



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

DATE: May 31, 2019
TO: Mayor and City Council
FROM: Brian G. LeBrun, Deputy City Manager - Finance
SUBJECT: Recommend Appropriating \$1,000,000 to Highway Reserve

Recommendation

Accept this report and approve the attached resolution transferring \$1,000,000 to the City's Highway Reserve Account to be used in conjunction with the Annual Highway Improvement Program, CIP #78.

Background

For many years, the City has been in litigation with Consolidated Communication, formerly Fairpoint Communications, regarding their Petition for property tax abatement and property tax exemption. The Case involved the City's taxation of Consolidated's use and occupancy of the City's right-of-ways and the assessed value of their real property. Due to their property tax exemption arguments, in 2013, the City created a reserve fund account of Consolidated's taxes paid sufficient to cover a refund if so ordered by the court. The majority of this case has been litigated and subsequently settled. As a result, the City may now release and realize \$1,000,000 from the reserve fund account.

Discussion

The City's realization of \$1,000,000 of tax (\$861,533) and interest (\$138,467) revenue requires the City Council to appropriate these funds for a particular purpose or the remaining funds would increase the City's unassigned fund balance at the end of the fiscal year. Based on the discussion at the May 30, 2019 Capital Improvements Meeting for the FY 2020 Capital Budget, City Administration recommends that the City Council appropriates these funds to the Highway Reserve Account for funding the Annual Highway Improvement Program, CIP #78.