

ST. JOHNSBURY BOARD OF SELECTMEN
SPECIAL BUDGET MEETING
WEDNESDAY, FEBRUARY 27, 2013

The St. Johnsbury Selectboard met in the Pomerleau Building, 1st floor on Wednesday, February 27, 2013 at 6:00 p.m. for a Special Meeting of the Selectboard. The purpose of this meeting is to provide an overview of the proposed 2013 budget and to hear public comment. Present were: Chairman Jim Rust, Rodney Lamotte, Bernard Timson, Kevin Oddy, Vice Chairman Alan Ruggles, and Interim Town Manager Merelise O'Connor.

The meeting opened with the Pledge of Allegiance at 6:00 p.m.

PUBLIC ATTENDANCE

Ray Labounty, Jr., Tom Moore, Mark Finn, Jeff Moore, Town Clerk/Treasurer Stacy Jewell, Mike Fortier, Tom Walsh, Bruce Corrette, Werner Heidemann, Robert Desrocher.

PRESS

Taylor Reed of Caledonian Record, KATV

BUDGET PRESENTATION

Interim Manager Merelise O'Connor reviewed the power point presentation on the budget.

PUBLIC COMMENT

Bruce Corrette asked who owned the fountain. Chairman Jim Rust replied that it belongs to the Town of St. Johnsbury. The statue repair itself was paid for by donated funds. Parks that are inside the district are funded by the special services fund and include beautification efforts. Parks that are outside the district are funded by the highway fund.

Mike Fortier asked why the 2012 General Fund was altered that had been voter approved last year. Chairman Jim Rust explained that this year there was a new accounting system in place and that Bill Hall has a different way of doing things. The figures came from reserves and revenue, and the bottom line dollar amount was the same as what had been voter approved. Interim Manager Merelise O'Connor spoke about using gross budgeting to get the numbers that are on the budget report, and that the budget shows expenditures covered by revenue.

Werner Heidemann asked why the retirement contributions were not made before the end of this year and what the consequences were. Chairman Jim Rust explained that they are normally paid in November. If the retirement contributions are paid late in the year, the assumed interest rate is applied. Interim Manager Merelise O'Connor explained that the employee survey that the actuaries needed to report back to us an amount that the town had to cover was not sent until late in 2012. We did not receive the report back from the actuaries until November. Merelise started work on the retirement plan the second week she was here. The payment was made after 12/31/12 that why it doesn't show up in the reports for 2012. The auditors will make an adjustment for this payment so it will be counted in the 2012 budget. The town has sent in a new employee survey to actuaries and we should have a report from them soon, so we will be able to pay them before earlier and save money.

Werner Heidemann mentioned that the budget should be cleaner. Mike Fortier mentioned that it is confusing, inaccurate, and misleading. Chairman Jim Rust clarified that some assumptions are made based on the fiscal year schedule. Its standard accounting practice to charge back up to 60 days to the previous year.

Bruce Corrette referred to page 10 of the town report budget from the auditor, and asked what happened to the Grant for building the roof. Chairman Jim Rust explained that it's listed under anticipated revenue in expenditures on page 19.

Mike Fortier had multiple questions regarding the budget without the costs of the Pomerleau Building included, and noticed some differences between the approved and requested funds. Chairman Jim Rust explained that the reserves from previous years were used for this year. Because of the different way of accounting used this year, both the expenses and reserves are shown, where previous budgets showed just the expense. Look at how revenues offset expenditures. That gives the true tax rate.

Werner Heidemann asked if this was the right timing for this change due to the new staff. He also questioned the difference of actual vs. reported legal services.

Mark Finn had questions regarding the highway fund revenues, and pointed out that the percentages listed were wrong,

Mike Fortier questioned why the property taxes were so high. Chairman Jim Rust clarified that on page 12, it should be listed \$400,000 and not \$4 Million.

Bruce Corrette asked why the roof grant was listed in both 2012 and 2013 on page 13. Chairman Jim Rust explained that again that was a typographical error. He continued that there are some issues with the numbers in the paper.

Mike Fortier questioned payroll details. Chairman Jim Rust specified that the payroll recording system had changed.

Werner Heidemann questioned the budgeted salary information. Chairman Jim Rust explained that he didn't have the exact figures in front of him, but that budget goes up and rarely goes down, and people come and go every year.

Tim Persons mentioned that these are the same reports that have been available since the beginning. Chairman Jim Rust agreed that they have not changed.

At 7:30 p.m., Vice Chairman Alan Ruggles made a motion to close the special Selectboard budget meeting, seconded by Timson and passed unanimously.

Approved 03/25/2013