

**Town of Pomfret
5218 Pomfret Road
North Pomfret, VT 05053**

Draft Minutes of the June 5, 2019 Regular Select Board Meeting

Selectboard members present: Emily Grube, Frank Perron, Scott Woodward , Steve Chamberlin, John Peters

Others present: Cynthia Hewitt (Selectboard Assistant), Jim Potter (Road Foreman), Ona Chase, Joanna Long, John Moore (Planning Commission Member), Christian Avard (Vermont Standard), Jim Morgan, Art Lewin, Jack Peters, Christina Chamberlin, Ellen DesMeules (Town Treasurer)

Emily Grube called the meeting to order at 7:04 PM.

Public Comment: Ona asked why the May 2019 Meeting Minutes disappeared from the web site; she was assured that the documents would be restored.

Agenda Review: Additions to the agenda included Dunn Property, Road Foreman and Road Worker job descriptions.

Review and approval of draft meeting minutes: Scott Woodward noted that the permit for Silo Distilleries was for catering permit, not a liquor license from the May 22nd meeting. Other issues with the minutes exist and the board decided to postpone approval of past minutes until the minutes were updated and corrected.

Warrants for Payment: John Peters moved the board approve warrant #18112 for \$40,490.09, including truck repairs and warrant #18111 for \$9,9195.64 for payroll. Steve Chamberlin seconded the motion. The motion carried unanimously.

Certificates of Deposit: Ellen submitted a list of CD amounts and maturity dates, and asked for input regarding CDs coming due. John Peters moved the CD's coming due soon be renewed for fix months. Scott seconded the motion. The motion carried unanimously.

Howe Hill Rd. Paving Project: Emily and Scott attended the Sharon Selectboard meeting on 05/20/2019. A joint program was suggested for regrinding and paving of Howe Hill Rd. This has the potential of saving Pomfret between \$40 and \$60,000. Since this is a substantial savings John moved that the board wait until next year to pave Howe Hill Rd., pending the outcome of a bond vote in Sharon. Steve Chamberlin seconded the motion. The motion carried unanimously.

Rudge Road Repair Project: The Town has received a one-month extension on this project, which will include 5 culverts and ditching both sides of the road as well as tree removal. Joanna Long reported a private citizen had removed one tree but also there is a dangerous "widow maker" hanging. The board postponed action and will revisit this topic at the next meeting.

Frank has received a “Better Roads” grant for Caper Street to include culverts. Scott Jamison would like to advise on this undertaking.

Review FY19 Financials, including a potential deficit in the Highway Fund. Because the paving project will not occur until after the close of the fiscal, it does not appear that there will be a deficit for FY19, but Scott Woodward pointed out that when the expenses fall on the other side of FY19, that there could be potential fund balance issues early in the new fiscal year.

A brief discussion on the RFP for the new dump truck purchase was deferred to next meeting until the RFP is more ready.

Hiring of a 4th Road Crew Member: Further conversation is needed; however, this position is not budgeted. Item postponed since the new Road Foreman is just coming on board and it remains to be seen if he requires an additional crewmember.

Road Foreman: Jim Potter has all documentation required to begin the job as Road Foreman except the VT DMV driving report. He will drive to Montpelier in the morning to obtain same. John Peters moved that Jim be allowed to do this, with appropriate financial compensation; Steve seconded the motion. The motion carried unanimously.

Neil Lamson had a number of questions for the board in regard to the FY19 and FY20 budgets. An extended question and answer period followed (see attached questions and answers).

Crack Sealing Bids: Frank reports only one bid from Seal Coating, Inc. They no longer bid by the day. No bid was received from Nikon. Art has the information and will send to Emily. Ona mentioned one crack from which water is coming out. Was explained this is due to excessive rain.

Hiring of Bob Merrill for computer tutorials. Becky has spoken with Bob regarding a paid contract on an hourly basis. He is interested but currently very busy. Scott moved and Frank seconded that the Town contract for Bob’s services. Scott withdrew the motion after realizing the board did not have an hourly rate for Bob’s services. The board agreed for Scott to consult with Bob about what rate he would like to be paid.

Hiring of Human Resources Assistance: Scott will contact Jill Muhr to see what her availability would be. This is a part time need of perhaps 5 hours a month.

Meeting Rules of Procedure: Scott noted that when the board changes the ways meetings are run that the board needs to update its rules of procedure. No action was taken on this subject.

Interpersonal dynamics: Scott noted the tension and controversy have been noted amongst board members and urged the board to work more effectively with each other.

Expanded Scope of Attorney Services with Stitzel, Page and Fletcher: Joe McLean has been consulted regarding many different issues. John Moore explained that he believes the Planning has independent authority authority to hire consultants and he thanked the board members for

referral of Mr. Mclean. Scott explained to John that he was not sure whether that's the case, but that Joe McLean had none the less asked the board to approve an expanded scope of services. Scott Woodward moved that the scope of services be expanded to include planning, zoning, and land use. Frank seconded the motion. The motion carried unanimously.

Settlement of the Dunn property is deferred to the next meeting after obtaining further input/clarification of Karen Hewitt.

Road Foreman and Road Worker Job Descriptions: The board made changes to the Road Crew Worker and Road Foreman job descriptions. Scott Woodward moved that all references of "Road Commissioner" be replaced with "Road Foreman" in the Road Crew Worker job description. Steve Chamberlin seconded the motion. The motion carried unanimously. Scott Woodward moved that all references to "Road Commissioner" be replaced with "Selectboard," that quarterly documented reviews will occur between the Selectboard and the Road Foreman and that the Road Foreman will provide the board with a verbal bi-weekly work plan at regular selectboard meetings. Frank Perron seconded the motion. The motion carried unanimously.

Selectboard Correspondence: Scott has heard from the Secretary of State's office that Secretary Condos will come to Pomfret this coming fall during his Transparency Tour. Frank has received a complaint of water running from Stanwood's through the church apron, which is not paved. Emily stated that the VT 100 race will have a working traffic site at Edna Luce's.

Assignments: Scott will contact Jill Muhr at VLCT about HR contract assistance.

Scott moved for adjournment at 9:29 pm. John Peters seconded the motion. The motion carried unanimously.

Lamson questions and **answers** for the Selectboard

Why did the Selectboard split the treasurer's salary into salary, tax collector and bookkeeper (Line 93)? **See December 19, 2017 minutes and listen to recording.**

FY2018 started with a \$137,715 highway fund surplus.

- a. Why was it necessary for the Selectboard to transfer \$26,793 from Highway Rainy Day fund to the highway fund in FY2018 (Line 5.)? **The Selectboard is required by statute to resolve any potential or actual deficit. The money was transferred to prevent a deficit from occurring.**
- b. Why is there no mention of the FY2018 highway fund deficit in the budget narrative? **Because there was no deficit. We finished the year with a zero balance in the Highway Fund. See Treasurer's recap (http://pomfretvt.us/files/7415/3356/2624/2017-18_FY_recap.pdf) stating that the projected deficit was the result of not receiving FEMA money related to DR-4330. See also Treasurer's notes from July 23rd, 2018 (https://pomfretvt.us/files/1615/3243/3610/2017-18_Treasurers_comments_to_post_on_website.pdf).**
- c. Why didn't the Selectboard replace the \$26,793 transferred from the Highway Rainy Day fund? **Because the Rainy-Day Fund, even without that amount, is carrying the requisite balance recommended by the Auditors.**

The FY2018 ending highway fund balance was \$0 on June 30, 2018 (Line 119). How did the Selectboard pay highway bills in July 2018? **Don't confuse cash with fund balance. You might want to ask Ellen this question since she's the one who pays the bills.**

In FY2017 \$75K was collected for the Cloudland Culvert Project and \$0 was spent (Line 95). Why didn't the Selectboard move that \$75K into the bridges reserve? **There was no requirement to do so and the Bridge Reserve is not an actual reserve fund under 24 V.S.A. 2804. See also #6 below.**

Please explain why the Selectboard spent \$244,121 on crushed stone in FY2018 (Line 46).

- a. If it was an unanticipated expense, why didn't the Selectboard purchase crushed stone above the \$65K budget from the Highway Rainy Day fund? **By law, any surplus in the Highway Fund must be used for the next year's expenses. There's no distinction between unplanned and planned expenditures.**

In FY2018, the entire balance of the guardrail (band rail) reserve fund (\$2,471) was transferred

to the highway operating account (Line 18 and pg 32).

- a. There was no band rail purchased in FY2018 (line 50). Since there was a FY2018 highway fund deficit of \$26K, it is certain that all the highway fund was spent. Would it be accurate to say that the Selectboard spent guardrail (band rail) reserve funds on something other than guardrails?
- b. Who authorized the transfer?

See Selectboard minutes from April 18, 2018 and Treasurer's notes of March 31st. The Guardrail Reserve is not a voter created reserve fund (nor is the Bridge Reserve). See also the 1991 Town Report, articles #14 and #15 which authorize expenditures for guardrail and bridges, but did not actually create reserve funds.

In 2017 the Selectboard recommended in town meeting articles that the town and highway fund surpluses be transferred to reserve funds. In 2018 the Selectboard recommended that only the \$73K FY2017 town fund surplus be transferred to the buildings reserve and used to reduce taxes. Why didn't the Selectboard recommend that the \$137K FY2017 highway fund surplus be transferred to reserve funds?

I don't think there's a single viewpoint of the board. Different board members have different viewpoints on what to do with surpluses. Ultimately, whatever the outcome each year, it's the result of deliberations and a majority vote of the board. The voters have final say and can reject whatever the board puts forward at Town Meeting.

On March 5, 2019 the town passed Article 8: *Shall the amount of \$32,624 from the FY2018 Town fund balance (surplus) to be used to offset taxes for FY2020?* Where does this transfer (\$32,624) appear in the addendum to the 2018 annual report?

See footnote on pg. 17 of Town Report Addendum (http://pomfretvt.us/files/4315/5231/1048/Addendum_to_the_2018TownReport.pdf)

In 2019, the Selectboard proposed that \$32,624 from the FY2018 town fund balance (surplus) be used to offset taxes. This surplus (\$32,624) appears in lines 280 and 284 FY-2018 Actual of the addendum to the 2018 annual report. In 2018, the Selectboard proposed in Article 8: "Shall the combined amount of \$73,492 from the Town fund balance (surplus) be deposited into the following?..." Lines 280 and 284 both show a \$84,449 deficit in FY-2017 Actual.

- a. Please explain how the Selectboard intended to use a surplus, when there was actually a deficit in lines 280 and 284?

This question is better asked of the auditors. The Selectboard followed the advice of the auditors in how to show the surplus against the FY20 budget; that in order to use the surplus to pay down taxes, "deficit spending" had to be shown in the budget, but there is no actual deficit since the surplus is used to fill the gap.

- b. Do any other towns require a town vote to spend surplus funds? (pg. 161 Handbook for Vermont Selectboards)

There are several. You can google the warnings for various towns in Vermont and see that many

do in fact warn separate articles for voters to approve what to do with surpluses, as Pomfret has done now for the last three years. Pomfret also follows the guidance of VLCT that the disposition of surpluses in the General Fund require voter approval and voter approval is required for Highway Fund surpluses if the Selectboard wishes to propose doing something other than using the money to pay for the next fiscal year's expenses.

The Selectboard has indicated that there will be some \$500k reserve fund expenditures in FY2020, but there is no mention of it in the 2018 town report. Why didn't the Selectboard include in the town report a detailed report for reserve funds which included past and anticipated revenues and expenditures in a similar format as the budget?

I don't know where the \$500,000 number comes from. If that's an accurate number, some of it is surely tied to the purchase of a new truck. There are also anticipated expenses related to the Town Hall and Town Garage. There's still specific planning to do in terms of anticipated expenditures. It would be nice if that planning could be done by the time the Town Report is printed, but we're not there yet. Bear in mind that there's plenty of public oversight of reserve fund expenditures through regular and special Selectboard meetings. The public will have plenty of opportunity to weigh in on reserve fund expenditures.