

**BENNINGTON SELECT BOARD MEETING
SPECIAL MEETING – BUDGET SESSION
BENNINGTON FREE LIBRARY – SECOND FLOOR
101 SILVER STREET
BENNINGTON, VERMONT 05201**

MONDAY, JUNE 19, 2017

MINUTES

BOARD MEMBERS PRESENT: Tom Jacobs – Chair (late); Donald Campbell-Vice Chair; Jim Carroll; Jeannie Jenkins; Chad Gordon;

Absent: Jeanne Conner; Carson Thurber

ALSO PRESENT: Stuart Hurd, Town Manager; Dan Monks, Zoning Administrator & Assistant Town Manager; Michele Johnson, Human Resources & Contracts Administrator; Melissa Currier, Finance Director; Terrance Morse, Water Resources Superintendent; Linda E. Bermudez – Secretary; (0) Citizens

At 5:19 P.M., **Donald Campbell** called the meeting to order.

1. Executive Session

A) Litigation

Donald Campbell stated there was a need for Executive Session to discuss a litigation matter.

Motion: **Jim Carroll** moved and **Jeannie Jenkins** seconded a motion finding that an Executive Session be held on a litigation matter and that premature general public knowledge of that matter would place persons involved at a substantial disadvantage. Motion passed unanimously (*Tom Jacobs, Jeanne Conner & Carson Thurber absent*)

At 5:50pm Select Board came out of Executive Session. Tom Jacobs joined the meeting.

Tom Jacobs called the Water & Sewer Budget Session to order

2. FY'18 WATER & SEWER BUDGET WORK SESSION

The Town Manager began with a comparative analysis to the current budgets. Overall the proposed FY'18 Water budget is up 8% and the proposed FY'18 Sewer budget is up just under 3%. The largest impact on the Water Budget is this first payment of the Water Bond and the continued decrease in usage. The Town has worked hard to absorb as much of this as it

could. If you look at the proposed budget, minus the bond payment, nearly every portion of the budget is down from last year.

The Manager continued by discussing the option of postponing the next phase of the South End Pressure Improvement project, however this would require approval from the state, some additional fees to do so and only postpones the project. This would have minimal impact on the proposed budget and only delays the project as it is mandated by the State.

Tom Jacobs stated everyone recognizes the bond payment would be coming. Jim Carroll talked about how previous Select Boards deferred much needed repairs and neglected depreciation and reserve funds. This is the result.

The Manager stated we promised to keep the increases at 3% during the South End Tank Project. The tank is complete and now we must face it. Jim Carroll stated it had been put off as long as it could.

Terrance Morse, Water Resources Superintendent stated in the current rate structure the Single Families receive a flat rate. They are getting a better deal than those on water meters. The Select Board continued by discussing metering single family homes. Jeannie Jenkins feels this really needs to be incentivized.

The Manager then asked the Board to continue by reviewing each section of the Water Budget and welcomed any questions. Some of the line items discussed were Healthcare costs and materials & replacement parts for existing water meters within the system.

Again, the Manager noted that without the Bond payment the Water Budget is down from last year. We tried to absorb as much of this first bond payment as possible but at just over \$486,000 it was nearly impossible to absorb any more.

Melissa Currier discussed how she calculates Depreciation as per the Board's request. Discussion continued around the Real Estate owned and taxes paid for property in Stamford, Pownal and Woodford by the Water Department. Ownership originated as watershed protection. However, as that water system is no longer part of ours, it remains now as a habitat conservation and timber management. The Forest Service had approached the Town in the past to purchase much of that land. The Select Board at that time felt access for the public would become too restrictive under their ownership.

The Select Board asked Terrance Morse to review some of the proposed equipment costs. He discussed the need for submersible mixers in the Burgess Road and West Road tanks. These areas have a lower flow demand. The mixers would aerate the tank water, limiting idle time and keeping it from developing any potential issues resulting in violations.

Jim Carroll discussed how fortunate the Town is to have Mr. Morse as an employee. He has such vast knowledge. Mr. Carroll thanked Mr. Morse for the 41 years of service.

Donald Campbell stated this is a very hard decision, however we do not have much choice in this budget. The Manager again stated they went line for line trying to find a way to keep the increase at 3%. He believes this shows in the decrease of all the other sections of the budget. The Bond payment just made it too difficult.

Lastly the Manager discussed some possible additional income for the water fund. The water line extensions for the PFOA effected properties would bring in an additional 250 paying accounts. Also, if the Town can find an appropriate off-site loading area for Morgan Springs, we have the potential to double the income. However, neither of these are officially in place as of yet.

The Board then asked to review the Sewer Budget. The Manager stated that this proposed budget is up 2.97%. Again, much like the Water Budget most sections are down from last year. However, the reduction in flows and on-going plant issues have forced an increase.

Discussion continued with some of the parts and equipment that are earmarked for replacement at the plant such as Disinfection Pumps and Clarifiers.

Donald Campbell stated much like the Water Budget, this is difficult but cannot see any other way.

Tom Jacobs asked about the delinquency rates. The Manager stated delinquency rates have remained roughly the same despite the small increases over the last few years. Vermont law now allows the Town to include any delinquent water/sewer bills in real estate tax sales. This has allowed us to recoup some of those costs. The Collections Manager would like to reinstate a penalty to unpaid water and sewer bills as an incentive for mortgage companies to pay. Currently the Town only charges 1% interest per month. Mortgage companies seem more responsive to penalties.

Several Board members, however felt that would be punishing property owners further who were already having trouble paying. Mortgage companies only pay water/sewer bills once they have foreclosed upon the property. Although the mortgage company repossesses the house, they often lag in filing paperwork for official ownership in order to avoid paying any costs and fees.

Tom Jacobs stated the Town needs to become more aggressive in the delinquency process. The Manager stated they have begun to do so by lowering the delinquent base for shut-off's of non-payment. This allows the homeowner to make payment arrangements at a more affordable level before it becomes too overwhelming.

Mr. Jacobs noted there were two Board Members absent this evening. He would like to delay the acceptance of the budget and adoption of the proposed rates to the next regularly scheduled Select Board meeting on Monday June 26, 2017. This would allow their participation as well as the public.

Mr. Jacobs then thanked Mr. Morse for his years of leadership as he will be retiring this December after (41) years of service to the community.

Motion: Chad Gordon moved and Donald Campbell seconded a motion to close the meeting. Motion passed unanimously (*Jeanne Conner & Carson Thurber absent*)

Respectfully submitted,



Linda E. Bermudez
Secretary