

**BUDGET ADVISORY COMMITTEE MEETING**  
**February 23, 2004**

**1. ROLL CALL**

The meeting was called to order at 5:30 p.m. Present at the meeting were Committee Chair, Dr. Kerry Waldee, Secretary Scott Spages, and Committee members Dr. Bob Preziosi and Dan Barr. Deputy Budget and Finance Director Carol Menke sat in for Finance Director, Bill Underwood.

Also present at the meeting were Town Administrator Tom Willi and Assistant Town Administrator Ken Cohen.

**2. APPROVAL OF MINUTES – January 12, 2004**

A motion was made by Scott Spages, seconded by Bob Preziosi, to accept the January 12, 2004 Minutes. In a voice vote, all voted in favor. (Motion passed 4-0)

**3. OLD BUSINESS**

**3.1 Discussion of PMG Study**

During discussion the Town Administrator explained the history of the PMG Study and indicated that the Town was looking for a tool that could be used to help the Council make decisions regarding land use changes and rezoning. He indicated that staff realized the PMG Study was lacking in the outcomes and data that would effectively help the Council in decision making. He advised that staff would be recommending that Council consider the second subcontractor who had presented a bid to do the study. Town Administrator Willi felt the Town needed to hire a specialist or economist with a much broader scope who could produce results for site specific issues. Dr. Waldee asked if the personnel numbers were accurate. Town Administrator Willi responded that the numbers were reasonable and could be used in the space needs study. Scott Spages stated that until a good solid report was produced, he would prefer that the Town back off on some of the new buildings being budgeted for.

**3.2 Space Needs Study**

Assistant Town Administrator Ken Cohen advised that it was based on the Committee's recommendation to do the Space Needs Study, that the Town had put \$25,000 into the budget to do the study. He indicated that most of the Engineering contractors contacted required \$50,000 to do the study, causing the Town to put the project on hold until July or August when the additional \$25,000 funds could be allocated for this purpose. Dr. Waldee stated that the Committee recognized that space needs were an issue in Town Hall as well. Dr. Waldee asked if the Town had made the decision not to go ahead with any additions or improvements until the Space Needs Study was complete. Town Administrator Willi responded yes. Scott Spages asked if the ideal scenario was to build new building for staff, or to add to existing buildings, or build a few smaller buildings for staff. The Committee further discussed location ideas for new Town staff buildings.

### 3.3 Community Endowment Fund

Scott Spages indicated that the Mayor requested that the BAC create a set of guidelines and inform the Town Council how it would spend the residual proceeds from annual funds. Dr. Waldee asked what other purposes the fund was earmarked for. Town Administrator Willi stated he was in agreement with the Committee on the Community Endowment Fund and indicated that the Town Council had discussed setting up a community chest wherein area businesses would contribute to the chest, after which a community chest group would distribute funds. He felt corporate sponsorship and a separate board of directors would take the process a step away from Town government. Scott Spages asked how Council would appoint the group who would spend the money. Town Administrator Willi felt the Town would be wise to set up a separate 501(c)3 Board as a not for profit corporation which had no connection to the Town government. Scott Spages felt the BAC could make guideline recommendations to Council with regard to spending the proceeds from the fund. Town Administrator Willi indicated that it would probably take some time for Council to phase in any recommendations.

The Committee further discussed the fund as it related to proposed changes in the pension plan. Scott Spages asked if it would be legal to include the Mayor and Town Council as managerial staff under the new pension plan. Carol Menke indicated that the Mayor and Town Council had voted to take themselves out of the proposed pension plan. Scott Spages [made a motion](#), that the BAC recommends that current and future Mayors and Town Councils have the option to be included into the pension plan. [[Motion was not seconded](#)].

With reference to a previous Town Council discussion, Scott Spages asked how the Town would pay for drainage programs that it did not want to raise taxes on. Assistant Town Administrator Cohen advised that two considerations were involved: 1) getting authorization to approach the Tax Appraiser's Office to approve a tax bill, and 2) going into a contract with an organization that would put together guidelines about how to charge individual residents. He stated that by rejecting the first option, the Town could still take several steps to charge residents. He further indicated that the contract option was not approved, resulting in a shortfall in the budget of \$970,000. Scott Spages asked if this \$970,000 was to clean canals and catch basins and other such features. Assistant Town Administrator Cohen responded yes. Scott Spages asked how much of this work the Town was currently doing. Town Administrator Willi indicated that the Town was doing the minimum of this work. He stated that the Town currently was not able to clean all existing drains on a regular basis, but instead worked on the biggest problem areas during the rainy season. Scott Spages asked how often drains should be cleaned according to industry standards. Town Administrator Willi responded annually, according to [NPDEX](#) standards.

Scott Spages stated that to his understanding and observation, the Town appeared to end up with more money in the budget than anticipated each year, and he wondered where those funds were spent. Assistant Town Administrator Cohen advised that the Town budgeted 95%. Town Administrator Willi indicated that each year the budget process was started with automatic built in growth before actually getting into the fiscal year. He further advised that each year, the new budget included \$4 to \$5 million of new expenses without guaranteed new revenues.

The Committee members thanked Town Administrator Willi and Assistant Town Administrator Cohen for their attendance.

**4. NEW BUSINESS**

**4.1 2005 Budget Calendar**

Dr. Waldee stated that he had reviewed the Calendar and felt everything was done in a timely fashion. Dr. Waldee asked Carol Menke to ask department directors to contact the Committee in early April regarding meeting times.

**4.2 1<sup>st</sup> Quarter Quarterly Report**

Dr. Waldee indicated he was happy to see that the departments were under budget. He observed that the only department that was over budget was Budget and Finance. Carol Menke, Deputy Budget & Finance Director, stated that infrequent debt service expenditures cause a temporary over budget condition.

**4.3 2002 Comprehensive Annual Financial Report**

**5. COMMENTS AND/OR SUGGESTIONS**

**6. ADJOURNMENT**

There being no further business to discuss, Scott Spages made a motion, seconded by Bob Preziosi, to adjourn the meeting. In a voice vote, all voted in favor. (Motion passed 3-0)

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Date approved

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Chair/Committee Member