

Special Meeting of the Westminster Selectboard

Wednesday, March 4, 2020

Westminster, VT Town Hall

Members Present: K. Sheldon Beebe (chair), Susan Harlow (vice chair), Kevin Hughes (clerk), Craig Allen and Toby Young

Others Present: Russell Hodgkins (Town Manager/Zoning Administrator), Larry Slason, Esq., Cynthia Stoddard, Nate Stoddard, John Jones, Fran Renaud and Millie Barry (recording clerk)

1. **Call to Order:** The meeting was called to order at 6:30 p.m. by K. Sheldon Beebe. Reorganization of the board will take place March 11, 2020 at the regularly scheduled selectboard meeting.
2. **Adjustments to Agenda:** The TM (Town Manager) requested to table acceptance of the minutes of February 26 and February 29 to meeting March 11, 2020
3. **Acceptance of Minutes: - February 26/29, 2020 -** Susan Harlow motioned to table acceptance of minutes of February 26 and February 29 to March 11, 2020. Craig Allen seconded, motion carried
4. **Communications and Public Comments: -** None
5. **New Business (Discussion/Action) -**
 - A. Creation of new articles for a special town meeting with legal advice - Attorney Larry Slason (town counsel)
 - Budget Article - Mr. Slason used a handout entitled “Municipal Budgeting” to explain some of the fundamentals of municipal budgeting in terms of what could and shouldn’t be done to handle general fund surplus. Mr. Slason said most towns draft articles asking the voters to approve use of a portion of surplus funds for special projects or to fund a previously created reserve fund. Without voter approval, the surplus funds remain in the general fund as available revenue to offset the amount to be raised by taxes. The money belongs to the voters/taxpayers in the community unless they authorize (by vote) the selectboard use the funds for other purposes. Included in the handout was information from VLCT (Vermont League of Cities and Towns) regarding wording for budget articles and specifics of warning a special meeting. Mr. Slason said this year, there was a substantial surplus in the Town and a portion of the surplus were allocated by the selectboard for town hall repairs without voter approval. If voter approval was obtained it was done quite a while ago. Mr. Slason believed there was a consensus in the past, based on prior discussions, if there was surplus, it was to be used for town hall repairs. The missing step was formal voter approval. Mr. Slason clarified the creation of reserve fund and emergency funds, (information in handout). Money transferred into a created reserve fund, remains within the reserve fund until its use is authorized by voters. Most often decisions about surplus are made before the appropriation article so if voters vote down using

surplus or transferring to a capital improvement or other fund, the surplus remains in the budget changing the amount raised by taxes.

An emergency reserve fund would be utilized for emergency purposes with the discretion of selectboard where prior voter approval is not reasonably feasible. Mr. Slason said the Town was working with a blank slate essentially going back to the voters with an article to transfer surplus to the capital improvement fund or town hall restoration fund. John Jones stated in his research he found the voters allocated about \$240,000.00 in 2001 for the town hall receiving a \$40,000.00 grant from the historical society. Mr. Slason stated any reserve fund created by the voters is required to be discontinued by the voters. Cynthia Stoddard clarified if there is a surplus, after any article to move surplus to a capital improvement fund or town hall renovation fund, the monies remaining should automatically go to reduce taxes. The town should not keep or hold surplus. She said last year, the town voted to create a reserve fund balance policy (information in packet). The policy allowed the selectboard to retain up to 20% of the total budget. Five percent of this amount the board is able to save for unrestricted, general fund unanticipated expenses. The other 15% can be moved to an emergency fund to spend on emergencies the board deems appropriate. Mr. Slason said basically the fund created last year was a contingency reserve fund for emergencies. Susan Harlow clarified last year the voters did approve “not more than 20 % for a reserve fund balance policy” **was 20% of the total budget**. Slason verified the reserve fund balance policy the Town approved was excellent and the board’s actions were fiscally sound excepting obtaining voter approval for use of surplus funds. He commented, as did Kevin Hughes more in depth town meeting minutes would be helpful, especially to be clear (in future years) what was actually approved by voters

Cynthia Stoddard suggested the board consider appropriating monies for training a present employee or hiring a finance director. She said town finances were difficult and the problems with finances were large. Ms, Stoddard asked about the structure of duties in the town office regarding finances. She and Mr. Slason agreed fund balances and financial statements were beyond the training of a volunteer board. In addition, NEMRC (New England Municipal Resource Center) person was paid to balance the check book and answer questions during the one half day each month they were at the town hall. NEMRC’s goal is not to stay in a municipality long term but to be sure the people in the finance department are trained, understand the processes etc. Ms. Stoddard stated she was not attempting to generate more work for NEMRC (her employer).

- Allocation of Surplus - Articles - The board discussed the remaining work at the town hall and monies needed for the current phase. The TM will discuss costs with Mr. Brennan. Nate Stoddard clarified Mr. Brennan had been paid for the work completed thus far and had stopped work until further notice. Included in the packet was an email from attorney Christopher Moore on behalf of Brennan Contractor, LLC re: status of work and contract.

Also discussed was American with Disabilities Act (ADA) construction work for platform lift and installation at the town hall (information in packet) totaling \$59,842.31. Toby Young motioned to apply \$59,842.31, monies received from the State of Vermont from the Mandich lawsuit to the capital improvement fund. Craig Allen seconded, the motion carried,

The board discussed appropriating monies for financial consulting. Toby Young motioned to allocate not more than \$15,000.00 for NEMRC or other financial support/training. Craig Allen seconded, motion carried.

- 6. Unfinished Business (Discussion/Action)** - None.
- 7. Other Business** - Mr. Stoddard requested explanation of the \$10,000.00 approved at Town Meeting for productivity study of the gravel site in Rockingham
- 8. Date of Next Meeting** - March 11, 2020 at 6:30 p.m.
- 9. Adjournment** - Kevin Hughes motioned to adjourn the meeting at 8:37 p.m. Craig Allen seconded, motion carried.

Clerk

Date