

Approved Oct. 25, 2016

Draft October 14, 2016

Town of Lyme, NH
Tax Study and Advisory Committee
September 27, 2016
Town Office Conference Room

Committee members present: Susan J. Mackenzie (Chair), Nancy Allison, Karl Furstenberg, Jeff Valence, Rusty Keith, Eric Colberg, Sam Levy, W. McClave (Secretary) and Michael Whitman.

The meeting was called to order at 6:30 PM by the Chair, Susan MacKenzie.

The first order of business was consideration of the draft Minutes of the meeting of August 23, 2016. After discussion, upon motion made and seconded, the Minutes were approved.

Discussion at the meeting focused on the recommendations of the Committee to the Selectboard, a review of those recommendations, and preparation for the upcoming November 14, 2016 public hearing on the Committee's activities.

Mr. Valence noted that the primary charge of the Committee was to look into the financial challenge increasing taxes posed to town residents, particularly older, long term residents on fixed incomes. The Committee had done so by examining existing programs that were, or might be, available to help people remain in their homes and by exploring other alternatives. He went on to observe that while these programs provided assistance to some, they did so by redistributing the burden to the rest of the residents. He reported that the main source of increasing costs was school related, and its increasing enrollment. He further reported that that increase was occurring disproportionately to the town's population and apparently was due to rental units which provided many school students in comparison to longer term residents. He suggested methods that could be looked into to equitably distribute the cost burden (such as a homestead exemption) and a possible review of how other states and municipalities have dealt with the issue.

Following general discussion on that topic, specific matters for November 14 public hearing were dealt with as follows:

1. Proposal to change tax bills from once per year in December to two bills – June & December. It was noted that administrative burden would increase, the town would avoid some interest expense and some residents might prefer budgeting for two smaller payments. After discussion, most members appeared indifferent and a vote on the proposal was unanimous against it. Mr. Whitman will present the proposal at the public hearing.
2. The Guide to existing programs for assistance and relief has been completed and made available to the public. Additional channels of distribution were discussed. Mr. Stern was commended for his considerable work and effort on the successful

completion of the Guide and, in his absence, chosen to present the matter at the public hearing.

3. Increasing the annual vehicle registration fee by \$5, with the addition to going to the town road budget. The amount was reduced from the previously recommended \$10 because that is what current State law allows. It was noted that while the topic had been unpopular at the previous General Town Meeting, it was being recommended because the town road system is in dire need, funds generated will go to meet this need and it is one of the few sources of additional revenue available to the town. Mr. Levy will present this topic at the public hearing.
4. The rental property issue suggested by Mr. Valence, as discussed earlier, will be presented at the public hearing by Mr. Colberg.
5. Distribution of land use change tax proceeds: Currently all proceeds go to the Conservation Fund. The Committee has proposed that 50% go to conservation and 50% to the Town General Fund, reasoning that the proceeds represent a form of repayment of amounts that would otherwise have gone into the General Fund, that a substantial portion of the town is in conservation or protected by conservation easements, that the Conservation Fund has approximately \$200,000 available if it needs to move quickly, and sharing the proceeds going forward will provide some measure of assistance to other pressing needs of the town, to be shared by all. Mr. Karl Furstenberg will present at the public hearing.
6. Review of tax exempt properties and properties owned by the Town. Mr. Keith will present at the public hearing on the private properties in this category and also properties owned by Lyme and how they might be used to assist in light of budget challenges.
7. Establishment of an elected 3 person Board of Assessment for Lyme: In discussion, it was determined this would provide technical expertise, assistance and work load relief to the Selectboard, provide a measure of transparency to taxpayers and is commonly used in other towns. Mr. Keith will present.
8. Recreation fees for non-residents: While this appeared to be a possible source of revenue, after review it was determined administrative and enforcement issues would be excessive in light of amounts generated. Mr. McClave to present.
9. Various ideas the Committee explored and rejected: To be determined.

On motion duly made and seconded, the meeting was adjourned at 8:35.

Respectfully submitted,

Wilkes McClave, Secretary