

ASHLAND BUDGET COMMITTEE

DECEMBER 13, 2011

DRAFT MINUTES

MEMBERS PRESENT: S. Coleman, I. Heidenreich, M. Brown, C. Austin, D. Ruell, S. Felton, D. Golden, F. Newton

MEMBERS EXCUSED: M. Scarano

OTHERS PRESENT: P. Branscombe, P. Tucker, L. Nichols, E. Badger, M. Badger, A. Cilley, J. Felton, C. Thompson, P. Heidenreich, D. Toth

The meeting came to order at 6:00pm in the elementary school library.

The budget committee started with meeting with the electric dept. budget.

Revenues:

S. Felton questioned the projected revenue increase of \$200,000 in 2012. L. Nichols answered that it all depends on the weather (how cold/hot temperatures are)---it's a best guess.

In misc user charges the revenue includes the three cable companies that pay rent for use of our poles.

\$14,155 in user charges used to be in misc. income-other in past years.

Expenses:

Revenue Bond Expense: Harding has them listed as a liability, the electric dept. is putting it on the budget now. The electric dept has an amortization schedule for the bond.

Power purchase: S. Felton asked if with the new power purchase agreement wouldn't the power purchase expense go down? L. Nichols answered that it should, unless there was a situation such as the company supplying the power goes "belly up", then power would have to be purchased on the open market, and costs could go up. New Hampton power is included in this figure, which is offset by revenue when New Hampton pays their portion.

New Hampton buys roughly 3.1 million kilowatt hours per year.

We are obligated to buy 21 million kilowatt hours.

Accrual accounting: There was a discussion on proper use of accrual accounting involving power purchase expense.

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Superintendence: Includes sick time, holiday and vacation time. L. Nichols stated there is a need for a third man on the electric dept. crew.

Income interest: Interest from accounts in banks. S. Felton stated that the interest amount trend has gone down from year 2009 to year 2011. L. Nichols stated that the electric dept. anticipates more money going into these accounts, so that would increase the interest amount. S. Felton stated that the electric dept. would have to bring in an additional \$300,000. to get to the interest amount posted on the 2012 electric dept. financial statement.

Audit: Electric dept. gets charged a set rate.

Postage: \$16,000. postage line for 2012. L. Nichols says the postage expense includes electric, water & sewer, and some town postage costs. Water & sewer dept. and town reimburse the electric dept. for their part of the postage expense. Electric and water & sewer and town gets 2 cents reduction in the 03217 zip code area.

Reimbursement for postage gets put into misc. user charges and fees (in income).

Computer expense: \$45,000.-\$47,000. cost of the new program. This cost will include laptops, initial cost, and 1st year monthly fee. F. Newton asked what the monthly fee will be going forward. L. Nichols said it would be approximately \$1600. X 12 months=\$19,200. Electric company will be charged approximately 78 cents per bill. The system would save the dept. 6-8 hours per month. Electric dept. could get rid of the folder/stuffer machine, burster, and potentially the postage machine. F. Newton asked that the electric dept. put together a cost benefit analysis report comparing the cost of the new program to the billing system in use now. L. Nichols will try to get that report on both the companies under consideration for the new billing program to the budget committee.

Windows will no longer support the programs the electric dept. has now, so the dept. has to do something..

Minimum for contract for new program is five years. Then hopefully the company will renew after the five years.

Health insurance: The figure given is the actual to date in 2011 because the electric dept. is one man short.

Depreciation: The budget committee questioned the \$90,000. posted on the electric financial statement. It was stated by some of the members that no monies should be allocated on a depreciation line in the financial statement.

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The electric commissioners could decide to put monies in a capital reserve account at any time.

Newton made the motion, 2nd by Heidenreich to table computer expenses and lines affected pending cost benefit analysis. 7 members ayed. 1 member abstained.

Felton made the motion, 2nd by Newton to recommend \$0.00 for depreciation. 7 members ayed. 1 member abstained.

Felton made the motion, 2nd by Heidenreich to table the remainder of the electric budget until we get the information from L. Nichols about the computer expense. 7 members ayed. 1 member nayed.

The electric dept. budget review ended at 7:20pm.

P. Branscombe gave us a handout answering the questions brought up at the December 8th meeting. 1) health insurance costs 2) GGB expense 3) the 2 rifles that Chief Randall is asking for.

The matching grant line was added to the bottom of GGB budget. The selectman figure is suggested at \$5,000. The budget committee suggested \$1,000.

Felton made the motion, 2nd by Newton to reduce the GGB general expense to \$3,750. and approve the \$5,000. for matching grants as recommended by the BOS. 7 members ayed. 1 member nayed.

Heidenreich made the motion, 2nd by Newton to change the figure from \$4,200. to \$1,200. on equipment purchase, in the PD budget. 5 members ayed. 3 members nayed.

BOS would like to revise the BOS expenses from \$1,000. to \$3,500. to cover the videotaping and televising of the BOS meetings and the SB2 meeting. Video to be put on website. The televising will be aired on Tuesday, Thursday, and Saturday at 2pm and 7pm.

Newton made the motion, 2nd by Felton to change the BOS revised expenses figure from \$1,000. to \$3,500. 4 members ayed. 3 members nayed. 1 member abstained.

We went back to the town budget.

Felton made the motion, 2nd by Newton to accept the proposed and the default budget for the ambulance to be \$47,500. All members ayed.

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Felton made the motion, 2nd by Newton to accept the proposed and the default budget for mutual aid to be \$18,039. All members ayed.

We discussed the propane line for the fire dept. and why the fuel for the generator housed at the fire station was billed to the fire dept.

Coleman made the motion, 2nd by Heidenreich to accept \$31,371. as the budget committee figure for FD equipment. 6 members ayed. 2 members nayed.

Heidenreich made the motion, 2nd by Brown to approve the FD budget as proposed by the BOS. 7 members ayed. 1 member abstained.

Newton made the motion, 2nd by Felton to accept the FD default budget as read. All members ayed.

Felton made the motion, 2nd by Brown to accept the \$9,607. as proposed by the BOS as the figure for building inspector. All members ayed.

Felton made the motion, 2nd by Newton to accept the building inspector default budget of \$8,563. All members ayed.

Coleman made the motion, 2nd by Brown to accept the proposed and default budget for emergency management be \$4,000. All members ayed.

Newton made the motion, 2nd by Coleman to change HA training from \$1,000. to \$500. 6 members ayed. 2 members nayed.

Coleman made the motion, 2nd by Heidenreich to change HA road agent expense from \$1,000. to \$250. 3 members ayed. 5 members nayed.

Felton made the motion, 2nd by Newton to change the HA road agent expense from \$1,000. to \$500. 7 members ayed. 1 member nayed.

Heidenreich made the motion 2nd by Brown to approve everything but the salary and salary related item as presented with above mentioned changes for Public Works. 7 members ayed. 1 member nayed.

Felton made the motion, 2nd by Brown to approve the Public Works default budget of \$256,245. All members ayed.

Felton made the motion, 2nd by Newton to accept the proposed BOS figure of \$187,502. for Highways & Streets. 7 members ayed. 1 member nayed.

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Newton made the motion, 2nd by Felton to accept the default figure of \$173,501. for Highways & Streets. All members ayed.

Heidenreich made the motion, 2nd by Coleman to accept the figure of \$0.00 for the proposed budget and \$400. for the default budget for Bridges. All members ayed.

At 8:46 we went over the December 1, 2011 minutes. Page 2—paragraph 9 to take out the decimal point before 30 cents.

Newton made the motion, 2nd by Heidenreich to accept the minutes of December 1, 2011 with above change. 7 members ayed. 1 member abstained.

The next meeting of the budget committee is Thursday 12/15/11 at 6:00pm in the school library.

Heidenreich made the motion, 2nd by Brown to adjourn the meeting at 9:00pm. All members ayed.

Christine Austin, Secretary