½ which could be less or more to get there. R. Tufts-Keegan asks will you recommend the board the warrant articles to come from unassigned or just specific ones for that. Selectman Varga answers believe it or not the budget I am looking at is equalized to the 2021 budget for 2022, trying to get to including warrant articles, that's how much we have actually cut. States that \$49,000.00 we used in the warrant articles from the unassigned fund balance, I have already put that into the budget and almost have the budget back down to what we had for this year. R. Tufts-Keegan asks so with the warrant articles when they presented the amount would be coming from unassigned verses taxation. Selectman Varga states no that would be coming from taxation. States so trying to balance the yo-yo affect by adding into the budget. R. Tufts-Keegan states so adding it back into the budget it ends up being the same, perfect. Selectman Varga states he is trying to work it to that point, there is difficulty, there is a lot of moving parts to try to make that work. R. Tufts-Keegan asks Selectman Boisvert what his number is that he suggested we used from the unassigned fund balance. Selectman Boisvert answers we would use \$197,718.00. R. Tufts-Keegan asks that would put us at a tax rate of what. Selectman Varga answers \$27.46. Selectman Boisvert states it would bring it down \$.80 or so. B. Gagnon states unless you live in the in the village district. R. Tufts-Keegan asks if the village district went up. Selectman Varga states the village district actually went down. Selectman Boisvert states it went down \$.02. B. Gagnon states its \$.55. Selectman Varga states it went down from \$.57 to \$.55. Selectman Varga states so if you are all wondering last year tax rates are municipal \$9.09, we are up \$.31. County was \$2.59, we are up \$.24, school was \$14.70, we actually went down to \$14.34, State was \$1.89, went up about \$.07. States when you look at the difference in the state education is the difference in the overall budget, that is about \$11,000.00. States overall he wasn't involved in making the 2020 budget, he only did 2021. States he is looking for any motion for what we want to do. Selectman Boisvert asks what do you say Lee. Selectman Britton states sounds good. Selectman Boisvert asks split the difference or do you want to do the full 3 something. Selectman Britton answers split so we can try to level it off next year again. Selectman Boisvert states because if we don't end up using anything for the warrant articles then potentially next year we could take another \$197,000.00 and pull down another \$1.00 depending on where numbers come in and what the

expenditures look like. Selectman Varga states it could be more it could be less and if the Board continues to start stabilize more and less it will start to even out all depending on where the town value is or if someone wants to repeal a solar exemption. Selectman Boisvert states value should be going up selling houses for double of what they are worth. Selectman Varga states that is why he was really shocked when he had seen the values and was trying to get an explanation, and that is the only explanation he could get and could think of and states but he could be completely wrong and would have to pull so much data to try to figure out what happened with that. Selectman Boisvert states his evaluation went up so he's not sure how the towns went down. R. Tufts-Keegan states so that circles back to my question on the whole re-evaluation, are we third year, when is the cycle, she thinks its 2 years. To circle back the solar exemption is the million dollars that we think is gotten pulled back from us, given that that is Middleton Building Supply are we looking at them in any ways just because of all the other stuff that they are doing, because their assessment is probably being under assessed. Selectman Varga states we are kind of getting off topic, but Code enforcement is out looking at everything and all the buildings they have that should be re-assessed on. R. Tufts-Keegan states we are taking away from the solar, but I think.

Selectman Varga states so he is looking for a motion. Selectman Boisvert states he is making a motion to contribute \$197,718.00 from the unassigned fund balance to buy down the tax rate. Selectman Britton seconds. All in favor. Selectman Varga states motion carries.

Selectman Varga states that is all he has for tonight. Selectman Britton makes a motion to adjourn. Selectman Boisvert seconds. All in favor.

Meeting adjourned at 5:50pm.

Respectfully Submitted,

Sierra Pawnell, Administrative Assistant

Kara Boisvert, Deputy Administrative Assistant