

Minutes of the Annual Town Meeting March 4, 2013

The legal voters of Ripton met at the Community House on Monday March 4, 2013 to act upon articles 1-6 of the 2013 Town Warning; approximately 66 people attended. Selectboard members present were Laurie Cox, Ron Wimett and Dick Collitt. Moderator Timothy Hanson called the meeting to order at 7:36 p.m. He briefly reviewed the basic steps of *Robert's Rules of Order* typically followed at town meeting, and then began with the reading of the first article.

Article 1: Will the Town vote the sum of \$561,316.00 to pay Road and General Fund expenses for the ensuing year, and pay outstanding orders or obligations of the Town, with interest, the tax rate on the 2013 Grand List to be determined by the Selectboard, divided as follows: Roads (including winter work): \$294,679.00, General Fund Costs: \$266,637.00, Total: \$561,316.00.

The article was moved and seconded by Carol Ford and Barry King. Selectboard chair, Laurie Cox, referred to the budget narrative in town report and explained some of the changes in the general fund budget from the previous year in officers' pay, insurance, legal services, and buildings maintenance. Some particulars mentioned were that listers' wages were up because the reappraisal is over which was covered by state funds, and a new lister will be in training. The twenty year agreement with the college regarding taxes is up for renegotiation, so legal fees are increased. Interior maintenance work on the Community House in particular is planned. Speaking to the roads budget, Ms. Cox noted that the budget line "Major Roadside Reconstruction" was created some years ago to cover the cost of bringing our roads up to adopted standards. Several flood events since 2008 caused us to shift spending to major repairs instead, and the hope is to return to routine road maintenance and upgrades in 2013, so this budget line has been restored to its original level. Responding to a question from Charles Billings, Ms. Cox further explained the adjustment to the Town Clerk and Asst. Clerk budget lines. Time spent by the town clerk in several areas above basic salary allowance were previously paid for out of those respective budget lines, including Elections, BCA Hearings and Officers Training. This extra spending is now consolidated within an increased clerk salary while the other budget lines are decreased accordingly. The assistant clerk line is reduced to reflect the fact that two experienced assistants will not continue in 2013; one new assistant will be in training.

Molly Witters asked about the Pearl Lee bridge project mentioned in town report. Ron Wimett explained that the town has received grant funds to have someone study the area and make suggestions for improvement. It's an oddly shaped intersection with a narrow bridge and several accidents have occurred there. The bridge is too short to qualify for annual state inspections, so this will also be an opportunity to have it properly inspected.

Carol Ford and Richard Ruane called and seconded the question. The group voted to end debate and Article 1 was adopted by unanimous voice vote.

Article 2: Will the Town vote the sum of \$35,200.00 to Ripton Fire and First Response to help pay Fire Department and First Response expenses for the year?

The article was moved and seconded by Barry King and Richard Ruane. Fire Chief, Erik Eriksen, spoke to the article. He noted that in 2012 the fire department completed the process of changing out its radios to become compliant with a federal requirement that went into effect six years ago. The new system is working better and better thanks to the help from grants to improve infrastructure. He said the budget in general is higher for 2013 because there was no carryover from the previous year. Bonnie Degray asked how many fires and emergencies the department responded to last year. Mr. Eriksen noted this information is in town report (31 calls), and commented that the department has responded to 12 calls already in 2013. Charles Billings thanked the fire department and school for allowing REAP (Ripton Energy Assistance Program) to locate its woodshed next to the fire station. Steve Zwicky thanked the department for their service.

The moderator asked if the group was ready to vote and Article 3 was adopted by unanimous voice vote.

Article 3: Will the Town have current property taxes collected by the Treasurer with a tax due date of Thursday, November 7, 2013?

The article was moved and seconded by Barry King and Richard Ruane. Town Clerk/Treasurer, Sally Hoyler, explained that this is an annual “housekeeping” article that re-affirms that the treasurer shall collect property taxes in the absence of a tax collector. Bonnie Degray asked if Article 5 is adopted regarding changing the fiscal year, will that affect this article regarding the tax due date. Ms. Hoyler responded no, the tax due date for 2013 will remain November 7. David Disque asked about the September 1 due date on the tax bill. It was explained by the town clerk and selectboard that the town always votes for one tax due date at town meeting that is usually the first Thursday in November. The September 1 date is a tradition but is not enforceable; it is only after the November date that penalty and interest are applied to payments not received. The moderator asked if the group was ready to vote and Article 4 was adopted by unanimous voice vote.

Article 4: Shall the Town vote to approve the following resolution: Keep Vermont Tar Sands Free?

The article was moved and seconded by Barry King and Warren King. Rick Klein spoke to the article, and asked if he should read the entire petition published on page 51 in the town report. The moderator explained that what has been warned is the question in Article 4 that is based on the petition, and that reading the entire petition is not necessary. Mr. Klein noted that Bill McKibben, Ripton resident and spearhead of this petition, had planned to speak at this meeting but was called away; however, he did relate to Mr. Klein that Vermont government leaders are in support of having Vermont remain tar sands free. Mr. Klein then read from an article regarding the background and purpose of the petition, and a summary follows.

An emerging plan to transport tar sands oil through northeast Vermont could adversely affect citizen health and safety, water and other natural resources. The current pipeline is 62 years old and not designed for the corrosive nature of tar sands oil that must be pumped at high pressure. Spills of tar sands oil are three times as likely to occur per mile as spills of crude oil, and cause far greater damage, health risks, and difficult clean-up at high cost. Aside from this risk, the use of tar sands oil as an energy source is 3-5 times more polluting than the use of conventional crude oil, and thwarts Vermont’s efforts to reduce fossil fuel pollution to protect the state’s farms, forests, health and economy. The only way to guarantee that a tar sands spill won’t happen in Vermont is to prevent this product from coming through the state in the first place.

It was clarified that this is a non-binding resolution and that numerous Vermont towns will vote on or discuss at their town meetings this year; if passed, the information is provided to the persons listed in paragraph 5 of the resolution. In response to a question from Andy McIntosh, Mr. Klein said this resolution should address transportation of tar sands by train as well as by pipeline. Jeremy Grip asked about paragraph 2 regarding requirements from fuel vendors doing business with the town. Laurie Cox explained that the selectboard felt it would be difficult to acquire and track this kind of information over time, and that this was one of the reasons the board decided not to include the full text of the petition in this article. They felt that for a town of our small size, it was simpler to make a statement for or against the article in general.

The moderator asked if the group was ready to vote and Article 4 was adopted by unanimous voice vote.

Article 5: Shall the Town vote to adopt a July 1 through June 30 fiscal year, effective for the fiscal year beginning July 1, 2014, as provided by 24 V.S.A. § 1683?

The article was moved and seconded by Barry King and Richard Ruane. Sally Hoyler spoke first to the article noting that she was one of many signers of the petition, not the writer, and supports the change. A summary of her comments follows:

Although the definition of “fiscal year” is any range of dates other than the calendar year, for the sake of this conversation when “fiscal year” is referred to we are talking about July 1 to June 30. Vermont state

government operates on a fiscal year and Vermont school districts are mandated to follow a fiscal year. Vermont municipalities have the option to choose their accounting year and many have changed to a fiscal year; current statistics say 54%. All seven towns that border Ripton follow a fiscal year; the decision to change is not related to town size. Most of the benefits of following a fiscal year can be grouped within two main categories: 1) adequate time to perform year-end, audit and town report tasks, and 2) benefits realized by aligning with the state education tax schedule.

The current schedule we must follow in January to meet the deadline to send town report to press in early February is very tight and stressful. Ripton no longer has locally elected auditors; we have an outside audit done annually. The audit cannot be scheduled earlier than mid January because it takes minimally a couple of weeks to close the year. The final audit report must then be rushed to completion within 10-14 days. A professional audit should normally take 6-8 weeks to complete, which allows time for thorough review of two separate drafts by all appropriate officials.

Aligning with the state fiscal year, cash flow would be improved in several ways. The town can begin collecting taxes within a couple of months of the beginning of the budget year, have multiple tax due dates evenly spaced through the year, and be able to retain education taxes (collected on behalf of the state) longer before being required to turn them over. The percentage of education taxes actually collected by a tax due date must be turned over within 20 days of the due date, and the remainder of education taxes owed, whether collected or not, must be turned over within 120 days, or year-end, whichever is first. Currently, we collect most of our taxes in the tenth and eleventh month of the budget year, turn over the education taxes collected by late November, and the remainder December 31.

The state determines the amount of education taxes we owe, issues a preliminary notice of amount owed in late summer but does not determine the final figure until April. By then, we have paid all education taxes based upon preliminary figures, and often either receive a refund (which has averaged over \$6,000 the past five years and been as high as \$12,000) or pay additional taxes (once as much as \$4,300) in the spring. This adjustment to our education tax liability is difficult to predict and affects our next budget year. Following a fiscal year, the April adjustment would fall within the same year when taxes are billed and collected; we would keep any overpayment on hand, and any underpayment would not adversely impact the following year's budget.

Another item of note is that on a calendar year, we operate without a budget for the first two months of the year.

There are different ways to make the transition from calendar to fiscal year. One commonly used method is to have a "short budget" year of 6 months (January 1 to June 30) followed by the first full fiscal year (July 1 to June 30). For example, if this article passes, voters would vote on two budgets next town meeting – one 6 month and one 12 month.

The selectboard then spoke to the article and received questions from Susan Hanson, Jeremy Grip, Michael Seligmann, Timothy O'Leary, Charles Billings, Jorene Doria, Bill Ford, Molly Witters, Jerry Shedd, and Tom Smith. A summary follows.

The selectboard is not in favor of changing to a fiscal year because of how it impacts the budgeting process. The board is most comfortable with the current process that is to begin to create the budget in January just after the previous year has ended December 31. This offers the ability to work with hard data from a complete budget year just ended in contrast to creating a budget for a year not to begin until six months ahead with the last known full year's data six months previous. Data from the current year, being in progress, is not represented in town report and the concern is that voters do not have a complete financial picture before them when asked to approve the budget. It was acknowledged that from a bookkeeping point of view there are aspects that are easier when following a fiscal year, but from the typical voter's point of view it would be more difficult to analyze a proposed budget.

There were several questions from the group regarding the budget process. It was clarified that if we change the accounting year, the budget will continue to be put together in time for presentation at the annual March meeting. It was suggested that 12 months of data can still be used as a model to construct the budget, drawing from the current and previous budget years. The board agreed that there are not extreme variations in the budget from year to year, but even small variations can make a big difference in a budget for a town of our small size. It was mentioned that a compromise could be to adopt an alternate fiscal year, beginning April 1 for example, but this idea was not pursued. A couple of people commented on the sensibility of aligning with the state and school budget years, and the board confirmed that it is do-able for the town to budget on a fiscal year as the school does; they maintained that the budget would not be as precise.

Questions regarding property tax due dates were addressed. Voters will continue to vote on tax due dates every year at town meeting. Maintaining a single due date is possible if we change to a fiscal year; the ability to begin tax collection early in the budget year remains a benefit.

Other discussion included mention that the cost of an outside audit in January is affected by the fact that accounting firms that perform audits are in their busiest and most profitable period the first few months of every year, and by our requirement that our audit be completed in a fraction of the usual time. Regarding the situation where the town currently operates without a budget in place for the first two months of every year, the board said that they are very cognizant of that and take into account when designing the budget what has been spent already.

The moderator asked if the group was ready to vote and Article 5 was adopted by voice vote.

Article 6: Any other business proper to come before this meeting.

Tom Smith asked, in light of recent news events of fraud in other towns, what our town is doing to prevent that from happening here. Laurie Cox replied that the selectboard has felt the need to understand better how to track financial data from year to year and recently decided to hire a financial consultant to help with that. It was also pointed out by Mr. Collitt that the town had instituted a policy of having someone other than the Treasurer open and reconcile bank statements.

Barry King and Richard Ruane moved and seconded to adjourn; the town meeting adjourned at 8:53 p.m. The meeting will recess until 7:00 a.m. Tuesday, March 5, 2013 to vote for town officers and requests for town funding by Australian ballot. Polls in the Ripton town office are open from 7:00 a.m. to 7:00 p.m.

Timothy Hanson
Moderator

Sally Hoyler
Town Clerk

Laureen Cox
Selectboard Chair