

Town Administrator's Report for Selectboard Meeting on December 19, 2016

Review of Survey Regarding Solid Waste Collection

Abby Foulk will provide a summary of the survey results. It seems there is support among residents (who completed the survey) for locating a Drop Off Center in the town. However, there do not appear to be any town-owned parcels that would be suitable for this, and the only area currently zoned for this use is the Light Industrial District. Nevertheless, there are other takeaways from the survey, such as the number of residents who compost, and the somewhat underwhelming use of the Rover.

Thompson's Point lease renewals

There are two known renewals (on the agenda). There may be a few more by the end of the week.

Contract with SJW Docks to Operate the Thompson's Point wastewater system

Steve Williams, the owner of SJW Docks, has been the system operator for many years, and he was present at the system's construction. SJW Docks is a preferred vendor, and the Wastewater Advisory Committee has recommended renewing the annual contract with SJW Docks for the 2017 season.

The wastewater system ordinance requires the system to be operated on a fiscal year of July 1 to June 30; however the Operator's contract is based on a calendar year to avoid having a disruption during the summer (i.e. high use period) due to a change of operators. The Thompsons Point wastewater budget is approved annually by the Selectboard, but expenses are paid by leaseholders whose camps are connected to the wastewater system via billing by the Town Clerk/Treasurer.

The approved FY16-17 budget includes \$49,212 for Operation and Maintenance (i.e. the Operator's contract). The draft contract has a base fee of \$49,212. There is a new provision in this year's contract to add \$435 for each lot on Lane's Lane that's connected to the wastewater system. This would be covered by a connection fee, if we get to that point.

Contract with Civil Engineering Associates for general engineering services for the Thompsons Point wastewater system

Civil Engineering Associates ("CEA") has been the consulting engineer for the Thompson Point wastewater system for many years. CEA is on the preferred vendor list, and the Wastewater Advisory Committee has recommended renewing their annual contract. CEA has provided an estimate of \$7,000 with the proposed contract. This is in the approved FY16-17 budget; it is also the same amount that was estimated for several previous years, though the actual costs have been less. The fees are paid by Thompson's Point leaseholders in the same manner as the System Operator's fees are paid.

Contract with Civil Engineering Associates for overseeing bid process to expand Thompson's Point wastewater system on Lane's Lane

I asked CEA to provide a proposal to oversee the bidding of the Lane's Lane project considering their expertise. The Lane's Lane project, including the payment for engineering services, is dependent on obtaining up-front funding, which could be from various sources as described below under Town Meeting Warning. The Selectboard can approve this contract, but have CEA wait to begin the bidding process until funding is approved. The Thompson's Point Wastewater Advisory Committee supports the proposed contract with CEA.

Town Meeting Warning

A draft warning is in the packet. To summarize the articles:

- **Articles 1-4** are standard.
- **Article 5** is the budget vote. This will be subject to an Australian ballot in April, as per the charter. Previously this was worded "Will the Town adopt...;" it was changed to "Will the Town approve..." since the budget will be adopted by Australian ballot in April.
- **Article 6** is standard.
- **Article 7** is for the purpose of funding 25% of the pumper from the Fire and Rescue Capital Reserve Fund. The Agreement between the Town and CVFRS requires expenditures from the fund of greater than \$50,000 be voted by the Town. The remaining 75% would be a bond vote by Australian ballot. Another possibility could be to pay for the pumper 100% from bonds while interest rates are low, saving the reserve fund for future apparatus purchases when interest rates may be higher. I have asked the bond bank to provide amortization tables for these two options—hopefully I will receive these prior to Monday night. I don't believe either this article or a bond article would be voted in April (as per the charter); this article does not, in and of itself, seek to raise funds—it seeks approval to use reserve funds that are raised through the budget approval process. A bond vote is explicitly excluded from "budget-related articles" in the charter.
- **Article 8** seeks to use funds in the Housing Trust Fund to construct an extension of the Thompson's Point wastewater system to the first seven camps on Lane's Lane. Because the Housing Trust Fund was not created (in 2007) for this purpose, voters must be asked if they approve of this alternative use of the funds, even if it will be paid back. Rick Brigham had suggested "borrowing" from a town reserve fund in this manner. An interest rate equivalent to what would be earned by investing the funds could be charged for the loan. The loan would be repaid when the camps connect to the system. However, the term of the loan is difficult to predict; two of the camps which were purchased this year are required to connect to the wastewater system as soon as it is available, based on the new lease language. One camp is for sale, and the new lease language will require its connection. The remaining four camps have leases that expire in 2018, 2022, 2025 and 2028. It has been discussed that camp-owners would be allowed five years to pay the connection fee. So complete repayment wouldn't be until 2033, though some payments would be made in the interim as camps that sell and those with shorter terms are connected. This would be the benefit of using a town fund to finance this infrastructure project, i.e. some flexibility on the repayment schedule.

Other funding options include: state revolving loan program, USDA Rural Development, and piggybacking onto the bond for the pumper-truck. Generally these programs have

more involved application and administrative requirements, and they are likely to have a higher interest rate.

- **Article 9** asks whether to allocate excess wastewater capacity for private uses in the west village, in a manner where all costs are borne by system users. There has been discussion about whether this should be an “advisory” article, or not—it is currently worded as a “binding” article. There has also been a suggestion that this be an Australian ballot article. I don't know whether there might be a legal issue with this, so I suggest the town attorney be consulted. As with the charter, there is an argument for voting it by Australian ballot—i.e. broader input; and there is an argument for voting it as a floor article—i.e. having a discussion on important topics such as this at Town Meeting is an effective and energizing activity in town self-government.
- **Article 10 and 11** are standard.
- **Article 12** is a bond vote for the pumper, currently worded for 75% of \$625,000. In looking over notes from last year, I noticed that the bond bank requires towns to provide IRS reporting documents, a legal opinion and other associated documents—this was estimated to be \$4,500 last year. The bond bank staff has indicated this is an eligible use of the bond proceeds—so, we might look to bond for $\$468,750 + \$4,500 = \$473,250$.

Salary Administration Policy-amendment for employee grievance process

A draft amendment is the packet—the possible procedure is on page 5. The procedure is based on what was discussed previously, but completes the process within one fiscal year.

Budget Review

There are a few lines that were to be revisited:

- Selectboard—Advertising (100-3000-34.00)—we can advertise in the Charlotte News, which does not charge the town, so this can be reduced to \$0.
- Planning & Zoning—Mapping (100-3200-44.00)—add \$500 for new ortho photos.
- Employee Benefits—Health Insurance (100-3500-42.00)—there were a few changes to employees' selections of health insurance plans and vision plan which could potentially change the town's portion of these expenses. I will provide these changes to Mary by the end of the week.
- Recreation—Beach Maintenance (100-7000-31.00)—Nicole has itemized expenses (in packet)—the total is \$4,075.63. This includes \$1,000 for two picnic tables; potentially this \$1,000 could be moved to Transfer to Recreation Reserve Fund, since the purpose of the reserve fund (created at Town Meeting 2004) is “improvement and construction of recreation facilities”. If this is preferred, the total transfer would be \$2,000 since \$1,000 is already in this line.
- Town Hall—Equipment (100-8000-35.00)—I asked the sales representative for computer equipment and software to clarify the cost Microsoft 365; he said the quoted \$2,730 is an annual subscription cost; an alternative is to purchase the software at \$4,916. We would not receive any upgrades if we purchase it, but if we were to purchase and keep the license for three years, we would have saved approximately \$3,000, compared to renewing the subscription for three years. So, perhaps this line should be budgeted at \$10,200 rather than \$8,000.

- Town Lands—Park Maintenance (100-5100-46.00)—the Park Oversight Committee has submitted a revised budget that includes grant revenue of \$3,202 (which needs to be a new account under revenue), and total expenses of \$17,152 (of which \$3,202 would be a grant-funded project).
- Town Lands—School Fields & Gym (100-5100-49.00)—Dave LeBlanc indicated that town's contribution should increase from \$8,000 to \$8,700 due to the planned refinishing of the 2nd floor gym.
- Transfer to Conservation Fund (100-9956-00.00)—there had been some discussion of considering a lower amount considering the fund balance.
- Transfer to Improvement/Repair Fund (100-9958-00.00)—an amount should be considered for Town Hall roof replacement based on estimate.
- On June 30, 2016 the general fund's unassigned fund balance was \$123,971, as indicated in Exhibit C of the FY16 Audit Report. This was \$49,000 less than target balance of \$172,971, i.e. 5% of the FY16 expense budget of \$3,459,425 (as per the Fund Balance Policy). Rick Brigham recommended that this deficit be addressed by adding a line to the FY18 budget (possibly named "Prior Year Deficit") which would build the general fund's fund balance to the desired level.