

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, FEBRUARY 26, 2018

Present:

Trustees: Dave Goddette, Walter Pomroy, Gordy Smith, Bob Sweetser

Others: Meredith Birkett, Rosemary Audibert, Troy Dolan, Tom Elwood, Kyle Nuse

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Gordy called the meeting to order at 6:00.

2. Additions, Changes to Agenda

Gordy added discussion of adding information about Robert's Rules of Order, etc. to the village report. Meredith said she proposes moving the second executive session, the one to discuss confidential attorney-client communications, to the end of the meeting.

3. Public Comment

There was no public comment.

4. Review & Approve Annual Village Meeting Warning

Meredith said she got an email from Duncan Hastings this morning related to the wording. He offered suggested language related to the merger study. Lea Kilvadyova petitioned to have an article on the town meeting warning about an independent third party study of a town-village merger but she didn't petition for a similar article on the village meeting warning so it is up to us to decide on an article and its wording. Duncan suggested this wording: "If Town Meeting Article 11 is approved by town voters, shall the village participate in such a study at a cost not to exceed \$4000, funded proportionately from each village department as deemed appropriate by the trustees?"

Walter said he likes that wording because of the "if." It makes it clear that if the town votes against the merger study our article is almost moot. He also likes the "not to exceed."

Dave asked if the \$4K is the village portion or the total. Meredith said she believes that is our portion. We could say instead that the village would pay half the cost. Walter said no, he wants a cap on our cost. Meredith said we can make it clear at the annual meeting that we are capping our expenditure no matter what the total cost is. If the total study cost is \$4K, does the village still want to pay that amount, or should we say our expenditure is not to exceed half the cost? The board agreed to wording stating that the village expenditure is not to exceed \$4K or half the total cost, whichever is less.

Walter asked if we want to open the polls earlier. Rosemary said the polls have to close at 7:00 pm but they can open anytime between 6:00 and 11:00 am. The board agreed polls should open at 9:00 am, the same time they open on town meeting day.

Walter moved to adopt the warning for the annual village meeting of April 3, 2018 with the amendments agreed upon regarding the time the polls open and the wording of Article 7, Dave seconded and the motion was passed.

5. ***Excess Water Usage Adjustment Request – Will Jennison***

Meredith said we have two excess water usage requests. The first is from Will Jennison. He wrote that the excess usage for his building at 118 Lower Main West was during the time the village was flooding. The apartment was empty so he didn't know the water in the basement was from a broken pipe and not the flood. The water did not go into the sewer system. He fixed it himself so he has no plumber's bill to submit. He got a water bill for \$693.17. If that is adjusted to 3 times the average for the last 3 months that comes out to \$230.55. He got a sewer bill for \$1250.78. Adjusted to the highest bill from the last 12 months it would be \$124.85. Walter asked, we haven't given him an adjustment in the past year? Rosemary said he has been given an adjustment in the past, but not this year. **Walter moved to adjust Will Jennison's water and sewer bills for 118 Lower Main West to \$124.85 for sewer and \$230.55 for water, Bob seconded and the motion was passed.**

6. ***Excess Water Usage Adjustment Request – Laurel Persico***

Meredith said the second request is from Laurel Persico for the Plum & Main building. In December, while Wicked Wings was still there, they had a frozen pipe under the sink. It just leaked onto the floor, not into the sewer. She attached an invoice from a plumber. The sewer bill was \$546.67 and the highest bill in the last 12 months was \$272.62. The water bill was \$312.12. Three times the average for the last 3 months was \$251.25.

Gordy said he heard their water froze twice. He asked what date this happened. Meredith said the work was done on December 28 and billed to Wicked Wings.

Gordy asked who is requesting reimbursement, the leaser or the owner. Meredith said the owner, Laurel Persico. She believes the owner gets the water bills and is reimbursed by the leaser.

Walter moved to adjust Laurel Persico's water bill for the Plum & Main restaurant building to \$251.25 for water and \$272.62 for sewer, seconded by Dave. Gordy asked Meredith to let Laurel know that we can do an adjustment only once in a 12 month period. **The motion was passed.**

7. ***Executive Session – Personnel Matter***

Walter moved to enter executive session for a personnel matter related to evaluation of public employees with Meredith Birkett and Tom Elwood invited to participate for the discussion of water and wastewater department staff and then subsequently Meredith Birkett and Troy Dolan invited to participate for the discussion of electric/general department staff, Dave seconded, the motion was passed and the board entered executive session at 6:16. The board came out of executive session at 7:23.

8. ***Executive Session – Confidential Attorney-Client Communication***

At 7:24 PM Walter made a motion to find that premature general public knowledge regarding advice from the Village attorney would clearly place the Village at a substantial disadvantage because the Trustees risk disclosing confidential legal advice. Bob seconded and the motion passed. Walter made a motion to enter executive session to discuss confidential attorney-client communications under the provisions of Title 1, Section 313(1)(F). Bob seconded and the motion passed. The Board came out of executive session at 7:47 PM.

9. 2018 Budget Review

Walter said the budget Meredith sent out the other day didn't have the fire department changes in revenue to level fund. Meredith said she will fix that. Walter suggested adding a line in fire department revenue called Donations and putting \$20K in it. Meredith said Arjay put the recent donation in the separate account the fire department has as part of their 501(c)(3). The donation was given to the Firefighters' Association. They are applying it to the upcoming vehicle purchase. Walter said he wanted to make sure people see what happened to the \$20K. We should be prepared to explain if people ask about it. Rosemary suggested Arjay should put the explanation in his report. Gordy said he hopes the report will include an explanation of what the fire department is doing with the money. Meredith said they were having to really trim back on the vehicle and the donation will allow them to purchase a vehicle more like what they wanted.

Meredith reviewed the general fund budget. The tax rate is the same (0.189) as in 2016 and 2017. She put \$2K more in general fund legal expenses than 2017 actuals. We may need the money for the charter or for other things. Duncan had suggested allocating the \$4K for the merger study 50% to electric, 25% to general, 12.5% to water and 12.5% to sewer. She will put the \$4K into the budgets. The bottom line for the general department is a negative \$1635.

Meredith said she has not heard back from JSC about their fire department payment. Rosemary said it has been over a year since JSC has paid. Meredith said she will reach out to the president's office. Walter said he thinks we should plan on not getting it to be conservative.

In the past fire department surplus has been put into the fire department small equipment fund. Gordy suggested asking Arjay how he would like the surplus applied. Maybe it should go into the large equipment capital fund rather than the small equipment fund. Walter said he thinks we should use \$873 of the excess to cover this year's budget because that was the amount Arjay had asked to increase the town's cost by. We said no to that increase and asked him to level budget. Other than that Walter is okay with checking with Arjay. He thinks it would be good to keep the town level funded for another year in 2019. Bob agreed. Walter said he thinks we are \$16K ahead of plan on the small equipment fund. Gordy said labor cost is the real variable.

The board agreed to take the \$6K from JSC out of the budget. Meredith said she will take it out and if she gets a good answer from JSC tomorrow she can put it back in.

Meredith will apply cash on hand to the budget and put the \$19K left over from the School Street project into the sidewalk reserve fund. She said we are putting in \$15K for sidewalks this year too. We will easily have \$75K available. Gordy said we could do the one on Pearl Street. Is that the worst? Troy said yes and the one on the other side of the street is just as bad. Walter said that whole corner needs work. Meredith will put discussion of needed sidewalk repairs on the March agenda.

Walter said we still have \$38K left in cash on hand. Meredith asked if we always allocate cash on hand to one of the reserve funds. Rosemary said she supposes we could allocate it to unreserved. Walter said we could also give it to the taxpayers.

Walter said we know we have sidewalk work to do. Troy said catch basins need work too. Walter said he considers sidewalks, catch basins and curbs to be all part of the same thing – all the things our ten cents on the grand list covers. He would suggest putting all the cash on hand that is left into the sidewalk fund. Dave and Bob agreed.

Gordy asked Troy, there is nothing we need for equipment? Troy said he thinks we are in good shape.

Meredith reviewed the wastewater department budget. She said the only major change from what the board saw last time is that she put in \$10K for submersible water pumps.

Walter said he doesn't see where we start paying back the CIG fund for our \$66K loan for the sewer line extension. Meredith said she will add that in.

The budget includes a number of expensive pieces of equipment, consuming all the money we used to budget for the loan payment, but they are all high priority items.

In answer to Walter's question, Rosemary said we have around \$60K left at the end of the year in wastewater.

Meredith already had \$3K in the budget that could be spent on the merger study or the preliminary engineering report.

Walter said we have \$60K in the capital reserve fund and we have a \$60K surplus. He likes to know we have a nice reserve, though. We can pull money out of capital reserve for capital improvements. Should we create a new reserve line item for flood preparedness? Gordy said the town has an emergency fund. Walter said to a certain extent insurance or FEMA will cover flood costs. We have \$120K or \$130K now so we could absorb a lot of expense now. But we will start spending a lot for the WWTF. Some expenses we will probably bond for to spread it out.

Meredith said one big ticket item that is left is the belt press to dewater the sludge. That will cost in the hundreds of thousands. We will probably need to start reserving big chunks toward paying a bond probably. Walter said we need to spend on a pump station, too.

Gordy asked if we have enough money for planning studies. Meredith said yes. We expect to get grants and loans and some of the loan gets forgiven.

Walter said whether we take money for purchases out of capital reserve or surplus is just semantics to him. We have the excess cash. Gordy said he thinks we will get fewer questions if we take money from capital reserve so the bottom line is zero. Walter said he thinks it is easy to explain that we are paying for next year's deficit out of this year's surplus.

Meredith reviewed the electric department budget. Walter said he would love to be able to show the cost of net metering so people can see that we are subsidizing net metering at a cost of \$48K. Meredith said she can put that in the written report. Walter would also like to show the cost of RECs. Meredith said we can pull the cost of RECs out very clearly.

Walter said we know we will have a bill for the powerhouse building. The engineers will be done looking at that building in June. Should we stick something in this budget for the powerhouse building? Meredith said she doesn't think the Phase 2 assessment will talk about the physical structure. It will be testing for hazardous substances. She doesn't think it will tell us how long until the building falls down. We can't have reserve funds in the electric department. We could add a line item.

Gordy asked about the timetable for the next phase. Meredith said where we go from Phase 2 is a little unknown. The results of the Phase 2 assessment will tell us about realistic future uses of that building. Maybe someone could buy it, or if it is badly polluted we will probably have to do the cleanup while we still own it. There is funding for cleanup work. We just need to know what is there. Meredith doesn't think there is a great place to put powerhouse building expenses in the budget, but we can mention it in the electric department write up. Walter said we can say that somewhere down the road say we know we will spend money on the powerhouse building and we would love to hear if anyone has creative ideas about it. Meredith said we will have some sort of public process after we get through the assessment and can talk about realistic reuse options.

The electric department budget includes purchase of a smaller bucket truck and \$50K for the systems study. Meredith met with Ken Nolan of VPPSA and mentioned that we are looking to do a systems study and are budgeting \$50K. He thought we could get good understanding of the system for that figure.

This budget includes money for the merger study. Meredith took out the \$50K for the switch because she thinks we need to first do a systems study and then come to an agreement with Green Mountain Power. Her understanding is that we would need approval from the Public Utility Commission as well. She doesn't think we can get all the work done in 2018.

Troy said he doesn't believe it is currently a possibility to switch to Green Mountain Power. Meredith agreed. Troy said it was a dream that was never finalized. Physically we could do it, but not legally, and the switch is broken. No study has been done. GMP needs to feel comfortable that we have all the proper protections on our system to protect their system.

Meredith asked if we have estimates of cash on hand for the electric department. Rosemary said it is probably close to \$750K.

Meredith said on the revenue side last year we brought in \$92K. This year she is budgeting for revenue of \$40K again. She thinks we are being conservative.

Walter said our profit margin is getting smaller. Gordy said after the systems study he would like to see us prioritize starting to get rid of the oldest parts of our system. Walter said we have been running a profit the last few years but we will start seeing more pressure. However he doesn't think we will need to raise rates soon.

Meredith said she and Ken Nolan talked about how we need to come to a decision about whether we want to pursue some generation internal to our system. Ken said he would not recommend as of today that we build our own generation for price reasons but there are also political reasons to consider. Perception is important. VPPSA is working on getting revised quotes from solar companies.

Meredith met with Craig from MW&L last week. No major changes are expected on transmission costs so our bill from them shouldn't be a big change.

Meredith said she will try to get all the changes in the budget and get it back to the board by Wednesday for another look. The board agreed to meet on Monday, March 5 at 6:00 to approve the budget.

Walter said he wants to encourage people to vote. Last year 22 people decided the school budget. Rosemary said only 10 people from Johnson were at the school board annual meeting last week. Walter said only 22 people from Johnson voted in the Australian ballot school budget revote last year. Kyle agreed that such low turnout was bad.

10. Official Village Position on Merger Study

The board discussed whether to take an official position on the merger study. Gordy said as a town taxpayer he will come out against it at town meeting. Walter said he thinks as a board we should stay neutral. He feels officially we should just state a few facts. Then as individuals board members should feel free to express their opinions. He feels many people have the misconception that the village is a tiny entity, when it actually has a bigger budget than the town's. We only raise around \$160K for the general fund. Everything else is the fire department and the utilities. Where will the savings be if there is a merger? We should just clarify what the village really is so people can make an intelligent decision. Gordy said as a body the trustee board should remain neutral.

11. Information in Annual Village Report

Gordy suggested adding information about terminology related to the annual meeting in the annual report, similar to what Cambridge put in their town report. The board agreed that would be a good idea.

Gordy asked Meredith to check with the Scouts about coming to the village annual meeting. She said she would.

Kyle asked if the trustees are planning on doing a cookie social from 7:00 to 7:30. Walter said he thinks it would be a good idea. Probably a lot of people will be hanging around between the end of voting and the meeting. Gordy said we can discuss this at the March meeting.

Kyle said she redesigned the poster from last year a little. She can send it to Meredith. She asked if the board wants babysitting again. Walter said he is in favor of it if we have volunteers. Kyle said she will ask the certified babysitters who are working at town meeting if they want to come to the village meeting.

Meredith said she can make some cookies. Walter said we have money in the budget to buy them. Meredith said she will make some if she has time; otherwise she will buy them.

12. Adjourn

Dave moved to adjourn at 8:59, Walter seconded and the motion was passed.

Minutes submitted by Donna Griffiths

UNAPPROVED