

**Town of Lincoln**

**Budget Board Meeting**

**March 5, 2008**

**Present:**

**Ken Booth Carl Brunetti Bob Ericson**

**Cheryl Ethier Sheila Chisholm Linda Noble**

**Absent:**

**Greg Leonard Jack Newman Claudette Lussier**

**Roberta Gosselin Joe Renning**

**The meeting began at 7:45 pm with the Pledge of Allegiance.**

**Town Administrator Joe Almond and Finance Director John Ward were present to discuss the proposed budget.**

**The Budget Board discussed the enterprise fund for sewer fees.**

**5 years ago, various debt service bonds were merged into one refinanced bond, so the Finance Director is working on separating out the bonds to show them that way in the budget.**

**The commercial sewer rate is based upon water consumption, and the residential rate is based upon the number of units (the cost is currently \$75 per unit).**

**.**

**Debt service has gone down slightly because some has expired.**

**Bob Ericson noted that the debt service could be placed on the municipal side of the budget.**

**The maximum percent increase that the town could realize and remain within the state mandates is 3.17%, which is figured to include operating and capital budgets.**

**The school capital does count towards total levy increase, but not the schools' increase cap.**

**The Budget Board discussed the effects of the equitable appropriations of the school and municipal budgets as suggested in the spreadsheet compiled by the Budget Board.**

**Bob Ericson suggested possibly cutting the bottom line of the schools' budget by \$250,000 to compensate for the anticipation that they will not receive as much state aid as they had first expected.**

**Administrator Joe Almond noted that the state has recommended level funding due to the effects of the economy, and that over 5 years, the schools have realized a growth in budget of 52%, whereas state aid has been decreased by 60%.**

**Linda Noble noted that the state has relaxed its Special Education requirements, but that in Lincoln the requirements have not been relaxed to coincide with that.**

**Linda also felt that a cost analysis should be done to determine whether it is cheaper to bring students back into the Special Education system rather than outsourcing, because purchased**

services have been going up for needs like Assistants that are not necessary when the student is not within the school system.

John Ward noted that the second proposed budget submitted by the School Committee is also in violation of the state mandates for cap, and he also noted that they had been given the number that they would have to stay within to be in compliance.

Ken Booth noted that the Budget Board has told them to resubmit a proposed budget within the number and that the Budget Board will then begin their evaluations based upon that proposed budget.

Ken Booth asked that Cheryl Ethier be in touch with the Superintendent of Schools to ask about the relaxation of Special Education requirements and to let her know that if she does not fund at the lesser regulations, the Budget Board will fund at that level.

Administrator Joe Almond noted that although it is difficult to tell, the growth rate currently may be as low as 0%.

John Ward distributed charts with revenue information as of 12/31/07. There are 10% or 20% more in collections expected for sewer bills than were already collected by 12/31. There are historically large pieces collected in August when the bills go out, and in January when delinquency reminders go out.

For Interest, it was noted that the school bond was issued in August of 2006. \$650,000 seems to be a low number due to the historical

**number as of 12/31 and because there may be some law suits settled this year.**

**Rescue Receipts are insurance company payments, which has grown well but is unpredictable because there are a lot of variables that go into what will be collected, including what the insurance companies are willing to pay for certain services.**

**Inspection fees will be looked at again in the 3rd quarter because the budgeted \$345,000 seems to be high and Twin River revenues can be seen there as well, which is now done building.**

**Joe Almond noted that the schools do have a surplus in revenues of \$500,000 which should be carried over because technically, they cannot spend more than was appropriated at the Financial Town Meeting.**

**Ken Booth asked if a surplus revenue appropriation would be included in the cap or not.**

**John Ward replied that he would forward the state regulations regarding this because it is not clear.**

**John Ward noted that he would provide the most recent numbers as of 3/31 because they will give a better idea of where the numbers will be. He also will complete the revenue analysis charts and forward that information.**

**Blue Cross and Blue Shield of R.I. has offered the town a 5.9% rate increase for a fully insured plan. This would not include a reduction in administrative fees. The town is still looking into self-insurance because it is a good time, based on the towns' history, to do so, and they also could still collaborate with other communities.**

**Linda Noble asked if the self-insurance would include only municipal employees. It would also include school employees.**

**There are bills in the Senate to combine schools and municipalities to create a statewide plan. John Ward stated that he would forward the specific information regarding this to Ken Booth.**

**Bob Ericson noted that the Budget Board will need to know if there are any adjustments planned that need to be made to revenues.**

**John Ward noted that the schools provide a list of their personnel positions, but he asked if they provide names of the persons employed in the positions, thereby showing vacant spots. The Budget Board does receive the names to go with the positions.**

**Linda Noble noted that there are a lot of varying numbers that have been given as the schools' maximum appropriation next year, and that the Budget Board needs to come to an agreement of what that number should be and provide the School Department and Committee with that number.**

**Bob Ericson noted that the capital expenditure appropriation will**

need to be put into a resolution, which would count against next years' cap.

John Ward noted that there may be legislation in the works to take the school capital away from their cap so that it does not count towards it.

Linda Noble made a motion to submit to the schools the number derived by Bob Ericson in his spreadsheet work as the maximum number that can be appropriated to the schools in the coming budget. Bob Ericson seconded the motion.

The motion passed by unanimous vote.

John Ward noted that he would also get the number that they would be allowed to spend certified.

John Ward noted that if school capital goes into a resolution, it would belong to the municipal side because technically the charter does not allow for the specific appropriation of any school lines, and also that technically anything other than routine maintenance on the school buildings should fall to the town because they are town-owned buildings.

Linda Noble asked if the schools' capital is part of the capital plan that the Administrator will be submitting. It will be included in the plan.

Bob Ericson noted that the capital development plan will hopefully separate town and school structures as much as possible.

**Administrator Joe Almond and Finance Director John Ward adjourned from the meeting.**

**Bob Ericson noted that he would send the spreadsheet information that he had along to Ken Booth so that he in turn could pass it along to the School Committee and School Department. They should then adjust their recommended budget down to what would be allowed by the state laws to allow the Budget Board to then work from that proposed budget.**

**Linda Noble noted that because the Budget Board has discussed the Financial Town Meeting, they should write to the Town Council regarding the charter changes, such as the night it is held on.**

**Ken Booth noted that there would not be enough time to make changes before this years' Financial Town Meeting.**

**Bob Ericson noted that he would speak with the Town Solicitor because he feels that the capital should be separate and there will be legislature on the issue.**

**Carl Brunetti noted that the increases do not add up correctly or show correctly in the spreadsheet that was provided by the School Department.**

**Ken Booth noted that the School Subcommittee should make a list of all such questions or issues to bring up at the meeting with them next**

**week.**

**Carl Brunetti made a motion to adjourn, seconded by Bob Ericson.**

**The meeting adjourned at 10:35 pm.**