

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
MONDAY, FEBRUARY 27, 2017

Present:

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

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

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 6:03.

2. *Proposed Changes/Additions to the Agenda*

Gordy said he wanted to add discussion about the new digger truck and about the new building on Railroad Street. Walter said he wanted to add an executive session for a personnel issue.

3. *Route 15 West Sewer Extension Update*

Meredith showed the board the bid results. There was a pretty big range. We indicated the contract would be awarded based on the base bid, not the add alternate, which was put in there so Jake Loeffler could have some idea how much possible work for him might cost. Dirt Tech is the apparent low bidder. They provided references that Meredith will check. Their bid was much lower than the cost we expected. Loeffler could contract with someone else or delay contracting with anyone. We need to decide whether we are moving forward regardless of the decision he makes. We have until April 25 to decide. Walter suggested that Meredith check references and that the board make a decision at the March meeting. The rest of the board agreed.

Meredith said the cost is assuming they won't hit ledge. She asked Otter Creek if they had any bore tests from that area. They don't have any from the north side. On the other side, the borings don't show any ledge. Do we want to do any of our own testing before we sign a contract? Gordy said he thinks it's all sand, with no ledge. Tom said he is thinking there is no ledge. Gordy said we could use the new digger truck to dig a couple of test holes. Tom said 5 or 6 feet down would be enough. Troy said his crew can do that. Tom said he doesn't know if we need a permit to dig in the state right of way. Meredith said we may be able to do it under the permit we just got for the sewer extension project.

4. *Compost Facility Update*

Meredith gave the board a marked up version of the proposed host town agreement for the compost facility with her changes and our attorney's comments and changes. Our attorney recommends bringing the insurance amount up to \$2 million. He had no concerns about the agreement with LRSWMD or our agreement with the town. She feels the biggest hurdles now are permitting and making sure there are no issues due to past grant funding.

Gordy asked where we stand with our permit. Meredith said our current permit goes until the end of 2018. Tom said we have to apply by the end of 2017 for a new permit. Meredith said one person with the state she talked to envisions only one permit authorizing both streams (food scraps and biosolids) as needed. Essentially we would be renewing early.

Meredith gave the board information about House Bill 211. She doesn't think anyone thinks it will go anywhere. It would phase out land use of biosolids. That would mean that if we composted

biosolids we wouldn't be able to do anything with the compost. Tom said he thinks the "land use" the bill is referring to is application on land without composting first. He thinks composted biosolids could still be used. But he is not sure. (*Dave arrived at 6:14.*) The first part of the bill calls for immediate public notice of drinking water violations and requires electronic and automatic equipment to monitor for violations. He and Meredith agreed they don't think the bill will go anywhere.

5. *JSC Art Class Information*

Meredith said there is a spring class at JSC on revitalizing communities through the arts. They already have a number of projects lined up, including a projection mural on the side of the Studio Store. They are willing to send us the art in advance to make sure we have no concerns. Walter asked where the projection equipment will be. Meredith said it may be on our property. She will talk to them about that. Their schedule for projects is already full for spring, but she let them know we have money for mural work in our 2017 budget. We may be able to work with them in the future.

6. *Economic Development Discussion*

Walter said he had an economic development idea. Vermont Public Television is getting \$56 million and they are committed to more local production. JSC is a leader in the arts. Why not try to get a production studio at JSC? Let's start lobbying. It would help the college and be good for the village and the town of Johnson.

Meredith said Elaine Collins had sent her possible dates for a dinner meeting. The board agreed to plan a meeting with her for April 11. Gordy said he feels there should be a purpose and an agenda for the meeting. He said future meetings with her can include other government bodies.

7. *Village Meeting Advertising*

Meredith said Kyle Nuse has created posters for town meeting. She has offered to do something similar for village meeting if we are interested. Meredith thinks posters are a nice idea. Gordy said he thinks posters in a public place are a good idea. Walter complimented the selectboard for their posts on Front Porch Forum trying to drum up attendance at town meeting. He thinks the trustees should do something similar. Meredith said she will talk to Kyle.

The board discussed the dedication for the annual report. It was agreed to put the new village logo on the cover. Walter suggested projecting the logo behind the board during the meeting. Dave said he thinks that is a great idea. Gordy suggested putting a picture of the new truck in the village report. Board members thought that would be a good idea. Scott said there was a push from the community to keep the power company and we got a truck for the electric department, so he thinks that would be a nice touch. The board agreed to include a picture of the truck, perhaps with employees standing by it.

8. *Job Posting Policy Review and Internal Posting Discussion*

Meredith distributed a proposed new version of the job posting policy. She was asked by an employee why we hadn't posted a lineman position since Jeff is going to lineman school. She hadn't thought of that as a new position, but she can see why it would be viewed as a new position. She suggests doing some work on the policy to allow us to avoid external posting if we think we have a good internal candidate and to prevent us having to post a new position multiple times if an existing employee is moving from one step to another and getting more training.

She proposed new wording stating that an employee increasing levels of certification or moving from one stage to another does not constitute a new position and that if there is an internal

candidate that trustees can approve not doing any external posting. She suggests changing the time period between internal and external posting from 5 to 10 days because 5 days does not allow enough time to make a decision about an internal candidate and send an ad to the paper. Dave asked if posting a position on the website is considered public posting. Walter said it is, and so is the bulletin board. Meredith said the policy says it should be in the paper of record but we could change it. She still thinks we want time to think about internal candidates.

Gordy said he had explained to Meredith that the board wanted positions to be posted internally and if there was a qualified candidate the board would have the option to post the position externally or not.

Walter asked if the employee who brought up Jeff's position was upset they wouldn't be able to apply for it. Meredith said she thinks the question was more just from curiosity. She doesn't think there are hard feelings. Walter said he wants to be fair to the person who brought it up. He said Meredith should make it clear to that person that they can bring it to the board if they want to speak about it. Gordy agreed.

Dave moved to accept Meredith's proposed changes to the job posting policy, Walter seconded and the motion was passed.

9. *Review Complete Draft of 2017 Budget*

Meredith showed the board the latest general fund budget draft. She said she still has the tax rate at the same amount as this year. She has \$15K of the School Street project fund balance being put into a reserve fund as a future match for a Pearl Street sidewalk project and \$1600 of it being used to offset expenditures.

Rosemary said we got the \$6K from JSC today for the fire department contribution. She asked how the board wants to handle that. Should she book it as a receivable for 2016? Walter said he thinks so. We budgeted for it in 2016. Others agreed. Rosemary said if she does that then there is over \$10K unspent that was budgeted for the fire department. Walter noted that the small equipment fund is way overfunded. He said historically when there was a small fire department surplus we have put it all in the fire department small equipment fund and when the surplus has been big we have put half in the small equipment fund and half in the general fund. Gordy said Arjay is concerned we may not get the \$6K from the college in the future. Walter said we are \$15K ahead of where Arjay wanted to be on the small equipment plan. We can put another \$5K in and get ahead a little in case there is less revenue in the future. We have some big sidewalk projects we need money for.

Tom said he heard from Jim MacDowell at the Studio Center that they want to move ahead with sprinklering the rest of their buildings, which would cause them to rip up our sidewalk. He told Jim to get in touch with Meredith. He would hate to have them want to rip up brand new sidewalk. Gordy said it would be at their expense. Walter said it would be wise of us to contact landowners adjacent to any new sidewalk we put in and suggest that if they don't put in sprinklers they at least put in pipe.

Walter moved to put 50% of the \$10,327.96 2016 fire department surplus into the fire department small equipment fund and 50% into general fund cash on hand and the motion was seconded and passed.

Walter asked why we still have a Vactor fund. Gordy said he doesn't know. Rosemary recalls that we had money there for paying for maintenance. Dave asked if we paid out of pocket for the Vactor or if we got a grant. Walter said a large part of it was paid for by grant funds and we had to pay a portion. Dave asked what the Vactor is worth. Troy said he thinks the replacement cost would be around \$250K. Five or six towns contributed toward the cost of the Vactor. Rosemary said if we sold it we would probably have to pay that grant back. Tom said we set it up so each town would pay a per hour amount every time we use it. That is part of what the money in the Vactor fund is for.

Walter moved to move the \$1463.75 in the Vactor fund to the capital equipment fund, Dave seconded and the motion was passed.

There is still \$20K unspent for the School Street project. Troy said we have to pay a 10% retainage on that project in May. Rosemary said we will get reimbursed 80% of that. Meredith added the retainage amount (\$5803.95) to the budget. She said that bumps up the amount coming out of the School Street money to \$13,472.88.

Dave calculated the total amount of surplus at about \$34,450. Walter said he thinks we need to think hard about our sidewalks. He thinks we need to be moving forward on the Pearl St./School St. corner. Dave said our surplus could be seed money for a grant. He thinks we should exhaust all grant opportunities first. Meredith said she doesn't think we will get any grant in time for construction this year. Tom said with grants, we end up with engineering fees. Walter said the total cost goes up but our cost is less. Tom said Jim MacDowell said a conceptual plan for that corner was developed when he was on the Planning Commission. Troy said if we bandaid over the current condition of the Pearl Street sidewalks we won't gain anything. We will have the same problems next year.

Walter moved to transfer \$27,122.40 in uncommitted cash to the reserve fund for sidewalks, seconded by Scott. Gordy asked if there is anything in our vehicle plan for general fund purchases for this year. Troy said the only purchase that has been talked about is a new plow for the skid steer. Meredith said that is already in the budget at \$5500 with \$4125 of that coming from the general fund. There is a pickup budgeted for this year that is in the budget already. **The motion was passed.**

Walter moved that upon completion of the School Street project any excess funds be transferred to the reserve fund for sidewalks, seconded by Scott. Gordy asked if that money has to be spent on sidewalks. Walter said we don't have a formal reserve policy. We can say that we put the money there because of our need and the voters can instruct us to take it out. **The motion was passed.**

Dave said after the additions we will have about \$54K in the sidewalk fund. He asked if we should start looking for grant opportunities. Meredith said she believes the VTrans 80-20 grant applications are due in July. She can reach out to VTrans to find out about other grants. Dave suggested we might want to think about hiring an engineer to come up with designs to be ready to go. Walter said we may want to look at what we have and think about moving to the next step.

The board agreed they were happy with the draft general fund budget. Meredith said some other discussion tonight may lead to small changes.

Meredith reviewed the latest draft of the sewer department budget. She got the increase down to zero by shaving as close to actuals as possible. Tom said he is happy with the budget. The board agreed they were happy with it.

Meredith reviewed the latest draft of the electric department budget. There is some lost revenue due to solar projects, as well as a smaller reduction in expenses. There is some loss in revenue due to Manchester Lumber closing. Walter said it would be nice to know the total amount of lost revenue due to solar projects, including JSC's. Meredith said she can look that up.

The budget includes revenue for the line relocation associated with the Twin Bridges project. That is likely to happen in August or September. It is a pass-through from the state. We will hire someone to do the work.

The amount she has for dividend income does not include any changes from the possible Highgate converter sale. If that sale happens it will increase our dividend income but not by much.

There was a reduction in power costs, but it is not enough to completely offset the loss of Manchester Lumber. Walter said this year we are making more money on sale of our power because power costs are down. Meredith said that is right.

Meredith has asked for projected changes in Morrisville transmission costs and has gotten no information so she budgeted based on the 2016 invoice.

The digger truck was initially budgeted at \$60K but we bought it for \$42K. Meredith kept \$47K in the budget knowing that there might be some other expenses for the truck.

Gordy asked about what is budgeted for mutual aid from other utilities, in case there is a situation where Troy needs extra help. Meredith said we have \$1000 budgeted. Gordy said he thinks it should be more. Rosemary said in the past that \$1000 line item has been used when our crew went to provide mutual aid somewhere else and then we were reimbursed. Walter said we have cash on hand.

The electric department budget currently has an \$84,817 deficit because we are paying cash for some big capital purchases. We finished last year with a healthy surplus that is more than the deficit: \$133,478.27.

Walter said he is happy with this budget. We can tell people that the electric department is doing well and is showing a deficit because we are making major improvements. We haven't raised rates in 7 years. We are making investments in our future without increasing taxes or rates in all our funds.

Dave said we talked about a step system for salaries. He is very interested in heading that route. Meredith said that will be discussed in executive session tonight.

Meredith reviewed the latest draft of the water department budget. It is \$16.78 away from being balanced. She is assuming the same water sales. We are bringing in \$12K from reserves for building repairs and painting.

Meredith mentioned that the municipal building roof is leaking. Dave asked if that is due to poor design. Walter and Scott said yes. Walter said one side of the building is settling because soils weren't properly tested before construction. Troy and Tom suggested going back to the contractor who just roofed the building.

Meredith said she reduced the amount budgeted for painting the booster station and water plant somewhat. Scott asked if we are moving forward with painting the mill house. Meredith said she believes we were going to have an assessment done and make sure the building was worth putting money into.

Tom said he identified the 10 highest use water meters and what size they are to come up with a cost for replacing them. It may come to more than \$6K, which is what Meredith budgeted for meter replacement. Meredith said we don't necessarily have to replace 10. Tom said the last time we replaced the JSC meter it did not make much difference. It may not make a significant difference putting in new meters. Walter suggested maybe we could replace a sample of each size to see which might be failing. Tom said one of the biggest 10 needs to be replaced anyway. Troy asked if there is some way to test usage without buying a new meter. Tom said yes, but it ends up being more expensive than just replacing the meter, at least for larger meters. He hears that smaller in-house meters can generally be tested for free.

Tom suggested that now is the time to think about whether the board wants to put any money away for extending any mains or adding any hydrants. He described how he would ideally like to add a line that would loop to supply the college. Gordy said he thinks maybe we should get engineering so we have a shovel ready project. Tom said the line loop he envisions wouldn't increase revenue but would help reduce vulnerability. Meredith said we don't have anything put away for that.

Tom said he likes the current water budget.

Gordy asked if we want to have engineering done next year. Walter said we have a surplus. He will suggest putting it into a reserve fund for that. The surplus will be about \$26K.

Walter asked if anyone has talked to Meredith or Brian about extending the sewer line up to a house that is for sale outside the village boundaries. The realtor who was listing it asked Walter about sewer and water. The town would have to invite us to extend the line. He told them they should start the discussion with the town. He feels the village would like more customers. Meredith said she has heard about possible interest in extending sewer to another large property but hasn't heard anything about the property Walter mentioned.

Gordy said Troy's and Tom's crews are doing a really good job of trying to keep on budget. (*Tom left.*)

The board reviewed a draft warning for the annual meeting. Meredith said the only open question is whether or not the Highgate converter sale or the New England Hydro purchase would go to vote. It is not required. She feels both are difficult things to explain.

Scott and David are up for re-election. Both are planning to run again. Walter asked how many more years Rosemary will be here. She said probably 7 or 8.

Walter moved to accept as written the warning for the annual village meeting of April 4, 2017, Dave seconded and the motion was passed.

10. Digger Truck

Gordy said the digger truck we bought is in excellent shape. Troy said it is very clean and well kept. It is a 2004. Gordy said it is being tested in 2 weeks. Troy said we have a written agreement that if it doesn't pass the dielectric testing the seller will pay the cost to fix the problems.

11. New Railroad Street Building

Gordy said he was concerned about the electric wires at the apartment building being built on Railroad Street. Troy said he has informed them that legally the wires can't be within 10 feet of our nearest conductor. They should be close to the highest point now. They said there will be a hip roof, in which case the wires should not get too close. He is watching the work closely. He had a very thorough conversation with the contractor.

Gordy brought up how close the building is to Railroad Street. Troy said according to Nate we have a water line at the edge of the road there. Another concern was how close they were going to be to that line. They have set the building back because of that concern. They were running our curb stop before they started construction. He thinks Tom has addressed that. They had their own wrench. They must have been using water for some purpose. Walter said when they took down the old building, he believes they left it service-ready so they didn't have to come to us to hook up. Meredith said she wants to verify they are not changing the number of units so the allocation doesn't change. She will ask them.

Gordy said in the future if someone is going to build it would be good for us to know about it ahead of time. Walter said zoning would accomplish that. Dave said this is where zoning can benefit a community. Walter said if there were zoning anyone who was building would have to notify someone and things like the setback would be checked. Scott said he feels it could be a fire hazard to have the building so close to the neighboring automotive shop.

12. Executive Session – Personnel and Contract Issues

Walter moved to go into executive session to discuss personnel issues and a contract issue, inviting Meredith and Troy to remain, Dave seconded, the motion was passed and the board entered executive session at 8:17. Walter moved to exit executive session at 9:27, Scott seconded and the motion was passed.

Walter moved to approve the 2017 village budgets with the changes discussed, Dave seconded and the motion was passed.

13. Adjourn

Walter moved to adjourn at 9:29, Scott seconded and the motion was passed.