

MINUTES

Fiscal Policy Advisory Committee
November 15, 2012 4:30-6:00 PM
Second Floor Conference Room

In Attendance: Acting Chair – Councilor Keith Nyhan; City Councilors – Jan McClure, Candace White Bouchard, Mark Coen, Dan St. Hilaire, 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; Katie Graff, Assistant Finance Director

Excused: Chairman Allen Bennett and Councilor Fred Keach

- 1) **Approval of October 18, 2012 Meeting Minutes:** Acting Chair Nyhan called the meeting to order at 4:35 PM and requested a motion to approve the minutes of October 18 meeting. **Councilor St. Hilaire moved to accept the minutes, seconded by Councilor McClure. The minutes were unanimously approved as presented.**
- 2) **Surplus Report and Recommendation** – Deputy City Manager LeBrun stated that the City finished FY2012 very favorably as reported in the surplus report. After accounting for the use of \$1,528,000 in use of fund balance during the fiscal year, the surplus is approximately \$938,000. Actual revenues fell short of budget by \$490,800, however adjusting for the use of fund balance, revenues exceeded projection by \$1,037,000. Expenditures were under budget by \$1,556,100. The details of the variances are identified in the report provided to the committee.

After discussing details of each surplus item, City Manager Aspell and Deputy City Manager LeBrun recommended using \$894,000 of the FY2012 surplus for:

OPEB Reserve	\$50,000
Economic Development Reserve	\$100,000
Paving Reserve	\$300,000
Early Retiree Reinsurance Reserve	\$289,000
General Services Equipment Reserve	\$75,000
City Council Agenda Software	\$50,000
Equipment Reserve	<u>\$30,000</u>
Total	\$894,000

The balance of \$44,000 would be returned to the City’s Unassigned Fund Balance.

The committee discussed the pros and cons of funding the identified programs and made the following changes:

Economic Development Reserve	\$150,000
Paving Reserve	\$300,000
Early Retiree Reinsurance Reserve	\$289,000
General Services Equipment Reserve	\$75,000
City Council Agenda Software	\$50,000
Equipment Reserve	<u>\$30,000</u>
Total	\$894,000

Councilor St. Hilaire moved to reduce the OPEB reserve to 0 and instead use that surplus amount for the Economic Development reserve to help support downtown efforts. Councilor McClure seconded the motion and the motion passed unanimously. Councilor Bouchard moved to recommend the revised report to the City Council at its December meeting. The motion was seconded by Councilor Coen. The motion passed unanimously.

- 3) **Intown Concord Funding** – As requested at the June 2012 budget adoption, City Manager Aspell has worked with Intown Concord on the use of the \$20,000 approved in the FY13 budget. The committee would like Intown Concord to change their logo from “Be Local” to “Buy Local” citywide to broaden their message to buy in Concord.
- 4) **Tax Rate Report** – Deputy City Manager LeBrun briefly discussed the recent tax rate setting and report he and Director of Real Estate Assessment Kathy Temchack co-authored. He stated that while it is good news that the tax rate went down, he wants to be certain the committee understands that is because the overall valuation went up. The Concord Monitor did a very good job with the article on Saturday and very accurately reflected the impacts of this approved tax rate. The Tax bills are anticipated to be mailed on November 26th.
- 5) **Target Tax Rate** – City Manager Aspell asked how the “no tax rate target” for the FY13 budget worked for the committee and City Council as a whole. Councilor Nyhan stated that the process went well last year and would like to see it again. The committee felt that the biggest issue would be \$1.1 million in retirement costs. They also commented that the City Manager kept the committee and the City Council well attuned to the budget development process and maintained good communication and feedback among the City, the committee, and the City Council.
- 6) **Adjournment** - A motion was made by Councilor Nyhan to adjourn, seconded by Councilor Coen, and a unanimous vote brought the meeting to an end at 5:44 PM.

Respectfully submitted,

Brian LeBrun
Deputy City Manager – Finance