

## MINUTES OF THE SHAFTSBURY SELECT BOARD

JANUARY 5, 2009

COLE HALL

SHAFTSBURY, VERMONT

**Board Present:** Lon McClintock (Chairman), Bill Pennebaker, Karen Mellinger, Wynn Metcalfe, Cinda Morse

**Others Present:** Larry Johnson, Mike Gleason (Bennington Banner), Francis Kinney, Stephen Washburn, Sr., Stephen Washburn, Jr., Vt. Rep. Alice Miller, Daniel May, Aaron Chrostowsky (Town Administrator), Susan Swasta (Recording Secretary)

### 1. Call Meeting to Order:

Chairman Lon McClintock called the meeting to order at 6:00 PM. He announced that the Board will hold a budget work session before the regular meeting. He began with review of a list of equipment needs from Fire Chief Joe Vadakin. The list included four sets of bunker gear, foam, three air bottles, two sizes of hose, and extraction gear. Chairman McClintock noted that the total cost exceeds the \$18,000 previously discussed. There was discussion of extraction gear, at an estimated cost of \$5,000. Chairman McClintock said that he cannot support that expense without more information from Chief Vadakin. The Board agreed to invite Chief Vadakin to next week's meeting to discuss equipment requests, and to use level funding of \$18,000 as a working number for fire equipment.

The Board next discussed health insurance. Ms. Mellinger went over a document she had sent to Board members detailing costs to the Town and employees with different percentages of premium and deductible paid by each party. Ms. Mellinger stated that, with cost increases, the current insurance plan would have cost \$156,357 next year. The high deductible plan to be adopted will cost a total of \$137,428.

She described employer/employee costs associated with various percentage options. Ms. Mellinger noted that in practice the full deductible is never reached. The highest percentage reached by a town using the plan was 68%. She also noted that there is a benefit to employees if they don't have to fully utilize the deductible, and that this plan has no deductible or copay for preventive care. Ms. Mellinger recommended that employees pay at least 10% of both premium and deductible.

There was discussion of which employer/employee percentages to use. Ms. Morse stated that administrative costs of \$3,000 should be added in, for a total of \$140,000. It was established that there cannot be both a Health Reimbursement Account (HRA) for the Town and and Health Savings Account (HSA) for employees. Any unused deductible amount left in the HRA is kept by the Town.

Mr. Pennebaker asked what happens if insurance costs continue to go up, stating that they need a long term policy to approach the problem. After a brief discussion, it was decided to leave discussion of health insurance policy for the future. Chairman McClintock stated that they need to plug in numbers tonight and debate it further when the entire budget is finished. After further discussion, the Board decided on an employee contribution of 10% of the premium and 12% of the deductible, budgeting for usage of 85% of the deductible.

Chairman McClintock asked if there are other budget items to be discussed. Ms. Mellinger asked if state land use revenue will be affected by budget cuts, noting that last year the Town had received \$18,000. Rep. Alice Miller came to the table for discussion. She said that the current land use program has not yet been cut, but she does not know if it will be cut. Treasurer Henri Billow stated that the Town has received just over \$19,000 in payments. Chairman McClintock

noted that this was more than they had budgeted for.

Rep. Miller discussed budgeting at the state level, noting that millions more in cuts will be required. They expect help from the Federal stimulus package, but do not yet know how much it will be or when it will come in. Mr. Metcalfe asked how they can finalize a Town budget with \$154,000 in state highway aid missing from it. Rep. Miller said this money has been suspended, not cut, but massive cuts still have to be made. Mr. Metcalfe again asked how to address the \$154,000. Chairman McClintock replied that they can discuss it at next week's meeting, instead of having department heads come in for discussion as originally planned.

Chairman McClintock asked for public comments on the budget work session. There were none. He called the regular Select Board meeting to order at 7:28 PM.

## **2. Announcements:**

There were no announcements.

## **3. Conflict of Interest Statement:**

Chairman McClintock asked if any Board member has a conflict of interest with any topic on tonight's agenda. None did.

## **4. Public Comments:**

Larry Johnson asked what has happened to the Town Web site, which is no longer online. Mr. Pennebaker replied that the Town has lost the domain name shaftsbury.net, which expired on December 20, 2008. Mr. Chrostowsky said that people he talked to said that it is still available and they should have it back within 24 hours. If the service provider does not respond the domain name can be transferred to the Town. Chairman McClintock said it looks like the service has been abandoned. This will be put on next week's agenda.

Francis Kinney said that they need to look at a flat line budget, using donations instead of taxes to fix Cole Hall, and charging fees for Howard Park.

## **5. Environmental Issues Committee -- Broadband Update:**

Since the Powerpoint was not set up for Mr. Pennebaker's presentation, it was agreed to postpone this agenda item until the computer and screen are ready.

## **6. State of the Budget -- Year End Budget:**

Treasurer Henri Billow came to the table. She went over cash flow projection figures. Ms. Mellinger noted that there is a difference of \$130,000 between expenses and revenues if no additional state highway funds come in. Board members went over the amounts included in the \$115,396 due from other funds. Chairman McClintock stated that they will not get \$8,000 from the Howard Park Fund, so this amount should actually be \$107,000. Ms. Morse asked if all highway bills have been submitted to the state, and Mr. Chrostowsky replied that they have. He will check with the state on expected payment for next week's meeting.

Ms. Mellinger stated that, with the \$70,000 they have cut, and a \$10,000 cut in appraisal funds, the possible \$130,000 shortfall is reduced to \$50,000. If the Town receives some state highway money, they should be OK. It all hinges on state aid. Larry Johnson asked where the Town stands with tax collection, and Chairman McClintock replied that they are right on target.

The Board went over winter highway budget figures on overtime, sand, salt, and fuel. Chairman McClintock noted that they are not staying on target, which is a worry. There was discussion of how overtime is being handled, and Mr. Chrostowsky stated that Road Foreman Ron Daniels is sending people home early on nice days. Ms. Mellinger said that

they did not start the overtime policy until mid-December, so figures should be better in January. Ms. Morse said that gravel should be another budget item that is monitored closely, and Chairman McClintock said he will add it to the list for monitoring.

Chairman McClintock asked Board members for suggestions on costs other than reserve funds that could be frozen on an interim basis until the state decides on release of highway funds. Mr. Metcalfe suggested holding off on hiring a Town Administrator until July 1 and closing the Town landfill. There was a brief discussion of these suggestions. Chairman McClintock said that it is more useful to have a conversation about specifics than generalities. Ms. Morse said that the point is that everything has to be put on the table for possible cuts. She added the Highway Department, the Fire Department, and health insurance. Ralph Washburn, Sr. said that the Town should cut spending, but that the Highway Department should be the last place to cut.

Ms. Morse asked if there would be any savings with putting the Town Clerk and Tax Collector on salary instead of having them collect a percentage of fees. Ms. Mellinger asked why the fee totals collected by the Town Clerk and Zoning Administrator should not be listed in the Town Report. Ms. Billow noted that some towns do list these figures. Chairman McClintock said they will discuss big ticket items to cut at the next budget session. They will need updated figures from Ms. Billow. Mr. Chrostowsky suggested tapping into the highway emergency reserve fund.

#### **5. Environmental Issues Committee -- Broadband Update (cont'd):**

Mr. Pennebaker distributed handouts to accompany a Powerpoint presentation. He stated that the Committee believes that Shaftsbury's future well-being requires good cell phone and broadband service, but will not get these services in the near future unless they take the initiative. Mr. Pennebaker described Vermont's initiative to have universal access to broadband by 21010. He noted that budget cuts will probably reduce future grants, and that Comcast and Fairpoint do not plan 100% access for Shaftsbury by 2010. Mr. Pennebaker reviewed potential broadband service providers and fee structures. He outlined service requirements, costs, and payment approaches for Shaftsbury.

Mr. Pennebaker concluded that an analysis of alternatives, more facts, and a survey of potential take-rate is needed. There was discussion of whether all residents should pay for broadband costs, given benefits of increased economic development and retention of the younger population. Board members concluded that a broadband survey would be very worthwhile. The Environmental Issues Committee will partner with the Economic Development Committee on a survey. Francis Kinney stated that there will be people who don't want to use broadband service, and they should not have to pay for it.

#### **7. Health Insurance:**

It was decided to make a final decision on insurance percentages during the budget session next week. Ms. Morse stated that they need to find out if percentages can be changed once they are set.

#### **8. Budget Format:**

This topic was tabled until the next meeting.

#### **9. Review and Approve Meeting Minutes::**

December 22, 2008 Select Board minutes

**Ms. Morse made motion to approve December 22, 2008 minutes. Mr. Pennebaker seconded.**

The following corrections to the December 22 minutes were requested:

*On page 1, under item 2 (Announcements), in fourth paragraph, third sentence is changed to:*

Chairman McClintock announced that at Thursday's special meeting the Board had approved a goal of no Highway Department overtime.

*On page 1, under item 4 (Public Comments), in first paragraph, fourth sentence "his mother" is changed to "Chris's mother."*

*On page 2, under item 4 (Public Comments), in fourth paragraph, first sentence "Ms. Hudson" is changed to "Ms. Hunter."*

*On page 3, under item 5 (Budget Work Session), in first paragraph, eighth sentence "planting" is changed to "planning."*

**Motion to approve the December 22, 2008 minutes as amended carried 5-0-0.**

#### **10. Review and Approve Warrants::**

The following warrants were presented for approval:

Retirement Warrant 29R: \$ 228.67

**Ms. Morse made motion to pay Warrant #29R. Ms. Mellinger seconded. Motion carried 5-0-0.**

Payroll Warrant PR#27: \$ 7,963.06

**Ms. Morse made motion to pay Payroll Warrant #27. Ms. Mellinger seconded. Motion carried 5-0-0.**

#### **11. Other Business:**

Ms. Mellinger reported that she had talked to Nelson Brownell of the Pownal Select Board about increases in hazardous waste disposal costs and proposed higher contributions from Pownal and Stamford. He wants them to give him a number. Ms. Mellinger suggested an increase from \$1500 to \$2000 per event, and also recommended monitoring Clean Harbors closely. The Board will decide on this at next week's meeting.

Ms. Mellinger suggested holding another budget meeting this week. It was decided to hold a meeting on Saturday at 9:00 AM.

Mr. Chrostowsky distributed information on advertising rates for listing the Town Administrator position. This will be discussed on Saturday. Mr. Metcalfe and Ms. Morse agreed to work on the idea of postponing the hiring of a new town administrator.

**Ms. Morse made motion to adjourn. Ms. Mellinger seconded.**

**The meeting adjourned at 9:30 PM.**

Respectfully Submitted,

Susan Swasta