

WESTMINSTER SELECTBOARD MEETING

Wednesday, December 28, 2022 - 6:30 p.m.

In person at Westminster, VT Town Hall

Selectboard Present: Jason Perry (Chair), Katrina Hamilton (Clerk), Kevin Hughes (Vice Chair) and Craig Allen – Nathan Dugat was absent

Staff Present: Millie Barry (Recording clerk), Chuck Lawrence (Road Foreman)

Others Present: Lawrence Slason (town legal counsel), Cole Streeter and Chip Stearns (NEMRC)

1. Call to Order: The Chair called the meeting to order at 6:39 p.m. (delayed start due to technical difficulties).

Information to access a future meeting using a remote connection is available on the Town of Westminster website or by calling the Westminster Town Hall.

2. Adjustments to Agenda: Katrina Hamilton moved to go into executive session and invite town counsel to discuss a personnel matter where premature knowledge would place the town at a substantial disadvantage. Craig Allen seconded motion, motion carried 4-0 by voice vote. The executive session will be before communications and public comments on the agenda.

3. Acceptance of Minutes: December 14, 2022 and December 23, 2022. Ms. Hamilton motioned to accept the minutes of December 14, 2022, Kevin Hughes seconded, motion carried 4-0 by voice vote. Mr. Hughes motioned to accept the minutes of a special meeting of Westminster selectboard held December 23, 2022, Mr. Allen seconded, motioned carried by 3-0 voice vote. Katrina Hamilton abstained from vote as she composed minutes on December 23, 2022.

The board moved to executive session at 6:42 p.m.

At 8:07 p.m. the board reconvened regular session. Mr. Hughes moved the Westminster selectboard schedule a mediation with Kenneth Fay under section 31 of the employment agreement. The mediation will be held with Mark Powers Mediation commencing on January 19, 2023. Also, to authorize town counsel to reach out to Kenneth Fay before the medication to explore possible resolution. Mr. Allen seconded; motion carried 4-0 voice vote.

4. Communications and Public Comments:

A. Rockingham Town Manager – Ambulance Discussion – Cole Streeter stated personally he did

not care where the ambulance service came from. He said Golden Cross was doing what they could and after he communicated with Walpole, they will do what the town (Westminster) needs their service to do. He added, per the State of VT, the town had to provide ambulance service to the town.

5. Unfinished Business: (Discussion/Action) – Information (Westminster General Ledger Comparative Budget Report General Fund) included in the board packet

A. Budget Discussion – Chip Stearns, NEMRC (New England Municipal Resource Center) Mr. Stearns addressed Mr. Allen’s question in the prior meeting of the miscellaneous revenue number.

1. There was reimbursement of monies for the audit of the prior year where an invoice was paid twice.
2. The Town was a beneficiary of \$2,000.00 penalty payment when a taxpayer dropped out of the Current Use program.
3. The last payment for the Housing Foundation loan of \$5,000.00 should have been posted to the Community Loan Revolving Fund (not miscellaneous revenue). These monies have been reclassified.
4. \$11, 039.50 was guard rail reimbursement that has been reposted to the highway fund.
5. \$92.35 he believed was scrap metal reimbursement also reclassified to highway fund.

Mr. Stearns said Mr. Fay sent him a spreadsheet reflecting the old account numbers without the highway department budget broken out. He adjusted the numbers he could to the highway section as well as revenues and expenses budgeted for the prior year. His report reflects the changes made. Mr. Stearns noted it appeared in the expense area Mr. Fay had taken the zoning administration position wage and combined this number with the town manager wage making a total of \$94,000.00. Mr. Hughes asked to clarify that (on paper) Mr. Fay had combined the two wages for next year’s budget. Mr. Stearns said based on the spreadsheet, this was the appearance. He noted the budget Mr. Fay provided through the spreadsheet was again using the old method of the budget. Mr. Stearns typed in changes adding budget numbers and changes he was aware of and balanced the revenue with the expenses so there was no surplus or deficit spending. This was not the end result. In the last tax year (2022), the town tax rate, not including local agreements, fire district or education was .6750. In 2021 the tax rate was .6032. In 2020 the tax rate was .6112. He said using values from the latest grand list, for highway were \$1,229,623.00 in property taxes and \$859,314.00 for general fund totaling \$2,088,937.00. Using the last known grand list totaling \$2,868,161.00 grand list number for a tax rate was .7284. Mr. Stearns said this seemed like a large increase. He continued, from information received from Alison Bigwood the board had agreed to hire her 30 hours per week at a salary of \$56,140.00. This number did not include Medicare or municipal retirement. Mr. Stearns said there was a bridge fund for work on the Route 121 bridge, he was not aware of the

balance. The tax rate includes the anticipation of the same articles for the same amount in paving, bridge and capital improvement fund (equipment). He recommended the board review the budget carefully. Mr. Hughes asked if Mr. Stearns could generate how much money was gaining interest at Mascoma? Mr. Stearns said some monies in the general fund checkbook were restricted use. Other accounts were perpetual care, reserved, restricted cash earning interest. These accounts would not be included in Mr. Hughes question. He believed Mr. Hughes was asking how much resource the general/highway fund have available to be spent. Mr. Hughes said the town was getting 1% from the bank and the market was 4.5% on treasury bills. He questioned if the town had large pools of cash that could make a difference. Mr. Stearns said an investment strategy was not part of budgeting even though an investment strategy could make a difference. In the concept of cash management impacting the budget, the town was not in a position to make changes. Mr. Hughes said he asked Ms. Bigwood each month about the total amount of money in bank balances and the interest paid on this money, questioning if plotting a solution to change the financial institution to raise the yield by 4-fold was an option. Mr. Stearns said an analysis of cash flow, what was liquid available (not to include monies that are restricted in use) could be done. Mr. Stearns said at present there were expenses not accounted for in the budget and believed the revenue stream was not an important topic to talk about. Mr. Hughes said the cash and flow and what was generated in interest was important to generate more money as what he heard Mr. Stearns say was the town was coming up short. Mr. Stearns said interest earnings in 2022 were \$4,911.67, in 2023, year-to-date was \$3,087.48. Based on trends, Mr. Stearns said he had changed Mr. Fay's budget/revenue numbers to \$6,000.00. He stated changing the number to \$70,000.00 in 2024 and developing a strategy to obtain \$70,000.00 in revenue was a board decision. He added the information presented was a projection. If the information was adopted, it did not include salary etc. for Ms. Bigwood asking if it was the intention of the board to have the position of assistant manager with responsibilities to include financial work with the treasurer and zoning administration work? Mr. Allen questioned treasurer salary numbers. Mr. Stearns believed the numbers presented were part of the transition between Paul Harlow, Cassandra Pedigo and Alison Bigwood. Mr. Allen believed the number should be adjusted as the dollar figure in the agreed upon contract with Ms. Bigwood had to be reflected somewhere in the budget. Ms. Hamilton believed the board agreed to use monies budgeted for the assistant treasurer's salary, zoning salary and monies from one other area to pay Ms. Bigwood's salary. Mr. Stearns questioned if the town was defining a position as per the budget or defining a position by the job description.

In another budget matter, Mr. Allen noted there was one more year of \$43,000.00 equipment loan payment questioning where in the budget was the payment line. Mr. Stearns believed this was a transfer from the highway fund to the equipment fund. He added it was important the board be familiar with the debt and how the debt was paid for through the cash process.

Ms. Hamilton questioned if the budget included monies for the 121 bridge and if there were

other bridges requiring repair. She added \$25,000.00 plus/minus added to the budget each year for bridge repair/replacement did not actually cover costs depending on the bridge and expense. The town would have to come up with at least another \$100,000.00 to cover the Route 121 bridge. Mr. Lawrence said the bridge inspection reports show a bridge in Westminster West is due for repair in two years. The Route 121 bridge would be put out to bid in March 2023, it would be built in 2024 and the Westminster West bridge would overlap with construction of the Route 121 bridge. Mr. Stearns said it was important to forecast how much to contribute to an equipment replacement plan, bridges, culverts etc.

Mr. Hughes stated it was now a 4.5% market, costs of everything had increased including services, equipment, parts, and projections also had to increase. Every dollar had to be maximized and having a 4.5% opportunity could partially offset the town's cash flow. Mr. Stearns asked if the board wanted to think of borrowing the money as it was cheaper than saving the money and investing it.

Ms. Hamilton asked how much there was in ARPA (American Rescue Plan Act) monies as these funds could be used for bridge replacement. Mr. Stearns will research the question and email the board.

Mr. Stearns said the during the FEMA (Federal Emergency Management Agency) storm \$150,000.00 was transferred from the contingency fund and \$200,000.00 from the highway fund. The fund currently has a residual to carry forward from 2022 of more than \$200,000.00. Mr. Stearns said the reimbursements received from FEMA could be used now to meet costs in 2024. The costs to be met now were in the general fund, manager, NEMRC assistance, and Ms. Bigwood (the board was increasing Ms. Bigwood's number). There was no method to get money into the general fund except to transfer from ARPA funds as revenue lost to cover expenses. Mr. Stearns stated he would like someone from the State level to validate this could be done now as the year has closed when the revenue was lost. At the present time the general fund showed over expenditures in the town manager's salary as Ms. Bigwood was in the manager's position. He recommended for next year's budget the board define the salary as assistant to the manager to make it clear related to the position and develop the job description to the position.

Mr. Stearns recommended the board go through the lines in the budget and to warn a budget workshop. He stated there was no requirement for public input in a budget workshop, the only item on the meeting agenda was work/discussion of the budget. The board scheduled a budget workshop meeting Wednesday, January 4, 2023 at 6:30 p.m. Mr. Stearns noted Kelley Thayer was required to have the town report and warning 45 days prior to the town meeting, on or about January 15-20, 2023. The board agreed to present to the voters the entire amount for the highway and general fund needed to be raised in taxes. The details of the two items will be separated in the town report. Mr. Allen requested Stearns research the amount in delinquent property taxes. Mr. Stearns said the overstatement in the delinquency amount was by its due

date. He said there was \$13,000.00 on the general fund balance sheet reserved for recycling. He believed the board could move to close this fund balance and move into the general fund balance. He indicated this balance was restricted but didn't believe this was a true statement and a motion could be made to close it.

6. New Business (Discussion/Action)

A. Road Foreman Report – Mr. Lawrence said the road crew had been cleaning up trees and ice flow after the storm. He added the town's uniform policy stated the town provided (per year/person) \$200.00 for pants and \$200.00 for boots, 5 tee shirts with the town logo, 2 sweatshirts and one jacket. The highway budget is \$5,200.00. He can get uniforms (button up shirts, carpenter style jeans) for \$3,313.44 per year, with boots the total would be \$4,513.44 for seven people. This would be a change to the current policy. Ms. Hamilton said to be sure replacements were included and the contract could be canceled. The board agreed the current policy could be amended. Mr. Lawrence said the town, thus far, was under budget using road sand/salt.

B. Executive Session – (if needed) – motion made earlier in meeting

7. Boards, Committees and Commissions – None

8. Other Business - None

9. Date of Next Meeting: Budget Meeting Workshop - January 4, 2023 at 6:30 p.m.

Date of Next Regular Meeting: January 11, 2023 at 6:30 p.m.

10. Adjournment: Katrina Hamilton motioned to adjourn at 9:46 p.m. Craig Allen seconded, meeting adjourned.

Clerk

Date