

Minutes of the Special Selectboard Meeting of
Wednesday, July 25, 2018 at 6:30 pm

Members present: John Pepper, Chair (by telephone); Claudette Brochu, Vice Chair; Linda Cook; John Langhus; Mary Layton; Herb Durfee, Town Manager.

There were about 5 people in the audience.

Meeting called to order at 6:35 PM by John Pepper via telephone; thereafter, Claudette Brochu led the meeting.

Five members of the public, Plus Herb Durfee (TM), Roberta Robinson (FM) and full Board (John P via telephone)

Public comments from Stan Robinson re status of road repairs on Sue Spaulding Rd.

Financial discussion – two parts:

a. Town Budget (General Fund) status

i. Revenues are received for full year, but do not reflect the designated fund balance allocated in July 2017.

ii. Expenditures are not yet final for June year end.

1. Current year end expenditures net of FEMA reimbursement = \$4,656,511.90 (vs Budget of \$4,827,140) = 96.5% of budget

2. FM estimates outstanding expenses of maybe \$150,000 (about 3% of budget)

iii. Cheryl Lindberg asked whether Town can publicize the financial reports more timely. Board indicated that this has been requested of the TM and is being worked on.

iv. Kris Clement asked whether Chris Katucki had properly reported that the last SB meeting included a discussion of a “deficit of over \$500,000”.

1. TM and Finance Manager did not think they used that term. Langhus and Layton both thought that that term had been used.

v. A general discussion ensued about whether we have an actual “deficit.” It was explained by FM that we do not have a “deficit” because we still have unspent revenues designated last year from the undesignated fund. But we may have more spending as of year-end than we expected to have under the budget, even after accounting for FEMA reimbursements that are expected but not yet received.

vi. A further point was made by TM and FM that certain amounts were authorized to be borrowed but have instead been spent out of General Fund, saving the Town interest costs.

b. Designated Fund balances and special projects

i. Public Safety Project - \$35,271 overspend vs approved budget / signed contract, based largely on higher than anticipated planning and permitting costs at outset of project.

ii. Public Safety Budget – arithmetical error created \$70,000 that voters approved funding at Town Meeting. This was approved to be borrowed but has been spent instead from the Undesignated Fund.

iii. Public Works projects (post-Irene FEMA project spending) – \$139,538 funding shortfall, primarily attributable to Public Works garage (one of three projects), which itself had an original expected FEMA reimbursement of \$432,968. Ultimate budget for project ended up being \$544,340 inclusive of approved change orders for legally necessary improvements found during construction such as out of code wiring and other changes deemed by TM to be prudent.

1. John Farrell asked how the planning and permitting estimate was so far off? What protections do we have against cost overruns in the contract?
 - a. John Langhus clarified question to ask whether this was a turn-key contract or a cost-plus contract?
 - b. TM said he couldn't recall and would look back at that.
2. Kris Clement – For Public Safety building, didn't this contract have a contingency built in to it?
 - a. TM said he couldn't remember, but will check back.
3. Kris Clement asked about the Safe Routes to Schools bond. TM clarified that this is not spent money that will now not be reimbursed. Rather it was not spent by us and now has to be paid by the Town.
 - c. Linda Cook said that she didn't think that we have provided enough information about what we are doing. She was encouraged that this meeting has helped with that.

Meeting adjourned – Pepper moved, Langhus seconded. 5-0

Adjourned at 8:10PM

Minutes approved on August 22, 2018

John Pepper, Selectboard Chair