

**Town of Shaftsbury
Selectboard Special Meeting
6:30PM
Monday, October 26, 2015
Cole Hall, 61 Buck Hill Road, Shaftsbury**

Selectboard Members Present: Tim Scoggins (Chair), Mitch Race, Tony Krulikowski, Ken Harrington

Absent: Art Whitman

TA Present: David Kiernan

SUBJECT TO APPROVAL

Regular Business

1. Call to Order

Tim Scoggins (Chair) called the meeting to order at 6:36PM

2. Approval of Minutes

NONE. The Selectboard decided to delay approval of the minutes from the Regular Meeting on October 19, 2015 to the November 2, 2015 Regular Meeting.

3. Warrants

NONE

4. Conflict of Interest Statement

NONE

5. Announcements

NONE

6. Public Comments

NONE

New Business

7. FY17 Budget Preparation:

a. Administration

- David Kiernan began the budget discussion with the Selectboard stipend had stayed the same.
- The Recording Clerk position had been largely rolled into other administrative support wages and this had now, in turn, been allocated to the Town Clerk's role.
- The Administrator's wages had been bumped up after review of VLCT 2015 wage reports. Average Town Administrator in a town of approximately 3,000.00 was paid \$80,997.00 per year and Administrator's in a town of 3,330 was paid \$64,776.00 (not including benefits). FY17's budget proposes a salary of \$57,000.00. Mr. Kiernan pointed out that over the three fiscal years to the end of FY17 there would be a savings of \$50,000.00 in pay and benefits compared to wages and benefits to previous Administrator with annual 3% raises.
- Administrative support hours were being kept at 208 hours for "odds and ends" that come up during the year, including the upcoming audit. Again, the majority of that money is now under "Elections and Vital Statistics."
- Health Insurance Premium – David Kiernan does not take.
- Health Plan Administration – minimal fee (\$750.00) for administration.
- Health Plan Deductible – David Kiernan does not take.
- FICA & Medicare – is calculated on a formula.
- Liability Insurance & Bonds – increased by 2% (including all insurance billed by Wills Insurance).
- Retirement Contribution – also calculated on a fixed formula.
- Unemployment Insurance was bumped up slightly due to two current/outstanding claims.
- Professional Services (including lawyer's fees). David Kiernan indicated this was up slightly in FY15 but he didn't foresee any problems for FY17.
- Postage was mainly used for mailing the Town Report.
- Meetings & Training – Mr. Kiernan said he would likely not be attending as many trainings this year.
- No funds had been allocated for staff development for FY17.
- I.T. & Website Support increased from \$1,500.00 to \$2,000.00.
- Advertising & Legal Notices is being estimated at \$2,500.00. Past spending was due to legal notices regarding the proposed Town Garage and bid proposal requests. The goal moving forward is to combine some services (design and construction) to reduce itemized bid requests.

A brief discussion regarding the proposed Town Garage and possible site for this year's sand and salt materials then took place with David Kiernan stressing the importance of a covered space to mix the sand with salt to preserve its integrity.

David Kiernan indicated that the Town had inquired with Bernstein regarding the use of its building on 67E but it was unavailable for use.

- Dues & Subscriptions are mainly for VLCT and BCRC
- Office Supplies “took a big dive this year” but it’s not a cut as the Treasurer has historically used the bulk of these products and the expense has been transferred to her department.
- Office Equipment & Leases is projected at \$3,000.00. Mitch Race inquired if this includes the new phone system but it was pointed out that this was covered by FY16.

b. Cole Hall

- Contract Services, consisting exclusively of cleaning, were projected as up 2% over FY16, to \$3,750.00.
- Repairs & Maintenance estimated at \$5,000.00 with an additional \$25,000.00 put into reserves for major repairs including roofing and painting.

Tim Scoggins pointed out that \$20,000.00 had been budgeted in FY16 for a drop ceiling on the second floor of Cole Hall. David Kiernan said the goal of adding the drop ceiling would be to create a functional work space with designated offices for the Listers, Zoning, Treasurer, Water Department and Cemetery, along with a meeting space for 19. The renovations would be done in such a manner that the building could easily be restored should the Town leave the space in the future. Mitch Race asked about adding a third floor to the building but David Kiernan cautioned that the current second floor would likely not be able to bear the load.

- Operating Supplies are estimated at \$2,300,00 with a reduction for the \$1,000.00 allocated for chairs.
- Regarding the Utilities line item, David Kiernan pointed out that there would be a \$1,600.00 savings with the new phone system from CIT.
- Fuel was estimated to be up 2% but are ultimately effected by the timing of deliveries.

Tim Scoggins then pointed out again that funds for capital improvements would be allocated to the reserves for Cole Hall.

c. Elections & Vital Statistics

- The Town Clerk requested that her stipend not be increased; it remains level at \$8,000.00.
- As David Kiernan pointed out before, the increase in the Assistant Town Clerk position was due largely to the transfer of funds from the Assistant to the Town Administrator’s position.
- A significant increase for Election Workers for FY17 is anticipated because of the upcoming Presidential primaries and elections.
- Health Insurance is slated to be increased by 6% (a reduction from a 8% increase in FY16).

- Retirement is again based on a fixed formula.
- The remaining line items in this category all remain the same.

d. Finance

- Bookkeeping was given a 3% raise over FY16
- The service used for payroll was discussed by the Selectboard following review of this line item. David Kiernan expressed that there are frequent inaccuracies on the employee check stubs. Tim Scoggins inquired if the service could be performed in house. Mr. Kiernan then said that the risk of liability for certain filings, reporting, and tax forms was not worth transferring the responsibility from an outside vendor.

e. Auditing

- David Kiernan pointed out that the estimated wages for the auditors had dropped \$500.00.

f. Delinquent Tax Collection

- David Kiernan clarified for the Selectboard that though the fees collected by the Delinquent Tax Collector (and the Town Clerk, for that matter) are separate from the Town budget, the Town does support their positions by paying the FICA/Medicare expenses associated with their income.

g. Treasurer

- The Treasurer's salary will remain the same in FY17 as FY16
- David Kiernan explained that the Assistant Treasurer position was in place to collect taxes and assist with reconciliation related to the taxes
- Mr. Kiernan moved the Bank Service Charge from "Administration Miscellaneous" charges to this new line item. The Selectboard requested that Mr. Kiernan follow up with the Treasurer to clarify what these service charges and account fees entail.
- Billing Supplies were also moved over from the Administration category as most of these supplies are used for tax mailings. This item did see an increase because the Treasurer took the bills to be folded and stuffed at Staples rather than utilize staff time at the Town Offices.

h. Listers

- David Kiernan pointed out that the Listers Wages had dropped as a result of now having only two "functional Listers" at Cole Hall. David Kiernan also said that he could see the Town moving to hiring a professional assessor rather than continue with the elected positions of the Listers. Mitch Race and Tim Scoggins agreed that it may be time to make that move as most questions related to assessments are being directed to the professional assessor currently hired by the Town, Jim Boyle.

- Tim Scoggins asked if changing the position of Lister from elected official to hired professional would require a vote from the Town. David Kiernan said that this was probably necessary and that there would be some opposition from voters.
- Professional Services (Jim Boyle) sees a slight increase from \$24,000.00 to \$25,000.00.
 - The allotment for Tax Maps increased significantly from \$1,800.00 to \$5,900.00 but funds had been used from the re-appraisal fund for FY16. David Kiernan pointed out that this fund can be “dipped into” once but now needs to be built up again for future re-appraisals.
 - IT Services for the Listers are down from FY16 when a laptop was purchased.
 - Overall, the Listers budget sees a 7.2% increase.

8. Other Business

David Kiernan began a discussion regarding proposed reserve numbers for FY17. As pointed out earlier in the meeting, \$25,000.00 was being put into reserves for Cole Hall. Among the major projects needed for Cole Hall are parking, exterior work, the park area, painting and roof work.

Tim Scoggins pointed out that the issue of the reserves must be handled carefully and presented to the residents in a cohesive manner, incorporating the line items in the budget and the required reserves for future improvements as a whole. David Kiernan acknowledged that there is an inherent risk in moving money out of the budget into reserves but this was a “cleaner” way of doing thing. Mitch Race highlighted that the money put into reserves do not limit project completion to the fiscal year. Ken Harrington said that he receives comments about saving for equipment and major capital improvements versus incurring loans and additional debt.

David Kiernan offered an example regarding the Class 3 Road Fund, stating that the money in reserves for that Fund must be used for a dedicated purpose and every penny must be accounted for.

Mitch Race asked how the general road maintenance materials differed from materials paid for from the reserve funds. David Kiernan answered that the work rebuilding the roads from reserve funds is coded as a Class 3 Road Fund for billing purposes and named the projects on Potter Montgomery Road, Maple Hill Road, East Road and the probable re-fabricing of Ehrich Road as examples. Mitch Race then asked about the condition of Airport Road and David Kiernan reported it to be in decent shape, with some potholes. It was pointed out by both Mr. Kiernan and Ken Harrington that the condition of the road has likely been preserved with fewer heavy trucks from Peckham using the dirt portion of the road.

David Kiernan briefly discussed the Community Appropriations portion of the budget and expressed that he hope that the public understands that signing off on these appropriations will raise their taxes by one and one-half cents. Tim Scoggins further

clarified that like the reserves, these items should be viewed as part of the entire budget but are voted on separately from the line items.

Mitch Race then pointed out in his review of the proposed FY17 budget that he noticed a 21% increase in Town Highway Materials and expressed that this is indeed a significant increase. David Kiernan said that the subcontractor that performed the mowing was previously spread out over FY15 and FY16 and that in FY17, the total payment was due during the fiscal year (\$21,000.00). Mitch Race then inquired about road materials and if the projections for materials would yield a surplus in items such as chloride. David Kiernan said that the amount actually needed to keep the roads together would exceed the modest projections on the current proposed budget. Mr. Kiernan then stated that the vast majority of the taxpayers in this Town live on dirt roads and would like them maintained.

After a brief discussion regarding possible cuts to other parts of the Road Maintenance Budget, David Kiernan summarized the challenge to this portion of the budget as figuring out how to keep the spending as close to flat as possible while addressing the need to maintain good roads. Tony Krulikowski reported that members of the community had expressed that the roads have been much better this year. Mitch Race pressed that the 21% proposed increase in FY17 and the three-cent increase in taxes this year seemed steep. Mr. Kiernan stated that some of this was due to actions taken at least two budgets ago. Tim Scoggins stated that good roads show an investment in the Town.

David Kiernan continued a review of the Highways Construction & Maintenance portion of the budget. Mr. Kiernan reviewed the DI-Cleaning line item (for storm drain cleaning), sidewalks (mainly related to snow removal and maintenance), and rentals (up \$2,000.00).

A discussion regarding the winter sand, stone and salt then followed. Mitch Race asked if the month-to-month lease of the Cross land would be effected by the placement of the large conical forms of the sand and salt for upcoming season. David Kiernan said that he would have a discussion with Mr. Cross. Mitch Race inquired about the possible purchase and/or swap of land with Mr. Cross but it was ultimately determined that there were issues regarding the approximate values of the land.

David Kiernan informed the Selectboard that at least some of the salt, sand and stone would need to be mixed and ready to go soon. Mr. Kiernan said that some outside contracting would be needed for the hauling of the winter materials (approximately 280 truckloads). A location for the winter mix would need to be determined soon, as all materials will need to be moved soon. Ken Harrington asked if the salt shed could be constructed ahead of the new garage for this upcoming winter. David Kiernan replied that there was probably not enough time for the necessary permitting, site work, engineering for road location, etc. Tim Scoggins asked if there was enough time to get the floor poured for the salt shed. Tony Krulikowski pointed out that the weather could put constraints on this proposal.

Tim Scoggins then asked the Selectboard members if they had given further thought to the location and placement of the new garage and indicated that he had heard that people

would like to see it placed closer to the road. Mitch Race and Ken Harrington stated that construction on the original site made sense. A discussion regarding the two houses, one owned by the Town, the other not, ensued. The house owned by the Town had recently been winterized by Rick Stratton and will likely be demolished at some point. There are no plans to purchase the other North Road property at this time.

David Kiernan asked the Selectboard about bringing in department heads for the next budget meeting. Tim Scoggins proposed discussing the Public Works/Roads sections of the budget at the next Regular Meeting on November 2, 2015 so that the discussion could be televised. The Fire Department and Planning and Development portions of the budget would be discussed at the next Special Meeting on November 9, 2015.

Tim Scoggins then advised the Selectboard that the Selectboard would be going into Executive Session to discuss a vacancy on the Planning Commission.

Motion: Tim Scoggins moved to go into Executive Session at 8:18PM. Mitch Race seconded.

4-0-0 Motion approved.