

JOHNSON SELECTBOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, APRIL 9, 2018

Present:

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

Others: Brian Story, Robert Fletcher, Dina Atwood, Paul Gillies, Stephen Coteus, Jim Barlow

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

It was agreed to add discussion of Jim Marvin Award nominations, Anne Mullins' duties, and smoke free parks.

3. Attorney Interviews

The board held separate interviews with Robert Fletcher (accompanied by Dina Atwood), Paul Gillies (accompanied by Stephen Coteus), and Jim Barlow. Attorneys answered questions about their firms, their expertise in different areas, their experience with town/village government interaction, and the number of municipalities they represent.

After the interviews, Eric asked for Brian's thoughts. Brian said he thinks all three are good options. He likes Jim Barlow's idea of working with him for day to day operations and contacting another firm when he needs assistance or there is litigation. He appreciated that Bob Fletcher's firm didn't represent any entity we could foresee having any issues with. With Paul Gillies he is a little concerned that he represents the solid waste district and Hyde Park. Jim Barlow represents Cambridge. He is a little worried that if we had been using Jim Barlow and we went to court and had to hire someone else to help with that we might have the expense of paying a second attorney at the same time we were paying Jim to bring the new attorney up to speed.

Nat asked if we have a ballpark number of hours of legal services we might need. Brian said we budgeted \$10K. It was \$11K and we cut it back to \$10K. Our running average is \$4600.

Nat said it seemed to him that Stitzel Page & Fletcher has the most bandwidth. They have a deep bench with a broad range of knowledge. His chief concern with Paul Gillies was that he seems to be starting to move on from the work he has been doing and his associate didn't have anything to say during the interview. He likes the idea of using Jim Barlow for day to day work. But he is not sure he has the capacity to deal with some issues we may be up against such as real estate issues. If money were no object, he would probably go with Stitzel Page & Fletcher.

Mike said Stitzel Page & Fletcher has someone in house who can take care of any given legal problem. Because of all the things we have going on, he feels we should probably opt for a firm that can handle everything. Jim Barlow admitted he didn't have the expertise for a lot of things we have going on.

Doug said Paul Gillies has a lot of creativity and historical knowledge that would be beneficial. His only concern is that he represents the solid waste district. He knows Stitzel Page & Fletcher is highly regarded. He likes that representing municipalities is their only business. Their rates are lower than Doug's and lower than most attorneys in Burlington or Stowe.

Mike moved to use Stitzel Page & Fletcher to provide attorney services for the town, seconded by Nat.

Eric asked the board's thoughts about using Jim Barlow as appropriate for some matters. Is the intent of the motion to use Stitzel Page & Fletcher exclusively or do we want the flexibility to use Jim Barlow sometimes? After some discussion board members concluded it would be better to consistently use the same firm.

The motion was passed, but Eric pointed out that this action was not warned on the agenda so the board actually needs to wait until the next meeting to take action.

4. *Jim Marvin Award Nominations*

The board discussed possible nominees for Jim Marvin awards. Doug suggested nominating R.L. Vallee's Maplefields project in the project category because of the way they cooperated with the town. Brian said Casey Romero had suggested the Legion Field upgrades – the oven and the bandstand. Doug said the Studio Center remodeled two buildings. Eric said the Maplefields has a huge impact. The Church Studio looks the same outside as it used to. Brian said he is not sure the Maplefields has a countywide impact. He thinks Legion Field does, especially because it hosts Tuesday Night Live. He thinks the Studio Center got an award last year for the plan they are currently following. Mike suggested nominating Casey and Howard Romero for all the work they have done. Nat said if any other entity had owned the Church Studio that building would have been razed but VSC put a million dollars into it. He thinks it has tremendous value to our community. Eric said the exterior has not changed as a result of the recent work. Doug and Nat said if they had not renovated, the building would be gone and there would be an empty space. It was agreed to nominate the Maplefields project and the Romeros.

5. *Anne Mullins' Duties*

Brian said the board previously decided in executive session that he should talk to Anne about taking on the duties of recording tax map changes in the GIS software. She is willing to do it. The board had discussed a 25 cent increase in her pay. She countered with a dollar increase.

Nat asked what the actual budget impact of the increase would be. Eric said she will need to work overtime to catch up. Brian agreed that there could be a period of overtime at the beginning. It is hard to estimate how much time she will need to spend before she completes the training, which starts next Tuesday. Nat said there are about 2000 hours in a work year. Brian said 25 cents more per hour would be about \$500 a year and \$1 more per hour would be about \$2000 a year.

Nat said she is a shared employee. Would she be making more per hour only during the time she was working for the town or for all her hours? Brian said the village hasn't made a

decision on it. Eric asked if they have been approached. Brian said he hadn't noticed that item on the trustee board agenda but he isn't sure. Doug suggested waiting to find out what the trustees want to pay her. Brian said we could change her pay for 60% of her hours instead of for all her hours. The board agreed to wait for more information about what the trustees want to do.

6. *Smoke Free Parks*

Nat said Jessica Bickford of Healthy Lamoille Valley came to the most recent Recreation Committee meeting. Healthy Lamoille Valley is looking to build support for smoke free parks. She can provide some funding for signs indicating there is no smoking in these areas. She wants to include signage reminding people that it is not legal to smoke marijuana in public.

Eric asked if part of the proposal is to make Tuesday Night Live smoke free. Nat said not exactly. Eric asked why not. Nat said right now the Recreation Committee is just getting input on what the community wants. Community members might recommend ordinances, signage or nothing. It might extend to Journey's end or the Beard Recreation Area.

Mike said he suggests no smoking on any town property. Eric said that would be okay with him.

Nat said the Recreation Committee is having a meeting on May 4 when people can give input.

Doug asked why Jessica thinks this is a problem. Nat said people don't want to smell marijuana smoke at Tuesday Night Live because the law is changing. He doesn't have a strong stake in this personally. Doug said he would have different feelings on cigarettes, which he doesn't like smelling at Tuesday Night Live, than he would on marijuana, which will be illegal to smoke there. He would be interested in talking to Jessica about this. He would have to be convinced this is a good idea.

Brian said Jessica is happy to make a presentation to the selectboard. He referred her to the Recreation Committee to start the conversation. Doug said he would rather just have her send something in writing explaining why it is a good idea. He is not clear on how this advances health other than preventing someone from smoking one particular time – and at what cost?

7. *Review of Updated Budget Proposals*

Eric reviewed the budget issue that had been brought up last time. The revenue reflects an extra amount of tax rate that covers the principal on the Holcomb House. That amount isn't in the budget as an expense. Where we could have made a mistake is if we counted that revenue as part of our cash on hand that could be applied to next year's budget and didn't subtract out the Holcomb House principal. We raise more in revenue than is in our budget because the principal is not reflected in the budget. But if we counted it as part of cash on hand, we don't actually have it.

Brian said we did count it as part of cash on hand. Our basic cash on hand calculation is estimated revenue minus estimated expense. We raised the money in revenue but he and Rosemary don't believe we properly showed the money as an expense on the expense side.

Brian said he has gone through the records for prior years. He hasn't been able to track down a place where the money was taken out. It appears we have not been taking it out, but there was enough wiggle room in the budget in previous years that no one noticed.

Eric said come June 30 whatever Rosemary has for cash on hand will be our real number and we may or may not have enough to cover the Holcomb House principal and the Tatro bill, since those were not budgeted items. We counted Holcomb House money as part of estimated cash on hand to be used to reduce taxes but we can't use it if it's not there. We will have to reduce the budget if we don't have the money. Brian agreed we may have to reduce the budget.

Brian said the amount in question is a little less than \$26K. Eric said he thinks it will be \$50K. Brian said he thinks we are counting the Historical Society contribution correctly in revenue and as an expense. Eric said the Historical Society gives us \$26K for half of the house. The only thing we reflect in our budget is the interest. Brian said if we are not counting the Historical Society's contribution correctly, and we are not accounting for the principal correctly we should be off by more like \$75K, not \$50K. The fact that such a large discrepancy hasn't shown up before might indicate that the amounts are being reflected correctly in some way he and Rosemary haven't been able to figure out yet. It is hard to believe we have been making that much of a miscalculation and have not caught it.

Eric said we have always estimated revenue conservatively and expense liberally so at the end of the year we ended up in a good place, but we have been trying to tighten that.

Doug asked how this could not have appeared beforehand. Wouldn't it have appeared that we didn't have the amount of money we thought we did and couldn't contribute the payments? Eric said when we build our budget in December and January the town administrator has always provided an estimate of year end cash on hand. That is only an estimate. In August, when the books are all reconciled, Rosemary will say how much we actually have. Doug asked what she does in that reconciliation that is not done in the budget. Eric said what she gives at the end of the year is the real number – how much cash is in the checking account. Doug asked, doesn't she say that is based on expenses? Eric said she is paying the principal every month. It is coming out of her checkbook, so that affects cash on hand. Typically year end cash on hand has always been more than what we estimated. Doug asked if she can run that number for us now. Eric said she will start doing that in financial reports monthly. Doug asked, isn't that where we want to operate from? Brian said we do want to focus our attention on the actual because we've learned we don't have as much faith in our estimate as we should.

Eric said we can take back the amount we said we would give to the Conservation Commission from cash on hand. Where we're in trouble is with the amount we allocated to reducing taxes. We can't go back and adjust the tax rate.

Doug asked if we can do something different next year. Eric said we don't have to apply cash on hand to reducing taxes, but we have always done that because it looks good to the taxpayers. We could be more conservative about how much we apply to reduce taxes. Brian

said for next fiscal year, to keep our budget down, we applied a greater percentage of the surplus to reducing taxes.

Brian showed the board the first of two budget drafts. He made a 6% cut to all non profits. Mike had pointed out that the Projects, Events and Celebrations line covers a little more than just the Tuesday Night Live revenue offset. He reduced that line from \$8000 to \$6500.

He cut \$200 for lights. He didn't cut all the lights we pay for. Eric said we were going to cut them all. Doug disagreed. Nat said we have streetlights in East Johnson and on two bridges. What other street lights do we pay for? Brian said he would have to go through it with Susan. Eric said if the total we spend on lights is \$2200 it can't be that many. Nat said he thought most of them would be in East Johnson. Eric said those have to be the only ones besides the bridge lights.

Mike suggested a more aggressive cut to lighting. Nat said he doesn't agree with turning off lights on bridges. Mike said we would just turn off some of them. Eric said we could shut them all off. We never used to have lights on bridges. Doug said he walked across the Pearl Street bridge and felt the current amount of lighting was perfect. Eric said we don't need lights. It is a waste of money. We could save an additional \$2000 by eliminating that entire line.

Brian said he restored the money from the additional cuts to the highway department for mud abatement and paving. This budget has \$30K of cuts in total. We would be doing less mud abatement than originally proposed, but we would do some. This budget has \$41,693 for the portion that includes mud abatement and also gravel pit work. He would say there is about \$25-30K for mud abatement.

Mike asked if we can take some off the capital equipment reserve fund contribution, which is being increased to \$9K. Eric said that would cause problems in the future. If we don't fund it now it will cost more later. Brian agreed that saving a little on that now will cost us more in the long run.

Mike asked about the 250% increase to safety equipment. What kind of safety equipment is that for? Brian said boots are now in safety equipment. And we are investing more in safety equipment in general. We are going to allocate more expenses from other areas to that line item.

Mike said we have \$40K budgeted for outside repairs and parts when the 5 year average was \$30K. Brian said that expense has been steadily rising each year as equipment gets older. The 5 year average is misleading because the first couple of years are much lower than the last couple of years. Mike asked, can't we trim a couple of thousand from that item? Doug said he doesn't think it is a good idea to trim from expenses we think we will actually have. Eric said last year the actual expense was \$43K. Mike said we have spent \$8,564 so far this year. Brian said at least one truck was down for much of December and January. He thinks if anything the \$40K is an underestimate.

Doug said we are passing a small part of our budget problems onto other organizations. Instead, he would decide that we can't afford mud abatement and take money from there. We only started doing mud abatement when we could afford it. He would take the lion's share of budget cuts from mud abatement. Mike said mud abatement is good. Doug agreed. He is a strong supporter of it.

Eric said in our budget there are many line items we cannot adjust such as insurance or public safety. There is not a lot we can affect. We can't affect administrative costs much, aside from eliminating positions or not giving pay raises. He feels we should save big ticket items like mud abatement or paving because if Brian comes back and tells us we need to cut another \$50K out of our budget that is where it will come from. He feels this proposal spreads the \$30K of cuts as painlessly and as widely as possible. Mike agreed. Doug said that is not how he would describe it.

Brian showed the board a second budget draft. This one has more narrow cuts, though not as narrow as what Doug just recommended. He reduced the amount cut from the Recreation Committee, Historical Committee and Beautification Committee. Now they are losing more like 12%, not 15%. The library budget is not being cut because the library felt any cuts would impact services.

Mike brought up the expense of covering library employees' spouses on our health insurance. Eric said the library only brings in \$22K in revenue but we are spending \$111K to support it. And there is no room for cuts? Brian said that is what they told us. Mike said he doesn't think the library should be a sacred cow. Nat said he thinks the money spent on the library is an excellent investment. Eric said he agrees, but the Recreation Committee and Historical Society were willing to take cuts. Nat said the funding source for the library is the town property tax. The funding for groups like the Council on Aging is not our responsibility. He would cut contributions to those groups before cutting what we spend on the library.

Mike said roads and records are really what we are responsible for and the library is something extra, isn't it? Nat said no, he thinks it is an essential service the town provides. He feels it is essential to the functioning of a quality livable community. Mike said most of the library budget goes to salaries and benefits.

Eric said he doesn't want to take anything away from the library. They are a great asset. But about \$90K of their budget is supported by taxpayer money and yet they were not willing to entertain any reduction in their budget, while we are asking groups like the Recreation Committee to reduce their budgets. Brian said the Recreation Committee and Historical Society are paid for by their users to a large degree. People donate to the Historical Society and people pay to participate in a lot of Rec Committee activities. The point of a library is that people don't have to pay to use it. It is freely available to all residents. Doug said the amount budgeted is the amount the library needs to provide the services it provides. We could lower the services provided. Brian said the idea is that the Rec Committee can make up the amount of money we are taking away from them somewhere else.

Mike asked about the \$5750 budgeted for grant fund purchases for the library. Brian said he believes that is supplies, books, etc. they are purchasing with grant funds. Mike asked if it is in and out. Brian said they get \$7100 in grant funds and they make purchases of \$5750 so it is not a perfect in and out. Mike said actual expenditure for that item was \$3K in 2016-17. And six months into 2017-18 it was \$1482. Eric said the amount budgeted is quite an increase. Brian said they increased the amount they are taking in for grants by a similar amount. Mike asked, this line couldn't be reduced by \$2K? Brian said he doesn't know enough about their grant program and whether that money is allocated to a specific purchase or not.

Brian said this budget proposal makes a heavier cut to paving and mud abatement and gives more back to citizen groups but the difference is not large.

Doug said when looking at the library vs. outside groups, he would prefer to take money from outside groups. He is concerned that we have to hold mud abatement and paving funds to see if we need them for something else. He would like to discuss the whole number that needs to be reduced from the budget. It will matter to him what the whole number is in deciding where cuts should be made.

Mike asked, why don't we just balance the books? Nat said we won't be able to do that until July at the earliest. Mike said we should get to the bottom of the Holcomb House budgeting question. Eric said by the end of June Rosemary will probably have a good feel about cash on hand.

Nat said he is concerned about what we are saying to constituent groups. They need to start planning now for activities they are doing in September. Mike said we will have a better handle down the road and it might not be as bad as we thought it was going to be. We might not have to make a lot of these big cuts. Eric said a message should probably go out to the groups. We don't want to tell them they are all right and can spend their money because we don't know that yet. Nat said the sooner we can make a decision the better for all those making plans. Eric said maybe a letter should go out to groups explaining the position we are in and how this year's budget will impact next year's, so any money they can save and not spend in this year's budget will help us next year. Doug said it is possible some Beautification Committee spending can be deferred, but he wants to spend the money because he thinks it is crucial.

Doug said if he knew the whole number he could prioritize better. Eric said we could make cuts tonight to cover the \$30K because we know that is a given. And then if we need to cut more because of the Holcomb House it will have to come from the big ticket items – mud abatement and paving. Doug said if all we had to come up with was \$30K he would only take it from the big ticket items. But he is not willing to pass expenses onto next year that we have to raise by excess taxes. Eric said if we try to bring mud abatement or any budget item that was cut back up to the previous funding level that will mean an increase to the tax rate on top of any increase for inflation.

Mike said someone said at town meeting that people ought to go after the school budget, which was an 8% increase, and leave this one alone. He feels that would have made a lot more sense but that inflated budget passed.

Brian said he thinks it would be helpful for our groups if we adopted one of these proposed budgets, even if we gave them a warning that it was a working budget for now. And we can give them a warning that we are still concerned about the end of year and they should try to keep spending down to help us out.

Nat moved and Mike seconded to adopt the budget titled Wide Cuts (the first budget draft discussed this evening.) He said the idea is that if we need to go back for more cuts we will have more latitude there in mud abatement. **The motion was passed with Doug opposed**

8. ***Adjourn***

The meeting was adjourned at 9:55.

Minutes submitted by Donna Griffiths

UNAPPROVED