

Town of Lincoln

Budget Board Meeting

January 13, 2005

Members Present:

Ken Booth Claudette Lussier Mary Varr

Dave Hartley Joe Dziobek Carl Brunetti

Linda Noble Cheryl Ethier Jack Newman

Bob Ericson

Members Absent:

Roberta Gosselin

The meeting began at 7:40.

Jack Newman was present replacing a position left open by John Sheehan.

The Budget Board welcomed public questions before the meeting began to raise any issues that may be pertinent to the meeting. There were no questions raised by the public at this time.

The minutes of November 18 were distributed for review.

Joe Dziobek made a motion to accept the minutes. Linda Noble seconded the motion. The minutes were accepted by a vote of 7-0, with Dave Hartley, Mary Varr and Jack Newman abstaining.

In a School Subcommittee update, Cheryl has not yet been given updated year-end numbers, but it does appear that they are spending capital on intended improvements.

Jeff Weiss had asked Cheryl if the School Committee's review of their proposed budget with the Budget Board could be set at a later date this year. The Budget Board discussed the request and concluded that it would cause far too much a setback in the budget process.

In a Municipal Subcommittee update, Ken Booth spoke with the Town Administrator and noted that the Budget Board would like to receive a copy of her proposed budget by February 15 in compliance with the charter even though it will not be officially presented until February 17th.

Also, the Budget Board would like to see year-end financial statements for the Municipal side of the town to better equip them when preparing the budget for the coming year.

In correspondence, letters regarding the management audit were distributed that were sent between the Town Administrator, the Budget Board, and the Auditor General.

The current auditors for the town, Bacon & Edge, were asked to maybe conduct an expanded version of their regular audit as a substitute for the management audit, and although she was not present, Roberta Gosselin had noted that such an audit done by the current auditors could be a conflict of interest.

The Town Administrator is now in favor of a management audit, and was on the agenda for the next Town Council Meeting.

Joe Dziobek asked how quickly such a management audit would be completed and how it would affect the current year's budget process. Ken Booth noted that Bacon & Edge could complete such an audit quickly because they are already familiar with the town's finances, but that there is also the ethical question of one firm analyzing and recommending for the town.

Ken Booth also stated that when he spoke with the auditors, \$75,000 was a good estimate of the cost of such an audit.

A meeting with the Auditor General will decide exactly how the situation will be handled, but it looks like it will be an extension of the current audit.

Jack Newman asked what the time frame of the management audit would be. Ken Booth estimated that it would be 6-8 weeks past the regular audit if done by the same company.

Ken Booth noted that there is no real system set up in the town, so that if the employees in place now were to leave, there would be no guidelines for a new employee to follow.

Ken visited the School Administration building to see if he could get copies of the contracts for the administrative employees, however

they were not able to provide them at the time.

There will be a new Superintendent of Schools starting January 18, and Ken suggested that Cheryl as School Subcommittee Chair, make any information requests through the new Superintendent so that they are more involved in the information process.

Joe Dziobek asked whether new software had been purchased as intended. Ken Booth stated that it has been purchased, but that it may be self-installed by the school's technology department.

Ken Booth asked whether the Budget Board felt that they should take a position in regards to the management audit.

Bob Ericson felt that the Budget Board should take a stand and that they should use specific terminology from the resolution passed at the Financial Town Meeting to defend the management audit.

Cheryl asked whether the town was required to get at least 2 competitive bids for any large expenditure, such as the management audit.

It does not appear that the town does have to go out to bid if the management audit will be considered an extension of the regular audit.

Jack Newman asked who would put the specs together for a bid if the job were to go out to bid. Bob Ericson replied that the Town Planner along with the Administrator and Finance Director would give input

as well as the Town Council.

Ken Booth stated that he would draft a letter regarding the management audit and where the Budget Board stands.

This year, the Budget Board will have a Revenue Subcommittee which will look at revenues overall as well as tracking specific revenues to better make sure that all possible revenues are being looked at accurately. For example, Linda Noble noted that there may be grant money that the schools are receiving that are not being recorded properly, and also the fact that there are new revenues that need to be examined, like the new meal tax from restaurants.

The next meeting of the Budget Board will be on February 8, and it will be an informational session for the public, School Committee, Town Council, Administration, etc. to discuss the budget process as there are many new elected officials this year.

The Budget Board welcomed public comment and questions.

Benny Sisto wanted to know if there was anything in the budget for an environmental report on the schools.

Benny also wondered if the town has the status on any fire code compliance issues.

Benny noted that the year-end financial statements are late in coming, and he wondered who was responsible for the late reporting.

Benny would like to see a Performance Audit concentrated on one section of the town so that problems can be located and rectified. He also feels that Bacon & Edge should not be the firm hired to complete the management audit due to conflict of interest.

Benny thought that it might be a good idea for the Budget Board to request a time slot at a Town Council meeting to review the budget process with the new members.

Another suggestion was to have two tax bills issued each year representing the municipal and school sides so that the schools are held more accountable to the taxpayers.

Mark Tondreau was present and agreed that Bacon & Edge may not be the best choice to complete the management audit but that someone does need to come in and look at the operating systems from a broader perspective.

Town Councilor Jeremiah O'Grady was present and noted that the performance audit was on a Council agenda but the Finance Director changed the discussion to the financial audit.

Councilor O'Grady suggested that the Budget Board make the drafted letter regarding the management audit very specific as to what the resolution states.

Also, he plans to draft a resolution regarding a performance audit and

also to draft specs for bidding and he would like a Budget Board member to be present as an advisory when doing so.

Carl Brunetti made a motion to adjourn, seconded by Dave Hartley.

Meeting adjourned at 9:45.