

BUDGET COMMITTEE MINUTES

Wednesday, November 18, 2010 at 5:00 p.m.

Conference Room A, Randolph Town Hall, 7 Summer Street

Present: Michael Penrod, Horace Puglisi, Gary Champy and Michael DeCubellis

Absent: Carol Flint, Sheila Jacobs

1. Minutes of November 10, 2010 Meeting
 - Michael Penrod moved to approve the minutes of November 10 and Horace Puglisi seconded. 11/10/2010 Meeting- Approved
2. Meeting began with a discussion on the Landfill Closure Fund. Michael asked if the town was receiving 10% interest (as an amount of \$100,000.00 is being transferred annually into General Fund Revenue. See 100-2010-00.00
Gary Champy/Michael DeCubellis were unable to give a response.
3. At the last meeting Michael Penrod inquired about the Recreation Operating Expenses and requested a breakdown of those expenses. Michael DeCubellis presented an itemized listing for little League Field, Swimming Pool, Skating Rink, and Tennis Court. The data showed that the swimming pool expenses total was \$4,450.21.
4. Gary Champy proceeded to answer questions raised at the last meeting regarding administrative revenue. There are TWO transfers:
 - 100-2010-00.02 is Admin Revenue for Executive Staff tasks completed. That sum for 2012 budget is \$70,000.00.
 - 100-2038-00.15 is revenue for treasurer and town clerk staff tasks completed. That sum for 2012 budget is \$15,000.00

Page 8 of the November 18th monthly expenses shows those items VOTE GENERAL EXPENSES. This is General Fund Revenue approved by the voters. The 2012 budget shows an increase in this revenue by about \$60,000.00

- 100-3010-40.02, Heating Oil was discussed. The \$ 4000.00 figure will be adjusted as Gary stated 570 gallons of heating oil was used 2009-2010.
- 100-3210-31.04 Building Fuel for Village Fire will not be changed from the \$4000.00 projection. Horace asked about the thermostat control temperature and Gary responded that it is usually kept at 55 degrees.
- 100-3410-40.00 Utilities, Michael DeCubellis explained the breakdown.
- 100-3410-75.00 Fuel Oil—Chandler is now within its own account called Chandler Operating Expenses. This year the town pays 95% for the first 7,700 gallons and then Chandler pays for the remaining oil at 100%. The

reimbursement of 5% is NOT booked as revenue. However this secretary is not aware of where this money is noted in the monthly expense ledgers.

105-2003-00.20, garage rental. OSSU rents one large bay equivalent to two bays in our building.

105-2003-00.56, this amount is for Reggi's salary.

105-2003-00.57, administrative revenue is no \$0.00 as this person who fulfilled this position is now gone.

105-3300-13.00, Snow Removal/Street Cleaning is contracted work. The whole town is cleaned in 3 days and the cycle will go back to two cleanings a year at a projected cost of around \$10,000.00.

105-3310-31.04 Chain Stock, Blades, Etc. This is NOT for chainsaws but for tire chains grade blade and bucket loader chains and blades. Cost projection is \$7,000.00

105-3310-59.00 Tools/Small Equipment. Gary has informed Rob Runnel to begin an inventory of these items.

Horace inquired on the record keeping of all the different wages in Highway. Gary responded that the Foreman keeps track of hours worked as well as overtime as well and Wendy who double-checks. Gary has an over-time rule where Wendy tells Gary when anyone works > 12 hours of overtime.

105-3330-42.00 Heating Oils, this is for the boilers and furnace of highway garage estimated to be around \$21,500.00

Discussion moved to the Smith Barney Accounts. Gary informed the Budget Committee that there about 35-40 different accounts. This was brought up by Michael Penrod who wanted to know how much money we have and whether or not those funds can be used in the General Fund and relieve the tax burden/ reduce the amount needed to be raised by taxes. The answers were NOT totally clear, but apparently the voters or the Select-board need to vote on any changes. Joyce Mazzucco manages these funds. Also VLCT would argue that the Town Clerk does NOT need to follow any Select-board policy.

The meeting discussion also focused on Special Appropriations. Gary did advise the budget committee that the Select-board could approve ONE line item for Special Appropriations and that each interest group- with petition—can submit their claim. It is not clear if the claims reach the approved voter amount for that Special Appropriations Fund.

Horace presented his recommendations for the Select-Board. After much discussion it was agreed that those recommendations were “managerial” in nature. Horace’s recommendations will be given directly to the Town Manager who agreed with many of the suggestions. Horace will revise his recommendations and present a revised copy at the next budget committee meeting. Horace did include in his report two budget tables which need to be examined and edited by Michael DeCubellis.

Michael Penrod presented a budget crosswalk/spread sheet. “Randolph Expense Comparison” of expenses for 2009; 2010; 2012. This report showed % change and costs for the major departments. Total Fire Department is up 18% for 2012. Total Library is up 7%-- of which Gary commented that their budget is a reflection of the amount of income the Trustees can use from their investments.

At the conclusion of the meeting discussion centered around the lack of information from the Capital Budget Committee. And we would like this before we make recommendations to the Select board. It is possible that the Capital Budget plans can be completed by Harvey Porter who is preparing a spread sheet based on their last meeting.

Michael Penrod presented his handwritten recommendations that, as Chair, will present to the Select-Board. Below is a summary of his arguments.

1. There is little or now long term planning, especially in Capitol.
2. The timing of the preparation of the Capitol needs to be change to coincide with all other budgets and be presented to the Budget Committee at the same time.
3. Randolph's expenses are much higher than 7 other towns of similar size in Vt. Listers, recreation, Fire.
4. Select Board should challenge the three fire chiefs to come up with a proposal to reduce infrastructure while continuing to provide an acceptable level of fire coverage.

The Budget Committee has thoroughly reviewed the budget presented to us by the town manager with the exception of the Capitol budget which hasn't been completed and will be in excess of one million dollars. The Budget Committee should provide in-put to the Select Board on the entire budget, including the Capitol budget. The one area that stands out is a 15% increase in Special Appropriations, which is worrisome We realize that some managers and trustees have a good rational for increasing salaries but other areas should be reduced to keep the bottom line increase to a minimum. We realize that the proposed budget takes effect in two years but some thought should be given to reducing the over all tax burden. This can only be accomplished by implementing a long term spending strategy for all areas and sets priorities so that logical, fact based, decisions can be made. Today's budget process is based on what we have done in the past, not what we will need in the future. That process, making decisions with inadequate information or goals should be corrected.

Included in your packet you will find a comparison of seven Vermont towns prepared by Horace Puglisi as a member of the Budget Committee. While the information is only directional and many factors affect

a budget special attention should be given to the cost of recreation and lister/assessor in other towns as compared to Randolph.

Work in progress

5. Next meeting we will Thursday, December 2nd at 5:00 PM. Agenda will be what the Budget Committee intends to present to the Select-board.
6. Upcoming Meetings:
December 3rd @ 5 PM Randolph Town Hall
7. Adjournment
 - a. 7:30 PM

Submitted by ,

Horace Puglisi for Sheila Jacobs (Budget Committee Secretary)