

**Town of Proctor Selectboard Special Meeting
December 10, 2009
6:00 – 7:40 P.M.**

Board Members Present

Rick Anderson
Linda Doty
Susan Feenick
Lloyd Hughes

Employees Present

Steffanie Bourque, Town Administrator
Mary Dahlin, Town Clerk/Treasurer

Other Guests Present

Jeff Bradley, Auditor
John Feenick, Finance Committee
Carol Grace, Finance Committee
Penny Inglee, Finance Committee
Jesse Richardson, Finance Committee

Agenda Items

The meeting was called to order at 6:00 p.m. The purpose of the special meeting was to receive the draft FY09 budget from our auditor, Jeff Bradley, and discuss it as well as accounting practices with him and the Town Clerk/Treasurer, Mary Dahlin.

Jeff Bradley presented and explained the draft FY09 audit. He highlighted the FY09 budget surplus in the Highway Department and explained how the surplus amount of \$46,875 was derived. The Selectboard then discussed how to use this surplus. Susan Feenick made the motion to apply \$22,300 of the surplus towards the unanticipated expense of replacing the heating system at the Town Garage and remove this expense from the FY11 budget. The motion was seconded by Lloyd Hughes and unanimously approved. The Selectboard's authority to use future surpluses in the Highway Department was also discussed.

Bradley highlighted the FY09 budget surplus in the General Fund and explained how the surplus amount of \$37,176 was derived. The Selectboard's authority to use this and future surpluses was discussed. Unlike the special consideration afforded the Highway funds by State statute, the voter's must approve how a general fund surplus is to be used if it is used for any other purpose than cash-on-hand to start a new fiscal year.

The Selectboard discussed the protocol for interdepartmental loans, including loans between the Town and School. Bradley explained that State statute requires that a loan between the Town and School be backed up by a promissory note. It was agreed that the Town Clerk/Treasurer should develop a promissory note template to be used for any future loans to the School. This note must be approved and signed by the Selectboard.

The Selectboard approved the current practice for short-term loans between reserve funds.

Finally, Bradley explained the management representation letter required as part of the audit. Lloyd Hughes made the motion to authorize the Selectboard chair to sign the letter. The motion was seconded by Susan Feenick and unanimously approved.

Rick Anderson asked Bradley for guidance on the federal "Red Flags Rule". Bradley indicated he would follow-up with recommendations on if the Town needs to do anything to comply.

Lloyd Hughes made the motion at 7:40 p.m. to adjourn the December 10, 2009 special meeting of the Selectboard. The motion was seconded by Susan Feenick and unanimously approved.