

## **Minutes of the East Montpelier Selectboard**

**January 9, 2012**

**SB Attendance:** Chair Bruce Johnson, Peter Hill, Carl Etnier, Casey Northrup, Seth Gardner

**Public Attendance:** Don Welch, Jane Burroughs, Jenna Pizzi

The meeting was called to order at 6:31 pm.

**Additions to Agenda:** Personnel matter

**Public Comment:** None

### **FY2011 Draft Audit Presentation**

Jane Burroughs, CPA of Fothergill Segale & Valley, CPAs, presented the draft audit for FY11 (ending June 30, 2011). Bottom line: the town ended FY11 with a small surplus of \$3,431. Ms. Burroughs recommended that the town consolidate as many of its small bank accounts as possible with the general fund account and let the NEMRC modules provide the individual fund details. She also reiterated a previous suggestion that the town work toward using a modified accrual system of accounting rather than a modified cash basis. Finally she recommended that the town ensure that documents be seen by multiple sets of eyes to avoid having things slip through the cracks.

The SB needs to complete management's discussion and analysis section which highlights variances from the town-approved budget as well as provide responses to the noted material weaknesses in internal monetary controls, of which there were four this year. Both the SB and the Town Clerk/Treasurer need to sign the letter of cooperation with the audit process. The audit should be finalized within a few days of the town providing the necessary documents.

Ms. Burroughs asked the SB sign a standard letter to the town attorney requesting that he furnish information to Fothergill Segale & Valley regarding legal claims against the town.

**Motion: To authorize the Chair to sign the legal authorization letter to Town Attorney Bruce Bjornlund.**

Made by Mr. Gardner; second by Mr. Northrup. Passed unanimously.

The Chair signed the letter and presented it to Ms. Burroughs.

### **Fund Balance Policy Discussion**

To meet the requirements of GASB 54, a governmental accounting standard for the reporting of fund balances, the town needs to adopt a policy regarding the classification of various fund balances. The five fund balance categories are: Nonspendable (such as the Carlton Smith fund's endowment); Restricted (grants, bonds, & other non-local tax dollars that are governed by outside forces); Committed (budgeted funds that the SB "commits" to future, beyond the current budget, use to complete the projects the funds were originally budgeted for); Assigned (local tax dollars assigned for a specific purpose); and, Unassigned (the general fund remainder available for any purpose). The draft policy under consideration essentially commits the town to reporting

fund balances as required by GASB 54. Ms. Burroughs kindly walked the SB members through the specifics of the five classifications.

**Motion: To adopt the Town of East Montpelier Fund Balance Policy.** Made by Mr. Etnier; second by Mr. Hill. Passed unanimously.

The board thanked Ms. Burroughs for her excellent audit presentation and her assistance in educating board members on the intricacies of fund balance policies.

### **Budget Development**

SB members continued development of the FY13 budget with the assistance of Don Welch. The board added a \$4,000 line under municipal operations with the intent to move forward with the digitization of town records.

### **Other Business/Town Administrator Report**

The quarterly “state of the EMFD” presentation will be held at 7 pm on January 19, 2012 at the ESF.

The first meeting of the newly created Roads Policy Committee will be held at 7 pm on January 12, 2012 at the town office building.

### **Personnel Matters**

**Motion: To go into Executive Session to discuss personnel matters.** Made by Mr. Etnier; second by Mr. Hill. Passed unanimously.

Executive Session entered at 9:30 pm; exited at 9:41 pm.

**Motion: To offer a full-time position, at \$16/hour, on the town road crew to Craig Seadeek of Worcester, Vermont.** Made by Mr. Etnier; second by Mr. Northrup. Passed unanimously.

**Motion: To adjourn.** Made by Mr. Etnier; second by Mr. Hill. Passed unanimously.

Meeting adjourned 9:45 pm.

Respectfully submitted by Bruce Johnson, Selectboard

**Approved: January 16, 2012 East Montpelier Selectboard meeting**