

Town of Lincoln

Budget Board Meeting

February 13, 2008

Present:

Ken Booth Claudette Lussier Linda Noble Cheryl Ethier

Carl Brunetti Bob Ericson Sheila Chisholm Jack Newman

Absent:

Roberta Gosselin Greg Leonard Joe Renning

The meeting began at 7:40 with the Pledge of Allegiance led by the newest member of the Budget Board, Sheila Chisholm representing District 5.

The minutes of January 16th were distributed for review.

Linda Noble made a motion to accept the minutes, seconded by Cheryl Ethier.

The minutes were accepted by a vote of 5-0 with Carl Brunetti, Jack Newman and Sheila Chisholm abstaining because they were not present on January 16th.

At their next meeting, the Town Council will be discussing charter changes that may affect the Financial Town Meeting.

Linda Noble suggested that the Budget Board should make the Town Council aware of the issues that they believe are most important with

respect to the Financial Town Meeting.

The Town Administrator, T. Joseph Almond, was present to discuss the budget process.

Ken Booth noted that he has met with the Administrator and also the School Department Administration.

The Administrator's budget will be delivered to Ken Booth on Friday, February 15th to distribute to members of the Budget Board.

The Administrator noted that he has had meetings with the schools regarding the impact of revenues and collective bargaining on the budget.

The original request of the schools included a 7.54% increase, and the Administrator stated that the legislature clearly states that a budget "shall not be proposed" over the 5% cap, not that the final budget only has to be under the cap.

The Administrator's decision was to not accept the budget with the 7.54% increase, so that they will submit another budget that falls under the cap. He has not yet received such a budget from them.

The Administrator also did note that the trend for revenues indicates that there will be less revenues next year.

Carl Brunetti asked if there were any capital improvements in the schools' proposed budget.

The Administrator noted that they could not include any due to statutory requirements. There is also a contract open this year for the schools, and 2 lawsuits that have to be settled (one with the previous

Finance Director) for approximately \$500,000.

Cheryl Ethier asked about Medicaid and Capital Reserve Accounts for the schools.

The Administrator replied that there is \$450,000 that is Medicaid surplus and should not be because it is reimbursement for expenses incurred.

Ken Booth asked about zero-base budgeting this year.

The Administrator noted that he has done zero-base budgeting, and that while his Department Heads did good work with it, it still will be a tough year fiscally.

The Town is in talks with Smithfield, North Smithfield, and Cumberland to gather comparisons and look into self-insuring through Blue Cross and Blue Shield. The Administrator does think that this will happen in the coming year, and noted that the rate may be adjusted to reflect that.

The Teaching Certified Staff, Municipal Employees, Rescue Personnel, and Highway Workers all have contracts to negotiate in the coming year.

Bob Ericson asked if there will be an enterprise fund set up for sewer fees this year.

The Administrator replied that he does plan to set one up.

Cheryl Ethier asked about using the Interlocal Trust as an insurance provider.

John Ward, Finance Director, noted that Workers Compensation is the highest of the insurances, and that last year the auditors had to make an adjustment up of \$21,000 and this year an adjustment down of \$19,000.

Ken Booth asked the Finance Director's opinion of the Medicaid reimbursements.

John Ward replied that the schools do get an estimate each year of what they will expect to get. Because the budget is a bottom-line budget, it is difficult to see revenues.

The Administrator noted that there is no mechanism to spend additional revenue because until the end of the year, the schools can only spend the amount that they are given at the Financial Town Meeting.

The fees paid by Northern Rhode Island Collaborative to rent space are offset by lower tuitions charged, which would not have been apparent except for the fact that those expenses for the schools would be lower.

The Town Administrator and Finance Director adjourned from the meeting.

Ken Booth noted that now that the construction is done at Twin River, revenues are lower because the town is not collecting building fees.

Bob Ericson noted that he has been sitting on a Capital Development Committee and that the schools have said that the current library would not be big enough to hold the School Administration if they were to move.

Ken Booth suggested requesting information on all salaries, benefits, stipends, etc. that are paid out by the schools.

Cheryl Ethier noted that the School Subcommittee does receive that information, but it is usually an unofficial Excel document.

Linda Noble suggested requesting a breakdown of all substitute payments and also School Administration salaries.

Jack Newman asked if the schools are on the same software system as the town. They are not.

The Budget Board discussed the upcoming meeting schedule.

The next meeting will be on February 21st, and the Public Hearing will be on March 20th.

The School Facilities Tour will be on March 8th.

Ken Booth noted that he would speak with the School Department to find out when they would be providing their requested budget.

Linda Noble suggested that the same techniques be used in

analyzing the budget, such as looking at the larger items first, and she suggested that some members of the School Subcommittee meet separately with the School Administration to then convey the information obtained to the Budget Board as a whole.

Linda Noble made a motion to adjourn the meeting, seconded by Jack Newman.

The meeting adjourned at 9:25 pm.