

**MINUTES
ST. JOHNSBURY SELECTBOARD
MONDAY, JANUARY 4, 2010**

The members of the St. Johnsbury SelectBoard held a special meeting & budget workshop on Monday, January 4, 2010 beginning at 6:00p.m. in the Board Room of the Municipal Building.

SelectBoard Members Present: Chairperson Daniel Kimbell, Gary Reis, Bryon Quatrini, Jean Hall Wheeler, and Jim Rust.

Others Present: Priscilla Messier, Sandy Grenier, Peter Whitney, Brian Christman, Tim Angell, Larry Sharer, Joe Fox, Mark Gilleland, Joel Schwartz, Bernie Timson, Nancy Cohen, Martha Hanson, Diane Beck, Susan Aiken, Taylor Reed, and Mike Welch.

Chairperson Kimbell called the meeting to order with the pledge at approximately 6:00p.m.

2010 MUNICIPAL BUDGET REVIEW:

Town Clerk/Treasurer – Sandra P. Grenier reviewed the 2010 budget request for the Town Clerk/Treasurer’s Office and Board of Civil Authority. The Town Clerk/Treasurer request is currently \$261,910. The BCA budget request is \$13,382. Gary Reis asked about the pension cost and if the increase is a result of underfunding in previous years. The Manager said that the Town has underfunded the recommended pension contribution in the past – but the large increase in the recommended contribution also reflects poor investment returns. The Manager stated that the Town has a new actuary for the Pension Plan and the recommended contribution for the 2009 actuarial report is 23% of payroll. Gary Reis said this does not have to be funded all at once. Chairperson Kimbell asked about payroll services. Sandy Grenier said that she has solicited proposals from payroll vendors in the past, and that she negotiates with the company annually on fees. Daniel Kimbell suggested that the Town Clerk investigate whether or not there would be reduced fees if all employees were required to have automatic deposit, and if there were no paper payroll stubs produced – that these were just made available online. Sandy Grenier said she would check those services. Gary Reis recommended that we do a poll of some of the larger businesses and make certain that the Town is getting the best deal for our payroll services contract. Daniel Kimbell stated that Passumpsic Savings Bank goes out to bid every 3 years for payroll services. Bryon Quatrini said that he had some contact information that he would provide to Sandra Grenier. Daniel Kimbell asked about transfer from other funds. Sandra Grenier stated that transfers are from Parking Fund, Water/Sewer Fund, and Recreation Fund for services provided by the office of the Clerk/Treasurer. The Manager said that the Water/Sewer transfer is \$78,000 and

represents approximately 20% of the operating budget. Following discussion, members of the Board agreed to reduce contracted services from \$21,000 to \$19,000; and to reduce postage from \$5,000 to \$4,800. The Town Clerk/Treasurer total budget after these adjustments is \$259,710.

Board of Civil Authority – Sandra Grenier said that she is uncertain about costs of elections with Australian ballot voting on budgets. Sandy said it is also a primary year so there will be a primary and general election in 2010. Following discussion members of the Board agreed to reduce printing from \$3,000 to \$2,500; and to reduce contracted services from \$5,000 to \$4,000. The BCA budget after these adjustments is \$11,885.

Dispatching Services – Mark Gilleland, Dispatch supervisor was present to review the 2010 budget request of \$191,191. It was recommended that overtime be reduced as only \$5,642 was spent in 2009. Mark Gilleland said that as long as he is able to maintain good part-time dispatchers he is able to keep overtime costs down. The Manager stated that Mark has significantly reduced the overtime expenses in the dispatch budget over the last several years. Mark Gilleland said that he will be able to reduce new equipment from \$5,000 to \$1,000. Mark said that contracted services includes the Vermont Crime Information network, and fees for hosting the transmitter. Bryon Quatrini asked about uniform expense – Mark stated that he budgets for polo shirts, tee-shirts with a logo and name. Mark said that there was a significant cost in repairs and maintenance due to a lightening strike at a transmitter. Gary Reis asked if this was covered by insurance. Mark responded that it was not. The Manager stated that the contribution from other funds is a transfer from the Special Services District to cover the dispatching for police services. This is estimated at 47% of the operation budget, based on the call volume for the police department. The Manager stated that Mark has also adjusted dispatching services contracts over time to generate a total of \$87,000 in revenue from outside agencies including CALEX, Lyndon Rescue, Lyndon Fire, and several area fire departments. Bryon Quatrini asked if our dispatching rates are comparable. Mark said that we have investigated dispatching rates, and the rates are comparable. Following discussion, members of the Board agreed to reduce the overtime budget from \$7,500 to \$6,000; and reduce new equipment from \$5,000 to \$1,000. The Dispatch Budget after these adjustments is \$185,691.

Zoning & Planning – Priscilla Messier. The Zoning Planning request is \$100,961. Priscilla Messier stated that she could reduce legal fees from \$10,000 to \$8,000 which is more in line with a typical year. Priscilla said if no wage adjustments are made her budget would be further reduced. Following discussion members of the Board agreed to reduce legal fees from \$10,000 to \$8,000. The Zoning & Planning Budget is \$98,961 following this adjustment.

Lister – Assessor Peter Whitney was present to review his 2010 budget request of \$53,885. Peter Whitney said that the major expense for his department over the last couple of years has been the reappraisal process. This is now completed. A total of \$20,000 is included in the budget to raise funds for the next reappraisal, and for a regular rolling reappraisal. Peter Whitney stated that he could eliminate the request for \$500 in

training funds as there is state funding available for certain approved training. Board members asked about legal fees for reappraisal appeals. Peter said that the appeals taken to the state can be handled in house. Appeals taken to Superior Court will require the services of the Town Attorney. The Manager stated that there are legal fees budgeted in the general fund. The Manager stated that the SelectBoard did set aside reserve funds for the reappraisal (balance of \$44,171). The reserve balance will be applied to the reappraisal cost accounted for in the 2009 lister expense. Following discussion members of the Board agreed to reduce the training budget from \$500 to \$0. The Lister budget following this adjustment is \$53,385.

Economic & Community Development – Joel Schwartz reviewed the Economic Development Budget. The total request is \$104,704. Joel said that contracted services is currently \$2,500. This amount was not spent in 2009. Joel said that contracted services has been budgeted over the years to have funds available to support varied activities associated with business opportunities. Joel said that this account was also used to establish the GIS program and websites for the Town. Bryon Quatrini said that funds would be available from the sale of industrial park lots for economic development purposes. Phone charges were also reviewed. Following discussion, members of the Board agreed to reduce the telephone budget from \$1,100 to \$900, and contracted services from \$2,500 to \$1,000. The Economic Development budget following these adjustments is \$103,004.

Recreation Department – Recreation Director Joe Fox was present to review the 2010 Recreation Budget request of \$137,715. Joe Fox said that the majority of the increase in his budget is due to 1,000 hour employee contribution to pension and insurance cost. Joe Fox stated that the total request from the general fund to support the recreation operating budget is \$90,215. This is an increase of \$13,265 over the \$76,950 budgeted in 2009. The Manager said that the current draft of the 2010 budget includes \$35,510 that was raised by the voters for a 3 year period to eliminate the recreation fund deficit. The recreation fund deficit remaining at the end of calendar year 2008 was \$50,183. This deficit will be further reduced by the \$35,510 raised in 2009 for an estimated recreation fund deficit balance of \$14,673. Joe Fox stated that for 2009 the recreation fund should close out the year without a deficit. Joe Fox said that he would really like to get to a point where the general fund financial commitment to the recreation fund covers all of the personnel cost. Joe Fox stated that if personnel costs were completely covered by the Town, fund-raising will be improved as funding would go directly to program costs and not personnel. Nancy Cohen asked why the insurance cost was higher for this employee than the previous family plan employee. The Manager stated that the Town does offer two BC/BS health insurance plans, and the two employees are on different plans. Following discussion members of the Board agreed to reduce advertising from \$1,500 to \$1,000; and to reduce professional services from \$4,000 to \$3,000. Daniel Kimbell asked about program contract services. Joe Fox said that those are programs that are contracted out, and costs are offset by fees charged for the program. Following the adjustments made by the Board the Recreation Fund expenditure budget is \$136,215.

Town Manager's Budget – The Manger reviewed the 2010 Town Manager budget request of \$149,960. The Manager stated that a transfer from the Water/Sewer Fund of \$28,000 represents approximately 15% of the Manager operating budget. The Manager said that it is likely that more than 15% of the Manager and staff time are committed to Water/Sewer Fund services. The Manager said that a vehicle allowance of \$2,000 per year has been held the same for many years. The Manager said that telephone services include monthly fees, long distance, and a cell phone. The Manager said that the phone system is very old, and staff have explored upgrading the system, but have never proposed doing so due to the cost. Nancy Cohen recommended that the SelectBoard direct the Manager to explore costs associated with upgrading the phone system, and other telephone service options that may be available at a better price. The Manager said that the Town currently has a Centrex system. The postage budget was reduced from \$1,000 to \$250 – much of the correspondence from the office today is electronic. Contracted services represents the Town Manager share of copier costs. Following reduction in the postage account, the revised Town Manager budget is \$149,210.

2010 NON-UNION EMPLOYEE WAGE/BENEFIT - The Manager informed the Board that no adjustments have been made for non-union employees as of January 1, 2010. The Manager stated that in the current budget he has included a 3.5% wage adjustment for non-union office staff – and they would contribute 14% to health insurance instead of 12%, and these employees will contribute 2% of base to the pension, instead of 1%. The Manager stated that he included a 2.5% wage adjustment for department heads – and they would contribute 14% to health insurance instead of 12%, and these employees will contribute 2% of base to the pension, instead of 1%. The Manager stated that he provided members of the Board with a breakdown of the net result of these increases, which is a very small net weekly increase (\$4.00 - \$7.00) for most of these employees.

Bryon Quatrini stated that it is important that the Board make every effort to keep costs that they control level-funded. Bryon Quatrini suggested that the non-union employees could be given a wage adjustment that resulted in a net \$0 increase in pay after the increase in health premium and pension are applied. Jim Rust stated he agreed that the Town had to control costs, but that it would take much more significant action relative to employee wages and benefits in order to have an impact on the overall municipal personnel cost. Jim Rust said that the difference between a 3% adjustment or a 3.5% adjustment given the number of employees involved and the rates of pay, has a negligible impact on the overall budget. Jim Rust said that the Board needs to focus their effort on long-term personnel cost stability through upcoming labor negotiations. Following discussion, it was moved by Bryon Quatrini, and seconded by Gary Reis to grant non-union employees, except for the Manager, Town Clerk/Treasurer, and Economic Development Director, a wage adjustment that will result in a net increase of \$0, when a 14% contribution to health insurance, and a 2% contribution to pension is applied. SelectBoard member Jean Wheeler asked for clarification on Mr. Quatrini's motion. Following discussion the motion failed by a 2-3 vote (Rust, Wheeler, and Kimbell opposed). Jim Rust moved that non-union employees be granted the wage adjustment as outlined on the sheet prepared by the Manager (3.5% office staff, and 2.5% department

heads, and 0% for Manager/Clerk/Economic Development Director), and that these employees contribute 14% toward the cost of health insurance premium, and 2% toward pension. This motion was approved on a vote of 4-1 (Quatrini opposed).

EXPENDITURE WARRANT: The members of the Board reviewed, approved, and signed the Expenditure Warrant as follows:

General Fund	64554 – 63595	\$214,970.64
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MANGER’S REPORT – *Legislators* – The Manager said that he has received confirmation from the two Senators that they will be available for a discussion of legislative issues at the SelectBoard Meeting on Monday, January 11, 2010 at 7p.m.

2010 Municipal Budget Review – The Manager stated that he has scheduled Chief Ruggles and Danny Scott for budget presentation during the regular meeting scheduled for January 11th at 7:00p.m. Chief Leighton is scheduled for January 18th at 6:00p.m.

Veteran Information – The number of Veteran exemptions was included in the packet and can be further discussed on January 11th.

OTHER BUSINESS – Diane Beck said that the State of Vermont will be reviewing many budget reductions in Montpelier.

Having no further business, it was moved by Jean Hall Wheeler, seconded by Jim Rust, and voted (5-0) to adjourn at approximately 7:40p.m.

Respectfully submitted,

Mike Welch
Town Manager