

MINUTES

Joint Tri-Town Selectboard Meeting (Franklin, Highgate & Swanton)

Wednesday, January 16, 2013 @ 7:00 p.m.

Swanton Town Office, 1 Academy Street, Swanton, VT

Swanton Selectboard Members: John Lavoie, Chair; Dick Thompson, Joel Clark, and Daniel Billado; (missing – Harold Garrett).

Highgate Selectboard Members: Henry Rainville, Chair; Brian Rowell; Luke Choiniere.

Franklin Selectboard Members: Peter Magnant, Chair; Yvon Dandurand; Wayne Laroche; (missing – Andrew Godin and Kyle Lothian)

Swanton Staff: David Jescavage, Town Administrator; Yaasha Wheeler, secretary.

Highgate Staff: Heidi Britch-Valenta, Town Administrator.

Also present: Kim Gates, TTRC; Vawn Edele, TTRC; Brian Spears; Ross Lavoie, Swanton Planning Commission; Lane McElree, Channel 15.

A. Call to Order

Mr. John Lavoie called the hearing to order at 7:05 p.m. He explained the purpose the meeting and transferred the meeting to Mr. Clark, Tri-Town Selectboard Chair.

B. Pledge of Allegiance

Mr. Clark led those present in the pledge of allegiance.

C. Minutes

- Approval of 12/20/2012 Minutes

Mr. Rainville made a motion, seconded by Mr. Billado, to accept the minutes as printed. Motion carried.

D. Items for Discussion

1. Discuss Ballot warning language

Mr. Clark introduced the proposed ballot article and advised all members to consider it. The article states as follows: "Shall the Town of Swanton issue bonds or notes in an amount not to exceed \$2,370,000 (Two Million Three Hundred Seventy Thousand Dollars) for the purpose of funding its share of recreational facility improvements located in the Town of Highgate to be owned, operated, and managed under the terms of an interlocal contract to approved by the Selectboards of the Towns of Swanton, Highgate, and Franklin. The facility improvements include a finished ice skating rink surface measuring 200 feet by 85 feet."

Mr. Clark stated that the information was mostly taken directly from an e-mail provided by lawyers. Mr. Billado asked if Highgate or Franklin had worked on their article and both Mr. Rainville and Mr. Magnant agreed that their language would be very similar.

2. Financial Review

- Look at past revenue and expenditures

The Tri-Town Selectboard reviewed the financial information of the facility, with its income and expenses. Ms. Gates informed the board members that MAHA's fiscal year ran from April 1st through March 31st, rather than from January through December. Mr. Clark noted that the total

1 revenue for 2011 was \$127,181.83, with total expenses of \$111,200.01, for a surplus of
2 \$15,981.82. Ms. Gates pointed out that the report included an expense of \$25,000 (sports court
3 turf) which had been paid in a lump sum rather than being spread over many years, so
4 theoretically, a portion of that \$25,000 could be added back into the total sum to provide a more
5 accurate view of the net revenues. Mr. Clark summed up that the total revenue for 2012 was
6 \$185,862.00, with total expenses of \$156,947.17, for a surplus of \$28,914.83. Ms. Gates
7 responded that, again, there had been a lump sum expense of \$28,814.23 (furnace) which
8 skewed the net revenue a little bit.

9
10 • Review feasibility revenue and expenditure projections

11 Mr. Clark stated that the feasibility study projected revenues at \$260,000, with proposed
12 expenses of \$235,000, partially because of additional hires to market and operate the arena. Mr.
13 Laroche asked why the 2011 income was significantly lower than the 2012 income, adding that
14 the ice rental was down by \$30,000. Ms. Gates explained that it was MAHA's first year running
15 the facility, so there had been some learning curves. Also the Milton hockey team, which had
16 been using the arena for its home ice, had relocated to another facility in Milton. Mr. Clark
17 added that the energy efficiency rebate could have only been applied once as well, and Mr.
18 Billado said that the rebate would not have come under income, but would have been payback
19 for the golf tournament. Mr. Laroche noted that the golf tournament did not bring in any
20 revenue in 2011, and Ms. Gates responded that that was because 2011 was the transition year for
21 MAHA, and that the tournament had previously been done by the recreation department.

22 Mr. Lavoie pointed out that the numbers reflected no expenses for labor, which had all been
23 donated. Mr. Rowell felt that, unless there was some kind of "major breakdown," the monies
24 would come in greater in the coming year. Ms. Gates stated that the lease of the building helped
25 to offset the employee costs. The management was all volunteer, but some employees were paid
26 for Zamboni work and operational maintenance. Mrs. Britch-Valenta added that this would be
27 reflected in the rent payment of \$20,000 to the town; Mr. Rowell summed up that the money
28 that would be going toward the rent payment on the new facility would now go toward paying
29 employees. Mr. Rainville added that the agreement was that the lease payment was viewed as an
30 employee's expense for 6 months.

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33 • Discuss capital reserve accounts to pay for bonding

34 Mr. Jescavage mentioned that Swanton's new town garage had an article to set up a capital
35 reserve fund to make annual payments of \$40,000 each over a 20-year period. He suggested
36 that the Tri-Town Selectboard similarly discuss how each town planned to pay off a respective
37 bond over a 20-year period. He suggested putting it in as part of a budget, so that taxpayers
38 would see that the funds would be available yearly to make payments on the bond. Mr.
39 Thompson explained that a bond automatically set up payments for the next 20 years, and the
40 only way to fund it was to vote on it once and then have a line item in the budget every year. Mr.
41 Clark asked how they planned to pay for the design in 2013 if the bond vote passed. There would
42 be no reimbursement until 2014 for the design cost, so should they take out a loan?

43 Mr. Dandurand asked for projected cost of the design and Mr. Clark estimated that it would
44 cost about 6% of the project's cost, which would translate to about \$240,000, which would then
45 be split into the town's respective percentages (Swanton - 55%, Highgate - 33%, and Franklin -
46 13%). Mr. Magnant admitted that it was hard to put a payment plan in the budget to cover
47 design costs if they did not know whether or not the bond vote would pass. Mr. Thompson
48 agreed, but noted that after the vote passed, it would be too late to put the line item in the
49 budget.

50 The members of the Swanton Selectboard recommended Mr. Clark's suggestion of a short-
51 term loan, to be paid back when the bond was approved. Mr. Rainville and Mr. Rowell summed
52 up that the money would have to be borrowed after voter approval, but before entering the
53 bond. Mr. Rowell said his concern was that the other towns would not object to where Highgate
54 took its money to pay for the design, but Mr. Clark said that, so long as the other towns
55 committed to starting the design, all was good. Mr. Rainville mentioned that the donation
56 money (approximately \$70,000 or \$80,000) could be used for start-up, and Mr. Rowell clarified
57 that he felt the money was "ours" in regard to the project, not simply Highgate's. Mr. Laroche
58 felt that it was wiser to keep the money for operational costs, rather than design costs. Mr.
59 Rowell pointed out that if the money was used, the towns would have to borrow less.

1 Ms. Gates informed the Tri-Town Selectboard members that she believed the bond option
2 only happened once a year, in a June-July time frame. They could sell to bond in July of 2013, or
3 they would have to wait until July 2014. If they waited until 2014, they would have to remember
4 that construction was scheduled to begin in March 2014, so there would be construction costs
5 from March until the bond (about 3 months). She added that Highgate's reserve money could be
6 used for design and, once the bond was completed, the fund could be paid back. Also, one town
7 could decide to go for the bond in 2013, and loan to the other two towns until they bonded in
8 2014. Mr. Rowell mentioned that, if the money was borrowed in 2013, only a fraction of it would
9 be used before the following year. Mr. Magnant asked if there would have to be three separate
10 bonds, and Mr. Thompson replied yes, adding that bonds were a lot of work for the town
11 treasurers.

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13 • Interlocal contract

14 Mr. Clark stated that the interlocal contract was close to the point where each town should
15 ask for a legal review. It included an opt-out section, information on operating losses and how
16 those would be distributed, and more. Mr. Thompson asked for a clarification of the word
17 "significant" in Paragraph 6, which stated "The grand list for each town shall be reviewed every
18 five years and if necessary, the per capita proportionment shall be adjusted to reflect any
19 significant changes." The Tri-Town Selectboard agreed to place the phrase "plus or minus 1%" in
20 parentheses after the word "significant," in order to clarify its meaning.

21 Mr. Billado felt that it might be best to wait until the March meeting to see if the bond was
22 approved before going "full-steam" on the contract. Mrs. Britch-Valenta noted that Mr. Jim
23 Barlow had referenced a situation in which going into the bond before a contract had resulted in
24 a lawsuit, and had suggesting having the contract done before the vote. Mr. Clark recalled that
25 Mr. Paul Guiliani said that the contract did not have to be accomplished before the bond vote.
26 Mr. Billado reminded that the contract did not have to be approved by the voters, but could be
27 approved by the Selectboards. Mrs. Britch-Valenta said that she would forward Mr. Barlow's
28 opinion to the various Selectboards. Ms. Gates stated that, as a taxpayer, she would like to have
29 the contract pretty well discussed before going to the bond vote.

30 Mr. Clark summed up that the Swanton Selectboard had agreed to go with a representation
31 for the Tri-Town Recreation Board of 3-2-2 (3 from Swanton, 2 from Highgate, and 2 from
32 Franklin). Mr. Thompson explained that he did not agree that the ratio of representation should
33 be different than the ratio of funding, but, as a realist, he felt that Swanton would have a difficult
34 time finding 4 volunteers for the Tri-Town Recreation Board. Mr. Billado said that the bottom
35 line was that the Selectboards were maintaining a certain level of control over the project and
36 facility anyway. All members of the Tri-Town Selectboard agreed to the 3-2-2 representation
37 ratio.

38 Mr. Magnant urged caution, since he had heard a comment that indicated that the public felt
39 that Highgate was going to fund the facility, but Swanton would run it. Mr. Clark clarified
40 strongly that Swanton would not run the facility, but that the 7-person group from all three
41 towns would run the facility in accordance to bylaws, and that the members of that group would
42 work with their respective Selectboards in preparing budgets. Mr. Lavoie added that, as
43 Selectmen, they had to ensure that their positioning of their people in that board was wise, so
44 that the Tri-Town Recreation Board would show frugality in their financial decisions, since all of
45 those decisions would reflect back to the three Selectboards.

46 Mr. Jescavage pointed out that the contract stated, "This interlocal contract shall become
47 effective on the thirty-first day following the latter of: (a) electoral approval in each Town..." and
48 noted that electoral approval was approval of the voters, but the Tri-Town Selectboard had
49 agreed that the Selectboard would give the approval, not the voters. The Tri-Town Selectboard
50 members agreed to change the language from "electoral approval" to "Selectboard approval."
51 Ms. Gates added that the wording was probably to express that the voters would have to approve
52 to fund the bond.

53 Mr. Clark asked for an estimate on the legal review time so that they could plan the next
54 meeting. Mr. Magnant felt that they should wait for the legal review until after the bond was
55 approved. Mr. Billado agreed, asking why the money should be spent if the article might not
56 pass. Mr. Thompson said that he could go either way, stating that legal fees were the cost of
57 doing business and that a legal opinion was needed. In the spirit of moving forward, Mr. Clark
58 was in favor of doing the legal review as soon as possible. Mr. Magnant asked what the
59 timeframe between the vote and the bond might be, and whether that could be enough time to
60 work out the contract. Mr. Laroche felt that since the vote would be in March but the bond could

1 not be entered until July, there was plenty of time to review the interlocal contract if the article
2 passed. Mr. Clark suggested that, if the vote results were positive, the contract should go out to
3 the lawyers immediately, so that the Tri-Town Selectboard could review the final draft by the
4 end of March and sign it by mid-April. The Tri-Town Selectboard members agreed with that
5 plan. Mr. Rowell added that Highgate would like to send out the contract for legal review
6 immediately anyway, and pass on its findings to the other boards. Everyone agreed to this plan.

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9 • TTRB Bylaws

10 Ms. Gates explained that the TTRB bylaws were modified from the Swanton recreation
11 bylaws. The intent was that the facility would be self-supporting, but Ms. Gates was concerned
12 that Selectboard review of expenditures and employment might be too restrictive. It would be
13 difficult to involve the Tri-Town Selectboard to review all expenditures above \$5000 or to meet
14 every time a new employee should be hired. The Tri-Town Selectboard should appoint trusted
15 people to the TTRB to make decisions, and should review the quarterly reports. Oversight was
16 certainly needed, but it had to be realistic. Mr. Clark said that he saw the bylaw calling for the
17 Tri-Town Selectboard to ultimately approve of actions, but not to bring those actions through an
18 approval process all the time. Mr. Thompson felt that the TTRB would be no different than the
19 Swanton Recreation situation. Ms. Gates emphasized that she wanted to be sure that the facility
20 could be run without always having to run back to the Selectboards.

21 Mr. Lavoie said that he was concerned with the phrase in Article 3, Section 2, which state
22 that “all nominees to TTRB are nominated by TTRB members.” Ms. Gates explained that the
23 nominees should be nominated by the Selectboard, then appointed. Mr. Thompson said that,
24 initially, he expected that they would scrutinize the facility closely, but step back more as time
25 went on. Mr. Laroche suggested looking at bylaws from other boards that might be reviewed in
26 conjunction with this project. Mr. Clark suggested considering the MVU school board set-up,
27 which had representatives from all three towns. Mr. Billado said that he saw the whole project as
28 having 3 tiers: (1) the Tri-Town Selectboard; (2) the TTRB; and (3) the employees of the facility.

29 Mr. Jescavage asked if they planned to impose geographic limitations on representatives
30 that required them to be residents of the towns which they plan to represent. After discussion,
31 the Tri-Town Selectboard members felt that residential requirements would restrict their access
32 to well-qualified people and was not wise.

33 Mr. Laroche said that he was uncomfortable with sections 8, 9, and 10, which discussed the
34 TTRB creating associate committee members. He felt that it was unwise to allow appointees to
35 be able to appoint others, which could introduce complications. The Tri-Town Selectboard
36 members agreed and Ms. Gates offered to write those sections out of the bylaws.

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39 • Any Other Necessary Business

40 Mr. Magnant asked Mr. Jescavage and Mrs. Britch-Valenta to work with Franklin’s Town
41 Clerk to get proper wording for the ballot so that all three towns would have a similar article.
42 The Tri-Town Selectboard was comfortable with Mr. Jescavage’s suggestion to simply change
43 the town name and the dollar amount for each respective town’s article.

44 Ms. Gates brought up the past question about the tax effect of someone with current use
45 land. She stated that the Franklin Town Clerk had picked a random tax bill (with blacked out
46 personal information). The bill showed that the property was appraised at \$488,900, with
47 current use land credit of \$219,400, resulting in a difference of \$269,500. The taxpayer would
48 pay the bond on the difference (the adjusted value) of the land. Mr. Clark added that the lower
49 value was the grand list number anyway, so there was no change to the projected tax rate per
50 \$100,000 of assessed property value.

51 Mr. Rainville said that he felt that the last meeting has resulted in some misunderstandings.
52 He felt that the Tri-Town Recreation Committee should be more engaged in the meetings, since
53 they had done the lion’s share of the work for the Tri-Town Selectboard and since they could
54 answer many of the questions with which the Tri-Town Selectboard wrestled. He added that two
55 of the TTRC members were probably no longer going to attend the meetings because of the
56 tension, and he felt that that was not in the Tri-Town Selectboard’s best interests.

57 Mr. Clark explained that his main goal was to keep the meetings moving forward in an
58 orderly fashion, with the Selectboard members speaking first, then the TTRC, then the public,
59 and that he did not wish to exclude anyone. He mentioned that he had been able to speak with
60 one of the upset TTRC members and come to an understanding. Mr. Rainville pointed out that

1 Ms. Gates had had to wait for quite a while before being able to comment on the interlocal
2 contract in the present meeting. Mr. Clark said that he had given her an opportunity to speak
3 when her hand had been raised.

4 Mr. Lavoie added that he felt that Mr. Clark had done nothing disrespectful and that running
5 a meeting was a tough job. He reminded that Selectboard meetings were public meetings, not
6 public hearings, and therefore required no input from the public. He stated that he looked to the
7 Selectboard to see what they wanted, and acknowledged that information from the TTRC was
8 very important. He felt that Mr. Clark had done a good job gathering input from both the TTRC
9 and the Selectboard. Mr. Laroche agreed with Mr. Lavoie's point about the difference between a
10 public meeting and public hearing, noting that it was the Selectboard's responsibility to get the
11 job done and the chair's job to take information from the public in a timely manner in a way that
12 did not interrupt the flow of conversation. Mr. Thompson added that he had viewed some
13 Selectboard meetings in which too much public input caused the Selectboard to lose control of
14 the meeting and felt that Mr. Clark had done a good job of asking for input when it was needed.
15 Mr. Clark and the Tri-Town Selectboard concluded the discussion with expressions of thanks to
16 Ms. Gates and all of the TTRC members for their hard work and help.

17 Mr. Dandurand stated that the description of the ice size had been brought up at the last
18 meeting, and that, upon measuring the ice rink at Collins-Perley Sports Complex in St. Albans,
19 he had found that it was 200'2" in length and 85'2" in width, ensuring that the full inside area of
20 the rink was indeed 200 x 85 ft.

21 Mr. Clark decided not to set another meeting date until the Tri-Town Selectboard members
22 felt one was needed. Mr. Jescavage asked to know the total dollar amount agreed to, in order to
23 warn it properly in the article. Ms. Gates replied that the total was \$4.304 million, which Mr.
24 Billado explained was \$4.5 million, less the grant money. Mr. Clark clarified that the cost would
25 then be divided according each town's percentage.

26

27 **6. Executive Session** – No executive session needed.

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29 **7. Adjournment**

30 Mr. Lavoie made a motion, seconded by Mr. Thompson, to adjourn at 8:53 p.m. Motion carried.

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33 Respectfully submitted by:

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36 _____ Cathy Fournier, Swanton Town Clerk

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39 Minutes approved by:

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42 _____ John Lavoie, Swanton Selectboard Chair

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46 _____ Henry Rainville, Highgate Selectboard Chair

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50 _____ Peter Magnant, Franklin Selectboard Chair