Town of Panton Chartered 1761

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Selectboard Meeting Minutes

Wednesday, June 25th, 2025

In attendance: Selectboard Chair Zach Weaver, Selectboard Vice Chair Teresa Boucher, Selectboard Member Reece Jaring, Selectboard Member Robert T. DeGraaf, Selectboard Member Kirsten De La Cruz, Clerk/ Treasurer Kyle Rowe, Kathy Kennett, Chuck Kennett, M'Lissa Dayton, Sharon Ashcraft, Debbie Brace,

Via Zoom: Deb Hartenstein

1. Zach called the meeting to order at 5:31 p.m.
2. There were no additions or changes to the agenda
3. Public Comment
    a. Sharon Ashcraft noted that Vergennes lowered their healthcare plan for their employees, and still needs serious consideration in Panton.
    b. M'Lissa Dayton mentioned a tree along Panton Road that is dead and should perhaps be cut down.
        i. Zach said they will look into it.
    c. M'Lissa also noted that she appreciated the job the T/C was doing
4. The Selectboard began discussion of the minutes from the 6/11/25 Meeting
    a. Zach motioned to approve the minutes, Teresa seconded-**VOTE-5 In Favor, 0 Opposed**
5. Clerk/Treasurer Updates
    a. The Grand List utilities valuation are true and accurate, and will have a positive effect on the Grand List in the Town for the other taxpayers.
    b. Ash Tree Removal is in progress, the work looks good so far, and there has been good response from residents.
    c. Fiscal Year end preparations continue, things look good so far.
    d. The Reserve Fund Planning Committee's first meeting went well, shared goal of developing long term plan and improving town finances. The Committee will be meeting twice a month to accomplish this, and a draft to be prepared for October.

e. Open Meeting Law changes mentioned in last meeting include the need for more specific agenda items, the T/C will be working on doing that.
    i. The SB generally asked if the agenda for this meeting would suffice, the T/C thought that it would.
f. The Town Hall was open as a cooling center during the heat last week, no one took advantage, but that will be the plan going forward for weather related matters.

6. The Selectboard began discussion of appointment of an SB delegate to handle AP/Payroll Warrants and other matters.
    a. The C/T noted that with one meeting per month, other towns in similar positions appoint a SB member to sign off on weekly AP/Payroll. Additionally, the SB might need a signatory for events that occur in between those regular meetings.
        i. A general discussion was held as to the specifics of how this would work, and if needed to be more than one person, timelines, etc.
        ii. Kirsten volunteered to act as the designee, with the SB adding that another could be added should that be needed.
        iii. Teresa nominated Kirsten to sign AP/Payroll Warrants and sign documents, provided they do not expended town funds on behalf of the Selectboard, Reece seconded-**VOTE-4 In Favor, 0 Opposed**
7. The Selectboard began discussion on the Highway Capital Reserve Fund Expenditure Request
    a. The C/T began by discussing the current paving situation; two companies in Northern Vermont. The town uses the cheaper of the two. The idea in the paving plan, as laid out in the Town Report, was to pave Jersey St from the Addison line back into Panton. There was $100k budgeted for FY26, and while the pavers are here slightly earlier than expected, they won't return to this area after they finish Addison, who is also getting paving done. The Road Foreman submitted a letter to the SB requesting the expenditure of an additional $50k from the Highway Capital Reserve Fund to extend the paving from 3400' feet, to approximately a mile, in order to stay ahead of the paving plan laid out in the Town Report. The fund currently stands at $157k.
    b. The SB asked what the historical amount the fund was
        i. The T/C stated that it had been funded around $20k a year for the past several years.
    c. It was noted by residents that grant funding would perhaps be available to do future paving projects, and that the road doesn't need to be as smooth as is requested.
    d. The T/C noted that avoidance of these situations is the reason that the Reserve Fund Planning Committee was formed, and that these decisions should be planned for, with expenditures and reserve funds capitalized for this purpose.

e. Zach expressed his faith that the Road Foreman is making the correct decisions regarding the road, and this expenditure is what the fund is for, highway projects.
f. Debbie Brace noted that this was slightly off topic, but was wondering why the town was spending money on West Road, a class 4 road.
g. Teresa motioned to approve Ricks request for $50k from the Highway Capital Project Reserve Fund. Kirsten seconded-**VOTE-5 In Favor, 0 Opposed**

8. The Selectboard began discussion of the LEMP and LHMP
    a. The C/T noted that Bob Groff did a tremendous of work on this plan, and that it is necessary for full reimbursement from the State in the case of emergencies. The C/T noted that the several changes were the updates of contact information, and the ability for the C/T and the Road Foreman to expend town funds in emergency situations.
    b. Zach motioned to approve the LEMP, Teresa seconded-**VOTE-5 In Favor, 0 Opposed**
9. The Selectboard began discussion of the South Road re-naming;
    a. The C/T thanks Sharon Ashcraft for her work on this issue, she has done a tremendous amount of work on the history and status of this Legal Trail, and the Town is better for it. The need is to change the name of this Town ROW to South Road Trail to avoid confusion in both Town Records, and outside maps.
        i. Sharon Ashcraft clarified that this would just firmly establish what had already been the case. It's been referred to differently for 18 years, and it needs permanent clarification.
        ii. It was further noted that the bridge was not a part of this discussion, but did have naming issues surrounding it as well, but the Town ceded/discontinued control of that bridge in the mid 20th century.
        iii. Teresa made a motion to change the name of South Road to South Road Trail, Reece seconded the motion-**VOTE-5 In Favor, 0 Opposed**
10. The Selectboard began discussion of the 2024 Fiscal Year Audit
    a. The C/T stated The 2024 Fiscal Year Audit Report-Draft was sent to the Treasurer a week ago. Since that time, the report has been reviewed by the Treasurer, Contracted Fee Accountant, and knowledgeable Panton residents. Several errors, mainly of a format/layout type were identified, however several were ones that would affect the overall bottom line (but not overall picture). The comments have been returned to the auditor, and hopefully they are in process of making the changes. They were also reviewed by our In-Person Auditor/Liaison to RHR Smith.

    b. Overall, the auditors issued an unmodified opinion. An unmodified audit opinion, also known as a clean opinion, is issued when the auditor concludes that the financial statements of a company are presented fairly, in all material respects,

in accordance with generally accepted accounting principles (GAAP). This means the auditor found no significant errors or misstatements that would mislead users of the financial statements. This is obviously pleasing for us to hear, as we did a tremendous amount of work to prepare for this audit. This opinion does not refer to the financial condition of the Town, merely that everything was seemingly accurate.

c. The Net Position of the Town (Assets-Liabilities) decreased by approximately $33k. This is most likely due to a variety of factors, (depreciation, increased expenditures/liabilities assumed with insurance, payroll, debt). This Net position is an important component on the overall/total financial situation of the Town, but not necessarily indicative of the year-to-year budget position.

d. In terms of Revenue and Expenditures, the audit noted in FY24 a decrease in revenues of 0.67%, with the largest decrease associated with grants and contributions note program restricted. It further noted that expenses increased by 0.39%, due to public works.

e. In terms of Panton's Operating Budget, the audit noted there was no difference between the original and final budget for the general fund. It noted that General Fund actual revenues exceeded budgeted amounts by $29,420. Most revenue categories were receipted in excess of budgeted amounts with the exception of property taxes, permits, and licenses. General Fund expenditure also exceeds budgeted amounts by $9,615. All expenditures categories were with or below budgeted amounts with the exception of general government (Office and Administration) and Public safety. While this is positive overall, it identifies yet again that the Office and Administration expenditures need to be closely monitored, and that the smaller amount than budgeted spending by the Highway Department is what kept the town from running a deficit. This situation is most likely going to be similar in FY25, and is being closely monitored by the Treasurer and the financial team.

f. While this audit is positive in many regards, most notably the minimal correcting journal entries required by the auditors, the slight budget surplus, and the unmodified opinion issued, it identifies multiple areas where the Treasurer's office can improve. The management letter, also written by RHR Smith, and included with this memo, notes three major issues confronting the administration. The Reconciliation of General Ledger accounts, the budget, and the review of bank reconciliations.

g. Firstly, starting in December of 2024 (FY25), the Treasurer's Office has/had already taken steps to ameliorate these situations. Beginning with the Recon of Bank Statements. The Treasurer has contracted with an independent Fee Accountant to handle these reconciliations, and works closely with them to review, oversee, correct, and ultimately approve of the reconciliations done each month, keeping the town's bank accounts and internal accounting aligned. While this has been somewhat of a learning process for all involved, there has been significant progress, and new policies and procedures have been put in place to continue that.

h. Secondly, the budget. As previously mentioned, the budget overages continue to be a concern to the Treasurer's Office. Careful budget controls have been implemented, and we hope that FY26 will show the much tighter level of control implemented over the budget. Additionally, policies have now been developed to provide a higher level of reporting to the Selectboard on Budget Status, and expenditures. This is an ongoing effort, and will be reviewed over time to make sure it is adequate for our needs.

i. Thirdly, reconciliation of General Ledger Accounts. This represented much of the work conducted by the Treasurer and finance team preparing for the FY24 audit. The internal revenue/expense, asset/liability accounts of the Town need to be reviewed on a very regular basis, a process that has not been fully implemented. Additionally, the different modules in NEMRC need to be checked against each other, to verify, for instance, that tax revenue and receivables agree with what was billed from the Grand List, and that Account Payable agree with what the General Ledger shows as liabilities. This too has been an on-going process, and while it is showing great results in terms of internal controls, will be done and documented in a way heretofore undone. Our goal is to make the audit, and audit preparation a smooth and streamlined process in the years to come, with none of the significant expenses we saw this year.

j. It was generally noted that the SB needs to see that management letter when it comes from the auditor.

11. The Selectboard began discussion on the FY25 Budget;
    a. The C/T noted;

        i. Fiscal 2025 is nearly over. Panton experienced a number of external events which significantly affected the financial picture for the Town. The floods of July 2024 caused significant damage to several Town roads and culverts, leading to approximately $67k worth of damage. These costs

have been paid, but need to be officially offset to an appropriate account. Additionally, the Town experienced a higher than usual delinquency rate, and as of 6/23/25, approximately $30k in taxes are delinquent. This $100k ($30k in lower-than-expected revenue, and $67k in higher than anticipated expenses) put the Town at a disadvantage as far as ending the year in "positive" financial shape. It is highly unlikely we will end the year able to fully fund our stated reserves. It should be noted that this review and the Budget to Actual is subject to change, as the Fiscal Year is not officially over, and there will are expenses in July (FY26) that will be "sent back" to FY25.

ii. Revenue Highlights:

iii. Nearly every revenue account was above expected amounts, save property taxes. Specific attention can be drawn to the Interest Income, which is significantly above budgeted revenue amounts. This is due to a simplification of the Town's banking structure, and attentive movement of money on the part of the Treasurer's Office. While the income belongs to the reserves, and will be re-allocated there before the end of the fiscal year, it is at least reasonable confirmation that the banking restructuring is working.

iv. Expenditure Highlights:

v. Taking each expenditure account by group;

vi. -Staff Salaries and Stipends came it around budgeted amounts, with the Town Clerk/Treasurer lower, and the Zoning Administrator higher.

vii. -Office Benefits are approximately budgeted amounts, with significant reduction in retirement benefits, and a significant increase in health insurance costs.

viii. -Office Expenditures came in approx. 12% above budget-Notable increases can be found in Education, electricity, office supplies, and miscellaneous.

ix. -Public safety saw a slight increase, due to police contracts.

x. -Professional services saw significant overages in budget expenditures, due to a new auditing firm, and the need to have outside accounting services to assist the Treasurer's office.

xi. -Planning and zoning saw little activity, and remain significantly under budget.

xii. -Dues and Assessments were slightly below budget, with the notable increases in ACRPC. This budget line increased was not due to increased dues, but hired services from ACRPC.

xiii. -IT/Software expenses were nearly on budget, with increases seen in licenses and security, and decreases in managed IT services after cuts made by Treasurer.

xiv. TOTAL GENERAL FUND/ADMIN EXPENSES-Approximately 100.12%

xv. HIGHWAY

xvi. -Highway Salaries are 7% over budget, due in large part to significantly over budget overtime.

xvii. -Highway benefits saw a 6.74% increase, due to increased health insurance costs, and employer taxes on those OT hours.

xviii. -Highway garage/admin expenses are approx. 89%, with over budget line items including electricity, tools and small equipment and miscellaneous, however significant reductions in other categories such as heating fuel and building maintenance.

xix. -Equipment Maintenance and Repair are at approximately 88%, with the loader, mower, and miscellaneous equipment seeing overbudget expenses, and underbudgeted amounts to most other vehicles and equipment.

xx. -Road Construction and Maintenance are about 109%, overages in retreatment, lubricants, and culverts. Summer and Winter Road materials are around 60% of budgeted expenses. However, the most significant over budget expense is the July 2024 Flood Repair, at around $71,000.

xxi. TOTAL HIGHWAY DEPARTMENT-The Highway Department is at 101.73% of Budget.

xxii. TOTAL EXPENDITURES-Total Expenditures for the Town, as of 6/23, stand at $1,237,509.55. This includes the money allocated to the reserve funds, and the community service appropriations. This represents approximately 101.46% over the budgeted amount of $1,219,693.00.

xxiii. The General Fund stands at a balance of $7,947.72.

xxiv. RESERVE FUND SPENDING

xxv. Reappraisal Fund-Up less than a percent

xxvi. Digitization/IT Fund-Some expenses for the Town Hall upgrades posted to this reserve fund, minimal change

xxvii. Highway Capital Equipment Fund-No change

xxviii. Highway Capital Project Fund-No change

xxix. Emergency Fund-No change

xxx. Tire Fund-No change

xxxi. Town Building Maintenance Fund-No Change

xxxii. Restoration and Preservation Fund-More than anticipated revenue

xxxiii. -Arnold Bay Fund-Some expenses charged to fund, no significant change.

xxxiv. TAKEAWAY-Several lessons can be learned from this year's budget;

xxxv. Firstly, the cost of onboarding new personnel and the learning curve for the systems in place, not to mention the cost of rectifying mistakes and long-standing errors is significant. This can be seen most notably in terms of the costs associated with reviewing and fixing the

Town accounts, preparing for the audit, and the outside services necessary to maintain important and auditor recommended checks and balances.

xxxvi. Secondly, inflation has hit multiple costs, and shows minimal signs of coming down. The town staff, particularly the Highway Department, have shown incredible effort in sourcing materials at low costs, arranging deals and work arounds, and doing a significant amount of the labor necessary to run a Highway Department themselves in a successful attempt to keep costs down. They should be commended for their diligence in this matter.

xxxvii. Thirdly, the costs associated with benefits are an area of concern, particularly health insurance. Multiple years of double-digit rate increases are going to be difficult to fund going forward.

xxxviii. Fourth, the previous year's budgeting has been inadequate to account for some of the increases in various areas, mostly centered around administrative services. Future budgets must take this into account when examining arrangements for the Town, be it Highway or Admin. Examples include accounting and legal services, as well as contracted highway-related ones.

xxxix. Fifth, the reserve funds have been over capitalized, and not in relation to actual expenditures. While it is necessary to keep adequate reserve funds available, leaving the Emergency Fund at 7% of Operating budget, while funding various other reserves makes little sense, as the expenditures needed to handle emergent situations are often significantly over planned ones.

xl. Sixth, finding additional sources of revenue is going to be increasingly important. Grants should make up a significant portion of revenue for certain activities, and, so far, have not. Additionally, the Town's appetite for debt seems to be low, and being conscious of that will be crucial in years to come.

b. The C/T noted that it might make more sense for the Selectboard to meet at the beginning of the month, rather than the end. That would make heading off issues easier, as the reconciled budget data will be most current.

    c. Residents noted that alternatives to overtime should be examined, as well as methods to report on data from the town expenditures lumping items together that belong together.
12. The Selectboard began reviewing AP/Payroll Warrants;
    a. The SB meeting time was discussed during the review of AP, and the Selectboard decided to reset their meetings to the Second Wednesday of the month.
    b. It was also noted that the reasoning for the SB to enter executive session needs to be more specific, as well as the votes/motions made upon exiting executive session.
    c. Zach motioned to approve the AP/Payroll Warrants, Teresa seconded-**VOTE-5 In Favor, 0 Opposed**
13. Teresa made a motion to enter Executive Session to discuss HR Issues at 7:01 p.m., inviting the Town Clerk as well. Kirsten seconded-**VOTE-5 In Favor, 0 Opposed**
14. Teresa motioned to exit Executive Session at 7:32 p.m., Kirsten seconded-**VOTE-5 In Favor, 0 Opposed**
15. Teresa motioned to accept the amended personnel policy, detailing the changes in which PTO is handled, and maximums available of PTO and Reserve Bank time. Additionally, the Selectboard agrees to the plan handling how PTO shall be determined for the remainder of the calendar year. These documents will be available at the Town Clerk's Office. Zach seconded the motion-**VOTE-4 In Favor, 0 Opposed, Reece Abstaining**
16. Zach motioned to amend the SB meeting to the 2nd Wednesday of the month, with the next meeting to be held July 9th, at 5:30. Teresa seconded-**VOTE-5 In Favor, 0 Opposed**
17. Reece motioned to adjourn at 7:33 p.m., Teresa seconded-**VOTE-5 In Favor, 0 Opposed**