

LANESBORO FINANCE COMMITTEE  
MEETING MINUTES

June 18, 2007

Members Present: W. Stevens, R. Brower, A. Terranova  
Guest: Bruce Derwin, Town Accountant

Meeting called to order at 7:00 PM

Ruth Brower advised that the balance of free cash for 2007 is \$38,437 and the balance in the Reserve Fund is \$13,365.

Discussion of Articles for Special Town Meeting to be held on June 26, 2007:

There was considerable discussion relative to the use of Free Cash to pay for Articles 1-4. Al Terranova did not want the townspeople to feel that the Free Cash account is an open pocketbook to pay for the budget over-runs. W. Stevens explained that since Articles 2-4 were for FY-2007 and the tax rate has been set, the funding cannot be raised and appropriated, but must come from Free Cash, Reserve Fund or Stabilization Fund. It is important to bring large budget over-runs to the floor of the town hall to ensure that these expenditures are out in the open to the voters. Also, since Free Cash will revert to a zero balance at the end of the month, it seems prudent to use that method of funding. The townspeople should be made aware that the Free Cash is essentially accrued from budgets that did not get used up, and that transfer at the Town Meeting will reduce the amount of Free Cash for next year. Also, if we were to transfer the monies from accounts that still have money available, it will tend to hide the actual line item expenses for the year.

Article I is for an old bill (FY 2006) for \$190.54. Since it is for a prior year, the money cannot be raised and appropriated, it must be a transfer from available cash, i.e. Reserve Fund or Free Cash.

Article 2 is to transfer \$10,500 to the Law Account for legal expenses in FY-2007

Article 3 is to transfer \$9,500 to Town Hall Expenses for FY-2007

Article 4 is to transfer \$5,512.50 to the General Long Term Interest Account for FY-2007 for the first payment for the land purchased on North Main Street. Bruce Derwin explained that the loan was taken on December 28, and therefore the first payment was due in 6 months, i.e. June 28, which is still FY-2007 although the town approved the expenses for FY-2008. Had the loan been taken out a few days later, this transfer would not be needed. It should also be noted that this payment will now not be needed in FY-2008.

It was moved by W. Stevens to transfer funds from Free Cash for Articles 1-4. Seconded by Ruth Brower, voted in favor 3-0.

Article 5 is to transfer \$85,000 from the School Project Long Term Interest account to the School Project Retirement of Debt account. Bruce Derwin explained that with the re-financing of the loan, the town saved \$102,000 in interest payment, but have to pay \$85,000 more on the principal, so the monies have to be transferred from interest to principal. There was some discussion relative to the special town meeting decision relative to payment of this debt, and after review of the minutes of the special town meeting, it was voted that the first year payment should not exceed \$28,000. The finance committee recommended this article.

Article 6 is to appropriate \$32,30.90 from the Sewer Enterprise Fund to pay the FY08 Sewer bill from the City of Pittsfield. The finance committee recommended this article.

Article 7, is for a revolving account to be established for Code Enforcement Training and Services, and to authorize expenditures up to \$2,500. No action by the finance committee as this is an agreement between the fire department and the selectmen.

Article 8, is for a General By-Law on Docks, Rafts, and Moorings at Residential Properties, and the finance committee took no action relative to this article.

Next meeting scheduled for July 9, 2007 at 7:00 PM. It was decided to delay the normal 1<sup>st</sup> Monday of the month to allow for Bruce Derwin to review all accounts and to clean up any unpaid bills for FY07.

Meeting adjourned at 7:55 PM

Respectively submitted,

William V. Stevens, Chairman