

**CHARLOTTE SELECTBOARD  
MINUTES OF MEETING  
TOWN HALL  
JULY 31, 2014**

**APPROVED**

**SELECTBOARD MEMBERS:** Lane Morrison, Chair; Charles Russell, Ellie Russell, Matt Krasnow, Fritz Tegatz (joined at 9:51 AM)

**STAFF:** Dean Bloch, Town Administrator

**OTHERS:** Rick Brigham of Sullivan, Powers & Co., Mary Mead, Nancy Wood, Peter Trono, Jenny Cole, Stephen Brooks

**ITEMS TAKEN UP:**

- Tax rate calculation; modified accrual accounting; fixed asset list. *Action under consideration: approve municipal tax rate and local agreement tax rate*

**CALL TO ORDER**

Lane called the meeting to order at 9:05 AM.

Rick said that there is an ongoing surplus, due to the fact that for FY14 it was expected that there would be a deficit of \$133,000, but the actual deficit was only \$17,000. He said he estimated the fund balance of the operating fund to be \$275,000. He said that if the Selectboard wants to set aside \$150,000 (approximately 5% of the expense budget) as a “buffer”, the Selectboard could use the remaining \$125,000 of surplus to apply to the tax rate.

Rick recommended removing school taxes from town’s budget and tax calculation. Another option he said is to include the school taxes but also set up a liability for the portion going to the school.

There was discussion about the pros and cons of keeping a \$150,000 buffer versus borrowing to cover bills.

Another option that Rick indicated may be even more desirable is to borrow from a town fund, e.g. the Conservation Fund or the Housing Trust Fund. This way, the town would not be paying interest to an outside bank. If interest were to be charged on the loan, it would go to the town fund.

Nancy Wood asked whether the FY14 surplus from CVFRS has been determined and included in the calculation of the town operating fund balance. Rick said he will check with CVFRS’s auditor. There was discussion about whether to use a three-year average to determine any surplus, since this is the first year that the Agreement between the Town and CVFRS is in place. Charles and Ellie said a three-year average should be used. Rick said that next year’s budget should include consideration of the portion of CVFRS’s surplus that gets paid back to the Town.

Fritz joined the meeting.

The tax rate calculation was reviewed. Mary indicated that the revenue figure did not include changes made at Town Meeting.

Rick described possible adjustments.

There was discussion of eliminating “delinquent tax income” as an account in the general ledger.

Nancy asked if the audit will show the flow of school taxes. Rick said it won't, but it can be described in a footnote.

Rick described the fixed asset list. Various fixed assets and ways to determine cost were discussed.

Ellie raised a question of whether to apply any of the surplus towards the cost of the library roof project. There was discussion about the bidding process and the scope of the job.

Lane indicated he would need to leave the meeting. There was discussion that the Selectboard would likely continue the meeting later in the day in order to allow time to review the tax rate calculation.

**MOTION by Charles, seconded by Ellie, to nominate Fritz to be the interim Chair for the rest of the meeting.**

**VOTE: 3 ayes, 0 nays, 1 abstention (Tegatz); motion carried.**

There was additional discussion about the library roof.

**MOTION by Ellie, seconded by Matt, to continue the meeting until 4:00 PM, and reconvene at that time to set the tax rate.**

**VOTE: 4 ayes, motion carried.**

Lane called the reconvened meeting to order at 4:00 PM.

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**STAFF:** Dean Bloch

**OTHERS:** Rick Brigham of Sullivan, Powers & Co.

There was discussion about the accounting terms that should be used to describe the \$125,000 “surplus” and the \$150,000 “buffer”. Rick said the \$125,000 should be called “net assets designated to reduce taxes; and the \$150,000 should be called an “unrestricted fund balance.”

Rick recommended when creating budgets, the Selectboard should be conservative on estimating revenues.

**MOTION by Charles, seconded by Ellie, to set the local agreement tax rate at \$0.0008 and the total municipal tax rate at \$0.1590.**

**VOTE: 5 ayes; motion carried.**

There was discussion of the Selectboard's meeting schedule. It was decided that the Selectboard would meet on August 19 instead of August 25 because Lane would be out of town, and the Selectboard would meet on Thursdays August 14 and 21 at 9 AM to work on the wage rate study.

It was discussed that Jill Muhr responded to the inquiry regarding her interest in assisting with the wage rate study, and that she indicated she thought the Selectboard had done a good job so far, but that she felt she didn't want to join the process that had begun without her involvement. She recommended contacting Frank Sadowski as the state's expert in the field of compensation analysis.

Lane asked Dean to draft a contract with Frank, not to exceed 25 hours.

**ADJOURNMENT**

**MOTION by Fritz, seconded by Matt, to adjourn the meeting.**

**VOTE: 5 ayes; motion carried.**

The meeting was adjourned at 4:45 PM.

Minutes respectfully submitted: Dean Bloch