Budget Advisory Committee Meeting – December 9, 2024 Called to order at 4:02 p.m.
Attendees: Management - Ron Beard
Committee Members – Mark Canfield, Dave Spinney, Denise Aguilo, Bill Mitchell (via Zoom), Denise Bujalski
Zoom: None

Roll call was done and quorum established. The minutes of December 2, 2024, were discussed, minor spelling/grammar corrections were made, motion to approve was made by Ms. Bujalski and seconded by Ms. Aguilo. All members voted to approve.

This meeting was held as a working session to write the BAC opinion of the 2025 budget. Mr. Mitchell reiterated concerns he has with the budget that he had expressed at prior meetings. He had no objection to forming the opinion today.

The opinion was written and motion to approve as written was made by Mr. Spinney and seconded by Mr. Canfield. All committee members approved and voted on the opinion which is attached to these minutes.

As no members of the public were present in the room or on Zoom, there was no public comment.

A motion to adjourn was made by Mr. Spinney, seconded by Ms. Bujalski, and the meeting was adjourned at 6:08.

Respectfully submitted,
Denise Bujalski

Attachment: 2025 BAC Opinion

DRAFT

**Budget Advisory Committee**

***2025 Proposed Budget Recommendation and Opinion***

<u>The Proposed Budget is a mixture of good and bad this season.</u>

- When eliminating expense categories of debt, CIF and warrant article expenses, the plan compares unfavorably to the 2024 approved budget (+7.3% or $141,024)
- The increasing base salary expenses present a long-term embedded challenge for future efforts to rein in or control the bottom-line budget. Salary increases are on automatic pilot due to COLA (3%). ***Are we managing our compensation program adequately?*** It is our opinion salary should be based on competitive pressures with bonuses given, tied to clear goals of performance, to reward the above average performer. Also, the value of benefits must be part of how the district looks at paying employees.
- Benefits are increasing 20.7% or $59,849. One expense category has been loaded with a $21,000 cost that is out of the ordinary. Eliminating this, the increase in benefits would be $38,849 or 13.4%.
- The budget only includes expected 2025 operating expenses, no capital improvement plans are in place and no funds are set aside for this liability. There is great need for a Capital Improvement Plan program and monies from the unreserved fund balance should be allocated to future projects and liabilities involving Road Paving, vehicle and equipment replacement, recreational facility repairs including swimming pools, building siding and roofing, painting, and interior repairs and long-term pension funding. At a minimum, considerations should be given to 1) covering annual depreciation, or 2) setting aside a set percentage of the estimated value of capital investments replacement costs, subject to a full thorough asset analysis.

**General Government Executive**

- The plan is projecting a 12.8% / $77,661 increase over the 2024 approved budget. Wages alone are expected to increase by 20.7% or $42,306. We do support this change.
- The planned budget is adversely impacted by three expense categories: education, legal, and consulting. One expense category could have less of an impact if the legal process works out in our favor. Our education payment program needs to be better defined before we can recommend the education expense of $21,000. We would recommend working on this and looking to possibly reimburse an employee in the future.

**Highway and Streets**

- The plan projects expenses to be $261,216, an increase of 0.07% over the 2024 budget. Currently the department is fully staffed, and the employees are stable. The prospect for completing future work is better than ever.
- The district should be concerned that the planned budget does not include funds to achieve any longer-term improvement projects, projects that are needed to move the community forward. Road improvements are closely tied to water infrastructure improvements and so far, moving the two forward in a coordinated fashion is reliant on a plan which to date has not been put in place.

**Buildings and Grounds**

- Clearly the focus is on our facilities. Long ignored, the efforts in 2023 and 2024 resulted in many improvements. The plan year budget continues this emphasis with planned expenses up 5.6% or $35,879 compared to 2024's approved budget. Heat is increasing 33% over 2024 due to underestimating the current year's costs. The planned budget only funds efforts to address immediate needs and not longer-term needs, many of which could be substantial.
- To address major projects associated with district facilities, warrant article set asides must be secured. At present, there are specific recommendations from management which will be shared with the commissioners. Management does recognize that the 2019 engineering study forms the basis for future direction.

**Parks and Rec**

- This department's planned expenses are essentially flat with the 2024 budget
- This is the area where expenditures are most closely tied to delivery of recreation services. Other areas include Front Desk, Ski Area, Pool, and Food and Beverage. These other areas will be separately addressed.

**Front Desk**

- The cost to staff our point of entry is projected to be $172,431, an increase of 5.1%. The staff is exceptional and add significant value, but is this an effective use of money or should alternatives to controlling entry and exit be explored? Should we look at adjusting business hours, especially during low season use.
- Do the Mountain View Lounge receipts support managing the front desk in its current form?

**Ski Area**

- Expenditures are expected to be over 18.3% higher or $10,777 more than the 2024 planned budget.
- The planned expenses do not address the long-term needs of this facility. The skiing operation is currently heavily dependent upon mother nature and our limited snow making capabilities. Without natural snow, due to warming winter weather trends, could the money spent be better invested in our community center?
- With the lodge open less than 6 months, is this a good deployment of the assets? Do we need to reinvent the planned use of the ski lodge and mountain?

**Pools**

- A small budget of $40,000 seems appropriate. However, the increasing need for more funds is evident as these assets age. Keeping them open and usable requires more effort, more labor, and materials which are becoming more costly.
- The planned budget does not address the long-term needs of these important community features. These must be included in the management's work on developing a capital plan.

**Food and Beverage**

- Planned expenses are to increase slightly. They are less than experienced YTD in 2024. This budget should be managed closely in 2025.

**Budget Advisory Committee Opinion**

The committee unanimously agreed to support the budget as presented but would like the commissioners to consider the points made above.