

**MINUTES OF THE SHAFTSBURY SELECT BOARD**

**NOVEMBER 3, 2008**

**COLE HALL**

**SHAFTSBURY, VERMONT**

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

**Board Absent: Wynn Metcalfe**

**Others Present: Joe Herrmann (water Dept. Superintendent), Larry Johnson, Mitchell Race, Joanne race, Marilyn Haney, Peter Cross, Bill Chrisitan, Brent Peacock, Mike Gleason (Bennington Banner), Mark Youngstrom (Otter Creek Eng.), Bryan Redmond (State Water Quality Division), Alice Miller (Vt. Rep.), Aaron Chrostowsky (Town Administrator), Susan Swasta (Recording Secretary)**

1. Call Meeting to Order:

**Chairman Lon McClintock called the meeting to order at 7:06 PM.**

2. Public Informational Hearing on Water System Improvement Project:

**Chairman McClintock explained the need for this public hearing on the water system project bond. He also explained that, since the bond must be applied for by the Town, it must be voted on by the whole Town, even though it will be paid for only by water users. Chairman McClintock read the warning and ballot article for the bond. He introduced Bryan Redmond from the State Water Quality Division, Mark Youngstrom of Otter Creek Engineering, and Water Department Superintendent Joe Herrmann. Mr. Youngstrom has been working with the Water Board and Department in designing the project.**

**Mr. Redmond came to the podium. He stated that he administers the drinking water revolving loan fund, which is a mix of state and federal money. Mr. Redmond said that Shaftsbury had been low on the list to receive money from the fund when it applied in 2007, but had been moved up the list because its project was ready to go, while projects from other towns were not. \$425,000 has been reserved for Shaftsbury. This loan carries a rate of 3% interest over 20 years, beginning one year after project completion. Mr. Redmond noted that the state has mandated that water lines with hydrants be upgraded to eight inches, and this upgrade will be necessary for the Town water system to retain its permit. He added that this is a good time to do the project because a lot of people will want the work.**

**Mr. Youngstrom spoke next. He said that he has worked with the North Bennington water department for years, and that the water system is one of the best in the state. Mr. Youngstrom**

explained the problems caused by water mains that are too small for current fire equipment demands. When a hydrant with a small main is drawn upon, negative pressure is created, and groundwater and contaminants can get sucked into the water system. Four-inch and six-inch water mains attached to hydrants must be replaced with eight-inch mains, or the hydrants must be removed.

Mr. Youngstrom stated that the Shaftsbury water system is mostly good, but that a couple of areas need to be upgraded. This includes the Sycamore Lane-Church Street water main and the Meadow Lane-Rte. 7A main. In both cases eight-inch mains will be put in and loops created to get rid of dead end water mains. Ledgeley Lane will get an eight-inch main and a new hydrant, but will still be a dead end water main.

Mr. Youngstrom said that this is a fairly modest project, and that the revolving loan program is perfect for a project of this size. The cost will be \$43 per water user semi-annually. He noted that existing water rates are below the state average. The bond will be paid back only by water users.

Mr. Youngstrom said that if the bond is not approved, the opportunity for state money will go away, and the Town will have to compete for the money again in the future. The state mandate to replace water mains will not go away. He agreed with Mr. Redmond that this is a good time to put out construction bids. Mr. Youngstrom explained that the \$43 charge was calculated on the basis of equivalent residential unit.

Shaftsbury resident Peter Cross said that Town Administrator Aaron Chrostowsky had told him that the increased water charge was to be per building, not per unit. Mr. Chrostowsky stated that he had told Mr. Cross that it was to be charged per meter. Mr. Youngstrom said he had calculated it on the basis of living unit. Mr. Herrmann added that a duplex would be two living units.

Mr. Cross stated that his duplex does not use any more water than his neighbor. Mr. Youngstrom explained that the charge is not related to water consumption, but to the structure itself. Chairman McClintock noted that the water bill has two parts; metered usage and fixed administrative cost. This extra charge will be part of the fixed cost. He said that duplexes and apartments will not be the only buildings to pay more. The school, Town hall, and commercial buildings will pay in proportion to their usage.

Chairman McClintock asked Mr. Youngstrom to explain the urgency to do the project now. Mr. Youngstrom stated that if not done now, Shaftsbury goes back to the bottom of the loan list while still being required to comply with the mandate. If the Town has to borrow elsewhere, interest and costs will be higher. He said that 3% is the best deal going, especially given the low administrative costs.

Shaftsbury resident Brent Peacock asked about project cost per footage. Mr. Youngstrom calculated that at \$425,000, it would be \$115 per foot for 2550 feet, plus design and inspection

costs. He hopes it will be below budget. Mr. Peacock asked about escalation clauses and the possibility of unknowns once the contractor starts digging. Mr. Youngstrom replied that he factors in 15% for contingencies. He said they reevaluate the project budget month by month. Mr. Peacock asked if money will be available should the project go over budget, and Mr. Youngstrom replied that this should not be a problem. The Select Board has the authority to increase the amount without a new bond vote.

Mr. Pennebaker asked if the improvement will bring a change in insurance rates, Mr. Youngstrom said that it could, but he is hesitant to state that as a fact. It may bring an improved ISO rating next time hydrants are tested. There was further discussion of possible lowering of insurance rates.

Mr. Peacock asked if Mr. Youngstrom will oversee the whole project, and Mr. Youngstrom replied that he will. Final responsibility for the project will rest in Otter Creek Engineering and the contractor. Chairman McClintock thanked Mr. Herrmann, Ms. Mellinger, Mr. Redmond, and Chairman McClintock. He stated that the public hearing is now concluded. The hearing adjourned, and the Select Board reconvened for its regular meeting at 8:49 PM.

### 3. Announcements:

Chairman McClintock encouraged all to vote tomorrow.

Mr. Chrostowsky announced that resources are available for residents who need fuel and food assistance. They may call the Town office, visit the Town web site, or contact a Select Board member.

### 4. 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.

### 5. Public Comments:

State Rep. Alice Miller came to the podium. She thanked the Board for signing the resolution opposing cuts in state highway funds and stated that the Appropriations Committee has put the money back in the budget. She explained the role and recent actions of the Emergency Board concerning state budget cuts. Rep. Miller reported that \$5.5 million has been received in federal funds for heating fuel aid. There have been 41,000 applications for fuel aid. She stated that the Emergency Board meets November 18 with a new set of revenue figures, and there may be further

cuts. It is important for towns to communicate with legislators to let them know about priorities. Rep. Miller criticized spending on media staff by the administration.

Ms. Mellinger and Chairman McClintock asked if there may be more than \$12,000 in local highway aid cuts, and Rep. Miller replied that anything is possible in the current financial climate. Chairman McClintock stated that they have to push back and make it known that this is a priority. Ms. Mellinger said that they may have to go up there as a Select Board, and Rep. Miller said she could help with that.

#### 6. Discuss Accounting Changes:

Cinda Morse explained that this year's budget deficit had caused the Board to look at the Town's accounting process. They brought in a Vermont League of Cities and Towns (VLCT) consultant, Bill Hall, to make recommendations. Ms. Morse stated that they had been using a modified cash basis system. This allowed some budget "wiggle room" at the end of the fiscal year, but caused problems by not always reporting all activity in the year when it took place. She said that the more generally accepted practice is a modified accrual accounting system, which records revenue and bills when they come in. For example, if gravel is ordered June 1, but the bill arrives July 15, it is dated for June, not July.

Ms. Morse stated that they will switch to this system, and will also revise account names based on Mr. Hall's recommendations. This will take effect at the beginning of the next fiscal year. Ms. Morse stated that Mr. Hall also did an adjustment of the past year's budget which decreased the deficit from \$63,800 to \$59,600. They will adjust revenues again at the end of this year. She said that the March Town Report will show details of adjustments, and the budget will appear in a combination of the current form and the new form.

Chairman McClintock noted that this new accounting method will enforce budget discipline on the Select Board because it will no longer be possible for bills to be pushed forward. All revenues and expenditures will be recorded in the correct year, so it will be a better planning tool for budgets. Chairman McClintock stated that Treasurer Henri Billow has been a big help in this process.

#### 7. Utility ROW Permits:

Mr. Chrostowsky stated that CVPS needs to bury underground cable in the Myers Road right of way, and Fairpoint needs to do the same at two sites on Old Depot Road. Road Foreman Ron Daniels has approved all three permits, which now require Board signatures.

Ms. Morse made motion to approve the CVPS easement order for the Myers Road right of way. Ms. Mellinger seconded. Motion carried 4-0-0.

Ms. Morse made motion to approve Fairpoint easement order #6AAB2T. Ms. Mellinger seconded. Motion carried 4-0-0.

Ms. Morse made motion to approve Fairpoint easement order #6AAB8L. Ms. Mellinger seconded. Motion carried 4-0-0.

8. Review and Approve Minutes:

**October 20, 2008 Select Board minutes**

Ms. Mellinger made motion to approve October 20, 2008 minutes. Mr. Pennebaker seconded.

**The following correction to the October 20 minutes was requested.**

***On page 3, under item 8 (Facilities Committee Update), in first paragraph, fourth sentence is changed to:***

**The Committee sees Cole Hall as the historic centerpiece of Shaftsbury, and thinks it should be kept as the town hall.**

Motion to approve the October 20, 2008 minutes as amended carried 3-0-1. (Ms. Morse abstained because she had not attended the meeting.)

9. Review and Approve Meeting Warrants:

**The following warrants were presented for approval:**

**Warrant #19: \$ 102,562.85 (pay back line of credit)**

Ms. Morse made motion to pay Warrant #19. Mr. Mellinger seconded. Motion carried 4-0-0.

**Payroll Warrant PR#17: \$ 6,500.52**

Ms. Morse made motion to pay Payroll Warrant #17. Mr. Mellinger seconded. Motion carried 4-0-0.

**Payroll Warrant PR#18: \$ 8,857.58**

Ms. Morse made motion to pay Payroll Warrant #18. Mr. Mellinger seconded. Motion carried 4-0-0.

**Retirement Warrant #17R: \$ 413.78**

Ms. Morse made motion to pay Retirement Warrant #17R. Mr. Mellinger seconded. Motion carried 4-0-0.

**General Warrant AP#18: \$ 51,245.81 (LaClair Road box culvert)**

Ms. Morse made motion to pay AP Warrant #18. Mr. Mellinger seconded. Motion carried 4-0-0.

**General Warrant AP#16: \$ 4,609.06 (Accuvote coding, sheriff, Delurey)**

Ms. Morse made motion to pay AP Warrant #16. Mr. Mellinger seconded. Motion carried 4-0-0.

10. Town Administrator Update:

**Mr. Chrostowsky reported that the fifteen day comment period for the Town transfer station certification ends November 15. The certification then becomes final.**

**Mr. Chrostowsky reported that the Town received \$18,147 reimbursement from the state for property in the Use Value program.**

11. Other Business:

**Chairman McClintock suggested that they make a decision on a photocopier at the next meeting. All agreed.**

**Ms. Mellinger announced that there will be a joint meeting of the Shaftsbury and North Bennington school boards next Monday in the Shaftsbury school library. The Shaftsbury Select Board and North Bennington trustees are also invited. The meeting is intended to open a dialog on possible cost sharing and other ways to work together. CAT-IV will record the meeting. The public is encouraged to attend.**

Chairman McClintock reported that he and Mr. Pennebaker discussed the possibility of the Solid Waste Committee redefining itself to take on the initiative to extend high speed Internet and cable television in Shafter. There was a brief discussion of this issue.

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

The meeting adjourned at 8:50 PM.

**Respectfully Submitted,**

**Susan Swasta**