



City of Concord

Fiscal Policy Advisory Committee

Meeting Minutes - Draft

Monday, November 15, 2021

4:30 PM

City Hall
41 Green Street, 2nd Floor Conference
Room

1. Call to Order

The meeting was called to order at 4:35 PM.

2. Roll Call

Present:

City Councilors - Keith Nyhan (Chairman), Candace White Bouchard, 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; Chip Chesley, General Services Director; Marco Philippon, Water Treatment Plant Superintendent; Kathy Temchack, Director of Real Estate Assessments; Sue Golden, Assessor; Sam Durfee, Assistant City Planner; Crayton Brubaker, Local Government Management Fellow; and Sue Stevens, Executive Assistant.

Other - Henry Herndon, Energy Consultant; and Rob Werner, City Councilor and Energy & Environment Committee Member.

Excused - City Councilors Byron Champlin, 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 October 18, 2021 meeting. The motion passed with a unanimous voice vote.

4. Referral from City Council re: CPCNH Joint Powers Agreement

Senior Planner Sam Durfee introduced Henry Herndon, energy consultant, who is also a Concord resident and member of the City's Energy and Environment Committee. Mr. Herndon, who most recently served as a consultant to the City of Lebanon and assisted them in joining the Community Power Coalition of NH,

presented the benefits of the City of Concord joining the Coalition. He noted that the coalition model is most effective in reducing energy costs for the City and its residents, and that the Community Power Coalition would be key to the City meeting its energy goals. He explained that being a member of the Coalition will allow for the City to procure energy at a lower rate, thereby reducing costs for residents. He indicated that there is no cost to join the Coalition and that participation will be voluntary. He noted that, as of October 1, 2021, sixteen (16) New Hampshire communities have joined the Coalition.

City Manager Aspell asked how soon communities will be able to buy power through the Coalition, to which Mr. Herndon responded that it would likely not be until 2023. City Manager Aspell also asked if the City will need staffing for this. Mr. Herndon indicated that the City will not have to provide staff and that there will be a central point of contact for the entire Coalition.

Mayor Bouley expressed his concern that residents will feel like its a mandate to participate, which he is not in favor of. Mayor Bouley asked for a layman's explanation as to why this would benefit the community. Mr. Herndon indicated that it would allow for cheaper, greener energy; there is no cost to residents; and it will provide local control of where to buy power. Mr. Herndon further indicated that part of the supply costs on the energy bill will pay for the administrative expenses of the Coalition.

The committee asked Mr. Herndon if he would provide examples of cost savings that have been experienced by other similar Coalitions. Mr. Herndon said he would e-mail that information to Senior Planner Durfee for distribution to the committee.

No action was taken by the committee at this time.

5. Water Line Extension - Follow-up from October Meeting

In follow-up to his presentation at the October FPAC meeting regarding the potential of extending the City's water line into Bow, Water Treatment Plant Superintendent Marco Philippon provided a copy of the Water Service Agreement between the Towns of Salem and Windham, New Hampshire. He noted that many of our concerns are addressed in this agreement and that it provides a good starting point for discussion. Discussion ensued about the potential affects an expansion would have on our water pressure, our fire hydrants, etc. Marco indicated that infrastructure improvements will need to be made if we expand, and that the costs involved in that will have to be passed on to Bow. Marco suggested that we reach out to the Town of Bow to find out exactly what it is they are asking for.

Committee members agreed and authorized Marco to contact Bow to get a better understanding of what they are requesting. Once this information is garnered, Marco will return to a future meeting and share the information with the committee.

6. Tax Year 2021 Real Estate Valuation Changes - Follow-up from October Meeting

In follow-up to her presentation at the October FPAC meeting, Director of Real Estate Assessments Kathy Temchack provided the committee with additional details regarding the final 2021 property value assessments, which will be available to property owners on October 16th. Ms. Temchack indicated that there was an overall increase in assessed valuation of the City of 10.17%, resulting in a decrease of the City's tax rate. Commercial/industrial values increased by 3.5%, while single family home values increased by 13.36%. She noted that in 2020-2021, the median sale price for a single family home in New Hampshire increased by 17.1% according to the NH Realtors reports.

The committee discussed their concerns that property owners whose values increased, and whose property taxes subsequently increased, may not have a good understanding of the assessment process and how it affects the City's collection of property taxes, which doesn't only include City taxes, but taxes assessed by the School District and the County. The Mayor expressed his concern that property owners construe the tax increases as the City just collecting more money when valuations increase. Ms. Temchack noted that property value assessments are not based on the City's spending, that the assessments are dependent on market value. Even as values increase, it does not mean that the City is collecting more money. The amount of taxes raised can only be the amount needed to cover approved budgets. Some property owners will see their taxes increase, some will see a decrease, and some will stay the same. The assessments, based on market conditions and sales, are continuing to shift the distribution of taxes from commercial/industrial properties to residential properties. With commercial/industrial values increasing more slowly than the overall residential market change, it results in the residential properties paying a larger share of the tax burden.

In an effort to help property owners better understand the assessment process, the committee requested and Ms. Temchack agreed to attend the December City Council meeting and give a presentation directed at property owners that explains the assessment process and why values have increased.

7. Development Fees - Follow-up from October Meeting

In follow-up to his presentation at the October FPAC meeting regarding development review fees, Deputy City Manager Carlos Baia proposed some potential changes to the City's fee structure and discussed the fiscal affects that could result from those changes. The committee opted to review the proposed changes more closely before making a recommendation to City Council. In the meantime, Mayor Bouley moved to accept one recommended change, the elimination of the special water and sewer investment fees, which were instituted in the 1980's and which staff feels, today, serves as a disincentive to needed development. Councilor Bouchard White seconded. The motion passed with a unanimous voice vote.

9. Adjournment

A motion was made and seconded and the meeting adjourned with a unanimous voice vote at 6:15 PM.