

**Town of Moretown
Office of the SELECTBOARD**

Notice of unapproved minutes of the January 28, 2008 special meeting for the purpose of the Selectboard getting year end account balances for all town accounts, year end financial reports for the Town Report and to continue work on the articles and budget.

Members present: Paula Mastroberardino, Stephanie Venema, Rae Washburn III, Don Wexler and John Hoogenboom arrived at 5:40

Guests: Ron and Vera Ward, Wilma Maynard, Sheila Griffith, Susan Goodyear, Amy and Dave Deutl, Cheryl Brown-clerk for the Selectboard

Paula called the meeting to order at 5:30

Account balances - Paula said to Susan that the Board has been working on the budget and that she has left requests for balances of all fund accounts and for the activity in the landfill account.

Susan left what she said was an analysis for each of the funds some of which are tied to the bank statements and other computer reports for the accounts that Susan said, the Selectboard did not want them to do the bank statements. Susan gave an overview of the accounts describing which accounts were tied to bank statements as of 12/31/07 and which account reports do not reflect the correct ending balance. Three accounts in question are the Recreation Fund, the Planning Grant and the Firestation/Garage/town hall account. Susan said she is not sure why adjustments have not been made to tie out the accounts (such as incorrect beginning fund balances) or where some of the figures came from such as the minus figure for the beginning balance of the Recreation Fund when in actuality there is around \$7,000 in the account. Susan said since she does not post to/from accounts, she is not sure what the Due to/from Other Funds – represents on some of the accounts. She said it could be with the setting up of some of these funds.

The planning grant account shows a minus balance of \$230,000 and Susan said she has no idea where that came from.

Paula questioned where the funds came from or what was posted to the accounts and asked Susan if we could print out reports of the transactions so they could try to figure out where the balances came from? Susan printed reports and then after they were reviewed, continued going through the accounts.

The firestation/garage/town hall account. Paula asked Susan if she could tell what money is what? Susan said she could tell her that the bank statement shows the bank has \$677.30. Paula asked where the other \$920 is that shows to/from? Susan said she has no idea, that she does not do the to/from funds. She said that has been set up when they set up these funds and she does not post anything to that. Paula said we can look it up and see where the \$920 came from but today is January 28th, so I guess there is a lot of work to do.

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The Board continued to review various account entries on printouts provided by Susan and additional information printed tonight, for the next several minutes.

Bridge and culvert fund - Stephanie questioned why the Bridge and Culvert Fund shows a zero balance when there should have been monies left in the fund after the River Road project.

Susan said the fund has \$ 27,513.56 in it but the funds are included in the general fund balance.

Recording - Paula asked how much in recording fees was deposited in 2007? Susan answered \$19,949.29. Paula asked how much has been deposited in 2008 so far? Susan answered \$790.40. Susan has no idea how much in recording fees is left to be deposited.

Library - Stephanie said the Library was donated \$1100 from Kingsbury Construction and Polly purchased books in December from that \$1100 and submitted the invoice in December. Polly said Susan told her that the invoice would come out of her 2008 budget.

Stephanie said it seems as though if the donation came in 2007, and is not part of the budget, and the books were purchased in 2007 from that donation, that the purchase should not go toward any budget.

The decision was the \$1100 book purchase used toward the donation will not be charged to the 2008 budget if Polly specifies the purchase was from donated funds. Susan agreed that if the donated funds were spent in 2007, that an adjustment may have to be made to the 2008 Library expenditures for the \$1100 purchase.

Town hall donations in 2007 were reviewed. Stephanie said she is not comfortable putting in the \$900 that was made on the dance Saturday night, if it is not going to show specifically in an account. She said she would like a report showing the funds donated for each organization and an itemized account of what those funds are being spent for. After looking on the computer, Susan said \$900 was received from the dance last year. Paula asked what account the \$900 went into if the bank balance is now \$677.20 and nothing has been spent from the fund? Susan said she will find out what account it went to and transfer the funds into the. Stephanie said getting an itemized report once per year is fine with her, she is just asking to see what was donated and where the funds were spent.

Remaining account balances - Paula asked Susan when the Board can get the remaining account balances?

Susan replied as soon as it is done but she couldn't give a date. She said right now they are working on closing out payroll for the year and W2's.

Paula said it is important for this board to know what the balances are so we do not go to town meeting for the third year in a row not knowing what the bank balances are. The Selectboard would like the information to review before voting on a budget.

Year end audit - Susan said Michelle from Sullivan, Powers is coming to finish year end work on 2/5/08 and to reconcile all bank accounts. Susan said there will be financial reports in the town report.

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Paula asked Wilma and Sheila, past town auditors, if when they audited the town's financial records, if they ever waited for direction from the Selectboard before they started the year end audit? They both answered no. Paula said according to one town auditor, they might have been under the assumption that the Selectboard was hiring accountant to do the year end audit so she has no idea if the town auditors will have reports ready for the town meeting. Paula will call Bridgette Remington later this evening to talk with her about the audit and to let her know the Selectboard has no plans to hire an independent auditor to do the year end, at this time.

John said just because we hired independent auditors before, they should not assume we would be doing that again this year.

Susan said the auditors have been working on the reports as soon as they get them.

Wilma asked how the Selectboard can place town meeting articles if you do not have all fund balance?

Paula said we will continue to work on the budget and articles but if we are not satisfied with the reports we have for town meeting, we will pull the articles warned and not have a town meeting vote.

Susan said she fully expects the reports will be in the town report.

Paula said she/the Selectboard wants to see the reports before they go into the town report.

Sheila said it is the responsibility of the Selectboard to be sure the financial reports are correct before we vote on a budget and articles.

Paula agreed and she will call Fred Duplessis and tell him we are meeting on Monday, 2/4/08 and ask if Michelle can reconcile the bank accounts before the meeting. Paula said she is not comfortable passing a budget and/or signing a warning when we do not have reconciled fund balances. Paula said Michelle can not work on month end and work on the year end audit also.

Susan doesn't see why because some of the accounts are not reconciled, what that has with setting a town budget. The town budget should be as low a figure as possible that would do the business of the town in a good fashion.

Paula thanked Susan for her words and added that we do not have an accurate portrayal of how much money we have to spend. Some accounts are showing negative balances and it is irresponsible to set a budget and articles without 100% of the information.

Susan said everything Michelle has done so far is in the computer.

Paula said she started asking Susan for the ending account balance information in December so we would not end up in this situation and here we are. You just said you will have those figures on Monday, 2/4/08.

Susan said I thought everything you had asked for I gave you?

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Paula said you are leaving here tonight with requests that were still not answered. Paula said you would think that if a Selectboard asked for year end account balances in mid December, we would have them before now. There are still accounts that we do not have accounts balances on that you have said that you will supply by Monday.

Sheila said, don't the minutes reflect that Susan was asked for the account information and that the Selectboard did not get that information?

Paula said yes.

Conservation Easement money from MLI – Susan asked the Board where they want the monies received from the MLI Easement kept?

The school is to get ½ of the monies after attorney fees have been deducted.

The monies are to be kept in a separate fund. Paula will find out what the school's legal costs were from Ron Shems for the easement. Susan will find out what the town's legal costs were from Paul Gillies.

Budget work –

- Town hall – the floor has been done \$3900 and the manhole has been made which is part of the drainage repair between the mill yard and Fletcher Road. Enough money was put in the budget to pay for the floor and manhole and the voters will be asked to approve another \$50,000 to complete another phase of repairs.
- Library – is asking for an additional \$8,000 over last years budget. The budget was approved as \$15,000, a reduction from the \$18,721. The \$4,300 increase to the Library budget will allow extra payroll to keep the facility open enough to meet the public needs and to meet state certification standards and for additional internet services.
- Grader – purchase will be made from the Capital Reserve Fund so there will be no amount budgeted for payments.
- Town garage – \$5,000 was placed in the budget for the new town garage project for engineering/permitting etc expenses prior to the article being approved at Town Meeting.

Article work -

- Town garage – there was discussion about having an article now or waiting until September when a finer project cost would be had. Because the Selectboard is waiting until all permits are in hand for the project to contract engineer/builders for project estimates, the figure in the article is simply a not to exceed. Don thinks the article should ask the voters for an indication of whether or not they approve, possibly with a finer estimated cost, of what we are planning to do rather than have an article with a not to exceed buy/build cost. Rae and Stephanie said they disagree. They feel something needs to be done for a town garage before another winter and that the voters should decide.

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There was additional discussion that the Selectboard used nearly \$210,000 of the MLI tipping fees last year to lower the tax rate and how voter approval of the articles being proposed would impact the 2008 tax rate. Currently there is \$140,492 in tipping fees on hand. The Board estimates there would be around \$320,000 in tipping fees on hand when the time comes to set the 2008 tax rate. Discussion followed about financing the town garage for 30 years rather than 20 years for a \$900,000 project. Susan will get the payment figures from the Bond Bank for 30 year financing of \$900,000. The yearly payment for financing \$1,000,000 for 20 years would be around \$90,000 which calculates about a \$90 tax increase for every \$100,000 of appraised property.

- Capital Reserve Fund – balance is currently \$465,451. The Town Meeting articles as proposed would reduce the CRF by \$211,000 for the grader- \$160,000 for a fire truck - \$50,000 for repairs to the town hall, if the voters were to approve all articles, leaving a CRF balance of around \$44,450. The new town garage and land being purchased for the project would be financed entirely through the Municipal Bond Bank.

More budget work-

Town Clerk/Treasurer budget – Susan said we really need more hours in this office. She said there are not enough hours budgeted to keep the office open.

Review of the actual spent for the Town Clerk/Treasurer budget in 2007 reveals only \$13,214 of the \$16,225 budgeted for the assistants pay, was spent leaving around \$3,000 in unused payroll.

Susan said with the possibility that the town clerk and town treasurer position might be split if two people get the positions, there would be a division of duties which could impact the number of hours of office is open.

Stephanie said it would be up to the two people to work together and assist each other to keep the office open.

Susan said when she was working, she averaged 48 hours per week and the office was open. She has not kept track of an average for hours she has worked in the last 12 months.

Health Insurance – Dave Deutl asked why the difference between the amounts budgeted for health insurance for the road crew and Susan versus the Selectboard assistant? The explanation is, the other employees are budgeted for a single health plan and Cheryl is budgeted for a 2-person health plan of which she pays 50% of the second person's premium through a payroll deduction. The reimbursement shows up in a separate portion of the budget rather than in the health insurance budget line item. Dave thanked the Board for the explanation.

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Dave said if the town clerk and town treasurer becomes two people, he understands the position is part time and the individuals will not be eligible for health insurance benefits because they work 20 hours. The Board agreed. Dave then asked, what if they were to work 30 hours per week?

Paula said the town clerk/treasurer position is budgeted and approved by the Selectboard as two 20 hour part-time positions and would therefore not be eligible for health benefits from the Town and according to Sullivan, Powers & Co, if a position is approved and budgeted for a certain number of hours and a person works over those hours without prior approval from the Selectboard, the town is not liable to pay the unbudgeted expense. However, in the case both of the positions are served by one person, health benefits have been budgeted to cover the expense. Paula added that the Selectboard is working on a personnel policy that could allow employees who work less than 30 hours per week to purchase insurance through the town's insurance carrier.

Paula moved to adjourn at 9:45 p.m. Stephanie seconded. All were in favor.