

MINUTES OF ENCUMBRANCE &  
ANTICIPATED SPENDING REPORT MEETING  
SEPTEMBER 24, 2009

Chairman Petraitis called the meeting to order in the Kiva Room for NB High School at 6:35 PM with Robert Filipkowski, Ann Kidd, Steve Jones, Erin Nosek, Brent Hildick, Aram Thomasian, Eric Hevy, Richard LeBlanc, Robert Bishop, Gary Jean, Rodney Jenkins, Charles Haddock, Nancy Nykiel, Jim Black, Kim Kort, Anne Jannette, Bob Smith, James Lovett, Mary Walter, Jason Petraitis and Chet Lubelczyk all present. State Representative Anne Gobi and State Senator Steven Brewer were invited but unable to attend.

Mr. Petraitis thanked everyone for their cooperation and explained the meeting was called for to gather and share information regarding the Encumbrance and Anticipated Spending reports that departments have been required to complete to assist the BOS and Fin Com in their budgetary reviews. Feedback was then solicited from the group.

Ann Kidd stated she finds it quite hard to email the form. Mary Walter agreed to review and assist her with this issue.

Bob Smith spoke to the method of reviewing the forms and their importance. He explained we are still approx \$117,000 over for FY 2010, and that the Free Cash report would be filed within the next few days with the State. He also stated to remember that we are still underfunded in things such as Snow and Ice and that we hope there is enough Free Cash to cover everything but it will be subject to discussion on November 6<sup>th</sup>. Rumbblings are coming out of Boston that collections do not look good for the State. They are projecting a 125-145 million dollar monthly shortfall. Bob also stated he would be willing to help anyone who needed assistance with the reports or their budgets.

Rodney Jenkins stated that he wondered why the First Thursday was when the reports needed to be completed. He questioned the timeliness of the reporting in regard to having hard figures and stated he thought a lot of what he completes is a "best guess" of what spending will be.

Questions again arose about the difference between "anticipated spending" and Encumbrance. Some discussion followed about Enterprise Funds and how they differ slightly from regular budget accounts.

Anne Jannette also discussed the work hours spent completing the reports. She stated that departments work closely with the FIN COM and she saw the report as having some redundancy to it.

Rodney Jenkins discussed that he reviews and tracks his expenses monthly and reviews Nancy's report when she sends it so he is always on top of his budget. He stated when he sees there is an issue, he acts accordingly.

Jim Black asked if there are no emergencies he doesn't see overall impact to his budget. For instance he is aware of inspections so he can budget for them, but if there is a fire and he loses 100 feet of hose, how can he plan for that?

Mary Walter than asked the group for ideas on how to solve the need for a "real time" budget?

Rodney Jenkins stated he would like to see a system where permission is needed to spend. Mrs. Walter responded to this stating this is an issue because once monies are spent you can't go back and capture them so you need to have a check and balance system.

Jim Lovett stated the idea behind the reports is to allow for just that, checks and balances. It allows us to see where we are so we can react accordingly. We are operating on razor thin budgets now and need the best possible handle on "true spending" that we can have. Last years budget was the best informational budget we had and it helped to open up communications between the BOS, FIN COM and all departments.

Anne Janette suggested perhaps we can utilize a system that flags certain things within the current budget set up. Bob Smith responded to that with the issues there were with last years budget and significant discrepancies on what was actually spent by some departments and what Nancy had for figures as recorded.

Mary Walter suggested sending out the "Bible" page from the report Nancy creates to each department showing them the break down and allowing them to review where they are at. She then asked what is the consensus on the report? Do we have a decision? Jason Petraitis stated we were not there that evening to make concrete decisions.

The group then suggested perhaps anything over \$100 needed a purchase order and we should have that added in.

Chief Thomasian stated he thought some of what was discussed this evening was useful and some wasn't. This took place when feedback was solicited from the group.

Bob Smith stated that everyone needed to think long term with these reports as well. We as an entity (meaning the Town of North Brookfield) are looking to compile a database that gives us guidance and historical data. He would like to keep working with the Purchase Order (Encumbrance Report) system as it is truly a key to this process. We need real time data and as timely as possible.

One of the reports is being utilized as a forecasting tool and one is being utilized for real time data. In his opinion both are a necessity.

Some suggested utilizing a "Not To Exceed" when working with contractors as well. That gives us real time data when utilizing them to complete work for various departments and to prevent for time lag on reporting.

Mary Walter wants to have a department representative to sit in on Fin Com meetings to see how things work overall.

Jason Petraitis declared the meeting a success, thanks all for their ideas, attendance and participation. He stated that this would be discussed by the BOS at upcoming meetings and that information would be disseminated to the town departments.

The meeting was adjourned at 7:35 pm.

Robert Filipkowski  
Clerk, BOS