

JOHNSON SELECTBOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, JANUARY 14, 2019

Present:

Selectboard Members: Mike Dunham, Nat Kinney, Doug Molde, Kyle Nuse, Eric Osgood

Others: Brian Story, Brian Krause, Arjay West (7:25-7:26), Rosemary Audibert (arrived at 9:11)

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Eric called the meeting to order at 7:03.

2. Facility Use Request from Sterling Snow Riders for Old Mill Park

Mike moved to approve a facility use permit for Sterling Snow Riders to use Old Mill Park on February 2, 2019 on the condition that they get permission from the fire department to use a fire pit as they requested. The motion was seconded and passed.

3. Executive Session to Discuss Employee Evaluations

Mike moved to enter executive session to discuss employee compensation and evaluation as allowed by 1 V.S.A. § 313(a)(3), Nat seconded, the motion was passed and the board entered executive session at 7:05. The board came out of executive session at 7:25.

4. Review Draft Budget

Arjay West came in at 7:25 looking for the trustee board meeting. The board asked him if Sterling Snow Riders need a permit to have a fire pit during their event at Old Mill Park. Arjay said that is a question for Gordy as fire warden but he believes with snow on the ground and the fire contained in a pit no permit is needed. The fire department does not have a problem with it. Arjay left at 7:26.

Brian said the current budget draft calls for a 7% increase in taxes once the increase in the grand list is factored in. That is a 5 to 6 cent increase. He fixed the error in the calculation of current taxes. The amount of interest for current and delinquent taxes has been corrected and is a little lower than in the previous draft.

Brian increased state and federal aid revenue to better match actual revenues in recent years. We took most of the cushion out of the budget last year and we are taking the rest out this year. There is no fat left in the budget. Eric said in the current year we are estimating we will see a \$2K reduction in state aid to highways compared to the previous year. How comfortable are we that the state won't cut it another \$2K? State funds are on a downward trend. He suggested reducing the amount budgeted for next year from \$107K to \$106K. It was agreed to budget \$330K for PILOT.

There is a big change in the amount being taken out of the buildings and equipment fund for work to this building. There is also a highway department upgrade planned. We are getting a new water heater for the garage. Brian Krause said we will get a new way to control the boiler so it will only be on when we need it. Now it is on all the time. In summer we only need hot water for employees to wash their hands. We will get a small electric water heater so we can keep the boiler off. And we will get a different control system so the boiler can

come on based on outside temperature or a thermostat instead of running all the time. That should lead to savings. Brian S. said it will also make our system more ready for a new boiler when it comes due for replacement. The whole system is so inefficient now that getting a new boiler wouldn't be a big help.

Brian S. said he and Eric discussed whether the heating system upgrade is a capital improvement or maintenance. Eric said he thinks an argument could be made for either. He thinks we could take the money out of the capital reserve fund. Brian S. said the cost for the changes discussed plus a new main boiler would be about \$24K. In prior budgets we have used the reserve fund for contingency, with most of the expense taken out of the regular budget. After some discussion it was agreed to remove the money for the heating upgrade from the budget and plan to take about \$5K (or more if needed) from the reserve fund for the new electric water heater and controls.

Nat said we have a vision of moving the highway department out of that building. We should think about that before putting in 20-year investment. Doug agreed.

Brian S. said the coaches for gymnastics, one of the Rec Committee's most popular programs, have pulled out, which will reduce current year revenue. He doesn't know what it will mean for next year. Nat said he wonders if we could put out a job posting for the position. Brian said he hopes we can come up with something but as of right now the coaches we had have canceled. Planning for gymnastics is starting now. He will work with Heather and see if there is anything we can do about recruiting.

Brian S. said he can cut \$2K for tax maps and related expenses. He thinks he can cut Planning Commission expenses to \$1K.

Mike said there was talk about a community-wide party. In this lean year he doesn't think we should do it

Brian S. said there was an error in the current year in a line for loan interest. We budgeted \$1800 and it will be \$6K. We missed the new truck.

Nat asked if we are paying interest when we don't need to because we have the reserve fund. Eric said in the past when interest rates were higher we used capital reserve for equipment purchases so we didn't have to borrow, but then interest rates got lower. It would be difficult to go back to using capital reserve for purchases. We would really have to increase our contribution to get to the point where we could outlay the cash. Brian S. said it would be nice if we could purchase outright but it would be hard to make it work. He tried a version where we weren't taking out loans and he couldn't make the numbers work in a realistic way. We would need too high an amount in the fund today.

Brian said he can reduce the amount budgeted for interest for next year because he expects to get the new tandem in the second half of the fiscal year so we won't have to pay interest for the whole year.

Brian said we have reduced the budget by \$16K out of the \$70K reduction he would like to see. The bottom line at this point is \$2,764,945.97 is bottom line.

Nat asked about the amount budgeted for the Tree Board. Brian said they want to get 20 more gaiter bags for watering trees (\$700), 6 tickets for an Arbor Day conference (\$240), 2 trees to plant (\$500) and a display sign (\$100.)

Nat said the \$700 for bags really isn't the town's expense. He would be open to a proposal to share the expense with the village but he doesn't feel the town should pay it all as they are not our trees. The village planted them on the village sidewalk. He would recommend taking out \$700.

Doug asked if the town has been paying expenses for the trees. Brian said yes. Mike said he thinks we should stop. Doug said he feels this is one of the most important projects we have. Yes, it is in the village, but he doesn't want to discourage the Tree Board, a group of high-achieving volunteers. He thinks it would really be hurting the community to do that. He thinks we should pay what they ask this year and have a discussion about it for next year. Kyle agreed. She is against pulling the carpet out from under them when they have good momentum and are providing townwide benefit, but maybe that discussion can be had at a joint meeting.

Brian said he trimmed Holcomb House water and sewer a little. He increased cemetery mowing for next year. He cut cemetery maintenance for the remainder of this year to help us with our bottom line for this year but he left it intact for next year. It was agreed to cut some for next year.

There was discussion about cutting the amount budgeted for heat. After some discussion it was agreed not to cut that.

Nat said we seem to be budgeting a little low for janitorial services. Brian S. said Anne Mullins is doing cleaning now. She is doing more than had been done. She is doing a very good job. He feels we could cut back a little on what she is doing.

Brian said we are estimating \$35K for building capital expense for the municipal building next year.

Mike brought up the idea of "pay as you go" for fire services. Eric said in a good year we would pay less and in a bad year it could be higher. That is the way it used to be done. It took away predictability. Nat said the unpredictability would make it harder for the village to budget as well. But if we used that approach, we wouldn't pay for fires in the village? Eric said that is right. We didn't use to. Mike said he thinks we could save \$20K. Nat said presumably this is based on historical expenses. Their budget is based on what they are expecting to spend.

Doug asked, haven't their increases been passed on to the town? Mike said for the last several years there has been no increase to the village but more to the town. Nat said he is

just over the village line and he is getting the same fire protection as someone a tenth of a mile away in the village who is paying twice. Why is that? That is not fair.

Eric suggested maybe we should see what they come in with for a number and maybe we can come back to this.

Nat said he wonders if we want to put pressure on the sheriff's department regarding their budget. Eric said every year the sheriff's budget has a huge increase. He knows why that is happening. The sheriff has justification every year.

Mike said he finds it surprising there hasn't been a petition from the voters to go with the state police. Doug said it would be hard to get a live body here if we used the state police. Nat said response time from the state police in this area is terrible. Mike agreed.

Doug asked what the cost per capita for police service is like in Morrisville and Stowe compared to our cost. Eric said historically it has tended to be higher. Brian said he thinks their cost is higher.

The board reviewed budget figures for animal control, the health officer, and the library.

Some adjustments were made to insurances. Some were coded wrong. Insurance is going up but not as much as we anticipated.

Nat said regarding the sheriff's department budget, in 2004-05 we were paying 14.6% of our budget for law enforcement. By 2015-16 it had gone up to 16% and in this budget it is 16.9%. It is increasing, but maybe not as fast as our perceptions.

Brian said we got a request to mow the rail trail twice. He thinks some board members were in favor of that. Kyle said yes, she feels our rail trail maintenance could be improved, especially compared to other communities. Brian said Cambridge has a volunteer who mows more than twice a year. Eric asked if there might be anyone in Johnson who would do it. Doug asked if we could put something on Front Porch Forum. He is not sure if it would be insured. Brian said he is not sure whose insurance would cover it. It is not town property; it is state property maintained by VAST. VAST has asked the town to do additional maintenance. We would definitely be covered under our own insurance. He is not sure about asking another person to get involved. The board suggested finding out whose insurance is covering the Cambridge volunteer.

Kyle asked about maintaining the walking path in Old Mill Park - trimming overgrowth, etc. Brian K. said the town has not been doing that. Nat said it would be nice to budget for it. Kyle agreed. Doug said there are parts of the trail you can't walk on now. Kyle said there are also some dead or almost-dead trees in the park.

Eric asked what line item this work would fall under. Brian S. said it could be building and grounds or grounds maintenance and supplies.

Brian K. said he would have to take a look at the trail to see how much work is needed in order to know how much the cost would be. Doug said the staymat has to be improved. Kyle said there are plants coming through the path and also growing in from the sides.

Brian K said a while back there was discussion of some sort of weed control. Brian S. said we talked about using chloride solution to help packing the trail. Would that help for weeds also? Brian K. said weeds don't like it but he doesn't know if we would use it in an area used by kids and pets. Doug said he had suggested possibly using a york rake.

Rosemary arrived at 9:11. She said the trustees signed the deed for transfer of the East Johnson sewer system, pending the selectboard's approval.

Kyle said she has a vision of getting volunteers to help with maintenance at Old Mill Park.

Rosemary said the cost of fire services will go up 2%.

Kyle said this is part of a bigger discussion involving other properties such as the Beard park. Brian suggested increasing buildings and grounds by \$1K. We could use that money to make modest improvements if we don't have volunteer labor and maybe we can stretch our dollars with some volunteers. Kyle said she is committed to trying to find volunteers.

Brian said he cut paving and blacktop since the last draft. He budgeted \$45K for mud abatement. It had been trimmed back to \$35K last year.

Mike suggested breaking some highway construction work into different line items to make it clearer how the money is being spent. Now mud abatement and pit reclamation are included in the same line.

Brian said when we gave a culvert to someone who wanted to install one on a Class 4 road, that had in recent years been coming out of the culvert budget. But we will start taking it out of Class 4 road maintenance as had been done in the past. We can use some money from MRGP compliance for Class 4 road maintenance if it is work we would not have done if not for MRGP requirements.

Brian S. reduced the winter sand and salt year end estimate for the current year from \$60K to \$55K. Brian K. said he will have a detailed report next month about where we are for salt and sand usage and overtime for this winter. Brian S. took out the increase for winter sand for next year and reduced the increase for winter salt, anticipating a more typical winter next year and cutting down our growth. We had talked about adding to this line item.

Eric asked if we will we have enough sand out of our gravel pit. Brian K. said next year we will be fine. He thinks we have a couple of years yet.

The amount budgeted for bridges is down quite a bit. If we can get a structures grant for bridge work we probably will have to take some money from reserves.

Brian S. cut a little of Brian K.'s requested increase from fuels and oils.

The board agreed to cut both the year end estimate for outside repairs and the amount budgeted for next year to \$35K based on current year expenditures and the expectation that expenses should be lower next year.

Brian decided to move the \$1K he had added to building and grounds maintenance for Old Mill Park to recreation field mowing instead.

Mike brought up the capital equipment fund. He said the point of having a capital equipment fund is to have to borrow less money. Brian S. said we have been using it not instead of borrowing money but to have a steady, predictable spending pattern. It makes it easier to budget. Eric said used to be that if we purchased a grader we would see a huge spike in taxes for one year, then it would go back down. Mike said we are taking extra money from the taxpayers to fund the capital equipment fund. He thinks we should borrow more money and take less away from the taxpayers. Rosemary said we currently borrow the total cost of the vehicles we buy. How can we borrow more than the cost of the vehicle? Brian S. said for the next 5 years we will spend more than we take in from the taxpayers for capital equipment purchases because we have a reserve fund that allows that. That is the benefit of the reserve fund. Doug said he views it as saving for a rainy day. Mike said we are using that money to pay loans. If we stretched out the payments it would be less per year. Rosemary said if we borrow for more than 5 years that has to be approved by Australian ballot vote. Eric said we used to purchase new equipment out of our budget in one year.

Mike said the 6-7% increase we have for this year is unacceptable. Nat said if we cut what we put into the capital reserve this year it will have ripple effects on our plan. Mike said we could decide to keep our equipment longer. Other board members said that would mean we would have to add more to the budget for maintenance. Mike said this is far outspending what most people are getting for raises in their pay. Eventually people won't be able to pay their taxes. Doug said there is no doubt affordability for the majority of people in the U.S. has decreased. He doesn't know how to fight that on our level. Brian K. said, taking the truck we just got rid of as an example, he doesn't see how we would be saving the taxpayers money by keeping a truck that required us to spend \$20K a year on maintenance.

Brian S. said we cannot make more cuts to our budget without impacting services. He said with all the changes that have been made the total amount to be raised by taxes is down \$20,300. The budget is now \$2,728,705.92. The tax rate is 83 cents. The increase to the budget is 4.4%. Without the light industrial park the increase would be about 2.75%. The rec coordinator will be another increase. The total cost, including benefits, will be close to \$50K.

Mike pointed out that the Rec Committee has expenses higher than its revenue. He brought up the cost of the library. Brian S. said that is \$92K. Kyle said the library is one of our biggest assets. Brian S. said the Rec Committee and the library are features that make people want to live in Johnson.

The board agreed that the budget should be reviewed again at a future meeting.

5. *Executive Session to Discuss Employee Evaluations*

Nat moved to enter executive session to discuss Brian Story's evaluation as allowed by 1 V.S.A. § 313(a)(3), Mike seconded, the motion was passed and the board entered executive session at 10:00. The board came out of executive session at 10:22.

6. *Adjourn*

The meeting was adjourned at 10:22.

Minutes submitted by Donna Griffiths