

ST. JOHNSBURY BOARD OF SELECTMEN
REGULAR MEETING
MONDAY, MAY 13, 2013

The St. Johnsbury Selectboard met in the Pomerleau Building, 1st floor on Monday, May 13, 2013 at 7:00 p.m. for the Regular Meeting of the Selectboard. Present were: Chairman Kevin Oddy, Vice Chairman Alan Ruggles, Jim Rust, Jeff Moore, Tom Moore, and Town Manager John Hall.

PUBLIC ATTENDANCE – SEE ATTACHED

PRESS

Present were: Shawn Gaffney from News 7 AND Taylor Reed from the Caledonian-Record.

At 7:00 p.m., the Regular Meeting was called to order. All stood and recited the Pledge of Allegiance.

PUBLIC COMMENT

Mike Fortier commented that the meeting agenda and newspaper warning should have read audit presentation instead of budget presentation, and that it was misleading.

Al Dunn publicly thanked Troy Ruggles and his committee for their efforts in obtaining the new Ladder truck, and urged the board and public to go and see it.

Lisa Briggs stated that it looks unkept and untidy around town, and asked the Town Manager to direct town staff to help clean it up. She specifically mentioned trash barrels and on Rt. 5N at the south end of town, there are guard rails down and missing. Lisa Briggs continued that the Municipal Building on Main Street is not a storage unit, and it should try to be made into a usable working space. She continued that this is not the Selectboard's responsibility, but that the Town Manager is responsible for parks and buildings.

Mike Fortier mentioned that he was disappointed with the town's website, and said that it needs to be finished with the links working correctly.

MINUTES

For the minutes on Monday, 4/22/13 for the Regular Meeting of the Selectboard, on page 3 under zoning by-laws, second paragraph, Rust responded that the board needs to hold a separate meeting. On page 6 under the Town Manager's Report, add in the dollar amounts. On page 7, first paragraph, change to 6 year old safe routes to school project. On page 7, OVRT should be LVRT, Lamoille Valley Rails and Trails. Rust motioned to approve the minutes with the above corrections, seconded by Vice Chairman Ruggles and unanimously carried, with Tom Moore abstaining.

For the minutes on Wednesday, 5/1/13 for the Special Meeting of the Selectboard, Jeff Moore asked to change his motion to end the meeting at 5:40 p.m. instead of 6:40 p.m. Jeff Moore motioned to approve the minutes with the above correction, seconded by Rust, and unanimously carried, with Tom Moore and Vice Chairman Ruggles abstaining.

WARRANTS

All the warrants were signed. Vice Chairman Ruggles motioned to approve the warrants, seconded by Tom Moore and unanimously carried.

LIQUOR AND CATERING LICENSES

All the licenses were signed. Jeff Moore motioned to approve the licenses, seconded by Tom Moore and unanimously carried, with Rust and Vice Chairman Ruggles abstaining.

AUDIT

BUDGET PRESENTATION – BONNIE BATCHELDER

At 7:15 p.m., Town Auditor Bonnie Batchelder presented findings from the 2011 Town audit. She said the financial statements released for 2011 fairly represented the town's status. The ability to use the budget as a financial statement was not a success. The town clerk posted to all of the correct accounts, but that is a small part. There are weaknesses in the Town's management. Financial grant deadlines were missed and were not invoiced. The audit has been reported to the Federal Clearinghouse. The Water/Sewer net assets grant was recorded as revenue and was not capitalized, so looks like a surplus.

Mike Fortier asked to suspend and reschedule the auditor's presentation until the public has been properly notified, Tim Persons agreed. Jim Rust asked the auditor about her availability, and the board and auditor continued to discuss availability, settling on a joint presentation for the 2011 and 2012 audits on June 24th.

Mike Fortier asked the board to figure out the problems and post with the audit report on the website.

Ms. Batchelder continued that the A133, Town Audit document, and the Management Letter need to be reviewed together to receive a comprehensive view. Vice Chairman Ruggles asked the auditor to proceed with tonight's presentation, and return on June 24th to present the 3 reports comprehensively, and she agreed. She stated that the Management Discussion Analysis describes how the town's financial information is presented in layman's terms.

Tim Persons and the auditor discussed that the town's surplus is pretty healthy in this economy in comparison.

Lisa Briggs asked the auditor if the town knew the amount of the surplus at the time, or through the audit process. The auditor responded that 5.4% of the total budget is surplus. For 2012, the town didn't have the expertise to supply and present reasonable reconciled financial statements, and that the Town Manager and the Selectboard didn't have the tools they needed.

Town Manager John Hall mentioned that the delinquent town taxes are within that 5.4%, with the auditor in agreement.

Lisa Briggs mentioned that for many years the town has utilized the town treasurer to manage funds, and the town should consider changing the fiscal year.

Warren Heidemann mentioned that there should have been a better understanding of funds in the town government, and wondered why it has all of a sudden to this degree fell apart.

Mike Fortier read a prepared statement regarding the wait for financial statements, town accounting practices, and how the findings were addressed. He continued that causes and solutions, the schedule of findings, and the A133 audit report for 2011 should be posted on the website and in the paper.

Tim Persons stated that the town has good personnel that would benefit from cross-training, should have a detailed timeframe listing of assignments, and needs more accountability.

Lisa Briggs commented that she disagrees, and that this is the Town Manager's responsibility. The Town Clerk is an elected position doesn't work for the Town Manager. The Town needs to educate the community of the town staff's job responsibilities.

Ms. Batchelder replied that the Town has a fantastic staff, but that job expertise is needed. A CFO/Financial type position to oversee the accounting structure is necessary, and that it would be more economical for the town to have a staff member with this expertise.

Lisa Briggs stated that the Town is like a corporation with a large amount of money coming in and going out, and that department heads need to be more responsible and work together.

Town Manager John Hall stated that he has just filled the position of finance officer. Mike Fortier stated that he was glad that the financial person was hired, but that it should have been done a long time ago, and was disappointed it took so long.

Jim Rust commented that he has been reading the audits since 2007, and that there have been grant management problems for a long time. The funding management belongs in the Town Manager's office, and not used as a checks and balances system through the town treasurer. He stated that he is happy that a credentialed financial management person will be coming in to the office.

Dinah Yessne commented that she has also been here since 2007, and ran a grant funded program with town responsibilities until she left in May 2012. She continued that until the end of 2010, during which the Town had provided a monthly financial printout and the grant program ran smoothly. She continued that the Town definitely went through a change after the end of 2010 when Linda Bunnell left. The Selectboard had then refused to replace that position, and she recalled that the then Town Clerk begged them to fill that position. The Justice Center was unable to report to their board a current financial grant picture, or identify the grant balance, and couldn't find their electronic records. The grant mismanagement has not gone on for years, but

started in 2010 and continued for the past 2 ½ years. The Town has to spend a little money on competent management, she finished. Chairman Oddy agreed, and stated that the town office staff has done the best they could, but didn't have the skill set needed. Chairman Oddy thanked the current staff for their efforts.

Richard Lyons asked the auditor why the Town was classified as a high risk audit for 2011. Discussion continued to include that in 2011 there were over 100 accounting adjustments and about 80 accounting adjustments to 2012 that were significant to the bottom line. In 2011, the Town Treasurer exceeded 1,000 journal entries which was a very significant part to the high risk assessment.

Lisa Briggs mentioned that financial updates are needed more than once a year, and asked who was managing the grant funds.

Mike Fortier asked how the audit is classified as high or low risk. The auditor replied that testing by the auditing firm will classify the risk level. She continued to explain that if there were no findings in 2011, it is considered low risk. Because of the expanded audit in 2011, which included a number of new grants and the amount of findings, the audit was classified as high risk and was sent to the Federal Government Clearinghouse, which could have negative consequences.

Jim Rust discussed paper vs. real money.

FISHING PIER SUB-COMMITTEE – PLANNING COMMISSION

At 8:10 p.m., Susan Cherry addressed the board and discussed the previously sent letter detailing the Planning Committee's recommendation to form a sub-committee with a Selectboard member and a citizen to work with GMP to help design the fishing pier. Tom Moore volunteered as Selectboard member because he said that he has fished there. Bill Vermeulen volunteered as the community member. The design team includes Willie Nickerson with the Planning Committee, Len Gerardi & Beth Eliasan from GMP.

Town Manager John Hall confirmed that the Town would be responsible for maintaining the fishing pier. Bernie Timson strongly recommended building with TREK material, because it's hot pressure treated, etc. Bill Vermeulen said that he had the right idea, maybe concrete. Tom Moore suggested a pulley system or a plan to be able to remove it from the water during winter to increase longevity. Chairman Oddy said that they will have to look at a maintenance plan. Bernie Timson mentioned that Passumpsic had built a pressure treated fishing pier and recommended looking at it. Mike Fortier commented that the fishing pier would be classified as a building, which falls under the Town Manager's responsibility. Vice Chairman Ruggles motioned to accept the Planning Committee's volunteer recommendations for the sub-committee including Selectboard volunteer Tom Moore and citizen volunteer Bill Vermeulen to work with GMP to help design the fishing pier, seconded by Jim Rust and unanimously carried.

JAY-LYN FUND

At 8:15 p.m., discussions continued regarding meeting with NCIC this week for proposals, loan restrictions, fees, and administration experience. Jim Rust commented that the original loan

management was performed by Lyndonville Savings Bank, and then it was changed to in house management. The Town financial person will need to get up to speed and the Board will need more discussion. The final loan approval or action will come back to the board and will be up for discussion. Jeff Moore commented that the municipality is not a bank. Town Manager John Hall clarified that there are several issues that include a need for loan administration and public awareness. Jim Rust mentioned that all loans were supposed to be board approved, but there are now more secondary lenders. The Board shouldn't be a financial lender. Rod LaMotte thought that the previous management shouldn't be involved moving forward with the new management and would like answers to the past. Chairman Oddy said that the board was still gathering information. Bernie Timson commented that it would be worth it to the board to look into the St. Alban's profits. Chairman Oddy replied that both Lyndon and St. Johnsbury would be making decisions.

THE WESTSIDE NORTH NOTICE OF AWARD

Town Manager John Hall summarized that J. A. McDonald had the lowest bid of \$5,530,382, which was half a million dollars under the Dufrense bid. This bid is \$300-\$500K short of what actually is needed to complete the project. The contingency includes using the bond or to cut back the scope.

He continued to recommend the board use the bond, accept the J. A. McDonald bid, and authorize him to sign the documents. The board could accept the bid for \$5.5M, authorize Town Manager John Hall as signing agent, or wait to decide.

Chairman Oddy clarified that the board needed to decide whether to cut back or fund, and then how to do that. Jeff Moore commented that he would like to see the contingency fund used since it's there, and that if it's going to be done, it should look good. There is still the Spring Street sidewalk issue.

Lisa Briggs commented to go for it, and that it needs to get cleaned up and look good.

Jim Rust mentioned that the board needs to accept J. A. McDonald's lowest bid, leave the project as is, and be realistic in that the board will spend \$300-\$500K leftover bonding funds, and hope the contingency will cover any changes. The board should be prepared to utilize their authority to use the bonding funds of \$781K. Both Chairman Oddy and Vice Chairman Ruggles agreed.

Jim Rust motioned to leave the project as is, accept J. A. McDonald's bid of \$5,530,382, and authorize Town Manager John Hall as signing agent. The motion was seconded by Jeff Moore, and unanimously carried.

Warren Heidemann commented that he was concerned about the timing. There were still holes in the roads and the Town needs to finish roadwork already started, continuing that the Church Street intersection was built twice. Al Dunn asked if there were a manager in charge of Town projects and if there were an outside engineer involved.

Town Manager John Hall replied that the Dufrense Group has people to do that. Summer Street was a big project in an old town, and overall they did a good job.

Jim Rust commented that a state controlled project has 3 separate project people: a design engineer, a construction engineer, and an inspection engineer. If the design and inspection engineers are the same person, this leads to problems. Hugh Westcott, the Police Chief and the Fire Chief had mentioned improvements.

POLICE CONTRACT

Chairman Oddy stated that the 1 year agreement looked pretty good, and that the contract ran through the end of 2013. After that, the board would immediately start negotiating 3 year contracts with the police union. A tentative agreement had been reached on 2/27, but the union needed additional agreements on scheduling and language changes had been made. Jeff Moore asked for clarification regarding longevity pay and the progressive degrees of discipline. Lisa Briggs asked the board if it was normal for the Selectboard to negotiate contracts. Chairman Oddy explained that the Town Manager executes it and the board negotiates because funds are involved. Mike Fortier confirmed that the contract was for 1 year, and that the Town will still have staggered contracts. Jeff Moore motioned to accept the contract between the Town of St. Johnsbury and Town of St. Johnsbury Police Department seconded by Vice Chairman Ruggles and unanimously carried. The contract was passed for board member signatures.

TOWN MANAGER'S REPORT

A. Stiles Pond

At 8:50 p.m., Town Manager John Hall commented that while the Town owns the majority of land around the pond, 1,100 acres, there are sections on route 18 where the state right away extends into the water. Because there are people who fish from the filtration plant and there is a lot of litter on the road that goes off to the left of the pond, Town Manager John Hall recommended the board to discuss a strategy and implement goals for protecting people and enforcement of the posted rules. Chairman Oddy agreed, and commented that we need a plan that will protect that resource. Tom Moore suggested restricting motorized crafts. Jim Rust suggested to repair the gates and to implement security for the dam. Town Manager John Hall replied that he would be exploring the security of the water treatment plant and would be looking at it within the next two to four weeks.

B. Project Sign Off BHO 1447 (30) South Main Street

The road width has been changed to two 9-foot lanes, and Chairman Oddy confirmed with the board that there will not be a second public hearing. Jim Rust suggested the board go after construction and lock it in early, with Chairman Oddy agreeing. Jim Rust motioned to authorize the Chairman of the Board to sign the sign off sheet for the South Main Street Bridge, Bridge 46, seconded by Jeff Moore and unanimously carried. Jim Rust suggested that funds be put aside at the next budget meeting.

C. Front Porch

Tim Persons, Susan Cherry, Jeff Moore, and Jim Rust discussed options to address concerns with summer coming. Susan Cherry mentioned passing a loitering ordinance, with Jeff Moore replying that that couldn't be utilized here because it's a transit hub and a public building. Jim Rust wanted to keep an eye on it, but that the board should ask for the Police Chief's

recommendations. Tim Persons stated that there are RCT riders and Wi-Fi users, and that anyone could try to get over their fears and introduce themselves to front porch users.

D. Authorization for Town Manager to Act as Authorized Representative, RF1-168

At 9:05 p.m., Jim Rust motioned to authorize the Town Manager to act as authorized representative, RF1-168, seconded by Vice Chairman Ruggles.

Al Dunn asked if the contracts have gone out, and Chairman Oddy replied that they will on May 30, and confirmed that it will be finished before the paving project. Willie Nickerson asked if the project bid is still within the \$9M range, and Chairman Oddy confirmed that there has been language included that maintains the option to reduce the scope if necessary.

The motion unanimously carried.

Jim Rust motioned to formally add Town Manager John Hall as a replacement for previous Interim Town Manager Merelise O'Connor to the already formed Industrial Park Contract Committee, seconded by Tom Moore. Jeff Moore commented that he needs more information. The motion unanimously carried.

E. Tax on Water Filtration Plant

At 9:13 p.m., Town Manager John Hall stated that between 2010 and 2011 water taxes have doubled, and then continued to stay at the same high rate through 2012. They were paid but not appealed, and Linda is checking to see if it's going to be feasible to appeal now.

OTHER BUSINESS

At 9:15 p.m., Al Dunn asked the board what their plans were for the former town offices. He continued that the upstairs is disgraceful and that people can't work in those conditions. Chairman Oddy replied that Town Manager John Hall is looking into the purpose of the building and to give him a chance to look at it.

Mike Fortier mentioned that the Concerned Citizen's Group had requested to meet with Town Manager John Hall, and Mr. Hall responded that it was his intention to add it to the next meeting.

Mike Fortier asked when the audit will be posted, and Chairman Oddy replied as quickly as possible. Jeff Moore confirmed that it would be posted by this Friday on the Town's website.

At 9:20 p.m., Jeff Moore motioned to move to Executive Session for an update on the litigation of Mark Shea v. the Town of St. Johnsbury, seconded by Tom Moore and unanimously carried.

EXECUTIVE SESSION PURSUANT TO 1 V.S.A. § (a)(1)(3) TO DISCUSS THE LITIGATION OF MARK SHEA v. THE TOWN OF ST. JOHNSBURY

At 9:52 Motion to come out of Executive session by Jim Rust, seconded by Alan Ruggles, vote was unanimous.

Chairman Oddy reports there is no action from Executive Session.

At 9:53 Motion to adjourn by T. Moore seconded by J. Moore vote was unanimous.