



Town of New Castle
NEW CASTLE, NH 03854-0367

APPROVED MINUTES OF THE NEW CASTLE SELECT BOARD

MEMBERS:

Chairman David McGuckin
Selectman William Stewart
Selectwoman Jane Finn
Town Administrator Lori Ruest

DATE/TIME: Tuesday, November 15, 2022 – 3:15 pm

LOCATION: Town Hall – 49 Main Street

Members Absent: None.

Others Present: Bernice Barnes, Recording Secretary, Assistant Tax Collector, Pam Cullen, Treasurer, Tom Smith

Chair McGuckin called the meeting to order at 3:17 pm, and turned the meeting over to Selectman Stewart who discussed the tax rate is set.

1. Setting of Tax Rate:

Selectman Stewart explained that our information regarding the budget and revenue estimates is submitted to the New Hampshire Department of Revenue Portal, and they send back to us a tax rate, a surplus- unassigned fund balance, and an overlay which are the three major components that determine a tax rate. This year the tax rate sent back from them was a rate of \$4.76, with no use of surplus or unassigned fund balance. The unassigned fund balance was \$1,502,088 with a \$15,000 overlay. The unassigned fund balance represents 25.16% of the Town's budget. The DRA recommends Towns maintain between 5 % and 17% of their budget in unassigned fund balance. Last year, the Town maintained approximately 20% of its budget with a \$1,000,000.00 in reserve. The Town's current tax rate of \$4.78 would have resulted in an unassigned balance of over \$1,500,000 for the fiscal year. The Town Administrator, Lori Ruest, put together three scenarios to be discussed today. The first proposed scenario was the one from the DRA just discussed. The second proposed scenario was using a portion of the unassigned fund balance to reduce taxes and reducing the overlay to \$10,000. The proposal would reduce the unassigned fund balance retained to 20% of the budget or

\$1,202,088.00 utilizing \$300,000 of surplus to reduce the tax rate. Under this scenario, the tax rate would be changed to \$4.47. The Third scenario utilizes \$500,000 of surplus, and sets the retained fund balance at 16.79%, with an overlay of \$10,000, which set the tax rate at \$4.29.

Selectman Stewart made a motion to set the tax rate at \$4.50 per thousand, utilizing a portion of fund balance to reduce taxes, just below \$300,000.00, approximately \$270,000.00 range, \$1,202,088 retained fund balance, which exceeds 20 % of general operating expenditures, with a set overlay of \$10,000. Chair McGuckin seconded, and motion carried.

2. Adjourn:

Selectman Stewart made a motion to adjourn, Chair McGuckin seconded, and the meeting adjourned at 3:45 pm.

Respectfully Submitted,

Bernice L. Barnes, Recording Secretary