

Town of Lincoln

Budget Board Meeting

March 3, 2005

Members Present:

Ken Booth Linda Noble Bob Ericson

Dave Hartley Mary Varr Cheryl Ethier

Claudette Lussier Carl Brunetti

Members Absent:

Jack Newman Joe Dziobek Roberta Gosselin

The meeting began at 7:50 with the Pledge of Allegiance.

The minutes of March 1st were distributed for review.

Linda Noble made a motion to approve the minutes. Carl Brunetti seconded the motion.

The minutes passed by a vote of 3 to 0 with Ken Booth, Linda Noble and Carl Brunetti voting to approve the minutes and Dave Hartley, Claudette Lussier and Mary Varr abstaining as they were not present on March 1st. Bob Ericson and Cheryl Ethier were not present for the vote.

In correspondence, Ken Booth noted that the Administrator and Superintendent of Schools both cannot be present on the proposed meeting of March 16th. He stated that he would check to see if March

21st would be a better night to hold the meeting.

Linda Noble noted that the School Subcommittee still has not heard back from the School Department regarding the questions sent to them, and she wondered if there was a miscommunication so that the School Department thought that the answers would be provided when the Budget Board met with them.

The Budget Board welcomed public comment and questions.

Bennie Sisto questioned the internal controls of the Finance Department and also questioned whether or not the audit addresses the issues thoroughly.

Bennie thoughts regarding the new legislation for the 5.5% cap should be kept simple, maybe even on the town level, to minimize confusion and have a fixed cap for each department of the anticipated inflation rate of about 3% and that only a vote of 50% or more of the town's registered voters could raise the cap.

Also, Bennie thought that the wording of the legislation should be less vague, and he gave the example of defining the term "the municipality".

Dave Hartley made a motion to amend the agenda for the meeting to address the 5.5% cap first. Linda Noble seconded the motion. The agenda was amended by unanimous vote.

The Budget Board was concerned with the new legislation regarding

the 5.5% cap because it addresses all towns with Financial Town Meetings as if they were equal, but the meetings are not all the same format. For instance, some towns just vote on the bottom line budget, some may remove money but not add it in, and others, like Lincoln, have full control.

Linda Noble questioned what would be considered “foreseeable” in regards to emergencies, and gave the example of knowing for a year that the fire codes would be updated and improvements would be needed. She stated that the emergency clause should be better defined in the legislation.

The Budget Board will ask the Administrator for a list of the items that will be requested to be considered as emergencies.

Ken Booth did not know whether or not the new legislation would go into effect in the current fiscal year or not, but did note that if passed in the current year, it would require compliance upon passage which could cause some problems for the Budget Board and the budget process.

Linda Noble noted that the School and Municipal Departments would have to present their budgets differently in future years if the new legislation were in effect, because they could not come to the Budget Board with a 12% increase requested and expect the Budget Board to cut the budget themselves to comply with the 5.5% cap.

Ken Booth noted that the 5.5% cap over the tax levy actually does

provide some flexibility for the budget because the levy is originally a range of numbers and is flexible.

There is a mechanism that exists that allows the Budget Board to not ratify the budget after the Financial Town Meeting if it is not in compliance with the law and send it back to the Town Council who would then have to call for another Financial Town Meeting to adjust the budget.

Bob Ericson noted that the new legislation does interfere with the way the town and the budget process is supposed to run.

Linda Noble was concerned that it would be difficult to have any kind of capital improvements if the town were forced to stay within a 5.5% cap, especially in a year where the contracts are increased, such as the coming fiscal year.

Linda Noble stated that the town should also be seeking bids and deciding what will be done with \$5 million in bond monies.

If the new legislation is passed regarding the 5.5% cap, the Town Council will have to call for a charter review to revise and define the new language in the charter.

Bob Ericson asked whether the Budget Board was going to take a written position regarding the 5.5% cap. The Budget Board will assemble a list of questions and comments to bring to the meeting

regarding the new legislation.

The Budget Board discussed the audit. Roberta Gosselin was not present, but she is still trying to tie the audit to the budget to see how everything worked.

Claudette Lussier noted that the Budget Board's budget was incorrect in the audit. The Recording Secretary line and Expense line were reversed so that it appears that the Recording Secretary line was under spent and the Expense Line was far over expended.

Cheryl Ethier wondered whether the School Capital Funds should be in a General Fund as they are. It seemed as though the ordinance written to separate the monies put the monies in a restricted account. The Budget Board will ask the Finance Director how the monies are placed.

The monies are in a reserve account, but there is a difference between a reserve account and a restricted account according to Cheryl Ethier.

The Budget Board discussed the Reportable Conditions found during the audit.

Dave Hartley wondered who was responsible for implementing the changes needed to improve reportable conditions.

Cheryl Ethier made a note that she did not believe the software for the

schools was purchased.

It was noted that a performance audit would catch things that needed improvement, an example being employees in the Schools' Finance office who cannot complete journal entries because their contracts do not allow it.

Linda Noble suggested that the Budget Board present themselves on a Town Council Meeting Agenda and go public with how appalled they are that there are 7 reportable conditions, several of which are similar to the ones that appeared last year after the audit was completed.

Ken Booth suggested looking into performing an audit of the pensions, and even suggested checking into having a state law that would require towns to perform such an audit.

A letter will be drafted to the Town Council regarding the reportable conditions.

The Budget Board welcomed public comment and questions once again.

Bennie Sisto felt that a performance audit should only be completed after the town begins to correct its reportable conditions so that the same reportable conditions do not show up on the performance audit.

He also suggested that the towns' departments conduct a

self-assessment of their practices and try to correct the issues on their own first.

Dave Hartley made a motion to adjourn the meeting.

Linda Noble seconded the motion.

The meeting ended at 9:45.