

**MOUNTAIN LAKES DISTRICT
BUDGET COMMITTEE MEETING
October 28, 2014
*APPROVED WITH AMENDMENTS***

Present: Dan Brady (Chairman), Robert Roudebush, Darlene Simboli, Don Drew (Water/Maint. Supervisor), Kristi Garofalo (Administrative Assistant) and Amy Baker (District Accountant).

Call to Order: Dan Brady called the meeting to order at 11:06 am.

Lodge Budget:

4006-3 Lodge Rental Income: Dan Brady noted the Lions Club will only be renting the Lodge for one event in 2015. The committee agreed to lower the line to \$1200 and will *review the year-to-date rentals in December to see if the amount needs adjustment at that time.*

5051-3 Phone/Internet – Lodge: Line was increased to \$1050 due to new Wi-Fi service at the Lodge. The committee discussed the cost of the service vs. potential usage and agreed to *ask the commissioners to review the need for Wi-Fi at the Lodge when the contract is up for renewal.*

5065-3 SnowPlow/Mowing – Lodge: Darlene Simboli asked if the District uses a bidding process. Don Drew responded the current contract has been in effect for a couple of years. The committee recommended putting the services out for bids. *Don Drew will create job specifications, publicize for bids, and bring responses to the Committee and commissioners.*

5072-3 Facility Oper – Lodge: Don Drew said he plans \$700 in electrical work next year for generator hook-up in case of prolonged power outages. The committee agreed to increase the line to \$1500.

Water Dept. Budget:

2-5052 Electricity: The committee discussed the line is running low for 2014, but Don Drew explained a pump has been offline for a few months. The committee agreed to keep the line at \$11,000 for 2015.

2-5062 Fees/Registrations: The committee agreed to lower this line to \$2800 based on usage so far this year.

2-5071 Water Break/Freeze: Amy Baker suggested renaming and re-purposing the Water Surplus Capital Reserve Fund as the Water Emergency Capital Reserve Fund. This way it can be used for breaks and the fund can be built up if not used. The existing capital reserve has about \$5000 in it and she recommended a warrant article to rename it and put an additional \$10,000 in it. The committee agreed the warrant article was a good idea and set this line at zero.

2-5078 Equipment Maintenance: Don Drew explained this line covers major expenses like replacing pumps which can run \$2000 or more each. If it is not used for unexpected expenses, then it is used to replenish water department inventory at the end of the year. *The committee agreed to leave this line at \$6000, but revisit it before final numbers are submitted.*

2-5097 Water Assistant: Don Drew asked that this line stay at \$2500. The committee agreed.

2-5098 Water Dept. Manager: AS AMENDED: Amy Baker passed along Bob Long's recommendation of a 2% COLA increase in response to the predicted 1.8% federal expected increase. The committee agreed to set the line at \$27,438.00 which includes the 2% increase.

NEW LINES: AS AMENDED: The dollar amount listed for audit and liability insurance expenses is 50% of the 2015 estimates received from the vendors and will be shared with the General Op budget. The Administrative Assistant and CPA lines are also shared 50/50 with General Op. the Administrative Assistant line reflects 50% of the projected total cost in 2015 per Bob Long's recommendation and the CPA line is 50% of the total budgeted cost of \$4000 which is down from \$7000 budgeted for 2014. Amy Baker explained certain costs of running the office need to be shared by the Water Dept. fund since the Water Dept. benefits from these areas. She suggested the following new lines be added for expenses:

Admin. Assistant: The committee agreed and set this line at \$10,400.

Prof. Services – CPA: The committee agreed and set this line at \$2000.

Audit: The committee agreed and set this line at \$3500.

Liability Insurance: The committee agreed and set this line at \$4026.00

Warrant Articles:

Water Emergency Fund: As noted above under 2-5071, the committee agreed to recommend the existing Water Dept. Surplus Capital Reserve Fund be renamed and re-purposed as the Water Emergency Capital Reserve Fund and that \$10,000 be added to it from the water fund.

Water Source Establishment: Amy Baker **AS AMENDED: suggested** a warrant article creating a Capital Reserve Fund for this project **AS AMENDED: if the commissioners decide to move forward** and transferring \$180,000 into it from the **AS AMENDED: water surplus fund** which may not cover the entire project cost (\$200,000 estimate), but it would pay a major portion and leave \$46,000 in the water fund as a safety cushion. The committee agreed with her **AS AMENDED: suggestion**.

Lower Dam Project: Amy Baker **AS AMENDED: suggested** a warrant article for this project since a bond issue/loan is needed to cover costs (\$174,000 estimate). The Water Improvements Capital Reserve has roughly \$70,000 so it can be used if needed, but Amy Baker recommended leaving \$40,000 in reserve. **AS AMENDED: Amy Baker said she is not recommending doing both projects in one year because contingencies will probably occur.** The committee expressed concerns about doing both projects next year and asked *Kristi Garofalo to pass along a message to the commissioners: "The Budget Committee considers two six-figure projects at the same time to be ambitious"*.

Future Meetings:

Tuesday, Nov. 4th - 11:00 am: General Op (incl. Planning and Wildlife & Beautification)

Tuesday, Nov. 18th - 11:00 am

Robert Roudebush moved to adjourn, Dan Brady seconded. Meeting adjourned at 12:18 pm.

Respectfully submitted by
Kristi Garofalo