DRAFT

TOWN OF KILLINGTON VERMONT

SELECTBOARD
Meeting Minutes
Tuesday, November 15, 2016

PRESENT : Patty McGrath
Chris Bianchi

ALSO PRESENT: Debby Schwartz, Town of Killington (the "Town") Manager (the "Manager"); Kim Peters, Recreation Director/Interim Marketing & Events Coordinator; Chet Hagenbarth, Director of Facilities (the "Director"); Jane Ramos (Library Director) and Dick Horner (Town Planner).

PUBLIC PRESENT: Curt Peterson (The Vermont Standard); Evan Johnson (The Mountain Times); Nan Salamon; David Rosenblum; Diane Rosenblum

AGENDA:

1. Call to Order
2. Approval of the Agenda
3. Approval of Meeting Minutes of November 1, 2016
4. Selectboard Member Concerns
5. Citizen Input
6. FY2018 Budget Presentations
   - Library
   - Planning
   - Recreation
   - Roads
7. Contracts
   - Killington Witchcraft
   - World Cup Vendor Agreement
8. World Cup
   - Town of Killington World Cup Ticket Giveaway
9. October 2016 Financial Reports
10. Financial Updates
    - Library Roof Loan Financing Documents
11. Listers' Errors & Omissions
12. Manager's Report
    - Playground Equipment
    - Turkey Trot Road Use Agreement
13. Board of Liquor Control
14. Executive Session, if necessary
15. Adjourn

1. CALL TO ORDER

The Chairwoman called the meeting to order at 7:30 p.m.

2. APPROVAL OF THE AGENDA

On a motion made by Mr. Bianchi, the agenda was unanimously APPROVED.

3. APROVAL OF MEETING MINUTES OF NOVEMBER 1, 2016

Mr. Bianchi made a motion to approve the meeting minutes of November 1, 2016.

The Chairwoman noted that the minutes shifted from third person point of view to first person in the Manager's report first paragraph, last sentence and suggested that it read "..she let the Board know how we can help her."

A revised motion to approve the minutes, as amended, was unanimously APPROVED.

4. SELECTBOARD MEMBER CONCERNS

The Chairwoman asked if there had been any opportunity to look over the upgrade for the server. Mr. Bianchi and the Manager responded that they had met and are still researching the options and do not have prices yet.

5. CITIZEN INPUT

None

6. FY2018 BUDGET PRESENTATIONS

Library: The Library Director distributed updated copies of the proposed budget to the Selectboard and the Manager.

The Manager stated that in an effort to better oversee costs, all of tonight's budget presentations have facilities maintenance costs under a single grouping under the Director's oversight to better monitor costs, and give him greater flexibility in allocating those funds when and where needed. The intention is to increase efficiency and get a better understanding of what's happening across the Town's facilities. The Manager added that the Director will elaborate later in the presentations.

The Library Director stated that a line item in the Library budget was added for Marketing adding that in prior years, these costs had been drawn from programs and special events.

The Library Director said that the total requested increase is almost $3000 over last year's budget, or 1.4%, not including $3,500 that was shifted to building repairs.

The Manager stated that the Salaries in this and all the other budgets represent a 3% COLA increase per federal projections for CY2017, adding that these are "fact-based" budgets based upon past cost experiences and anticipated expenditures in the new fiscal year.

The Chairwoman summarized that the only significant changes in the Library budget were for contacting services and programs and events, reflecting how the public is using the library more in these areas.

Mr. Bianchi confirmed that the COLA increase was accurately reflected in the Salaries line item.

The Chairwoman asked the Library Director if she had any concerns about the budget. The Library Director responded that there may be an increase coming due to the automation system, should they opt to shift to the state-wide library database system. She stated that the current system costs $1000/year and, if consolidated, that cost will double noting that doing so would also double the availability of library resources. She added that such a move would entail changing every bar-code in the library, and said that it this is a possibility for the future.

Planning: The Town Planner reported that there were no significant changes in his proposed budget; that his only concern is where the grant expense should be recorded, i.e. in Planning or in Restricted Funds. He then suggested creating a new line item entitled "Planning Grant Expense." Mr. Bianchi expressed his concern regarding the process of creating a new Restricted Fund that would require the voters to pass and would detail the purpose of those funds. While he does not object to putting the funds into a separate line item, doing so does not in itself preserve those funds for walkway items. The Town Planner restated that the solution would be to create a line item for "Planning Grants." The Manager then suggested that Grant Expenses shouldn't be grouped under Planning alone because of the variety of grants that the Town may apply for and use in other respects. The Director of Facilities suggested the creation of a "Master Planning" Restricted Fund wherein various monies such as this could be itemized for future projects. The Chairwoman summarized that there needs to be some investigation of how to structure such a fund into the Planning budget so that it works effectively and in the meantime to slot this money into the "walkway beautification fund," because that is already set up for the work to be done. Mr. Bianchi continued to point out that because these are funds that will be carried from one fiscal year to the next, it would require a town vote to protect those funds for their designated purposes rather than potentially being viewed as a "slush fund" in the future. His recommendation for a value this small, $3,000, is to keep it in the budget for this fiscal year.

The Manager requested that while the Town Planner had the floor, that he report on the last Planning Commission meeting; specifically, the Killington Complete Streets Corridor Study.

The Town Planner reported that the first study grant looked at design review guidelines for Killington Road green spaces and reducing the size of parking areas, and that the second study grant was used to determine how to connect the Killington walkway to the Resort Village. He stated that the current study grant is for looking at bus stops, bus pull-offs, bus shelters, appropriate places for crosswalks and for connecting segments from the stops to the walkways leading to businesses. He also presented large maps of the bus routes and asked for people to study those maps and place a sticky note with suggestions of optimal placement of these bus stops, pull-offs and shelters. The Town Planner added that the process is going well, and when

all the information gathering is complete, it will be up to the Selectboard to review the recommendations and make final decisions as to what will be placed where.

Recreation: The Recreation Director reported that her budget also includes revenues which offset part of the budget. She reported that revenues come primarily from camps and certified instructor training fees. The Manager pointed out that the Town is 33% through this fiscal year and that Parks & Recreation has already reached 85% of its revenue goal. The Recreation Director explained that this is because camp fees are prepaid in the spring months, and that camp revenues will be above last year's estimate by approximately $30,000. She added that expenses will be over by 15%, or approximately $20,000. The Recreation Director further explained that classes, coaches and counselors' salaries make up the majority of the increases in the expenses. The line item that reads "Rec Maintenance" represents the salary for a maintenance person. Mr. Bianchi requested that for the next report, for clarity and equivalent comparison, the report should show the actual numbers from July 1, 2015 to June 30, 2016 in column 1, and July 1, 2016 through June 30, 2017 in the last column. To clarify, the Chairwoman stated that the first column should be labeled FY2016, the second column FY2016 Period 12, and the third column should be the budget FY2017. There was some discussion of what numbers represented considering the change from an 18-month budget to a twelve-month cycle and the need to compare as accurately as possible the cash flow in and out. The Chairwoman noted Utilities" as an item that had dropped out of the coming year's budget. The Recreation Director explained that these are now listed as three separate line items, phone, electric & propane, adding that the account numbering of these items is not consecutive in this report. She said that the only way to get these in sequence is to keep them all under the one "Utilities" line item. The Director remarked that this adjustment can be made in the system to get them all together as sub-items under Utilities. The Chairwoman noted that with the facilities maintenance portion, which is not reflected in this report, the total budget reflects a net-neutral increase within about $1,000. She added that Marketing is no longer a separate line item but included in the items' cost. For example, the Chili Cook-off item includes the cost for advertising. Mr. Bianchi asked why the costs for the Chili Cook-off showed such a dramatic decrease this year as opposed to last. The Recreation Director explained that she was able to reuse materials from the previous year thereby saving expenses, adding that the cost for this event will continue to go down.

Roads: The Director of Facilities began by explaining that previously, this budget had been a split budget showing seasonal Summer and Winter costs in manpower and supplies. He stated that for this coming year, he has combined these two reports into one. He pointed out that although the salary budget line items are correct, the system is not totaling them correctly and that the reason is unknown at present. He added that "Rentals and Other Services" has been broken up into individual line items. Mr. Bianchi asked why the Summer Road Salaries were lumped together rather than split out. The Director replied that this was intended to simplify the budget, but that these items could easily be split out again. Mr. Bianchi recommended that they should be split into sub-items under the main heading, adding that typically, the public wants to see what the heads of departments are paid, and then the rest of the staff are grouped together. The Director then explained his formula for estimating the cost of overtime, based on the previous five-year totals adjusted for COLA, is to reduce the likelihood of going over budget as has happened in the past. Under operational items, there is very little change from last year; that although some things have been shuffled to other locations in the budget, the overall number remains the same. Under personnel costs, this budget reflects an additional person added to the

current plow group. With this new hire, the plowing group will no longer be relying on part-timers and retirees to get the job done. Regarding facilities maintenance and the consolidating of the accounting as alluded to earlier in the meeting, the Director said that we could be doing a better job of keeping our buildings in proper repair. Further, there are things we hire outside contractors to do that we could do "in-house." For that reason, it makes sense to draw all of the maintenance budgeting requirements under one heading to keep better accountability and to effectively bring as many of the maintenance jobs as possible into our responsibility and control rather than contracting the work out at higher cost. The monies brought over to Maintenance and Facilities comes from Library, Town Hall, Walkway, Beautification, Town Garage, Rec, and the Golf Course. He explained that the $85,800 is virtually all a result of that transfer except for an $800 increase in the overall budget, adding that the only real change in the budget is in salaries. After some discussion regarding the inaccuracies in the addition for totals, it was suggested that further discussion of the Roads budget be tabled for now and picked up for clarification and completion at the next meeting. The Director affirmed that this is a NEMRC correction to address, but aside from that, asked if this is the format that the Selectboard wants to use going forward, and the Selectboard responded that it was. Mr. Bianchi voiced concern about trying to compare the new way of budgeting with the old. The Director explained that between the 18 month budget and these transfers, it may be difficult for comparisons to be in anyway valid; that the numbers can be extrapolated and run manually for this new budget and after this time, it won't be necessary.

The Manager asked to continue the discussion about the budget format for the forthcoming Town Report now rather than under the Manager's Report. First, she asked if the Selectboard wanted the prior fiscal year, 2015-2016, to run from July 1, 2015 through June 30, 2016, and the Selectboard responded affirmatively. The Recreation Director asked if the narrative reports should include events from the first part of the calendar year, i.e. January through June of 2016. The Chairwoman responded that the report should be a two-part report. The first part of the report should be FY 2016, and then if those preparing the report want to add something about what is happening in the current year, July 1, 2016 forward, they may, but the main report should be about the fiscal year reflected in the 18 month budget. She added that what's current, what's happening, and what's coming up next should all be in the second part. The Manager raised two more questions related to this topic: 1) In the Town Report; do we need to list every salary across the board, or can we just list department head salaries and group all other employee salaries together? Mr. Bianchi responded that there is a page in the Report that lists every Town employee and what they made for the year, and that page should remain. The idea of eliminating or minimizing this page has been discussed and rejected before. In the budget, every department head's salary is listed and the other employees grouped together, except for Roads, which is changing as discussed earlier in this meeting, adding that the simplest way is best. Since the Director is the Director of Roads and Facilities and his salary comes from both departments, his salary should be listed as one Director's salary. 2) Is the current format of the Town Report non-negotiable or are there places where the format can be simplified or modified for efficiency and cost savings? The Chairwoman responded that she has not regarded the Town Report from the perspective of what is necessary and useful information and what is there simply by tradition and not truly necessary. Mr. Bianchi remarked that if we were to change something because it would create significant improvement in the usefulness of the report, then that's a good change, but if the change is made only because the present format is uncomfortable, then it shouldn't be changed. After further discussion regarding what is required by statute versus what has

historically been included in the Report, Mr. Bianchi asserted that even if the expense of compiling the book were doubled what it has cost before due to outsourcing a portion of the production, the book's present contents and format need to be preserved. He added that printing and distribution should be handled in the same way as in previous years.

7. CONTRACTS

Killington Witchcraft: The Manager stated that this event used to be Octoberfest, and that the Town received the contract after the event. She added that this contract has been vetted by the attorneys within the Town's three-year review period. The Chairwoman's motion that the Manager sign the Killington Witchcraft agreement was unanimously APPROVED.

World Cup Vendor Agreement: The Town is serving as a sponsor for the World Cup, contributing $12,000 to the event. Since this is a new event for the Town, this agreement, sent from the Resort, has been reviewed and counsel suggested some changes. The Chairwoman's motion that the Manager be authorized to execute the agreement when the recommended changes have been made was unanimously APPROVED.

The Recreation Director reported that as part of the sponsorship, the Town will have a booth at the World Cup Festival Village, and provided details as to what will be happening there. She asked the Selectboard that if there is anything specific that the Selectboard wants distributed at that location, to please let her know by next week, adding that the Town will be represented at the Village the whole weekend.

8. WORLD CUP

Town of Killington World Cup Ticket Give Away: The Recreation Director reported that by being a sponsor, the Town has received a number of tickets VIP tickets, tickets to shows, and grandstand tickets that are being given away to Killington residents through drawings. She added that this giveaway is being promoted through posters, FaceBook, fliers, and newspaper advertisement. The Recreation Director stated that she is still looking for someone to make the presentations either that Sunday or Monday, November 20th or 21st. She added that the announcement as to when and where the presentations will be made will go out Friday, November 18.

9. OCTOBER 2016 FINANCIAL REPORTS

The Manager reported that the Town is 33% through the Fiscal Year, and collected about 35% of taxes up through period 4. She added that Recreation has received 85% of budgeted revenues, and that the Town has received slightly over 10% of the local options tax. As for expenses, the Manager reported that 90% of the Municipality's budget has been spent, as have 68% in tax collecting expenses, 55% in insurance expenses, and 73% in Recreation expenses which includes

camp expenses. The Chairwoman asked what, under Municipality, is an interest expense? The Manager replied that it was interest on notes, and that she will investigate that amount. The Chairwoman requested that the local options tax report be more complete regarding the quarterly budget and expenditures noting that currently, the report is on two separate pages and an example of things that will come up while adjusting to NEMRC.

Treasurer's Report: The Manager reported deposits of note include the partial golf payment of $200,000, the State of Vermont quarterly highway aid payment of just under $21,100, and the State of Vermont current use payment of $32,044. Disbursements of note include bond payments of $247,611 for the Golf Course & Library. The Chairwoman inquired whether there were any disbursements for the Killington Road Walkway forthcoming. The Director replied that $200,000 is expected "any time now".

The Chairwoman's motion to accept the October 2016 Financial Reports was unanimously APPROVED.

10. FINANCIAL UPDATES

Library Roof Loan Update: Following presentation of the Library budget, the Manager reported that completion of negotiations for the contract as discussed at the last Selectboard meeting did not take place, adding that the impasse pertains to the builder's risk policy. She said that the Town is prepared to purchase a builder's risk policy through its insurer but that the contractor wants the Town to purchase the policy through his insurer at a much higher cost: $5,000 versus $661. The Town's Builder's Risk policy would cover just the cost of the project, whereas the contractor's policy would add $2 million additional dollars in coverage. The Manager added that the contractor has also requested a waiver of subrogation clause exempting them from any legal action by the Town should any incident occur during the project. Further, the Director has devised a way to protect and preserve the current roof through the winter and the Town is ready to discontinue negotiations with this contractor at present, while leaving the door open for potential resolution. The Director added that even if the Town and the contractor get past this conflict, it may be in the Town's best interest to put off starting this project until spring now due to weather conditions and the effect of cold on the materials as discussed at the previous meeting. When asked by Mrs. Salamon, the Director also acknowledged the cost of the project could go up if it is delayed, noting that the increased cost would be in materials as opposed to the overall contract. Another concern was voiced that the budget for this project was originally $200,000 and has been inflated to $245,700 which has to come out of the budget somewhere. The Chairwoman summarized by encouraging the Manager and the Director to continue to work this issue, but that obviously not to acquiesce to conditions that are untenable.

The Manager reported that the Town received the Non-Residential Education Tax bill from the State in the amount of $4,364,748 due December 1st. The Manager stated that the Town is in position to pay that bill on time, but will be confirming that and bring an update to the November 29th Selectboard meeting. The Chairwoman remarked that last year it was necessary to take out a short term note to pay this tax and recommended that the Manager do some projections on cash flow to be sure that there are adequate funds to keep the cash flow until the next payment.

The Manager confirmed that the Town audit, for the period January 1, 2015-June 30, 2016, will commence Monday, November 28.

11. LISTERS' ERRORS & OMISSIONS

The Manager reported that there was a business that was sold and moved, adding that the Listers' were unaware of the sale because it was a personal property transaction not recorded in the Land Records. The Chairwoman's motion to accept the Listers' Errors & Omissions to remove the assessment from personal property taxes was unanimously APPROVED.

12. MANAGER'S REPORT

The Manager reported that the Town had received a thank you note for the work that the road crew completed on South View Path. The citizen reported that the road is much safer and user friendly, and that she felt she was speaking on behalf of all the residents on that road.

Playground Equipment: The Recreation Director reported that the new playground equipment has been delivered, and that the playground assemblers will begin working tomorrow morning at 8am. She said that the playground will be a little smaller and different than before, but there are already plans for adding on, and those add-ons are available.

Turkey Trot Road Use Agreement. The Recreation Director reported that this event is still scheduled for Thanksgiving Day. The Chairwoman's motion for the Manager to sign the road use agreement for the Turkey Trot was unanimously APPROVED.

13. BOARD OF LIQUOR CONTROL

None

14. EXECUTIVE SESSION, IF NECESSARY

None

15. ADJOURN

The meeting was adjourned at 9:40pm.