

**MINUTES OF THE SELECT BOARD AND ADVISORY BOARD
COMMITTEE BUDGET WORKSHOP**

November 18, 2014

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Present: Chairman Cedarholm, Selectwoman Dennis, Selectman Bugbee, ABC Chairwoman Alice MacKinnon, Pat Barbour, Cary Brown, Bill Henze, Town Administrator Julie Glover and Finance Officer Joanne Clancy.

1. Chairman Cedarholm calls the meeting to order and turns it over to Chairwoman MacKinnon who introduces Julie Glover, Town Administrator. TA Glover will present the Board of Selectmen's Budget.

TA Glover hands out the budget proposal and tax rate summary. The DRA promises to have the final rate to us by tomorrow. The Select Board met last night and agreed to assign \$400,000 from the unassigned fund balance to offset the tax rate. Although the tax rate is going up overall, the town's tax rate did go down slightly but not enough to compensate for the \$1.29 increase between the school and county. TA Glover draws attention to the proposed budget in FY16 compared to the budget in FY13 is essentially the same.

TA Glover gives a general overview of the budget. Under Selectmen, line items have been added for mileage and conference since these expenses are being used now. Nothing is really different in the Financial Administration department. The overall budget is actually down from 3 years ago. Information Technology is also down from 3 years ago. There is an increase in the computer hardware line in hopes of upgrading some of the cameras systems and recording devices that are used for recording and posting the meetings on the website. Property Valuation is down from 3 years ago. Legal Expenses are down in comparison to last year mainly because the cost associated with Planning & Zoning has been moved into that budget. Personnel Administration does show an increase; however, our medical insurance rates have gone down from last year. The Town will be receiving another \$35,000 premium contribution holiday credit from the HealthTrust to offset the cost of the insurance. Group I Retirement is not too much higher than it has been in the past few years. This rate is going up from 10.77% to 11.17% come July 1st. Group II will show the biggest increase due to an increase in Fire and Police personnel. The Police rate right now is 25.3% going up to 26.38%. Fire is currently 27.74% going up to 29.16%. This is a result of the State ending its contribution to the retirement rates a few years ago. Government buildings have slightly increased over 3 years ago due to slight increase in wages for building supervisor and the proposed janitor assistant. TA Glover is proposing to hire a full-time person to split between maintenance and the transfer station. It won't be an increase in wages but there will be an increase in ancillary costs which are retirement, social security, Medicare and health insurance. The unemployment rate just went down again in NH and it has been difficult finding a part-time person for each of these positions. TA Glover points out that the full number for pay-in-lieu of vacation is represented in the budget and if the Board wants to cut this back then it may choose to do so. The TA and the two Chief's contracts require for this pay to be requested in June. The Energy Committee line can be reduced to \$200 instead of \$2000 since they only ask for \$200. Worker's Compensation is tied to salaries. The modification factor is fairly high right now (1.13) due to a few incidences that have occurred at the Transfer Station. Property Liability is partly rated on our general operating budget so with an increase in personnel costs so does the property liability rate.

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There is an increase in those applying for general assistance; however, the General Assistance line has remained the same. The LRP Electricity line has been cut in half from last year since we now have a better idea of how much it will cost. Patriotic Purposes was accidentally left at zero. The Board can decide to add funds to this line to help pay Durham for fireworks which is what this line has been used for in the past. This is the conclusion of the Selectmen's Budget presentation.

Chairwoman MacKinnon asks why the Ancillary Payroll Expenses (under the Library budget) went from \$26k to \$42k. The difference is the budget now includes a full-time Library Director on a family medical plan. TA Glover anticipates that the contribution holiday will be a yearly payment from HealthTrust. Selectman Bugbee asks if \$17,000 is enough to have in the legal expense line. TA Glover believes that it is since Planning & Zoning now has its own line for this. Finance Officer Clancy states that the number portrayed here for the Ancillary Payroll Expenses is the most accurate. The Library may have a number that was received from her prior to the Town receiving the new rates from HealthTrust.

Chairman Cedarholm suggests putting \$5000 into Pay in Lieu of Vacation and if we were to go over it could come out of the Contingency Fund. The Board agrees.

Finance Officer Clancy explains that in the second year with Tyler there will be a payroll expense of somewhere between \$4000 - \$4500.

Bill Henze asks how much has been spent on training so far this year. That information is not available at this time.

2. TA Glover has the BOS/ABC Workshop Minutes from 10/21/14 and 10/28/14 for approval. Chairman Cedarholm moves to approve the BOS/ABC Workshop Minutes from 10/21/14 and 10/28/14. Seconded. All in favor. **Motion Carries.**
3. TA Glover has determined that the Board does not have to meet together in order to sign the Tax Warrant. Once the Warrant is complete each member can come in contemporaneously to sign it. Today the system is down at DRA, but we should have the final rate by tomorrow and the Warrant ready to sign by tomorrow.
4. The Tax Office now offers online payments so the TA thought it would be a good idea to put a notice of this in with the tax bills. In researching this option, it was discovered that the governing body would need to approve it. Chairman Cedarholm moves to approve the inclusion of information regarding the online services and acceptance of credit cards with the 2014 tax bill. Selectwoman Dennis, seconds. All in favor. **Motion Carries.** Scott Bugbee would like the notice to include that there will be a fee associated with this option. The Town does not receive this fee. The firm which manages this service collects the fee.
5. Selectwoman Dennis attended the ORCSD Building Committee Meeting this evening. Dr. Morse asked her to bring some information back to the Board and ABC. They are

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looking at the year 2015-16 to start the all-day kindergarten program. They are also doing an academic analysis of the existing school including the kitchen, review the options and then have a community conversation. In talking with Dr. Morse after the meeting, he wanted to share that they have a reserve fund at the school in the amount of about \$500,000. So had the Board been able to have a meeting with him prior to setting the tax rate, we could have tapped into this reserve fund to help offset the increase for the Lee tax payers. Dr. Morse would have requested a portion of this money from the School Board and if approved by the School Board it would have been forwarded to the Commissioner of Education to sign. This isn't going to help the Town this year, but next year the Board could meet with him 4-6 weeks prior to the tax rate setting to have this conversation. Recently a law passed that now allows schools to keep a fund balance. We would be eligible for Lee's portion or a third. It was Selectwoman Dennis' understanding that by the time Dr. Morse was made aware of the hit that Lee was taking on the tax rate, there wasn't enough time to present this proposal to the School Board and get it signed by the Commissioner before the setting of the tax rate.

Chairwoman MacKinnon asks where the Board stands regarding the Library bond. Chairman Cedarholm states the Board voted last night to support a \$2.25 million facility that would include up to a \$1 million bond. The Library Committee would get what is left in the Capital Reserve Fund for Library Community Center which is \$371,000 and \$80,000 from the Library Building Maintenance Fund for a total of \$451,000. The Foundation would have raise about \$750,000.

There is discussion about future bonds coming down the pike and what language can and cannot be in a warrant article. There is also discussion about putting position such as a new police officer in front of the voters as its own separate warrant article.

6. Chairman Cedarholm moves to adjourn at 8:00pm. All in favor. **Motion Carries.**

Minutes transcribed by:

Minutes accepted by:

Denise Duval, Town Secretary

David Cedarholm, BOS Chairman

Alice MacKinnon, ABC Chairwoman

Date