

## Randolph Budget Committee Meeting

Thurs Oct 26, 2017

Randolph Town Offices

Conference Room A

### DRAFT DRAFT DRAFT

The following individuals were present:

x	Finance Director	Michael DeCubellis
x	Budget Committee	Frederick Hauser, Chair
x		Michael Penrod, Member
x		CJ Stumpf, Secretary
x		Michael Hildenbrand, Selectboard liaison

CJ joined 11:10, Mike H. joined 11:30

1. Call to order
  - Meeting called to order by Chair Hauser at 11:05am
2. Public Comment (if any)
  - a. No public
  - b. Budget Committee Processes re-visited:
    - i. Standing meeting with standing agenda
    - ii. Meetings will be held the 2<sup>nd</sup> Tuesday of each month at 11am
    - iii. Notes will be sent to everyone within 48 hours, so draft can be reviewed and draft minutes passed to town for posting within 5 days.
    - iv. If numbers are >10% over, or if >\$1000 over budget, Michael D will have an explanation – no question needed
    - v. Michael D's will stay in the spreadsheet through the year, go away at the end of the year.
    - vi. Committee member strengths:
      1. Rick does accounting
      2. Mike looks for discrepancies (e.g. line 1)
      3. CJ looks for big picture (e.g. ~50% (\$1.7M!) of budget is roads, are there efficiencies via financing, equipment, processes?
    - vii. Standing agenda change: "Review Financials" becomes "Review Existing and Proposed Financials"
    - viii. Nov 14 meeting will not be a standing agenda but will change to say review FY 2019 Budget
  - c. Selectboard question: is there a liaison or crossover to the Capital Committee?
    - i. Capital Committee just makes a recommendation based on need.
    - ii. Budget Committee is supposed to look at the budget and integrate the Capital Committee's recommendations into the budget. This is also done by Michael D with the Town Manager, budget committee is to be independent review.
  - d. Budget committee should look through the budget and make proposals. This includes a look to see if the Capital expenditures are out of place, or whether budget needs to be balanced to accommodate, and make suggestions.
3. Approve minutes
  - a. Discussion of extensive level of detail of minutes to date. It was agreed that members of the committee will mention that items should be in the minutes
4. Preliminary Presentation of FY2019 Budget
  - a. Deferred to Nov 14 since FY2019 budget is in flux

5. Financial Reports Closeout of FY2017 Budget
  - a. Deferred to Nov 14 since numbers still coming in from state on pensions
6. Expenses to date on FY2018
  - a. Various questions were asked on approximately 20 lines items. All answers satisfactory. No issues for selectboard
  - b. Question on roads deferred
7. Other Business (things in other business can be discussed but are non-votable)
  - a. See Public Comment (b) above
  - b. Michael D committed to create a binder with account numbers, and descriptions of each account (ex. 10000 Telephone: includes phone, internet, mobile, and covers Town Hall, Town Garage, and Chandler). 1 page for each account and what it's for.
8. Adjournment
  - a. All made the time to stay late. Mike H had to leave 1:00
  - b. Meeting adjourned 1:30pm

Respectfully submitted, CJ Stumpf, Randolph Budget Committee Member/Secretary

#### WORKING NOTES FOR VAULT NOT FOR MINUTES

- 1) We have a standing meeting with standing agenda
- 2) Meetings will be held the 2<sup>nd</sup> Tuesday of each month at 11am
- 3) Send notes to everyone within 48 hours, so what goes onto town website can be reviewed by the committee
- 4) Discussion of authority of budget committee vis a vis selectboard  
At least quarterly the budget committee shall make a formal report to the selectboard. We are an extension of the selectboard but without control of the selectboard.
- 5) In standing agenda where it says "review financials" change to say "existing and proposed"
- 6) Nov 14 meeting agenda will change to say review FY 2019 Budget @@@
- 7) Selectboard question: where is the crossover to the Capital Committee?
- 8) Capital Committee just makes a recommendation based on need. Budget Committee is supposed to look at the budget and integrate the Capital Committee's recommendations into the budget. This is done by Michael D with the Town Manager.
- 9) We should look through the budget and make proposals. We are supposed to also look to see if the Capital expenditures are out of place or need to be balanced.
- 10) There's a potential that by the Nov 14 meeting, Michael will have the 2017 audit finished. We could talk about YE now or last year now but possibly by Nov and definitely by Dec, we will have final numbers to discuss. The audit is done, everything is done, but because of some new rule concerning our pension, we have to wait on the state. She can't finalize the audit until we get the info from the state concerning the pension and the state says to expect them in December.
- 11) In the Nov meeting Michael will have the Oct Financials available and we can start discussing next years budget.
- 12) The answers to Sept: I don't have them in a format where they can be provided to the committee I was just prepared to discuss them.
- 13) Lost notes on Discussion between Rick and Michael D.
- 14) Line 1:
- 15) Why are we asking \$1M for a tax anticipation note when line 3 says we have more income coming in than we planned for. A: for the projects on Elm St etc.
- 16) Mike: there is some conversation out there that the police dept is out of control on their spending. Explanation? MichaelD: we got a place for a good price but when people came in, estimate was \$600K to get it usable for police. It was appraised at \$375, we bought it for \$275, we started exploring options for police and fire. Fire didn't work because we didn't have the parking. (Need 25 parking spaces – that's why we bought those 2 houses ,for parking.) AT the time, Mel had done a study of a building through Lehman Lanphear. It was beautiful and \$4M. When you break out the police at \$1.7M they can't do it. They put out an RFP with a cap on it of

\$325K. They picked a contractor and the estimates went up to \$600K. They didn't go back to the firms to say "hey, you said you could do it for \$325, you didn't do it, what's this \$600K BS"? Are there other options in town? There was a building with a strict lease and covenants and the selectboard.

Article 27 – we can get coverage for the entire town through Orange County for less than we are paying for the local police dept now (Michael H – is that correct?)

Ignore the water and sewer for right now. Based on what we're looking at right here we're looking at rate increases again .

Line 46: Pool – the pool will open before the end of the year and there will be revenues coming in.  
49:

pool, camps, rink, fields. New person has started with soccer etc. We own the program now. We get all the revenue, therefore we get all the expenses from that. IT's a new line item: program revenues for community programs, and now we also have the new line for expense. Basketball, baseball, soccer. Adult and Youth. Heidi is the new person.

Line 121 postage – represents the entire postage for the town. Twice a year Joyce runs a report for the postage machine. Allocate to water and sewer etc.

140: 1x/year

142: ditto

147: service contract for our elevator.

148, 149, 163 (stagecoach): 1x/year.

Stagecoach: is both in budget and an allocation (\$7.5K in each.) RECOMMENDATION: things need to be either/or. \$15K in the budget.

Nobody has EVER been turned down for a special appropriation except the craft center, and even that only once.

Special appropriation requires a petition just the first time, and after that if the amount doesn't change, you don't need to petition again.

Line 319: conferences and meetings – we pick up lunches in Williamstown every day for our campers. The ones that get the free lunch. \$600 budget, \$693 actual. (the gas is worth it because they give us the lunches for free)

Question line 296: why is the social security so low when the salary line is much higher? Both 7.65% of salary line so don't understand the question

Question on pool chemicals – legitimate budget miss.

Line 375: Trash removal: this whole buildings and grounds dept has been an ongoing thing for a couple of years. There are a lot of items that are moving up to building and grounds.

Line 623: It's basically Mardee that charges those engineering fees to the Highway Dept because of this project.

Line 643: advertising – for positions etc.

Line 644: new computer: because of trying to get everybody to be accessible. Bought both highway guy bill morgan and chris a toughbook.

Line 716, 717 about capital projects: if we approve so much to be put into capital. They are left over from 2016.

Line 970, lab supplies: there's more testing that we need to do with the new plant than anticipated

Line 978: the water: the new plant requires flushing and it uses a lot of water and that's why we're over budget so we put in a new system to use treated water instead of fresh

Line 984: why did we misstate assessment? It's because of the new plant. The old one was one of the oldest in the state it was over 40 years old

Line 1010: revenue: why do we miss so badly on the landfill side each year?

Line: workers comp: all the workers comp items: because of all the claims we had over 2 years, they adjusted our experience rate upwards. (there were 2 claims and they were both the chief)

June YE – Fiscal 2017 financials.

Requesting a binder with account numbers and 1 page for each account and what it's for.

This page is used to book revenue for accounts.