Budget Advisory Committee Meeting – December 2, 2024

Attendees: Dave Spinney, Densie Aguilo, Mark Canfield, Bill Mitchell (via Zoom) and Ron Beard

Others via Zoom: Gerry Panuczak, Dave Ketchem, Nancy Seward, and Linda Ivers

Meeting called to order 4:01 PM

Roll Call was taken. The minutes to the November 25th meeting were discussed and reading of them was dispensed. Mr. Spinney motioned to accept, Ms. Aguilo seconded. All voted to approve the minutes as written.

Members were asked to provide their opinions on the proposed budget as written and received last week. Ms. Aguilo started off with her thoughts, which included concerns about the large growth in wages and benefits. Other aspects of the budget were acceptable to her. As to the possible special projects that would fall outside the operational budget, she focused on the Ski Mountain safety improvements as being most critical. She also felt the swimming pool improvements were important to address.

Mr. Canfield read Ms. Bujalski's email outlining her opinions, a copy of which is to be attached to the minutes of this meeting.

Mr. Mitchell was asked to provide his input. He is concerned that adding a financial person to the roster of employees could increase the overall cost of wages and benefits by $140K to $150K and that it just might be prudent to stick with using our consultant at a lower cost. Mr. Mitchell reinforced his earlier opinion that we need to look for ways to collaborate with the two towns WEVD is a part of so that we do not need to fully support ourselves.

Mr. Spinney went next and stated he would prefer, as the ex-officio member, to postpone his thoughts and let the proposed budget ride until he discusses with the other commissioners. He stated that we cannot afford to cut any of the budget as these cuts could be in the wrong place. The department heads know and own their own budgets and execute well. To impede them in ways seen in the past, would only harm the jobs that are getting done.

Mr. Canfield proceeded next, outlining his work on capturing the essence of the proposed budget, indicating that on an apples-to-apples basis (without certain expenses, debt and warrant article expenses) that the budget is seen as increasing 7.7% or $117K+. A copy of the spreadsheet used in identifying wage and benefit expenses as well as his comments is also attached to the minutes. He stated the Village District does not have an expense issue, but a revenue issue; a revenue issue that should not be solved with additional property tax revenue. The major expense of the community is employee costs which are associated with keeping our

facilities open for use by the owners in the community. Given the equal access to recreational opportunities, the cost of these amenities should be borne equally by all homeowners, replacing the burden on homeowners with higher than median assessed property values. Ideas for possible revenue sources were presented.

Public input followed, with Mr. Panuczak stating the Finance Director would also have the role of human resource manager, as it would free up Mr. Beard from always handling this task. He also stated that many municipalities do require their employees to participate in their health care costs.

Ms. Seward wanted to address any perception that it is hard to sell homes in the estates, indicating that most listings are gone in little time and there is no hesitation for buying here. She also stated that WEA has spent a lot of money on building out the ski mountain area to support more consistent skiing opportunities. We do need someone on staff to sell all the opportunities we have including the Summit and Mountain View Lounge, and the ski mountain.

Ms. Ivers indicated WEA is really hoping for good things at the mountain stating that compared to our offering, the nearby ski areas are way more expensive, which should inure to our benefit, but only if we can get top to bottom ski conditions. Mr. Mitchell asked where the plan is and what the tactics are to achieve the hopes of the WEA.

The meeting was adjourned at 5:30

Respectfully submitted

Mark Canfield

Attachments: Ms. Bujalski's email, Mr. Canfields comments and exhibits.

Gmail **M Canfield** [redacted]

Budget Thoughts

3 messages

Denise Bujalski [redacted] Sat, Nov 30, 2024 at 7:53 AM
To: Mark Canfield [redacted]

In all departments/categories, the major driver is wages and associated costs and benefits. Our employees already wear several hats and are highly productive. The commissioners have been clear about hiring and retaining good employees by paying competitive wages/benefits. In listening to the department heads, they seem to feel they are finally adequately staffed which was not always the case in the past. As a result, the buildings/grounds and work environment has improved. The final piece seems to be the financial administrator which will increase the budget this year and going forward, although balanced out a bit by lower consulting costs.

The education request is a bit concerning to me. I can see the benefit to the district but we are such a small municipality, can we afford to go down this road even with a contract to retain people for a length of time to cover the costs? My understanding is many smaller companies have cut these benefits in recent years, although I don't have any real data on that; mostly just talking to people about what their experience is.

Recreation continues to be the bulk of our expenses given we maintain two recreational facilities, two commercial kitchens, four pools, hot tubs and ski lift. All the recreational depts went overbudget in 2024 and subsequently those budgets have been increased for 2025. Until we know the outcome of the RMA, revenues cannot be calculated currently. As has been noted each year I have been on the BAC, revenues must be increased to cover rec costs. This is happening but not as quickly as hoped. We cannot continually increase taxes as I believe we are already at a tipping point of people willing to buy here because of the tax expenses.

I did a very rough breakdown of Sean's 2024 maintenance list. (I made a Rec/Service building list and a ski area list). Again, very rough and some of the items I wasn't even sure which list to put it to, but I came up with 91 for rec/service and 63 for ski area. The ski area is a smaller building but with lift repairs/maintenance it represents roughly two-thirds of employee time and expense.

For next year's projects, I listed in order of importance as I see it:

1. Ski lift shack replacement, estimate $40,000 to $60,000 (?)
2. Ski building generator, estimate $47,000 to $55,000 (?)
3. Family pool repairs, estimate $71,000.
4. Flat roof repairs at the rec center, estimate unknown.
5. Carpeting, estimate $20,000

These items seem to be the most pressing. The first two for safety reasons alone need to be addressed. Estimated costs $186,000 without knowing the roof repair costs. We would need a substantial contribution from WEA in CIF revenue. This does not even include water projects which are still a major area of concern given the age of our water system and the growth of the community.

I reread last year's opinion. I think we could actually write the same opinion for this year. Many concerns have not been addressed regarding reining in costs, i.e, managing our compensation program, cutting front desk costs, ski area expenses rising and impact of lack of snow, lack of water department business plan, end users paying more for recreational costs (the last being out of the district's hands somewhat as it is a WEA decision). We can highlight the end of the Pegwood project, the paving that was accomplished, the increase in recreation revenue, the siding repaired.

The estimation of tax revenue in view of the new assessment values is always a problem because of the way the state sets the tax rate for the district and the towns. It can be a bit of a wild card in the effect on the budget.

I'm sorry to be missing this next meeting but I will watch the recording once I am home next week so I can stay up to date.

Thanks,

Denise

Evaluating the 2025 Proposed Budget

Village District only (does not include the Water Department)

1. Expenses are expected to increase 7.7% over the 2024 budgeted amounts excluding principal and debt payments, warrant article expenses, and Rec Fund related expenses.
2. Wages and Benefits are expected to increase 13.3% or $117,971 (wages to increase 9.7% and benefits 20.7%) with an addition to staff (financial manager).
3. Add to staff is expected to see a partial expense offset in the consulting line, but the overall budget will still increase by over 7%.
4. The changes in the budget and the trend likely in future budgets are unstainable for a community of our size.
5. The cost of maintaining our flagship property and the ski mountain facilities is significant. The ski mountain expense is seen as greater than previously perceived. This is evident in the amount of time our B&G employees spend there on routine and ski operation specific activities, outlined in their report on completed jobs and activities.
6. Without an increase in sources of revenue, the cost of delivering our recreational amenities will continue upwards and unfairly burden those property owners with median or above assessed values.
7. Expected WEA contribution to revenue for 2025 of $600,000 is flat , falls short of the overall budget's forecasted increase, and does not reflect the increase members paid in 2024. This will result in a tax increase for everyone.
8. To start seeing property tax level improvements, the WEA contribution to revenue must increase and more closely match the cost of recreation services that everyone shares equal opportunity to experience. Let us not place an unfair burden on higher value homeowners for services everyone enjoys equally.
9. What can WEA be suggested to do? Ideas could include raising annual dues to $1800 to $2000 for each owner and limit to four passes; billing monthly installments for the higher annual dues to lessen its burden, adding a small service fee for those who take advantage of this expense budgeting benefit; limiting each pass to the picture pass holder only and charging for all non-holder guests; expanding non-owner membership opportunities and availing them of similar monthly budget payments. If implemented or not, the WEA should be asked to double their current annual RMA payment or at least increase it by the COLA applied to membership dues. If the former occurs, reducing the tax need by an additional $600,000 can be expected to reduce the tax rate by approximately …..
10. Employee compensation must be viewed as a total package of wages and benefits. Slowing Wage and Benefit growth without adversely impacting the quality of our staff is challenging but necessary. With benefits growing more rapidly than wages,

consideration should be given to offsetting some of the growth through employee participation in the rising cost of health insurance. Long term objectives of 25 to 30% of health care benefits should be targeted to offset the cost to the tax payers.

11. What is the total number of homes in the community to be considered optimum for spreading the cost of the Village District's services and responsibilities? Can it be assumed that adding 50 or more new builds to the community would not have a deleterious impact on the infrastructure and related infrastructure expenses? How about 75 or 100? The current build rate should put us on target to achieve this number of new homes in XXX years.

Village District and Water Department (excluding principal, debt, warrant expense, and Rec Fund related expenses)

1. The Water department's wage and benefits expense expected is flat compared to the current year's budget. It should be noted that the two employees in this operation split their time between Water and Highways and Streets. Estimates of the breakdown are forecast based on how the employees assign their time.
2. Overall, wages and benefits when combined will increase 11.7% or $117,748

Waterville Estates Village District 2024 Budget (proposed) Analysis

Department	2025 Proposed Budget	2024 Budget	2025 v. 2024 % chang	2025 v. 2024 $ chang	2025 Wage and Benefit totals as% of adjusted budget
Executive	$ 682,853	$ 605,192	12.8%	$ 77,661	37.6%
Other public safety	$ 18,075	$ 18,075	0.0%	$ -	1.0%
Highway & Street	$ 261,216	$ 259,312	0.7%	$ 1,904	14.4%
Building and Grounds	$ 680,001	$ 644,122	5.6%	$ 35,879	37.5%
Parks and Rec	$ 63,746	$ 62,746	1.6%	$ 1,000	3.5%
Front Desk	$ 172,431	$ 164,006	5.1%	$ 8,425	
Ski Area	$ 69,417	$ 58,640	18.4%	$ 10,777	3.8%
Pool	$ 40,000	$ 38,000	5.3%	$ 2,000	2.2%
Food and Beverage	$ 83,060	$ 79,628	4.3%	$ 3,432	
Debt Principal	$ 40,000	$ 59,615	-32.9%	$ (19,615)	
Long term notes	$ 5,980	$ 7,793	-23.3%	$ (1,813)	
Cif Expenditures	$ -	$ 110,000	-100.0%	$ (110,000)	
Warrant Articles	$ -	$ 453,549	-100.0%	$ (453,549)	
Projects	$ -	$ -	#DIV/0!	$ -	
Village District Fund	**$ 2,116,779**	**$ 2,560,678**	**-17.3%**	**$ (443,899)**	
			#DIV/0!	$ -	
Village Fund without Front Desk, F&B, Debt/loans, Warrant	**$ 1,815,308**	**$ 1,686,087**	**7.7%**	**$ 129,221**	
Salaries/wages					
Executive					
GM	$ 103,086	$ 100,084	3.0%	$ 3,002	5.7%
Asst GM	$ -	$ -	#DIV/0!	$ -	
Muni Asst	$ 28,119	$ 27,300	3.0%	$ 819	1.5%
Admin Asst	$ 115,795	$ 77,310	49.8%	$ 38,485	6.4%
Admin OT	$ -	$ -	#DIV/0!	$ -	
Highway & Street					
Wages Road	$ 80,745	$ 78,432	2.9%	$ 2,313	4.4%

Department	2025 Proposed Budget	2024 Budget	2025 v. 2024 % chang	2025 v. 2024 $ chang	2025 Wage and Benefit totals as% of adjusted budget
Wages Plowing	$ -	$ -	#DIV/0!	$ -	
Wages Overtime	$ 12,106	$ 11,753	3.0%	$ 353	0.7%
Building and Grounds					
B&G wages	$ 195,975	$ 189,176	3.6%	$ 6,799	10.8%
Wages Cleaning	$ 91,373	$ 88,711	3.0%	$ 2,662	5.0%
Wages Ground	$ -	$ -	#DIV/0!	$ -	
Wages Overtime	$ 14,878	$ 14,169	5.0%	$ 709	0.8%
Ski Area					
Ski Area cleaning	$ 3,180	$ 3,038	4.7%	$ 142	0.2%
Lift Maintenace Wage	$ 10,000	$ 7,162	39.6%	$ 2,838	0.6%
Ski Overtime	$ -	$ -	#DIV/0!	$ -	
Total Village Wage Expense	**$ 655,257**	**$ 597,135**	**9.7%**	**$ 58,122**	36.1%
Other					
Front Desk Wage	$ 114,163	$ 110,838	3.0%	$ 3,325	
Food and Bev					
Wage Admin	$ 53,988	$ 52,416	3.0%	$ 1,572	
Mgr OT	$ 203	$ 197	3.0%	$ 6	
Other non Village Wages	**$ 168,354**	**$ 163,451**	**3.0%**	**$ 4,903**	
Employee Benefits					
Executive Bonuses	$ 13,905	$ 13,905	**0.0%**	**$ -**	
Payroll Tax	$ 1,064	$ 1,100	**-3.3%**	**$ (36)**	
Retirement (bonus)	$ 1,881	$ 1,830	**2.8%**	**$ 51**	
Health Insurance	$ 52,350	$ 49,384	**6.0%**	**$ 2,966**	
Dental Insurance	$ 2,099	$ 1,967	**6.7%**	**$ 132**	
Payroll Tax	$ 19,278	$ 15,685	**22.9%**	**$ 3,593**	
Retirement	$ 29,929	$ 25,930	**15.4%**	**$ 3,999**	

Department	2025 Proposed Budget	2024 Budget	2025 v. 2024 % chang	2025 v. 2024 $ chang	2025 Wage and Benefit totals as% of adjusted budget
Education	$ 23,000	$ 2,000	**1050.0%**	**$ 21,000**	
Highway & Street					
Health Insurance	$ 15,863	$ 15,000	**5.8%**	**$ 863**	
Dental Insurance	$ 636	$ 909	**-30.0%**	**$ (273)**	
Payroll tax	$ 7,103	$ 6,900	**2.9%**	**$ 203**	
Retirement	$ 12,563	$ 10,818	**16.1%**	**$ 1,745**	
Education	$ 1,000	$ 1,000	**0.0%**	**$ -**	
Building & Grounds					
Health Insurance	$ 95,184	$ 74,824	**27.2%**	**$ 20,360**	
Dental Insurance	$ 3,816	$ 3,029	**26.0%**	**$ 787**	
Payroll Tax	$ 23,685	$ 23,620	**0.3%**	**$ 65**	
Retirement	$ 41,890	$ 39,293	**6.6%**	**$ 2,597**	
Education	$ 2,000	$ 2,000	**0.0%**	**$ -**	
Ski Area					
Payroll Tax	$ 808	$ 238	**239.5%**	**$ 570**	
Ski Retirement	$ 1,429	$ 202	**607.4%**	**$ 1,227**	
Total Village Benefits Expense	**$ 349,483**	**$ 289,634**	**20.7%**	**$ 59,849**	19.3%
Other					
Front Desk					
Health Insurance	$ 31,726	$ 29,930	**6.0%**	**$ 1,796**	
Dental Insurance	$ 1,145	$ 1,212	**-5.5%**	**$ (67)**	
Payroll Tax	$ 8,733	$ 8,479	**3.0%**	**$ 254**	
Retirement	$ 12,464	$ 12,101	**3.0%**	**$ 363**	
Education	$ -	$ -	**#DIV/0!**	**$ -**	
Food and Bev					
Health Insurance	$ 15,864	$ 14,965	**6.0%**	**$ 899**	
Dental Insurance	$ 636	$ 606	**5.0%**	**$ 30**	
Payroll Tax	$ 4,359	$ 4,025	**8.3%**	**$ 334**	

Department	2025 Proposed Budget	2024 Budget	2025 v. 2024 % chang	2025 v. 2024 $ chang	2025 Wage and Benefit totals as% of adjusted budget
Retirement	$ 7,710	$ 7,119	**8.3%**	**$ 591**	
Other non Village Benefits expense	$ 82,637	$ 78,437	**5.4%**	**$ 4,200**	
Total Benefits Expense	**$ 432,120**	**$ 368,071**	**17.4%**	**$ 64,049**	
Total Village Wage and Benefits expense excluding Rec Fund items	**$ 1,004,740**	**$ 886,769**	**13.3%**	**$ 117,971**	**55.3%**
Water Department Total BudgetX Debt, CAP, and Warrant	**$ 508,040**	**$ 517,923**	**-1.9%**	**$ (9,883)**	
Water department					
Wages	$ 66,362	$ 71,552	**-7.3%**	**$ (5,190)**	
Wages Admin	$ 31,491	$ 27,300	**15.4%**	**$ 4,191**	
Wages Overtime	$ 7,614	$ 7,392	**3.0%**	**$ 222**	
Total Wages	**$ 105,467**	**$ 106,244**	**-0.7%**	**$ (777)**	
Benefits					
Payroll Tax	$ 7,846	$ 7,563	**3.7%**	**$ 283**	
Health Insurance	$ 22,449	$ 22,449	**0.0%**	**$ -**	
Dental Insurance	$ 999	$ 999	**0.0%**	**$ -**	
Retirement	$ 13,239	$ 12,968	**2.1%**	**$ 271**	
Education	$ 1,500	$ 1,500	**0.0%**	**$ -**	
Total Benefits	$ 46,033	$ 45,479	**1.2%**	**$ 554**	
Total Wage and Benefits	$ 151,500	$ 151,723	**-0.1%**	**$ (223)**	

Department	2025 Proposed Budget	2024 Budget	2025 v. 2024 % chang	2025 v. 2024 $ chang	2025 Wage and Benefit totals as% of adjusted budget
Village and Water Total					
Wage	$ 760,724	$ 703,379	**8.2%**	**$ 57,345**	
Benefits	$ 395,516	$ 335,113	**18.0%**	**$ 60,403**	
Grand Total compensatic	**$ 1,156,240**	**$ 1,038,492**	**11.3%**	**$ 117,748**	**49.8%**