

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, FEBRUARY 24, 2020

Present:

Trustees: Scott Meyer, Brian Raulinaitis, Gordon Smith, Bob Sweetser, Phil Wilson

Others: Meredith Dolan, Rosemary Audibert, Troy Dolan, Dan Copp, Brian Monaghan

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Gordy called the meeting to order at 6:05.

2. Proposed Changes/Additions to the Agenda

It was agreed to add discussion of the merger study and of a request Arjay received from Eric Osgood.

3. Executive Session for Discussion of a Labor Relations Agreement Pursuant to 1 V.S.A. § 313(1)(b)

Scott moved to find the premature public disclosure of a discussion related to a labor relations agreement would place the Village at a substantial disadvantage, Bob seconded and the motion was passed.

Bob moved to go into executive session with the Trustees, the Village attorney Brian Monaghan, and Meredith present. Scott seconded, the motion was passed and the board entered executive session at 6:10. Meredith exited the executive session at 6:30. The board came out of executive session at 7:55 and Brian Monaghan left the meeting.

4. Approve 2020 Annual Village Meeting Warning

Meredith reviewed a draft warning for the annual village meeting. Gordy asked, because we will be in union negotiations, does that affect the compensation article – *Will the Village vote to set the rate of compensation of its Officers and Employees? If not, to authorize its Trustees to set such salaries and wages.* The voters can't set the rate of compensation if it must be negotiated with the union. Meredith said she can ask our attorney how to handle that at the meeting. Usually people do authorize the trustees. Rosemary suggested changing it to *Will the Village vote to authorize its Trustees to set the rate of compensation of its Officers and Employees?* The board agreed to that.

Article 6 relates to what GMP is proposing to do. Meredith got language from our attorney. He said the dollar figure didn't need to be in the article. But Meredith expects people will want to know. The attorney had suggested a footnote saying that people can come to the office to get information on costs. We will include cost information in the mailing to voters. The cost is about \$31K for our portion of the work, which is work that would have been done anyway a few years later. They agreed to let us pay it over 5 years interest-free. Meredith said she thinks GMP may be willing to have someone come to the meeting. Board members thought that would be a good idea. Meredith said she will ask them.

Scott suggested maybe there should be an article to discuss the merger report. Meredith said she thinks we should be thoughtful about how we discuss the merger and not rush to put something on the warning. Scott said he is worried that if the town has discussion about it at town meeting and the village waits for a year it could make the village look slow. Phil said he thought the idea was to

have a townwide special meeting once we had the corrected merger study report. Meredith said it doesn't have to wait for a year. Gordy said he thinks we need to let the voters know where we are, that there is a flawed report and corrections are being made to it. Meredith said assuming the report has been corrected she can reference it in the next village newsletter. If it is not ready for the March newsletter she can talk about it in the mailing we send out. She thinks even if it is corrected it won't make all the points we want to make.

Scott asked if discussion of the merger study can be an article. Phil suggested a voter or the trustees could bring it up under Article 7. Meredith said her goal is for us all to be clear about what message the board wants to put forward. We need to do it very thoughtfully.

Phil said at this point we just want to make people aware of the report. After that we would come up with a proposal on how to present information to the public. Gordy said both boards will meet and discuss it.

Scott said he has never seen an article with the wording "to discuss." Rosemary said "to review" would be the wording we would use. Phil said we want time to have a more comprehensive conversation but we can get the word out about it. Gordy agreed that discussion will happen at the proper time in the future. Meredith said we can get the word out that the report is ready. It doesn't have to be in the warning. We could put information about it in the annual report if we wanted. She will mention it in her report and she also will want to give additional information the report doesn't talk about. Gordy said he doesn't think the consultant's report will be done in time for the annual report. Rosemary said we would need it in 3 weeks.

Scott said he would like an article about it. Meredith asked, what is the goal – just to make people aware or to go through the report and its findings? She thinks it is not appropriate to have an article on the warning if we just want people to know the report exists. Scott suggested Gordy could say at the beginning of the meeting that we will talk about the merger under Article 7. Meredith asked, what are we presenting? Board members said what we know so far. Gordy said he and Meredith can discuss the night before what information we have at that point. The board agreed on that.

Phil moved to approve the warning for the 2020 annual village meeting as amended, Scott seconded and the motion was passed.

5. *Review Draft 2020 Water Department and Wastewater Department Budgets*

Meredith reviewed revenues in the draft wastewater budget. For 2019 the amount budgeted for sewer assessment revenue was \$483K and we actually got \$494,147. But that includes the time when NVU had leaks, so she budgeted \$492K for 2020. The budget includes \$35K from the fund balance for the cupola work. It assumes we get a \$20K loan from the state to do an asset management plan for the collection system, so the \$20K is shown as revenue and as expense.

Meredith reviewed expenses in the draft wastewater budget. Last year we budgeted \$37K more for salaries than we paid so she budgeted less for 2020. Under office expense for both water and sewer she added rent paid to the general department. In the merger study report Kent pointed out that the electric department pays rent and water and sewer don't. She added an expense of \$3750 for rent. That is an extra expense in the wastewater budget but will bring extra revenue to the general department. She did not decrease what the electric department pays for rent.

Rosemary asked if Meredith had included anything for NEMRC. Meredith said most of that expense is in the electric and general department budgets but she can add some to this budget.

Meredith said we were about \$4K over budget for electricity costs this year so she increased that to \$60K. She asked Dan if he has any idea why that was over budget. Dan said because of a problem there is one air blower that is running about 8 to 10 hours a day instead of 4 to 5 hours a day. The question of whether to put in new DO sensors will be on the next agenda. There will be immediate savings if we do. He guesses that cost will be \$5000-\$7500. Meredith said she will add \$7500 for DO sensors to the budget draft.

The \$20K budgeted to complete an asset management plan for the collection system is in there in case the state asks us to complete one. We are anticipating that but it is not a sure thing. Meredith increased outside testing by \$2500 for a wet test we have to do this year. The wastewater department budget includes 90% of the UP contract cost, plus \$2K in case of overtime.

Dan said the price of alum has increased but he is looking into the possibility of combining orders for Johnson and Morrisville to get a better bulk price.

Meredith said actual pumping station expense was \$13K in 2018 and \$658 in 2019. She budgeted \$2500 for 2020. Dan said he thinks that is a good number. Actual 2019 expense for parts and supplies was \$4757. We had budgeted \$3K. Meredith budgeted \$3500 for 2020. Dan said he would go to \$4K. Meredith changed it to \$4K. Outside repairs and parts were over budget – \$13,684 actual vs. \$5K budgeted – so Meredith budgeted \$11,341. That includes \$3,341 for generator rental.

This draft wastewater budget has a deficit of \$16,748. Meredith said she thinks she and Dan will be able to make some adjustments and get it close to balancing.

Phil asked about the amount of cash on hand. Meredith said last year we planned to pay for the cupola out of the reserve fund and we didn't. We have about \$74K in cash and \$88,401 in the capital equipment fund. Rosemary said we took \$65K out of the capital equipment fund this year, which would leave about \$20K. Rosemary said we didn't need to take out the full \$65K because of other revenues and things that came in under budget. So we have more than \$20K.

Phil asked, this budget doesn't address any wish list items for the wastewater plant? Meredith and Dan said it includes some small ones. Dan said there are a lot of loans we can get with low interest or even negative interest for larger expenditures. He has a feeling we could pay for the belt press out of the reserves.

Scott asked when the last time was that we had a rate increase. Gordy said in 2016. Rates went up 2%.

Meredith reviewed revenues in the draft water budget. Revenues in 2019 were much higher than budgeted, primarily due to the NVU leaks. Meredith adjusted for that when budgeting for next year. We sold quite a bit of water to VTrans this fall and she hopes we will again. We got \$3,577 from those sales this year and she budgeted for \$2500 next year. We have \$6,628 left in loan funds for the asset management plan.

Meredith reviewed expenditures in the water budget draft. She added rent to the general department as in the wastewater budget - \$3750. Electricity was way under budget in 2019. Dan said both hot water heaters at the water plant aren't working. That might be part of it. Meredith decreased the amount budgeted for electricity for 2020 to make it more in line with actuals. She included \$6,628 for the asset management plan. That is the amount we have left to spend but we may not spend it all. She added \$900 for PFA testing and \$200 for additional sampling. In 2019 we spent a lot less than previous years for distribution system maintenance. The actual amount spent was \$666. She budgeted \$6K for 2020. Capital expenditures include the water department's share of the furnace for the garage, a share of the cost of new computers and a new firewall, and a chlorine pump. Our top priority in the asset management plan was a well pump VFD so she put in \$15K for that.

The bottom line for the water budget is a deficit of \$202. She will look at it a little more and make adjustments. The electric department may be where we have the hardest time closing the gap between expenditures and revenue. The electric department deficit in the draft budget is now \$95K.

Gordy suggested we might want to put electric department cash on hand that remains after bills are paid into a fund so it looks more realistic, not like the money is just there to be taken. Meredith said at the end of 2019 we did not have a surplus. Phil said we were in deficit last year and we have a bigger deficit this year. Meredith said cash on hand isn't currently growing, although in previous years it often has.

Phil asked, for the next meeting can we get balance projections for the end of 2019 for the electric department and see how far off we actually were at the end? Meredith said we had a balanced budget for 2019 because we put in money from the fund balance to balance it. She thinks for the next meeting she and Rosemary could figure out how we ended 2019. Gordy said that could tell us whether a rate increase is looming. Rosemary said we haven't had one for 10 years. Brian asked how much the last rate increase was. Meredith said she would have to look it up. Rosemary said she doesn't think it was huge. *(Dan left at 8:57.)*

6. Merger Study Discussion

Scott asked what happened with some being excluded when the merger study report went out. When did it arrive in the town offices and how? Meredith said probably two weeks ago she and Brian Story both got a draft. Both offered comments and Kent agreed to make some changes. There were changes she wanted that he didn't make. Last Tuesday or Thursday she and Brian agreed they were both good with the changes and they told Ken to move forward. It didn't cross her mind that the report would go to anyone else other than the two boards. Kent sent an email saying he would replace the incorrect tax information but that change didn't get into this version. Brian sent him an email letting him know that errors were found and there will be changes. They want to send him one batch of changes. Nobody ever said anything to Meredith about this being distributed past the boards to the media or the general public. She was not told that it was getting printed and mailed with a deadline.

Scott asked if the selectboard got notified before the report went to the news. Meredith said Brian sent it to a number of people last week, including the Planning Commission and the News & Citizen and probably those who were interviewed by Kent.

Scott said it did not come to the trustee email box except from Meredith. It concerns him that Meredith was left out. We are paying our share. It is upsetting that we are not working together. He thinks it is unfair to Meredith the way things fell apart. As a taxpayer in the town he plans on making noise about it. Gordy said it is not the first time the trustee board or Meredith has been left out of the communication loop. Scott said when the study was paid for by both groups he feels the way this was handled as far as getting the word out was totally unacceptable.

Bob asked if there is any way to find out who gave the go-ahead to send the report out. Meredith said she doesn't know. The trustees had a joint meeting with the selectboard after the public hearing and then she and the trustees left. She read the minutes of the selectboard meeting after that. They talked about whether they should print the report. She didn't see a motion saying they would pay for printing and mailing the report to every resident in Johnson. She doesn't know when that decision was made.

Brian R. said you would think people would look at it before sending it to be printed. Phil said Brian S. said they got it Friday and the deadline to print it was Friday. Meredith said some time before that a decision had been made to print it and send it out and she wasn't involved.

Gordy said he and Meredith expressed their opinions at the special meeting yesterday. He thanked Mike Dunham for calling for the special meeting.

Troy said he doesn't know why anyone would want to push out a flawed report known to be inaccurate using tax dollars. He doesn't know why someone would make that decision. The person who made that decision shouldn't be in charge. Bob agreed that person should not be in charge anymore.

Meredith said she went through the report with Walter Pomroy. She and Brian had already sent a revised version of the tax information to Kent because they knew what he had was inaccurate but that never made it into his final version. On the page showing costs of services Walter had quite a few corrections. He made some good points about how to reorganize the information about the village's services and make it clearer. She will tell Kent she feels he needs to say what the source of his figures is. Walter wanted to add a total row for what is under village and town oversight. He had edits on the town side also.

Gordy said the point made yesterday is that we are changing some numbers but not the outcome of the report. Meredith said Kent replied that he is open to making factual corrections but not to inserting other people's opinions over his own conclusions.

Meredith said Walter took issue with the statement in the report that both electric and water/wastewater have state oversight. Only the electric department does. The others just have state regulations. It is not the same level of oversight. Walter thinks the cost for maintaining sidewalks and storm drains is closer to \$140K than \$130K. It fluctuates from year to year. Meredith told him she would go back and look at it. There is a statement in the report about potentially needing fewer members of the electric department and losing staff if there is a change in how sidewalks are maintained. It says that staffing for the electric department would have to be reduced to realize these savings. Walter took issue with that. It could alarm staff. Maybe it could be changed to something like, "The way departments are staffed would need to be re-examined." Meredith is not

convinced we would need to lose staff. They could do other work, such as work for other utilities. Under Disposition of Assets where Kent references percentages of the population, etc., Walter doesn't agree with any of those figures. He thinks those figures should be gotten rid of and the report should just say it's a complicated issue.

Scott said on p. 3 the report says that the electric utility includes all village residents and many town residents. Is "many" correct? Rosemary said there are not many. Phil said the utility serves the area extending one mile outside the village. Phil noted a place where "Lamoille" is spelled wrong. Scott pointed out a sentence he thinks is too long and confusing on p. 9. Phil said the header of one section talks about elimination of the village, while the report discussed morphing, not elimination. Meredith said where the figure is given for compensation of selectboard members and trustees, it should say "in total." Phil said compared to the millions of dollars in the budget that figure is not important, so why reference it at all? Meredith said she was willing to accept the statement in the report that "some portion" of the PILOT payment to the village is at risk. She thinks it is probably a large portion, but we don't know. The statement in the report is accurate.

Scott asked, if there is unwillingness by CGR to incorporate our corrections, can we put out a supplement to the report? Meredith said she thinks we should anyway. Gordy said he and Meredith have talked about that. To be fair to the town, he wants to make sure we provide them with what our paperwork is going to look like before it goes out. Meredith said she already knows there are things she wanted Kent to clarify in this report that he would not do. The information presented about the amount spent on sidewalks is misleading. The public needs to understand that we are not paying 5 times as much as we need to.

Scott said the minutes of the emergency meeting will reflect that a lot of people are unhappy with the quality and accuracy of this report. If we are going to unravel history over a flawed or misleading report that would be troubling.

Gordy asked Donna if it would be difficult to send all selectboard and trustee board minutes to both boards. Donna said she can easily do that. Gordy said he thinks it would be a good idea.

7. Request from Eric Osgood

Meredith said Arjay contacted her and Gordy to let them know that Eric Osgood, as emergency director, contacted him about figuring out how to use the siren at the fire station more effectively. He is talking about coming up with a procedure about where people can go to get information if the siren goes off. Arjay wants the procedure thought out and brought before this board. Eric wanted something for town meeting, but it will probably need to take longer to develop. She will put it on the March agenda. Arjay called Gordy about this and Gordy suggested that he call Meredith. A procedure could have been discussed at town meeting without us knowing. That comes back to communication. Meredith should have been cc'd.

Scott said Eric was asking for emergency contact info so we are included in emergencies. There is a deadline on that.

Gordy asked the difference between this and the rapid response plan through LCPC. Scott said he thinks the state had some issues they wanted the town to clean up regarding how we deal with emergencies.

8. ***Other Business***

Bob asked who bought the electric speed limits signs that were recently put up. Rosemary said they are from the Lamoille County Sheriff's Department.

Scott said the last stats from the sheriff's department showed a huge increase in tickets vs. warnings.

9. ***Adjourn***

Bob moved to adjourn at 9:26, Scott seconded and the motion was passed.

Minutes submitted by Donna Griffiths

UNAPPROVED