

**TOWN OF HOLDERNESS
BOARD OF SELECTMEN
BUDGET COMMITTEE
WORK SESSION MINUTES
December 28, 2020**

Select Board Members Present: Chair, Jill White, Vice Chair, Woodie Laverack, Sam Brickley, Peter Francesco and Kelly Schwaner.

Budget Committee Members Present: Chair, Ken Evans, Bob Maloney, Kevin Barrett, Todd Elgin and Dayna Titus

Others Present: Town Administrator, Michael Capone

Call to Order: Mr. Evans called the meeting to order at 5:39PM. Mr. Evans welcomed everyone and thanked them for their continued efforts in support of the Budget process.

Review and Approve the Meeting Minutes of 12/14/2020: Mr. Evans asked that those present for their comments with regard to the draft minutes prepared by the Town Administrator. Mr. Barrett proposed the following language be added to the minutes with regard to article six. "There was considerable discussion with regard to the magnitude and financial implications of this warrant article."

Mr. Maloney made a motion to approve the minutes as amended. There was a second from Mr. Elgin. There being no further discussion, those present voted 9-0-1 in favor of approving the minutes as amended with Mr. Brickley abstaining as he was not present at the meeting.

Continued Review of Town Operating Budget: Mr. Evans asked the Town Administrator to review those sections of the Town Operating Budget not covered during the work session of 12/9/2020.

The Town Administrator went through each of the remaining sections of the operating budget making note of any major changes from the previous year. He mentioned that the draft under review had not been adjusted for the change to the percentage increase approved by the Select Board. The final draft will include all of those changes and any others made during the review process.

Mr. Evans asked if the Town Administrator could provide the amount of the increase the change in percentage had created. The Town Administrator mentioned that he did not have the number readily available, but could go through all of the sections of the budget and provide an overall total.

Among some of the changes of note to the operating budget were a reduction to the Election, Registration and Vital records section given there is only one election in the next budget cycle. There was a reduction in the Revaluation of Property line of the budget due to the fact that we would be able to make use of encumbered funds left from the last budget cycle. In response to an inquiry from Mr. Evans, the Town Administrator explained the encumbrance process.

The Town Administrator and Mr. Brickley also provided some background for the proposed increase in the legal line citing an increase in legal activity and an effort to review an update some of the older policies and procedures presently in effect. It was noted that the Select Boards position overall was that it was

better to invest in upfront legal review to stay ahead of matters in an effort to avoid unnecessary legal expense in the form of lawsuits or other legal challenges.

In reviewing Personnel Benefits, the Town Administrator noted that some of the proposed increase in Health Insurance premium for the next budget cycle would be offset, albeit indirectly, by a return of premium from last year's Health Insurance contribution.

He also noted that a change in disability and life insurance companies will mitigate a large unannounced increase by our previous provider allowing us to keep those budget lines stable.

The biggest overall increase in benefits was the change to the contribution rates for the State retirement system. Increase to the contribution rates for all Groups would add over \$37,000 to the operating budget.

The Town Administrator continued his review explaining the Ambulance Contract with the Plymouth Fire Department. Mr. Barrett inquired about the collection process for unpaid bills. The Town Administrator noted that since we do not transport anyone, there is no billing done by the Town so there are no issues with collections.

In reviewing Street Lighting, the Town Administrator noted that the Town Office had recently completed an upgrade to LED lighting that would save on electricity so he was not proposing an increase in that budget line. He also mentioned that 50% of the cost of the upgrade was reimbursed by the Electric COOP. Mr. Barrett asked if all of the streetlights had been upgraded to LED. Mr. Brickley commented that he believes that was done a few years ago. The Town Administrator will follow up on that to confirm.

The Town Administrator mentioned that he planned to remove the funding for the After School Care and Enrichment program from the Public Service section of the budget as the Committee/Board had been informed by Ms. Mello, at their last meeting that this program was no longer offered. Mr. Evans commented that the funding for the other agencies, which is essentially unchanged from the current budget cycle seems reasonable.

The Town Administrator noted that while there continues to be limited activity in request for public assistance (welfare), it was difficult to know how to fund that section of the budget, so no further reductions were proposed.

The Town Administrator concluded his remarks with regard to the operating budget by noting that the Town continues to have no debt service. He also made note of the funds set aside for capital outlay and capital reserves.

The Town Administrator made brief mention of the projected revenues and proposed warrant articles he had provided to the Budget Committee and the Select Board for their review.

Mr. Barrett inquired about the interest income the Town receives and what there was in the way of an investment policy. Mr. Elgin, in his capacity as Town Treasurer, provided some information in response to the inquiry. Mr. Maloney provided additional comment with regard to the regulations limiting the investment of Capital Reserve account funds.

Mr. Barrett also commented on the unassigned fund balance policy the Town had adopted and suggested that the Town consider changing it. Mr. Evans mentioned that the issue had been discussed previously and Ms. White commented that the Select Board plans to consider acting on it at a future meeting.

Mr. Evans then inquired with regard to the next steps in the process. The Town Administrator noted that the current schedule called for the Select Board budget be made available to the Budget Committee by January 7th, 2021. Ms. White suggested that some additional time may be needed to complete the review by the Board. Mr. Evans polled the Budget Committee members to see if they were available to meet on Thursday, January 14th, 2021 at 5:30 to review and discuss the Select Board's proposed budget. All members were available at that time so the meeting will be noticed as such.

Ms. White suggested that representatives from the School Board and possibly Mr. Rossner be present at the January 14th meeting to answer any questions with regard to the Holderness Central School Budget.

Mr. Evans thanked everyone for their time this evening and thanked the Town Administrator for his effort in organizing the budget materials.

There being no further business to come before the meeting, it was adjourned at 6:55PM.

Respectfully Submitted,

Michael R. Capone
Town Administrator