

TOWN OF WEATHERSFIELD, VERMONT
Select Board Agenda
Martin Memorial Hall
5259 US Route 5
Tuesday July 9th, 2019
7:00 P.M.
REGULAR MEETING
RESCHEDULED FROM JULY 1st, 2019

Select Board Members Present:

Kelly Murphy
Daniel Boyer
Michael Todd
N. John Arrison

Ed Morris, Town Manager

Select Board Members Absent:

David Fuller

Others present:

Paul Tillman, Ray Stapleton, Christian Huebner, Josh Dauphin

1. Call to Order:

Kelly Murphy called meeting to order at 7:00 PM.

2. Agenda Review:

Kelly received an email from Patti Arrison asking if we could postpone the topics of #10 and #11, the Nonprofits use of transfer station and associated fees and Bottle Redemption Fund for Historical Society as she was not able to make it to the meeting. Ed suggested we move it down below Agenda item # 16 and we could begin the conversation and continue it at the next meeting when she would be able to attend. Kelly did email to make sure she would be available for the August 15th meeting. All in agreement to move those topics down on the agenda.

3. Comments from Select Board and Town Manager

Kelly was asked to read:

The Weathersfield Proctor Library invites you their 9th Annual Summer Evening with Friends and Neighbors. It's going to be featuring the Woods Tea Company, Saturday July 27th at 6pm at the Weathersfield Meeting House. There is also going to be a Silent Auction with viewing starting at 6pm along with appetizers, beverages and desserts during the concert break. Suggested donation is \$15 at the door. Proceeds from the event will benefit the Proctor Library Capital Campaign."

Ed Morris "Dan, myself and Ray met a guy at the Highway Dept, looked over the 2003 MAC and we sold it for \$40,000. He put a non-refundable deposit down and will be back in a few weeks with a guaranteed bank check for the balance. We were asking \$42,500.00 and were hoping for \$38,000 plus, so this is right in the ball park of what we wanted."

N. John Arrison asked if this was the first offer.

Ed stated that this was not the first offer. It was the 2nd. The first offer came in lower.

Kelly asked to be reminded where the \$40,000 was going. Ed noted it would be going to the Highway Equipment Reserve per policy.

Ed suggested that it would be good for the Select Board to go out to the Highway Garage and see some of the changes that have happened since Ray took over. His recommendation is to schedule the August 19th meeting be at the Highway Garage and have Darlene review some financial and budget items with the Select Board. Ray will review some Act 64 information regarding the highway legislative changes.

4. Comments from citizens on topics not on agenda:

None

5. Review minutes from previous meeting 06/17/2019:

Motion to approve minutes from 6/17/19 made by Dan Boyer
Mike Todd 2nd

Edit – page 7 of 9 Item #11, 3rd paragraph, “to sell, to sell” need to strike one of the “to sell”

“All in favor of the motion as amended”

Vote on the motion: Unanimous in favor

Abstained

6. Fire Discussion (Discussion)

a. Monthly Fire Department Communication Meetings

The Town Manager sent a summary of the first communication meeting (see attached) to the Select Board. He feels that the first meeting went well and used the time to really discuss what they wanted to talk about and how they wanted to move forward. Good ideas came from that. There were some issues with sending attachments back and forth and opening them through email. Darlene will now be putting together packets to distribute at those meetings.

Meetings are the 3rd Tuesday of each month at 6:30 am.

There was discussion about:

- Hydrants
- Projects they want to put in for maintenance grants
- Building grants for building hydrants

One thing that was discussed about starting was consolidating SOGs or Response Protocols and they decided Response Protocols would be faster and easier. We will probably start working on that right away. This would make how we respond out of each station the same.

They were starting hose testing the night of that meeting. The Town Manager was able to go out to West Weathersfield and help them set up and then was able to go to Ascutney as they were packing up the last of their hoses but was able to talk to Chief Spaulding about how it went.

Kelly asked about the stipend that the Board agreed on for the volunteers that participated in the hose testing to

verify it was given to the departments and used accordingly.

Included in the packet (attached) is a copy of the Fire Matrix that has been presented throughout the Municipal Fire Department Discussions. That was briefly reviewed again. It is something that can be reviewed and referred to as the monthly meetings between the Town Manager and Fire Chiefs continue.

b. Next Steps

The Town Manager asked the Select Board to discuss the next steps as far as making a decision how they are going to address issues at hand, for example, are we going to move to a single department, clear response expectations, what does the Select Board want them responding to?

Examples given by the Town Manager:

Emergency Medical Calls. We are contracted through Golden Cross and our Fire Department goes to support them. Do we want that to be a mandated service from the Fire Departments? Do we want them to respond if they are available to? What level of response in different situations?

There has been a lot of discussion on what we're doing, but there has been no decision made on how we are going to move forward. We have gone in bunch of directions and there are a lot of ideas out there, but we have never made a definitive decision.

N. John Arrison discussed needing to get Golden Cross Ambulance involved in the discussion regarding medical. We would have to set up some sort of protocol on who and what level the decision is made to not tone the Fire Department.

The Town Manager noted that making the call of whether the Fire Department should go or not go is a tough one because you get in situations where the Fire Department shouldn't have been toned but was or wasn't toned and should have been.

Kelly Murphy agreed as there have been times, in her experience, when a call has come in as one thing, but when you arrive on scene it ends up being something totally different. When you have someone giving and assessment to the ambulance that helps an ambulance to visualize.

Ray Stapleton suggested that instead of deciding what level of call to respond to, you figure out what level of training you want people to have or the service you expect them to provide when they get there.

Paul Tillman commented that having a familiar face in the event of an emergency, even if they can't do something, just having the reassurance the ambulance is on the way and the familiarity is calming.

The Town Manager said if we are going to make decisions about what response levels we want people to have then we need to make decisions on how much money we are willing to put into training.

Kelly Murphy stated that as a Town we will need to be very clear liability wise, about what the stipulations are around this would be. If you're an EMT on the volunteer Fire Department, that's totally different than if you are a volunteer Fire Fighter and your scope of service is the base you get in Fire 1. "I would want to know what are the levels and what do I have for liability?"

The Town Manager commented that levels of liability should come with training. When you get trained you can only act within your scope of practice.

Michael Todd thanked the Fire Fighters for all that they do and reiterated that one of the goals for the Municipal Fire Department plans was for the Chief to be an EMT. He asked "How many calls in the Town are for fires annually."

Josh Dauphin stated "For WWVFD there are between 128-140 calls annually, of which 65-70 are EMS related and the remainder are fire related."

Michael Todd discussed that based on the numbers from WWVFD, EMS seems like a pretty important area that we should be addressing. "Working towards a better system is the goal, whether that's Municipal or whether that is unified, and how we get there."

Based on the most recent Town Report, WWFD had:

186 calls for the 17' – 18' year, of which the 2 largest volume calls were:

- Medical (69 calls)
- MV accidents and car fires (49)

55 times WWVFD were called to Ascutney.

Josh Dauphin “So out of that 189 calls, take out the 55 times we came to this side of Town, then minus the 69 on medical calls so the remainder is fire related on the West side of Town.”

There was no one from AVFD at the meeting and that data is not included in the most recent Town Report.

N. John Arrison “I don’t disagree with anything that has been said, but it doesn’t address the problem right now, you’ve got about 4 people, when they can, responding to all medical calls. That’s way too much to ask of anybody to pull themselves out work that much, the daytime is particularly problematic, but I think that the night time response is the same people too. People don’t have the inclination or the time. So, either you form a Fast Squad and handle it that way, trying to make a hybrid Fire Department/Fast Squad is ...”

Michael Todd “The point is that EMS is very important and is lacking and it needs to be addressed. I know the Municipal Department Plan is supposed to do that; it’s headed in that direction.”

There was further discussion about the proposed roll of a Municipal Fire Chief, being and EMT and the majority of his work would be focus on that.

Ray Stapleton suggested is to simplify or explain the Fire Service. There are so many different variables of service, HAZMAT, Search and Rescue, Swift Water Rescue, etc. The Town needs to define a baseline service that they are able to afford and can do.

Issues discussed on the variables of service:

- What level of service do we offer?
- How do we communicate that with the Town?
- What is the basic understanding for these “specialty” areas?
- Clear definition and having an emergency plan of mutual aid coming for those calls.

Josh Dauphin “Our Fire Service right now is more or less at the baseline. I’m looking at it as one Municipal Department. There are a lot of specialty items for training that who really covers those are the paid, full time departments. When you say, “try to get that out to people” what’s most important? A lot of time, until that individual is in whatever situation they’re in, they’re going to wait 15-20, half an hour before we get a technician on whatever call it is. They aren’t going to be too pleased.”

“It can be very expensive to try to cover all of those areas, there is no reason why, we as a Town, would not be able to get a couple Fire Fighters, not 2 single departments, but 1 department, get individuals that are willing, dedicated to take and go to the trainings. A lot of them cost money, a lot of hours involved in those. Get individuals in these certain areas, we don’t need a whole team of 4 or 5, 6 of them. That way our initial response, we can start the process a lot quicker than waiting for Mutual Aid to come in.”

This would also allow for us, as a Town, to offer Mutual Aid back to the towns that we ask for help from all the time, if there is an incident.

“One of the biggest things for me is, yes we are going to have a full time Chief to do all these duties, but for me to have a Chief that is at least an EMT Basic, if not higher, to take and handle, we have no rescue squad, we have no Fast Squad, we are limited on EMTs on either side of the Town, and if there are EMT’s they are probably doing it as a full time job and they’re not around for probably 80% of the calls. So, we’re back to square one with our individuals doing First Aid, CPR, the bare bones basic of trying to provide service on these medical calls.”

Kelly Murphy addressed concerns of this situation being a huge part of burn-out for the volunteers.

The current set up is with the 6 Line Officers. They are currently doing 2 officers rotating 6am – 9pm and 9pm – 6am.

There was discussion surrounding the number of hours required to become a 1st responder, Basic EMT, etc. past and present. There are varying levels with varying certifications depending on what you want to do, how often you want to recertify, etc.

Mike Todd “How many 1st responders do you have Josh?”

Josh Dauphin “There are 2 different ways to answer that. As a Fire Department, we are considered First Responders, through the National Registry, zero.”

Mike Todd “Do you know what Ascutney is?”

Town Manager “They are probably 1 or 2.”

Josh Dauphin “So it comes back to, we have the hours just to do the fire fighting stuff and then we have the this whole other module of EMS, where it’s just as many hours as the fire side of it and to try to obtain people to do both as just a volunteer basis is very hard to get that commitment from someone.”

One of Josh’s goals is to work on closing the gap and having a working relationship with Springfield and Golden Cross on certain calls that are high demand of having adequate, highly trained EMTs and reducing response by 10 – 15 minutes.

Mike Todd “Do you think having a Municipal Chief would lower those response times?”

Josh Dauphin “Having a Municipal Chief that is an EMT, you’re talking about from a 5- 8-minute eminent mark of having someone trained, probably to any part of our town, before an ambulance.”

Town Manager “Having a Chief would help building relationships with these services.”

Ray Stapleton “Besides building a relationship with area town is recruitment, setting up scheduling, you talked about Ascutney having a scheduling, getting people trained so you’re not having burn out, having the time to set all that stuff up is huge. That’s all planning and management, which there’s so much other stuff going on with Josh and Darrin’s lives, and whoever else is in charge, a lot of that stuff is hard to do.”

Discussion was wrapped up with next steps and being tasked to decide what they want our Fire Department to become and having continued discussions regarding the Municipal Department.

7. Town Solar Project Lease Discussion (Possible Action Items) (See Transfer Station Proposal Letter to the Select Board dated 7/2/19 attached.)

Christian Huebner was present, he is the abutting landowner to the Transfer Station.

Kelly Murphy “What are your thoughts, because the last time I personally saw you at a meeting you didn’t say anything. So, what are your thoughts on this project.

Christian Huebner “I am supportive of the solar project at the Transfer Station. I have no issue with it whatsoever. It doesn’t impact my line of sight at all, if it did, some things are good for the public good as well. “
Kelly Murphy “Have you viewed the most recent map, because you went through that update you said and there were a couple changes made.”

Christian Huebner “I just saw, I watched the SAPA and read the notes from the last meeting as well. We were out of town. I saw that you were paying attention to the Green Mountain Power line a little bit more and trying to move the array back a little bit from that to mitigate Nikkita from being able to see it.”

a. Lease Payment Allocation

“After some thought and discussion with staff, I feel we should apply the lease payments to the budget of where the array is hosted (\$11,000 to the highway budget and \$11,000 to the transfer station budget).”

Town Manager discussed the current Transfer Station Budget. “The Reserves may look high at \$72,000, but they are actually pretty low. “

The reserve fund for the transfer station should have \$150,000+ in it to cover current needs:

- \$81,000+ for the capping fund (figured at \$69,000 for 16 years assuming 1% interest)
- \$29,000 as required by our current transfer station permit
- \$40,000 estimated need for the new compactor and concrete work that needs to be completed within the next year.

Currently the reserve fund has \$72,703 in it, which leaves a need of \$77,297. With this amount needed and the continued accrued interest for the capping fund, it would take approximately 8 years of lease payments just to catch up to where we should be. This does not take into account other changes and projects, or future revenues.

b. Lease Review

Troy is on vacation; the lease has not been completed.

Town Manager “We are one of the few transfer stations this year that came in, in the black.”

Kelly Murphy “Why would we not put the funds towards where those things are located?”

Mike Todd “My idea would be to put half of it in the General Fund, from the Transfer Station. My only reason for that is, I’m listening to this presentation, where does the budget fall? You’re telling me it’s in the black and it might not be and we have some projects coming up. How does that budget, when we go to the Town Meeting, we say that the Transfer Station is a self-supporting.”

Town Manager “We do not use any tax funds.”

Mike Todd “On an annual basis, the Transfer Station supports itself so why not take some of those profits and put it to the general fund?”

N. John Arrison “The argument there is that it’s a town asset, that whole town should benefit from it.”

D. Boyer “I disagree and think it should all go to the Transfer Station because 1.) It will help stabilize the fees and if you increase the fees the trash ends up on the roadsides. If we can keep it down, that means it will go to the Transfer Station.”

Kelly Murphy “I agree with Dan.”

D. Boyer made the motion to “Take the proceeds coming in from the solar projects go to the departments they are in; the Highway goes to the Highway and the one at the Transfer Station goes to the Transfer Station.”

Mike Todd 2nd

Vote on the motion: 3 ayes, 1 abstain

8. Set 2019-2020 Property Tax Rate and Due Dates (See attached letter to Select Board)

Note – there was a calculation error in the letter to the Select Board. The property tax rate was listed at .6252, however the correct calculation should be .6253.

Recommended: Set the property tax rates for the Town of Weathersfield at .6253, the Village of Perkinsville tax rate of .0391.

Darlene wanted to make note that there is new terminology on the tax bills, instead of Homestead and Non-Homestead it will read Non-Residential and Residential.

The look of the tax bills has also changed. The top of the bill will resemble your previous bills. You will still have the quarterly tear tabs for payments; however, the middle section of the bill is now broken into 2 sections. On the left side it is all the municipal related info broken down and on the right side is the educational related info broken down.

This could become confusing for escrow companies, so she cautioned to give them a call when the new bills are released so they are aware of the changes and taxes are set up properly.

Dan Boyer made the motion to “Set the property tax rates for the Town of Weathersfield at .6253, the Village of Perkinsville tax rate of .0391.”

2nd by N. John Arrison

Mike Todd “Because this overall rate is showing an increase, I just want to make sure we make it clear, when we went to Town Meeting the proposed Town Budget, with the Municipal Fire Chief, was up \$0.02 and now the Municipal side is down \$0.02. I just want people to understand this increase doesn’t come from the Municipal, doesn’t come from here, it had nothing to do with us.”

Darlene noted that one of the reasons for the new bill format is to break it out and show you how much the educational is costing you as a taxpayer vs. the Municipal.

Vote on the motion: Unanimous in favor
Abstained

N. John Arrison made the motion to “Set the quarterly property tax due dates for the 2019-2020 tax year to be due on or before:

- August 14th, 2019
- November 13th, 2019
- February 12th, 2020
- May 13th, 2020

D. Boyer 2nd

Vote on the motion: Unanimous in favor
Abstained

9. Set Transfer Station Rates (See attached letter to Select Board)

Recommendation: Set FY 2020 Transfer Station fees at the following rates: \$50.00 sticker fee for Weathersfield Residents, \$60.00 sticker fee for West Windsor and Reading, and \$3.50 per punch.

N. John Arrison made the motion to “Set FY 2020 Transfer Station fees at the following rates: \$50.00 sticker fee for Weathersfield Residents, \$60.00 sticker fee for West Windsor and Reading, and \$3.50 per punch.”
2nd by D. Boyer

Vote on the motion: Unanimous in favor
Abstained

12. Wedding Noise Permit (See attached letter to Select Board)

Recommendation: Grant an entertainment permit for the Inn at Weathersfield for the evening of July 20th, 2019 from 8:00PM to 11:00PM.

D. Boyer made the motion to “Grant an entertainment permit for the Inn at Weathersfield for the evening of July 20th, 2019 from 8:00PM to 11:00PM.”

Mike Todd 2nd

Vote on the motion: Unanimous in favor

Abstained

13. Approve PM-1 form for VDCP Authorization (See attached letter to Select Board)

Recommendation: Authorize Cindy Ingersol to act as administrator and Ed Morris to act as authorizing agent for the Town of Weathersfield in regard to the VDCP grant # AM-2017-Weathersfield-00001.

D. Boyer made the motion to “Authorize Cindy Ingersol to act as administrator and Ed Morris to act as authorizing agent for the Town of Weathersfield in regard to the VDCP grant # AM-2017-Weathersfield-00001.”

Mike Todd 2nd

Vote on the motion: Unanimous in favor

Abstained

14. Adopt 2019 State of Vermont Road and Bridge Standards (See attached letter to Select Board)

The state of Vermont has released new road and bridge standards to encompass the changes from Act 64. To continue to be eligible for increased FEMA ERAF payments, there are mandatory adoption standards that need to be adopted by the Select Board. We recommend adopting all the standards except the optional guard rail standard. We recommend not adopting the guard rail standard, because we do not have the funding to upgrade all the guard rails needed at this time. As per our Town policy, guard rails will be installed upon completion of a project or as needed. By not adopting this standard, it allows us to put in guard rail when we deem it is necessary per the federal safety standards and our policy but does not mandate it.

Recommendation: Adopt the 2019 State of Vermont Road and Bridge Standards excluding the section 6 guard rail standard.

D. Boyer made the motion to “Adopt the 2019 State of Vermont Road and Bridge Standards excluding the section 6 guard rail standard.”

Mike Todd 2nd

Vote on the motion: Unanimous in favor

Abstained

15. Budget Discussion

Darlene provided a summary of the preliminary financial report for FY19.

General Fund: General Funds revenues are 100% of budget and expenses are at 94% of budget with an anticipated surplus of \$79,000.

- Revenues were up in interest and delinquent taxes.
- Savings are due to the following:
 - Personnel costs for Admin had a \$26,000 surplus due to combining the payroll and administrative secretary position.
 - The Police Department had personnel savings of \$24,996 due to the delay in hiring a part time officer and due to the time Larry, the full-time officer leaving and his replacement, Walter, starting.
 - The General Fund Staff had a savings of \$8,000 in insurance benefits.
 - 4 General Fund Staff chose the Opt-Out Benefit Plan at a cost of \$40,000 to the Town. If they had chosen insurance benefits, the cost to the Town would have been \$88,000.
 - Office supplies and expenses are down 18%.
 - Tax Collection was down 14%
 - Martin Memorial Hall expenses were down 22%.

Highway Fund: Highway Fund revenues are at 98% of budget and expenses are at 97% of budget with an anticipated \$10,000 surplus.

- Savings are due to the following:
 - Personnel costs were down \$9,000 with Ryan leaving in March.
 - Overtime costs were at only 79% of the budget.
 - Office expenses were at only 82% of the budget
 - Utilities were at only 82% of the budget.

Highway garage maintenance and truck expenses were slightly overbudget as needed maintenance was done.

Personnel efficiencies offset the costs of the costs from the long, icy winter.

Solid Waste: Solid Waste revenues are at 104% of budget and expenses are at 100% of budget with an anticipated surplus of \$7,000.

- Personnel, office expense, utilities, insurance and recycling were all under budget, which offset the tippage charges being over budget.

Library: Library revenues are running at 104% of the budget and expenses are at 95% of the budget with an anticipated \$11,000 surplus. (This is part of the \$79,000 General Fund Surplus)

- The Library Trustees used endowment money to cover the cost of some major projects at the library this year, which included new computers and bookcases, which contributed to their local budget not absorbing those expenses.

D. Boyer made the motion to extend the Select Board Meeting until 9:30.

N. John Arrison 2nd

Vote on the motion: Unanimous in favor

Abstained

The Town Manager did a Presentation on Reserve Funds (see attached Power Point Presentation)

The topics covered were:

- Capital Reserves
- Weathersfield Reserve Accounts
- Capital Planning
- Town Manager's Recommendations
- Why Have an Undesignated Fund Balance?
- How Much Undesignated Fund Balance Should We Have?
- Select Board Fund Balance Policy
- Weathersfield Undesignated Fund Policy
- Select Board Policy
- Why Fund Balance Should Not Be Used to Buy Down the Tax Rate
- Recommendations for FY 2019 Surplus

Recommendation:

- Allocate up to \$12,800 to the Fire Motorized Equipment Reserve per the 2017 fire agreement.
- Allocate up to \$10,000 to be placed in the Highway Capital Maintenance Reserve
- Allocate up to \$70,000 to be placed in the Martin Memorial Hall Capital Reserve

The Board did not vote on these recommendations. They asked to have the final budget numbers prior to the August 15th meeting to review and vote at that time so that Darlene will be able to have the numbers needed to do entries prior to the Auditors visit August 27 -29, 2019.

16. Appointment Discussion

Mike Todd asked that we add Oath of Office discussions to the agenda. At that time Kelly stated we should also discuss the appointment process and whether or not the Select Board would like to add an application process to some of the appointments.

a. Oath of Office

(From the letter to the Select Board from the Town Manager – Attached) “There has been discussion of this in the past and discussion has centered around whether the committee/commission had authority to spend money. To reduce this confusion, I recommend all elected and Select Board appointed positions be required to take an oath of office at the beginning of each term.”

b. Application Process

“As for the discussion of an application process, I do feel it would be good to have an application for some positions. I do not feel we should put requirements on most appointments but having an application that asks a few questions about why someone wants the position, or why they feel they would be a good appointment ensures people have thought through the position applied for.”

The Town Manager provided an example of a possible application he felt would be similar to what our Town would need. (See attached)

Kelly Murphy “Does anyone have any objections to placing in an Oath of Office and are you ok with the recommendation all elected and Select Board appointed positions being required?”

Mike Todd “Another thing to support it is when that happens the Town Clerk has a recording of when that person took that and it provides the correct and accurate dates for service.”

Mike Todd made the motion to “have all elected and Select Board appointed positions be required to take and oath of office at the beginning of each term.”

D. Boyer 2nd

Vote on the motion: Unanimous in favor
Abstained

Kelly Murphy “What are your thoughts on instituting and application process. Part 1, what do you think of the application process? Part 2, What do you think of the form? And Part 3, Are there specific positions you would like to see that be applied to?”

Dan Boyer voiced concerns about the time it takes to complete a form deterring potential people applying for positions

Kelly Murphy’s suggestion is to make an electronic version and put it on the website for people to fill it out.

Further discussion will be had on the development of an application for Board members and discussed and reviewed at a later time.

17. ZBA Resignation Alex Gleeson (See attached letter to Select Board)

We received a resignation from the ZBA from Alex Gleeson and a letter requesting appointment as an alternate to the ZBA from Dave Gulbrandsen.

Recommendation:

- Accept the resignation of Alex Gleeson from the Zoning Board of Adjustment
- Appoint Dave Gulbrandsen as an alternate to the Zoning Board of Adjustment

D. Boyer made the motion to “Accept the resignation of Alex Gleeson from the Zoning Board of Adjustment”
Mike Todd 2nd

Vote on the motion: Unanimous in favor
Abstained

Mike Todd made the motion to “Appoint Dave Gulbrandsen as an alternate to the Zoning Board of Adjustment”
D. Boyer 2nd

Vote on the motion: Unanimous in favor
Abstained

18. Appointments

- A. Budget Committee (Three Openings)**
- B. Connecticut River Joint Commission**
- C. CRJC Mt Ascutney Subcommittee**
- D. Fence Viewer (Two Openings)**
- E. Southern Windsor County Transportation Advisory Committee**
- F. Zoning Board of Adjustment (One Opening) Dave Gulbrandsen**

Mike Todd made the motion to extend the Select Board meeting until 9:35 pm.

D. Boyer 2nd

Vote on the motion: Unanimous in favor

Abstained

19. Approve Warrant

Motion: To approve the warrants for 7/9/19 as follows:

General Funds	Operating Expenses	\$72,187.57
	Payroll	\$22,402.53
Highway Fund	Operating Expenses	\$33,646.32
	Payroll	\$11,809.32
Solid Waste Mgmt Fund	Operating Expenses	\$12,306.18
	Payroll	\$2,411.71
Library	Operating Expenses	\$0.00
	Payroll	\$2,922.54
Grants	Operating Expenses	\$1,539.50
Agency Monies	Operating Expenses	\$70.00
Reserves		\$140.85
Long Term Debt		\$0.00
Grand Totals	Operating Expenses	\$119,890.42
	Payroll	\$39,546.10

20. Adjourn

D. Boyer made motion to adjourn the meeting at 9:36 pm

Mike Todd 2nd.

Follow up items:

10. Nonprofits use of transfer station and associated fees

11. Bottle Redemption Fund for Historical Society



Reserve Funds

Why have them?

Types of Reserve Accounts

- Reserve Fund (assigned in the audit) - sets aside money for covering scheduled, routine and unscheduled expenses that would otherwise be drawn from the general fund.
- Committed Reserves - Earmarked for a certain purpose
 - Special Purpose Reserves- Fund for residents in need, parks and rec, rabies prevention, etc...
 - Capital Reserves – savings account to save for capital improvements or equipment purposes
- Undesignated Reserves (Unassigned in the audit)- General and operating funds that are free of internal designation to specific purposes, programs or activities.



Capital Reserves (Majority of our Reserves)

- Capital Reserve - type of account on a municipality's or company's balance sheet that is reserved for long-term capital investment projects or any other large and anticipated expense(s) that will be incurred in the future
- (<http://www.investopedia.com/terms/c/capitalreserve.asp>)



Weathersfield Reserve Accounts

1. Rainy Day Reserve (Undesignated) \$200
2. Solid Waste (Reserve for capping, closing Transfer station and capital improvements)
3. Highway Maintenance
4. Highway Equipment
5. Motorized Fire Equipment
6. Library
7. Reappraisal
8. Aid to residents in need
9. Police Cruiser
10. Veterans Memorial



Weathersfield Reserve Accounts

11. Fire Protection (Dry Hydrant)
12. Martin Memorial Hall
13. Town Office Capital Improvement
14. Parks and Rec
15. Center Grove Preservation
16. Rabies Prevention
17. Voting Equipment
18. Perkinsville School Capital Improvements
19. Conservation
20. Records Restoration
21. Town Clerk Computerization



Capital Planning

- Four ways to finance capital expenditures
 - Savings (Reserves)
 - Financing (Debt)
 - Grants
 - Pay as you Go (Taxes)
- Past, Present and Future Philosophy
 - Use savings, taxes, and financing (debt) in conjunction to pay for large capital expenditures.



My Recommendation

- Create long term capital plans and build capital reserves to appropriate levels, allowing the Town to purchase and maintain the Town's capital expenditures without undo strain on the taxpayers.
 - Determine a % to be spent annually on Capital Spending.
Currently Planning on 15% – 16%
 - Save for small capital purchases (Vehicles (under \$100,000, building maintenance, etc...)
 - Use the Past, Present, and future philosophy for large items the Town may have trouble saving for (Large road projects, Fire Apparatus, etc...)
- Use grants to supplement plans, but not be relied upon for future success.



Why Have an Undesignated Fund Balance

- GFOA recommendation
- It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.



How Much Undesignated Fund Balance Should We Have

- GFOA recommendation
- The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance.
- Smaller municipalities should keep a higher percentage in fund balance than larger municipalities.
- At a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures (\$343,878 and we have \$318,000).

(<http://www.gfoa.org/appropriate-level-unrestricted-fund-balance-general-fund> , 2015)



How Much Undesignated Fund Balance Should We Have

- VLCT recommendation

To be fiscally prudent, it would be wise to maintain about 5% of your budget (\$103,164) in undesignated fund balance (not reserved for any other purpose). Some would argue that those funds should be returned to the taxpayer by reducing the ensuing year's taxes by the amount of the prior year's undesignated fund balance. This limits the municipality's ability to recover when an emergency creates expenditures in excess of what was budgeted, or revenue is less than anticipated, and forces the taxpayers to fund a deficit the next year.

(http://www.vlct.org/assets/Resource/General_Articles/2003/ga_03_11.pdf, 2003)

- ICMA recommendation = Reserves equivalent to six month of General Fund operating expenditures (\$1,031,635 our total reserve funds equal \$903,266).

“For many years local governments were criticized for maintaining what were thought to be large general fund reserves” (larger than 5%) “Yet, reserves play a significant role in maintaining financial stability”.

(Steering a steady budgeting course, Public Management Magazine, June 2019)



How Much Undesignated Fund Balance Should We Have

Notice the dates of GFOA and ICMA are after the downturn of 2008, and the VLCT 5% recommendation was 2003.

The new recommendations are to maintain higher reserve balances to ensure fiscal stability and minimize tax rate fluctuations.



Selectboard Fund Balance Policy

The Selectboard of the Town of Weathersfield understands that maintaining a fund balance in all funds is an important component in the Town's financial health. The Government Finance Officers Association recommends between 5% to 15 % of a municipality's budget be maintained as fund balance, with smaller towns (population under 7000) maintaining 15% of their budget in unrestricted fund balance. The Selectboard understands the need to maintain a sufficient balance of unrestricted funds while not allowing unrestricted funds to accumulate to excessive levels. Because of this, the Selectboard recommends maintaining the Town's unrestricted funds (General Fund Balance, Highway Fund Balance, and Unspecified Reserve) between 13% and 15% of the total General and Highway Fund budgets.



Weathersfield Undesignated Reserve Fund

- March 4, 2013 Article 4
- Shall the voters of the Town of Weathersfield establish a Reserve Fund in amount not to exceed 10% of the General Fund Budget (\$180,578) to cover unanticipated revenue shortfalls and to pay non-recurring and unanticipated General Fund Expenses, in accordance with 24 VSA §2408 (a).



Selectboard Policy

- **MINIMUM UNDESIGNATED RESERVE FUND BALANCE.** The Selectboard will maintain the balance at a minimum of 5% of the General Fund and up to the maximum (10%) amount authorized by the voters.
- \$96,189 (8.7%) in there right now.



Why fund balance should not be used to buy down the tax rate?

- Fund Balance should not be used to pay reoccurring expenses, because fund balance is a non-reoccurring revenue.
 - :Non-reoccurring revenue should be used for such priorities as building reserves, paying down debt, and improving infrastructure”. (*Steering a steady budgeting course*, Public Management Magazine, June 2019)
- Using non-reoccurring fund balance to buy down the tax rate sets future budgets up for a rate spike.
 - Example:
 - If you buy down \$50,000 worth of reoccurring expense this year, where is that revenue coming from next year. This causes next years budget to start with a \$50,000 increase.
 - If you use \$50,000 to complete a one time project, build reserves for future projects, or buy down debt, there are no lingering effects.



My Recommendations for FY2019 surplus

- Highway –Up to \$10,000 to be move to the Highway Capital Maintenance Reserve for future road maintenance.
- General Fund
 - Up to \$10,000 be moved to Fire Motorized Equipment Reserve as per the fire contract.
 - Up to \$70,000 be moved to the Martin Memorial Hall Reserve with the following plan.
 - \$30,000 to be used for installing heat pumps
 - \$40,000 to be used towards resurfacing the parking lot.

This will leave approximately \$318,000 between the three fund balance accounts (Undesignated Reserve, General Fund and Highway). This equals 15% of our FY2020 budget of \$2,063,270.

