

Budget Advisory Committee Meeting – January 8, 2024 - Called to order at 4:05 p.m.

Attendees: Management - Ron Beard

Committee Members – Mark Canfield, Dave Spinney, Rob Diefenbach, Bill Mitchell (Zoom), Denise Bujalski (Zoom)

Zoom Guests: Nancy Seward

A quorum was declared and Ms. Bujalski was appointed minute taker. The minutes from the meetings of 12/4/23 and 12/11/23 were read. A motion to accept the 12/4/23 minutes was made by Mr. Spinney, seconded by Mr. Diefenbach, and all voted yes. A motion to accept the 12/11/23 minutes was made by Mr. Spinney, seconded by Mr. Mitchell, and all voted yes.

The committee moved on to discussing our opinion of the 2024 budget. Mr. Canfield acknowledged the work put in by Ms. Donaldson and the department heads in shaping a much tighter 2024 budget. Mr. Mitchell had some concerns about the legal expenses which were addressed and agreed should be noted in the opinion. Mr. Mitchell was also concerned about how bonuses were allocated and commissioner stipends. Ms. Bujalski noted concern with the cost of wages and compensation being paid but the buildings not always being fully utilized. She felt public use of the facilities is imperative which to a degree has been addressed with the institution of public passes. Ms. Bujalski was also concerned with the lack of long-term planning and did want to acknowledge the contribution of the HOA board members.

Mr. Canfield stated that the BAC's main job is the operational budget, but the committee agreed that planning for future expenses is still very important, at least until a capital improvement plan is developed. In the interim, Mr. Canfield suggested trying to track depreciation and looking at the value of assets with replacement estimates and then putting aside 6 to 8 percent annually of the total asset value. He acknowledged this would be an intensive undertaking and volunteers may be needed. Areas of concern noted by Mr. Canfield were road paving (of roads not currently paved), vehicle and equipment replacement, recreational facility repairs including swimming pools, building siding and painting, and interior repairs and long-term pension funding. Mr. Spinney noted the commissioners are in discussion about hiring an actuary to better assess the long-term pension liability.

Much discussion was held on using money from the unreserved fund balance to start trust funds for the items noted previously. It was noted the state will require the district to maintain at least six months of operating costs. Mr. Spinney estimated \$800,000 would cover those costs. Eventually a figure of \$450,000 out of the estimated \$1.2 to \$1.3 million balance would be recommended to the commissioners by the BAC to be maintained in trust funds.

The committee moved on to the water department budget. Discussion was held on the fact that there was unspent money from the 2023 budget and can it be brought forward to 2024. The water rate is based on expenses for an essential service to the community, but the committee felt there is a need for greater planning for definitive use of the water funds. The committee agreed staff are doing a great job in keeping the system stable but felt goals and objectives need to be developed.

Mr. Canfield then read a rough draft opinion and answered any questions that arose. It was decided Mr. Canfield will edit the draft with the committee member's suggestions from this meeting and forward the document to the members prior to the next BAC meeting for signatures.

The meeting was opened to public comment. Ms. Seward noted that the amount of revenue supporting the rec budget is limited by inadequate staffing which is the district's responsibility via the RMA agreement but acknowledged that finding adequate staff is a statewide problem. She also felt there is need for more marketing of the facilities.

A motion to adjourn was made by Mr. Canfield, seconded by Mr. Diefenbach, and agreed by all. The meeting adjourned at 6:29.

Respectfully submitted,
Denise Bujalski