

**HOLDEN BOARD OF SELECTMEN
MEETING MINUTES
December 11, 2023**

6:30PM

Memorial Hall

Present: Stephanie Mulroy, Anthony Renzoni, Thomas Curran, Geri Herlihy

Others Present: Peter Lukes, Town Manager
Stephanie King, Assistant Town Manager
Steven Madaus, Town Counsel
Liz Fotos, Town Recorder (Participating remotely)

Not Present: Richard Bates

Chairman Mulroy called the Board of Selectmen meeting to order. The Board stood to recite the Pledge of Allegiance.

1. Citizens Address

None

2. Appointments, Licenses, Permits

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO REAPPOINT: KENNETH STROM, MICHAEL SCOTT, AND LUKE BOUCHER TO THE CONSERVATION COMMISSION FOR A TERM OF 12/31/23- 12/31/26 AS PRESENTED.**

3. HMLD 2024 Capital and Operating Budget

Barry Tupper, General Manager, and Callie Knower, Director of Finance and Administration, from HMLD were present at the meeting. They presented a slideshow dated December 11, 2023 to overview the 2024 Capital and Operating Budget. Upon completion of the presentation they opened it up for questions from the Board.

Sel. Herlihy asked about the note made on the report.

Ms. Knower stated that this is done for most municipalities so they don't do their own finances. She stated this was the only finding for the year.

Mr. Tupper stated that bringing in an accountant rather than book keeper helped on some of the items that they had previously seen.

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO MOVE THAT THE HMLD BOARD OF COMMISSIONERS APPROVE THE**

CALENDAR YEAR 2024 OPERATING BUDGET IN THE AMOUNT OF \$16,173,688 AS PRESENTED ON DECEMBER 11, 2023.

Motion by Sel. Renzoni, seconded by Sel. Curran, it was **UNANIMOUSLY VOTED THAT THE HMLD BOARD OF COMMISSIONERS APPROVE THE CALENDAR YEAR 2024 CAPITAL BUDGET IN THE AMOUNT OF \$3,438,248.79 AS PRESENTED ON DECEMBER 11, 2023.**

Sel. Curran asked how the GML compared to the MMWEC.

Mr. Tupper replied that they were different. He stated that this cooperative was there to help utilities get what they need so they did not have to hire full time employees to handle all the different pieces.

Sel. Curran asked if it was to help pool resources and procurement. Mr. Tupper replied it was.

Motion by Sel. Renzoni, seconded by Sel. Curran, it was **UNANIMOUSLY VOTED THAT THE HMLD 1)JOIN THE GML UTILITY SERVICE COOPERATIVE, LLC A MUNICIPAL LIGHT PLANT COOPERATIVE ORGANIZED AND OPERATING UNDER THE PROVISIONS OF CHAPTER 164 SECTION 47C AS A MEMBER 2) AUTHORIZE A CAPITAL CONTRIBUTION BY HMLD OF \$277,830 IN EXCHANGE FOR A 20% INTEREST IN THE COOPERATIVE, ALONG WITH THE CONCOMITANT RIGHTS AND OBLIGATIONS AS A MEMBER OF THE COOPERATIVE; 3) TO AUTHORIZE THE GENERAL MANAGER TO SOLELY ACT AS HMLD'S REPRESENTATIVE IN THE GML UTILITY SERVICES COOPERATIVE, TO SERVE ON THE GML UTILITY SERVICES COOPERATIVE, LLC'S BOARD OF DIRECTORS, TO SERVE AS AN OFFICER OF THE COOPERATIVE, AND TO TAKE ANY ACTIONS NECESSARY OR INCIDENTAL TO MEMBERSHIP IN SUCH COOPERATIVE, AND ALL THE FOREGOING SHALL BE CONSIDERED PART OF HIS DUTIES AS GENERAL MANAGER UNDER CHAPTER 164.**

4. Designation of Voting Representative MMWEC and NYPA

Motion by Sel. Herlihy, seconded by Sel. Curran, it was **UNANIMOUSLY VOTED TO APPROVE CALLIE KNOWER AS THE ALTERNATE VOTING REPRESENTATIVE TO MMWEC AND NYPA AS PRESENTED.**

5. Town Manager Update

See Attached

Sel. Renzoni asked if the Board could invite the state delegation into a meeting for a round table in the future.

6. 2025 Revenue Forecast

Mr. Challenger, Fin Com, was present at the meeting.

Mr. Challenger presented the Board with anticipated revenue for FY 2025. He stated the front page they were looking at was a summary and the second page was a history.

He stated looking forward to next years budget, the question of how much do we have to spend needs to be answered before they can ask the question as to how it should be spent. He stated that there is not a whole lot of sources of revenue for the Town. He stated 73% comes in from the levy limit and another 8% comes in from debt exclusion levy limit. He stated new growth is added to the levy limit and state receipts have been very flat for the last 5/6 years. He stated local receipts are all fairly flat as well. He stated Fin Com started to think about this and as we get more and more dependent on the levy limit the ratio of money coming in is lower and lower. He stated that it will be a 2.5% increase. He asked how much they expected the revenue to grow. He stated the answer is somewhere around 2.5%-3%. He stated there are not a lot of sources of revenue. He stated they have used about \$2.2 million of free cash up until the last few years and last year it increased to \$2.7 million. He stated that using free cash is dangerous because it is not guaranteed for any given year. Mr. Challenger stated that Fin Com had been asking the Town Manager to get more aggressive with the revenue forecasting he does and this will cause less free cash. He stated that there is savings, but that is a short term solution as well.

Mr. Challenger stated that when you look at the recurring revenues that they know are coming in it will be about \$1.4-\$1.8 million in increase. He stated 60% will go to the district if history holds. He stated that means about \$500,000-\$700,000 in increase expenses. He stated the goal of this exercise was to put their (Fin Com's) thoughts on paper. He stated he met with the Town Manager and the Superintendent to share this information and he understands that neither entity had began their budget process but this is Fin Com's vision of where we are going to be; somewhere around 3%. He stated that if the budget comes in more than that, it will have to come from free cash or savings. He stated anything around 3.1% or 3.2% Fin Com would probably be okay with that, but anything more than that there will be a lot of discussion that would be needed. He stated that it would require conversations at both the municipal level and the district level.

Mr. Challenger stated that he was asking the Board to have a joint letter with Fin Com to the District, and the Town Manager and copied to the other towns so everyone knows where we (Holden) stands. He stated that if the Board was okay with that they could work with Ms. King to get that accomplished otherwise Fin Com would send it out without the Board.

Chairman Mulroy thanked Mr. Challenger for all his efforts and communication.

Sel. Renzoni suggested the Board take a vote if there was interest in partnering with Fin Com for this letter. He stated that he did know that the School District that resolved two previous years budgets earlier and applied that money to their operations.

Mr. Challenger stated that the district ran out of money last year and used almost all their E & D. He stated there is a new team up there and the district was not previously filing their audits and reports with the state in a timely manner. He stated the new team has a hold on that and they have uncovered a lot of ugly stuff. He stated they are going into the budget this year bare bones.

Sel. Renzoni stated that there is a concern about the district and how they assessed us last year. He asked if Mr. Challenger had any thoughts on that challenge going into this year.

Mr. Challenger stated that he did not want to get into the specifics of the District's budget. He stated in speaking to the finance director she thinks there is a lot of fiscal holes in the District. He stated the district is caught up on audits and reports but they did use all the available cash they had to fill holes they found.

Sel. Renzoni stated he agreed that they should pen a letter to address the School District and School Committee as to where we are as a town. He stated this is at least a starting point from the Town with the largest share of the district budget.

Mr. Challenger stated he had a good conversation with Mr. Reilly and his team. He stated that they spoke about these numbers and they heard the discussion. He stated they have opened the dialogue.

Sel. Renzoni stated that the other thought about where do we get increase over what we can afford is that using free cash and to stop tightening up the estimate, at some point if the district is chewing up that much of the budget then we are going to have to look at an override rather than taking from the stabilization and savings to pay a bill that keeps increasing. He stated that conversation is probably going to need to be had.

Mr. Challenger stated that he is meeting the subcommittee this week. He stated the school district has been flat for the last few years which is a good trend. He stated a prop 2.5 was in 1991 and immediately passed two overrides immediately and never passed another one since; so 35+ years without passing an override.

Sel. Renzoni stated that they have been able to stay under the levy limit. We have a decreased tax rate while increasing values. He stated he knows that 60% is the District and we have been lucky and he is optimistic about the new Superintendent owning the budget and being responsible for the budget. He stated that his concern is that this can't be common practice each year.

Mr. Challenger stated that Fin Com has always been very conscience about not using savings to pay for operating costs.

Sel. Renzoni stated that he does not look at free cash as savings he looks at it as windfall. He stated that he wants to get away from spending free cash as part of the Districts monies.

Mr. Challenger stated that he agrees with Sel. Renzoni's assessment of the new Superintendent and is hopeful that they are sincere in his team's efforts with the budget and communications. He stated the District is being hamstrung by the state as well so they are also in a rock and hard place. He stated it's important to remember that we are one town; the education is part of the town government and it's not us versus them.

Sel. Renzoni stated that he would be happy to work with Mr. Challenger to pen something.

Chairman Mulroy stated that the next step would be to do a joint meeting between Vice Chair of Board and Chair of Fin Com to draft a letter.

She asked if the other members were agreeable to this meeting.

Sel. Herlihy stated that she was appreciative of the new level of communication with the District and she does believe the rate that the school district is growing is not sustainable but that they need to work through it together.

Sel. Renzoni stated the letter that they were proposing would be to let everyone know where the Town stands so they can take it as a consideration as they look at their budget. It is not telling them what we will pay.

Mr. Challenger stated that his vision is to say if your assessment level is x it will be approved if it's higher than that you're going to get a lot of scrutiny. He stated that the Town Manager and the Superintendent met often as well.

Sel. Curran stated it would be nice to hear about those meetings in the Town Manager's Update as well. He stated that the School Committee also does not start their budget until January so this could be helpful to them as well.

Mr. Challenger stated that he was also meeting on Thursday with the Budget and Finance Subcommittee and he was inviting all of the Holden Representatives to demystify Holden's finances.

7. Annual License Renewals

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO APPROVE THE LICENSES AS PRESENTED IN THE MEMO SUBJECT: ANNUAL LICENSE RENEWALS -THAT INDICATED THE ESTABLISHMENTS LISTED BELOW ARE IN COMPLIANCE AT THIS TIME.**

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO APPROVE THE LICENSES AS PRESENTED IN THE MEMO SUBJECT: ANNUAL LICENSE RENEWALS THAT INDICATED THE ESTABLISHMENTS**

LISTED BELOW ARE NOT IN COMPLIANCE AT THIS TIME- UPON BECOMING COMPLIANT.

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO AUTHORIZE THE TOWN MANAGER TO APPROVE LICENSES ON BEHALF OF THE BOARD OF SELECTMEN BETWEEN 12/12/23 AND 1/7/24.**

8. Board of Selectmen Meeting Schedule

The Board discussed conflicts that they may have with the proposed schedule.

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO ADOPT THE BOARD OF SELECTMEN 2024 MEETING SCHEDULE AS PRESENTED.**

9. Timeframe for Water Sewer Appeal Decisions

Chairman Mulroy stated that she was going to skip over this item until Sel. Bates was available.

10. Response to Citizen's Address

None

11. Selectmen Minutes

None

12. Selectmen Miscellaneous

Sel. Renzoni stated that he invited in some of the Eagle Projects that were happening in Town.

Sel. Renzoni stated he also was invited to go to the high school and speak at some of the Civic Classes. He stated that this is the class that brought to the Town the Inclusive Playground so he was excited to do that.

13. Selectmen Subcommittee

None

Motion by Sel. Renzoni, seconded by Sel. Herlihy, it was **UNANIMOUSLY VOTED TO ADJOURN THE DECEMBER 11, 2023 BOARD OF SELECTMEN MEETING AT 7:30PM.**

APPROVED: 1/22/24