

To: Elected Boards  
From: W. Shepeluk, Manager  
Date: November 13, 2018  
Re: Manager's Report- July 5, 2018-October 31, 2018

As a result of the boards' evaluation of my work that was completed in December 2016, I had been asked to submit a report detailing tasks worked on and accomplished each month. At the beginning of 2018, the boards suggested that monthly reports may be too frequent. Quarterly reports were suggested and less information was necessary—especially about meetings attended by the manager. My last report was dated July 20<sup>th</sup>. This is the thirteenth report since January of 2017.

### **Budgets**

I have generally presented quarterly budget reports to the boards throughout the year. I last reported budget information to the EFUD Commissioners in July when a budget review for the first six months of 2018 was conducted. In October, I presented budget information to the select board through the first three-quarters of the year. The budgets presented to the EFUD Commissioners included the final six-month budget for the former Village of Waterbury and the first six months of the 2018 budgets for the water and sewer departments. While the Village of Waterbury has ceased to exist, some revenues and expenses continue to be posted to its 2018 general fund. In the near future, the EFUD commissioners and I need to discuss necessary transfers from that general fund to the water/sewer departments or to reserve funds of the former village that are now under the authority of EFUD. While I report budget information to the boards on a quarterly basis, I conduct continuing reviews of the budget to insure accuracy and timeliness of payables, receivables and receipt of “unbilled” revenue. I reported a budget update to the library commissioners on November 12<sup>th</sup>, a fact that should be in my next report, but as it was just yesterday, I thought I'd report it now. I have not been able to attend a Cemetery Commission meeting for some time, but I have shared budget information with the chair of the commission and I believe he has shared it with the other commissioners.

### *Audit*

As the elected officials have been informed by me in the spring, the long-time professional contractor who performed the year-end audits for the Town and Village of Waterbury is no longer performing duties of public accounting for municipalities. The select board and the EFUD commissioners have accepted my recommendation to hire Sullivan & Powers of Montpelier to perform audits for the years 2017-2021. As our RFP for a new auditor went out only in May, the work had to be integrated into the schedule of Sullivan & Powers. The field work for the audits for the Town and Village of Waterbury for the year ended **December 31, 2017**, will commence the week of December 10<sup>th</sup>. My guess is that it won't be completed until sometime in January 2019.

There is not much that can be done about it, but this timing will be challenging for me and the staff here. New auditors often want to look at financial records and audits going back several years to establish an accurate baseline. For the 2017 audit alone, we will be pulling records and answering questions about

financial activities that stretch back almost 2 years to January 1<sup>st</sup>, 2017. At the same time the staff and I will be trying to close the 2018 years for the town and EFUD and I will also be in the midst of budget work for 2019.

Bookkeeper Michelle Ryan and I will have to be on our toes for a few months to get through this process. Former bookkeeper LeeAnne Viens will be paid to come in from time to time during the audit of the 2017 year as she was the bookkeeper for all of 2017, retiring at the end of January 2018. While there will be a nominal expense to have her involved, I am certain the staff members of Sullivan & Powers will work much more efficiently and effectively with the assistance LeeAnne will be able to provide.

### **Board Meetings:**

In the time period July 3–October 31st, I attended all 6 select board meeting and all 6 EFUD commissioners' meetings. I did not make it to any of the four cemetery commission meetings held during this period. I did attend one of the three library commission meetings.

### **Transition from Village of Waterbury to EFUD:**

Village voters chose in June of 2017 to amend the village's charter, effectively abolishing its ability to provide general government services, which had been issued by the state legislature in 1882. The transition to EFUD is nearly complete and the 5 EFUD commissioners are the responsible elected officials who oversee staff and the work of the district. While the voters of the former Village of Waterbury approved a general government budget for the period January 1, 2018 through June 30, 2018, some financial activity continues that will affect that budget, likely through the end of the year. The continued receipt of revenue and on-going GF expenditures, while mainly nominal, will have an impact on the non-water/sewer assets that EFUD is "inheriting" from the Village. The "Hubacz v. Village of Waterbury" legal action, a wrongful dismissal case, has yet to be resolved by the courts and there is a potential liability of an unknown dollar value that may still accrue to EFUD. In the next several months, the EFUD commissioners and I need to sort of what if any of the net assets of EFUD, which are not legally tied to the water or sewer systems, should be recommended for transfer to one or the other or both utility funds and what assets should continue to be held for purposes independent from the utilities, but can be considered to be under the jurisdiction of EFUD, given its new charter granted by the state.

### **Departmental Work:**

**PW Director & Municipal Engineer**-scheduled and had oversight of spring and summer work for the three public works departments: All of the paving projects included in the 2018 budget were completed. The work included all or portions of 9 streets and roads listed on page 25 of the Town Report. In addition, the full length of Hollow Road was paved and a short segment of Railroad Street received an overlay. While more roads were paved than planned, the work was accomplished using \$176,720 less than budgeted, largely because milling of the old asphalt on the three Wissell Mountain streets was not as extensive as planned. That savings along with higher revenues than anticipated into the Paving CIP will help to pay for some of the extensive paving we hope to accomplish in 2019.

Sidewalk were replaced on Butler Street and on Winooski Street; three bridges, two on Guptil Road and the Stowe Street Bridge at Rt 100 and Lincoln Street, were repaired. The large culvert on Hubbard farm Rd was replaced and significant erosion control work was accomplished as several stone-lined ditches were installed in accordance with ANR directives concerning storm water management.

The paving work on Wissell Mountain was an inter-departmental project involving the highway crew and sewer department staff. In addition to the road surface improvements, storm water catch basins and wastewater manholes were repaired or replaced.

Elm Street Sewer Project—project awarded to ECI. Currently under construction with an anticipated early December completion date. Weather has not been cooperative. No question the sewer replacement project will be completed. Major concern now concerns paving the trench which is dependent upon weather and whether seasonal operation of a paving plant will continue long enough to get the work completed.

Alec Tuscany is continuing the wastewater capacity study. The Micro-Hydro project at Guptil Rd Vault is on line, but is still not performing as designed.

**Planning/Zoning**—The re-write of zoning by-laws is nearly complete. The select board has warned a public hearing to receive comments on Draft 3 of the re-write for December 3<sup>rd</sup>. The expansion of the village historic district expansion is nearly complete. The Vermont Advisory Council on Historic Preservation will meet November 15<sup>th</sup> to review the town’s proposal—remember, the town has agreed to “pick up” the remaining responsibility to get the formal designation for the expanded (new) historic district.

**Financial & Contract Management-** Continuing management of town/village investment portfolios. On October 29<sup>th</sup>, the town finally divested itself of the Calkins Fund, transferring \$12,279 to the Community Action Service Team, as authorized by the voters at Annual Meeting. Continuing Budget administration.

**Legal Issues-** EFUD--Police employment issues: Supreme Court ruled that village did have authority to fire Officer Hubacz based on actions taken by State’s Attorney. Remanded case to Superior Court. One hearing has been held now at that court and final briefs have been filed (Final to the degree that anything is ever final at court). No ruling from the Superior Court as yet.

### **Public Safety**

Contract with the VT Dept. of Public Safety-service levels have met expectations. First quarterly payment of \$91,275 was made at the end of October. Assisted with police presence at Leaf Peepers Half-Marathon and 5K run.

Staff worked with school to arrange police officer to be present at school during voting on November 6<sup>th</sup> Staff working with school staff to plan for River of Light Lantern Parade to be held in December.

### **Solar Array Contract:**

Continuing to work with AES of Colorado to amend the agreement that distributes the energy credits produced by the Sweet Field Array. The plan was for the amendment to be effective by the end of

September. The mortgage holder for AES has just recently signed off on the amendment, however. Since it is now mid-November, I will recommend to them that the current arrangement stay in place to the end of the year with the amended agreement taking effect on January 1<sup>st</sup>.

## **Staffing**

Mary Kasamatsu retired from the position of Library Director at the end of August. The Library Commissioners conducted an extensive search for a new library director. Almy Landauer was hired as the new Library Director in mid-August and worked with Mary for a three-day transition period during the last week of August. Almy most recently had been the library director in Fairfax, VT. She has many ideas, lots of energy and has fit right in with the library staff, as well as the staff on the municipal office side of the building

**The items below remain goals.** I work on them all from time to time. However, items of less importance, but needing more immediate attention stifle attempts to get to these more important items.

- **Final Review and Adoption of a Personnel Policy**-Working with VLCT to incorporate most recent amendments to labor laws and workplace regulations into the policy. Paid leave for part-time staff-- even for those whose weekly hours are relatively few, must be incorporated into the policy. Now that EFUD has replaced the village, the boards need to get back to this task.
- **Budget Preparation/Execution:** It is already the time when the 2018 budget is winding down. I will be reviewing budgets to insure that all final inter-fund and inter-municipal transfers occur and to make sure the school receives its next tax payment on time. I have endeavored to produce monthly or quarterly reports as necessary. Budget reports thru September or October have been prepared and distributed
- The select board has asked me to start drafting the 2019 budget. I have begun, but the process will really ramp up after Thanksgiving. EFUD budgets remain calendar year budgets so staff has begun work on those budgets, as well.

End of Report