

**Selectboard Agenda  
Johnson**

**Date: Monday, June 7, 2021**

**Electronic Meeting via Zoom and Phone Call-In**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/3446522544?pwd=VkNZZE5tMW5PaEhidVpnUjRxSkxGdz09>**

**Meeting ID: 344 652 2544**

**Passcode: 15531**

**You can also join by phone by calling:**

**+1 646 558 8656 US**

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**+1 301 715 8592 US**

**Meeting ID: 344 652 2544**

**Passcode: 15531**

**Agenda:**

**CALL TO ORDER**

**REVIEW OF AGENDA AND ANY ADJUSTMENTS, CHANGES AND ADDITIONS**

7:00 p.m. Review and approve minutes of meetings past May 17<sup>th</sup> 2021

7:05 p.m. Treasurer's Report and review and approve bills, warrants, licenses and any action items.

7:10 p.m. Planning Commission Report

7:20 p.m. Administrator's Report, Action items, signature required items.

**Members of the Public:**

None Scheduled

**ADMINISTRATOR'S REPORT: (D) Discussion (I) Information (A) Action**

1. (D, A) Discuss and Adopt Capital Equipment Plan Modifications and Adaptations (45 minutes)
2. (D, A) Discuss and Approve Access for VAST on Town Property
3. (D, A) Discuss and Agree to Class 2 Roadway Grant for Paving of Plot Road (15 minutes)
4. (D, A) Discuss and Adopt Contract for Fire Protection Service with Village of Johnson (10 minutes)
5. (D, A) Discuss and Appoint Howard Romero as Johnson Representative to Lamoille Regional Solid Waste Management District (10 minutes)
6. (D, A) Discuss and Appoint Tuesday Night Live Volunteer (10 minutes)
7. (D, A) Discuss and Adopt COVID-19 Universal Guidance for Employees (10 minutes)
8. (D, A) Approve New Longley Cemetery Plot Deed (5 minutes)
9. (D, I) Discuss Future Law Enforcement Options and Law Enforcement Study Committee (15 minutes)
10. (D, I) Executive Session to Provide Board Update on Employee Relations as Allowed by **1 V.S.A. § 313(a)(1)** (15 minutes)

Selectboard issues/concerns, Executive Session (if needed) Adjourn

## Town Administrator's Report

**Date: Monday, June 7, 2021**

**Agenda:**

**CALL TO ORDER**

**REVIEW OF AGENDA AND ANY ADJUSTMENTS, CHANGES AND ADDITIONS**

7:00 p.m. Review and approve minutes of meetings past May 17<sup>th</sup> 2021

7:05 p.m. Treasurer's Report and review and approve bills, warrants, licenses and any action items.

7:10 p.m. Planning Commission Report

7:20 p.m. Administrator's Report, Action items, signature required items.

### Members of the Public:

None Scheduled

### ADMINISTRATOR'S REPORT: (D) Discussion (I) Information (A) Action

1. (D, A) Discuss and Adopt Capital Equipment Plan Modifications and Adaptations (45 minutes)

Review the Capital Equipment Plan and the impact of rising equipment prices. Scenarios that have been modeled are current plan, leasing, and lease to buy.

2. (D, A) Discuss and Approve Access for VAST on Town Property

VAST is requesting permission for access to municipal lands with some modifications.

3. (D, A) Discuss and Agree to Class 2 Roadway Grant for Paving of Plot Road (15 minutes)

The State is providing a grant to repave Plot Road.

4. (D, A) Discuss and Adopt Contract for Fire Protection Service with Village of Johnson (10 minutes)

Village of Johnson has provided the contract for fire protection service.

5. (D, A) Discuss and Appoint Howard Romero as Johnson Representative to Lamoille Regional Solid Waste Management District (10 minutes)

6. (D, A) Discuss and Appoint Tuesday Night Live Volunteer (10 minutes)

Abby Gladstone is recommended by the TNL Committee to be appointed to serve as a volunteer.

7. (D, A) Discuss and Adopt COVID-19 Universal Guidance for Employees (10 minutes)

Reopening continues and it is recommended that we adopt the Universal Guidance for Town Employees.

8. (D, A) Approve New Longley Cemetery Plot Deed (5 minutes)

The requested relocation of the plots has been completed and a new draft is available for approval.

9. (D, I) Discuss Future Law Enforcement Options and Law Enforcement Study Committee (15 minutes)
10. (D, I) Executive Session to Provide Board Update on Employee Relations as Allowed by **1 V.S.A. § 313(a)(1)** (15 minutes)

## **GENERAL INFORMATION ITEMS**

**Information Items:**

**Budget Items:**

**Legal Issues:**

**VLCT: PACIF**

**State/Federal Issues:**

**Administrator's Correspondence:**

**Workshops:**

**Newsletters:**

**Brochures & Ads:**

Selectboard issues/concerns:

Executive Session:

Other Business:

Adjourn

















Town of Johnson  
Capital Budget and Program

November 13, 2020

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## **INTRODUCTION**

The Capital Budget and Program is a plan that addresses the Town capital needs within the constraints of available funding over the next six fiscal years.

Goals of a Capital Budget and Program include:

- Provision of a policy framework for the expenditure of public funds for capital projects.
- Provision of public facilities and services based on reasonable expectations of population and economic growth.
- Efficient and effective use of public funds without exceeding the ability of local government to pay for adequate facilities and services.
- Support for the goals of the municipal plan.

In support of these goals, the Capital Budget and Program for the Town of Johnson includes:

- Review of recent trends in capital and operating expenditures.
- Identification of existing capital assets and replacement schedules.
- Identification of additional capital needs based on new facilities/services or population growth.
- Approval of a 6-year plan of capital expenditures and funding sources based on review of capital needs with the Municipal Manager and department representatives and approval by the Town Selectboard.

In the first of the six years covered by the Capital Budget and Program, the list of projects, associated costs and funding sources should match the annual budget presented to voters at Town Meeting. Years two through six of the Capital Budget should reflect the best current estimate of capital needs in those years. The Selectboard should review the list of projects annually as new information on department needs, project costs, and funding sources becomes available. The project list in the Capital Budget and Program should be reviewed and if necessary updated annually.

As provided in 24 VSA, Chapter 117, Section 4404a, the Selectboard may adopt, amend or repeal the Capital Budget and Program following one or more public hearings. A copy of the proposed Capital Budget and Program shall be filed at least fifteen days prior to the final public hearing with the clerk of the municipality and the secretary of the Planning Commission. The Planning Commission may submit a report thereon to the Selectboard prior to the public hearing.

## **HISTORIC EXPENDITURES**

Annual Budgets for the Town of Johnson were reviewed from 2008 through 2016. In particular the equipment expenditures of the highway department were examined closely.

Table 1 provides an itemized list of highway department equipment expenditures. Please note that “Purchase-Large Equip (Capital)” is the amount withdrawn from the Capital Equipment Reserve Fund, and “Capital Equip. Reserve Fund” is the contribution to the reserve fund.

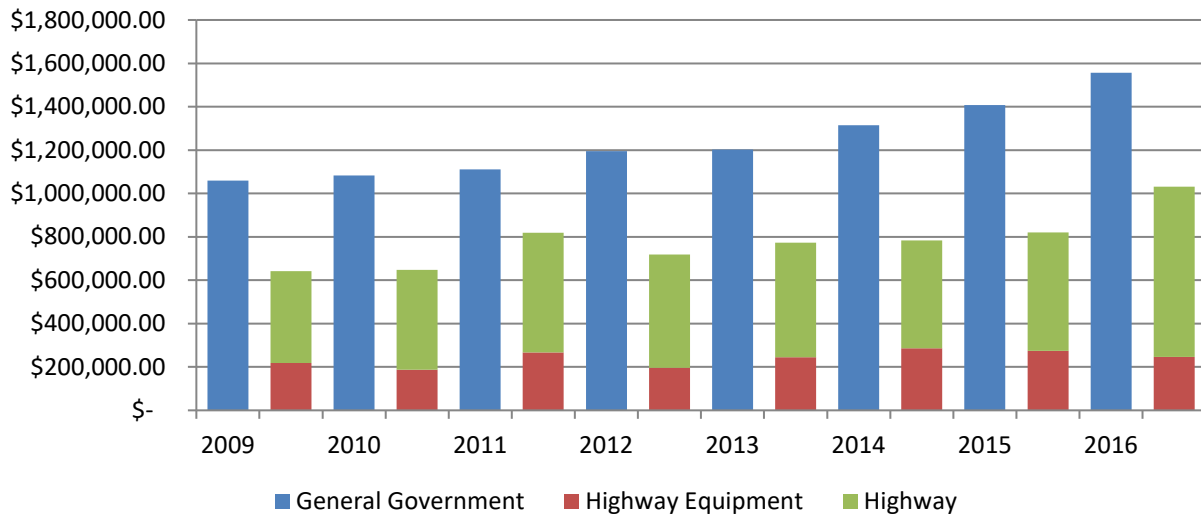
**Town of Johnson  
Capital Budget and Program**

TABLE 1: Equipment Expenditures  
Highway – 2008 – 2016

	08-09	08-09	09-10	09-10	10-11	10-11	11-12	11-12	12-13	12-13
<b>Account Description</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Equipment</b>										
Parts and Supplies	\$15,000	\$9,253	\$15,000	\$9,544	\$15,000	\$17,691	\$15,000	\$15,796	\$15,000	\$10,232
Outside Repairs & Parts	\$27,000	\$18,894	\$27,000	\$19,362	\$27,000	\$26,840	\$30,000	\$21,751	\$30,000	\$31,543
Hardware	\$6,000	\$1,377	\$4,000	\$4,352	\$4,000	\$1,963	\$4,000	\$2,350	\$4,000	\$1,217
Equipment Fuels And Oils	\$34,000	\$33,261	\$35,000	\$32,966	\$35,000	\$46,897	\$35,000	\$43,946	\$35,000	\$46,722
Purchase Small Equip.- current yr	\$1,000	\$319	\$1,000	\$8,300	\$1,000	\$0	\$1,000	\$0	\$1,000	\$0
Purchase-Large Equip (Capital)	\$90,437	\$88,021	\$47,084	\$46,530	\$107,809	\$107,809	\$63,422	\$28,852	\$91,244	\$73,426
Capital Equip. Reserve Fund	\$65,000	\$64,807	\$65,000	\$62,600	\$70,000	\$64,249	\$75,000	\$79,896	\$80,000	\$80,000
Safety Equipment	\$1,000	\$693	\$1,000	\$334	\$1,000	\$288	\$1,000	\$96	\$1,000	\$575
Misc. Supplies	\$50	\$1,742	\$50	\$2,742	\$50	\$1,072	\$50	\$2,951	\$50	\$767
<b>Equipment Total</b>	<b>\$239,487</b>	<b>\$218,367</b>	<b>\$195,134</b>	<b>\$186,729</b>	<b>\$260,859</b>	<b>\$266,809</b>	<b>\$224,472</b>	<b>\$195,638</b>	<b>\$257,294</b>	<b>\$244,484</b>
	<b>13-14</b>	<b>13-14</b>	<b>14-15</b>	<b>14-15</b>	<b>15-16</b>	<b>15-16</b>	<b>16-17</b>	<b>17-18</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>		
<b>Equipment</b>										
Parts and Supplies	\$15,000	\$10,665	\$15,000	\$16,318	\$15,000	\$18,090	\$15,000	\$16,000		
Outside Repairs & Parts	\$30,000	\$30,585	\$30,000	\$37,977	\$30,000	\$39,923	\$31,000	\$37,500		
Hardware	\$4,000	\$4,334	\$4,000	\$4,504	\$4,000	\$2,662	\$4,000	\$3,500		
Equipment Fuels And Oils	\$35,000	\$57,189	\$40,000	\$44,795	\$40,000	\$25,089	\$35,000	\$30,000		
Purchase Small Equip.- current yr	\$1,000	\$1,270	\$1,000	\$0	\$1,000	\$717	\$1,000	\$9,000		
Purchase-Large Equip (Capital)	\$64,811	\$95,150	\$70,536	\$76,491	\$64,670	\$68,846	\$101,164	\$112,279		
Capital Equip. Reserve Fund	\$85,000	\$85,000	\$90,000	\$90,000	\$90,000	\$90,000	\$95,000	\$102,000		
Safety Equipment	\$1,000	\$0	\$1,000	\$1,030	\$1,000	\$1,371	\$1,000	\$1,000		
Misc. Supplies	\$50	\$2,491	\$50	\$3,350	\$50	\$383	\$50	\$50		
<b>Equipment Total</b>	<b>\$235,861</b>	<b>\$286,684</b>	<b>\$251,586</b>	<b>\$274,464</b>	<b>\$245,720</b>	<b>\$247,081</b>	<b>\$283,214</b>	<b>\$311,329</b>		

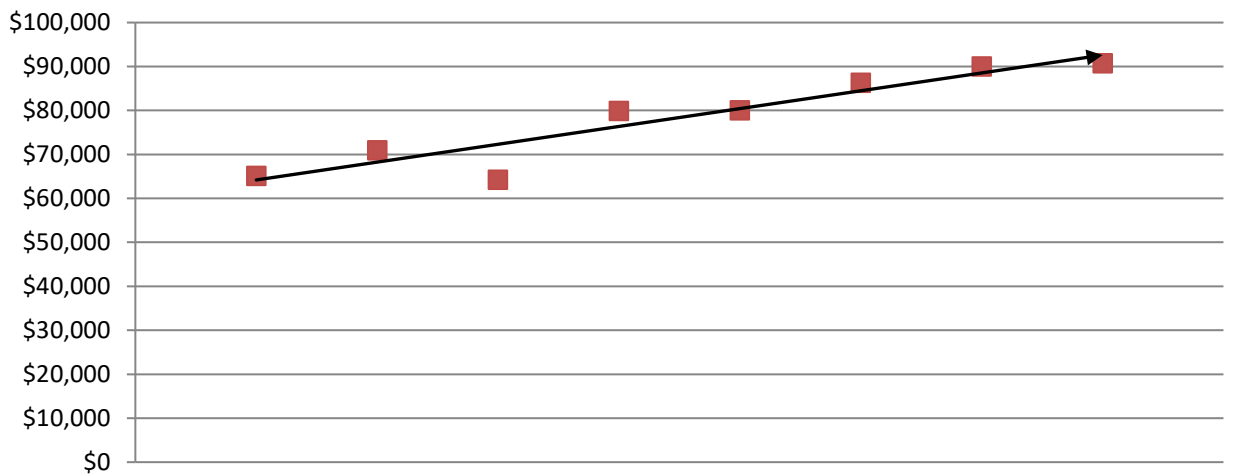
Figure 1 depicts a breakdown of Town expenditures, separating out general government, highway general, and highway equipment capital expenditures for the period.

**Figure 1**

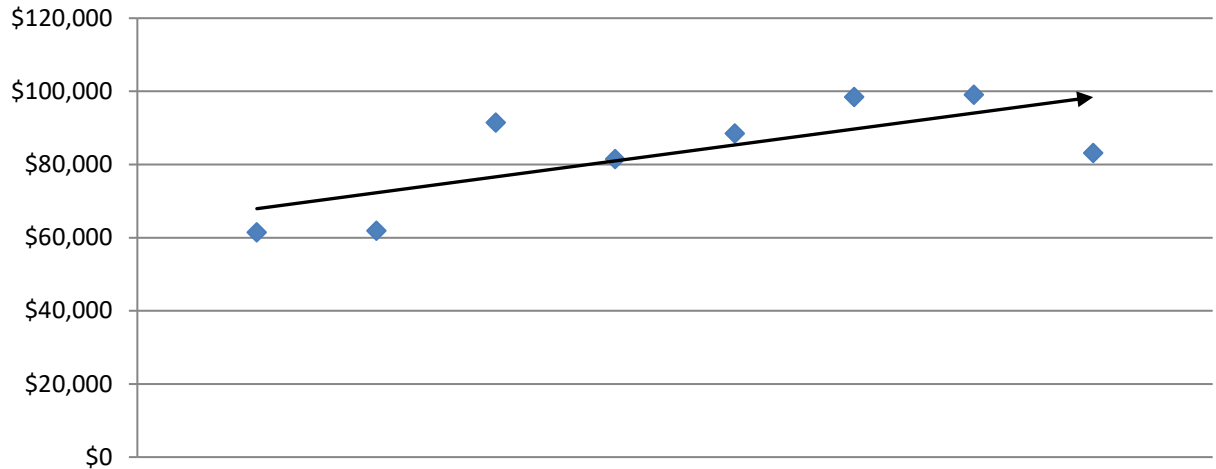


An examination of all Town expenditures reveals that the overall rate of increase is roughly 5.48% per year, and narrowing down to all highway expenditures gives virtually the same result of 5.45%. Looking inside highway at equipment purchases versus repairs starts to reveal details. The contribution to the reserve fund and small equipment (Figure 2) rises at a similar rate to that of increase for repairs, maintenance, and supplies (Figure 3).

**Figure 2  
Equipment and Fund Contribution**



**Figure 3**  
**Repairs and Supplies**



## TOWN DEPARTMENTS

At this time the two major components of the Capital Budget and Plan will focus on the Administrative Department, and the Highway Department. As time allows it is intended to extend the capital budgeting process to the Library, and Recreation expenses.

### Highway (HWY) Equipment

The Town Highway Department owns and operates 4 dump trucks for summer and winter road maintenance. Three of the four trucks are heavyweight tandem trucks and are replaced on a rotating basis with a useful life of approximately 12 years. The fourth truck is replaced approximately once every 7 years. A smaller pickup truck has a useful life of 5 years. The department also has a grader and loader, both with useful lives of approximately 12 years. Other major equipment includes a 1988 screen-all and a 2000 backhoe (currently shared with the Village (80%Town 20% Village). The Highway Department is evaluating the potential benefits of an excavator, possibly cooperatively owned with neighboring towns.

The Town had shared a tractor with the Village in the past. However, over time it became clear that the Town and Village had different needs for a tractor. The Town will now purchase and maintain its own 75+ horse power tractor with a class 2 hitch and mowing deck. The first tractor will be purchased used and the success of that purchase will inform the replacement schedule and if we continue to purchase used.

In development of prior Capital Budget Plans, the Selectboard has carefully considered a variety of useful lives for the various Highway Department equipment. Other towns were surveyed to determine what useful lives they employ in their capital budgeting. Equipment dealers were interviewed to determine estimates of trade in or salvage values at various different useful life scenarios. For example, there are some towns replacing large trucks at 5 to 7 years and another grouping at 10 to 15 years. More recent surveys have shown a convergence in the 7 to 10 year range.

The Selectboard looked at total costs associated with these two groupings. A 12 year useful life (prior replacement schedule), an 8 year useful life (proposed in this plan), and a 10 year replacement plan were

evaluated. Results show that the additional costs of purchase and financing add approximately \$7,500 per year, noting that the price of a truck is likely to increase and the more frequent replacement would be more sensitive to changes. Replacing trucks closer to the expiration of their warranty period should reduce the cost of repairs. Additionally the trade-in value of the decommissioned trucks will also be higher. Trade-in value is difficult to predict, but we can examine the repair schedules of our current trucks to get an idea of the cost. We have one truck that is in its 11<sup>th</sup> year, and approaching the end of its 12 year life span. It's difficult to isolate historical data to a particular vehicle, but we can examine some slices. We have spent at least \$3,000 per year on in house repairs, not including the staff time. For outside repairs we've spent approximately \$3,000 in year 9 and \$15,000 in year 10 at our primary vendor. Using all of our available data a model predicts that the typical costs for year 8 to be \$4,300, year 9 to be \$6,800, year 10 to be \$10,700 and year 11 to be \$16,700 (it should be noted that this model is weak due to a lack of data). There are additional significant costs associated with downtime of vehicles awaiting repairs and a potential crisis if more than one vehicle is out of service.

The Selectboard has elected to take a second truck that is currently 9 years old out to 12 years. This will give us additional supporting data on the necessary repairs for a truck. An amendment to this plan is expected by the 2020-2021 Financial Year to determine 8 or 10 year replacement schedules. The FY18-19 budget items are the same for both groups, and it is recommended that subsequent years follow the 8 year replacement schedule until a decision is made.

Based on their research, the Selectboard has determined that the useful lives proposed in this Capital Plan and Budget are a good balance between the initial purchase price, cost of financing, trade in values and reliability of the equipment for its intended purpose. This is not an exact science and different useful lives could be used by applying different weights to the above criteria. This Selectboard believes that giving the roughly equal weight to the above criteria provides the right balance for Johnson residents and taxpayers. The useful life of each piece of equipment will be reviewed whenever this plan is renewed.

The town has established an Equipment Reserve Fund, which can be used to pay for or offset the costs of replacement of major capital equipment.

#### Land and Buildings

The existing highway garage is suitable for the town's needs for the foreseeable future. The town and village own the public works complex jointly, which includes 200 acres of land. An initial purchase of 15 acres comprised the Highway Garage, the Village Water & Light Department Garage, and the Mill House Office building. An additional 185 acres was purchased, which also included the "lower building", which is shared space between town and village.

Originally the 185 acre purchase was envisioned as a potential water source for the village and the lower building. Extensive testing indicated there was not a suitable source of water for the village water system. There have been ongoing discussions about what to do with the 185 acres.

The town has established a Buildings, Grounds and Equipment Reserve Fund that can be used to pay for or offset the costs of and town owned buildings and grounds and non-highway equipment.

The town has assumed the financial responsibility to maintain the Highway Garage, the village the responsibility for the W&L Garage, and joint responsibility for the Mill House and "lower building". There is no formal agreement between the town and the village for this assignment of costs.

#### Other Facilities and Structures



Normal highway maintenance, including resurfacing and drainage work, is considered an operating rather than a capital expense. However, re-constructed roads and upgrades of major culverts, bridges and other facilities may be included as capital projects as the need arises. The town has established a Reserve Fund for Bridges and Culverts, which can be used for bridge and major culvert replacements. This fund is intended to be used primarily to pay for or offset the town's match for state funded grant programs for the replacement of these major structures.

#### Administration (ADM)

##### Equipment

Administration is listed in this Capital Budget and Program as a town department, but it provides services for both Town and Village. Existing administrative equipment includes 2 copiers, office computers, a security/alarm system, and communications equipment. Replacement schedules for these items of equipment are relatively short, ranging from 5 years for copiers and computers to 10 years for communications systems to 15 years or more for the security/alarm system.

##### Land and Buildings

The town and village jointly own the Municipal Building, which houses the administrative office functions of town and village and also provides a multi-use meeting space and a room used by Johnson seniors. The building was constructed in 1999. Currently the Town and Village are engaged in residing the Municipal Building. Upcoming projects include refinishing the floors throughout the building, and residing and painting the outside of the building. Maintenance and capital expense are shared equally between the town and village.

The town also owns various parcels of land, including several recreation fields: Old Mill Park, Legion Field, Duba Field (Checkerberry), Skate Park and adjacent land, two Town Forests: Gomo lot and Prindle lot and town cemeteries: Whiting, Evergreen Ledge, Grow and Plot. The Town has swimming holes at Journey's End and Beard Park, and maintains river access at several sites along the Lamoille and Gihon Rivers. The Town may be acquiring additional land through the Vermont River Conservancy for conservation and recreation.

The town has established a Buildings, Grounds and Equipment Reserve Fund that can be used to pay for or offset the costs of and town owned buildings and grounds and non-highway equipment.

#### Library (LBRY)

The library building was initially constructed in 1909. A privately-funded addition was constructed in 1941. In 1987, the town funded a renovation to the children's room. Work to mitigate flood hazards and safely secure the site in the event of a flood upcoming.

The Library Trustees have been grappling with expansion plans and the need for additional parking at the facility for some time.

At this time, capital expenses are being budgeted on an annual basis by inclusion in the budget. Funding mechanisms for any major capital expense will have to be addressed as plans become more specific and incorporated into the Capital Plan.

#### Recreation (REC)

The Recreation Committee is very active, providing vital programming to individuals and families. Continued costs on program development and maintenance are expected.

Recreation Committee oversees the administration of Old Mill Park, Legion Field, and Duba Field for the Town.

The town has established a Recreation Grounds and Equipment Fund, which can be used for paying for or offsetting the cost of capital improvements to help meet these needs.

## **FUNDING METHODS**

A variety of funding methods are available to pay for capital projects in Johnson. A brief description of each of those methods is given below.

### **Single-Year General Fund**

Most operating costs and some capital costs are funded as part of the annual Town budgets, prepared by the Selectboard and approved by the voters at the annual Town meeting. Many small capital items are funded in this manner. Capital items under \$3,000 generally are not considered under this Capital Budget and Program. More expensive capital items normally are funded via another source.

### **Bonding/Borrowing**

Large capital items frequently are paid by municipal bonds or through borrowing. By state statute, borrowing for a period of five years or less requires voter approval at an annual or special town meeting (except that the Selectboard can borrow without voter approval for highway equipment). Anything over five years requires a “bond vote”, which requires an Australian Ballot vote. With voter approval the Town determines the best financing options and takes the appropriate action. Payments of principal and interest are spread over a number of years. Terms will depend on the size of the loan, the useful life of the capital item, and the amount of annual debt service that the Town wishes to pay.

### **Reserve Funds**

When large capital costs are anticipated, some municipalities choose to establish reserve funds. Voter approval is necessary to establish a reserve fund. Once established, the Selectboard has the sole discretion over spending from the reserve fund, but they may only use the funds for the purpose for which the fund was established (unless authorized by the voters for some other purpose). The use of reserve funds is a proven method for reducing the impact on tax rates by “smoothing” the cost of major purchases over several years.

Johnson voters have established several Reserve Funds including: Capital Equipment Fund (2001), Emergency Management Fund (2002), Buildings, Grounds and Equipment Reserve Fund (2004), Tax Anticipation Reserve Fund (2004), Recreation Grounds and Equipment Fund (2007), Bridge and Culvert Reserve Fund (2010), Land Records Computerization Reserve Fund (2010). The articles as approved by the voters for the establishment of these funds are listed in an appendix to this plan.

The Capital Equipment Reserve Fund is used for the purchase of large capital equipment items for the Highway Department. It is funded by annual appropriation line item “Capital Equipment Reserve Fund”. Johnson has been utilizing a combination approach for the purchase of large capital equipment for the highway department. Typically, lower cost items have been purchased directly with reserve funds and larger cost items have been financed with the annual principal and interest payments being paid from the reserve fund. This method provides a relatively constant balance to the reserve fund, which provides a “buffer” in any given year that a piece of equipment was needed on an emergency basis. It is funded, upon voter approval, by an annual appropriation in the Selectboard’s budget from the line item “Capital Equipment Reserve Fund”.

A spreadsheet listing major capital purchases and estimating reserve fund balances is included in this plan, which estimates the annual contribution necessary to meet the planned purchases. In 2017 the annual appropriation is \$102,000.00. By 2023 the appropriation is expected to increase to \$127,000.00 to keep pace with increased costs.

The Emergency Management Fund was established to pay for public needs caused by natural or man-made disasters. It is funded, upon voter approval, by an annual appropriation in the Selectboard's budget from the unexpended balance of the line item "Emergency Management". This line item been funded at the same level (\$5000.00) since its inception.

The Tax Anticipation Reserve Fund was established to avoid tax anticipation borrowing, or to retire a deficit. Since established, Johnson has not had to borrow in anticipation of taxes (or use the fund to retire a deficit). The Tax Anticipation fund has a cap on the size of the fund that is equivalent to 10% of the annual budget. There is no separate line item for the fund. If there is an estimated "surplus" in any given budget year, the Selectboard proposes to reserve a sum for transfer to the fund as part of the annual budget, which is consistent with the 10% cap.

The Buildings, Grounds and Equipment Reserve Fund was established for non-highway capital equipment, buildings and property. It is funded, upon voter approval, by an annual appropriation in the Selectboards budget from the unexpended balance of the line item "Equipment Purchase Current Year". Computers and office related capital equipment are paid for from this line item or the fund. The fund has also been used for major building repairs and will likely be used for roof replacement of the municipal building. This line item been funded at the same level (\$10,000.00) since its inception. This level of funding should be adequate for this 6 year budget cycle.

The Recreation Grounds and Equipment Fund was established to pay for equipment or capital needs of recreation programs. It is not funded from a specific line item in the Annual Budget. Instead it is funded from the year-end balance (if any) of the Recreation Committee budget (as included in the Selectboard's Annual Budget. The year-end balance is the difference between the actual Recreation Committee expenses and revenues.

The Bridge and Culvert Fund was established for the replacement or major repair of bridges and large culverts. In the past the voters have authorized the establishment of funds for specific bridges (such as the Railroad St Bridge Fund and the Pearl St Bridge Fund). This reserve fund was established to cover any future bridge and large culvert repair/replacement projects. It is expected that the primary purpose of the fund will be to meet town match requirements for state repair and replacement grant programs. It is funded, upon voter approval, from an annual appropriation in the Selectboard's budget from the line item, "Bridge/Culvert Reserve Fund". When approving the establishment of the fund, the voters authorized the transfer of any remaining funds from the Pearl St Bridge Fund, to the Bridge and Culvert Reserve Fund.

Land Records Computerization Reserve Fund was established for the purpose of making a digital or electronic record of existing and future Land Records which are the responsibility of the Town to maintain with the funding from a \$2.00 per page recording fees paid by persons recording documents in the Land Records. The fund allows for the year end transfer of these funds as determined annually by the Selectboard.

### **Grants, Donations**

A variety of outside funding sources, not requiring local tax payments, are available. The State has various grant programs for highway, recreation and other projects. State loans may offer better terms than

municipal bonds. One example is the State’s low-interest loan program for highway vehicles. The municipality must submit an application for each individual vehicle and must pay a portion of the initial cost from its annual budget. This program is competitive, and the municipality cannot be assured of the availability of State funds. Another example is State Highway Grant programs for Class II paving, Structures and Bridge replacement programs, and Enhancement Grants. Johnson has been very successful in securing these grant programs in the past.

The library regularly benefits from outside grants from the State and from private foundations. Donations and/or fundraising activities have contributed to the budgets of several departments including recreation. Active participation by town officials and citizens will allow these types of funding sources to continue to be used for future capital projects.

**Trade-In Value**

The highway department replaces vehicles on a regular basis. Most vehicles have a trade-in value that reduces the purchase cost of a new vehicle. Anticipated trade-in values are included in this capital budget as a funding source.

**INVENTORY OF EXISTING CAPITAL ASSETS AND LONG TERM REPLACEMENT LIST**

Existing capital assets – including buildings, land, vehicles and equipment – were reviewed with the Town Administrator and representatives from the Highway Department. An inventory was made of each capital item including purchase year, useful life, estimated replacement date, estimated replacement cost and salvage value. A long-term replacement list of “repeatable assets” was prepared from this information and is shown in Table 2.

TABLE 2: Existing Capital Assets

<b>Description</b>	<b>Replace Yr</b>	<b>Cost</b>	<b>Salavge</b>	<b>Net Cost</b>
Champion R30 Compressor	2024	\$10,751.33		\$0.0010,751.33
CAT 430 Backhoe	2024	\$77,654.00	\$16,000.00	\$61,654.00
2014 International 7600	<del>2025</del> 2021	<del>\$186,803</del> 220,000.00	<del>\$250,000.00</del>	<del>\$175,483</del> 0.000.00
Mower for Kubota Tractor	2026	\$8,300.00		\$8,300.00
2016 International 4300	2023	\$137,000.00	<del>\$3730,000.00</del>	<del>\$100</del> 107,000.00
Hydro-seeder	<del>2016</del> 2031	\$9,000.00	\$0.00	\$9,000.00
John Deere 624K Loader	2028	<del>\$165</del> 170,000.00	\$40,000.00	<del>\$125</del> 130,000.00
<del>2011-2017 Ford</del> Pickup Truck	<del>2017</del> 2023	<del>\$4546,000</del> 250.00	<del>\$1612,000</del> 750.00	<del>\$2933,000</del> 500.00
<del>2007-2018 International</del> Dump Truck 7600 (tandem)	<del>2018</del> 2026	<del>\$215,600</del> 230,000.00	<del>\$2050,000.00</del>	<del>\$195,600</del> 180,000.00
1988 Read Screen-all RD-90	<del>2019</del> 2021	\$90,000.00	<del>\$105,000.00</del>	<del>\$80</del> 85,000.00
<del>2009-2020 International</del> Dump Truck 7600 (tandem)	<del>2020</del> 2028	<del>\$221,940</del> 240,000.00	<del>\$2250,000.00</del>	<del>\$199,940</del> 190,000.00
2010 John Deere Grader 770G	2022	\$253,640.00	\$68,500	\$185,140.00
2017 Pickup (2nd replacement)	2023	\$46,250.00	\$12,750.00	\$33,500.00

Proposed capital projects for years 2018 to 2024, based on the needs of individual departments and available funding sources, are included in this plan. Some items, such as highway vehicles, are based on regular replacement schedules. New capital items, such as the municipal building siding replacement and library renovations, will be based on a combination of departmental need and available funding in any

given year. An attempt has been made to avoid scheduling of multiple large projects in the same budget year.

The first year of these capital projects should exactly match the Selectboard’s proposed annual budget, as presented to the voters on Town Meeting Day. Years two through six represent the current best estimate for upcoming capital projects and are subject to change each year.

Some capital items are funded by more than one source. The major funding sources in this capital budget are: 1) reserve funds as described above, 2) annual single year expense, 3) borrowing, 4) grant programs.

## **EFFECT OF CAPITAL PLAN ON TAX RATES**

There is no doubt that the cost of equipment has risen and will continue to rise during the projections of the next 6 years. For purposes of estimating we have used 2% annual increases compounding yearly for large capital purchases. These increases will directly impact the tax rate; there is simply no way around this issue if we are going to replace capital equipment on a regular basis. The primary benefit of a capital plan and budget and the use of reserve funds is to spread those increases over time, with incremental increases to the annual budget appropriations.

In addition, the replacement of equipment while it still has some trade in or salvage value, reduces the purchase price. Trading before the equipment is entirely worn out also lowers annual maintenance and major repair costs. While hard to quantify the annual maintenance and major repair costs, we know that one major repair, such as replacement of a truck rear end, on a large piece of equipment can costs many thousands of dollars.

Finally, most of our large equipment can be reasonably considered “emergency” equipment due to changed expectations of the public. The public expectation for maintenance of the roads has become one of, “access all the time under any conditions”. Fire, police, school buses and emergency services all require access to the highways. Without reliable equipment to provide these services, we are not able to meet the public expectations. Planned replacement of equipment and planned and regular maintenance of the equipment are key elements in providing service that our residents want and desire.

Table 3 provides an estimate of the Highway Reserve Fund balance, assuming the Long Term Replacement list is followed.

TABLE 3: Highway Reserve Fund Balance and Expense

	17/18	18/19	19/20	20/21	21/22	22/23	23/24
<b>Est. Balance</b>	<b>\$94,242.30</b>	<b>\$81,071.05</b>	<b>\$94,041.44</b>	<b>\$97,583.23</b>	<b>\$82,802.54</b>	<b>\$73,335.81</b>	<b>\$95,196.36</b>
Annual Appropriation	\$102,000.00	\$107,000.00	\$112,000.00	\$117,000.00	\$122,000.00	\$127,000.00	\$132,000.00
Annual Expense	\$115,407.44	\$94,232.80	\$108,693.91	\$132,025.25	\$131,674.25	\$105,323.25	\$164,191.24

## **ARTICLES ESTABLISHING RESERVE FUNDS**

Below is the language from Town Warnings, by which each Reserve Funds was legally established.

### **CAPITAL EQUIPMENT FUND 2001**

Article as warned for Capital Equipment Fund 2001 Annual Town Warning

Article 12: “Will the Town authorize the establishing of a Capital Equipment Fund to pay for items to be identified in the Capital Budget which will be funded by annual contributions set forth in the Town’s Annual Budget as line items?”

**Article as amended and approved:**

Article 12: “Will the Town authorize the establishing of a Capital Equipment Fund to pay for items to be identified in the Capital Budget which will be funded by annual contributions set forth in the Town’s Annual Budget as line items, and further providing that for disbursements in excess of \$50,000.00, voter approval will be required”

**Note:** The wording of this article has proved confusing and been open to different interpretations. At issue is the \$50,000.00 limit on spending and whether the limit is on the purchase price of the equipment being purchased or the amount of money that is being “disbursed” from the fund to pay for the purchase (in one budget cycle). The issue came to a head in 2012 over the proposed purchase of a new backhoe.

The placement of a spending limit on the use of the Reserve Fund to purchase equipment tends to defeat the purpose of establishing a Reserve Fund. By identifying a schedule of capital equipment replacements and an estimated annual appropriation needed to fund the purchases in a Capital Budget and Plan, and seeking annual voter approval of appropriations to a Reserve Fund to implement the Capital Budget and Plan, it seems reasonable that the Selectboard should then be able to administer the Reserve Fund to purchase the equipment. The Selectboard has a statutory obligation to maintain highways and bridges and must have the latitude and discretion to use their best judgment on the day to day operation of the Highway Department, including when and how to replace equipment. The voters always have the power of the purse to limit spending (and the size of the Reserve Fund) or to vote the Selectboard out of office if they disagree in large enough numbers to do so.

The Legislature recognized this need for Selectboard discretion and granted statutory authority to purchase highway tools and equipment and to finance their purchase through the Vt. Municipal Equipment Loan Fund, without seeking any voter approval. Placing a spending limit on highway equipment purchases runs afoul of the Boards authority and obligations under statute.

Finally, the article establishing this Reserve Fund does not specifically refer to “Highway” Capital Reserve Fund or to pay for “highway” items as identified in the Capital Budget. The Selectboard feels the language establishing the Reserve Fund and the use of the funds should be limited to Highway equipment.

In order to get clarity on these issues and avoid future confusion or debate on how the fund can be used, it is the intent of the Selectboard to hold a Special Town Meeting to amend this article to remove the spending limit and to clarify that the fund shall be used for highway capital equipment purchases.

*Addendum: On September 27<sup>th</sup> 2012 the town held a Special Town Meeting, at which the following article was unanimously approved:*

*Article 3:* Will the Town vote to replace the Article passed in 2001 which established a “Capital Equipment Fund”, with the following article:

Will the Town authorize the establishment of a Highway Capital Equipment Fund to pay for equipment identified in a Capital Budget and Plan which will be funded by an annual appropriation in the budget line item, “Capital Equipment Reserve Fund”, which budget line item may be amended by the voters at said annual meeting.

**EMERGENCY MANAGEMENT FUND 2002**

Article as warned:

Article 18: Will the Town authorize the establishment of an Emergency Management Fund to pay for public needs caused by a natural or manmade disaster within the town to be funded by the un-expended funds from Selectman’s Budget line item “Emergency Management”?

Article passed as warned.

**TAX ANTICIPATION RESERVE FUND 2004**

Article as warned:

Article 14: Will the Town authorize a Tax Anticipation Reserve Fund, in accordance with 24 VSA Section 2804, to pay expenses in anticipation of tax collections and or to retire a budget deficit, funded from Selectman’s Budget year end fund balance, said fund having a cap of 10% of the Selectman’s Budget for that year?

Article passed as warned.

**BUILDINGS, GROUNDS AND EQUIPMENT RESEERVE FUND 2004**

Article as warned:

Article 15: Will the Town authorize a Buildings, Grounds and Equipment Reserve Fund, in accordance with 24 VSA Section 2804, for non-highway capital equipment purchases and or capital improvements to town owned buildings and property, to be funded by unexpended funds from the Selectman’s budget line item “Small Equipment Purchase Current Year” and the current fund balance from the “Restricted Fund Small Capital Equipment” account?

Article passed as warned.

**RECREATION GROUNDS AND EQUIPMENT RESERVE FUND 2007**

Article as warned:

Article 18: Will the Town authorize a Grounds and Equipment Reserve Fund, in accordance with 24 VSA Section 2804, for equipment purchases and or capital improvements to town owned and or leased property, and to fund it with year end fund balances (if any) from the Recreation Committee Revenue versus Expense budgets, such sums to be determined annually, funded initially from any 06-07 fund balance from the Recreation Committee account?

Article passed as warned.

**BRIDGE AND CULVERT RESERVE FUND 2010**

Article as warned:



Article 9: Will the Town authorize establishment of a Bridge and Culvert Reserve Fund, in accordance with 24 VSA Section 2804, for the replacement and or major repair to town owned bridges and large culverts, and to fund it with unspent balances (if any) from the Highway Budget line item “Bridge /Culvert Reserve Fund”, such sums to be determined annually?

**Article as amended:**

Article 9: Will the Town authorize establishment of a Bridge and Culvert Reserve Fund, in accordance with 24 VSA Section 2804, for the replacement and or major repair to town owned bridges and large culverts, which will be funded by annual contributions as set forth in the annual budget, as a line item.

Article passed as amended.

**LAND RECORDS COMPUTERIZATION RESERVE FUND 2010**

Article as warned:

Article 11: Will the Town authorize the creation of a Land Records Computerization Reserve Fund, in accordance with 24 VSA Section 2804, for the computerization of land records to be funded by revenues of no more than \$2.00 per page received from recording fees established under VSA 32 Section 1671(a) (1) and (6) of this section with the exact amount determined by the local legislative body?

Article passed as warned.

**State of Vermont  
Standard Grant Agreement**

**Agreement # P01989**

**Part 2 – Grant Agreement**

1. Parties: This is a Grant Agreement for financial assistance between the State of Vermont, Agency of Transportation (hereinafter called “State”), and the Town of Johnson with principal place of business at 293 Lower Main West, Johnson, VT 05656, (hereinafter called “Subrecipient”). If Subrecipient does not have a Business Account Number, it is the Subrecipient’s responsibility to contact the Vermont Department of Taxes to determine if, by law, the Subrecipient is required to have a Vermont Department of Taxes Business Account Number.
2. Subject Matter: The subject matter of this Grant Agreement is financial assistance to a municipality under 19 V.S.A. § 306(h) for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2 town highways.
3. Award Details: Amounts, dates and other award details are as shown in the attached Grant Agreement Part 1-Grant Award Detail. A detailed scope of work covered by this award is described in Attachment A.
4. High Risk: If at any time the Subrecipient or Subaward are determined to be high risk as per the State of Vermont, Agency of Administration, Bulletin No. 5, Policy for Grant Issuance and Monitoring, or 2 CFR §200.331, additional monitoring measures may be imposed in accordance with 2 CFR §200.207.

When additional monitoring measures are imposed, the subrecipient will receive formal communication directly from the AOT Audit Department, including the nature of the risk determination, sanction(s) to be imposed and the action(s) required to remove those additional requirement(s).

5. Amendment: No changes, modifications, or amendments in the terms and conditions of this Grant Agreement shall be effective unless reduced to writing, numbered, and signed by the duly authorized representative of the State and Subrecipient.
6. Cancellation: This Grant Agreement may be suspended or cancelled by either party by giving written notice at least thirty (30) days in advance.
7. The Subrecipient hereby certifies as follows:
  - a. The Subrecipient has funds available to finance the local share of the project during the Grant period.
  - b. The Grantee has adopted town road and bridge standards which meet or exceed the minimum State-approved codes and standards produced by the Vermont Agency of Transportation (VTrans) and approved by the Vermont Agency of Natural Resources (VANR). If the Subrecipient has adopted codes and standards which meet these minimum requirements, the Subrecipient further certifies that the municipality follows and adheres to those adopted codes and standards.

- c. The Grantee has an Infrastructure Study (three years or less old) which identifies location, size, deficiencies/condition of roads, bridges, causeways, culverts and highway-related retaining walls on class 1,2, and 3 town highways, and estimated cost of repair.
  - d. The Subrecipient has submitted the Annual Town Plan required by 19 V.S.A. § 306(j) to VTrans' district office.
  - e. Where a municipality has adopted codes and standards meeting the minimums required by VTrans and has an Infrastructure Study, the project is eligible for an 80% State share, not to exceed the maximum limiting amount stated on page 1 of this Grant Agreement.
  - f. Where a municipality has not adopted codes and standards meeting the minimums required by VTrans or lacks an Infrastructure Study, the project is eligible for a 70% State share, not to exceed the maximum limiting amount stated on page 1 of this Grant Agreement.
  - g. The Town/Municipality has completed the Environmental Resource checklist in Attachment A.
8. Attachments: This Grant Agreement consists of 20 pages including the following attachments which are incorporated herein:

- Attachment A – Grant Application (Scope of Work and Checklist)
- Attachment B – Payment Provisions
- Attachment C – Standard State Provisions for Contracts and Grants (12/15/17)
- Attachment D – Other Provisions
- Attachment E – DOT Standard Title VI Assurances and Non-Discrimination Provisions (DOT 1050.2A) - Assurance Appendix A and Assurance Appendix E

WE, THE UNDERSIGNED PARTIES, AGREE TO BE BOUND BY THIS GRANT AGREEMENT.

STATE OF VERMONT  
AGENCY OF TRANSPORTATION

SUBRECIPIENT:  
TOWN OF JOHNSON

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_  
*(Signature/Sign)*

Name: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Print Name)*

Title: Secretary of Transportation

Title: \_\_\_\_\_

Date: \_\_\_\_\_, \_\_\_\_\_

Date: \_\_\_\_\_, \_\_\_\_\_

**STATE OF VERMONT GRANT AGREEMENT**

**Part 1-Grant Award Detail**

**SECTION I - GENERAL GRANT INFORMATION**

<sup>1</sup> Grant #: P01989		<sup>2</sup> Original <input checked="" type="checkbox"/> Amendment # _____	
<sup>3</sup> Grant Title: Town Highway Class 2 Roadway Program - FY22			
<sup>4</sup> Amount Previously Awarded: <b>\$0.00</b>		<sup>5</sup> Amount Awarded This Action: <b>\$113,866.40</b>	<sup>6</sup> Total Award Amount: <b>\$113,866.40</b>
<sup>7</sup> Award Start Date: Jul 01, 2021	<sup>8</sup> Award End Date: Dec 31, 2023	<sup>9</sup> Subrecipient Award: YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	
<sup>10</sup> Vendor #: 0000040302	<sup>11</sup> Grantee Name: Town of Johnson		
<sup>12</sup> Grantee Address: 293 Lower Main West			
<sup>13</sup> City: Johnson		<sup>14</sup> State: VT	<sup>15</sup> Zip Code: 05656
<sup>16</sup> State Granting Agency: Vermont Agency of Transportation			<sup>17</sup> Business Unit: 08100
<sup>18</sup> Performance Measures: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<sup>19</sup> Match/In-Kind: \$ 20% Description: LOCAL SHARE		
<sup>20</sup> If this action is an amendment, the following is amended: Amount: <input type="checkbox"/> Funding Allocation: <input type="checkbox"/> Performance Period: <input type="checkbox"/> Scope of Work: <input type="checkbox"/> Other: <input type="checkbox"/>			

**SECTION II - SUBRECIPIENT AWARD INFORMATION**

<sup>21</sup> Grantee DUNS #: 032489320		<sup>22</sup> Indirect Rate: <u>N/A</u> % <small>(Approved rate or de minimis 10%)</small>	<sup>23</sup> FFATA: YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
<sup>24</sup> Grantee Fiscal Year End Month (MM format): 06			<sup>25</sup> R&D: <input type="checkbox"/>
<sup>26</sup> DUNS Registered Name (if different than VISION Vendor Name in Box 11):			

**SECTION III - FUNDING ALLOCATION**

**STATE FUNDS**

Fund Type	<sup>27</sup> Awarded Previously	<sup>28</sup> Award This Action	<sup>29</sup> Cumulative Award	<sup>30</sup> Special & Other Fund Descriptions
General Fund	\$0.00	\$0.00	\$0.00	
Special Fund	\$0.00	\$0.00	\$0.00	
Global Commitment (non-subrecipient funds)	\$0.00	\$0.00	\$0.00	
Other State Funds	\$0.00	\$113,866.40	\$113,866.40	Transportation Fund

**FEDERAL FUNDS**

*(includes subrecipient Global Commitment funds)*

**Required Federal Award Information**

<sup>31</sup> CFDA #	<sup>32</sup> Program Title	<sup>33</sup> Awarded Previously	<sup>34</sup> Award This Action	<sup>35</sup> Cumulative Award	<sup>36</sup> FAIN	<sup>37</sup> Federal Award Date	<sup>38</sup> Total Federal Award
		\$0.00	\$0.00	\$0.00			\$0.00
<sup>39</sup> Federal Awarding Agency:		<sup>40</sup> Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
<b>Total Awarded - All Funds</b>		<b>\$0.00</b>	<b>\$113,866.40</b>	<b>\$113,866.40</b>			

**SECTION IV - CONTACT INFORMATION**

<p><b>STATE GRANTING AGENCY</b></p> <p>NAME: James Cota          TITLE: District 8          PHONE:Office (802) 527 - 5501 Cell (802) 782 - 0802          EMAIL: jim.cota@vermont.gov</p>	<p><b>GRANTEE</b></p> <p>NAME: Brian Story          TITLE: Town Administrator          PHONE:Office: (802) 635 - 2611          EMAIL: tojadministrator@townofjohnson.com</p>
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# Attachment A

## Grant Application

### (Scope of Work and Checklist)

**JOHNSON MUNICIPAL OFFICES**

**Town Administrator**

**Brian Story**

P.O. Box 383

Johnson, Vt. 05656 802-635-2611

Fax 802-635-2393

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May 24th, 2021

Please change the scope of work from:

Over 2,400 feet on Plot Road there will be 10 inches of reclamation and grading.  
Replaced with 3 inch Type II Base and 1.5 inch Type IV wear coat overlay.

To:

Over 2,400 feet on Plot Road there will be paving with 3 inch Type II Base and  
1.5 inch Type IV wear coat overlay.



# FY 2020 Municipal Highway Grant Application

APPLYING FOR:  Structures  Class 2 Roadway  Emergency

MUNICIPALITY: Town of Johnson MUNICIPAL CONTACT (name): Brian Story

MAILING ADDRESS: PO Box 383, Johnson, VT 05656

Phone: 635-2611

E-Mail: tojadministrator@townofjohnson.com

ACCOUNTING SYSTEM:  Automated  Manual  Combination

DUNS #: 032489320

Grantee FY End Month (mm format): 06

DISTRICT CONTACT (name): Jim Cota

Phone:

E-Mail: Jim.Cota@vermont.gov

### SCOPE OF WORK TO BE PERFORMED BY GRANTEE

**Location of Work.** The work described below involves the following town highway / structure:

TH# 1, (Name) Plot Road which is a class 2 town highway.

Bridge # \_\_\_\_\_, which crosses \_\_\_\_\_

Culvert # \_\_\_\_\_, for which the original size was \_\_\_\_\_ and the replacement size is \_\_\_\_\_

Causeway: \_\_\_\_\_

Retaining Wall: \_\_\_\_\_

Latitude: 44.6496

Longitude: -72.6775

MM (If Available):

### Problem:

Road surface is worn and damaged, because the base is insufficiently secured.

### Reason For Problem:

The road base was not sufficiently reinforced for the soil conditions, and the road surface has aged to the point it needs repair.

### Proposed Scope of Work:

Over 2,400 feet on Plot Road there will be 10 inches of reclamation and grading. Replaced with 3 inch Type II Base and 1.5 inch Type IV wear coat overlay.

### Detailed Cost Estimate (below or attached):

Attached

Estimated Project Amount: \$ 142,333.00

Estimated Completion Date: 09/01/2020



Municipality has complied with 19V.S.A. Section 309(d) regarding "complete streets."	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Municipality has adopted Codes & Standards that meet or exceed the State approved template?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Municipality has a current Network Inventory?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Municipality <b>MUST</b> complete the following environmental resource checklist:	
<b>EXISTING STRUCTURES: (check all that apply)</b>	
<input checked="" type="checkbox"/> Steel Tube Culvert	<input type="checkbox"/> Concrete Box Culvert
<input type="checkbox"/> Stone Culvert	<input type="checkbox"/> Concrete Bridge
<input checked="" type="checkbox"/> Ditch	<input type="checkbox"/> Rolled Beam/Plate Girder Bridge
<input type="checkbox"/> Metal Truss Bridge	<input type="checkbox"/> Wooden Covered Bridge
<input type="checkbox"/> There are foundation remains, mill ruins, stone walls or other	<input type="checkbox"/> Masonry Structure
<input type="checkbox"/> Stone Abutments or Piers	<input checked="" type="checkbox"/> Buildings (over 50 yrs old) within 300 feet of work
<input checked="" type="checkbox"/> Other: Plastic Culverts	
<b>PROJECT DESCRIPTION: (check all that apply)</b>	
<input type="checkbox"/> The project involves engineering / planning only	<input checked="" type="checkbox"/> The project consists of repaving existing paved surfaces only
<input checked="" type="checkbox"/> The project consists of reestablishing existing ditches only within existing footprint	<input checked="" type="checkbox"/> All work will be done from the existing road or shoulder
<input type="checkbox"/> The structure is being replaced on existing location / alignment	<input type="checkbox"/> There will be excavation within 300 feet of a river or stream
<input type="checkbox"/> New structure on new alignment	<input type="checkbox"/> Repair/Rehab of existing structure
<input type="checkbox"/> There will be excavation within a flood plain	<input checked="" type="checkbox"/> Road reclaiming, reconstruction, or widening
<input type="checkbox"/> Tree cutting / clearing	<input type="checkbox"/> Temporary off-road access is required
<input type="checkbox"/> New ditches will be established	<input type="checkbox"/> The roadway will be realigned
The municipality has included photos of the project. Must show infrastructure and surrounding features as much as possible. <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

**Below this line to be filled in by VTrans staff:**

Recommended Award Amount:

**\$113,866.40**

District Staff Approval: (name) Jim Cota

Date: 5/21/2021

Note:

Projects may involve impacts to protected historic or archaeological resources. For more information, responsible parties are encouraged to contact the District staff.

# J. Hutchins, Inc.

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March 6, 2020

To: Brian Story  
Town Administrator  
Town of Johnson  
P.O. Box 383  
Johnson, Vermont 05656

From: E.J. Blondin

Re: 2020 Budget Quote – Reclaiming & Paving Proposal

## PLOT ROAD – 2,400- ft x 23 ft

<b>ADD SUBBASE GRAVEL</b>	<b>1,228 TON</b>	<b>\$24.00/TON</b>	<b>\$29,472.00</b>
<b>RECLAIM</b>	<b>6,134 SY</b>	<b>\$2.50/SY</b>	<b>\$15,335.00</b>
<b>2-1/2” TYPE II BASE</b>	<b>852 TON</b>	<b>\$71.50/TON</b>	<b>\$60,918.00</b>
<b>1-1/2” TYPE IV TOP</b>	<b>512 TON</b>	<b>\$71.50/TON</b>	<b>\$36,608.00</b>

## OBBER ROAD – 550 ft x 22 ft

<b>RECLAIM</b>	<b>1,345 SY</b>	<b>\$4.00/SY</b>	<b>\$5,380.00</b>
<b>2-1/2” TYPE II BASE</b>	<b>187 TON</b>	<b>\$71.50/TON</b>	<b>\$13,370.50</b>
<b>1-1/2” TYPE IV TOP</b>	<b>113 TON</b>	<b>\$71.50/TON</b>	<b>\$8,079.50</b>

**TOTAL** **\$169,163.00**

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Phone:  
(802) 434-3500

88 Rogers Lane  
Richmond, VT 05477

Fax:  
(802) 434-3002

**Provide all labor, materials, equipment and supervision to complete the work as described below.**

***Scope of Work to Include:***

- Provide and install Subbase Gravel (4" Thick) over the entire reclaim section prior to reclaiming
- Provide all traffic control necessary to complete the project including signs and flaggers;
- Cut butt joints at the beginning and end of the proposed paving area;
- Sweep all paved roads prior to paving;
- Spray emulsion at the rate of 0.040 Gal./SY prior to paving;
- Provide 2 CAT Steel Double Drum Rollers and a Rubber Tired Roller for all paving activities;
- Site cleanup;
- Hutchins reserves the right to adjust pricing based on AC pricing index determined by VTrans for material produced by period as specified in the standard specification for item 406.50;
- AC Escalation will be calculated on a book price for the month of March 2020 of \$521.00 per ton.

**ATTACHMENT B  
PAYMENT PROVISIONS**

The State agrees to compensate the Grantee for services performed up to the total award amount stated on the Grant Agreement Part 1 – Grant Award Detail of this Grant Agreement provided such services are within the scope of the Grant and are authorized as provided for under the terms and conditions of this Grant.

A close out report must also be submitted within 45 days of the project completion or end date of the Grant, whichever is first, documenting that the project has been completed and accepted by the Grantee (this is also on the VTrans TA65 form).

If the project is not completed before the end date of the Grant, the Grantee will have no claim for reimbursement under this Grant Agreement.

All completed forms should be submitted to:

Name: James Cota  
Title: District Project Manager  
Address: Vermont Agency of Transportation  
District 8  
680 Lower Newton Road  
St. Albans, VT 05478

**ATTACHMENT C: STANDARD STATE PROVISIONS  
FOR CONTRACTS AND GRANTS  
REVISED DECEMBER 15, 2017**

**1. Definitions:** For purposes of this Attachment, “Party” shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement. “Agreement” shall mean the specific contract or grant to which this form is attached.

**2. Entire Agreement:** This Agreement, whether in the form of a contract, State-funded grant, or Federally-funded grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

**3. Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial:** This Agreement will be governed by the laws of the State of Vermont. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State with regard to its performance under this Agreement. Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.

**4. Sovereign Immunity:** The State reserves all immunities, defenses, rights or actions arising out of the State’s sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of the State’s immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State’s entry into this Agreement.

**5. No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any state or Federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

**6. Independence:** The Party will act in an independent capacity and not as officers or employees of the State.

**7. Defense and Indemnity:** The Party shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The State retains the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits.

After a final judgment or settlement, the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party in connection with the performance of this Agreement.

The Party shall indemnify the State and its officers and employees if the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party or an agent of the Party in connection with the performance of this Agreement.

Notwithstanding any contrary language anywhere, in no event shall the terms of this Agreement or any document furnished by the Party in connection with its performance under this Agreement obligate the State to (1) defend or indemnify the Party or any third party, or (2) otherwise be liable for the expenses or reimbursement, including attorneys’ fees, collection costs or other costs of the Party or any third party.

**8. Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of this Agreement. No warranty is made that the coverages and limits listed

herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

*Workers Compensation:* With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary to comply with Vermont law.

*General Liability and Property Damage:* With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Each Occurrence

\$2,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

\$1,000,000 Personal & Advertising Injury

*Automotive Liability:* The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit.

*Additional Insured.* The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

*Notice of Cancellation or Change.* There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

**9. Reliance by the State on Representations:** All payments by the State under this Agreement will be made in reliance upon the accuracy of all representations made by the Party in accordance with this Agreement, including but not limited to bills, invoices, progress reports and other proofs of work.

**10. False Claims Act:** The Party acknowledges that it is subject to the Vermont False Claims Act as set forth in 32 V.S.A. § 630 *et seq.* If the Party violates the Vermont False Claims Act it shall be liable to the State for civil penalties, treble damages and the costs of the investigation and prosecution of such violation, including attorney's fees, except as the same may be reduced by a court of competent jurisdiction. The Party's liability to the State under the False Claims Act shall not be limited notwithstanding any agreement of the State to otherwise limit Party's liability.

**11. Whistleblower Protections:** The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.

**12. Location of State Data:** No State data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside the continental United States, except with the express written permission of the State.

**13. Records Available for Audit:** The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or

acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

**14. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement.

**15. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

**16. Taxes Due to the State:**

- A. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- B. Party certifies under the pains and penalties of perjury that, as of the date this Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- C. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- D. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

**17. Taxation of Purchases:** All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request with respect to otherwise taxable items.

**18. Child Support:** (Only applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date this Agreement is signed, he/she:

- A. is not under any obligation to pay child support; or
- B. is under such an obligation and is in good standing with respect to that obligation; or
- C. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

**19. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing work under this Agreement pursuant to an agreement with Party or any subcontractor.

In the case this Agreement is a contract with a total cost in excess of \$250,000, the Party shall provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54).

Party shall include the following provisions of this Attachment C in all subcontracts for work performed solely for the State of Vermont and subcontracts for work performed in the State of Vermont: Section 10 ("False Claims Act"); Section 11 ("Whistleblower Protections"); Section 12 ("Location of State Data"); Section 14 ("Fair Employment Practices and



Americans with Disabilities Act”); Section 16 (“Taxes Due the State”); Section 18 (“Child Support”); Section 20 (“No Gifts or Gratuities”); Section 22 (“Certification Regarding Debarment”); Section 30 (“State Facilities”); and Section 32.A (“Certification Regarding Use of State Funds”).

**20. No Gifts or Gratuities:** Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

**21. Copies:** Party shall use reasonable best efforts to ensure that all written reports prepared under this Agreement are printed using both sides of the paper.

**22. Certification Regarding Debarment:** Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party’s principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in Federal programs, or programs supported in whole or in part by Federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State’s debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

**23. Conflict of Interest:** Party shall fully disclose, in writing, any conflicts of interest or potential conflicts of interest.

**24. Confidentiality:** Party acknowledges and agrees that this Agreement and any and all information obtained by the State from the Party in connection with this Agreement are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

**25. Force Majeure:** Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control rendering performance illegal or impossible (excluding strikes or lock-outs) (“Force Majeure”). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

**26. Marketing:** Party shall not refer to the State in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of the State.

**27. Termination:**

**A. Non-Appropriation:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by Federal funds, and in the event Federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.

**B. Termination for Cause:** Either party may terminate this Agreement if a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of the non-breaching party’s notice or such longer time as the non-breaching party may specify in the notice.

**C. Termination Assistance:** Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take all reasonable and prudent measures to facilitate any transition required by the State. All State property, tangible and intangible, shall be returned to the State upon demand at no additional cost to the State in a format acceptable to the State.

**28. Continuity of Performance:** In the event of a dispute between the Party and the State, each party will continue to perform its obligations under this Agreement during the resolution of the dispute until this Agreement is terminated in accordance with its terms.

**29. No Implied Waiver of Remedies:** Either party's delay or failure to exercise any right, power or remedy under this Agreement shall not impair any such right, power or remedy, or be construed as a waiver of any such right, power or remedy. All waivers must be in writing.

**30. State Facilities:** If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to and use of State facilities which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

**31. Requirements Pertaining Only to Federal Grants and Subrecipient Agreements:** If this Agreement is a grant that is funded in whole or in part by Federal funds:

- A. Requirement to Have a Single Audit:** The Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required. For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.
- B. Internal Controls:** In accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- C. Mandatory Disclosures:** In accordance with 2 CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

**32. Requirements Pertaining Only to State-Funded Grants:**

- A. Certification Regarding Use of State Funds:** If Party is an employer and this Agreement is a State-funded grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.
- B. Good Standing Certification (Act 154 of 2016):** If this Agreement is a State-funded grant, Party hereby represents: (i) that it has signed and provided to the State the form prescribed by the Secretary of Administration for purposes of certifying that it is in good standing (as provided in Section 13(a)(2) of Act 154) with the Agency of Natural Resources and the Agency of Agriculture, Food and Markets, or otherwise explaining the circumstances surrounding the inability to so certify, and (ii) that it will comply with the requirements stated therein.

(End of Standard Provisions)

**ATTACHMENT D  
OTHER GRANT AGREEMENT PROVISIONS**

1. **Cost of Materials:** Grantee will not buy materials and resell to the State at a profit.
2. **Prior Approval/Review of Releases:** Any notices, information pamphlets, press releases, research reports, or similar other publications prepared and released in written or oral form by the Grantee under this Grant Agreement shall be approved/reviewed by the State prior to release.
3. **Ownership of Equipment:** Any equipment purchased by or furnished to the Grantee by the State under this grant agreement is provided on a loan basis only and remains the property of the State.
4. **Grantee's Liens:** Grantee will discharge any and all contractors' or mechanics' liens imposed on property of the State through the actions of subcontractors.
5. **State Minimum Wage:** The Grantee will comply with the state minimum wage laws and regulations, if applicable.
6. **Health Insurance Portability and Accountability Act (HIPAA):** The confidentiality of any health care information acquired by or provided to the Grantee shall be maintained in compliance with any applicable State or federal laws or regulations.
7. **Equal Opportunity Plan:** If it is required by the Federal Office of Civil Rights to have a plan, the Grantee must provide a copy of the approval of its Equal Opportunity Plan.
8. **Supplanting:** If required, the Grantee will submit a Certification that funds will not be used to supplant local or other funding.
9. **Compliance with Cost Principles:** Grantee shall comply with the requirements set forth in 2 CFR, Part 225 (States, local governments, and Indian Tribes), 2 CFR, Part 220 (Non-Profit Organizations), or 2 CFR, Part 220 Educational Institutions (even if part of a State or local government) as appropriate for the Grantee's type of organization.
10. **Construction;** The Grantee will construct the project using sound engineering practices and in accordance with plans defining the work.
11. **Permits; Compliance with Permit Conditions.** The Grantee will obtain all necessary permits and other approvals required to construct the Project and will be responsible for assuring that all permit or approval requirements are complied with during construction and, to the extent applicable, for the life of the project.

12. **Damage to Abutters.** The Grantee will pay the total cost of any incidental damages that may be sustained by abutting or adjacent property owners or occupants as the result of construction of the project.
13. **Acquisition of Additional Right-of-Way.** The Grantee will be responsible for obtaining additional right-of-way, if any, needed for the project. The cost of any such right-of-way shall be the responsibility of the Grantee.
14. **Utility Relocations.** The Grantee will be responsible for making any necessary arrangements for utility relocations needed to accommodate the project. Please call Dig Safe at 1-800-DigSafe (www.digsafe.com). The cost of any improvements to existing utilities shall be the responsibility of the Grantee or the utility.
15. **Traffic Control.** The Grantee will provide all traffic control necessary to assure the safe movement of traffic during construction.
16. **Maintenance of Project Improvements.** The Grantee will maintain the completed project in a manner satisfactory to the State or its authorized representatives and shall make ample provisions each year for town highways and structures. In this regard, the Grantee acknowledges that its attention has been directed to Vermont Statutes Annotated, Title 19, Sections 304 (Duties of selectmen) and 310 (Highways, bridges and trails).
17. **Cargo preference act compliance (if applicable).** The contractor/recipient/subrecipient is hereby notified that the Contractor and Subcontractor(s)/recipients and subrecipients are required to follow the requirements of 46 CFR 381.7 (a)-(b), if applicable. For guidance on requirements of Part 381 – Cargo Preference – U.S. Flag Vessels please go to the following web link: <https://www.fhwa.dot.gov/construction/cqit/cargo.cfm>.

## ATTACHMENT E

### The United States Department of Transportation

### Standard Title VI/Non-Discrimination Assurances

### DOT Order No. 1050.2A

#### ***Assurance Appendix A***

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation, Federal Highway Administration (FHWA), as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations as set forth in Appendix E, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:
  - a. withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

## ***Assurance Appendix E***

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin), as implemented by 49 C.F.R. § 21.1 *et seq.* and 49 C.F.R. § 303;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (102 Stat. 28.), (“...*which restore[d] the broad scope of coverage and to clarify the application of title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and title VI of the Civil Rights Act of 1964.*”);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 -- 12189) as implemented by Department of Justice regulations at 28 C.F.R. parts 35 and 36, and Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*), as implemented by 49 C.F.R. § 25.1 *et seq.*

**AGREEMENT FOR SERVICES BETWEEN  
VILLAGE OF JOHNSON  
AND  
THE TOWN OF JOHNSON**

Articles of Agreement made and entered into by and between, the Village of Johnson hereinafter called the “Village” acting through its Trustees, and the Town of Johnson, Vermont hereinafter called the “Town”, acting through its Selectboard.

**WITNESSETH**

Whereas, the Village of Johnson Volunteer Fire Department, henceforth the “Department”, owns and operates firefighting equipment and apparatus and has the personnel and capacity to provide fire protection services to neighboring towns; and

Whereas, pursuant to the authority granted to Towns and Villages under 24 VSA, the Village Trustees and the Town of Johnson desire to enter into an agreement for the provision of fire protection services;

Whereas, the parties acknowledge that the “Department” provides fire protection services to the Towns of Belvidere, Waterville, Johnson as well as the Village of Johnson and participates in Mutual Aid with other area departments.

Be it therefore resolved, in consideration of the mutual promises and covenants herein, the parties agree as follows:

1) The “Department” will provide fire protection services to the Town of Johnson and will respond to fire and emergency calls in the Town of Johnson, barring accidents or conditions or circumstances otherwise beyond their control, subject to the following exception: In the event the “Department” is responding or has responded to a fire or emergency call for any entity and or for Mutual Aid, they will respond to fire or emergency calls from Johnson as, in the sole judgment of the “Department’s” officers in charge, is deemed prudent and reasonable. In such cases, the “Department” may not be able to respond and the Town of Johnson may have to rely on Mutual Aid for primary fire protection or emergency calls.

2) The fee for these services for the calendar year 2021 shall be \$90,748. This fee shall not cover any expenses for Mutual Aid for any other departments for fire or emergency calls. This fee is subject to change yearly based on estimated cost of providing the services.

3) Fees shall be due and payable quarterly, on the last day of March, June, September and December of each year.

4) In order to limit both parties exposure to lawsuit and liability, the parties mutually agree to carry insurance covering, at a minimum, public officials and general liability, property, auto, workers comp, and casualty and to name the other party as an additional insured on their policy.



5) To the extent allowed by law, the Village of Johnson and the Town of Johnson shall each defend, save harmless, and indemnify the other (including its directors, officers, employees, agents and subsidiaries) from and against any and all claims, damages, losses, liabilities, suits, actions, demands, proceedings (whether legal or administrative), and expenses (including but not limited to reasonable attorneys' fees), that are related to this Agreement and that are (i) caused by a negligent act or omission of the indemnifying party, its agents, employees or invitees, or (ii) sustained on or caused by equipment or facilities, or the use thereof, that the indemnifying party owns or controls. Notwithstanding the foregoing, the Village of Johnson and the Town of Johnson each shall be solely responsible for and shall bear all costs of claims by its own employees or contractors growing out of any workers' compensation law.

6) This agreement shall become effective upon execution and shall be binding on the parties for the term of the agreement, subject to voter approval. The term of the agreement shall be January 1<sup>st</sup> to December 31<sup>st</sup> of any agreement year.

7) The agreement may be renewed from year to year in writing by both parties, stating any changes to the agreement or fees, and prior to December 31<sup>st</sup> of any agreement year. Written notification shall be provided by either party at least 60 days before expiration, of intent not to renew the agreement upon its expiration. Unless renewed or amended, this agreement shall expire on December 31<sup>st</sup> of any agreement year.

8) The parties to this Agreement recognize that this Agreement does not create any actual or apparent agency, partnership, franchise, or relationship of employer and employee between the parties. With the exception of mutual aid agreement negotiated by the Fire Chief on behalf of the Village and Town, the Village of Johnson and Department are not authorized to enter into or commit the Town of Johnson to any agreements, and the Village of Johnson and Department shall not represent themselves as the agent or legal representative of the Town of Johnson. The Town of Johnson is not authorized to enter into or commit the Village of Johnson to any agreements, and the Town of Johnson shall not represent itself as the agent or legal representative of the Village of Johnson. The Town of Johnson shall not be liable for taxes, Workers' Compensation, unemployment insurance, employers' liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of the Village of Johnson or Department or any other person consulted or employed by the Village of Johnson or Department in performing Services under this Agreement. All such costs shall be the Village of Johnson and Department's responsibility. The Village of Johnson and Department's employees shall not be entitled to any remuneration, benefits, including without limitation any health or retirement plans, or expenses other than as specifically provided for in this Agreement, and each party hereby expressly waives any claim, whether now known or not now known and any claim hereafter accruing against the other party arising out of the operation of any applicable workers' compensation law. The Town of Johnson's employees and agents shall not be entitled to any remuneration, benefits, including without limitation any health or retirement plans, workers' compensation, or expenses related to the services covered by this Agreement.

9) This agreement may be amended in writing by and upon such terms and conditions as agreed to by both parties.

In the presence of:

Village of Johnson by its Chair

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In the presence of:

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Town of Johnson by its Chair

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