

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES  
JOHNSON MUNICIPAL BUILDING  
MONDAY, FEBRUARY 25, 2019

**Present:**

Trustees: Gordon Smith, Walter Pomroy, Bob Sweetser (by phone), Phil Wilson

Others: Meredith Birkett, Rosemary Audibert

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

**1. Call to Order**

Gordy called the meeting to order at 6:00.

**2. Proposed Changes/Additions to the Agenda**

Gordy added discussion on the merger RFP. He added an item about reports for the annual report. He asked Rosemary when she needs them. She said by the end of next week. Gordy asked if Meredith can come up with water/sewer and electric rate comparisons. Gordy added discussion of the dedication for the annual report. He added another question for Rosemary - who has turned in petitions to run for the trustee board? Rosemary said only Brian Raulinaitis, Phil and Scott. Gordy added discussion about why the village's fiscal year is the way it is, rather than starting in July. It used to start in February. Rosemary said the Public Service Board said we had to change it. Walter said we changed it to end in December so we could line up with outside reporting agencies.

**3. Review Draft Village Meeting Warning**

Meredith said the school is reserved for the annual village meeting. She showed the board the draft warning. She said the attorney's strong recommendation about the inclusivity statement article was to make it non-binding. There isn't an article related to borrowing for a new truck for the general department because there is an exemption for vehicles used for highway maintenance and repair. We don't have to put it out for a public vote if we borrow for under 5 years. She feels the vehicle is used for highway maintenance, as we use it for removing snow. The board agreed.

**Walter moved to adopt the warning for the April 2, 2019 annual village meeting as written, with the date corrected, Phil seconded and the motion was passed.**

**4. Back-Up Emergency Public Information Officer & Emergency Exercise Update**

Meredith said Eric had suggested that if Brian Story, the public information officer, were out of town when there was an emergency perhaps Meredith could fill that role. She thinks it makes sense. There would be training she would attend with Brian for that role. Gordy agreed she would be a perfect fit. Phil asked who the back-up is currently. Meredith said there isn't one.

Meredith said Vermont Emergency Management is going to do a statewide exercise on October 23-25. Eric, Brian and Meredith agreed we would participate on the first day. We will set up an emergency operations center and be given a situation to respond to.

Meredith said she will let Eric know that she can be the back-up public information officer.

**5. Review of Draft 2019 Department Budgets**

The board reviewed budget drafts. Meredith said the general department has a small surplus of \$948. She added revenue for sale of the International truck and also assumed we wouldn't buy the new vehicle until October. She assumed payments for only 3 months of the year. She asked Troy to talk about the question of used vs. new. Troy said he has not had not time to do a lot of research. It

appears that it would cost about \$40-45K for a used rust-free vehicle with 50-70K miles. With municipal discounts we probably could get a new vehicle for around \$60K. Meredith said we will need to think about that, but she put \$60K into this budget. Walter asked if some of the sale revenue is in the electric department budget. Meredith said she put it all in general. Rosemary said all departments purchased the truck. Meredith said she will have to move some revenue to other departments.

This budget includes \$8800 for new Main Street holiday decorations. Gordy asked if Johnson Works was receptive to the idea of replacing them. Meredith said yes. There was a lot of interest in having something brighter that puts more light on Main Street. Phil suggested we could plan to purchase the decorations late in the year and scrap our plans if money became tight. Meredith asked if there might be any salvage value to the current decorations. Troy said he doesn't believe so. He doesn't know of any other communities that use the same kind. Gordy said we used to string lights across the street. Troy said doesn't think we still have those. Meredith said we can't do that because Main Street is a state highway.

Meredith said she will reduce general department revenue for sale of the truck. Gordy asked what a realistic split among departments would be for that truck. Troy said it is never used for sewer or water. It is used by the electric department for hauling chips. Meredith suggested 85% general department. Troy agreed that would be reasonable.

Bob asked if it is necessary to replace all the Christmas decorations at once. Meredith said she thinks we want them all to match. We would not be getting an exact replica of what we have. Bob said he was thinking we could use the older ones in some areas. If we buy new ones all at once we will have to do that again in the future. Troy said another thing we had talked about was not hanging as many. Meredith said Johnson Works hopes to have a village feel for an area extending further than just between Pearl Street and Railroad Street. She doesn't know that we could drastically reduce the number below 22 but maybe we could put them on every other pole rather than every pole. Phil said we could budget an amount that would let us level fund and if we had more money in the fall we could opt to buy more.

Walter asked what our surplus this year is. Rosemary said it is \$2400. Walter said this budget has \$8K more than the previous year for salaries of Troy and his staff. It also has \$5K more in Bobcat expenses. But it has nothing going into the sidewalk fund. Rosemary said we could take money out of the general capital equipment fund. Meredith said money from that fund could be used towards the Bobcat or the truck. Walter said if we take \$5K out of the dump truck sale revenue and use cash on hand and some from the capital equipment fund he thinks we can end up with a balanced budget. Meredith agreed we should probably pull some out of reserve. Walter said he doesn't have a problem taking money out of the sidewalk fund for the Bobcat because it is used for sidewalk maintenance. Meredith asked if she should add in the \$2400 surplus. Walter said yes.

Meredith reviewed the wastewater budget. She took money out of the reserve fund for the PLC and cupola projects. Previously meter reading costs were all under the water department, but she split it between the water and sewer departments because we use meter readings for sewer billing. If she pulled the full amount for the two big projects (\$95,500) out of the reserve fund there would be an \$8,646 surplus so she reduced the amount taken from the reserve fund by that much.

Walter said this year the cost for Utility Partners is 75% wastewater and it will be changing to 90% wastewater based on how Dan and his staff are spending their time. We have shifted \$35K from water to sewer. The water department is barely breaking even and sewer is now just going to break even. There is no money going into either department's reserves. Both departments have hit their maximum. Probably next year the board will need to discuss water and sewer rate increases. A big question is what to do with the college now in terms of sewer. They gave us money for the sewer plant years ago. But he feels any obligation we have to them to give them a good deal is done and it is time they started paying more. They have a set fee now. Meredith said her preference would be to do rate analysis in the fall so we have something in mind for the start of the calendar year and are not implementing an increase partway through the budget year. A reasonable percentage increase doesn't increase revenue by much. Maybe we should look at the college and the whole rate structure.

Meredith said the water department budget is basically balanced. It is \$97 to the good. The biggest change was moving \$4200 in meter reading expenses over to sewer. Nothing is coming out of the reserve fund to make the budget work

Meredith reviewed the electric department budget. Currently, not including the department's share of the truck sale, which she will add, there is a deficit of about \$14K. She is being pretty conservative in terms of sales, projecting a 3.5% decrease. Walter said we have money in the bank and can cover the loss. Meredith said she cut back overtime because no one had gotten close to the amount we had previously budgeted. She may add expense for consultant services because we may need engineering services to update our Integrated Resource Plan. There is a required transmission and distribution chapter and we may need engineering services to update it to the new state standards.

Meredith said VELCO has been looking at potential solutions to the SHEI constraint. One is to upgrade the B20. If that is done, the B22, which we own part of, becomes the constraint. She asked Ken Nolan at VPPSA if we need to be concerned that as a 15% owner we would bear 15% of the upgrade costs and he feels that is not a concern, that the costs would be socialized regionally.

Meredith said she hopes to get an answer this year about what we would need to do to tie back into the B20 and to get a sense of the cost to do it. Gordy said he is hoping we can have a system study done.

Meredith said we have had ongoing issues with the Lehouillier array that are still unresolved. It is still not clear why they aren't producing what they want. We got an application for a solar array on Gould Hill. Meredith worked with VPPSA to come up with a statement we filed as part of the company's CPG that we are happy to interconnect but we want them to know there is an unresolved issue and we cannot guarantee any level of generation.

Phil asked how the powerhouse costs fit in. Meredith said she hasn't put those costs into the budget at all. She will include discussion of that project in her report for the annual report saying that it is an expensive project that is not in the budget and that we will provide additional information once we know more about the costs. Rosemary said we have the money. Meredith said the voters don't approve the electric department budget.

Meredith said the water department budget includes \$13K for upgrading the communication system. Dan is trying to see if he can get that number down, but she included the whole amount.

**6. Merger RFP Discussion/Annual Reports**

Meredith said we may have a few proposals for the merger study by the time she writes her report. Eric said in his report that no proposals had been submitted and there would be further updates at town meeting. Walter suggested that Meredith say in her report that as of this writing there seems to be some interest and we will know more by the village meeting and will give an update then.

Walter suggested Gordy or Meredith should mention all the Tree Board's efforts in their report.

Phil asked if we have any money in our budget for the Tree Board. Sue Lovering indicated to him that their budget was zeroed out. Rosemary said it is close to zeroed out. Meredith said there is \$1000 under beautification. Repainting the Johnson welcome sign posts won't cost \$1000. We could potentially allocate \$500 to the Tree Board. Walter said he feels gardens, etc. still need to be a high priority and we should increase the amount for beautification. He would like to see it back at \$4000. If there is some left at the end of the year it could be used to help pay for Christmas decorations. Walter suggested increasing beautification to \$4000 and taking money from capital reserve for Bobcat parts. The board agreed to that. It was agreed to tell the Tree Board they can have \$500.

**7. Fiscal Year Discussion**

Gordy said we may get asked why our fiscal year is what it is and why we don't change it. Meredith asked, the Public Service Board wanted us to use the calendar year? Rosemary said yes.

**8. Annual Report Dedication**

The board discussed possible dedications for the annual report.

**9. Executive Session – Personnel Matter/Employee Evaluations**

**Walter moved to enter executive session to discuss a personnel matter and employee evaluations as permitted by 1 V.S.A. § 313(a)(3), with Rosemary, Troy and Meredith present for portions of the executive session, Phil seconded, the motion was passed and the board entered executive session at 7:13.** Rosemary and Troy were each present for portions of the executive session. The board came out of executive session at 8:21.

**10. Adjourn**

**Walter moved and Bob seconded to adjourn at 8:21 and the motion was passed.**