

1 **BENNINGTON SELECT BOARD**

2 **BENNINGTON FIRE FACILITY**

3 **130 RIVER STREET**

4 **BENNINGTON, VERMONT 05201**

5 **JANUARY 13, 2020**

6 **MINUTES**

7 **SELECT BOARD MEMBERS PRESENT:** Donald Campbell-Chair; Jeannie Jenkins-Vice Chair; Jeanne Conner;
8 Jim Carroll; Bruce Lee-Clark; and Chad Gordon.

9 **SELECT BOARD MEMBERS ABSENT:** Bill Scully.

10 **ALSO PRESENT:** Stuart Hurd-Town Manager; Daniel Monks-Assistant Town Manager and Planning
11 Director; Shannon Barsotti-Community Development Director; Steve Love-Love, Cody & Company,
12 CPA's; Kevin Hoyt; Colleen Harrington; John Shannahan; Betsy Rathbun-Gunn; Brant Young; Dana
13 Rozycki; Beth Wallace; Nancy White; Rose Talbot; Police Officer; 10 citizens; CAT-TV; and Nancy H.
14 Lively-Secretary.

15 At 6:04pm, Chair Donald Campbell called the meeting to order.

16 **1. PLEDGE OF ALLEGIANCE**

17 The Pledge of Allegiance was recited by all present.

18 **2. CONSENT AGENDA**

19 **A. MINUTES - JANUARY 4, 2020**

20 **B. WARRANTS**

21 *Jim Carroll moved and Jeannie Jenkins seconded to approve the Consent Agenda as submitted.*
22 *The motion carried with Bill Scully absent.*

23 **3. PUBLIC COMMENTS**

24 Mr. Campbell explained the purpose and procedure of how the Public Comments agenda item
25 works. Those with issues should first contact Mr. Hurd, and if they are not satisfied with the outcome
26 from that, they can then bring it before the Board.

27 Kevin Hoyt stated that he has not received a response from Mr. Hurd to the questions that he
28 had previously asked, and that the article in the Banner just raised more questions. His questions are -
29 Why did we have a job for \$180,000 without a contract?; What was the bid process?; and Why did we
30 refuse to pay the contractor, fire him from the job, and hire another contractor?.

31 Kevin Hoyt reiterated his concern about election fraud, stated that he had proof, and quoted the
32 following from the Statute 24 Chapter 33 Subchapter 1 "a meeting of the Board of Civil Authority shall
33 be called by the Clerk or one of the Select Board members". He is asking that a meeting of the Board of
34 Civil Authority be called. Mr. Campbell noted that the Board has a different view on this subject.

35 **4. F.Y. 2019 FINANCIAL AUDIT PRESENTATION**

36 Steve Love from Love, Cody & Company, CPA's, did the following presentation:

- 37 • The Management's responsibility for the financial statements is to prepare the financial
- 38 statements in accordance with accounting principles accepted in the USA, and to design,
- 39 implement, and maintain internal controls relevant to that.
- 40 • The Auditor's responsibility on the financial statements is to express an opinion, perform
- 41 procedures to obtain audit evidence, assess risks of misstatement, and consider internal controls
- 42 in order to design appropriate audit procedures.
- 43 • Our opinion is that the Town financial statement for year ended June 30, 2019 are presented
- 44 fairly and there are no material weaknesses in internal controls.
- 45 • The Governmental Funds are the General Fund, Community Development Fund, and Downtown
- 46 Improvement Commission on a full accrual basis of accounting.
- 47 • The largest Assets in Governmental Funds are Capital assets at \$18,531,479 and Cash at
- 48 \$4,901,240.
- 49 • The largest Liabilities & Net Position in Governmental Funds is Net position - capital assets at
- 50 \$13,620,805.
- 51 • Assets - Business Type Activities are the 3 Proprietary Funds, also on an accrual basis, with the
- 52 largest in here being Capital assets at \$25,584,133 - a \$9M increase over last year.
- 53 • Liabilities & Net Position - Business Type Activities has the largest amounts in Net investment in
- 54 capital assets at \$12,287,176 and Bonds payable at \$13,296,957.
- 55 • Statement of Activities - Cost of Governmental Services, or the expenses, have the largest
- 56 amounts in Highways and roads at \$4,551,679, Police at \$3,843,705, and General government at
- 57 \$3,691,118.
- 58 • State of Activities - Government Revenues have the "lion's share" coming from Property taxes at
- 59 \$11,095,736.
- 60 • Statement of Activities - Cost of Services Business Type Activities have Sewer at \$1,849,960 and
- 61 Water at \$2,108,549 by far the largest two of the three with Parking a distant third at \$17,182.
- 62 • Statement of Activities Revenues Business - Type Activities offset the expenses with Sewer at
- 63 \$2,144,845 and Water at \$3,083,720.
- 64 • Switching to Fund Financial Statements from the Government Wide shows the General Fund
- 65 Assets are mostly Cash at \$4,546,790 and Property taxes receivable at \$1,302,255.
- 66 • General Fund Liabilities and Fund Balance has the largest piece in Due to other funds at
- 67 \$3,389,383.
- 68 • General Fund - Fund Balance Components have the largest amount restricted at \$2,100,532 with
- 69 38% dedicated to reappraisal and nearly \$1M spread among fire equipment, bridges, capital
- 70 facilities, employee benefits and insurance, and pathway projects.
- 71 • General Fund Revenues come mostly from Property taxes at \$11,195,995.
- 72 • General Fund Expenditures are down from last year at ~\$14M offsetting the revenue primarily in
- 73 Highways and roads, Public safety, and General government.
- 74 • All qualitative aspects of accounting practices were met and there were no difficulties or
- 75 disagreements with management.

76 *Board questions/comments:*

77 Mr. Campbell: The financials show that we're in a good position and have strong business practices.

78 Mr. Hurd: Explained that since the PFOA contracts require that the areas be paved upon completion, we
79 have worked with the contractors on that. We did the paving and got reimbursed by the contractors for
80 over \$300,000, however, it was challenging to make sure we ended in the black because we had to front
81 the money for expenses that we hadn't budgeted for.

82 5. LOCAL OPTION TAX DISCUSSION

83 Mr. Campbell stated that our discussion tonight is whether the local options tax question should
84 be put on the ballot for the voters to decide if they want it or not. If the decision is made over the next
85 couple of weeks to put it on the ballot, "then we would have a series of discussions during the course of
86 the winter which would give the entire community an opportunity to talk about the merits, or demerits,
87 of having an options tax".

88 Ms. Barsotti did the following presentation:

- 89 ✓ The Local Option Tax is a tax mechanism to raise revenue by adding 1% to our current 6% sales
90 tax.
- 91 ✓ The Town receives 70% of the revenue generated by the 1% and 30% remains with the State.
92 These dollars are used to reimburse the towns for State owned buildings and to pay for upgrades
93 to the local option tax system.
- 94 ✓ There are 20 municipalities that have local option taxes on sales, rooms, meals, and/or alcohol
95 with Manchester, Wilmington, Brattleboro, and Rutland being those closest to us.
- 96 ✓ A town may choose one, two, three, or all four of the option taxes to add 1% to.
- 97 ✓ Based on FY19 tax data from the Vermont Department of Taxes, and if the Town chose to
98 implement all four taxes, that 1% would generate \$1,819,304 with \$1,273,513, or 70%, that
99 would come back to the Town.
- 100 ✓ The Select Board would then need to decide how to use that money. Some ideas are property
101 tax reduction, capital expenditure reserves, parks and recreation, and community development.
- 102 ✓ All online dealers are subject to sales tax and local option tax.
- 103 ✓ The Vermont Department of Taxes has a list of what is sales taxable and what is sales tax exempt.

104 Mr. Hurd added if all of the capital expenses could be removed from the budget over time that
105 would reduce taxes on a \$100,000 house by \$900. This could be in addition to reducing the tax rate,
106 itself - a double benefit to the taxpayers.

107 Mr. Hurd doesn't know how other towns utilize their local option taxes. If the decision is to put it
108 on the ballot, the Board will need to decide if each of the four are listed separately or if all four are in
109 one yes or no question. If the voters approve the tax, collection of it would begin on July 1, 2020.

110 *Board questions/comments:*

111 Ms. Conner: If the voters pass this, do any changes have to go back to the voters, and Mr. Hurd
112 answered that it would only have to go back to the voters if it was set up that the voters decided on how
113 the money would be spent. The voters would then have to decide each time there were proposed
114 changes to how it was spent. And, if the spending of it is decided by the Board, then any future
115 proposed changes would be decided by the Board.

116 Mr. Lee-Clark: Clarified that the Select Board decides to put it on the ballot but the decision to collect a
117 tax - or to stop collecting a tax - would have to be made by the voters, and Mr. Hurd concurred.

118 Mr. Carroll: Asked if Ms. Barsotti's presentation would be on the website, and she responded that it
119 would be. Mr. Carroll further stated that this is a great opportunity to have our neighbors help pay for
120 our infrastructure that they use, and to lower the tax burden on our property owners.

121 *Public questions/comments:*

122 Bruce Faller and Wendy Klein-Faller: Were unable to attend tonight's meeting, however, have sent an e-
123 mail stating that adding any tax to our customers would make it more difficult for the local small
124 businesses to stay in business. The race between brick-and-mortar stores and on-line sales will continue
125 to grow, and this proposed local tax is giving the on-line retailers "a head start out of the gate".

126 Kevin Hoyt: We can't afford this tax, it will push people out of Bennington, and isn't the solution to the
127 Board's misappropriation of spending, however, he is in favor of having it on the ballot for the voters to
128 decide.

129 Colleen Harrington: The businesses in town can't afford any more taxes. We can't afford to go out to eat
130 now, there are no guarantees it will reduce property taxes, and another tax "is outrageous". I would
131 urge everyone not to vote for this.

132 Betsy Rathbun-Gunn: Is a "resident of Sandgate but a citizen of Bennington County", utilizes the services
133 in Bennington, and is happy to pay the tax. This is a way for Bennington to "recoup" some of the money
134 it spends on services that non-residents partake of.

135 Brant Young: Feels that there must be other ways to raise revenue than more taxation and it should be
136 put to the voters to decide.

137 John Shannahan: Reiterated that all that is being asked tonight is if the entire community should have
138 the opportunity to decide on whether or not we institute a local options tax.

139 Dana Rozycki: It should be on the ballot and it should be presented as 4 separate questions.

140 Beth Wallace: Is a resident of Shaftsbury and would be happy to pay the tax.

141 Nancy White: We can't afford this and we should be reducing our budget instead, however, is in favor of
142 having it on the ballot for the voters to decide.

143 Rose Talbot: Stated that she had to go out of town to find what she was looking for because she couldn't
144 find it locally, and was happy to pay a higher tax because she got what she wanted.

145 *Mr. Campbell stated that, at the January 27, 2020 meeting, the Board will decide whether or not*
146 *to put the local options tax question(s) on the March 2020 ballot, and if it is on the ballot, whether it will*
147 *be as one question with all four options or as four separate questions. Also, if it is on the ballot, a*
148 *schedule of meetings will be set for discussion prior to the vote.*

149 **6. GRANT AGREEMENT - PUTNAM BLOCK**

150 Ms. Barsotti stated that the Grant Agreement Resolution - Single Grantee is under the Vermont
151 Community Development Program with the Town as the Grantee and Putnam Block Redevelopment as
152 the Sub-Grantee for \$1,250,000 coming through the U.S. Department of Housing and Urban

153 Development. Though quite complicated, it is boiler plate to the way Community Development Block
154 Grants are written. The Resolution must be signed by the Board and approved by legal counsel before
155 the project can proceed with the requisitions. The Agency of Commerce and Community Development
156 would like the agreement in place by January 24, 2020.

157 ***Jeannie Jenkins moved and Jim Carroll seconded to accept Grant Agreement #07110-1G-2016***
158 ***with the Agency of Commerce and Community Development contingent upon full legal approval.***

159 Mr. Lee-Clark asked what the town's liability is if all of the conditions are not met, and Mr. Monks
160 answered that all conditions need to be met before any money is released by the State. The Town is
161 only responsible for administration.

162 Ms. Conner clarified that this is not the Town's taxpayer money, and Mr. Lee-Clark added that it
163 is federal taxpayer dollars that are coming back to the Town.

164 ***The motion carried with Bill Scully absent.***

165 **7. DPW UNION CONTRACT RATIFICATION**

166 Mr. Hurd stated that this is a one year contract that has been ratified by the Department of
167 Public Works Union that increases wages by 3.53%, vacation and comp time adjustments, Assistant Chief
168 Operator rate change, Confined Space Entry Team stipend increase, plus a few additional small changes.

169 Mr. Campbell thanked the town union workers for what they do and Mr. Hurd for his work on
170 the negotiation.

171 ***Bruce Lee-Clark moved and Chad Gordon seconded to approve the Department of Public Works***
172 ***Union Contract as negotiated. The motion carried with Bill Scully absent.***

173 **8. MANAGER'S REPORT**

174 Ms. Jenkins reported that, as a follow-up to the concerns expressed at the December 16th
175 meeting for an Emergency Shelter where everyone can be safe and warm, a meeting is in the works with
176 many organizations to address this issue. It is important that it is clear what the issue is, who is involved,
177 and what organizations can contribute to making sure that we can create something that will serve us
178 for years to come. Ms. Jenkins and Mr. Campbell will attend that meeting and report back to the Board.

179 Mr. Hurd reported the following:

- 180 ➤ WILLOW PARK PAVILION RENTALS - The rental rates for Willow Park haven't changed in over a
181 decade. The rates cover clean up, repair and maintenance, upgrades, etc. Some proposed
182 increases are attached, and he will discuss further with staff to get a better sense of how much
183 work is involved for them dependent upon how long the pavilion is in use. This will be on the
184 next meeting's agenda.
- 185 ➤ REVISED BUDGET - A revised budget was given to the Board, however, there were some
186 additional items that were inadvertently not included. A corrected version will be given to the
187 Board for the January 27th meeting.
- 188 ➤ EMERGENCY PURCHASE - An emergency purchase of a used truck for \$13,950 was made to
189 replace the one that we currently have that has blown its engine. It is used for tree work and
190 hanging decorations among other things. The new one has outriggers, which will make it safer,

- 191 and goes higher than the one we have now. The Highway Fund will contribute \$8,950 and
192 Building and Grounds will contribute \$5,000 to pay for the replacement truck.
- 193 ➤ RECREATIONAL PRIORITIES - We hope to present our recreational priorities at the January 27th
194 meeting.
 - 195 ➤ PFOA - Casella Construction of Rutland was the low bidder on both Contracts 8 and 9.
 - 196 ➤ MORGAN SPRING DELIVERY SYSTEM - Negotiations for construction of the new delivery system
197 have ceased since no construction can take place until next spring. Ms. Jenkins asked why we
198 only negotiate when it is in season, and Mr. Hurd answered that he is reviewing the design and
199 looking at other options.
 - 200 ➤ OPIOID LAWSUIT - Bennington has chosen to remain in the negotiation class and the
201 understanding is that Brattleboro has also joined the suit.
 - 202 ➤ WWTF UPGRADE - The Secondary Digester is ready to be put in place. This 97,000 pound piece
203 of equipment will require a special crane to be put in place. The anticipated completion date
204 remains for some time in February 2020.

205 9. UPCOMING AGENDA

206 The following are planned for the indicated meeting dates:

- 207 ❖ January 27th - Recreational Priorities, 2nd Options Tax Ballot Discussion, Willow Park Fees,
208 Bennington College Round-A-Bout Feasibility Study, and TIF.
- 209 ❖ March 9th - Work Force Development.

210 10. OTHER BUSINESS

211 Mr. Gordon: If someone wants to be put on the agenda, they should contact Mr. Hurd or Mr. Campbell.

212 Mr. Gordon: Thanked the Bennington Banner and Bennington College for Bennington Has Talent.

213 Mr. Lee-Clark: Saw Bill Scully today and he is looking forward to returning to the Board.

214 Ms. Conner: Thanked the Highway Department for the flashing stop sign on Weeks Street.

215 11. EXECUTIVE SESSION

216 A. REAL ESTATE

217 *At 8:00pm, Jim Carroll moved and Jeannie Jenkins seconded that the meeting was adjourned*
218 *finding that an Executive Session be held on Real Estate as premature public knowledge would place a*
219 *person involved in the subject matter at a substantial disadvantage. There will be no action taken on*
220 *this item when going back into Open Session. The motion carried with Bill Scully absent.*

221

222

223

224 Respectfully submitted,

225 Nancy H. Lively

226 Secretary