

**MINUTES OF THE SHAFTSBURY SELECT BOARD
JUNE 23, 2008
COLE HALL
SHAFTSBURY, VERMONT**

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

Others Present: **Larry Johnson, Henri Billow (Treasurer), Aaron Chrostowsky (Town Administrator), Susan Swasta (Recording Secretary)**

1. Call Meeting to Order:

Chairman Lon McClintock called the meeting to order at 7:00 PM.

2. Announcements:

Chairman McClintock congratulated all graduating Mount Anthony Union High School seniors. He noted that Shaftsbury students had won prestigious awards at the June 11 Awards Night.

Chairman McClintock reported that Free Metal Day had gone well and was well attended.

Karen Mellinger stated that some senior citizens may not be receiving the stimulus checks that they are entitled to because they have not filed the required tax forms. She noted that even those who do not pay taxes qualify for a stimulus check. Anyone who needs assistance with the process may contact Ms. Mellinger or State Representative Alice Miller for help.

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. Meeting Minutes:

June 9, 2008 Select Board minutes

Cinda Morse made motion to approve June 9, 2008 minutes. Bill Pennebaker seconded.

The following correction to the June 9 minutes was requested:

On page 1, under item 2 (Announcements), last sentence is changed to:

There is a limit of 4 free tires per family.

Motion to approve June 9 minutes as amended carried 4-0-1. (Wynn Metcalfe abstained because he had not attended the meeting.)

5. Warrants:

The following warrants were presented for approval:

Payroll Warrant #50: \$ 6,162.35 (for pay period ending June 12, 2008)

Ms. Mellinger made motion to pay PR Warrant #50. Mr. Pennebaker seconded. Motion carried 5-0-0.

Payroll Warrant #51: \$ 6,929.01 (for pay period ending June 19, 2008)

Ms. Morse made motion to pay PR Warrant #51. Ms. Mellinger seconded. Motion carried 5-0-0.

General Warrant AP #50: \$17,225.64 (diesel fuel, sand and gravel, bindery)

Ms. Morse made motion to pay AP Warrant #50. Mr. Pennebaker seconded. Motion carried 5-0-0.

General Warrant AP #51: \$17,585.76 (diesel fuel, sand, TAM contract)

Ms. Morse made motion to pay AP Warrant #51. Ms. Mellinger seconded.

Ms. Morse asked why there is a sand bill. She thought they were not buying sand. Chairman McClintock replied that the bill is from February.

Ms. Mellinger asked about the US Cellular bill. There was discussion of the fact that there is still a bill from Fairpoint after the Town has switched service to Sovernet. Aaron Chrostowsky explained that this is due to circuits at the fire houses provided by Fair-point that the state police require the Town to maintain for after-hours calls. Sovernet cannot provide these circuits. Ms. Morse and Ms. Mellinger asked that the Sovernet service be reevaluated in light of this, since the Town may not be saving money.

Motion to pay AP Warrant #51 carried 5-0-0.

6. Public Comments:

There were no public comments.

7. Budget Update:

Treasurer Henri Billow reported on current expenditures and revenue. She stated that a new \$100,000 current expense note has been taken out, from which the \$25,000 note will be paid on June 27, 2008. This will leave \$75,000 to cover estimated expenses of \$60,184 for the remainder of the fiscal year (minus any revenues received). The \$100,000 note, which carries a 2.75% interest rate, will be paid off on July 8, 2008 by a \$350,000 tax anticipation note that will come due on November 14, 2008. This note will also have a 2.75% interest rate.

Ms. Billow reported that there is \$20,632 in the checking account. About \$40,000 is required to cover Payroll Warrant 51 and AP Warrants 50 and 51. There was discussion of the amount of delinquent taxes anticipated to be brought in by Mert Snow.

Ms. Morse made motion to approve a current expense note of \$100,000 at 2.75% interest per annum. Ms. Mellinger seconded. Motion carried 5-0-0.

Ms. Mellinger made motion to pay off the \$25,000 current expense note out of the new \$100,000 note. Mr. Pennebaker seconded. Motion carried 5-0-0.

Ms. Morse made motion to approve a tax anticipation note of \$350,000 at 2.75% interest per annum, due on November 14, 2008. Ms. Mellinger seconded.

Ms. Morse noted that the interest on these notes is not included in the budget.

Motion to approve the \$350,000 tax anticipation note carried 5-0-0.

There was discussion of the fact that the Town is not receiving the school tax prebate this year. Instead it is going directly to the school. Chairman McClintock stated that this is unfair because the Town takes full responsibility for school funds, whether it collects full taxes or not. Ms. Morse asked if the school could be charged for this, and Chairman McClintock replied that it is something to look at. Mr. Pennebaker said that if the school saves money there should be lower school taxes, but Chairman McClintock said that the school could use the money for something else.

There was discussion of causes of the budget deficit. Ms. Mellinger asked if it is related to delinquent taxes, or adjustments to taxes. Ms. Billow said that the Town also did not bring in all that was expected in revenues. Chairman McClintock stated that the budget should include anticipated delinquent taxes, but Ms. Billow replied that these are not supposed to be budgeted as revenue. Mr. Metcalfe recommended discussing this with a lawyer or accountant. There was discussion of having an expert on municipal budgeting come in for a presentation.

Board members went over budget projections for the remainder of the fiscal year. Ms. Morse asked that the Board receive reports on grant funds in the future so that any negative balances will be caught. Ms. Billow agreed to give the Board balance sheets as well as monthly reports, beginning in July.

Ms. Mellinger noted that all Town departments except the Highway Department were under budget for 2007-2008. Ms. Morse said that the next Town Report should include notes explaining that the budget deficit was not due to departments being over budget.

Mr. Pennebaker distributed graphs that he had made plotting expenditures over time. He noted that this data show that the Town was in trouble by the end of 2007. Mr. Pennebaker said that this procedure can show where problems are developing.

Chairman McClintock said that they need more concrete policies on road crew overtime, sand, and salt. He noted that they are over budget on calcium chloride. There was discussion of the effectiveness of calcium chloride, Ms. Morse and Mr. Metcalfe said that the Road Foreman should not purchase chloride until this is discussed with the Board.

Chairman McClintock asked what the process of dealing with the deficit in next year's budget process will be. He described the three options set forth by the Vermont League of Cities and Towns (VLCT). These are: hold a special meeting and have voters approve a special tax to cover the deficit; have the taxpayers approve a bond; the Select Board takes action if the voters do not approve the other options. Chairman McClintock recommended that they incorporate the deficit into the 2009-2010 budget and look for ways to address it by controlling spending. He said they can't just cover it by raising the tax rate on their own initiative.

Mr. Metcalfe recommended holding public meetings for discussion. Board members discussed ways to save money in next year's budget, and ways to inform the public about the deficit and the strategy for dealing with it. Mr. Chrostowsky said that a public meeting just requires notice in the newspaper, not a special mailing. Chairman McClintock stated that it comes down to paying more or having less services, and that it is the taxpayers' right to choose. He asked Board members to come up with proposals for budget cuts and plans for how and when to inform the public. They will take this up at next week's meeting.

8. Review and Discuss TAM Host Town Agreement:

Trevor Mance and Mary Beth Maguire came to the table for the discussion. Chairman McClintock stated that the Host Town Agreement (HTA) needs to be reviewed due to a change in TAM's permit allowing increased tonnage. There was a discussion of tonnage numbers. Mr. Mance explained the process of asking the state for more tonnage, which he will be doing next spring. He said that the tonnage figures are confusing because the state uses a June 30 year, while the DRB has TAM on an April 5th year.

Mr. Mance proposes no changes in the HTA except in #5, dealing with litter. They are finding very little litter on the road, so would like to be able to collect it every other month instead of every month. It's especially hard to collect when there is snow. Chairman McClintock said they can possibly come up with language that will permit more flexibility in litter collection.

Chairman McClintock asked if the HTA termination date should be extended to 2013, and Mr. Mance replied that it could be extended. Mr. Chrostowsky asked if the Cost of Business Index applies to the host community fee, and Mr. Mance replied that it does. Ms. Mellinger asked if there are Construction and Demolition trash (C and D) tonnage figures. Mr. Mance replied that C and D is mixed in with the other waste because it all goes to the same place. Mr. Pennebaker asked if Mr. Mance is building a shed, as planned, and he replied that it is being built. Chairman McClintock asked for a motion to discuss the HTA in Executive Session.

Mr. Pennebaker made motion to discuss the TAM Host Town Agreement in Executive Session. Ms. Mellinger seconded. Motion carried 5-0-0.

Mr. Mance stated that they are feeling good about where they are after a year of operation, and are proud of having had no violations. Mr. Pennebaker asked about trucks on North Road. Mr. Mance explained that there are trash pickups on North Road, and it is more dangerous to turn around in a driveway than to use North Road. There was a brief discussion of where the HTA fee goes in the Town budget. Mr. Chrostowsky stated that it goes in the landfill reserve fund, but the Board can decide to use it for whatever it wants.

Motion to discuss the TAM Host Town Agreement in Executive Session carried 5-0-0.

9. Review and Discuss Municipal Transfer Station Contract:

Chairman McClintock stated that the contract renews annually for up to three years, and automatically renews unless someone wants to terminate it. He handed out copies of changes made by Mr. Chrostowsky and Mr. Mance. Mr. Chrostowsky went over the changes.

Ms. Morse suggested changing the language on bulky waste days because all the detail is not needed. Chairman McClintock noted the 8% increase in the fee schedule. Mr. Mance stated that the increase is based on the Cost of Business Index, and that he tried to keep it as fair as possible. It reflects his increased expenses. Mr. Metcalfe noted that the Town will be over budget by about \$3000 on this.

Ms. Mellinger suggested having the same summer and winter transfer station hours, which would eliminate 4:00 to 6:00 PM hours on Tuesdays. Mr. Mance said that this would take \$625 off the fee.

Chairman McClintock asked if the Town's tonnage costs increase automatically, or they can be discussed in advance. Mr. Mance replied that his rates are raised by letter, with no discussion, and that he raises the Town rates accordingly. He said that he and Mr. Chrostowsky agreed on a cap of \$105 per ton. Mr. Mance also said he would be amenable to a 60-day notice, so that the Town can adjust Pay As You Throw (PAYT) fees. There was a brief discussion of the fact that Shaftsbury does very well in recycling compared to other towns.

Ms. Morse made motion to discuss the Municipal Transfer Station Contract in Executive Session. Ms. Mellinger seconded. Motion carried 5-0-0.

10. Discuss Brush Pile:

Mr. Chrostowsky stated that he had discussed the brush pile with Mr. Mance and Mr. Daniels last week. Mr. Mance said that he would charge \$95 per hour for the use of his excavator, for a total

cost of \$2200 if using Town trucks. He recommended that the brush pile be put through the tub grinder, at a cost of \$7000.

Mr. Chrostowsky had suggested moving the pile, but Mr. Mance said that he hates to move a problem, and that it's a rough path to get down there. There was discussion of the options of moving it with Town trucks, moving it with TAM trucks, and using a tub grinder. Mr. Mance said that using Town trucks would not be efficient or safe because they are too small. He suggested another option of burning it in small piles in a protected bunker-like location. Mr. Chrostowsky noted that the state is OK with having the brush pile burned. Mr. Metcalfe asked if the state would approve moving it. Mr. Chrostowsky will check. Chairman McClintock asked the Solid Waste Committee to decide if the Town should charge for disposal of brush.

11. Open and Discuss Heating Oil, Propane Gas, and Diesel Fuel Bids:

Mr. Chrostowsky opened and went over heating oil bids from West Oil, Ultramar, and Miles Lumber. He opened and went over propane bids from Blue Flame, HA George, Osterman, and Ultramar. The lowest propane bid was Osterman's, for Selkirk pipeline price plus 35 cents, currently \$2.15. The lowest prebuy heating oil bid was from Miles, at \$4.32. The lowest monthly rate was from West, at \$4.39. There were no diesel fuel bids.

Ms. Morse made motion to accept the Osterman propane bid of \$2.15 (or pipeline cost plus 35 cents). Ms. Mellinger seconded.

Chairman McClintock suggested checking with Osterman to see if they could get a large enough tank to get through the year. Mr. Metcalfe said the amount would not be much more than the current tank holds.

Motion to accept the Osterman propane bid carried 5-0-0.

The Board decided it would be cheaper to pay for heating oil on a monthly budget plan than to prebuy and pay the interest on borrowed money.

Mr. Pennebaker made motion to accept the West heating oil bid of \$4.39 if it is still available, and to accept the Miles bid of \$4.42 if it is not. Ms. Mellinger seconded. Motion carried 5-0-0.

Chairman McClintock asked for a motion to discuss personnel issues in Executive Session.

Ms. Mellinger made motion to discuss personnel issues in Executive Session. Mr. Pennebaker seconded. Motion carried 5-0-0.

12. Other Business:

Mr. Pennebaker said Jim Meskun told him that there is a new flagpole for Howard Park and the old one needs to come down. Mr. Chrostowsky said they are working on it. He reported that the methane remediation system plan from Don Marsh has been forwarded to Buzz Surwilo of the Agency of Natural Resources.

The Board went into Executive Session (Contract and Personnel) at 9:40 PM.

The meeting adjourned at 11 PM.

Respectfully Submitted,

Susan Swasta