



City of Concord

Fiscal Policy Advisory Committee

Meeting Minutes - Draft

Monday, October 18, 2021

4:30 PM

City Hall
41 Green Street, 2nd Floor Conference
Room

1. Call to Order

The meeting was called to order at 4:30 PM and the roll was called.

2. Roll Call

Present:

City Councilors - Keith Nyhan (Chairman), Candace White Bouchard, Byron Champlin, Gail Matson, and Mayor Jim Bouley.

City Staff - Thomas Aspell, Jr., City Manager; Brian LeBrun, Deputy City Manager - Finance; Carlos Baia, Deputy City Manager - Development; Rebekah Dougherty, Office of Management & Budget; Kathy Temchack, Director of Real Estate Assessments; Sue Golden, Assessor; Chip Chesley, General Services Director; Jeff Hoadley, Deputy General Services Director; and Marco Philippon, Water Treatment Plant Superintendent.

Other - Brandon Kernen, Administrator of the NH Drinking Water & Groundwater Bureau; and Erin Holmes, Administrator of the NH Drinking Water & Groundwater Trust Fund and ARPA Coordinator.

Excused - City Councilors Fred Keach and Amanda Grady Sexton.

3. Approval of the Meeting Minutes

A motion was made and seconded to approve the draft minutes from the August 16, 2021 meeting. The motion passed with a unanimous voice vote.

4. Water Line Extension

Marco Philippon, City of Concord Water Treatment Plant Superintendent; Brandon Kernen, Administrator of the NHDES Drinking Water and Groundwater Bureau; and Erin Holmes, Administrator of the NHDES Drinking Water and Groundwater Trust Fund & ARPA Coordinator, made a presentation to the committee regarding a water line extension to Bow Junction. The area being

discussed is from the current end of the water line, near the Irving gas station/Exit 12, to Grappone Toyota and looped back to Hall Street.

Representatives from the NH Department of Environmental Services (NHDES) discussed the State's interest in extending the water line at the Bow Junction area from the Concord water infrastructure. They indicated that the water quality from existing wells is not good and have a lot of potential contamination. NHDES prefers large community water systems versus wells. They stated that the State's position is that regional water systems are a benefit to all. While Bow does have a municipal water system, the two miles of line extension to connect to Bow Junction is cost prohibitive and, financially, it makes more sense to connect this area to the Concord system. The State has helped to facilitate a regional system in communities south of Concord and Memorandums of Understanding and legal documents would need to be negotiated before the State would approve a regional agreement. The State does have some funding mechanisms that would be able to provide support in some specific purposes through the Drinking and Groundwater Trust, MTBE Trust, State Revolving Loan funds and ARPA dollars. Loss of capacity may qualify for funding from the Merrimack Source Development Charge and would be a one time payment of approximately \$190,000.

The committee noted that this is a Bow "ask", and that Concord needs to protect its ratepayers, as any water delivered to the Bow Junction area is water that is not available to Concord ratepayers. This project would have to be no cost to Concord. Marco Philippon indicated that the usage is estimated to be between 50,000 and 100,000 gallons per day and that the current infrastructure can handle this capacity increase. With an allowable 15% surcharge to the ratepayers from Bow in the Bow Junction area, the estimated annual revenue to the Water Fund would be \$10,000 based on current rates.

Marco and the Representatives from NHDES answered committee questions. No action was taken on this item and it will be discussed further at the next FPAC meeting.

5. Tax Year 2021 Real Estate Valuation Changes

Kathy Temchack, Director of Real Estate Assessments, made a presentation to the committee regarding the significant valuation increases to residential properties in Concord. She also discussed the shifting of value from Commercial/Industrial to Residential. For the 2020 tax year, the approximate valuation split between Commercial/Industrial and Residential properties is 45/55. It is anticipated that this split will widen when the 2021 valuations are completed. There will likely be many

questions from residential property owners when the tax bills are mailed out because of the increase in values based on the sales data. A draft PowerPoint document outlining some of the changes impacting residential property values has been prepared to provide information to property owners.

Kathy answered the committee's questions and they suggested that she attend the November FPAC meeting to provide more details regarding the final assessments and breakdowns.

6. Development Fees

Deputy City Manager Carlos Baia made a presentation to the committee regarding current development fees and comparisons to other communities. The committee expressed concerns about the amount of fees developers pay in Concord and questioned if it hindered development opportunities. Carlos answered the committee's questions. They requested that he return at the November FPAC meeting with some recommendations of changes to development fees.

7. Quarterly Financial Statements

Deputy City Manager Brian LeBrun briefly discussed the summary financial statements and offered that the main area of concern at this time is auto registrations. This line is approximately \$80,000 behind FY 2021 and with the current and continued low new car inventory levels, this revenue stream will need to be watched closely through the rest of FY 2022. The committee briefly discussed the car inventory and sales issue.

8. Adjourn

A motion was made and seconded and the meeting adjourned with a unanimous voice vote.