

JOHNSON SELECTBOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, OCTOBER 2, 2017

Present:

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

Others: Brian Story, Brian Krause, Lois Frey

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Eric called the meeting to order at 7:00.

2. Additions, Changes to Agenda

Brian added discussion of a FEMA library project. Doug added scheduling a paddling trip on the Lamoille for the board.

3. Review and Discuss Capital Equipment Budget and Plan

Doug mentioned that the capital equipment plan should refer to the public works department, not the highway department.

Brian S. said the capital budget and plan is essential for few reasons. One is that we have tied expenditures of our capital reserve funds to only items that appear in the capital budget and plan.

Nat said establishment of a reserve fund has to be approved by voters. How about when we renew it? Eric said we have to review the language approved by the voters. Brian said the current language, updated in September 2012, says that in order to use the capital equipment reserve fund we have to refer to the capital budget and plan.

Nat said the voters have the right to choose at town meeting not to fund it. Brian S. said that gets a little tricky. Normally it is not a power granted to voters to fund or defund a particular line item, but our language implies we should allow a capital budget line item to be vetoed.

Brian S. said it has been difficult to make predictions in our plan that require cooperation from the village so he has mostly removed shared properties from the plan.

Brian S. noted that our highway department has done a good job of containing costs. General government expenditures have risen faster than highway department expenditures.

Brian S. said a recent survey showed our truck replacement schedule was the longest of the municipalities surveyed. We were the only ones replacing at 12 years. If we replaced the trucks at 8 years instead of 12 years we would spend about \$7500 additional per year per vehicle. Overall the additional cost per truck of replacing 4 years earlier would be about \$30K. Only one vehicle has been here until its 12th year. In years 11 and 12 alone we have spent about \$27K on that vehicle and we are not replacing it until next year. And the \$27K is only for repairs done at Clark's, not repairs done in house or anywhere else.

Doug asked the age of the next oldest truck. Brian S. said it is 2 years younger. Brian K. said it is a 2009. Brian S. said we bought it in 2008 and we are heading into FY 2018 so in the upcoming year it will be 10. Brian K. said the 2007 truck is currently in the shop having \$3500 of work done to it.

Mike asked if there are cheaper places than Clark's to get repairs done. Brian K. said he hasn't really done research in that area. He is not sure where other International dealers are. He noted that there is also a cost associated with down time. And we don't have any extra trucks.

Brian S. said he will recommend moving to a shorter replacement schedule. The board previously said we should let a second truck go to 12 years to get more data on what happens then. He is assuming we will still do that and then move to 8 years.

Mike asked, why not 10? Brian said we could move to 10 years.

Eric said it may be that we have one truck that is a lemon but if 2 extra years are costing us a lot it would make sense to go with a shorter replacement schedule.

Brian K. said trucks are getting more complicated with emissions, etc. It is getting harder for us to do work on them ourselves.

Eric said the cost of maintenance is one thing, but vehicle downtime is an important consideration. We need the trucks. Brian K. agreed. He said we have no backup. If one truck goes down in a storm we could be in trouble and if 2 trucks go down it is a big problem. It happened a couple of times last year. We had to get Hyde Park to give us a hand.

Mike said we could amend the plan so if we had one truck nearing the end of its life and it needed expensive repairs we would have the option to buy a new truck instead. Doug asked how much time there is between buying a truck and operating it. Brian K. said in the past it has been 4 to 6 months.

Doug asked if there is likely to be a bigger return when we sell a truck if we keep it for a shorter time. Brian K. said yes.

Brian S. said probably the biggest change in the plan is that he is recommending we move to an 8-year replacement schedule. If the board doesn't want to go with 8 years he will change the plan to reflect that.

Mike asked what Brian K. thinks. Brian K. said he thinks 8 years would be nice. The cost figure Brian S. mentioned doesn't even count other dealers, downtime, or our time fixing the truck. Downtime is a critical issue. He said year 9 is when repair costs tend to pick up. Before that repairs tend to be covered under warranty or not too expensive.

Mike asked if there is an extended warranty we could get. Eric said yes. In the past the board has gone back and forth about extended warranties, getting them and then concluding it was too expensive to justify.

Brian said his draft plan assumes we will replace the next truck at 12 years and then just one truck will be replaced early.

Eric asked if we are going to be able to reflect the reduction in maintenance costs somehow. Will there be a small reduction in the annual highway budget while the capital reserve fund contribution is going up a little? Brian S. said to a degree, but for the financial year we are in now we have already blown our repair budget and we probably will next year too.

Brian S. said we can't afford to replace both trucks next year. Doug said it would be good to run the numbers on the cost of replacing both next year so if we say we would like to do it but can't afford to we will have numbers to support that.

Nat said part of the justification for tandems was longer life. Now we are finding that is not true. Can we continue to justify going with tandems? Mike said with tandems we can move more material with less labor. Brian K. said he is not sure we could do what we are doing now without tandems. Eric said the resale value of a single is not as high.

Brian S. said this is not the final version of the plan but it is very close. He is not quite done reworking the reserve fund section.

Brian S. asked for board guidance on whether to include the Conservation Commission reserve fund we are working on establishing. It was agreed to include wording saying that we are asking the voters to establish this fund but it is not definite yet.

Lois asked if the conservation reserve fund might be around a quarter of a cent on the Grand List. Eric said we haven't determined what the contribution would be. With some the board allocates a line item every year in the budget and any that is left over is rolled into a reserve fund. It might be like that. Doug said some reserve funds have a specific contribution. The contribution is to be determined. It probably depends on the merits of what gets presented.

4. *Update on Light Industrial Park Communications*

Brian S. asked if the board wants to include information on the price in the press release about the light industrial park. Board members said we should just say what price we negotiated. Brian said he will add a section on property values. We are now collecting \$2400 in property tax on the property. A single developed property should have a tax of \$3400. We can expect at least 5 or 6 similar size properties. Mike said we had talked about making some properties smaller. Eric said there is flexibility to combine or split lots. Eric said if we took it off the Grand List we would lose \$2400. Property taxes on the whole site once developed would be about \$13-15K.

Mike said we need to figure out what we will pay for infrastructure development and the number of years for payback. Eric said that will depend on how quickly we can get tenants. If we get one company the size of Vermont Flannel we will make more than we make now in

taxes. Probably the costs and revenue will net out around zero. He doubts we will make much money.

Mike said it will be easier to find tenants if we develop the sites first. Eric said cost is an issue. And it could limit who the tenants are.

Doug said he thinks John Mandeville is essential. He thinks the town's initial outlay for this is a gamble. He suggested adding more in the press release about why we want to bring business to Johnson. Brian said he can work more on that. Nat said he doesn't want it too long overall.

Lois asked if there is some conceptual idea of where residential lots might be on the property. Eric said he thinks the first couple of lots as you go in. Lois said she thinks clarification of that could be helpful to people. Eric said we won't lock lots in. It could depend on the tenant.

Nat asked if we can post a link to PDF's on the town website like the Yellow Wood study. Brian said he will check out use agreement to make sure it is okay to publish it.

Eric said we need one communication to those who might be interested in locating in the industrial park and we should also have one to the voters. The voters will want to know how much it will cost and how much we will lose in taxes. Brian said he will make a version for the local audience and another version for others.

Eric said maybe it should not go out until the voters approve the purchase.

Doug asked if John Mandeville can come to the next meeting. Brian said he can check.

Lois said some people might remember that the talc mill property was purchased for economic development. Why has that changed? Eric said that is a good question. One problem with the site has always been the infrastructure. Water and sewer would have to be extended and getting there means putting traffic on Railroad Street. The new property is right off Route 15. But there are thoughts of developing the talc mill site. That may still happen too.

5. *FEMA Library Project*

Brian S. handed out information related to an application for a FEMA grant for a library project. With a little cushion the cost of the project works out to be \$12K with a \$3K local match. The project includes reinforcement of the fuel tank, the basement and the utilities in the basement – not flood proofing, but putting a wall around toxic areas to reduce the risk of contamination during flooding. A significantly more expensive option would be removing infrastructure we have in the basement and building an addition for it above the floodplain. He believes that was originally talked about, but he believes the cost would be considerably higher than we had planned for.

Mike asked if the possible relocation of the library has gone anywhere. Brian S. said recently there was a rumor about moving the library to the old church on St. John's Street. But extensive renovation of the building would be required to support the weight of the books.

Brian said the selectboard needs to sign off on the library project. The library trustees haven't weighed in on it yet but have expressed interest in the general idea.

The board agreed conceptually to the library project at a cost of \$12K with a \$3K local match. Brian said the library trustees will review it and it will come back to the board.

6. Scheduling Board Paddling Trip

The board agreed to meet at 4:00 on October 6 to paddle from the new access on the Manchester property to the Landmark Tavern.

7. Adjourn

The meeting was adjourned at 8:08.

Minutes submitted by Donna Griffiths

UNAPPROVED