

BENNINGTON SELECT BOARD
BENNINGTON FIRE FACILITY
130 RIVER STREET
BENNINGTON, VERMONT 05201
FEBRUARY 12, 2018

MINUTES

SELECT BOARD MEMBERS PRESENT: Thomas Jacobs-Chair; Donald Campbell-Vice Chair; Jim Carroll; Carson Thurber; Jeannie Jenkins; Chad Gordon and Jeanne Conner.

SELECT BOARD MEMBERS ABSENT: None.

ALSO PRESENT: Stuart Hurd-Town Manager; Zirwat Chowdhury-Community Development Director; Jason Dolmetsch-MSK Engineering and Design President; Stephanie Mangan-Shires Housing; Eric Petersen-Bennington Downtown Alliance President; Robert Plunkett and Robert Ebert-Charter Review Committee; Joey Kulkin; William Stewart; Lynn Greene; Mike Cutler; 9 citizens; Mike Cutler-CAT-TV and Nancy H. Lively-Secretary.

At 6:13pm, Chair Thomas Jacobs called the meeting to order noting the later than usual time was due to an Executive Session on a Legal Matter that was held prior to the open meeting.

1. PLEDGE OF ALLEGIANCE

Recited by all present.

2. CONSENT AGENDA

A. MINUTES OF JANUARY 13, 2018; JANUARY 13, 2018 ADDENDUM, JANUARY 22, 2018, AND JANUARY 29, 2018.

B. WARRANTS

In the Minutes of January 29, 2018, change "Bashevcan" to "Bashevkin" on Page 1; change "Laura Block" to Lora Block on Page 2 and Page 3; and change "Cross" to "Krause" on Page 2.

Donald Campbell moved and Jeannie Jenkins seconded to approve the Consent Agenda as amended with the spelling changes as indicated and changes as follows:

Minutes of January 13, 2018 - Page 1, RECREATION BUDGET, Line 6, change "Center in the next 5-10 years" to "Center at this time".

Minutes of January 22, 2018 - Page 1, 5. PUBLIC HEARING, BENNINGTON TOWN PLAN AMENDMENT, ENERGY ELEMENT CONTINUED, Line 1, change "Mr. Campbell" to "Due to the weather, the Hearing was moved to be the first agenda item, however, Mr. Campbell".

The motion carried with Thomas Jacobs abstaining from the Minutes of January 22, 2018.

3. CITIZENS COMMENTS

Mike Cutler: Mr. Cutler informed everyone of the live Candidate Forum coming up on February 23, 2018 on Channel 17, the CAT-TV Facebook Page, and on the CAT-TV Website. It will start at 6:00pm with the Bennington School Board candidates followed by the Select Board candidates.

Lynn Greene: Ms. Greene updated the Board on the Grow Bennington Initiative which is an initiative from people outside of the downtown to enhance streetscapes and curb appeal in the downtown. There are forty winter string lighting tree projects that are currently ongoing, pole banners will be up soon, and façade planters are planned for the summer. Fundraising continues with some of the original donors being Southwest Vermont Medical Center, Bank of Bennington, TAM Waste Management, Price Chopper, Bennington College, Bennington Potters, Mt. Anthony Country Club, Madison's Brewery, Four Chimneys Inn, Knotty Pine Motel, Hampton Inn, Drs. Charles Salem and Sarah Dahl, Home Depot, Select Board members, and many more.

William Stewart: Mr. Stewart thanked Mr. Campbell and Mr. Thurber for their e-mail conversations concerning the water aquifer.

William Stewart: Mr. Stewart distributed the Property and Casualty Coverage Declarations of Policy #P0412018 from the Vermont League of Cities and Towns, and asked if there has been any attempt to recoup the \$340,000 that was lost for the salt shed project? Mr. Hurd explained that "there was no loss of \$340,000. We did not accept a \$340,000 grant because we deemed that we were not eligible." Mr. Jacobs added that there is an ongoing investigation concerning the permit process but is unrelated to the \$340,000. This will be an agenda item at a future date.

4. FY2017 AUDIT PRESENTATION

Steve Love, from Love, Cody & Company, CPAs, shared the following presentation with the Board on the FY2017 Town of Bennington Audit as of June 30, 2017:

- Management is responsible for the preparation and presentation of the financial statements, and the auditors' responsibility is to express opinions on these financial statements.
- Their opinion is that the financial statements were presented fairly in all material respects. There were no difficulties or disagreements with management, no internal control issues, and no management letter recommendations.
- Governmental Activities have total assets and deferred outflows of \$23.9M; total liabilities of \$10.1M of mostly bonds payable and the VMERS pension liability; total net position of \$13.8M.
- When comparing financial statements from Brattleboro, Manchester and St. Albans, Bennington capital assets are a little higher than Brattleboro and Manchester, and well below St. Albans.
- Same comparison for total assets with deferred outflows, Bennington is in the middle; bonds payable and total liabilities at 25% are higher than Manchester (11%) but lower than Brattleboro (37%) and St. Albans at (80%).
- Net Equity is all in the assets of the town, such as, buildings and receivables - including the value of the sewer plant - net of all of the liabilities.
- The other three towns were chosen for comparison based on size.

- The Town's liquidity - the ability to pay immediate obligations - has current assets 3.4 times greater than its current liabilities.
- The Town's solvency - the ability to fulfill its total obligations - has a debt-to-net assets ratio of 73%. Mr. Campbell was concerned that this was too high, and Mr. Love said not compared to other towns our size. A format can be created so the Select Board can easily track internally that we are remaining solvent.
- Business Activities have total non-current assets of \$11.1M water; \$3.7M sewer; and \$200K parking meters. The Town puts \$20,000 into the parking fund each year for the maintenance of the parking lots.
- The net position in the Business Activities is \$7.1M with accounts payable at \$183K and bonds due - mostly in sewer - at \$7.8M.
- Ratio comparisons for the four towns are similar in the Business Activities as they were in the Governmental Activities. Municipalities of comparable size all function similarly within the municipal accounting structure.
- Total government expenses = \$13.2M and total business expenses = \$3.7M.
- Total government revenues = \$1.48M and total business revenues = \$4.7M.
- In 2017, the town was at \$4.7M in total assets, as compared to \$3.4M in 2016.
- General fund liabilities was at \$2.8M and the fund balance was \$1.6M.
- Intergovernmental grant revenues were \$390,000 over budget.
- General government expense had a 4-year average increase of 4.4% - this year was 3.1% - which remains relatively consistent. In individual detail, public safety is relatively even; public safety has increased 13%; recreation 23% increase this year - last year a 16.7% increase; and debt management remains consistent somewhat level.

Board questions/comments:

Mr. Gordon: No questions but thanked Mr. Love for all the data to share with his students.

Mr. Jacobs: Noted the impact that infrastructure improvements have on the debt-to-equity ratio, as it has in St. Albans.

Ms. Jenkins: As we begin to utilize TIF, we will look more like St. Albans. Mr. Love agreed, and added that an indicator that you are assuming too much debt would be if you are having difficulty meeting your obligations.

Mr. Campbell: We need to watch the debt-to-net asset ratio of 73% to be sure it isn't creeping up too high and that we are not "maxing out the credit card". It is helpful to see other comparable municipalities' status over several years.

Ms. Conner: We would have a sense that we were becoming overextended because we would be turned down for loans prior to getting to the point of not being able to meet our obligations. Ms. Conner asked if there were any educational materials available for the non-accountant person, and Mr. Love answered that there is no such thing for governmental accounting.

5. SHIRES HOUSING - MEMORANDUM OF UNDERSTANDING (MOU)

Mr. Hurd noted that Jason Dolmetsch and Stephanie Mangan were present, and explained that this is a project to connect municipal sewer to a proposed construction project by Shires Housing-Lake Paran Village on Paran Road in Shaftsbury for a 22-unit multi-family housing development. The Memorandum of

Understanding (MOU) is based on a model that Mr. Hurd developed in conversations with the Town of Shaftsbury when it considers extending Bennington's municipal sewer into Shaftsbury. This is a private individual connection installed at Shires' expense outside the highway right-of-way. The system will include a shut-off easily accessed by the Town, the Town gains the income from a 22-unit development, and the Town will receive the fees up front in full - approximately \$8,000 annually - which will be trued up at the end of the fiscal year based on total flow volume and actual cost. The Town has no responsibility for maintenance or construction of the system and establishes a practical model for extensions beyond our borders into the future.

Mr. Dolmetsch stated that the line going into Shires will be 8" and the line at Houghton Lane is 6" with ample capacity for increased flow. There has been no discussion with the Town of Shaftsbury to connect to the 8" line at this time, however if Shaftsbury formed a sewer district in the future, it would make sense that they would assume ownership of the line. Mr. Hurd concurred.

Jim Carroll moved and Carson Thurber seconded to approve the Shires Housing-Memorandum of Understanding as presented. The motion carried unanimously.

6. CHARTER DISCUSSION - SECTION 5 TAXATION

Mr. Hurd explained that, included in the packet, was the report from the Charter Review Committee on how they reached their recommendations and the changes, themselves. There were many verbiage changes that updated the section to reflect what is currently done from what was done historically.

Some of the major changes were:

- §506 - The Downtown Improvement District map would now be changed by the Select Board instead of by a public vote.
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- §511 Local Option Tax - was added to allow the town to assess any or all of the following: a 1% meals tax; a 1% rooms tax; a 1% alcoholic beverages tax; a 1% sales tax. Because we are a 'receiving' town, a charter change is the only way that Bennington would have the ability to impose these taxes, if we so choose. It does not put any of these taxes in place, it just says we can if we want to.

Mr. Carroll spoke to some downtown merchants that were opposed to the additional sales tax and asked if the tax had to apply to all sales within the town, and Mr. Hurd answered that, in other towns, everyone charges the additional tax to their customers, it is then sent to the State, and the State returns 70% of the additional 1% tax to the Town. Mr. Hurd didn't think that we could designate it to certain areas but did not know for sure. Mr. Jacobs added that this would be a point of discussion if we ever decided to implement the option tax.

Robert Plunkett and Robert Ebert, members of the Charter Review Committee were in attendance, and Mr. Campbell asked why they had deviated from the statutory language of "alcohol and meals tax" to separating them, and Mr. Plunkett stated that it was only to give the Town an additional option.

Robert Ebert added that we didn't hear testimony from any stakeholders. We were only giving the opportunity for local control on the subject.

- §510 District Taxes - currently no residential property is taxed within the District and the change was to include residential rental properties that are income generating.

Mr. Ebert stated that the Bennington Downtown Alliance agreed with all of the Committee's recommendations in this section.

Since this recommendation will effect several people, Mr. Campbell asked the thought process for this recommendation, and Mr. Ebert answered that the tax improves the value of all property in the District, paid by income generating businesses. Rental properties are income generating and the Committee felt that they should share in the tax. The intent of the Committee was not to increase the tax amount but to spread it out to all income generating businesses.

Mr. Plunkett added, that since everyone benefits from the downtown, part of the discussion was to consider having all property owners in the Town pay the tax, but that was not the recommendation. Ms. Jenkins asked if this recommendation prohibits the Board from having the all town tax discussion, and it does not.

Mr. Campbell can see both the upside of the recommendation and the downside which would be that the landlords would pass the tax onto their tenants making renting in the downtown more expensive.

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- §509 District Annual Budget - currently states that the Town Manager shall submit the operating budget of the District to the Select Board, and the change was to add the Town Manager "or other person designated by the Select Board".

Mr. Kulkin asked what that phrase meant, and Mr. Hurd answered that the Town Manager has never, in his tenure, submitted the District's annual budget to the Board. The previous BBC, and now the Bennington Downtown Alliance (BDA) establish their budget, which includes the portion they are requesting from the Town, and presents it to the Board. The designee in the recommended change could be the contractor, currently BDA, or another entity.

Mr. Jacobs noted that this recommendation may require some wordsmithing for clarification, and Mr. Plunkett added that "it was purposely broad" to give anyone designated by the Select Board the opportunity to submit a budget for the District to the Select Board for approval.

Eric Petersen, President of the BDA, encourages the idea of "giving the Town more options" and noted that a successful downtown is important to everyone.

Mr. Carroll is not criticizing the BDA's contribution but favors "competing entities" that may bring new ideas that will be beneficial to the downtown.

Mr. Ebert informed everyone that the Charter Review Committee Co-Chairs, Sean-Marie Oller and Robert Plunkett, had recorded a presentation on the major Charter change recommendations with the thought process behind them, and there is a link to that on the Town's website.

7. LIQUOR LICENSE RENEWALS

The following 2018 Liquor License Renewal Applications were circulated for signatures:

1st Class Renewals -

1. American Legion Post #13
2. Chili's Grill & Bar at Bennington, VT

2nd Class Renewals -

1. Aldi, Inc.
2. Beshara's 99 Cents & Up
3. CVS Pharmacy #337
4. Dollar General Store #14357
5. Elm Street Market
6. Hannaford Supermarket & Pharmacy
7. Maruti, Inc.
8. Mincer's Mini Mart, Inc.
9. Price Chopper #171
10. Stewart's Shop #195
11. Tennybrook
12. Walmart Store #2289
13. Willy's Variety
14. Yott's Market, LLC

8. MANAGER'S REPORT

Donald Campbell moved and Carson Thurber seconded to authorize the Chair to sign the Commercial Card Resolution from Peoples United Bank authorizing the Town to secure commercial credit cards. The motion carried unanimously.

Mr. Hurd reported that we have several problems with the heating and ventilation system that was installed at the Police Facility in 1995. We have received a proposal for engineering and construction administration services from DuBois and King of Randolph, Vermont. They have done good work for us at the Rec Center and have been monitoring the system for a couple of years. The estimate is \$34,500 to design both Phase I and Phase II and Construction Administration of Phase I only; Phase I construction cost = \$240,000 to \$265,000; and Phase II cost = \$175,000-\$200,000. There is \$324,914 in the Capital Reserve and the request is to authorize the staff to implement the design phase at a cost of \$34,500. If the design goes as planned, Mr. Hurd may ask that we move to Phase I with Phase II having to come later.

The Board was in agreement that we should get other bids on the project before going forward. Mr. Hurd will send invitations to bid to all engineering companies capable of doing a job of this size.

Mr. Carroll also wants to get quotes on a geothermal system. Mr. Hurd stated that the State Building and CCV have them, seem to be satisfied with them, however, they are very loud. Ms. Jenkins added that the CCV system was "quite expensive" but it is energy efficient though the blowers are loud and run constantly.

Mr. Hurd will also look into the geothermal system.

Mr. Hurd circulated the Police Union Agreement for signatures.

Mr. Hurd shared a letter from the Waste Management Division of Vermont stating that the temporary stockpile of material from the salt shed construction does not require written approval by the program nor is it a violation of State Solid Waste Management Rules.

9. OTHER BUSINESS

Ms. Jenkins: Asked about the Housing Authority interview, and Mr. Hurd answered that, because of the Executive Session prior to this meeting, the interview will be scheduled prior to the next meeting.

Ms. Jenkins: Asked when the Annual Report would be available to the public, and Mr. Hurd answered that it is at the printers and will be available at the Town Office, along with the financial information provided by the agencies that are on the ballot, soon.

Ms. Conner: There was a Housing Summit Meeting that she was unaware of and probably would have attended had she known, and asked how a process could be put into place to inform the Select Board of such events. A shared calendar was suggested with the "hope that this happens".

Mr. Carroll: Stated that policies are being developed to inform the Select Board when permits and grants are being processed so that the Board is more aware. Mr. Jacobs added that these are strictly for the purpose of information and not to micromanage staff.

Mr. Carroll: Thanked the entire staff of the hospital for making his stay as pleasant as possible under unpleasant circumstances.

Mr. Campbell: Thanked Mr. Hurd for his analysis and summary of the FY18 2nd Quarter stating how helpful it is to the Board in doing their job.

10. EXECUTIVE SESSION

A. PERSONNEL

At 8:18pm, Donald Campbell moved and Carson Thurber seconded finding that an Executive Session be held on Personnel as premature public knowledge would place a person involved in the subject matter at a substantial disadvantage. The motion carried unanimously.

Respectfully submitted,

Nancy H. Lively

Secretary