

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, FEBRUARY 26, 2014

Present:

Trustees: Gordon Smith, Ellis O'Hear, George Pearlman, Walter Pomroy, Chris Parker

Others: Duncan Hastings (Manager), Rosemary Audibert (Clerk), Steve Towne

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 4:35.

2. *Review and Act on Village Meeting Warning*

The board reviewed the draft warning Duncan had prepared.

Chris moved and Walter seconded to approve the village meeting warning as written and the motion was passed.

3. *Review and Act on Village Budgets*

The board reviewed the general budget draft. Duncan said he had implemented what the board had agreed on last time. The budget allocates \$1782 to the fire department equipment reserve, gives the fire department \$1118 of the current budget surplus to apply to their insurance shortfall, applies \$2213 to a new roof, and allocates \$4900 to the general capital reserve fund. This budget is a 19.8% increase.

George moved to approve the general fund budget as presented, Walter seconded, and the motion was passed.

Next the board reviewed the draft water budget. Duncan said he would like to get a decision on what to do with surpluses. We haven't put anything from the \$6842.20 current cash on hand into capital reserve. Duncan would strongly recommend doing so. Walter suggested splitting the amount between cash on hand and capital reserve and the rest of the board agreed.

George moved to approve the water department budget as amended, Chris seconded, and the motion was passed.

Duncan said based on 8 months of collections after the rate increase he predicts the water department will generate \$246K in revenue.

The board reviewed the draft wastewater budget. Duncan said he made one adjustment that reduced the projected deficit to \$10,500. There is \$14,258 cash on hand. Steve said the wastewater plant roof and lift station need repair. Duncan said Tom thinks the lift station could go a little longer without being fixed. Walter said he thinks all the cash on hand should be put into capital reserve because of the need for roof repair. The rest of the board agreed.

George asked if we are going to bond for the roof. Steve and Duncan said we are going to do some in-house analysis and try to band-aid it for this year. Duncan said for the longer term we need to decide if we want to maintain the roof or operate the plant open. Right now our phosphorus reduction is very close to the target. If the plant were open, would it reduce our efficiency? Steve said it would. A filter to do phosphorus reduction is expensive. Duncan said a filter would probably cost at least \$650-700K.

Walter moved and Chris seconded to approve the wastewater budget as amended to transfer the full amount of cash on hand into capital reserve and the motion was passed.

The board reviewed the electric department budget. The revenue projection based on 2013 actuals is good. Other good news is that the VPPSA purchased power budget is significantly lower than last year. Duncan asked VPPSA to double-check the numbers and they did. We are starting to see high cost contracts dropping out of the mix.

Duncan pointed out a new set of accounts added because we are going to be a part transmission owner in Morrisville Water & Light. He didn't book a lot of expense there. What he did book is based on a 15% share of annual maintenance and capital costs. Some new account numbers were also created to better separate labor from materials.

George moved to enter executive session to discuss a personnel issue, Chris seconded, the motion was passed, and the board entered executive session at 5:04. The board came out of executive session at 5:16.

Walter asked where the savings of not having to pay a wheeling charge show up in the budget. Duncan said he didn't put that in there because we can't predict when it will take effect. Our annual savings is projected to be around \$25K. If we throw the switch halfway through the year, Duncan didn't think that would make much difference to the total. Walter said the new expense is in there, but not the savings. George asked if we should include some savings. Duncan said we are already showing a healthy profit at the end of the year. The cash on hand balance is almost \$400K.

George moved and Walter seconded to approve the electric department budget as printed, and the motion was passed.

4. *Review of Katy Winn Waterline Easements*

Duncan said around 1984 or 1985 the owners of Katy Winn deeded to the Village of Johnson all of the sewer and water mains within Katy Winn necessary to feed water and sewer to the park, with a 20-foot easement to be recorded on laying of the lines. The easements were not recorded. There are no maps and no documentation of what was deeded to us.

Steve said there is a water leak in Katy Winn now. It is not clear whether it is in one of the lines we accepted because there is no map detailing what we accepted. Duncan said he looked back in the minutes and couldn't find much information. He thinks he could look through Act 250 permits to see if he can find any maps. Duncan said he could sit down with the owner of Katy Winn and ask him to provide a map of his best understanding of what the easement was intended to be. Board members agreed we should seek a legal opinion. Duncan said something should have been filed for Act 250. He will tell the owner of Katy Winn that the trustees are not sure what we own and want to see documentation.

5. *Discuss Troy Dolan Hiring*

Walter moved to authorize hiring Troy Dolan on a part-time basis with regular hours not to exceed 24 hours and to pay him at a rate commensurate with Nate's and Tim's pay, Chris seconded, and the motion was passed.

6. *Adjourn*

Walter moved and Ellis seconded to adjourn at 5:34 and the motion was passed.