

**Town of Shaftsbury
Selectboard Special Meeting
Wednesday, December 18, 2013
4:00PM**

Members Present: Karen Mellinger, Ken Harrington, Mitchell Race;
Members Absent: Carl Korman; Tim Scoggins
Others Present: Margy Becker, Town Administrator;

1. Call to Order

Called to order by Karen Mellinger at 4:00PM

2. Approval of Minutes

Motion by Tim Scoggins to approve the minutes of November 18, 2013 with corrections; 2nd by Mitch Race. Motion carried unanimously.

Motion by Mitch Race to approve the minutes of November 25th, 2013 with corrections; 2nd by Ken Harrington. Motion carried unanimously.

Motion by Ken Harrington to approve the minutes of December 2nd, 2013 with corrections; 2nd by Tim Scoggins. Motion carried unanimously.

3. Conflict of Interest Statement

No conflict was reported.

4. Announcements - none

5. Public Comments – none

6. FY15 Budget Workshop:

Discussions resumed on proposal to pave White Creek Road. Ken Harrington informed the Board he had inspected the shoulder area where base improvements had been made. He reported the area is settling, which indicates there is still an issue with subsurface water.

It was noted the FY14 budget calls for a transfer into the Paving Reserve Fund in the amount of \$35,000. The Selectboard agreed to budget a \$25,000 set-aside in the same reserve fund to cover the local share of remaining White Creek paving expenses. The balance of funds, if any, could then be applied towards the local share of Buck Hill Road paving in FY16 (if grant is received).

The Board discussed the status of the Town's 'fund balance', its accumulated assets (primarily

cash). The fund balance includes prior surpluses – or revenues in excess of expenditures.

Karen Mellinger noted that subsequent to Tropical Storm Irene the Selectboard had asked the voters to establish a so-called Fund Balance Reserve Fund as a contingency fund. This is separate from the fund balance. The Town stopped funding the Reserve Fund, when its \$300,000 fund balance was confirmed by Bill Fisk in FY2012.

Bill Fisk stated he would prefer the Selectboard try to maintain a \$200,000 fund balance. This would assure the Town would not have to borrow immediately for the first quarter of the new fiscal year. Substantial debt service and insurance payments are due in July annually.

Mitch Race inquired about the feasibility of making tax payments more than once a year. He noted some other communicates which schedule tax payments bi-annually or quarterly.

Ken Harrington asked Bill Fisk whether a 4 to 5 cent tax increase over 5 years would give enough money to fund a town garage. He stated that several people who voted against the garage have come up to him to say they would support such a tax increase.

The Selectboard reviewed with Bill Fisk the proper accounting methods to be used to illustrate grant expenses in the operating budget. Options include running all grant expenses through the general fund *or preferably* a ‘capital project fund’. A separate report would then have to be prepared for the Town Report. It was agreed the Treasurer will set up the Capital Projects Fund. This is an internal accounting issue not needing voter approval. It was subsequently agreed that all paving grant expenses will be run through the Paving Reserve Fund, which will become part of the new capital projects fund.

Bill Fisk said gravel road improvements are not capital improvements. A capital project would imply a bridge or culvert replacement.

Karen Mellinger asked the Board what fund balance amount should be budgeted as revenue for the FY15 budget to offset the amount to be raised in taxes. No action was taken. The topic will be addressed at the December 30th meeting. The Selectboard agreed to its objective to adopt the budget January 7th.

7. Adjournment

Motion to adjourn at 7:20PM by Mitch Race; Tim Scoggins 2nd. The motion carried unanimously.

Submitted by,
Margy Becker