

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
WEDNESDAY, MAY 29, 2019

Present:

Trustees: Scott Meyer, Brian Raulinaitis, Gordon Smith, Bob Sweetser, Phil Wilson
Others: Meredith Birkett

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order*

Gordy called the meeting to order at 6:00.

2. *Proposed Changes/Additions to the Agenda*

Meredith added review of the draft newsletter and an update on the contract with KAS for powerhouse building demolition.

3. *VPPSA Short-Term (5-Year) Planned Energy Purchase*

VPPSA showed the board a summary of the proposal. Every few years VPPSA seeks a contract on behalf of their members for energy resources. It is intended to hedge prices over the next 5 years. They would purchase a fixed amount of energy at a price not to exceed a certain amount. The price is very good. All VPPSA members but Swanton and Johnson have already signed onto this. She doesn't see any downside to this. VPPSA is not buying for renewability purposes but to help members' budgets. VPPSA estimated the impact on our 5-year budget. In 2019 they project a slight increase but after that they project the purchase will save us money.

Gordy asked if Meredith knows what this purchased power will be replacing. Meredith said she doesn't know off the top of her head. She showed a pie chart of 2018 energy by source (not type of resource) and reviewed the different sources. The biggest is a nuclear contract.

Phil asked, our portfolio does not have enough renewable energy so we have to go out and buy more credits? Meredith said that is right. Some of the renewable resources don't come with credits.

Scott moved to participate in VPPSA's proposed 5-year planned energy purchase, Bob seconded and the motion was passed.

4. *Trustee Discussion of Merger Study Proposals & Next Steps*

Gordy said he wanted the board to discuss this first before meeting with the selectboard next week.

Scott said he has the same recommendation he had at the last joint meeting – to reach out to all 3 consultants and have all 3 resubmit stronger proposals. Doug had some concerns about the background of the Steadman Hill consultant, feeling he didn't have the necessary education or expertise, but he went to Harvard and he knows how to look at money issues and do strategic planning. Scott is not sure why Doug thinks he is not good enough. If the consultants are really serious about getting a contract they will address their weaknesses. If they don't want to, there is no harm done. The one concern he has is that if we reject all 3 and only ask one for a fix – and we are not asking for a small fix, we are asking them to come down from \$30K and he doubts they will come down \$20K or even \$10K – if they walk away then we have nobody.

Gordy said the town report shows that the selectboard has \$10K budgeted for consultants for the year. That may include some other projects. And the village only has \$4K to spend on this so we are limited to a maximum of \$14K.

Gordy asked if Meredith had had a chance to check what was discussed about the cost of the merger study at town meeting. Meredith said she would print out the minutes of town meeting.

Phil said Ascent is under contract with a town to do something similar to our merger study, so that consultant is getting relevant experience. But CGR says they have completed 6 dozen similar studies in the past 6 years; they have lots of experience. Their proposal is clearly the best. He somewhat agrees with Doug. If we went to them with a budget they could tell us what they could do with that budget. They have people on their staff with Ph.D. and Master's degrees. Bob asked, but do we need that to find out the figures?

Phil said Steadman Hill proposes spending 54 hours to interview people, analyze and develop a report. That doesn't seem realistic. Gordy said he wonders if the proposal is based on knowing what our price was. It might be helpful to talk to the consultant face to face. Bob said he doesn't think the consultant could wrap it up in that time but he could find out the basics. It could be a start and the findings could be used as a basis for next steps.

Phil said he thinks maybe we need to accept that we don't have enough money to do the report we anticipated.

Gordy said the most expensive consultant said they are willing to renegotiate. Bob said they then said they couldn't do anything. Phil said they weren't going to renegotiate until we made a decision. Maybe we gave them too much to do. If they told us what they could provide for the amount of money we have we could decide if that was enough. Bob said he agrees. He is not sure we are asking for the right things. Brian said for \$32K we may get a lot of product we don't need. He thinks we are a smaller entity than what they deal with normally.

Meredith said she thinks it is not fair to tell CGR we want them to give us a revised proposal that gives us less and then not compare it to the others. In that situation she thinks we need to tell CGR the most we are willing to spend and tell that to the others also.

Gordy said CGR said we would need to negotiate a new contract with them if we wanted to move ahead with a merger and we wanted them to work on that.

Meredith summarized some of the discussion from the town meeting minutes. In response to a question about the cost estimate for a merger study, Duncan Hastings said he came up with an estimate of about \$8K based on \$55/hr for about 150 hours of work. But he said we wouldn't know the actual cost until we put out an RFP. He discussed the possibility of something other than a full-blown merger. Lea Kilvadyova mentioned that there might be grants to help cover the cost.

Scott asked if we can reach out to all 3 consultants and ask them questions. He doesn't see anything wrong with reaching out to all 3. Meredith said she feels any conversation with the consultants should be heard by both boards, not filtered through her or Brian. There was general

agreement that all 3 consultants should be invited to talk to the boards either in person or via Skype.

Phil asked, should we do that before we give them a new firm cap? Scott said he thinks the weaknesses of each should be brought up – the lack of experience that concerned the selectboard for two of them and the pricing for the other. And it would be great to get a reality check on the time estimate from Steadman Hill.

Phil said if we told all 3 we have \$10K it would put them all on the same playing field.

Scott said maybe first we should ask the selectboard how much more they are willing to spend. It was agreed that question should come first.

Scott asked if the maximum amount the boards can spend has to be mentioned in public or if that can be in executive session. Gordy noted that without a signed contract a current board can't make a promise about what a future board will spend. Meredith said open meeting law says that after a finding that open discussion would place the municipality at a substantial disadvantage the board can go into executive session to discuss contracts. She thinks it would be hard to talk about the maximum amount we have to spend in closed session under the law.

Scott said before doubling the amount approved by the town citizens to spend he would like to go back to the voters and see if they have an appetite for spending 2 or 3 times that much.

It was agreed that before the joint meeting Meredith should communicate with Brian and tell him that the village first wants the selectboard to say how much the town is willing to spend on the merger study in order to set a firm cap that would be given to all 3 consultants. Then the village wants to ask all 3 consultants to revise their proposals and once revised proposals have been received the village wants to invite all 3 for discussion.

5. *Review Draft Newsletter*

Meredith said she had included a recap of the annual village meeting and mentioned some items from the general department budget. Gordy had suggested an overview of village departments and budgets and also a meeting to discuss that. She didn't put in anything about a meeting. Gordy said at some point we need to inform our constituents what all our departments do. Meredith said in the newsletter she talked about the separate funding sources for some departments.

Meredith put an update on the Pearl Street sidewalk project in the newsletter. The board will have a decision to make about adding green space in front of the studio center building and also about widening the green strip on the east side. The cost to have Dufresne to two designs would be higher so unless we want to spend more money on the design piece we need to decide what to put out to bid and not have a bid alternate.

In the newsletter Meredith put a projected cost of \$325K for the powerhouse building demolition. We are now looking at about \$315K if everything goes as planned. There is a large piece of metal pipe that will be taken out of the ground but hauling it away is not included as part of the KAS proposal. There may be a little cost associated with us disposing of it. In the newsletter Meredith explained that the cost of demolition will be paid for out of our fund balance, not by village taxes.

She included a section on rebates available to customers. She included information about a service that allows you to pay your power bill online but charges a fee and can take a long time, causing late fees. She pointed out that people can pay online using our own system instead of using that service.

Phil asked if we want to include information on Efficiency Vermont grants. Meredith said she will confirm that people can get both those and the other grants she had listed.

Gordy suggested including a safety tip of some kind.

Scott asked if the electric vehicle rebate applies to electric motorcycles. Meredith said she will check.

Scott suggested the safety tip could be about the requirement for bikes to keep at least 4 feet away from vehicles.

6. Other Business

Gordy suggested discussing beautification.

Meredith said she left a message for Andrea Blaisdell today. We need to sort out the insurance question and Andrea needs to meet with Troy. We have \$2500 to spend between the village green project and other gardening. Gordy spent about \$40 for flowers in front of the fire station. He will ask the board at a future meeting to approve that expenditure.

Bob said he hopes we go with one person and not have Andrea do some of the work and Peter Moynihan do some. Meredith said she doesn't know if Andrea is willing to do it all. Gordy said there was a misconception that Andrea didn't want to do maintenance. She says she does maintenance for what she plants.

Meredith said she told Brian Story that we have \$2500, so whatever we contribute to the village green comes out of that. Gordy said there is a separate \$250 for the welcome signs. Meredith said Lynda Hill volunteered to repaint the signs.

Gordy said priorities discussed by the Beautification Committee included flower boxes on the covered bridge, possibly work at the cold spring and possibly work at the municipal building. Andrea has some different scenarios for the municipal building property but they wouldn't be implemented this year. Gordy asked if Peter Moynihan is going to do something in front of the municipal building. Meredith said she thinks he would just clean up what is there and plant some flowers. If the town and village each have \$1500 for Peter that won't be enough to do anything major here, just cleanup and keeping things alive. Gordy said Andrea has submitted master plans for the municipal building property. Phil said we should budget something for that next year.

Meredith said the big question is how much the town will need from the village towards the village green. She is waiting for that number.

Scott said he thinks we should be using perennials so we don't have to keep replanting. Meredith said for the municipal building we should not necessarily invest in perennials now if we are going to do a bigger project in the future.

Gordy said maybe at some point another trustee should join the Beautification Committee.

Phil said Peter Danforth of the Lamoille County Conservation District has a hydroseeder but hasn't heard anything from the town about the town using it. Meredith said she communicated to the town that if they are willing to do hydroseeding of the green strip on Railroad Street we will pay for materials. Scott said he is concerned that if a hydroseeder is used the fertilizer in the spray could go into the storm drains and into the river. He is worried about nutrient loading. Phil asked, we are assuming hydroseeding would be cheaper, right? Meredith said yes.

7. *KAS Contract Update*

Meredith said KAS accepted all the contract changes our attorney proposed. She has our attorney double checking that the contract looks good. NRC is functioning as a subcontractor. Their cost proposal is included. The contract includes no cost for moving the foundation because we talked about leaving it in place. KAS wanted us to be aware that NRC's costs will reflect actual rates for disposal. Rates will remain fixed for 75 days, then they reserve the right to increase them to reflect changes in rates they are charged. After 75 days, if the disposal facility increases its rates they will pass the increased cost on to us. She thinks that is reasonable.

Phil asked if we expect them to tear the building down within 75 days of signing the contract. Meredith said probably not. But KAS said 75 days was the longest period NRC was willing to keep costs fixed for.

KAS assumes the project will take 16 weeks from start of developing the plan to finish. Meredith's goal is to get the contract signed by Monday.

8. *Adjourn*

Scott moved and Bob seconded to adjourn at 6:23 and the motion was passed.

Minutes submitted by Donna Griffiths