

MINUTES
ST. JOHNSBURY SELECTBOARD
MONDAY, JANUARY 19, 2009

The St. Johnsbury SelectBoard held a special SelectBoard meeting on Monday, January 19, 2009 beginning at 7:00p.m. in the Board Room of the Municipal Building.

SelectBoard Members Present: Chairperson Bryon Quatrini, Gary Reis, Daniel Kimbell, Jean Hall Wheeler, and Jim Rust.

Others Present: Robert Dufresne, Sandy Grenier, Mike O'Hara, Peter Whitney, Jon Beck, Diane Beck, Gary Lunderville, Bernie Timson, Joel Schwartz, Brian Christman, Taylor Reed, KATV-7, and Town Manager Mike Welch.

Chairperson Quatrini opened the meeting with the Pledge at approximately 7:00p.m.

PUBLIC COMMENT – ***Lamoille Valley Recreation Trail*** – Mike O'Hara informed the members of the Board that there will be a Public Information Session regarding the plans for the Lamoille Valley Recreation Trail on Tuesday, January 20th at Danville School.

Budget – Brian Christman stated that the SelectBoard could still make additional expenditure reductions in the budget. Mr. Christman stated that \$2,000 vehicle allowances for a few department heads, 2.5% wage increases, and individual department heads taking vehicles home amounted to over \$40,000 in expenses. Mr. Christman suggested that the SelectBoard could do more budget cutting. Jim Rust stated that the Town Finance Committee would be meeting on January 29th to begin review of all municipal expenditures for the next budget cycle.

MINUTES, January 12, 2009 - It was moved by Daniel Kimbell, seconded by Jean Hall Wheeler, and voted (5-0) to approve the Minutes from the Regular SelectBoard meeting held on Monday, January 12, 2009 as printed.

REAPPRAISAL UPDATE – Assessor Peter Whitney was present to provide the Board with an update on the reappraisal process. Peter Whitney said that about 80% of the residential inspections have been completed – inspected, and entered into the system. Peter Whitney said that he has had four people performing residential inspections. Peter said that he is beginning Commercial inspections this week. Peter Whitney said he is also working on completing photographs, review of sales data, and preparation of land schedule. Chairperson Quatrini asked about completion date. Peter Whitney said that he will be completed in mid-April and begin pre-grievance discussions.

WATER SYSTEM IMPROVEMENTS – Robert Dufresne, Dufresne Group, was present to provide the Board with information on the proposed Bond Vote for the West Side Improvements. Mr. Dufresne said that this project includes Water/Sewer/CSO/Roadway/ Sidewalk Improvements. Mr. Dufresne said that he has had

discussions with numerous funding agencies – and most agree that when economic stimulus funds are approved – they will be funneled through existing programs. Mr. Dufresne said that St. Johnsbury will most likely be eligible for 75% grant funding for the Water/Sewer/CSO portions of the project. Mr. Dufresne said that there are not currently grant programs that will cover the roadway and sidewalk components of the project – so those costs are projected at 100% local. Mr. Dufresne reviewed his preliminary projections for utility rate and property tax impacts given 75% grant funding for Water/Sewer, and 100% local share for streets/sidewalks. Mr. Dufresne said that borrowing an additional \$5,250,000 for a \$15,000,000 improvement project would result in about a 22.8% increase in the water rates, 11.4% increase in sewer rates, and approximately \$120,360 property tax impact (currently 4 cents on tax rate). Mr. Dufresne explained that these estimates include the repayment for the \$2,200,000 USDA Loan for the current water system improvement project, and an additional \$750,000 USDA Loan for the remaining components of the original \$5.6 million dollar water improvement project. Mr. Dufresne said that he has worked with Paul Giuliani, Bond Counsel, on proposed bond wording – and was recommending that the Town consider the following article:

ARTICLE ____: Shall general obligation bonds or notes in an amount not to exceed \$5,250,000 be issued upon condition of the Town of St. Johnsbury receipt of not less than 65% of the total projects costs in the form of construction grants-in-aid or other financial assistance for the purpose of financing the cost of making certain water, sewer, storm drain, sidewalk, curb, and roadway improvements related to the west side infrastructure improvement project, the estimated aggregate cost thereof being \$15,000,000?

Daniel Kimbell asked what remained from the original \$16,000,000 in improvements that are not included in these projects. The Manager stated that projects that have been identified since the original master plan was written include the Higgins Hill Tank replacement, and the replacement or upgrade of the filter units at the Water Treatment Plant. Mr. Dufresne stated that Water System Master Plan addressed the Transmission, Distribution, and Storage – but did not include review of the Water Treatment Plant.

Daniel Kimbell asked about 100% funding. Mr. Dufresne said that is still a possibility. If there are not enough ready-to-go projects, there will be an incentive to get the money out the door – so participation levels may be changed. Mr. Dufresne said that at this point everything is still up in the air, until an actual stimulus plan is approved. Mr. Dufresne said that the advice that he is getting from funding agencies in Vermont and New Hampshire – is to get the bond votes completed. Mr. Dufresne said St. Johnsbury will be ahead of the curve if there is an approved bond vote in place.

Jean Hall Wheeler recommended that the Manager make certain that the Bond Counsel approves of the most recent wording for the Bond Article. The Manager informed the Board that Mr. Dufresne's financial projection and rate impacts, are within the same range that have been discussed by the Finance Committee in the draft Capital Improvement Plan.

The Manager stated that he would present final language recommendations to the SelectBoard at their next SelectBoard meeting on Monday, January 26, 2009 beginning at 7:00p.m.

2009 MUNICIPAL BUDGET, RESERVES, AND FUND BALANCES: The Manager reviewed Fund Balance estimates as prepared by the Town Clerk/Treasurer's Office. Undesignated Fund Balances as of December 31, 2008 are as follows:

General Fund - \$259,171
Highway Fund - \$71,353
Special Services Fund - \$62,171
Recreation Fund – (50,183)
Parking Fund – (\$35,095)

The Manager stated that a major portion of the General Fund balance - \$113,000 was held by SelectBoard members last year as undesignated fund balance – pursuant to a Town Charter Amendment that allows up to 5% of the fund balance to be held annually. The Manager stated that in budget projections he had estimated using surplus of \$25,000 to reduce the property tax impact for 2009. The Manager said that Board members can decide to maintain a portion of the fund balance, or reserve it for defined purposes – such as the Municipal Building Reserve (12/31/08 balance of \$8,816), or the Economic Development Reserve (12/31/08 balance of \$0 – as \$152,361 was allocated in 2008 for a portion of the local share of the Pomerleau Building expenses). The Board members can also use undesignated fund balance to reduce the property tax requirement for the coming year.

The Manager recommended that \$35,000 of the Highway Fund surplus, and \$14,000 of the Special Services Fund surplus be used to reduce property taxes for 2009 – and that the remaining balances in these two funds be retained as Undesignated Fund Balance.

Jim Rust asked about Recreation Fund Balance. The Manager stated that the Recreation Fund has a deficit of (\$50,183) down from a (\$106,526) deficit at the end of 2006. Voters approved the allocation of \$35,510 per year for 3 years (one year remaining 2009) to eliminate the Recreation Fund deficit. The Manager said that the remaining deficit is greater than \$35,510 due to the fact that the Recreation Department has had expenses in excess of total revenue in each of the past two years.

The Manager stated that a couple of years ago the SelectBoard took steps to reduce expense, and increase revenue in the Parking Fund. The deficit in the Parking Fund has been reduced from (\$83,941) on 12/31/06 to (\$35,095) as of 12/31/08. Revenue is in excess of operational expenses for this fund – so the deficit balance should be eliminated within the next two years. Members of the SelectBoard agreed that they wanted an opportunity to review the year end fund balances before making decisions. The Board will finalize at their regular meeting scheduled for Monday, January 26, 2009.

MANAGER’S REPORT: Athenaeum – Irwin Gelber, St. Johnsbury Athenaeum, copied a Wall Street Journal article that was presented to the Board.

Economic Stimulus – Members of the Board were provided with a copy of a report from the US House of Representatives Committee on Appropriations recommendations for an Economic Stimulus package.

NVRH Renal Dialysis – Members of the Board approved and signed a congratulatory letter to Barry Hertz, President of the NVRH Board of Trustees, and Paul Bengtson, CEO of NVRH, relative to the approval and initiation of construction for the Fresenius Renal Dialysis center.

Meeting Schedule – The Manager informed the Board that SelectBoard Meetings/Public Hearings are currently scheduled for every Monday in February. 2/2/09 – Public Hearing Charter; 2/9/09 – Public Hearing Charter & Regular Meeting Date; 2/16/09 – Public Hearing Highway Discontinuance; and 2/26/09 – Regular Meeting/Bond Information Meeting.

Expenditure Warrants – Members of the Board reviewed, approved, and signed Expenditure Warrants as follows:

General Fund	61029 – 61060	\$312,958.62
	61061 – 61070	\$390,852.29

Liquor & Tobacco Licenses – Members of the Board reviewed, approved, and signed Liquor & Tobacco License for Coles Discount Beverage & Redemption, and Liquor License for CN Brown, and Lamplighter Lounge.

Development Review Board (DRB) – The Development Review Board will meet on Tuesday, January 20th at 7:00p.m. The BAART Treatment proposal will be considered by the DRB at this meeting.

Town Meeting Warning – The Warning for the Annual Town meeting will need to be approved by the SelectBoard at the next Regular Meeting scheduled for Monday, January 26th. The Warning will include – question on the use of bonding authority for Water System Improvement Project; questions (school and town) on property tax exemption for St. Johnsbury Baseball; question on Australian Ballot for proposed Charter Amendment relative to Australian Ballot voting for all budgets.

OTHER BUSINESS: Highway Discontinuance – SelectBoard Member Jim Rust informed the Board that he has received some calls about the proposed discontinuance of a Class IV town highway (vicinity of West Hill Road). SelectBoard member Rust said that he advised people that they should attend the public hearing scheduled for February 16th to express their concerns to the Board.

EXECUTIVE SESSION - Chairperson Bryon Quatrini requested that the SelectBoard consider entering Executive Session for purpose of discussing Labor Relations Agreements with employees. It was moved by Gary Reis, seconded by Daniel Kimbell, and voted (5-0) to enter into Executive Session for the purpose of discussing Labor Relations Agreements with Employees. The Board entered Executive Session at approximately 8:15p.m.

It was moved by Daniel Kimbell, seconded by Gary Reis, and voted (5-0) to return to Regular Session at approximately 8:40p.m.

It was moved by Gary Reis, seconded by Jean Hall Wheeler, and voted (5-0) to adjourn at approximately 8:40p.m.

Respectfully submitted,

Michael A. Welch
Town Manager