

BRUNSWICK SEWER DISTRICT
Board of Trustees Annual Budget Meeting
01 December 2011

Approved Minutes

Call to Order

The annual budget meeting of the Board of Trustees of the Brunswick Sewer District was called to order by General Manager Blanchette at 7:05 pm on Thursday, 01 December 2011, in the conference room at District offices. Notice of the meeting was advertised in the 11 November 2011 edition of the *Times Record*. A prepared agenda was provided and the meeting was recorded.

Introduction of Parties Present

Members present: Chair Priest, Vice Chair Schwindt, Trustees Green, Barbour, and Boochever.

Others present: General Manager (GM) Blanchette, Assistant General Manager (AGM) Pontau, and Finance Manager (FM) Caron; Madison Brownne (camera operator); and Mrs. Bonnie Shippen (minutes).

Public Comment

There were no members of the public in attendance. No oral or written comment regarding the budget or its development has been received.

Review Budget Approval Process

GM Blanchette reviewed for the Trustees the process by which the annual operations budget is drafted, reviewed, and approved. This process is described in the budget document.

2012 Operations Budget

The Trustees considered the 2012 operations budget proposal dated 01 December 2011. The document includes an executive summary and a detailed summary analysis of 2011 budget funds and expenditures, as well as 2012 projections for operating and non-operating revenues, division and annual operations maintenance and general expenses, capital and construction, and bond principal and interest, for year-end 2011 and for 2012. Budgeted amounts have been developed based on data from prior years, current year to date, and planned activities in 2012.

GM Blanchette presented a balanced budget designed to cover all projected 2012 expenditures from expected 2012 revenues, combined with a request for \$48,000 from the Operations Reserve, and projected a possible under-expenditure of \$54,000 of the 2011 budget. The proposed budget is zero-based and does not carry over any funds from 2011. It anticipates reductions in 2012 in residential, Brunswick Landing, and Topsham

revenues, and increases in commercial, drainage and septage revenues. At this time, the 2012 budget proposal does not include a rate increase. However, GM Blanchette planned to discuss with the Board a possible rate increase for 2012 that would go into effect in the fourth billing quarter, making increased revenue available for the 2013 fiscal year. Should this occur, proposed expenditures would not change, and all additional revenue would be allotted to the reserve accounts.

The operational expense accounts have been budgeted in amounts higher than the 2011 budget for Collections (+2%), Pumping (+18.9%), and Treatment (+2.3%). Administrative Division expenses are projected to be less than the 2011 budget (-4.8%). No increase in staffing is requested for 2012. The budget includes an allowance for overtime, merit increases, bonus programs, the Employee Educational Assistance Program, and a sick leave buy-back program. Larger capital items include equipment upgrade, a Treatment Plant evaluation study, upsizing the pipe on Richards Drive, and a complete renovation of the administrative office building.

The budget proposes to use \$160,000 from the Entrance Charge Reserve to fund the upsizing of the Richards Drive pipe and \$48,000 from the Operations Reserve to cover the sick leave buy-back program. Funding for the administrative office building renovation is proposed to come from a bond from the Maine Municipal Bond Bank with an interest rate of approximately 1%. Bond payments in 2012 would total \$117,000 compared with \$107,000 for 2011.

Board Discussion

The Trustees discussed revenue projections, major expense accounts, and capital budget items, including renovation of the administrative building, employee labor and benefit costs, heating fuel, licensing fees, professional development, and employee uniforms and safety equipment. They expressed their appreciation to FM Caron for the new detailed budget format.

GM Blanchette noted that a number of items are still being reviewed and may change, as well as some items that will need to go to the Board for adoption as stand-alone programs.

Schedule of Upcoming Meetings, Events, etc.

- Trustees Regular Tuesday 13 December 2011 7:00 pm
- Trustees Regular Tuesday 17 January 2012 7:00 pm

Remarks from the Chair

Chair Priest thanked the Trustees and staff for their assistance.

Adjournment

There being no further business before the Board,

IT WAS MOVED BY TRUSTEE BARBOUR, SECONDED BY TRUSTEE GREEN, AND UNANIMOUSLY VOTED BY THE TRUSTEES PRESENT TO ADJOURN THE MEETING AT 8:22 PM.

Attest:

Emily Boochever
Clerk, Board of Trustees