Budget Advisory Committee Meeting 12/05/22 Minutes

The meeting convened at 4:02 PM

Present during the meeting were committee members Denise Bujalski, Mark Canfield, Ned McElroy (via Zoom) and Dave Spinney. Also in attendance were Ron Beard, Judy Kinney, and Linda Brookner.

Minutes from the meeting of 11/28 were unanimously adopted without reading them as all members had read and accepted them as written.

Discussion moved to an update by Mr. Spinney regarding discussions the Commissioners held with members of WEA Board of Directors. At the present time, WEA has committed to paying the District $400,000 in lieu of the current RMA requirements which result in a much higher liability. The Board is open to additional payments during the year based on their ability and maintaining open lines of communication. Management has been requested to calculate the total cost of recreation(November 2022 to November 2023) and will provide that figure to the Board, the Budget Advisory Committee, and eventually to the voters.

Recreation expenses will understood so that the Board and the Budget Advisory Committee can decide on revenue and expense saving options. At the present time, there is limited evidence of any aggressive action being planned or taken to increase revenue. A recreation business plan and proforma has not been submitted as required by the RMA.

A commitment of CIF funds is pending on identified project costs. The District is awaiting bids from contractors on these projects.

Discussion moved on to the General and Administrative budgets. Projected income was questioned as it is below the 2022 budget and actuals through November. Management is to investigate this further. We anticipate income figures will be updated by the next meeting. It was noted that the tax rate for the district increased by $1.71. Campton's expected tax revenue is up while Thornton's is down.

Overall, the FY budget is projected to increase 15.6% compared to 2022 budget and is 14.9% more than YTD actuals. This level of projected increase was noted to be a concern. Primarily driving the increase is employee benefits with a $49K increase over 2022 budget and $31K increase over 2022 actuals. Included are Social Security and Health insurance projected costs. SS appears to be much higher than it should be and will be recalculated. Health Insurance cost is significantly higher (53%). This is driven by increased employee participation in our programs. It was requested that the projected number be supported with detail that warrants this increase.

The committee reviewed General Government lines producing large dollar increases. Among them were the projected cost of Accounting/Taxes/Audit increasing 34% or $25K above 2022 actual*related to the new accounting software that is expected to make our accounting more efficient) and Licensing/Education with an increase of $19K over 22 actuals.

Ideas on how to cut expenses or increase revenues were put forth. Among the possible alternatives include but were not limited to the following: build a business plan for the association using all available data that shows client use, development of specific stated operational objectives that help guide

revenue increases or expense reduction decisions, consider reducing the number of days the center is open for use, open the center to neighborhoods outside of the estates with appropriate charges made, and eliminate owner discounts on food and beverages. Ron and Dave are to meet with the consultant who may be able to assist us with building a Recreation business plan.

Submitted by

Mark Canfield

*Date in line 4 corrected to read 11/28 rather than 12/28 with permission from Mark Canfield, Chair. Edit made on 3/21/23.