

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, DECEMBER 14, 2015

Present:

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

Others: Sandy Miller (Interim Manager), Rosemary Audibert (Clerk), Tom Elwood, Troy Dolan, Arjay West

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Gordy called the meeting to order at 6:02.

2. Changes, Additions to Proposed Agenda

Walter said he would like to add a VPPSA update and discussion of rogue signs and garbage on downtown streets. Gordy said he has an item on job postings to add. Sandy said he has an additional item to discuss related to the EV charging station grant. He also wants to discuss how to handle the February meeting as he will be out of state February 5-18. He believes agenda items 5, 6, 7, and 8 should be in executive session.

3. Review/Approve Meeting Minutes

Walter moved to approve the minutes of November 9 and November 13, 2015 and minutes of the December 2, 2015 joint selectboard/trustee board meeting, seconded by David. Scott suggested adding after Duncan's comment in the December 2 minutes about spraying the old mill building with a high pressure spray gun that board members indicated they were aware that we can't legally do that. **The motion to approve the minutes with the suggested change was passed.**

4. Treasurer's Report/Review and Approve Bills and Warrants/Budget Status Report/Action Items

The board reviewed the budget status report. Tom mentioned that Johnson State's water usage is down quite a bit for the year. They had had a trend of increasing usage for the last 8 or 9 years that he brought to their attention. They must have fixed some leaks. Walter said VPPSA is giving us a bit of a refund. They will show about a \$71K profit for this year and they will give it back to the members, so they are adjusting the charge for their services. Sandy said we had requested a donation of \$6K from JSC for 2015 for fire department services. They have informed us they plan to pay it in March. Because of the way their budget works sometimes we get one payment a year and sometimes we get two. Rosemary said their last payment was in November of last year.

Rosemary said the last check from Radar LLC, the company that was running DJ's, was returned because their account was frozen. The check was for water, sewer, and electric services. The sheriff's department advised us to write them a letter and give them 10 days to pay. After that we can turn it over to them to start court proceedings for a bad check. They are going to have a bill for another month on top of this. There is an apartment upstairs and the whole building is on one meter, so we can't turn off their service. David asked if there is anything we can do against the property. Rosemary said water/sewer is lienable.

Walter moved to authorize Gordy to sign a letter to Darcy Westman of Radar LLC

regarding payment, David seconded and the motion was passed. Troy said to his knowledge

everything is still on in the building. We would like to get it shut off as much as possible to reduce electricity.

Brook Field Service has serviced all the generators. Tom and Troy agreed the board should sign the contract for another year's service from Brook Field. They are happy with their service. Rosemary said the cost for complete annual service is \$1975, a little more than last year's cost. The board agreed to sign the contract.

5. WWTF Chief Operator Report and Action Items

Tom said the plant ran very well while he was on extended vacation. A hydrant on College Hill and School St. was recommissioned as part of a change order for the project. *(Tom left at 6:33.)*

6. Review and Approve Fire Department Budget/Contracts for 2016

Arjay joined the meeting at 6:33. He discussed the fire department's proposed budget for 2016. It includes a 50-cent pay increase across the board for the members, which puts them just above the \$9.60 minimum wage for 2016. The budget increase is 1.2% (\$2021.) The biggest portion of that (\$1577) is scheduled increases in the capital truck plan and the small tools capital plan. Other increases are spread throughout. There were cuts in a few categories, mostly related to fuel prices. He increased vehicle maintenance and gear and accessories a little to make them more in line with actuals for this year. The fire department continues to strive for a zero increase to the village's contribution, so he proposes asking our contracted towns for 1.8% increases. That would generate the revenues he is proposing.

Arjay, Sandy, and Rosemary agree that he made an error in 2013, which this budget corrects. He put \$5K in the wrong place. There is \$5K that was included in the village contribution but also put in as miscellaneous income. Sandy said because the 2014 budget showed the \$5K in miscellaneous income it was put into the 2015 budget that way, so he thinks we will be \$5K short in revenue this year because we should have raised \$5K more in tax revenue than we did. Rosemary said she thinks there will be enough money left over to absorb this. Arjay said he and Rosemary believe there will be a small surplus at the end of the year. Some of that can be applied to the \$5K hole. Sandy said one thing that caused confusion is that miscellaneous income was thought in some notes to be insurance reimbursement. He is recommending that we change the name of insurance reimbursement to "billable calls revenue" for clarification.

Walter asked why gear and accessories is going up. Arjay said this year we are actually pretty close to the proposed amount for 2016 in actuals spent. The fire department is starting to replace some traffic safety equipment and some hose. They bought some nozzles that can supply more water and some adapters and fittings for the new hydrant system. Walter said we have set up the small equipment reserve fund to try to smooth out some of these expenses and we put extra money into it last year. How does this line item relate to that? Arjay said the small tools fund is used for 5 major equipment pieces and for bunker gear. The gear and accessories line item is for more day to day tools.

Walter said we have been under budget for labor the last couple years so perhaps labor could be decreased a little. Arjay said he thought about that. Based on anticipating a slight increase in the rate and his best guess about total billable hours he thought it would be better to leave it as is rather than risk having to find other areas to cut at the end of the year. A couple of years ago he looked at average firefighter hours. He thinks there were about 90-100 hours of billable time on average. The 50-cent increase amounted to about \$1200 based on average hours when he looked at it.

Walter asked about asking the college for an increase. Sandy said we decided not to ask for more because we were worried they wouldn't pay us. Their contribution is a donation. With the budget shortfalls in the state we thought this would not be the right time to ask for an increase.

Walter suggested we could ask each of the 3 towns for a 2% budget increase and knock a little off the village contribution. Arjay said Waterville's increase is \$350 and Belvidere's is \$225. He said he started at 2% for the town increases and thought that after they supported the 12% increase for small tools 2 years ago 1.8% looked a little better. He would suggest staying there. Walter said as a Johnson village resident he is paying both town and village tax. His goal is to get the village to zero contribution. He is suggesting adding just \$38 for Waterville and \$24 for Belvidere.

Scott asked what other fire departments charge us for mutual aid. Walter said under mutual aid no one charges anyone. Arjay said the towns of Waterville and Belvidere don't contribute anything to the mutual aid system. Towns that provide mutual aid to Waterville and Belvidere can bill them. In the last couple of years Belvidere paid about \$800-900. He was concerned this arrangement might put us in jeopardy because Waterville and Belvidere might ask the North Hyde Park fire department to provide service for them instead. He has been concerned about losing revenue from Waterville and Belvidere. So the fire department made an agreement with Cambridge. They will come to Waterville when needed at no charge and we will reciprocate by going to Fletcher, a contract town for them, at no charge. He thinks if one of the two towns stays both will, so he tried to secure our position in Waterville.

Scott asked, so if we pumped up the amount too high they could leave? Gordy said he agrees we have to be careful and not push them over the edge. Sandy said we could lose over \$30K if we didn't contract with Waterville and Belvidere. Walter said he still wants to the increase to go 2%. David, Gordy, and Scott agreed they are happy with 1.8%. David asked what the increase was last year. Arjay said 2%.

Walter moved to accept the fire department budget for 2016 as presented by Arjay and to present bills to the towns of Belvidere, Waterville and Johnson as presented, seconded by Scott. Sandy said usually the manager, Rosemary and Arjay work together to send bills to the towns. They will do that. **The motion was passed.** (Arjay left at 6:59.)

7. ***Foreman Report and Action Items***

Troy said he would like to purchase a wood chipper. We currently have \$27,738 unspent in our contract ROW budget. Every time we need one we have to rent it for \$250 a day and it is often not available when we would like to use it. There are times when scheduled work falls through and being able to cut and chip ROWs is a good fill-in for the rest of the day. He found a refurbished chipper for \$14,500. A new one costs \$48,000.

Walter asked if the town is interested in sharing a chipper. Troy said Brian has said that they do have an interest in it. He doesn't know if they would go through with it.

Sandy said the money left in the budget for contracted services won't be spent. Troy would like to use some of that. He asked how much we spend per year on renting a chipper. Troy said it has often been out when we wanted to rent it, but he could see us using it for parts of 40 or more days. When we rent it, we have to rent it for a whole day.

Walter asked if the crew has been able to cut more ROW now that Jeff has been hired. Troy said yes. Walter asked, when we bill Fairpoint for ROW cutting, does that include the cost of renting the chipper? Troy said yes. Walter said going forward we will have to figure out an equipment charge to put in when we bill them. Troy agreed. David asked if there is anyone we charge besides Fairpoint. Troy said no, not to his knowledge.

David asked how getting this chipper would affect contracted tree trimming. Troy said contracted trimming wouldn't go away, but he would like to do more in-house tree trimming. He would like to budget less in 2016 for contracted tree trimming. David asked, so this would save us money in the long run? Troy said yes. Sandy said it would also allow us to do more ROW clearing than we can do now.

Gordy asked if there is a place to store it. Troy said yes. Scott asked about maintenance. Troy said we can do basic maintenance in-house. These chippers are pretty reliable. Troy asked if there is a warranty. Troy said he doesn't believe so. Bob said he thinks this is a good idea. It lets Troy and the crew be more efficient. Walter agreed. It may not save money but it lets our small crew be more flexible and efficient and do what needs to be done. Gordy agreed. Scott asked if this is the same size as the chipper we rent. Troy said it is similar, but a different brand. Scott asked if we have a vehicle to pull it. Troy said we can pull it with a pickup.

David said his only concern is that in the future he would like to have a list of things we need so we can plan for them in the budget. Sandy said Troy has a draft of that plan and the board will see it during budget development. Troy said this is a new item we haven't had and coming in from outside he saw we could use it.

Walter moved to adjust the budget by transferring \$14,500 from the contract tree trimming budget to the capital purchase budget, to authorize Troy to spend up to \$14,500 to purchase a wood chipper, and to authorize Rosemary to cut the check for the purchase, Scott seconded and the motion was passed.

Troy said with the recent good weather the crew has gotten a lot of cutting done. They completed cutting on Upper French Hill, River Road East, and from Foote Brooke to Prospect Rock Rd. along Route 15. They removed a large danger tree at 289 Lower Main West. Last month there were two trouble calls. One was a poor service connection that was the homeowner's issue and the other was an internal issue in a mobile home.

All the snow removal equipment has been serviced and repaired in preparation for the winter season. Cliff, Nate, and Jeff installed all the holiday lights, garland and winter banners. Troy and crew also worked with Brian to determine if it would be possible to install a crosswalk at the library. They have determined it is feasible. On poor weather days employees have been working on weatherizing the shop.

Troy has been working with David Heller (MWLD foreman) to plan the schedule for the 2016 monthly NEPPA safety meetings. Sandy said Steve Towne used to coordinate this and then Duncan took it over and now Troy is doing it. That is possible due to his expanding experience and the time freed up due to hiring Jeff.

Troy has completed a sidewalk replacement plan for the village showing replacement cost for each section and order of urgency. He created a bill for Fairpoint for their portion of the cost of the 2015 ROW cutting, which is close to \$6900. He has started a spreadsheet with all the 2015 outage data for the annual PSB report. He has been working with vendors to restock our electrical, water, and sewer inventory as well as ordering replacement tools and needed winter FR clothing. Arrangements have been made to have our failed transformers tested and shipped out for disposal. He has applied to VTrans for a Routine Maintenance, Service Repairs, and Emergency Repairs Permit for 2016.

The board reviewed the sidewalk replacement plan spreadsheet. Troy said he used VTrans cost estimating figures. Sandy said he thinks the numbers are high compared to what we would find if we bid it out. These are worst case scenario numbers. Troy said he will be meeting with someone this week to get a quote for the catch basins on Pearl St.

Sandy said he reviewed the uniform contract. There is a termination penalty of roughly 50% of the weekly charge for the remaining weeks of the contract. Our employees are satisfied with the service. It is a little expensive. If we were to switch we might want to consider when to do it because of the large termination fee. The early termination clause looks enforceable.

David asked if there is a way we can inform our current contractor that the contract is not to be renewed. Sandy said there is a window of time within which we have to inform them of non-renewal. We can do it no earlier than 120 days prior to termination and that is a couple of years out. Scott suggested putting this on an Outlook calendar to get a reminder. Sandy said his recommendation would be to start looking at options 6 months from the end of the contract and make a determination 4 months from when it ends. He wouldn't recommend canceling it now. Walter said we cancelled our last uniform contract after the date specified in the contract and they never did anything about it. Sandy said we can't count on that. And if we are going to provide our own uniforms we will need to budget money to have them on hand in advance of cancelling. We would save about \$4K per year by not having a contract and buying our own uniforms.

Walter asked if the uniform company is proactive about making sure our clothing is in good condition and up to specs. Troy said yes. Walter said he doesn't want Troy to have to spend a lot of time on that. Sandy said that is something to consider. Not all employees will maintain their equipment the same way.

Scott asked who will pay for the library crosswalk. Sandy said that is to be determined. Brian and Troy will shoot elevations and come up with a more thorough design and cost estimate and we will discuss it further then. Walter said it would be the village's expense but we would be looking to the town to help.

8. *Signs and Garbage on Downtown Streets*

Walter brought up an off-premise sign for a business that was put up recently downtown. He said it is a violation of the state billboard law and of our village bylaws. The sign came up at a Johnson Works meeting. It will be an issue for plowing. It also somewhat blocks the crosswalk, making it less safe. If we allow it to remain, it sets a precedent and other businesses may put up similar signs. Johnson Works has talked to the business owner and will continue to do so. He feels if that has no results we need to tell the business owner the sign needs to be moved to her own property. He

suggests letting Johnson Works work with the business owner for another week or so before taking action. Walter read the section in the village bylaws that prohibits obstructions on sidewalks. There was general agreement that if the sign violates the village bylaws it should not be allowed to remain and set a precedent.

Walter said another issue he is concerned about is people setting out items by the curb as free giveaways and then leaving them there for weeks if they are not taken. We have the authority to tell people items cannot be between the sidewalk and curb but must be moved into their yard. He doesn't want us to get into the garbage pickup business. There are no fines or penalties for leaving items between the sidewalk and curb. Sandy said one issue is the question of who is authorized to take the items away. Someone could claim their property was taken. All we can really do is tell people to move the items into their front yard. He doesn't want Troy hauling garbage. Walter asked if he can contact Sandy and Troy and ask them to push people to move items when these issues arise. No one objected to that idea.

David said if our bylaws prohibit a sign like the one Walter mentioned it is hard for us to allow it. We have to enforce the rules. But he doesn't know who is going to enforce them and tell them to move the sign. We don't have a code enforcement officer. Walter said we could do what the state does and just take the sign. David said the state sends a letter before doing that. Walter said he thinks we should make a phone call, then send a letter. David asked who will do it. Walter suggested Sandy could contact the business owner and maybe Troy could pick up the sign.

Scott asked is if there is any way to help get traffic down the road to the business. Walter said having some kind of community pole for businesses is something that has been thought about.

Troy said he spoke to Sandy about the Outlook calendar policy. The computer at the warehouse is a dinosaur. A new computer would be needed in order to use an Outlook calendar. Sandy said the policy says use of Outlook calendars is based on the ability of the equipment to do it. The employees would not be penalized if they couldn't do it because of the equipment available. (*Troy left at 7:48.*)

9. *Manager's Report and Action Items*

Sandy recommends approval of change orders #5-8 for the School St./College Hill project. Change order 8 has no cost. It is for winter shut down. Change order 5 is a hydrant. Change order 6 is a change in pavement thickness and results in a credit to the town. Change order 7 has to do with light poles. We are disputing change orders 3 and 4 so he does not recommend approving them. The contractor is disputing the points Lea made in her letter disputing the change orders. We will continue wrestling with that.

Walter moved to approve change orders 5, 6, 7, and 8 and to authorize Sandy to sign them, David seconded, and the motion was passed.

As required by law, the Vermont River Conservancy notified us that the Vermont Housing and Conservation Board and the VRC have acquired the conservation interest in the Beard Lot which was acquired by the Town of Johnson.

Sandy discussed the Loeffler project with Brian Monaghan, who suggested a way to handle it that would not require a special assessment district. The village could finance the project with a loan to

itself from the revolving loan fund. For those who choose to connect, there will be a large connection fee. We could loan them money and take out a mortgage on their property.

Scott asked if we can specify that property owners must connect if their septic system fails. If someone's system fails will the state force them to connect to our system or will they be able to dig another septic system? Sandy said he thinks the state probably will require connecting to our system but that is up to the state, not us.

Sandy said this model would address concern about forcing people to pay to connect. We could take over the project from Loeffler and he would pay a connection fee that we would establish to cover our costs.

Scott asked when we would get our money back. Sandy said it would take years, maybe a decade. But there is probably no other way to get this done. Loeffler said he spoke to all his neighbors and they said they were on board, but Sandy hasn't heard from any of them. He asked for a list of interested neighbors but hasn't gotten it.

Scott said how we bill for the connection charge. Rosemary said the people who would connect are all on village water. Sandy said we would have to come up with a cost and probably loan them money and take out a mortgage on their property. The cost for a customer to connect to our system would be about the same as putting in a new septic system.

David asked the cost of the project. Sandy said Loeffler had given a figure of \$60-80K, but that included some other things, like his driveway.

Walter asked how soon Loeffler wants to do this. Sandy said as soon as he can. Walter said the industrial park is starting to move forward again. The town is looking for financing. That is our source of funds ultimately. Sandy said he thinks that is part of the reason we would want to take on this project. The USDA and other sources provide grant money for things like industrial parks. We could charge the town to connect. Walter suggested it would be good if the project could possibly be put off a bit. Sandy said he thinks if the trustees like the idea of taking it over we would work on it over the winter and try to get a bid out fairly early in the spring. Walter said he thinks a lot of the homeowners will be afraid of the cost and won't connect and we won't get our money back except from the industrial park. Sandy said we would be advancing the industrial park project by doing this. We would be borrowing money from a very low interest source. It is an investment to encourage development. Scott said it increases the value of the properties if they connect to our sewer system. Sandy agreed. He said the property value would increase considerably.

Sandy asked if the trustees want him to spend time on this. Gordy asked if the lawyer will be involved more. Sandy said he wants to talk to Loeffler and his engineer and find out where they are and if they want us to take over the project. We might want to send the engineering work to an engineer we use. Gordy said he thinks Sandy should proceed, keeping track of the cost. He wants to make sure we don't have the problems we had with the School St. project. Walter suggested that before we spend too much time and effort we first have contact with some of the landowners and find out what their interest is and let them know what the cost would be. Sandy said he thinks we should assume they won't connect initially. We shouldn't count on them. He would recommend

that the board not have him spend time and money talking to them. It was agreed that Sandy will proceed cautiously and report back next month.

Sandy said we received the grant from the state for an EV charging station. When we submitted the grant we asked for more money than we thought we would probably need - \$16K. Our share of that is \$4K. There are other alternatives than the vendor we based the figure on and many are less expensive. The trustees had asked if there was any source of matching funds. Lea found one that would contribute \$1,575 toward our match.

We got the grant agreement today and Sandy went through it. One concern we had was that he had been told the state would require us to put up signs limiting parking to EV charging cars only. But there is no such requirement, so we would not be losing parking spaces by putting in a charging station. We could put up a sign asking people please to park elsewhere but we aren't required to make them move. His sense is that people will park elsewhere if there are other spots.

Sandy said Lea and Troy have identified other manufacturers that would be a lot less expensive. The maximum we would have to pay for our match, based on a total cost of \$16K, would be \$2,478. The initial expense may be half to 2/3 the \$16K figure. Walter asked, if we do the whole project for \$6K then can we make a profit? Sandy said he thinks the likely cost will be \$10-12K, so our cost may be less than \$1500. It would come from the electric department and some of the cost would be recouped by charging people who use the station. If we don't accept the grant we could always apply next year but the \$1575 may not be available then. The \$1575 comes with a string – the project must be finished by April 15, 2016.

Bob asked about yearly updates to the equipment. Sandy said the equipment he put into the grant application would have about a \$500 annual software update charge. He doesn't know if any of the other systems have a similar charge.

Bob said he is hearing that with gas prices down electric cars aren't moving that well. Sandy said electric vehicles are selling and there will be more of them eventually. His opinion is that we are never going to get a better deal than this.

Scott said it provides the potential for a little economic boost in Johnson and he thinks we should be engaged in efforts to reduce carbon. David asked, is this the best use of the taxpayers' and ratepayers' money? Scott said he thinks if Johnson shows up on someone's phone app as a place to charge a vehicle, then the answer is yes. Walter said he looks at this as an economic development tool. Hopefully we will break even. It presents the right image for Johnson. It sends the right message about where Johnson's electric utility will have to go and says we are trying to attract the businesses of the future. It shows we are modern. And people using the charging station will have to park here for 2 hours and will go shopping.

Sandy mentioned that Tesla cars can't connect to this type of charging station. He was just at Healthy Living in Burlington. They put in some charging stations and just added some for Teslas. There were 2 Teslas there when he was there, spending money. Walter said people driving electric cars have more disposable income. A popular tourist trip is the loop over the notch. Sandy said if we have a charging station they may stop. If not, they will go to the next town that has one.

Gordy said he talked to 2 merchants on Main St. One thought putting in a charging station would be okay. The other felt it would not be a good way to spend money. With the rot on the building he thinks we should put money into the existing infrastructure. April 15 is a hard deadline to meet. There could be a lot of snow then. Who will gain from this? There might be a few dollars spent by someone coming in, but most people in the town won't gain from it.

Walter said hopefully they will gain if more money comes into the town. Everyone else is moving forward with EV stations. The state's goal is 90% renewable energy, which includes transportation. He thinks this is a way of moving forward and sending the right message. He thinks we will break even and if not we will spend only a small amount and hopefully make it up in increased business.

Gordy asked who pays for it if a town or village truck backs into it. Sandy said our insurance.

David said he doesn't think an electric charging station is one of our priorities. It is not something that was planned for in the budget and not something he has ever heard anyone talking about being in need of. It was brought up to us as an opportunity for a grant. He agrees there are some solid points in favor of it. We may have to consider it in the future, but is it the best place for the ratepayers' and taxpayers' money? He doesn't think so. He thinks the best place is sidewalks. Walter said the charging station and sidewalks are paid for from different pots of money. David said the cost still comes out of taxpayers' and ratepayers' pockets. We have thousands of dollars worth of sidewalks that need to be repaired or replaced. That is a priority to him. He wants to fix the things we have. His thought is to say no to this grant because it's not a priority. Just because there is a grant opportunity doesn't mean it make sense to pursue it.

Gordy asked, what about the Maplefields project? Wouldn't that be a perfect spot for a charging station? Sandy said for this grant it has to be on village property. Gordy asked, why not put this on the private sector? Let someone else put it in.

Scott said he thinks putting in a charging station is a great idea. People with electric cars probably have a little more income and we would have them for a few hours. Hopefully they will buy things and tell their friends about Johnson. We were talking about replacing the Welcome to Johnson sign at a cost. Why bother? This is sort of the same argument. What does a taxpayer get back from the sign? Gordy said we have had no one request a charging station. Walter said part of our job is to anticipate the future. David said an EV station will serve maybe 5% of the population but the sign serves 100%. In his opinion this is not the best use of ratepayers' and taxpayers' money.

Walter said we have expenses we know are coming. The best way we can minimize the effect to ratepayers and taxpayers is to grow the tax base. Anything we can do that has that effect is helpful.

Walter moved to authorize Lea and Sandy to submit the Vermont Clean Cities Coalition Workplace Charging Incentive Request form for the \$1,575 incentive and to accept the EV Charging Station Grant, seconded by Scott. The motion failed, with Walter and Scott in favor and Bob, David, and Gordy opposed.

Sandy said VPPSA reviewed the VEPP PURPA Sales Agreement and indicated that any concerns regarding contracts, rates or project would be addressed in other proceedings and recommended municipalities sign the agreement. Sandy had already done so, as previously reported.

A draft RFP/Q is not ready for the solar project. Sandy distributed Lea's summary of the two different models that are being considered – community solar or net metering. The town is interested in the third party ownership model, which Lea says is synonymous with group net metering. The trustees need to decide if they are interested in the same thing and in working with the town.

Gordy asked, are we talking just town and village buildings? Sandy said we talked about throwing open all town and village and joint properties. Group net metering would probably attract more interest than community solar. We could still look at community solar just for village property. Walter said net metering will be a win for all of us. We will get paid 19-20 cents per kilowatt-hour by everyone outside of Johnson. It is a way of shifting some money into Johnson.

Gordy asked about investment credits. Sandy said they are really only available to the private sector. They would be used by the companies doing this. That is why we want to bring in third parties.

Scott said it would have been nice to sit down with the selectboard and discuss this at joint meeting. Sandy agreed it probably would have been good to put this on the joint meeting agenda.

The board agreed to move forward with an RFP/Q for net metering projects.

Copies of the Abridged October Power Bill Summary were available for trustees to review.

The Monthly Water System Operation Report for November was signed and filed.

The Vermont Studio Center was asking for a subordination agreement on a loan we gave them, but they have indicated they are going to pay off this loan so the agreement is no longer being requested.

The LCPC adopted the 2015 Lamoille County Regional Plan on November 24, 2015.

The Honda Civic was sold to the high bidder on November 13, 2015 for \$2,109.

Gordy would like all the trustees to come up with their list of project priorities for 2016 to be discussed at the January meeting.

10. VPPSA Update

Walter said all the independent producer utilities other than GMP need to find new independent directors for VELCO. The positions are up for election. Anyone who knows anyone who might be interested should let Walter know. They can't be associated with an electric department.

VPPSA passed their budget. The 3.35% increase will cost us about \$2500.

VPPSA is moving forward with their own solar project. They will be the developer. They are going to be asking if we want to participate in terms of a power purchase. If every member does not subscribe we will have the opportunity to buy extra. It is a 25-year commitment. VPPSA has said they would not recommend this project based on the price per kilowatt-hour. But VPPSA has to

start meeting the new requirements. The new reality is that we will be buying power that is more expensive than the power we have now and it will be that way for a while. If every utility in VPPSA doesn't go forward we will be penalized as a group. The voters will have to approve this. Probably we would have to have a special meeting. We need to recognize that we will be forced to buy power that increases our ratepayers' costs because of what the legislature has done. If we don't buy this power we will be penalized.

Scott asked if there is any potential for this to be amended in law with a new governor. Walter said he thinks not. Sandy said anything is possible but the new governor would have to convince the legislature to change a law they already spent time debating and passed, which seems unlikely. He doesn't see any governor taking this issue on, at least not in the first term and probably not ever. Bob and Gordy agreed. Walter said he doesn't think we will have a major change in the legislature.

Walter said the state has set mandates by utility and all VPPSA utilities are treated as one. We don't have to participate but if VPPSA doesn't meet the requirements as a whole they will have to pay a fine. If others participated and Johnson didn't the board would be likely to say that Johnson should pay.

11. *Manager's Report and Action Items (continued)*

Sandy handed out a draft Outlook calendar policy. Walter suggested that board members read it at home and be prepared to act on it in January. Sandy said he can send the draft policy to Duncan and he can share it with the selectboard. Rosemary said the selectboard doesn't see a need for this policy.

Sandy said he cannot be here on February 8. It was agreed to meet on February 1 instead.

Sandy gave an update on the personnel policy review committee's work. He gave the board a copy of the memo he gave the committee. There has been concern about payouts when employees retire but his analysis shows that even dramatically reducing payout numbers won't save enough money to pay for short-term disability. Shortening the waiting period for long-term disability from 180 days to 90 days is so inexpensive it is almost a no-brainer. That would reduce the need to have so many bucket of accrued leave to allow employees to get to the time when long-term disability goes into effect. So we could potentially reduce the amount of time in those buckets, reducing the payout. The buckets were designed to help people get to long-term disability. The committee pretty much unanimously decided we should not go with short-term disability but should change the waiting period for long term disability and simplify the buckets. Maybe we could get rid of catastrophic leave altogether. The committee asked the employees to consider how much time they really need in those buckets to get to the 90 days. Employees don't want to change anything. They want a little more than they have now. Some committee members think that is an unrealistic position. If we get rid of catastrophic leave then we can ask how much is needed in sick leave reserve to get to long-term disability. We can cap the sick leave payout at whatever number we choose even if we allow more time in the bucket. Now we have a CTO bucket with 100% payout, a sick leave bucket with payout of 25% of the 480 hour maximum and a catastrophic bucket that is unlimited but has no payout. There is also a bucket employees have contributed to that people can use if they have no time in their own buckets. The catastrophic bucket in all likelihood can go. Sick leave needs to be tweaked. Is this a sensible direction? How do trustees feel about payouts from CTO and sick leave reserve? Do they need to be modified? An idea out there for discussion is creating a tier system. Trustees have said they don't want to hurt existing employees. But new hires

could come in under a different set of rules. That is a pretty common practice. He wants a sense of how the trustees feel.

Gordy said one or two selectboard members voiced the concern that they don't want the committee to spend a lot of time and not get approval on its recommendations from the trustees.

Walter said if we say we are going to reduce payouts on sick leave that will encourage people to use their time. Some senior employees have a lot of time – around a quarter of a year. He thinks for the new tier we need to decrease the hours they accumulate. David said this policy would not survive in the private sector. It wouldn't work. You can't operate your business with a senior person taking 11 weeks off. Walter said he thinks a second tier is a good idea. Sandy said an employee might be able to take off 11 weeks once if they had that much built up, but they couldn't do that each year. Walter said they get almost 2 and a half to 3 months a year. He thinks the number needs to be brought down. We can't afford it and people just can't seem to use up the hours. That's why banks get so big. But we can't afford to send them away for a quarter of the year. If all the employees took all the time they are entitled to we would have to hire 2 or 3 more employees. Rosemary said a new employee gets 1 week of vacation. Walter said it then rapidly grows up to 4 week of vacation plus sick leave. Sandy said an employee who is accumulating 5 hours of leave per week earns a week every 2 months, which is a month and a half a year. That is vacation and sick leave, not including holiday and personal days and the 2 floating holidays. It is 296 hours a year for a 40-week employee who has been here over 10 years. Walter said he thinks 6 weeks is too much but it is not as bad as he was thinking.

Sandy said existing employees are concerned about having the existing system changed for them in terms of CTO payout and sick leave reserve. Scott said the general consensus on the committee was that people didn't want to impact the current employees as they were hired on under the current arrangement and agreed to it. Walter said we wouldn't be the first employer to do a unilateral change.

Walter said this doesn't solve the big payout issue. Sandy said if you look at the annualized cost over 12 years, what may make sense is one or the other of these: (1) budgeting for some or all of the annualized payout and (2) if there is a payout over a certain amount paying it out over several years. If we pay for short-term disability the money is gone. Instead we can budget some money to be in our bank account in some kind of reserve and then we still have it.

Sandy said another thing to consider is that we are not completely out of whack compared to other municipalities. Some have bigger payouts, some have smaller. In the public sector, we get compared to other municipalities. Ability to pay is not a factor in a unionized environment. A union would compare us to other municipalities and it would be hard to change things.

Scott said Duncan put together a spreadsheet of benefits in towns in Vermont. David said he doesn't want to compare us to other towns. Scott said you can't, because we're not on the spreadsheet. That is an issue he brought up but Duncan said it would be too difficult to include show Johnson on the spreadsheet.

Gordy said the selectboard is more liberal than the trustees. We have to get a majority on both boards. Walter said he thinks we will have 2 policies and the one for new employees will have to be a lot stricter.

Sandy said he is hearing interest in tiering and some interest in setting aside money.

David said he thinks tiering is a good start and we should immediately start setting aside money.

Walter said he would push for “use it or lose it.” Gordy and David agreed. Sandy asked, for new employees or existing employees? Walter said all. Scott said it is hard to do it with sick and vacation time all in one bucket. He doesn’t think sick leave should be “use it or lose it.” He also doesn’t think we should pay out for it. He thinks people should be able to accumulate sick time. Walter said sick time is basically CTO that isn’t used. Sandy said CTO includes vacation, sick, and personal time and floating holidays. There is a maximum that can be carried over. If there is more than that it goes into the sick leave bank.

Gordy said employees want to be able to use sick leave out of their reserve for appointments, etc. when they still have CTO. Sandy said there is a wording problem in the policy. It says employees may use sick leave reserve time for that, but it hasn’t been interpreted that way. Duncan admitted he didn’t realize the wording allowing it was there. It has to be cleaned up.

Scott said it is hard to figure out how to do “use it or lose it” if all the time is in one bucket. Rosemary suggested there could be a smaller cap on CTO and then it would roll into the sick leave bucket earlier. Sandy said that addresses one of the big concerns the trustees have, which is the big payout. If we reduce the maximum amount in the CTO bank and it cascades into the sick bank then we save 75% of that cost on payout, because the sick leave payout is 25%.

David asked why we are offering long-term disability. Does the average person have long term disability? Gordy said most utilities do. Sandy said a lot also have short-term disability. Gordy said it is inexpensive to offer. David said he doesn’t have long-term or short-term disability. He thinks a lot of people look at these benefits and think that they don’t have them.

Gordy said if we don’t have the catastrophic leave bank and employees can still accumulate enough leave to get to 90 days and we have less payout, that seems good.

Sandy asked if the trustees think a multi-year payout is okay. They said yes.

David asked how we are going to adjust compensation for new employees so we don’t have these huge payouts. Sandy said maybe we could say there is no payout on sick leave. He thinks all that is legally required is payout on accrued vacation. Scott said we can cap the numbers. Where he works if he doesn’t use his vacation he won’t get more. Sandy said because vacation and sick leave are combined we would have to do some kind of extrapolation to say if you have this number of CTO hours this is the maximum we will pay for. He would not advise to separate out the buckets. Employees feel this is a very good thing they signed up for. One thing to consider is that if we push too hard we could wind up with a unionized environment and then more time and money would be spent on negotiation. He doesn’t think it will work to the village’s benefit to scrap everything and

start over, especially given the existing employees who have been working here in good faith. There are advantages to not having a unionized environment.

Scott asked if the trustees are comfortable with where the committee is going. Gordy asked are people comfortable with at least changing the long-term disability waiting period from 180 to 90 degrees and no short-term disability? Walter said he is good with those things. Gordy asked about the payouts. Walter said his best advice is to negotiate the best deal downward that is possible with the selectboard.

Sandy asked about Rosemary's idea to have a smaller cap for CTO. Would that be for existing employees or only new ones? Rosemary said she is thinking it would apply to anyone who got below whatever cap we set. Bob said he likes Rosemary's idea.

Walter said he is thinking if we give people 6 weeks' vacation, how are we going to run our business? Sandy said in many cases they are not using the time. Walter said he thinks it is important for mental health to take time off. There is also a benefit to the employer from having people in financial positions go on vacation. That is one of the best tools for finding fraud. Sandy said fraud is almost never found in audits.

Sandy said employees want another level of vacation accrual after 20 years.

Walter moved to go into executive session to discuss potential litigation, personnel, and contracts, premature disclosure of which would put the village at a substantial disadvantage. The motion was seconded and passed and the board entered executive session at 9:37. Walter moved to exit executive session at 10:32, seconded by David and the motion was passed.

David moved to direct the interim village manager to draft a policy for posting village job positions. Walter seconded and the motion was passed.

David moved, with Walter seconding, to designate the Village Manager as supervisor of the Community Economic Development Coordinator for matters pertaining to Village issues and the motion was passed.

David moved that the Village Manager be authorized to contact the firm of Monaghan Safar and Ducham, attorneys at law, on an as-needed basis. Walter seconded and the motion was passed.

The trustees agreed to schedule a special meeting(s) on January 4 or 18 to potentially interview one or more candidates for the part-time village manager position and authorized Sandy Miller to contact certain individuals to schedule such interviews, which may be held in person or via Skype and would occur in executive session.

12. Adjourn

Walter moved and Gordy seconded to adjourn at 10:37 and the motion was passed.

Minutes submitted by Donna Griffiths