

VILLAGE OF ENOSBURG FALLS
Special Meeting of the Board of Trustees
 January 19, 2016

Present: Trustees - Walter Scott, Guy Breault, Leonard Charron, Bill Spears, Jr.
 Staff – Jonathan Elwell, Caroline Marcy

Meeting called to order by Chair, Walter Scott at 6:40 p.m.

1. 2016 Budget Discussions

a. GENERAL FUND:

Jonathan Elwell commenced budget discussions by updating the Trustees on the December 31, 2015 year-end results for the General Fund. Staff was predicting a surplus, and final audited numbers revealed a surplus of approximately \$32,000. – which is higher than expected. The following is a list of major categories contributing to the overage:

Category	Amount	Explanation of Variance
Revenues	+\$7,402	(As discussed earlier – over \$4,000 due to increase in extra delinquent tax interest & penalties collected)
Salaries/Benefits/Accrued Time	+\$2,000	Extremely mild fall and early winter – especially December, 2015
Heating Oil	+\$4,000	Prices dropped dramatically AND mild winter
Gas/Diesel/Oil	+\$3,000	Same as above – dramatically lower fuel prices AND mild winter
Legal	+\$11,107	Case is not closed
Maintenance of Winter Streets	<u>+\$4,300</u>	Again – extremely mild early winter
	<u>\$31,809</u>	

The surplus will be used to reduce the expected tax rate increase. Without this surplus, the Village would be facing a tax rate of .5644 which represents an 8.9% increase over the 2015 tax rate of .5137. However, with the surplus, the tax rate in 2016 will be approximately .5309 which corresponds to a 3.3% increase over 2015.

It was the consensus of the Board to approve the 2016 General Fund budget as revised.

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b. WATER FUND:

Jon advised the Board that the water department budget, as presented, is showing a shortfall of \$12,301.00 for 2016. However, again – due to unexpected circumstances - the Water Fund is showing a surplus; notably in the salaries expense line item. Combined with the effects from the rate increase that went into effect in May, 2015, the water department is expected to end the year with a \$19,000 surplus.

With this surplus in mind, staff is recommending using unrestricted available cash in the operating fund to cover the \$12,301 deficit for 2016. This recommendation will avoid a rate increase for 2016, but the Village cannot sustain taking significant deficits in future budgets and will recommend a rate increase in 2017, if needed.

It was the consensus of the Board to approve the 2016 Water Fund budget as presented.

c. SEWER FUND:

Preliminary budgets revealed a \$77,000 deficit in the Sewer Department. Staff has recommended a three-prong approach to this issue:

- Rate increase of 14% effective May 2016 which will result in a \$30,000 rise in revenues for 2016
- Eliminate the \$10,000 Equipment Savings line item for 2016 only
- Use unrestricted cash in the operating fund to cover the remaining \$37,000 deficit

Jon reminded the Board that the last rate increase in the Sewer Department was in January 2003 – 13 years ago. Bill Spears, Jr. stated that he was not happy with a 14% rate increase and would have preferred that the Village implement smaller rate increases through the years.

It was the consensus of the Board to approve the 2016 Sewer Fund budget with the recommendations as listed above.

d. ELECTRIC FUND

The Electric Fund is also projecting a deficit for 2016 in the amount of \$147,000. However, staff does not feel that this would be a continuing trend and does not recommend a rate increase. There are two significant factors driving the loss in 2016:

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- The Franklin Foods EDA in the amount of \$120,000 that went into effect early 2015
- Approximately \$80,000 anticipated loss generation revenue due to the Hydro Renovation/Upgrade project during 2016

It was the consensus of the board to approve the 2016 Electric Fund budget as shown.

2. Other Business

Jon asked the Board if they had considered the two questions that he raised at the last Trustee Meeting:

1) 2015 Annual Report Dedication

The Trustees agreed to name a long-time, highly valued employee, who will be retiring shortly for this honor – Garry Atherton.

2) Informational Meeting for Two (2) Australian Bond Vote Projects

The Trustees set a date of March 3, 2016, 6:30 p.m. at the Emergency Services Building to hold a public meeting concerning both the Hydro Renovation/Upgrade Project and the Duffy Hill Paving Project.

The Village of Enosburg Falls 2016 Budget has now been approved by the Board of Trustees. Since the budget discussions have been completed, Jon stated that the Special Budget Meeting scheduled for February 2nd will be cancelled.

3. Adjourn

There being no other business to come before the Board at this time, Bill Spears, Jr. made a motion to adjourn. Seconded by Leonard Charron. Unanimous. The meeting adjourned at 8:30 pm.

Respectfully Submitted,

Caroline Marcy, Director of Finance

These minutes were approved as written at the January 19, 2016 Trustee meeting.