

## COLCHESTER FIRE DISTRICT NO. 1 – 2014 ANNUAL MEETING MINUTES

The duly warned annual meeting of Colchester Fire District No. 1 was held on Monday, 27 January 2014 in the Pomerleau Alumni Center on the campus of Saint Michael's College in Winooski Park. Four resident voters were present as were Jerry Flanagan (Manager) and Thomas Van Dzura (Treasurer). Prudential Committee Chairman, Joseph McLaughlin, SSE, called this, the 77<sup>th</sup> annual meeting of the Fire District to order at 7:06 pm.

1. On a motion by Marcel Rainville, seconded by Joseph McLaughlin, Brian Cummings, SSE was unanimously elected to serve again as Moderator.
2. The Clerk distributed the minutes of the 2013 annual meeting. Marcel Rainville moved, seconded by Joseph McLaughlin, to accept them. The motion passed unanimously.
3. The Moderator called on the Clerk, Joseph McLaughlin, to make a report summarizing the principal activities of the District since the last Annual Meeting. Before distributing copies of the Clerks' report (dated 27 January 2014), the Clerk apologized for his text being in "draft form" and promised to submit shortly a more polished document. He described 2013 as having been an historic year for the District, highlighted by the successful completion of the Waterline Replacement Project (WRP). More than simply a replacement of existing water lines, the WRP entailed the construction of an entirely new District water system, one that made use of some existing elements of the St Michael's College system as well newly constructed elements that were integrated into an entirely new design. As a result, both the District and the College got much more robust water systems. The WRP, he said, was also completed on time, within budget, and deemed to be of "superb quality" by professionals. Its success would not have been possible without the help of numerous individuals and organizations. Financing was made possible by the bond vote in 2012 and the District's successful application to the Vermont Municipal Bond Bank in 2013. The District now has a water system that should serve Winooski Park well for more than the next 75 years – fittingly, as it was completed during the District's 75<sup>th</sup> anniversary.

Other significant items in the Clerk's Report were the following: 1) The Intermunicipal Water Storage Capacity Project on Water Tower Hill was on target for completion later in 2014. The old south tank will be replaced by a new and larger tank. The District will acquire an additional 20,000 gals of capacity (4.71% of the total new capacity), bringing its total capacity up to 182k gals. 2) The owners of Windemere MHP successfully obtained the needed finances, engineering designs and permits to proceed with the complete replacement of the park's water and sewage lines this year. 3) A large sinkhole at the rear of Fanny Allen Campus was discovered and repaired without any disruption to the water services in the FAC due to the good work of Superintendent Tymecki and the redundant feed that had been put into service in 2012 and made fully operational in May 2013. 4) District water rates remained the same as in 2013, though CWD's rates rose. 5) Two lines-of-credit that the District obtained were fully repaid before year's end. 6) Two residents were honored for their many years of service to the District. 7) The Prudential Committee, in accord with item 6 of the 2013 Annual Meeting set the stipends for District officers 5% higher for 2013; the total amount of stipends came in at just under \$23,000.

At the end of discussion, all commended the efforts of the Clerk and Assistant Clerk, and on a motion by Brian Lee, with the second of Marcel Rainville, the report was accepted unanimously.

4. The Moderator called on the Treasurer, Thomas Van Dzura, to make his annual financial report. The Treasurer distributed copies of the District's financial statements for 2013 (dated 24 January 2014), which he had prepared. He called attention to the fact that these reports were in "draft form". He also noted that the District had hired the firm of McSoley McCoy & Co. to perform an independent CPA review of the District's 2012 financials in conjunction with an application requirement for using the Vermont Municipal Bond Bank to finance last year's WRP. The review, the first such in the District's history, was very positive, and it was his recommendation that it be done again for 2013 now that the WRP had been completed.

With respect to the Balance Sheet: the sharp decline in total current assets reflected mainly the premature liquidation of one the District's 5-year CD to help finance the WRP; the figures listed under liabilities & equity reflected mainly the financing of the WRP, particularly the incurring of the 30-year bond loan. It was suggested that auditors to be engaged for the 2013 review might be enlisted to capitalize all the property and equipment acquired for the WRP and other recent construction; the result would be a much more favorable balance sheet. The Treasurer noted a \$5,000 check to SMC for partial repayment of its advance to the District had yet been cashed; the "unearned revenue" of \$67,450 reflected the remaining balance to be repaid to SMC. "Long term

liability” (\$950,000) reflected the proceeds obtained from the Vermont Municipal Bond Bank and spent on the WRP.

Turning to the income statements, income and expenses for the Water Operating Fund came in close to budget, with water purchases, bank fees, CWD repair and water sales all showing discussable variances. In the end, the Operating Fund transferred \$71,227 to the Capital Fund. Nothing to note in the General Fund except that it transferred \$8,745 to the Capital Fund. In the latter fund, higher than expected interest income was due to a decision to delay cashing a 5-year CD and to use instead current funds and short-term borrowings to finance early WRP expenses. The line-of-credit the District first obtained in 2011 was entirely repaid in 2013. Unlike previous years, hardly any capital-type expenses (e.g., repairs) were incurred in 2013, except for the WRP. The income statement for WRP Fund reports the substantial financial activities associated with that project during 2013. (A full accounting for the WRP would add items from the previous two years.) The BAN (Bond Anticipation Note) was a line-of-credit used to pay WRP expenses before the bond funds became available. The Chairman noted that an amount could be inserted in ‘Transfers from operating income’ to reflect the deliberate decision to use operating income rather than pre-maturely cash the District’s remaining 5-year CD. Doing this would show the net income for the WRP was positive in 2013. Some other items were discussed.

At the conclusion of the review, all commended the Treasurer and Finance Taskforce for their good work during this extraordinarily active fiscal year. Brian Lee then moved, seconded by Marcel Rainville, to accept the District’s 2013 financial statements and reports and to request the Prudential Committee to engage an independent CPA firm to perform a review of the District’s 2013 financials (see Bylaws, art. 10.3). The motion passed unanimously.

5. The Moderator called upon the Chairman for a motion to set the total amount of annual stipends for District officers. The Chairman moved, with the second of Marcel Rainville, to approve \$24,420 in total disbursements for stipends (the same as 2013), and to authorize the Prudential Committee to determine the specific amounts for each officer and for attendance at each meeting of Prudential Committee. The motion passed unanimously.
6. The Moderator opened the floor for nominations to fill a three-year term (2014-16) on the Prudential Committee, the term of Brian Lee having expired. Marcel Rainville, with the second of Joseph McLaughlin, nominated Brian Lee. There being no other nominations, the Moderator entertained a motion to close nominations; the motion passed unanimously, and Brian Lee was re-elected to a full three-year term. [Marcel Rainville was re-elected in 2012 (2012-2014) and Joseph McLaughlin was re-elected in 2013 (2013-2015)].
7. For the office of District Clerk, Brian Lee, with the second of Marcel Rainville, nominated Joseph McLaughlin. There being no other nominations, a motion to close nominations passed unanimously, and Joseph McLaughlin was re-elected to a one-year term.
8. For the office of District Treasurer, Brian Lee, with the second of Joseph McLaughlin, nominated Thomas VanDzura. There being no other nominations, a motion to close nominations passed unanimously, and Thomas VanDzura was re-elected to a one-year term.
9. Joseph McLaughlin moved, seconded by Marcel Rainville, to set the District’s 2014 tax rate once again at zero (\$0); the motion passed unanimously.
10. Marcel Rainville moved, with the second of Brian Lee, to hold the 2015 Annual Meeting on the date stipulated by the Bylaws (Art. 4.1) - the 4th Monday of January, that is 26 January 2015 – rather than set an alternative date; the motion passed unanimously.
11. The Moderator expressed his appreciation to all District officers and Prudential Committee members for their work over the past year. All present expressed similar appreciation to the Moderator for his service once again at this year’s Annual Meeting.
12. By unanimous vote, the 2014 Annual Meeting adjourned at 7:37pm.

Respectfully submitted,

Joseph McLaughlin  
Clerk

17 February 2014

Brian Lee  
Assistant Clerk