

**MINUTES
ST. JOHNSBURY SELECTBOARD
MONDAY, JANUARY 25, 2010**

Daniel Kimbell opened the budget workshop/SelectBoard meeting with the pledge at approximately 5:00p.m.

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

Others Present: Mike Welch, Priscilla Messier, Sandy Grenier, Richard Leighton, Larry Sharer, Diane Beck, Bernard Timson, Jr., Brian Christman, Nancy Cohen, James Wuertele, Raymond LaBounty, Jr., Danny Scott, Joel Schwartz, Robert Dufresne, John Unger-Murphy, Justin Crocker, Kostos Kapoukranidis, Ida Rainville, and Daniel Conley, KATV-Channel 7.

WARRANTS SIGNED: Members of the Board reviewed, approved, and signed the following:

General Fund	Check #63685 - 63715	\$ 106,972.18
Grant Funds	Check #2233	\$ 1,424.40
	Check #2234	2,085.26

The Manager reviewed the 2010 General Fund, Highway Fund, and Special Services Budgets with the members of the Board taking into account all of the adjustments that had been made by the Board to date.

Chief of Police Richard Leighton was present, Chairperson Kimbell asked Chief Leighton if the schedule could be revised similar to State Police so that shifts are not filled between 3:00a.m. and 7:00a.m. Chief Leighton said that is possible - although you would still want to have someone on call. Daniel Kimbell asked about savings in overtime. Chief Leighton said it is difficult to estimate what savings such a change would produce. Members of the Board agreed that Chief Leighton should explore alternative schedules with the Police Department to try to reduce personnel cost and overtime cost during 2010.

SelectBoard Member Jim Rust recommended adjustments to the Special Service District budget as follows:

- \$5,000 reduction in Overtime
- \$5,000 reduction in Equipment Fund
- \$100 reduction in office supplies
- \$350 reduction in Printing
- \$3,500 reduction in Beautification

SelectBoard member Jim Rust recommended that the Board reduce the Repair Parts and Supplies in the Highway Garage & Equipment Budget from \$90,000 to \$70,000 as it was initially proposed.

Following discussion, it was moved by Bryon Quatrini, seconded by Gary Reis, and unanimously voted to approve the 2010 General Fund, Highway Fund, and Special Services District budgets with the following adjustments:

Highway Fund - Repair Parts & Supplies - (\$20,000)

Special Services- Police - Overtime - (\$5,000)

Special Services - Police - Equipment Fund (\$5,000)

Special Services - Police - Office Supplies (\$100)

Special Services - Police - Printing - (\$350)

Special Services - Beautification - Operating Supplies - (\$3,500)

The total expenditure budgets and property tax requirements approved by the SelectBoard for submission to the voters for 2010 are:

General Fund 2010 Expenditure Budget = \$2,357,000. Amount to be raised in property taxes = \$1,775,252.

Highway Fund Expenditure Budget = \$2,076,820. Amount to be raised in property taxes = \$1,842,820.

Special Services District Budget = \$1,082,345. Amount to be raised in property taxes = \$1,033,145.

Water/Sewer Budget/Rates - Members of the Board reviewed the proposed water and sewer rates as recommended by the St. Johnsbury Finance Committee. The Finance Committee recommended that the quarterly fixed rates for water be kept at current levels, and that the consumption rate for water be increased from \$2.086 (per 1,000 gallons, including state permit fee) to \$3.446 (per 1,000 gallons including the state permit fee) effective March 1, 2010. The Finance Committee has recommended that the quarterly fixed rates for sewer remain at the current levels, and that the consumption rate for sewer be increased from \$3.60 (per 1,000 gallons) to \$4.10 (per 1,000 gallons).

The Manager stated that increases in the 2010 water and sewer rates are necessary due to reduced water consumption - so not as much revenue is being generated as was originally estimated for 2009 - and due to the increased debt service costs associated with the first year repayments for Water System Improvements in Phase 1 and Phase 2. The Manager stated that 2011 will continue to see new debt service payments come on line as the West Side Improvement Project begin, and repayment for the local share (30% local share) of that \$15,000,000 total project will begin.

SelectBoard member Jim Rust stated that the Finance Committee has agreed that more attention needs to be paid to consumption rates and revenue generation throughout the year - so that the Town is not faced with making significant adjustments once a year. The Finance Committee will review consumption/revenue and expenses on at least a quarterly basis.

Members of the Board heard from Justin Crocker, Weidmann, who stated that due to increasing costs of water Weidmann will be exploring the use of alternative water sources for production. Kostos Kapoukranidis of St. Johnsbury House of Pizza, informed the Board that increases in the

water and sewer rates hurt small businesses at a time when it is difficult enough to stay in business.

Following discussion, it was moved by Gary Reis, seconded by Jim Rust, and voted (with Brian Quatrini abstaining) to approve the Water and Sewer Budgets as presented, and that the water and sewer rates as recommended by the Finance Committee - quarterly fixed rates for water be kept at current levels, and that the consumption rate for water be increased from \$2.086 (per 1,000 gallons, including state permit fee) to \$3.446 (per 1,000 gallons including the state permit fee) effective March 1, 2010. The quarterly fixed rates for sewer remain at the current levels, and that the consumption rate for sewer be increased from \$3.60 (per 1,000 gallons) to \$4.10 (per 1,000 gallons). Rates to go into effect March 1, 2010.

Water Budget 2010 = \$1,114,194 + Principal Payments of \$164,855 = \$1,279,049

Sewer Budget 2010 = \$1,185,745 + Principal Payments of \$164,400 = \$1,350,125

Total Water/Sewer Budget Combined = \$2,299,919 + Principal Payments of \$329,255 = \$2,629,174.

The Budget Workshop was concluded at 6:20p.m.

SELECTBOARD MEETING – Chairperson Daniel Kimbell called the regular meeting to order at approximately 6:35p.m. after a 15-minute break in the proceedings.

PUBLIC COMMENT: Diane Beck asked who was paying the interest on the loans for the water/sewer improvement projects. She was told the interest on the loans was figured into the numbers presented on the repayment plan, and it was being paid for by the end users.

Jim Wuertele introduced himself and asked the Board to include the following article on the warning for the 2010 town meeting: *“Shall the voters designate the Town of St. Johnsbury as a Clean Energy Assessment District, as defined in the Vermont Energy Act of 2009 (Act 45)? This enables but does not require the Town to develop a participatory and funding management program for qualified energy efficiency projects to put before the voters for final approval at a future time”*

Mr. Wuertele continued to explain that several surrounding towns are adding a similar question to the 2010 ballot, and that this vote would be to authorize the town to consider development of a clean energy plan, but would not mandate the town to pursue a plan. Priscilla Messier pointed out that this would be very similar to plans being evaluated for the new Town Plan, and perhaps Mr. Wuertele should take the information on Act 45 to the Town Plan committee for energy efficiency. The Board agreed. The general consensus was that the Board was not familiar with the proposal, it had not been properly petitioned by 5% of the voting public, and generally the Board did not feel comfortable with putting a question before the voters that they had not seen previously or had the opportunity to consider cost or future obligations.

MINUTES – On a motion by Gary Reis, seconded by Jim Rust, the Board voted unanimously to approve the minutes as presented from January 11 and January 18, 2010.

CONSIDER RESOLUTION TO REPLACE FILTER TANKS @ FILTER PLANT, PART OF WATER SYSTEM IMPROVEMENT – Bob Dufresne of Dufresne Group and Danny

Scott, Director of Public Works, presented information on the need to replace the filter tanks at the Water Filter Plant in Waterford. Mr. Dufresne presented pictures of the inside of the tanks, showing the deterioration and condition of the tanks. Mr. Dufresne indicated a study had been conducted on either replacing with stainless steel or aluminum, or sandblast and painting the current tanks. He pointed out that repair to the current tanks would just delay the replacement, would be very costly, and would not be eligible for federal funding. Bob Dufresne indicated the Town might be able to add the replacement of the tanks onto the current water improvement project for a 75% assist from the government. Bob Dufresne indicated that other towns in the state are getting, on average, 50% assistance, whereas St. Johnsbury had requests in early enough to qualify for 75%. Projected cost of replacing the tanks is \$1.7 Million, with a local share of \$433,000. Repayment amount would be \$19,000 per year for 40 years. Mr. Dufresne answered questions on possible alternatives – all towns who installed painted tanks in 1992 instead of stainless steel have since regretted it; any type of liner would be very expensive, may or may not qualify for federal funding, and have not proven to be very satisfactory; the project could be delayed a year – the tanks are currently not leaking, but close – but funding availability is questionable and the difficulty of replacing tanks after they start leaking increases. The Board considered the following Resolution:

RESOLVED: That the public interest and necessity demand that certain public improvements be made viz: the replacement of the filter tanks at the water treatment facility, the estimated aggregate cost thereof being \$1,730,000; and

“BE IT FURTHER RESOLVED: That the cost of completing said public improvements, will be too great to be paid out of the ordinary income and revenue of the Town of St. Johnsbury; and

“ BE IT FURTHER RESOLVED: That a proposal for providing such improvements and the issuance of general obligation bonds and other indebtedness of the Town in the aggregate amount not to exceed \$433,000, should be submitted to the legal voters of the Town at a Special Town Meeting to be duly called and held for that purpose on March 2, 2010; and

“BE IT FURTHER RESOLVED: That all acts relating to the proposition of incurring bonded indebtedness and the issuance of general obligation bonds and other indebtedness of the Town of St. Johnsbury for the purpose of financing such improvements, as well as the construction, maintenance and operation of such improvements within the corporate limits of the Town, be in accordance with the provisions of Chapters 53, 89 and 120 of Title 24 Vermont Statutes Annotated; and

“BE IT FURTHER RESOLVED: That the attached Warning and form of ballot be adopted for use in connection with the consideration of the above-stated propositions of making said public improvements and incurring bonded indebtedness and a loan therefore.

On a motion from Gary Reis and seconded by Jean Hall Wheeler, the Board voted unanimously to approve the resolution to replace the water tanks, as presented.

2010 TOWN MEETING WARNING - The Board reviewed a final draft of the warning, with changes that reflect the Australian Balloting for budgets. Sandy Grenier pointed out that the School portion of the warning is not available yet and would be provided by the School District at a later date. Members of the Board expressed confusion over the ballot for budgets in connection with the ballots for Articles 7 through 26, Special Appropriations. General agreement was that it was not clear if the budget was voted down, would the special appropriations vote also be negated. The suggestion was made to change the wording of Articles 7 through 26 to read “raise and appropriate” rather than just “appropriate” funds. Sandy Grenier called Town Agent Ed Zuccaro for an opinion. Mr. Zuccaro said the Warning could be approved at the meeting with and signed at a later date after some wording was clarified. On a motion by Jean Hall-Wheeler and seconded by Bryon Quatrini, the Board voted unanimously to approve the Warning pending some clarifications in the wording of Article 3 and Articles 7 through 26.

On a motion by Bryon Quatrini, seconded by Jim Rust, the Board voted unanimously to warn a special bond vote to replace the tanks at the Water Filter Plant for the March, 2010 Town Meeting.

MANAGER’S REPORT – Mike Welch said that two public meetings are scheduled to discuss the budget, on February 8 and February 22. Chairman Kimbell reminded Mr. Welch that he would not be able to attend on February 22. The Manager also stated he would be available in his office to answer questions from voters. Mr. Welch and Mr. Kimbell are scheduled to present to Kiwanis and Rotary club meetings.

THREE RIVERS TRANSPORTATION PATH - Jim Rust discussed updates he had from the State of Vermont and Larry Donna, representing the Vermont State Railroad. A new plan for the Bike Path could be to run from Mt. Vernon Street to US Route 5, before crossing the Railroad Tracks. General feeling was that this would complete the criteria for the original plan, it would connect onto the Lamoille Valley Rail Trail and have access for VAST. The proposal would include a parking area at the terminus of the trail, and the maintenance of the trail could be taken care of along with the LVRT. On a motion by Jim Rust, seconded by Jean Hall Wheeler the Board voted unanimously to submit this plan to the State.

On a motion by Gary Reis, seconded by Bryon Quatrini, the Board voted to adjourn at 7:40p.m.

Respectfully submitted,

Michael A. Welch
Town Manager

Ida Rainville
Executive Secretary