

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, JANUARY 8, 2018

Present:

Trustees: Gordon Smith, Walter Pomroy, David Goddette, Bob Sweetser (by phone)

Others: Meredith Birkett, Rosemary Audibert, Troy Dolan, Arjay West

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 6:01.

2. *Changes, Additions to Proposed Agenda*

No changes were suggested.

3. *Review and Approve Minutes of Trustee Meetings*

Walter moved to approve the joint minutes of December 5 and the trustee board minutes of December 11, Bob seconded and the motion was passed.

4. *Treasurer's Report / Review and Approve Bills and Warrants / Budget Status / Action Items*

The board reviewed the budget status reports. (Dave arrived at 6:18.) Walter asked why contracted outside services for wastewater was budgeted so high. Meredith said she will have to look.

Rosemary said she proposes increasing pay for the auditors to \$12/hour. Walter asked what the town pays them. Rosemary said it is close to \$12 and probably with the coming raise it will be over \$12. They come in quarterly for about half a day. Dave moved to increase pay for the auditors to \$12/hour, Walter seconded and the motion was passed.

Rosemary said the new auditing firm, Pace & Hawley, will start work on our audit at the end of January.

Meredith said VLCT confirmed that there is no reason we can't make pay raises retroactive to January 1 and also said there is no reason we can't just make them effective January 1. The only problem would be if the budget was not approved. From talking to Rosemary it sounds like it may be simpler to make pay raises for village employees effective January 1. Joint employees would be on a different schedule.

Walter said he feels the voters have the final say and until they say yes he doesn't want to give a pay raise. He doesn't want to give employees a raise on January 1 and then have voters cut our budget significantly. Dave agreed with Walter. Bob said although he thinks it might be easier on office staff to make raises effective, he thinks he agrees with Walter. The board agreed that pay raises should be retroactive to January 1.

Meredith said she met last week with two people from Dufresne. They went through the framework for water and wastewater preliminary engineering reports. We had talked about getting a loan to fund both reports. But there is an asset management grant for water systems that has a cap of \$20K with a local match that can be in kind. Last year applications were due in March with a decision in May. Dufresne can help us apply for that grant. She discussed with them also applying for a rural

development grant of up to \$30K that is available for water. If we don't get either grant then we could get a loan with zero percent interest that we would have to repay over 5 years if we do not move to construction. For wastewater, we could also apply for a rural development grant with a cap of \$30K or we could get a loan.

Walter asked if any of the discussion was about restructuring rates. Meredith said no, not specifically. Dufresne will look at our rates but they will not be focused on making recommendations on rates.

Walter said he feels wastewater is a priority. He asked about the time frame. Meredith said we would probably find out about funding May to July and typically we would have a year to complete work. It could be July 2019 by the time we have final reports done. It could take a year to complete the studies.

Walter asked, we will have a very detailed asset management plan? Meredith said yes. They had a conversation about making sure Dufresne's asset management plan can work together with the plan we already had done by another firm.

Meredith thinks Tom is in support of the asset management plans. It will be challenging to get them done. There will need to be work done by our staff and some labor costs.

Meredith said she thinks Dufresne can revise the scope of the studies and she can bring final numbers to the February meeting. Then the board can authorize applying for grants.

Gordy said in the past it has helped us to have shelf-ready projects. Meredith said this is the first step for eligibility for construction grants. Gordy said he thinks we should move ahead with this.

Meredith said they talked about taking a second look at the River Road pump station design. Tom felt the cost was higher than expected.

Walter asked if possible expansion of sewer lines related to the Brownfields study has been incorporated. Meredith said yes; they talked about the potential for economic development. Looking at capacity will be part of the study.

Dave moved to enter executive session at 6:39, with Meredith and Troy remaining, Walter seconded and the motion was passed. Walter moved to exit executive session at 7:37, Dave seconded and the motion was passed.

5. Fire Department Budget

Arjay presented the proposed fire department budget. He mentioned that the firefighters recently had their annual meeting and elections and all officers stayed the same. They tried to come up with a zero percent increase for the village, in line with previous direction from the village.

On January 1 the minimum wage goes up 50 cents. The fire department has usually tried to stay 50 cents ahead of minimum wage so in this budget Arjay is asking for a 50 cent raise across the board. He anticipates that will cost about \$1000. There is room in the current position to absorb about \$500 of that so he is only increasing the budget by \$500 for the pay raises.

According to information the rescue truck replacement committee is finding, the fire department doesn't have enough money to purchase the new truck. They are currently looking at a rescue truck that costs about \$310K. They have been working to negotiate some changes and Arjay thinks the final cost will be around \$240K. That would still give us a truck with the heavier chassis and personnel carrying ability the department wanted. Arjay would like to ask for an additional \$20K to purchase that truck. The 2018 budget has an insurance cost reduction of about \$7600. His feeling is that that amount should not necessarily be written out of the budget because insurance costs might increase next year. He is asking to take the \$7600 savings for 2018 and make a one-time contribution in that amount to the capital truck plan. He would like to spend \$235K rather than \$215K for the new truck. Because it will be a heavier duty truck he feels it is reasonable to extend its life span by 2 years. The next truck coming up for replacement is the smaller rescue truck. They have extended its life by one year. With those changes the plan can sustain itself. The only place it has a deficiency is in 2028, when there is a \$2K deficiency. Arjay thinks we can make that up with revenue from sale or salvage of vehicles being replaced.

The insurance cost in the budget is decreasing. The fire department proposes a budget that would be a 0.75% increase for the 3 contract towns. The village contribution would stay the same. Billable calls revenue was left the same, though we had more than the budgeted amount this year.

Walter asked what is causing the insurance decrease. Meredith said there was a decrease for worker's comp. Arjay said it decreased by \$2400. But there was a claim this year so he anticipates it will go back up next year. There was a decrease in property insurance rates as well. It is an open question whether that will continue in the future.

Walter said it looks like Arjay has done a good job and will come in under budget this year. Arjay said he thinks it will be close but hopefully there will be a small positive fund balance. Walter said the towns are all taking hits from the sheriff's department, NEMS, etc. The proposed increase is so small he suggests billing the towns the same as last year. He thinks the towns can use the help. He is not talking about cutting Arjay's budget. He thinks the village will have enough surplus this year, either in the fire department or in the general department, that we can cover the \$900 increase from cash on hand.

Gordy said if we do that this year we shouldn't hold it against Arjay next year if he needs to ask for a 2% or 3% increase.

Arjay said he considered a budget that would be a zero percent increase for the towns but he chose to ask for a small increase because he thinks it is better to be steady and make next year's increase smaller.

Walter said he doesn't disagree with any of that, but the towns are all taking hits for emergency services. Bob and Dave said they are inclined to agree with Walter.

Walter moved to issue bills to the three fire department contract towns equal to the amount they were billed in 2017, Dave seconded and the motion was passed.

Meredith said we should be very clear that we are able to do this this year but the towns should not anticipate level funding every year.

Arjay asked if the board agrees to the adjustment to pay and the truck plan adjustment. Board members said yes. (*Arjay left at 7:59.*)

6. Foreman Report and Action Items

Troy said during the last month the electric department installed 2 new electrical services. They also retired an existing overhead service on Route 15, which was upgraded to an underground service. Monthly meter readings, re-reads and disconnection notices were completed. Course selections and a schedule were made for the 2018 monthly NEPPA safety meetings.

A majority of time during the past month was spent plowing and maintaining sidewalks. With above normal use equipment required additional repairs and maintenance.

We purchased a new 72" snowplow that was budgeted for replacement this year. We had budgeted \$5500 for replacement but only spent \$2700.

Jeff Parsons has been enrolled in NEPPA's second year apprentice training. He will attend 4 different sessions over the next year.

Troy completed the 2017 outage report records that are sent to the PUC. All 2017 tailboards and training records have been updated and filed. Troy submitted the annual state highway access and work permit application for routine maintenance within the state right of way to VTrans.

Meredith and Troy have been in contact with Alan Lehouillier about his solar array. Alan has been working with the company that makes the inverters and hopes the needed voltage correction can be made on site. Meredith said she sent a letter stating that we don't think it is appropriate to put a voltage regulator on our line when in our opinion there is something they can do on their array to regulate the voltage.

Meredith said we have been required by VTrans to relocate our electric lines near the twin bridges in preparation for the bridge replacement project. Troy said they need this done to keep our wires clear of the crane. Meredith said they will pay for underground installation of conduit. We are required to move the lines. They have put forward an aggressive schedule and we have voiced concerns about it. They said all our work had to be done by January 30, but we couldn't start until Fairpoint had done its work. That did not leave us much time. We are trying to figure out realistically how we can not hold up their project. They say they will hold us liable if we do. It has been very cold for the last two weeks and we have staffing challenges. She and Troy have come up with a different way to do the relocation. She wants board support to send VTrans a letter saying we won't do it exactly the way that was previously discussed. Troy said we will reroute the line and de-energize the section near the bridge. When there are better working conditions and more staffing we can run line in after the fact.

Gordy said he thinks if it is necessary we should contract with Morrisville to provide additional bucket crews to get the work done. Troy said using our staffing he thinks we can do it in about 3 days. It can't be done when the weather is too cold to shut someone's power off. Walter said he supports what Gordy said. If it is necessary to contract and bring in outside people, Troy should do so.

Meredith said she will send VTrans a letter reminding them that we didn't like the schedule they presented and we previously voiced concerns about it and telling them that extreme cold and staffing problems are making it difficult to do the work but we can accomplish what needs to be accomplished in a different way. She is not asking for permission. She is telling them this is what we have to do.

Walter moved to fully support Meredith's recommendation for the letter to VTrans about power line relocation for the twin bridges project, Dave seconded and the motion was passed

7. Village Manager Report and Action Items

Meredith said she had talked to VLCT about sexual harassment training. They agree with her that in-person training is better than online training. They don't provide in-person sexual harassment training. They recommended the EAP provider. They gave Meredith contact information. They said some communities are using private attorneys. There are education scholarships through PACIF. Meredith thought she would see if EAP can do it free or at a low cost and if so, go with them. The board agreed to that.

Gordy said he and Eric got an email from Lea Kilvadyova saying that she plans to circulate a petition for the town and possibly the village about getting an independent study done on a town-village merger. There probably will be discussion on this at the annual meeting so he put this on the agenda so the board can be proactive.

Meredith said the question is whether to proceed with the village charter, knowing this other effort is underway. She estimates the cost of working on the charter would be about \$1000. Do we want to budget for a merger study in 2018 or let the vote happen and budget for it in 2019 if necessary?

Walter said town meeting takes place on March 6. We have to have the warning for our annual meeting posted before that, so we won't know when we develop our warning what will be decided at town meeting. He wants to proceed on the charter issue. He would like to see money in the budget for it. Depending on what the voters decide, we may have to redirect that money. We don't have to spend the budgeted amount immediately for the charter issue. He would like to make sure we have a pot of money ready to go. For the village meeting he would like to ask for voter approval for formation of a village charter committee.

Gordy said he likes that approach. He feels this charter would clarify a lot of issues between the town and village. Bob said he thinks we should go ahead with the charter.

Walter said the charter will have to be approved by the legislature. We would probably need to have it done by November for it to be approved in the 2019 session. He thinks there are a lot of other issues that need to be addressed as part of the charter. He thinks it's time to ask whether we have a real village manager and whether we should appoint a treasurer and tax collector. We have talked about having the ability to put liens on property. We are limited by borders currently. We could expand our operations. He thinks there are many issues he would like to put on the table.

Gordy said he was hoping for a committee with Meredith, 2 trustees and 2 members at large to get started.

Walter said we will know by next Thursday if a petition has been submitted. Then we can decide at the February meeting if we want to do something for our annual meeting. Meredith said Lea called her and Brian today as a courtesy. It sounded like she was thinking about doing a similar petition for the village.

Meredith said she and Gordy had talked about getting the committee started sooner rather than later. Should we start now to look for people who might want to participate and have them submit letters of interest or should we have a question at the annual meeting? She feels a new charter is something that needs to happen for the good of the village. Walter said he feels ultimately it is the voters' decision. Bob said he thinks we should just go ahead and not delay work on the charter. Gordy said his concern with the annual meeting is that with Australian ballot voting he thinks a lot of people will vote but won't be at the meeting. Walter said we will have to ask for approval of the charter from voters so we might as well ask them for approval to do the charter. He will stand up and explain why we want to do it. If the merger goes nowhere and the village is going to remain, we need to do the charter. But ultimately the voters have to decide. He would rather have them give input up front about whether to go ahead and do the charter. He feels we should put the question on the warning for the village annual meeting or at least budget for it.

Meredith said she and Brian talked about reaching out to VLCT to find out cost estimates for a merger study.

Gordy said if the town votes to have a study, the village should be involved in the process. Otherwise it will be a very lopsided report. Walter said if a merger study is approved by the town he wants to say we will participate and not fight it, whether or not a petition for a study is brought to the village. He thinks the study will say it doesn't make sense. But if the citizens feel this needs to be done, we should be participating. Dave said a study will answer the question and end it. Walter said that is his feeling, but if he is wrong he will admit it and we will merge.

The town is considering buying digital speed signs for Route 15, to be placed at the east and west entrances to the village. They believe that the western sign could be solar powered but the eastern sign, because of its location in the gulf, would need power to it. Brian Story asked if the village would be willing to cover the cost of power to the sign. He got specs on the unit and learned that it takes 5 watts, but he doesn't know what time period that refers to. He is trying to get information on annual power usage.

Walter said he doesn't think the sign would use much power. He would be willing to have the village contribute that amount for traffic calming. Troy said there could be a substantial cost to feed power to the sign if it is in the gulf. Walter said that is a possible concern. He feels just the cost of power is no concern. Troy said bringing power to the sign would probably cost \$1000 just for traffic control. Gordy said he agrees with providing electricity at no cost, but the work to put in the service is a concern. Troy said the preferred location would be right before Collins Hill Road.

Meredith said she can share with Brian that there would be significant cost if the sign were placed further east but near Collins Hill would be a better location for bringing in power. However, that would still probably cost about \$1000. Would we donate that or ask the town to cover it? Walter said he would suggest donating our labor. The cost of material is probably not a lot. Troy said materials would probably cost \$300-400.

The board agreed that the village would donate reasonable labor and provide free power and suggest that the town might be able to get reimbursed through the sheriff's department for materials. Troy said VTrans will have to give their opinion about where they want the sign located.

Meredith said LCPC submitted a letter of interest for a grant to help implement the Railroad Street Area Wide Plan. Now they need to submit the actual grant application. Lea asked if the village has any guidance about what we want to accomplish with these funds. At the public meeting in December people felt like the Manchester mill property was probably most ripe for discussion about redevelopment. Bob Hoag was not comfortable moving forward with talking about his site and the talc mill site has existing town and village use. Meredith's thinking is to focus on the Manchester site.

Walter said the biggest potential is at the Manchester site but it is easiest to get things accomplished on the land controlled by the town and village. However, we would have to move our services somewhere else. We need to start asking where to move those services. He thinks we are wasting good real estate to house a bunch of trucks. Let's start with looking at where we can put the food shelf, Troy's office, and the Boy Scouts. That is where he would focus our priorities first.

Meredith said she is not sure these grant funds would support studying where to move municipal services. She can ask Lea if she thinks the funds could be used for that. She thinks the thought was to use them for outreach to businesses.

Gordy said he would rather see us focus on the Manchester property. He thinks it would be easier to get something in there. At the talc mill site there is the question of where to move the town and village equipment and he thinks there are things buried there that we don't want disturbed.

Dave said he thinks the Manchester property is a great choice but he also sees that the mill house has potential (though relocation is an issue) because it's a gateway to the village from the rail trail. It is easier to redevelop there because we own it, but how do we relocate? Walter said relocating what is in the house is easier than relocating the garages. Dave suggested that we start with the mill house then, as it needs work anyway.

Meredith said she can let Lea know that figuring out how to make use of the old mill house is the top priority. Dave said he doesn't want to see the food shelf or Troy's office or the Boy Scouts displaced.

Meredith asked if board members would say the second priority is the rec fields. Dave asked, putting lights on the fields? Meredith said that was one thing the study really keyed in on. Dave said he thinks that would be great. We should also look at what is the best opportunity to bring in business, revenue, and people moving to Johnson. Would a rec field do that better or would redevelopment of the Manchester site? Walter said having a great rec facility will attract business owners. A rec field with lights could be an economic developer for the area. Jay Peak is about to spend a lot to build soccer fields. They think they will bring in enough money from tournaments to pay for the \$3 million investment. Little League has no place to go now. A lot of people come to these tournaments. He has seen studies showing that Johnson doesn't have enough business to

support a hotel. Having Little League tournaments going on all summer long will provide the business we need. Dave said he doesn't disagree about rec fields being an economic driver. But he is also concerned about more than just recreation. He is looking more for employers. We already have a great rec trail. Walter said he thinks we need to work on both.

Meredith said the grant will pay for about 100 hours of LCPC's time.

Gordy said the Manchester property would be his top priority. Dave said the mill house is easy and small enough to be done quickly. Gordy said doing something with the mill house could stimulate more activity. Then he thinks the second step is the Manchester property. Walter said he doesn't disagree with looking at the Manchester property. He feels we will throw a lot of darts at the wall without knowing which will stick.

Meredith said she is hearing that the old mill house is the top priority and the Manchester property is second. Gordy said except from him, but he will go along with it.

Meredith said the town has talked to LCPC about availability of funding for a stormwater master plan. Usually such a plan costs about \$25-30K. There is a local match component but it can be in kind. She thinks the local match would be 20%. Brian approached Meredith about potentially applying for funds to study Pearl Street and Railroad Street.

Gordy said he doesn't know how much we need to study Pearl Street. Walter said he doesn't see the need for this. Meredith asked, not even Railroad Street? We have heard many times that catch basins on Railroad Street are a problem. A study could help us be eligible for grants to replace catch basins. She thinks we will have to go through scoping of that area to get construction funds. The town hasn't decided to sign on. The next round of applications are due January 31. We don't have enough information to apply to meet that deadline but there is another round in the spring. Meredith hopes we can decide by then.

Walter said with the village charter, the village merger, and the water department he feels we have too much to work on. When he ranks everything a stormwater study is at the bottom. Gordy agreed.

Meredith shared a rough draft of a village pay scale. Last year there was desire to put together a more predictable pay scale. She also shared an article about Morrisville developing a pay scale for their non-union staff. Prior to their recent changes Morrisville gave yearly cost of living increases and every few years employees got a bump. Under their new model employees start at a base wage and get cost of living increases yearly and 1.5% longevity increases at intervals. That is a typical model. She has been asked by staff if we are moving forward with a pay scale. Should she continue to research and come up with proposals? The board agreed that she should.

Meredith said one issue is that the pay scale does not include joint employees. If we are going to do something similar for joint employees it has to be a joint effort. Should she work with the town on joint employees? Rosemary said the town is going to have steps for highway department employees. Walter suggested that Meredith work with Brian on pay for joint employees.

Meredith showed the board a draft general department budget. She said the grand list for the village went down slightly. She tried to be conservative in budgeting for PILOT, but not quite as

conservative as last year. She included the proposed 0.75% increase for the fire department, but will need to decrease that. She noticed that Arjay does not include miscellaneous income in the budget he presents but we have always included it in ours. She believes that is reimbursement from insurance companies for fire department time. For auditor pay, she took 2017 actuals, divided by 10 and multiplied by 12 to get to the new figure. Actuals for office administration salaries were quite a bit higher than budgeted. She needs to figure out why that was. The social security match and retirement costs are up for all employees. She thinks based on how Troy's employees are using their time there will be a shift from water/sewer toward general.

Gordy asked if we need to take into account any employees who will be retiring and will be getting paid for accumulated CTO hours. Rosemary said Jan will retire in early 2019. She has very little accumulated CTO.

Meredith said higher VMERS contribution rates are reflected in this budget. The village's share of insurance (vs. the town's share) went down but our insurance cost is going up overall. Meredith added \$2K for legal expenses to get assistance with the charter. Walter said he thinks other departments could help pay for that. Meredith said she doesn't have anything in the budget for a merger study. General department property and liability insurance rates went up. All other insurance costs showed decreases. She is not sure if corrections were made in assigning property to departments. She needs to look into that. Worker's comp went up a bit.

Meredith proposes putting \$3K in the budget to repaint the Johnson welcome signs. They need to be updated with Northern Vermont University instead of Johnson State University and they are showing wear overall.

Walter said we should make sure there is money in the budget to hire people to maintain the cold spring and municipal building gardens.

Meredith said she included a placeholder for insurance for events. She still needs to get a quote for that. She included a contribution for the Jubilee and another \$500 for other community events we want to support. She reduced printing and publishing costs, mostly having to do with producing the annual report. She budgeted \$1000 for training and safety. Sexual harassment training costs could come out of there. She budgeted for more new siding on the municipal building and for painting and assessment of the old mill house. She included \$15K for the sidewalk fund that is intended to provide a match for a future sidewalk grant.

Gordy asked if we have an answer for people on Clay Hill who have asked about the sidewalk. Walter said the tree is gone so the issue with the roots is gone now. Meredith said the idea behind putting this money aside was to have money to match a grant. The question is if we have a good enough design for a grant. She thinks we will need assistance from LCPC for a scoping study. Walter said if we are only talking about doing one side of Clay Hill he thinks we can do it cheaper and faster without a grant and we should just do it. He thinks it would cost us less to do it ourselves and pay 100% of the cost than to get a grant and pay the 20% match. Gordy and Dave agreed.

Meredith said she included \$13,180 for the general department share of new tools Troy has identified a need for. One Bobcat will need to be replaced in 3 years. She budgeted one third of the

cost this year. We need to replace tires on the existing Bobcat this year and we need to buy the binding machine.

Meredith said she will soon have draft electric and water/sewer budgets. She thinks the board will have to have a special meeting toward the end of February.

She asked if the board wants to continue to see the power bill summary. Walter said he does.

Walter asked if there is anything new with VPPSA and the Cole solar project. Meredith said VPPSA still owes her more information about their RFP and costs. She talked to Will shortly after the last meeting and explained that we have to look at all our options.

8. *Adjourn*

Walter moved and Dave seconded to adjourn at 9:24 and the motion was passed.

Minutes submitted by Donna Griffiths