

**SELECTBOARD MEETING
January 26, 2015**

Present: Bob Bancroft Brent Meacham
 Alex Weinhagen Nanette Rogers
 Dave Adams Diane Forsey
 Mary Jane (MJ) Featherstone

Guests: Ernie Saunders

The meeting was called to order at 8:03 a.m.

FY'14, FY'15 & FY'16 BUDGETS

The group discussed the current budget structure for the town report. It has been suggested that the estimated uncollected taxes be removed from the Administration budget because it is considered an asset. The taxes have been billed and will eventually be collected. The presence of the item being budgeted may present cash flow problems.

The Selectboard has always included this item in the budget. Ernie advised that the Town used to be on a cash basis however effective July 1, 2014 it is on an modified accrual basis, therefore item should not be included. When the delinquent taxes are collected they will be shown as revenue and taken out of the asset account.

Ernie advised that Towns should have a Contingency Fund. A Contingency Fund provides a buffer for unanticipated expenses (e.g. flooding, etc.) and could also be used as a loan to purchase equipment in lieu of getting one from the bank. Westford's Fund Balance contains undesignated funds in the amount of \$70,000. This money could be used to deal with the Town's deficit or be set aside for future years. It is believed that a significant portion of these funds are from Delinquent Taxes that have been collected.

MJ advised that she had to correct the General Ledger for FY'14. The loan for the fire department and the funds for their Capital Budget were not included in the General Ledger therefore did not appear in the Budget Status Reports. After making this correction, the Town shows a deficit of \$73,240.79.

The Vermont League of Cities and Towns has advised that the Town does not have to include a budget item for the deficit if it can demonstrate how it will be made up. The Board discussed using the \$70,000 in the Fund Balance, which leaves a remainder of \$3,102.86. The remainder would be made up in the FY'15 budget through reduced spending and/or unanticipated revenue.

The proposed FY'16 budget, after all changes are made, will be \$2,523,167.

Alex Weinhagen made a motion to use the Fund Balance as of June 30, 2014 to reduce the deficit with the remaining balance to be covered in FY'15 through reduced spending and/or an increase in revenue, seconded by Dave Adams. Motion passed: 3-0.

HIGHWAY BUDGET

The Selectboard reviewed the FY'15 Highway Budget with Brent and Diane. Brent identified all budget items where no future spending is expected to occur. His spreadsheet shows

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\$157,578 in non-budgeted items, such as the guardrails for the Cambridge Road bridge, retirement packages, etc. Once these items are backed out along with the Seymour Road bridge and Huntley Road culvert, he has approximately \$289,000 for the remainder of FY'15. Of this amount, Brent anticipates needing \$82,607 including salaries. The Board felt that regardless of the unbudgeted items, the expenses occurred and have to be accounted for, which will affect the Highway Budget to some degree. The Board would like to see budget status reports and monthly budgets through the end of the fiscal year.

TOWN MEETING WARNING

Alex Weinhagen made a motion to approve the Town Meeting Warning as drafted with a budget amount of \$2,523,167 to be voted upon, seconded by Dave Adams. Motion passed: 3-0.

ADJOURN

The meeting adjourned at 11:15 a.m.

Respectfully Submitted,

Robert L. Bancroft, Chair
Selectboard

Nanette Rogers
Town Administrator