

Town Of Groton, Vermont – Selectboard Minutes, January 28th, 2016 (Approved)

The duly warned budget meeting of the Groton Selectboard of January 28th, 2016 was held at the Groton Community Building, 1476 Scott Highway.

Attendance for the meeting included Brent Smith, Roberta Dana, Linda Nunn, Martha Crown, Debbie Johnson, Lisa Hart, and Dan Robinson.

The Following Selectboard Members were in attendance: Peter Lyon, Andrew Dorsett, and Mary Grant

The Meeting was called to order at 6:30 PM

Updates/Adjustments to the Agenda:

None

Auditors Input:

Debbie Johnson stated that she believes there needs to be a budget figure in the Town Report. The Board responded that there will be, and Peter went over the agenda for them. Debbie went on to report that she doesn't believe the Delinquent Tax Collector (Annie) will have her report ready for the Town Report. She reported that Annie is experiencing some personal issues and has been occupied with that. Debbie wanted the Boards ideas. Peter said that as an independent entity, that would be the Auditor's call and should work with Annie and resolve the issue as best as they can. Debbie asked what they should do if Annie's report isn't done. Peter asked if she gave Annie the new deadline of Saturday, Debbie said yes. Peter told the Auditors that the two independent entities should be able to work that out together.

Executive Session: Andrew moved that the Select Board go into non-public Executive Session, Mary seconded the motion. Andrew requested that the Select Board Secretary remain for the session. Andrew stated that the purpose of the executive session was to discuss personnel and contracts. There was no discussion, the Board voted unanimously to approve, the Board entered Executive Session at 6:42 pm. The returned to open meeting at 7:32 pm

Review Resolution to Cash Balance Problem: Peter reported that after the Batchelder Associates work session with the Treasurer there was still a gap of \$5,745.84 in the general fund checking account and asked the Board for ideas on addressing the shortfall. Andrew suggested and the Board agreed, that it may be appropriate to ask for a refund from Pace & Hawley and NEMRC for the work they did, which in Batchelder Associates reported only compounded the problems that the Treasurer was trying to solve. Andrew made a motion to direct the Treasurer draft a letter to Pace & Hawley demanding a refund of payments made for not meeting contract obligations and to NEMRC notifying them their invoice would not be paid. The amount to be recovered will be the amount of the shortfall, \$5,745.84. Mary seconded the motion. In discussion Lisa expressed her concern that by notifying NEMRC that they would not be paid for the service during the period in question, that it may create an issue for future support under the Town's service contract with them. Mary suggested that she be careful in the wording of the letter and ensure it is specific to the just the instances noted by Batchelder Associates. The Board voted unanimously to approve.

Andrew reported that because of the complexities of NEMRC and concepts of bookkeeping and all of the difficulties associated with that as well as the need to get the Treasurer trained, Andrew made a motion to engage Batchelder Associates for the purpose of managing the Town's bookkeeping for

a period of 3 months and for the purpose of training the Treasurer during that same period per the contract outline received for them. Mary seconded the motion. There was no discussion, The Board voted unanimously to approve. Roberta asked what happens after 3 months. Peter said that was a good question and answered that the Board would meet with Batchelder Associates, the Treasurer and receive their report and discuss next steps. Roberta asked how much the contract was, Andrew replied, \$4995.00 and the training portion had a range. Peter said that would be taken up during the upcoming budget discussion.

Review Reserve Fund Balances: Lisa explained that she and Nathan Hawley went through each transaction through-out the year, and the very bottom line is what is in each account. Lisa went on to say she feels really good about the report, but the general fund affects the reserves and they are having problems with the general fund and it could be off if there are errors in the general fund. Peter asked if the Reserve Fund Balances were ready for Town Meeting. Peter said that it was time to flush it out. Lisa said she didn't believe that they until the work with Batchelder was done to make everything is right. Andrew said that by statute, the Town has to include certain things in the Town Report. Lisa said she thought she could provide those reports as an addendum to the Town Report. Andrew said that 24 V.S.A. 1578 says The report must contain a detailed statement of the financial condition of the town, a classified summary of receipts and expenditures, a list of all outstanding orders and payables more than 30 days past due, any existing deficit and such other information as the town shall direct. SO we have to include it however, the best we can do is what we have and then have a supplemental at Town Meeting. Lisa asked just the Reserves? The Board said that would be everything. Peter said that according to VLCT, the Auditors shall issue a report 10 days prior to Town Meeting. Peter asked for the record if Lisa was comfortable that the reserve fund balance report was accurate. Lisa said she isn't 100% with any of the financials.

Peter reported that during the executive session, the Board called Martha Crown and Debbie Johnson, because they had left the town offices, to discuss including an article on the Town Meeting Warning to eliminate the 3 auditor positions in favor of contracting those services. Under 17 V.S.A. 2651b, the town may vote by ballot at Town Meeting to eliminate the office of auditor and then the Select Board would contract with a Certified Public Accounting firm licensed in Vermont. Peter indicated that both Auditors were comfortable with that idea. He went on to say with the complexities of municipal finances, it is difficult to find anyone with the skills to do the job expected of them under state statues. Peter wanted it know that this was not a reflection of our current auditors, that it was time the Town move forward. Andrew made the motion, under VSA 17 2651b to eliminate the office of town auditor, to be voted on at Town Meeting. Mary seconded the motion. The Board voted unanimously to approve. Andrew went on to discuss the report from Batchelder Associates saying that one of the comments was lack of communication between that Treasurer and Annie. Andrew said that he had read in the state statute that the Collector of Delinquent Tax Collector can be combined with the Current Tax Collector's position. The Board agreed that they should speak with Annie before going forward. Peter got her phone number from Lisa and called her on speaker phone so the Board could all hear. Peter explained the reason for the call, and told her who was at the meeting. Andrew explained the idea of combining positions and asked Annie what her thoughts were. Annie said that she would support whatever the Select Board wanted to go. She assumed that it was heading that way anyway noticing that Carrie was in the office on a regular basis. Andrew asked her if she thought it was a good Idea. Annie said that she believed that it was separate for a reason. She said that an idea that she had was to have the checks delivered to the town offices and have Linda photocopy them and send her the copies and have the town deposit the checks. Andrew asked if she enters her information into NEMRC, Annie responded yes. Andrew asked, if that was remotely from her house, Annie said yes. Discussion continued about whether or not the

Treasurers computer and Delinquent taxes computers were linked. Linda indicated that NEMRC had recommended that they be separated. Mary asked Annie if she was comfortable combining the 2 positions. Annie responded that she will do whatever is asked and makes sure that she is there long enough to train whoever ends up with the duties. Mary said that there is a lot more to the position than just the financial side, outlining the duties that Annie has had to fulfill to include tax sales, mailings etc. Lisa and Roberta reminded the Board that the Treasurer is the Current Tax Collector. Mary suggested that things stay as they are. Peter and Andrew agreed. Mary went on to suggest that Annie may want to sit in on some of the training Batchelder will be providing. Peter gave Annie a brief run down on the Batchelder contract and invited Annie to attend the training. Annie agreed that would be good as she had no formal training on NEMRC only what Roberta was able to give her. Peter told Annie to write down any questions she may have for Batchelder Associates and bring them in when the training starts. Annie asked how often the Board wants her report. The Board said she only has to do one every 60 days, however the board would like to see one monthly if she had no objections. Annie said she runs one monthly anyway, so that wouldn't be a problem. The Board thanked Annie for her time.

Peter asked Linda to come up to the table so that they could give her the updates to the Warning. Peter asked the Board if they saw any other issues with the Warning. Andrew asked if the language has been run by VLCT. Linda said they have looked at portions of the Warning, but not entire thing. Andrew commented that it is too bad that all of the agencies asking for voter support couldn't be listed in one article. Mary replied that the voters ask for them to be listed separately so they can see who they are approving funds for.

Finalize the 2016 Budget: Peter ask Lisa where she put the revenue that would be generated by the Recreation Committee position created by the Board. Peter said that there needs to be a revenue of \$2300. Andrew said to create 106.60.000 for Recreation Committee Director. Peter said that there was \$6900 of uncommitted money from 2015 tax receipts.

Peter said that based on the State Fire Marshall's inspection of the Community Building which identified a few serious code issues that needed to be addressed, that the Board was going to reduce to \$0 the 2016 contribution to Emergency Services Building reserve fund and to address the Fire Marshall's findings, put that \$5000 into the Community Building Improvement reserve fund raising the total to \$20,000. This should be a good start on paying a design firm to address those issues. Peter asked the Board if they would like him to stop by Black River in Montpelier to ask them to put together a plan for the Town. The Board asked if Peter could have them put together a proposal for them to review, Peter said that he is sure that they could. Peter said that there was a motion from a previous meeting to not support an insurance buyout for full time elected officials, which was tabled to allow the board to conduct research. Peter said at that time the discussion was for the Treasurer and the amount was \$1539.20. Mary asked if that was the only buy out, Peter said he thought there was one more, referencing the Town Clerk. Lisa said no that the buyout was for someone not taking the Town's insurance. Andrew said that Linda was not taking the Town's insurance. Peter said that the clerk's insurance was \$3660, and he thought the Clerks insurance was reduced substantially. Mary said that was the amount of Linda's Medicare rather than the Town's insurance. Peter said for the record there was only one buyout then, Mary said that was a buyout. Lisa wanted it in the record that she had a discussion with the Board back in April after the meeting, she had numerous questions because she was new and everyone agreed that she was eligible for the buyout because she didn't need the towns health insurance. Peter said that since then, they have found a report that was marked up and it says precisely that the personnel policy excludes elected officials. Roberta referenced that at the last meeting. Lisa replied that they follow the book for everything else. Peter said that for the record, he could not explain

to the taxpayer why they would pay for insurance not being used. Lisa said the budget would go up \$15,000 if she did go on Town insurance. Peter said that was her call. Roberta said that the whole policy didn't apply to elected officials, but that historically they went by it because that was all there was. Peter said again that he would reference his conversation with Bill Hall at VLCT and he said that Bill was amazed that we were talking about that and deferred vacation for elected officials. Roberta said there are a majority of towns have their employees on salary. The discussion continued around how the policy is used. Linda passed out a question and answer sheet that she had gotten from VLCT. Lisa asked what elected officials were supposed to follow. Peter said that the answer is state statutes. Lisa said that doesn't cover compensation and benefits. Mary said that then what they would need to have is a contract between them and the Select Board. Peter wanted to read into the record, the existing policy states "these policies and rules shall be applicable to all persons employed in the services of the town except elected officials and persons under the direction and control of the town's school directors." Lisa said that should have been said last spring. Roberta said that there were some changes made to the policy. Lisa wanted on the record that she specifically asked the board if she was eligible for the buyout and they replied yes. She went on to say that she doesn't believe the Board did due diligence in their follow up. Mary asked if anyone has ever taken a buyout. Roberta said that not as long as she was there, but that there was never an occasion to. Discussion continued around what other towns do and what updates may or may not have been made to the town's personnel policy. Roberta added that as often as laws and statutes change, the policy should be reviewed and updated more frequently. Peter asked if the Board was ready to vote. Linda said that the meeting was before the current Select Board Secretary so there was not the same amount of detail in the minutes. Peter said that if the discussion included money, he ensured that the minutes were recorded crisply. Linda said that she was speaking as a taxpayer and she wanted to say that she thought the town was being pretty cheap, that they were already working on 2012 budget figures. Linda went on to say that if the Select Board can't take part of what they would have paid for her insurance and give it to Lisa, then she thinks the Select Board is pretty cheap. She also said that she is paying her own insurance because she hasn't asked the town to pay anything, so whatever the Board was going to use to pay for her insurance, use it to pay Lisa. Peter replied that in response to the budget being brought to 2012 figures, Gary's idea to have a balance match the earlier year was driven off his thought that it took out the special appropriations that were in the previous year, because if you are not careful you add in special appropriations to a baseline budget that artificially inflates it. So in effect, he didn't really reduce the budget, he just removed the special appropriations. Peter went on to say that the funding of the town, He is immensely proud of what the Board has done over the last few years. Everyone will tell you that the employees of the town have the premier health care policy that has been 100% funded by the town and it has taken large increases in cost over the past few years and the town has absorbed them because they thought it was important, so there is nothing cheap going on in this community about supporting it's employees and their benefits. In the current year that premier policy has been continued, there is no better policy, and in fact that policy may put the town at risk in the coming years of a tax being put on premium health care plans, and we as a community will have to find our way through that tax, so this ride we are going on as a taxpayer fund our employees, is a trip that doesn't have a happy ending. So when there is an employee or elected official that has the opportunity to take this best in class premier policy and for their own personal reasons, elects to use their family policy because it's to their advantage, I see no reason for the taxpayer to reimburse them for that decision. That's not being cheap, that's being fiscally prudent for the taxpayer. The taxpayers have been amazingly supportive of all of us over the last number of years in terms of all of the requests we have asked for and they have been amazingly behind us any time we wanted to do some unique funding. SO the last thing I would want to do is look them in the eye and say, you guys have been cheap, you haven't funded us, the policies have been poor, etc, etc and I am disappointed at the remarks just made.

Linda replied that was not what she just said, from now on, because I won't say our insurance wasn't the best. Peter responded that it still is. Linda said that she is going to make a list and go around to the taxpayer and ask their feelings before Election day, to see what their feelings are to give someone \$1500 rather than to pay whatever it cost a year for insurance. Linda said her insurance is \$650 per month x 12 so \$1500 compared to that. Peter said that had no relevance to it at all and you are dealing with a federal regulations and federal standards and federal policies which they had no control over. Andrew added that he likes buyouts because it drives behavior and can save money. Lisa added that she just wanted it noted that she saw it in the policy and brought all of this to attention of the Board back in April. It is in the book and they follow the policy for everything else. Discussion continued around the policy book and who it applies to. Mary and Peter spoke about how the money not used for the Treasurer's healthcare was used. Peter referenced the reallocation of funds for wages for the Assistant Treasurer, Remodeling the Treasurer's Office (walls, insulation, electrical work and carpet). Peter called for a vote on the motion to not pay a buyout for 2016. Roberta commented that there is a note in the current policy, dated 1997, that says to refer to the minutes of 1997 in reference to removing the buyout. Peter stated that the funds saved from not having a buyout could be used to help pay for the CPA services needed for the Treasurer. Mary brought up the point that there needs to be a policy update that addresses all of these issues. Peter reread the motion and asked if the Board was ready to vote.

Roberta read the buyout line from the policy again. Peter reiterated that the policy was for employees. Andrew said since the elected officials were actually employees of the people, then perhaps they should let the people decide. Peter said he is ok with that. Andrew said that then they should add an article to the Warning. The other Board members agreed. Andrew worded the Article for the Boards approval. Discussion continued for the Town Clerks health insurance. Because of Linda's age, she is required to use Medicare. Because she doesn't/can't take the town's health insurance, the board discussed covering the cost of her Medicare premiums. The Board considered this also a buyout. After some discussion, the Board decided that the question of funds should be an article on the Warning as well. The Board thought that this would best serve the voters. Peter said that by doing it this way it would cover future elected officials that end up in the same circumstances. The board voted unanimously to not support an insurance buyout. Peter said that by having the 2 articles in the warning would cover that issue.

Budget discussion resumed, with Peter asking about capturing Linda's dog license revenues. He said she was going to add in the fees and licenses she had to pay the State. Roberta added that only the portion that the town keeps should show as revenue. Peter asked Linda and Lisa to decide how to carry it. Linda said that the amount should be \$2032.00 net revenue to the town. Peter said that the board would leave the amount in the budget at \$2000. Peter asked Lisa to ensure that based on the last motion approved Health Insurance, the figure \$1539.20 was changed to \$0. Also that Dog Fees was \$2000 and was going to remain \$2000. Peter wanted to update Zoning to \$1250 from \$1350 bringing the total down to \$2300 which keeps us level funded. In animal control changed to \$700 and to \$250 to total \$950. Peter went on to discuss reallocation of the \$6900 that originally was going to Brent for gravel, but wanted to discuss using that money to help pay for the accounting firm for the Treasurer's office. Lisa said that \$6900 was looked at again today, and it looks like it was money that was raised twice in 2014 and then it was dealt with in 2014. Peter said based on Gary's note, it was 2015, and that in 2014 we had taxed \$6900 more than what was in the line item. Peter went on to ask what the process is to reserve the funds for use for pay for CPA services. Peter asked Roberta what her suggestion is. Roberta said ideally you should ask the voters and let them decide. Peter asked the Board what their thoughts were, that he was open to anything that is legal.

The Board decided to use Roberta's suggestion and add an article to the Warning to ask the voters to approve creating a reserve fund to pay for professional services.

While Andrew worked on writing the article Peter asked Brent and Lisa about the Better Back Roads grant. He asked Brent if the grant had been received for the Ricker Mills Road project. Brent said it had been received by the Town for 2015. Peter asked Lisa where that was posted in the report. He went on to talk to Brent asking him what we should put in for Better Back Roads this year. Brent responded that it depended on what we decided to do. Peter asked Lisa if she had found it yet.

Lisa said she knows it came in but can't find where it was put in. Peter referenced the line it was previously in as 200.6.10.00.003.99 which now is \$0.

Peter asked Lisa to look at Town Clerk health insurance and change to amount to \$0. Lisa asked if she should contact Batchelder Associates to schedule time to start work. Mary made a motion for the Board to authorize Andrew to work with Lisa to book a deal with Batchelder Associates, Peter seconded the motion, and the Board voted unanimously to approve.

Back to the budget discussion Peter said in the Highway Department, there was a \$12,000 challenge to get level funded. Peter asked Brent why we couldn't we change Salt to \$6400 from \$8400. Peter also asked Lisa how much unspent money did we finally have left in Highway. Lisa said there was \$9,924. Peter said that we could move that into Highway Infrastructure for gravel and reduce the gravel budget by \$9900. Andrew made a motion to move \$9,900 into Highway infrastructure fund from 2015 excess. Mary seconded the motion and the board voted unanimously to approve. Andrew said that line can drop to \$1100. Lisa wanted to point out two things. Treasurer's training was bumped up from \$1600 to \$3600. Peter said to reduce it back to \$1600 and use the \$2000 for Batchelder's professional services. Peter and Andrew began the discussion of how to deal with accrued vacation for full time elected officials. Andrew's figures came out to leaving \$360 in Linda's Accrued vacation and adding \$1700 into Training for the Treasurer, totaling \$3300. Treasurer accrued vacation goes to \$0 and \$1184 goes into Treasurer's training line bringing the total to \$4490.

Back to Highway. Peter asked Andrew to do the math for accrued vacation. Brent suggested that needed to be looked at. Brent reported that there was \$5861 in Highway accrued and suggested that the Board remove \$5000 and leave \$861 in Highway accrued. Brent also suggested that there was \$5,000 movement from Sidewalk into Highway, which would get them where they need to be.

Linda presented the Warning for the Boards review. Mary made a motion to accept the warning and Andrew seconded the motion, The Board voted unanimously to accept the Warning.

Peter presented a note from Annie requesting money for a computer system. The Board reviewed the Delinquent Tax Collectors budget and reallocated (postage) to \$150, (training) to \$200 and (payroll taxes) to \$700 and bring (tech services) from \$0 to \$500 to fund her computer and still level funds her budget.

Peter asked if there was a motion to approve the budget. Andrew moved to approve the budget as amended, Mary seconded and the Board voted unanimously to approve.

Brent asked the Board if they would approve the repair work for the grader. He indicated that if the repair shop went through Caterpillar, that the parts alone would be \$5000. By using aftermarket parts, the total job would cost \$5000. Peter asked why he was asking the Board and not waiting, Brent said that he needed the Board's approval because the grader is needed to work on the winter roads.

Mary made a motion to approve the funds to repair the grader, Andrew seconded the motion and the Board approved unanimously.

Lisa wanted to ask what should her next step be if she gets a negative response from Pace and Hawley and NEMRC. Mary said that Lisa should make the first attempt and then pass the result on to Board to decide the next option if needed. Andrew asked if there was a contract with Pace and Hawley. Lisa said yes and presented her folder to Andrew for the Board to review.

Andrew read through the list of statements made by Nathan Hawley and compared it to the report from Batchelder Associates. The Board told Lisa to draft the letter and let them review it before she sends it. Peter said they should also review the contract with NEMRC to see what services they are required to provide. Peter asked Lisa to find it and get a copy for the Board. Andrew said that he would have Batchelder review the Pace & Hawley contract and NEMRC invoices and see if they have recourse.

The Meeting adjourned at 11:02 pm.

Minutes prepared by Dan Robinson, Select Board Secretary