

Weathersfield Select Board
Minutes
January 31, 2013

Present: Norman John Arrison
Michael Todd
Dave Fuller
Richard Clattenburg
Dan Boyer (via telephone)

Others Present: Jim Mullen,
Lisa Slade, Recording Secretary
Steve Hier, Treasurer
Alan Hudson
Jeff Slade
John Esty
BJ Esty
Wes Hazeltine

1. Call to Order: Mr. Arrison called the meeting to order at 7:00 p.m. at Martin Memorial Hall.

2. Review VLCT advice regarding undesignated fund balances and reserve funds: Mr. Mullen shared email correspondence he had between himself and Jim Barlow (from VLCT).

Mr. Clattenburg said it appears, by the recommended wording, that the Board could create a reserve fund not to exceed more than a 10% of the budget to cover unanticipated shortfalls but it could be as low as 1%. Or, we can use the surplus money now. He questioned why this is an issue this year and it wasn't an issue in the past.

Mr. Hier said he believes it is an issue now because we have money now where we haven't had money in the past. He said due to collecting delinquent taxes and not using all the money budgeted both the general fund and highway fund have a surplus.

Mr. Arrison asked if we could use money from the reserve fund for cash flow purposes. Mr. Hier said we could loan ourselves money - we would have to do this on a formal basis, we would have to set terms and pay interest.

Mr. Clattenburg said we had a surplus twelve months ago and we didn't have to have a special meeting like we are having tonight. Mr. Arrison said that is because Mr. Fuller & Mr. Todd recently went to a meeting and learned the surplus funds should be used each year and we are running a surplus for two years in a row. Mr. Fuller said VLCT said we need to tell the voters about the surplus and give it back to the taxpayers if we don't have their approval for a reserve fund.

Mr. Clattenburg said it appears the options are to create a special fund, spend it or return it to the taxpayers. Mr. Arrison said he feels we are too far through the budget discussion to turn it back to the taxpayers.

Mr. Fuller read the information that Mr. Mullen received from VLCT. He said we have a lot of surplus money and we should not be holding it. Mr. Mullen said we do have a large pool of money now so we should set up a rainy day fund for the general fund

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and highway fund so if there is ever a catastrophic event we will have money to use without borrowing. Mr. Fuller said money keeps coming in, this keeps growing.

Mr. Todd said he is concerned if we have a large surplus we won't watch the budget close enough and the law says if it is in a reserve fund we can use it for unanticipated occurrences.

Mr. Clattenburg asked Mr. Fuller why he says we keep having money coming in, the fund will keep growing. Mr. Fuller said because we will keep collecting delinquent taxes.

Mr. Mullen said it has been found that the best practice for Towns in this situation is to set up a reserve fund. Mr. Fuller said if we set up a reserve fund for the Highway department that money needs to be spent the next year, it is not legal to carry it over. There was discussion on how the Statute reads on this.

Mr. Clattenburg said if we warn these two articles and they are voted down will we just operate the same as this past year. Mr. Arrison said he thinks if it is voted down we will have to bring our surplus balances down to zero.

Mr. Todd said if there is a deficit at the end of the year it is safe to assume we had an unexpected expenditure so money from the reserve fund could be used.

There was discussion about showing the Board members the amount of delinquent tax amounts collected each month since it is not a separate line item in the budget. Mr. Mullen said Shirley tracks this and he can share this information with them.

Mr. Clattenburg asked again what happens if the Articles are on the Warning and they do not pass. Mr. Hier said then the Select Board needs to start planning on what to do with the surplus money.

3. Approve Amended Warning for 2013 Town Meeting: **Mr. Clattenburg made the motion to approve Article # 4 and 5 on the Warning as written, to keep an amount not to exceed 10% in a reserve fund for both the General fund and Highway fund. Mr. Boyer seconded the motion which passed 3 - 2 (Mr. Fuller & Mr. Todd were the dissenting votes)**

4. Adjourn: **Mr. Fuller made the motion to adjourn. Mr. Todd seconded the motion which passed without dissent.** The Weathersfield Select Board meeting was adjourned at 7:55 p.m.

Submitted by,
Lisa Slade

Approved by the Weathersfield Select Board on February 19, 2013

Michael Todd



Norman John Arrison



Dave Fuller

