

Approved by selectboard December 19, 2016

Approved by trustees January 9, 2017

JOHNSON JOINT SELECTBOARD/TRUSTEE MEETING MINUTES  
JOHNSON MUNICIPAL BUILDING  
WEDNESDAY, DECEMBER 7, 2016

**Present:**

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

Trustees: David Goddette, Scott Meyer, Walter Pomroy, Gordy Smith, Bob Sweetser (by phone)

Others: Rosemary Audibert, Meredith Birkett, Brian Story, Carl Powden (moderator), Ellis O'Hear, Elly Ventura, Willie Noyes, Dana Sweet

**Note: All votes taken are unanimous unless otherwise noted.**

**1. Call to Order, Review of Agenda, and Any Adjustments, Changes, or Additions**

Gordy called the trustees to order at 6:03. Rosemary asked for an addition to the agenda – a warrant the trustees need to sign.

Doug called the selectboard to order at 6:03. Rosemary said the selectboard needed to add signing a payroll warrant and the Union Bank equipment note to the agenda.

**2. 10 Cent on Grand List**

Gordy passed out information Meredith had compiled on how the village had spent the ten cents on the Grand List. He said this was compiled in response to the question raised at the April joint meeting about whether the trustees are spending the ten cents as the charter says it should be spent. Ten cents on the Grand List is \$59,594. According to Meredith's figures, they are spending more than that.

**3. Joint Employee Compensation/Health Insurance Benefit – Annual Adjustments and Employer Contributions**

Brian handed out a sheet showing 2016 and 2017 cost figures for 3 salary increase models: 1%, 1.5% and 2%. The CPI showed an increase of 1.1 year to date.

Walter asked what percentage of the electric, water, sewer and general funds is salary.

Meredith said using the current allocations, the general fund is 38%, electric is 53%, sewer is 23% and water is 11%. She said we might want to have a conversation in the future about how we are allocating to those funds.

Nat asked, we are paying 97% of healthcare for the gold plan, right? Rosemary said that is right.

Walter said he would support a 1% cost of living increase and a 1% merit increase, knowing we will probably take some back for health insurance.

Gordy said one office employee mentioned that in over 10 years they haven't seen anything over a cost of living increase and they feel that working here that long they should see more than a cost of living increase.

David asked if we need to discuss an increase or if we could keep pay the same. It sounds like revenue is flat. In a traditional business, if revenue is flat they don't discuss raises.

Walter said revenue is flat because the village and town cut tax rates. We are not trying to

increase our revenues, we are trying to decrease them. If we are able to do that, it means employees are probably doing a good job keeping costs in line, so it makes sense to reward them. David said we reward them with a 97% contribution on healthcare, which is generous. Rosemary said the benefits are not what they once were. There are more out of pocket costs. Mike said that is the case everywhere. David said he talks to people who are expected to pay 20-25% with a huge deductible. Mike said he sees where David is coming from but unfortunately employees don't pay much attention to their health benefit unless they are expected to pay more. It is no secret that there is a 1.1% increase in the cost of living. If an employee doesn't feel they are getting parity with the cost of living they feel they are working for less money. He thinks the bare minimum should be a 1% increase.

**Walter moved and Bob seconded that the village give joint employees a 1% cost of living increase and a 1% merit increase.**

Mike moved that the town give joint employees a 1% cost of living increase. The motion was not seconded.

**Nat moved and Kyle seconded that the town give joint employees a 1% cost of living increase and a 1% merit increase**

David asked if we have brought in additional revenue to support the increase. Rosemary said revenue is based on what the budgets are. If the boards increase their budgets they will get more revenue. David said we are budgeting additional spending. He is trying to figure out how we pay for this.

Walter said all the village departments had revenues ahead of budget in the last set of financials. Some were barely ahead of budget and some were more ahead. We know the electric department will take a hit to revenue, though. Revenues are up over budget and we were able to cut tax rates. We haven't had to raise electric rates in some years. We did have to raise water and sewer rates.

Gordy said for 3-5 years we level funded with no raises. Our electric department employees were the lowest paid in the state last year. The trustees decided we needed to be more competitive and they tried to match Hyde Park's pay. He thinks 1% is fair for a cost of living increase and he agrees with Walter that a merit increase shows a good faith effort to employees.

Scott asked for more information about the 1% merit increase. Would it be for employees with an above average evaluation? Walter said he sees it as an across the board increase. Scott asked why his motion isn't just to increase by 2% then. Why break it into two parts? Walter said the inflation rate is only 1%. He wants to make it clear that he wants to give employees 1% just for a cost of living increase and he is also giving something beyond that because he appreciates their good work.

Scott said he would like merit increases in the future to be only for those who are at least getting satisfactory evaluations. Merit increases are usually based on performance. Mike said

he thinks that is a good point. Doug said he agrees. If we are going to give everyone a 2% increase we should say it is a 2% increase and, by the way, the cost of living was 1.1%. Calling it a merit increase gets into distinguishing between employees. The idea of merit increases might feed into the step discussion the boards will have later.

**With Bob's agreement, Walter withdrew his motion. Walter moved and Bob seconded to give joint employees a 2% increase in pay.**

**With Kyle's agreement, Nat withdrew his motion. Nat moved and Kyle seconded to give joint employees a 2% increase in pay.**

David asked, how do you propose we pay for this? Walter said he imagines all the departments are going to have surpluses this year, so if we level funded everything that would probably cover it except for in the electric department. Right now the electric department is running a surplus so it could absorb the increase for now.

Doug said the town doesn't have any enterprise funds. All revenue is generated by taxes, except for funds that come from the state, which he is hesitant to count on from year to year. Nat said the selectboard has been very conservative with PILOT budgeting expectations and PILOT revenue has been higher than budgeted, sharply so this year.

David said he takes it seriously when spending other people's money. If we are going to vote on increased spending he wants to know how we are going to pay for it. It has to come from somewhere. It's not our money, it's the people's money.

Bob said if we give employees a 2% increase they can save us more than the additional \$4500 we are talking about spending. Having dedicated employees working for us will save us more than that.

Doug said it's not like a business. The question is how hard it is for our citizens to pay their taxes. He thinks it is tough. David is asking if revenues are up or down but they only go up if we raise the tax rate. It is not like a business where we can be bringing in more money. The town doesn't have an electric department where money can come in over and above what the town gets from taxes. We need to match the benefit to the community from satisfied employees and the cost to the taxpayers.

David asked, do you think the average taxpayer has received a 2% increase in their salary? Doug said he has no idea. He thinks the only thing we can ask Rosemary is how far behind people are this year in paying taxes compared to last year, but that doesn't address how the 2% raise will affect them.

Scott said everyone he has spoken to is much happier with the way town and village staff and leadership are functioning over the past year. Community members he is speaking to seem happy, not like they feel they are getting a bad value. He hears that taxes are too high and people are frustrated with the school but they are happy with the new managers and the staff.

It takes money to make things work sometimes. If we have a poorly functioning town and village it will affect who will want to stay here.

Doug said another board he was on always tried to pay its executive director enough that if they left they would be able to bring someone else in at that same level of pay.

David said this is like a non-profit business. We have to take spending other people's money responsibly. Nat said he doesn't think we are taking it lightly and doing it without consideration.

Mike said a 97% healthcare contribution is outstanding. Are we going to give them a 2% raise and then make them pay a larger share of their healthcare or leave healthcare alone and give them a little less of a raise? We need to look at healthcare because a lot of employers pay less of employees' healthcare.

Gordy said up until last year we paid 100%. Last year he suggested that employees at least pick up half the increase. That was where the 3% came from. He felt employees needed to start paying something.

Mike said if we gave a 2% raise and then took 2% away for healthcare employees would say they didn't make out at all. We should make sure that doesn't happen.

Doug asked if there is a way we can look at healthcare with the 2 motions on the floor. Carl said he doesn't know how the boards can separate compensation from health insurance. He suggested adding something about health insurance to the motions and then having discussion.

Walter asked what the average pay for an employee is. Rosemary said there are some employees who make \$45/hr and some who make \$21/hr.

Brian provided a spreadsheet showing healthcare costs for this year and next year, assuming the coverage rate stays the same.

Rosemary said the benefit is less this year. Employees have to pay more out of pocket and have a higher deductible for the same plan.

Walter said he separates salary from healthcare to some extent. One is a reward for doing your work. The other is an expense we all bear. BCBS Gold rates are up 5.22% for the coming year. He was thinking that, like last year, employees could bear half the increase. Someone making \$21/hr who had a family plan would see a 1.15% decrease in their take home pay if they had to bear half the healthcare increase. So when he proposes giving a 2% increase, he is going to take 1% back. Our share of healthcare will go from 97% to 94.5%.

**Walter moved and Bob seconded to amend his motion to say that the village will increase the rate of pay for shared employees by 2% and change the employer healthcare contribution for all employees to 94.5% of the gold plan.**

**Nat moved and Kyle seconded to amend his motion to say that the town will increase the rate of pay for shared employees by 2% and change the employer healthcare contribution for all employees to 94.5% of the gold plan.**

**Walter's motion to amend was passed with David opposed.**

**Nat's motion to amend was passed.**

**Walter's amended motion was passed with David opposed.**

**Nat's amended motion was passed.**

**4. *Joint Employee Compensation – Discussion of Moving to Step System***

Brian said both boards have discussed a step system. We won't get one in place for 2017 but maybe the boards will agree in principal that he and Meredith should work on developing one for 2018. At this meeting the boards are talking about joint employees but a step system would probably affect all employees.

He explained what is meant by a step system. Rather than having a specific discussion every year about what the increases are, we would create something more like a grid. Down one side would be years of experience. Across another side would be qualifications. An employee who came in with basic certification would start at one corner. If they get more certifications or trainings they would be able to move laterally, resulting in a pay increase. As years of experience increase, they would move down vertically. He thinks that is a pretty good strategy. A lot of organizations do something like this.

Meredith said Scott provided a copy of the state's system. She has also gotten a copy of Morristown's and she can collect more. There will be a lot of discussion about where current employees would enter the grid. She supports the idea in general. It gives stability for budgeting and for employees to know what they can plan on.

Walter said state employees enter into negotiations with the state for each contract period and cost of living and health benefits are negotiated separately. Every year we still will probably have a cost of living discussion. We don't enter into union contracts. We would have to clearly define what employees would have to accomplish to move from one grade to another. He sees that as the hard part. It is fairly easy for electric linemen but not for office staff. Rosemary said organizations like VLCT offer classes office staff can take.

Mike said he is in favor of a step system.

Scott said the process can be more dynamic in some cases than others. Some people are fine with getting less professional development and staying on step while others want more.

Doug said in the town highway department employees have had straight salary and wages. The selectboard thought they should be able to distinguish between employees and not treat them all the same. They would like to encourage people to work to their capability levels.

Scott said a step system enables us to have an idea what staff costs will be in the future. It would be helpful when budgeting. He has seen frustration with employees that some employees who are getting new skill sets are getting raises while others are not. If everyone knows they have a step increase system based on time and skill set that is helpful. Mike said it's motivating.

Doug said he wonders how difficult it is to develop a step system. Scott said you have to have a job description that is assigned a step. Where you already have skilled employees with skills obtained and their salary, that is the starting point. In state government sometimes an administrative assistant is okay with continuing at the same level with no more payment. Good job descriptions are needed to make the step process work, at least in state government.

Doug said it doesn't seem that we can back anyone in the highway department down. How do we start? Brian said working existing employees in could be difficult. He would start by looking at the state VTrans system. They have something their management and union have accepted. Doug asked, would current employees have one scale and new ones a different scale? Brian said we would do that if we had to. He would like to get all employees into the new system so we could reward existing employees for new trainings they do.

Walter said it won't be an easy task. It requires time from Brian and Meredith. Mike said he thinks it is a worthy endeavor. Gordy said he thinks it does away with a lot of favoritism. He likes the concept. Bob agreed that it does away with favoritism.

Walter said one problem with a step system is that there could be two people who have the same training but one does the job in half the time the other takes and we can't pay them differently. Scott said they deal with that in state government all the time. Employees get performance evaluations and are notified if they are not performing. Kyle said she sees in some step systems that satisfactory job performance is a requirement to move. Mike said you may be the best employee but if you tick off the boss he can give you a poor evaluation. Scott said in state government an employee is able to go over their boss to state their case if they feel they are not being evaluated fairly. Here, employees would go to the board.

Both boards agreed Brian and Meredith should pursue developing a step system for employee compensation.

Brian asked if we want to continue the discussion that was started before he and Meredith came about how to manage joint employees. VLCT recommended that we not have joint employees but instead have each person employed by either the town or the village and each entity would pay the other an agreed rate for work done by an employee of the other entity. Functionally, Brian doesn't want to see changes.

Scott said he would urge caution. There are new labor laws for contract employees. If someone gets hurt there is the question of who owns them. Brian said if we changed who was responsible for each employee so each one was the sole responsibility of one entity it would simplify that. Even if a town employee filed a worker's comp claim for something that

happened while working for the village, the town would still be responsible because the person would be a town employee. Now there is not a clear line of authority for joint employees.

David asked if would make it easier for Rosemary if there were no joint employees. She said yes. Gordy said he doesn't want to see employees and boards pitted against each other as in the past when one board gave a better raise than the other. Doug said we wouldn't be having discussion about what to pay shared employees anymore. Walter said he could see us falling into a situation where one board gives more of a raise than the other. Mike said the town and village each have their own employees now.

Nat said his understanding is that VLCT's recommendation comes from legal issues. Having joint employees could put a board in a difficult situation. If an employee sued because of an issue one board caused, the other could be held responsible. It puts us in a precarious legal position unless we are operating together.

Doug asked how we would terminate a shared employee if one board wanted to get rid of the person and the other board didn't. Scott said the percentage of the person's salary provided by one of the boards would be eliminated.

Walter said the reason we have shared employees is that it makes economic sense. There are ups and downs in the work cycle and people can flow back and forth between the town and village. If we start to separate he thinks it will hurt us.

Doug said he would like to see a concrete proposal.

Walter said at one time there was an ad hoc personnel committee to discuss CTO issues. Should we reopen that committee to consider this and also a step system? Gordy said the question of whether to continue the personnel committee's work is one item that should have been added to the agenda for this meeting.

Scott said it would be wonderful to have legal information in order to make a sound call on joint employees. He would like to see a legal brief with pluses and minuses of joint employees vs. separate employees. Both boards agreed to seek legal information.

Meredith said she thinks it would be great to have discussion about the intent of the personnel committee. Scott said it was to address retirement when people had a lot of time in banks. It was costing the town and village a lot. Walter said employees can roll over benefits and the pools can get huge. David said if they are not forced to use the time we have to pay them for it when they retire. Gordy suggested that each board discuss the personnel committee at its next meeting.

#### **5. *Maintenance at Municipal Properties***

Meredith said she and Brian know there is an issue at the municipal building with rotting sheathing. They will get bids for repairs. Because we don't know the extent of the damage they are planning to have a fixed price component and a time and materials component in the

bids. They hope to have bids back in time to know if we need to budget more in 2017 for repairs.

Brian said he got an estimate for repainting the Old Mill House. The high end estimate is \$18K. He thinks we can do a little better on the price but we should expect the price to be around that figure. We are being told the building is in very good shape given its lack of continued maintenance but we can't expect it to last much longer without maintenance. The estimate is for scraping and painting with lead remediation and it would include a little painting and staining on the porch.

Mike said the selectboard discussed the possibility of selling that building at its last meeting. Would the trustees be interested in exploring selling the building?

Brian said the selectboard had talked about purchasing the building from the trustees but what the trustees had been thinking wasn't the same as what the selectboard had been thinking. Brian was thinking it would be great if there were a business oriented toward the rail trail at a site like the Old Mill House. Mike said it would be a great place for a sporting goods business. If we could find someone interested in buying it, would the trustees support in concept actively pursuing trying to sell it?

Scott said the food shelf is there and the Boy Scouts use the space. Would there be other space for them? Mike said we could find other space.

Gordy said after we purchased that property there was discussion of selling the building and the caution we heard was to be careful because the village and town garage is right by there, with heavy equipment, backup alarms and vehicles going out at two in the morning. We were cautioned to be careful about who owned the building because they could complain. Mike said we would not be looking to sell it as a single family dwelling. It would probably be sold for a business. The buyer would go into it with their eyes wide open, knowing the town and village garage was there.

David said the food shelf, the Boy Scouts and Troy would all be displaced. Scott asked where we would put them.

Brian said he thinks it would be great to sell the building to a private business. Then we could work with a housing trust to buy a new dilapidated building to house what is currently in the Old Mill House until we could sell it to another private business. We could keep using our resources to rehabilitate dilapidated buildings while housing our institutions that need space and preventing blight from entering parts of our community.

Walter said he likes the thought of selling the building. The food shelf could go to the upstairs of the cold storage building. Rosemary said the rec committee uses that. Walter asked, when did they go there and why weren't the trustees asked? That is a topic for another time. He said if the village got cash from the sale they could remodel something in the garage for Troy. He sees the Old Mill building as a money suck long term. He thinks there will be



other costs in the future. Selling it is a great idea. For tonight, let's defer any discussion on maintenance until we have more hashed out proposals.

Doug said we would have to subdivide the property and go through Act 250. There are a lot of problems with the location of the building that will make it hard to pass muster. It might be a part of the Railroad Street Brownfields study. He has been concerned with the lack of infrastructure related to rail trail users. It is a logical place for a sporting goods store. He thinks we should deal with maintenance on the building. If we sell it then we will be rewarded for having put money into it. He would be in favor of assessing the foundation and roof as well.

Nat said we have talked about Johnson's image and blight, especially on Railroad Street. Our building, unmaintained as it is, right by the rail trail, contributes to an unsavory image for Johnson. It is our responsibility to taxpayers to maintain the assets we have. It will be a couple of years at least before we are able to sell to another party. He thinks it is time to budget in the next fiscal year to make the investment to repaint that house.

Kyle said she agrees that it needs to be maintained regardless of whether we are going to sell it in the future.

Brian said we should think of selling it as a way to defer future costs, not the costs that are before us now.

Nat said he doesn't think the village has budgeted for maintenance of the building. Meredith said money for it would be put in the 2017 budget, which won't be available until April.

David said he agrees that we need to maintain it. He thinks it will be more than \$18K. He asked, the \$18K was just one estimate? Brian said yes. We will get actual bids in the spring. The \$18K included doing repairs with a carpenter provided by the painter. He thinks we can get a better deal if we use our own carpenter. We have to have someone certified to do lead remediation. We don't have anyone on staff who can do the work.

Gordy said he agrees we should put money into it.

David said there is no zoning so it could be sold to anyone. Doug said the new owner could turn it into housing.

David said maybe we could plan a 4 or 5 year project, doing some work each year, before selling it.

Walter asked, are we better off in the long term, based on cost-benefit analysis, just tearing this building down? Mike said he could see that too. He doesn't know if the building is worth saving.

Nat said for the use we are getting out of it now for the food shelf and Troy \$9K each year from each party is pretty cheap rent. Walter said with the \$9K each year the village would

spend on it they could build Troy a nice office next to the garage. Unless we have a firm long term plan for what it will take to improve the building or sell it, with costs, he doesn't want to spend anything now.

Scott said spending \$18K on lead remediation and painting will make the building worth more when we sell it. He thinks we should paint it. The money will come back. Maybe not in full, but most of it will be returned either from extending the life of the building or selling it.

Doug said he is in favor of painting it.

David suggested maybe we should have a 5-year plan before moving forward.

Walter asked if we can put this property on the Brownfields grant study with LCPC. Meredith said she thinks so. Scott said it is a state-recognized site already. Meredith said she thinks we would want to go through the area-wide planning process before making a specific decision about this building. But the area-wide plan won't be done before we need to make a decision about budgeting the \$18K.

Bob said he thinks we should move forward.

David asked if we could get an appraisal as part of the process. Meredith said we don't even have an assessed value for the property.

**Mike moved to authorize Brian to get bids for painting and exterior carpentry for the Old Mill House, Kyle seconded and the motion was passed.**

**David moved to authorize Meredith to get bids for painting and exterior carpentry for the Old Mill House, Scott seconded and the motion was passed.**

David said he would like to get an idea of what the building will cost us as we move forward. After this, what is the next step and what will it cost? Mike said it sounds like he is talking about getting a building inspector in. Scott said an appraisal should cover things like the electric system and foundation.

Bob said emergency power for the town shed and the village garage are there. If we sell it we will have to sell some property with it. We should check it out before we make a decision.

**The selectboard motion was passed.**

**The trustee motion was passed with Walter opposed.**

Nat said David makes good points about long term planning. Walter said he thinks we should do what David suggested first, not seek bids for painting.

Walter said when the selectboard is budgeting this year he hopes they will consider beautification of the municipal building. This summer there were spider webs all over, the

gardens did not look good and the gravel was full of weeds. He thinks this summer both boards should commit to putting a little more money into keeping this building looking better. If we are not going to do it with our people we should hire someone.

Mike said the boards just voted on getting bids for painting, but he doesn't see why we couldn't do that and also find out what our 5-year plan is. He agrees that we need to find out what problems the building may have.

David said he agrees with Walter about beautification of this property and all municipal properties. Maybe we could have a flower box instead of weeds by the sign for the village.

Doug said he agrees. There are people in the community with skills at beautification. *(Eric arrived at 8:01 and took over as chair.)*

**6. Compost Facility**

Brian said each board has had a presentation from the Lamoille Regional Solid Waste Management District but the boards have not had any time to discuss the proposed compost facility together.

Doug asked what the upshot was of the trustees' discussion about the compost facility. Gordy said they are putting the ball in the selectboard's court. They will honor the selectboard's decision. There has been discussion on trying to get revenue but the counterpoint is that we will get the facility fixed up to some extent and it will provide a service to the community. The trustees are trying to support the project. They don't want any compensation. They just want access to the facility in case they are mandated to compost their sludge and they hope LRSWMD will look at trying to compost village sludge in the future. That is not in the immediate forecast, however.

Eric said the village has some infrastructure there. If the solid waste district took it over they would at least maintain it, if not improve it. For the town side, it is just land that the town owns. Having LRSWMD there doesn't change any value for the town. There is less incentive for the village to seek compensation and more incentive for the village to see the property maintained. He thinks there would be some increased expense for the town for maintenance of the access road. It would cost the taxpayers some small additional cost. That is why he thinks he speaks for the majority of the board when he says he feels there should be some level of compensation. The boards could discuss how it would be divided between the town and village.

Doug asked how much time is left on the lease. Meredith said she thinks it goes through 2026 or 2027.

Walter said the selectboard has complete control of the term, etc. Doug said what the village wants is of concern to him. Scott said the trustees had a lot of concerns about liability, runoff, etc. LRSWMD did an adequate job of answering their questions. After a lengthy educational process they were satisfied. It is not like they just shut their eyes and said, it's up to the town.

Walter said it's a need that is there because composting has been mandated. County-wide we all have to work to solve this problem. The compost facility will be another employer in town. LRSWMD was pretty clear that they see no way to handle sludge now but in the future they might be able to. There is benefit to the village if they are able to save money on sludge disposal. We all have to do something with compost. It is a county-wide problem. But it is the town's property so it is a town decision.

Ellis O'Hear said he was a trustee for a number of years. The trustees were always told composting sludge was not profitable. Years ago the village built that plant. The problem was that it was all new and nobody understood compost. Now there is more information about how to do it. To him it is ridiculous to just dump the sludge. A composting facility is a golden opportunity to start getting some viable income, though maybe it will take a while. To him, it is win-win. He has been asking why we can't run the composting facility. He doesn't buy that there is no money to be made from composting sludge. The village couldn't run it because they were short on staff and equipment. Now there is a golden opportunity to make it work. It will provide job opportunities. It could be a big thing. There is plenty of land to build on. He can't live with throwing the opportunity away.

Walter said if the solid waste district can keep tipping fees down by using this facility there will be a benefit to Johnson residents, as well as everyone else in the district.

David said we have a property with a narrow focus. He hates to see the property just sit and be wasted. To him it's a benefit to have them run a facility there so our property is not just wasting away.

Nat said he agrees with all those points.

Eric said there is a loss for the village in not having the facility utilized. The town doesn't win or lose either way. People who were at a selectboard meeting for another issue voiced some strong opposition to having composting in Johnson. If the selectboard went to the town voters and said we think this is for the good of the whole district and county and even though Stowe is a lot richer than us we are going to put it on the backs of Johnson voters to support composting for the whole district without any compensation, voters would probably be against it. Yes, there is a state mandate that composting has to be done, but it is not a state mandate on Johnson. It is a mandate on the solid waste district. Should we ask a poor community's taxpayers to supplement Stowe's taxpayers? He doesn't think it is unreasonable to ask other towns of this county that are richer to give us something. We have thrown out different ideas – a flat fee, opening the collection site another day to spread traffic more evenly across week, one cent on the Grand List of all the sending towns. To date the only thing we have heard LRSWMD would give us would be free compost. He doesn't think that is right for the taxpayers of Johnson.

Walter said if this is not done they will have to do the project somewhere else. It will cost more and all the taxpayers of Johnson will have to pay more to get rid of their garbage. Ultimately the cost will come out of the pockets of Johnson taxpayers. Everyone in the

county will have lower disposal fees if LRSWMD can use this facility which is designed for this specific purpose and is ready to go. It will save all of us money.

Nat said the village has made it clear they are comfortable moving forward with LRSWMD's proposal. He is not sure what the point is of continuing joint discussion. Walter agreed. He said the trustees just want Meredith kept in the loop and they don't want to lose the right to use the facility for their sludge if the state says they need to compost their sludge. Meredith said they also want a commitment from LRSWMD to continue to look at whether they could accommodate the village's sludge.

Scott asked about the amount that would be saved on tipping fees if LRSWMD could use this facility and the additional cost for maintaining the access road. Eric said the selectboard doesn't have costs. Scott asked, will it cost the town an extra thousand dollars for a grader and does the savings on tipping fees negate that?

Willie Noyes, chair of the LRSWMD board, said if LRSWMD didn't operate the Johnson transfer station residents would have to go to Casella and Casella charges considerably more than what LRSWMD charges. LRSWMD will improve the site. They will take care of all the vandalism there at no cost to the town. They even put some money aside for road maintenance. Dana Sweet, another LRSWMD board member, said LRSWMD is a non-profit. They don't make money. The Johnson facility will help them figure out how do state mandated recycling. Elly Ventura, who does outreach and education for LRSWMD, said if they don't have a local option for composting they will have to transport the materials. There will be transportation costs. If we can keep the resource local maybe we can embed some of the cost in trash fees. Ideally all LRSWMD facilities should run at net zero but they are subsidizing most facilities now. They will need to subsidize the compost facility at first, but the goal is for it to be net zero eventually.

Scott said he feels we need information on additional costs to the town and savings on tipping fees, even if the figures are guesstimates.

Eric asked, if the Johnson facility was not here, what would LRSWMD be looking at for cost? Dana Sweet said they would have to find another facility in this county. Other places that are currently composting are maxed out. We have to address it locally. Eric asked, is it fair to say the cost would be very substantial and tipping fees for the average person would increase significantly? Elly said she thinks that is fair to say. The worst case scenario would be that LRSWMD would not be able to operate facilities because they would not have an outlet for materials they are mandated to take.

Eric asked, given that, is it unreasonable to ask for some fraction of what it would cost to compensate Johnson? Dana said LRSWMD doesn't know how much revenue they will generate. They can't compensate the town more than they will get.

Elly said the main concern from the village and town is road maintenance. LRSWMD doesn't think there would be a great increase in traffic but they do have a letter to give the selectboard tonight saying they are willing to offer \$1000 a year to compensate the town.

Doug asked, if there is a 10 year term left on this lease, is LRSWMD willing to accept that or are they looking for more? Are they looking for any renewal rights? If in 10 years they lose access to the facility, what happens? Elly said they are just looking to go to the end of the current lease term. Willie said they could do a 5-year lease with 5-year renewal if the town was more comfortable with that.

Doug asked when the mandate starts. Elly said July 1, 2017.

David asked how much residents would be charged if they bring compost to the facility. Elly said that has not been determined. They are assuming people would come with trash, recycling and a 5-gallon bucket of food scraps. Maybe they would charge a dollar for that bucket. A lot of other composting facilities don't charge directly for food scraps because it is a deterrent. People will participate in higher numbers if it is free. Green Mountain Compost embedded the cost of composting into the trash cost, the way LRSWMD did for recycling. Recycling became free, but the cost of a bag of trash increased. *(Bob left at 8:39.)*

Eric said the selectboard has questions it still wants answered by LRSWMD before they go into negotiations. They will address this at a future meeting.

Ellis said if in 5 years the state mandates that the village start composting its waste they could take the facility over again or let LRSWMD run it for them. But we are shooting our foot off if we don't let someone start upgrading the facility so it will be ready if we have to use it. Stowe and other Lamoille County towns may have to do the same thing and we will have the perfect place. If we throw it all away we have wasted a lot of money. He wants to make sure we make the right decision.

**7. *Set Next Joint Meeting Date***

Eric said a date in February would probably work best for the selectboard. He will send out some possible dates.

Gordy said he feels both board chairs can run joint meetings without a moderator. Eric said he wants to discuss that with his board.

**8. *Sign Warrants and Notes***

The selectboard signed the payroll warrant and equipment note.

The trustees signed the warrant Rosemary had for them.

**9. *Adjourn***

The trustee board meeting was adjourned at 8:50. The selectboard meeting was adjourned at 8:50.