# Finance Advisory Committee Meeting Minutes: October 17, 2022

## Present were:

|  |  |  |
| --- | --- | --- |
| Mitch Gluck, FAC |  |  |
| Dennis Howe, FAC |  |  |
| Joe Woodworth, FAC |  |  |

## Discussions

1. Managing budget lines for Departments when centrally managed by the town (pro-rata billing). Examples include fuel, propane, electricity, and some contracts. Options to discuss include:  
   1. Use Department’s 2022 pro-rata share amount, record in Excel workbook, and mark as “INFLATION”. Identify in “Description” as possible “shared” expense amount for town visibility and resolution.
   2. Identify each department’s service expenses earmarked for Pro-Rata share and consolidate with Town Administrator for pro-rata share.
   3. Other alternatives?

* The team spoke about a number of options for budgeting for these difficult-to-predict expenses. Unfortunately trends are difficult due to constraints within the current Town accounting system, and the unpredictability of increases.
* At this point, the team will use the most-current bills as benchmarks and then scale the 2023 budget based on prior year usage. For example, we can use the gallon usage for gasoline, and scale the pricing. The per-gallon usage should be a variable that can be adjusted as we approach the final budget submission date.
* Per [www.energy.nh.gov/energy-information/nh-fuel-prices](http://www.energy.nh.gov/energy-information/nh-fuel-prices):

#### Petroleum Fuels Current Averages – October 12, 2022

Updated weekly from the first Tuesday in October until the last Tuesday of March and updated monthly the remainder of the year.

* Fuel Oil (#2) Current Average Price is $5.02 / Gallon
  + Btu 138,500
  + Conversion Efficiency 0.8
  + $/MBTU $45.27
* Propane Current Average Price is $3.61 / Gallon
  + Btu 91,333
  + Conversion Efficiency 0.8
  + $/MBTU $49.38
* Kerosene Current Average Price is $6.04 / Gallon
  + Btu 135,000
  + Conversion Efficiency 0.8
  + $/MBTU $55.91

#### Heating Current Averages - October 5, 2022

Updated monthly.

* Natural Gas 1st Tier (<100 Therms) Current Average Price is $2.00 / Therm
  + Btu 100,000
  + Conversion Efficiency 0.8
  + $/MBTU $25.02
* Electricity Resistance Heat Current Average Price is $0.2880/ kwh
  + Btu 3,412
  + Conversion Efficiency 1
  + $/MBTU $84.41
* Electricity Heat Pump Current Average Price is $0.29 / kwh
  + Btu 3,412
  + Conversion Efficiency 2.5
  + $/MBTU $33.76

#### Motor Fuels Current Averages – October 5, 2022

Updated monthly.

* Gasoline (per gallon) - $3.38
* Diesel (per gallon) - $4.77

1. Consolidation of Budget Worksheets (Suspense date: End of October)  
   1. Submission to Selectmen for Review.

* The team felt we were on schedule for initial budget reviews with the Selectmen by the end of the month. The team suggested we invite the BOS to a future FAC meeting after October 31, 2022, and allocate the full hour (if necessary) to review each Department’s initial budget. The budget data will not be final at this time. Dennis to coordinate.
  1. Inflation and COLA recommendation for rates to the Board of Selectmen.
* Similar to how we’ll deal with fuel costs, COLA and Inflation will be variable factors in the Department budgets. Dennis provided the following from the NH and Hillsborough Bureau of Labor & Statistics (use for consideration only):
  + COLA = 6.3%
  + Inflation (CPI) = 7.0%

1. Other general topics for discussion

* Dennis has been building a workbook that helps to calculate FICA, medicare, insurance, etc. based on salary and employee selections. Dennis will share when ready.
* Joe provided an example Department workbook (Animal Control, as an example) to show how the budget was broken down into segments, and rolled up into the Master template form. This included variables for COLA, Inflation, fuel price, mileage reimbursement, etc.
* The team spoke about inconsistent usage of the sub-account details. Joe shared the master spreadsheet sorted by sub-account group. We all agreed it would be desirable to have a single sub-account for a specific item across all Departments (e.g. -110 for full-time salary, -111 for part-time hourly, -112 for stipend, etc.). This topic was benched for further consideration

## Meeting Adjourned