

JOHNSON SELECTBOARD/VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
WEDNESDAY, JANUARY 26, 2022

Present:

Selectboard Members: Mike Dunham, Beth Foy, Nat Kinney, Eric Osgood, Eben Patch

Village Trustees: Steve Hatfield (via Zoom), Diane Lehouiller, Will Jennison, BJ Putvain, Ken Tourangeau

Others: Brian Story, Rosemary Audibert, Meredith Dolan (via Zoom), Melanie Riddle (via Zoom), Kyle Nuse, Offie Wortham, L. Garamella (via Zoom)

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order / Review of Agenda and Any Adjustments, Changes and Additions*

Eric called the selectboard to order at 6:02. Will called the trustees to order at 6:01. No changes to the agenda were needed.

2. *Review Johnson Hazard Mitigation Plan*

Melanie Riddle said there are some sections of the Hazard Mitigation Plan that she wants feedback on. She can make edits based on the feedback, then there needs to be an opportunity to get public comment at a selectboard or village trustee or Planning Commission meeting. Edits can be made based on those comments, then the plan goes to Vermont Emergency Management, which reviews it and sends back comments. LCPC makes any necessary changes and then it can be formally adopted. The plan needs to be updated every 5 years. The current plan will expire in the fall.

Beth said there is mention of avoiding long-term electric outages. She asked if internet outages should also be included. Brian said he thinks that is something we should consider. Most internet access still comes over telephone poles. Beth said wind damage also impacts cell towers and cell reception. How does that connect with this plan?

Brian suggested an area to add as a high road erosion risk – the area on Route 15 east of town near the Nadeau pit where the state has been working to try to mitigate erosion. Will asked what makes it high risk. Brian said he feels it is high risk because of the rate of change of erosion he has seen in recent years. The state has had two or three mitigation projects there in the last 5 years or so. He thinks there is a potential impact to transportation. Eric said we have seen a high rate of accidents in that area. There seems to be some issue with the road.

Beth said there is high erosion behind properties on Railroad Street, which impacts property values and flood risk. Melanie said she will double check but she assumes that would be more relevant to the flood hazard map since it doesn't sound like it is affecting the roadways. Will said behind the United Church one of the power poles is being encroached by the river to the point that probably this spring the village will have to do something about it because the river has changed course. Melanie said she will see about adding erosion to the flood map.

Melanie asked if the village had mitigation actions they wanted to add to the plan. Meredith said she can't think of anything other than the storm water infrastructure the village has responsibility for.

Brian noted that references to the Town of Johnson Highway Department should be changed to Town of Johnson Public Works Department.

The board reviewed the action evaluation and prioritization matrix. Brian suggested that perhaps upgrading culvert sizes should be shown as an ongoing activity. There are a finite number of culverts but it will be a long time before we are finished upgrading them and standards and water patterns could change.

Meredith noted that there is a reference to developing a plan with the transmission service provider. It would be more accurate to say “work cooperatively with the transmission service provider.” We can't dictate development of a plan or require a transmission service provider to do things.

Beth said she thinks the ground truthing of river corridor areas may have been completed. Melanie said she will double check that.

Eric suggested changing the priority of ash tree management now that we know that the ash borer is present in the area. He said the plan mentions state regulations but we also have a town plan for management of emerald ash borer that could possibly be mentioned. Brian said he thinks that is a good idea.

The board discussed changes to scoring for one of the other items.

Melanie said since this is a joint town-village plan she believes the public input could be at any town or village meeting. Eric asked if it would make sense to send this to the Planning Commission. Others thought that was a good idea.

3. *Discuss Community and Economic Development Coordinator Position*

Will said the village hasn't yet discussed budgeting for this. Eric said the town meeting warning will have an article asking the voters to authorize spending \$40K for community and economic development. The board left out the coordinator title in case the village did not come through with funding. They felt maybe the money could be used in another way. Eric said he is a little concerned that because voting will be by Australian ballot the selectboard won't have the opportunity to explain the article, so it may not pass. Diane asked, the selectboard will bring it up and discuss it at the informational meeting, right? Eric said yes, but unfortunately informational meetings are typically not well attended.

Diane asked, if the town article passes and we get someone to write grants, do the town and village work together on some of the things that need to be done? Eric said he anticipates that would be the case but there will be a new board that will decide. Mike said the current board intends on working with the village. Brian said he thinks we get a better bang for the buck by working together but it will be up to the new boards. Mike said he can't imagine any new selectboard not wanting to work with the village.

4. *Merger Discussion*

The board reviewed the report/meeting minutes prepared by the merger subcommittee. Eben explained that the committee used actual numbers for 2021-22. The reports shows revenues for both town and village, assuming the PILOT payment the village currently gets for the college

would no longer be received. The yearly tax impact was figured by adding together the town and village budgets and assigning it to the town's grand list. The report has tables of sample tax bills for town and village taxpayers based on 2021-22 figures with no changes. Eben noted that this is the municipal tax bill. It does not include the school tax, so this is not the whole amount a property owner would pay in taxes. Another table shows the impact of merging on tax rates for town and village residents. Beth said these figures are just for a primary residence. If your property is not your primary home you will have a different tax rate. Rosemary said that is only the case for the school tax rate. After a merger, town residents outside the village would see about an 8% increase in their tax bill and Village of Johnson residents would see tax savings of about 11%. Eben recommended that everyone read through the subcommittee meeting minutes closely.

Will ask, the school tax wouldn't change? Eben said no. He noted that these figures are based on the assumption that we would no longer receive the PILOT money for the college. That is a big assumption. He didn't hear whether Meredith talked to Waterbury about what happened to their PILOT payments. Meredith said she was promised a call back from Waterbury as soon as they are done with their budget. She also spoke with Northfield and someone is supposed to be sending information.

Eben said these figures do not include any one-time costs, just the yearly tax bill.

Meredith said she heard from Essex that they thought legal costs for changing their charter would be about \$20K. In Essex a merger did not actually happen. She asked about one-time cost related to development of a merger plan or charter and the manager indicated that both communities agreed to hire a third party attorney so there would be no bias. The attorney they hired, Dan Richardson, charged them a little over \$10K for developing the new merged charter. It ended up losing by 19 votes so they never tried to move it through the legislative process but they estimated that would have cost another \$5-10K. It also took a significant amount of staff time. Staff are paid anyway, but that is something to think about. There is an opportunity cost when staff don't have time to be doing other things. Another reason to involve a third party attorney was that the attorney they used has a lot of experience with charter changes and knows what the legislature is likely to approve. Their estimate was that just the charter change would have cost about \$20K. Meredith could see getting external help, potentially from an attorney, on development of a merger plan. She will hopefully get feedback on that from Northfield and Waterbury.

Eric said the town doesn't have a charter. Can the village charter just go away or do we need a new charter? Meredith said her understanding would be that we would have a new charter that would take on elements of the village's, which is not a typical charter, add typical town charter language and mesh them together in a way that was agreeable to the legislature. She thinks we would create something more formal than what we have. She thinks that would be important when creating a new municipality.

Will said there is always a chance the new charter could be turned down by the legislature. Meredith said if the charter doesn't have anything too oddball, the community supports it and we do work educating the legislators on the goals it is likely to be approved. There is work to be

done to get everyone comfortable with it. Mike said it is highly unlikely they would turn it down.

Will said his thought is that next we should look at other costs we don't have numbers on and consider how a 5-year loan for merger costs would impact town and village taxpayers.

Eben said he thinks it would be important as a next step to pick another meeting date to discuss this jointly. The voters tasked us with continuing a conversation on merging. It can't be in this year's town meeting warning but he believes the selectboard owes it to the town taxpayers to let them know that they would see an increase in taxes with a merger and the village owes it to its voters to let them know what their yearly cost savings would be with a merger. We owe it to the voters to let them know that town residents could expect to pay 8% more and village residents could expect to pay about 11% less with a merger. BJ said those figures are not correct because they do not include all costs. Eben said one-time expenses can be covered with a loan. BJ said that will affect taxes during the period when the loan is being paid off. He would like to go with complete cost figures. It is inaccurate to say a merger will save the village 11%. Eben said the other cost element is pretty small. He suggested that maybe the trustees would want to warn an article asking village voters to establish a reserve fund to potentially pay for merger costs. That can't be in the town's warning for this year but maybe next year it could be put to the town voters to put twice as much money in a reserve fund, enough to catch up to the village.

Will said he personally would not be comfortable putting out numbers without knowing the actual cost of the process. If those numbers come in then we can present them to the voters.

Mike said when he was a trustee they discussed the concept of merging and all came to the conclusion that it would be advantageous to the village and not the town. If he still lived in the village it would be a no-brainer to him to vote to merge. He feels we should bring the information to the voters soon and let them decide.

Diane suggested we could bring these figures to the voters and explain to them that there are going to be other costs as well. We can tell them that discussion will continue, not just about money but about others things that need to be discussed.

Mike said this is not the whole picture. The union contract with the provision for buying out the village employees needs to be put in somewhere. Will said the notion that the contract is up for renewal and will go away is mistaken. If there is no agreement on a new contract the current contract stands until there is a new one. Diane said she thinks we need to look at the utility department and not have that be something that holds us back. We need to look at options. BJ said the workers aren't going to agree to have that taken away from them.

Will said he agrees that we need to continue the work. He feels he needs more numbers before putting anything before the voters.

Beth suggested there could be a joint meeting where everyone brings to the table additional numbers they feel need to be considered.

Eben brought up the list of assets that was discussed at the last meeting.

Nat said in addition to numbers he is interested in what we envision structurally and the impact on the electric department. Does it continue as its own independent utility? It is not a town-wide service. Village water and sewer serves a very limited portion of the population. How will those utilities be managed under a merged structure? And what happens with the boards? Presumably there would be some sort of utility board. Will said if the town takes everything over, the selectboard would be the trustees of the water, sewer and electric departments. Mike said we could have water and light commissioners.

Eric said he thinks this is a big enough question that there would be special town and village meetings to vote on a few different articles regarding merging.

Nat said in particular he is interested in what happens with the electric utility. That is a big question for voters beyond just cost. If a merger changes the electric utility in a significant way, what is the impact?

Will said some people are asking about water and sewer as well. There are concerns about a new board controlling the water and sewer departments if people on those boards are not using that utility and the decisions don't impact them personally. Eben said the great thing for electric ratepayers is that they are protected by the Vermont Public Utility Board. He thinks sewer and water will be protected soon as well after recent actions of the Hyde Park board. With a merger all the ratepayers could have a say. Now they don't. Mike said Walter Pomroy spoke several years ago about the village wanting more sewer customers for more revenue so rates can stay the same or go down. The biggest sticking point he sees is the buyout of village employees if they choose to go. That should never have been allowed to be put in the contract.

Eric said there are a few ways we can do this. One is to merge. Another is to follow Waterbury's example, where the village just voted to dissolve. He doesn't recommend that. Another option is what Morrisville has done. The village government has virtually disappeared. The village trustees are basically just water and light commissioners who manage the utilities. If we did that, there would still be a village government with nothing to handle except utilities. Will said he thinks more people would be in favor of that and it wouldn't affect the buyout issue. We would just need separation of buildings. Nat asked, under that scenario would the fire department become part of the town? Will said yes. Utilities would remain separate from everything else.

Will said it sounds like he and Beth are agreed that the next step is finding all the other cost figures. Beth said she thinks Nat's point about discussing organization is also a good next step and another task may be an inventory list as Eben has suggested.

Meredith said there is state statute that guides how a merger would happen. It defines what has to be in a merger plan, which includes a lot of what Nat is talking about regarding structure. She will forward a link to the statute.

Will asked, one thing Meredith is waiting for pricing on is a merger plan, right? Meredith said yes, she would like to speak to Northfield and see if they did their merger plan in-house or used an outside party and if so what the cost was.

Beth said she feels we should have a place for putting information like the options Eric laid out. Maybe that could be centralized through Meredith and Brian. Brian said they can figure out a repository on the website for documents produced by the merger subcommittee.

Eric said he would like to see information on whether or not we will lose the PILOT money and he would like to get real numbers on attorney fees. BJ asked if we can ask the attorney we are considering to give us an estimate. Brian said we could talk to Kent Gardner from CGR, but we don't have anyone lined up that we are considering. BJ said different communities may be in a different situation from us. If we explain our specific situation to an attorney they may have a better idea what the cost would be.

Beth said if anyone has specific cost information they want to be considered they should send it to her and she will compile the feedback she gets.

Eben asked if the subcommittee is being modified to address more than just financial matters. The committee could make a list of properties, but an inventory list could be created very quickly in a meeting of both boards.

Will said we have a year before this can come to the voters so there is no need to try to have meetings too quickly before we have all the information. Eben asked if Will can give the subcommittee a list of information he would like. Will said he can do that. Beth said she thinks the subcommittee can start an inventory list and add to it later. In regard to Will's comment that we have a year before this question can actually come to the voters, Mike said we could have a special meeting before next spring, maybe this summer.

Eben suggested the subcommittee could brainstorm advantages and disadvantages of a merger if that would be helpful to the boards. Diane said she thinks that is a good idea.

Nat said he doesn't think the subcommittee can answer the question of whether the village utilities can exist on their own without the general village budget. The village has to answer that. Meredith said employee costs are allocated among four departments. If the general department went away, some employee costs would be shifted to the utilities. It would not be difficult to run rough numbers to see the impact. The electric, water and sewer departments send about \$16K to the general department for building rent. There is a potential savings if the general department didn't exist. It might be a wash.

Will asked if Meredith could run costs for the village trustees of running the electric department as a standalone. We would still need the same employees who would be paid 40 hours a week but they would not be working on sidewalks and other things. BJ said if we take money out of the general fund we would have to redo the figures the subcommittee just did. Nat said the village tax rate is one piece but the utility rate is another. How will his electric rate be affected?

Rosemary said technically the village general department owns all the village buildings and land. Meredith said that relates to the village garage discussion. If it becomes clear that the village is going to construct something, does it make more sense for the village utility to own a brand new building?

Kyle Nuse said this is a great discussion and a great report. It is important for people to see. The quicker the boards can get it out to the public the better. Projected costs are one thing. She hears and thinks a lot about intangible things – the impact two boards and two municipalities have on the public and on volunteers. It can feel very painful and challenging and hard. She thinks those things should also be inventoried. What is the impact of two boards versus one on the public that lives and participates in this town? Diane said that is what she hears from quite a few people – the difficulty of having to go to both boards. BJ said, as discussed last time, as with the Racial Justice Committee, we could identify just one board to handle some things without merging. Diane said with the recent grant they had to go to the selectboard to get the grant started and then have the trustees put their name on it. It would make many things easier to have just one board. Eric said the consultant's report indicated there was no huge reason to merge and no huge reason why it wouldn't make sense but the voters overwhelmingly voted to continue merger discussion. He thinks those intangible things are driving the discussion. Nat said it would be interesting to go back for some period of years and do that inventory – find out who had to go to both town and village to get something accomplished, like the ice rink, a sewer extension or a crosswalk. It would be interesting to list those points of contact and see the actual scenarios.

Eben said he thinks a lot of people believe that a merger will save money because they have an incorrect idea that there is a lot of duplication of services. Beth said she thinks it depends who you talk to. People value different things. Anyone who is highly involved in any committee or town volunteerism does run into issues with the two boards quite often. She feels we should have the user stories. That is a little harder and time-consuming to get. She suggested we can work on one thing at a time, starting with something easy. Will said we can also consider, if a merger is not voted on by both town and village, if there is another way to solve these problems.

Mike said it would be interesting to know the mix of town vs. village at town meeting because the village has the most to gain from a merger. He can't believe anyone who lives in the town outside the village will vote to pay \$300 more in taxes. Will said if we can separate the utilities so non-users are not controlling their rates he thinks the village will want a merger.

Steve said in his opinion most of the rest of the cost figures won't be hard numbers. They will be ranges. It won't be cut and dried.

Eben said the subcommittee will make a decision about scheduling another meeting. They will email Brian, Meredith and the board chairs with their findings.

5. Adjourn

Ken moved to adjourn, BJ seconded, the motion was passed and the village trustees adjourned at 7:26. The selectboard adjourned at 7:26.