

**VILLAGE OF ESSEX JUNCTION
BOARD OF TRUSTEES
MINUTES OF MEETING
July 22, 2008**

BOARD OF TRUSTEES: Larry Yandow (Village President); Deb Billado, John Lajza, George Tyler, Peter Gustafson.
ADMINISTRATION: Dave Crawford, Village Manager.

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE

Prior to the arrival of Village President Yandow, Trustee Billado called the regular meeting to order at 6:30 p.m. and led the assemblage in the Pledge of Allegiance.

MOTION by George Tyler, SECOND by John Lajza, to authorize Trustee Deb Billado to temporarily assume the position of chairperson of the board until Village President, Larry Yandow, is available. VOTING: 4 ayes [Larry Yandow not present for the vote]; motion carried.

II. AGENDA ADDITIONS/CHANGES

MOTION by Peter Gustafson, SECOND by John Lajza, to add the following items to the agenda under "New Business":

- Audit proposal
- Feedback on proposal to increase weight limits on interstate roads in Vermont

VOTING: 4 ayes [Larry Yandow not present for vote]; motion carried.

III. GUESTS/PRESENTATIONS

1. IBM Presentation

John O'Kane, Janette Bombardier, and Tim Baechle from IBM gave a presentation on the status of the IBM facility in Essex Jct. in relation to IBM worldwide. John O'Kane, General Manager of the Essex Junction facility, thanked Essex Junction for hosting IBM for the past 51 years. The plant in Essex Junction is 3.5 million square feet with a private waste water treatment facility and electricity production greater than Burlington Electric Department in total. Janette Bombardier, Manager of Site Operations, stated IBM's focus has changed and continues to change. Ms. Bombardier reviewed IBM manufacturing sites (semiconductor development/design, module test/assembly, advanced/nano technology), including Vermont (Essex Jct. & Williston), New York (Hopewell Jct. & Albany), California (Bromont), Texas, Europe (France) and vendors in Asia Pacific (China, Taiwan). The majority of patents for the company originate at the Essex Junction facility. Vermont is the leading patent generator as a state. Vermont has a technical work force and makes semiconductors. IBM is no longer selling IBM products to IBM for main frame operations, but rather is selling on the very competitive open market. NASA has purchased IBM components for the Mars rover, orbiter, and impact probe. IBM semiconductors are in laptops facilitating connection to Google/internet services. IBM products can be found in high definition televisions, digital cameras, video cameras, DVD boxes, printers and cell phones as examples. IBM is expanding its

customer base. IBM Essex Junction has made a long term commitment to several companies and organizations, including Intersil, Toppan, and the U.S. Government National Security Administration. IBM dramatically changed the types of products and the markets served from 2001-2009 from an emphasis on data processing to communications and the consumer market which is very competitive. Competitors to the Essex Junction plant include Jazz in California, Texas Instruments in Texas, S.T. Micro in France, SMIRC and GSMC in China, and TSMC and UMC in Taiwan. IBM Essex Junction is spending 39% on labor (there are more engineers in China and Taiwan and the cost of labor is less), 23% on depreciation, 26% on materials (all the competitors buy from the same suppliers), 8% on other and 4% on energy (electricity is subsidized by the government in China). The Vermont facilities spend \$45 million annually on electricity. In summary, IBM has a multi-billion dollar global semiconductor operation managed in Vermont, IBM must continually redefine their business model to meet the changing environment, and a long term presence in Vermont depends on being profitable. How the state can help IBM includes avoiding legislation that harms IBM and having reliable energy in place for the long term.

John Lajza asked about the profitability of the Essex Junction plant. Ms. Bombardier stated the plant is presently profitable, but the margin of profitability has been declining as the operations have moved into the consumer market. Trustee Lajza asked about silicon germanium. Ms. Bombardier confirmed this process is a niche at the Essex Junction plant.

George Tyler asked what legislation would be proactive and help IBM. Ms. Bombardier stressed the energy future in the state is a major issue. Presently 40% of IBM's electricity is secured at a cost of four cents per kilowatt hour. It will be difficult to replace that cost. Also, the reliability of the grid is very important. There is not a transmission network in the area in order to transform alternate energy sources to the grid. Ms. Bombardier urged having fact based discussions on energy with a sense of the economies and the trade-offs. IBM energy use is similar to the energy profile of the state (40% Hydro-Quebec, 40% Vermont Yankee, and 20% other). Another issue is the battle on phosphorus. The legislature focused on non-point sources (i.e. treatment plants) and should have focused on point sources (agricultural operations). Affordability, spending within our means, is also a factor. Finally, IBM also needs the circumferential highway as originally planned for reliable transportation and affordable housing.

2. Comments from Public on Items not on Agenda

Margaret Centybear, Woods End Drive, asked about the dog park being exclusively for people with dogs, and if dogs will be on leashes. Deb Billado stated a site for a dog park has not yet been identified. Rules/regulations have not yet been drafted. A likely scenario is the area of the dog park will be fenced and dogs will be allowed off their leash inside the fenced area. Owners will be responsible for their dogs. The dog park may be modeled after the Starr Farm dog park. Ms. Billado opined the dog park should be managed by a dog park committee and supported by the users. Ms. Centybear commented having parks in different areas of the village is a good idea. Maple Street has a lot of traffic.

IV. OLD BUSINESS**1. Consider Proposal from Residents to Purchase Land for Park**

George Tyler commented the cost estimate from the property owner for the land under discussion is more than the village can afford at this time. The amount was greater than half the annual budget of the village. The property owner has not been formally contacted for an official sale price. Trustee Tyler acknowledged when there is undeveloped land in a neighborhood for many years there is a sense of general ownership, but the residents adjacent to the land under discussion do understand that something would likely be done with the land at some point in time. Trustee Tyler also observed the village plan does value open and natural spaces. The concern about a flat economy with many houses for sale in the village and the proposal to build more houses which may not sell was noted. There is some discretion for the Planning Commission when reviewing a Planned Unit Development (PUD), stated Mr. Tyler, and it is hoped all parties will proceed respectfully. The developer has the right to develop their property. The Planning Commission interprets and applies village ordinances. The property owner has allowed use of the land for many years so it appears there is desire for a good relationship with neighbors. It is hoped the neighbors can work with the developer toward an amicable solution. This is a case of an undeveloped parcel being used by area residents for many years and then the property getting developed and residents coming forward to try to keep the property open, but it is too late. The Trustees need to think about how to better coordinate what is in the vision of the Comprehensive Plan document and the ordinances, suggested Trustee Tyler.

MOTION by John Lajza, SECOND by Deb Billado, to advise the Planning Commission to investigate and identify undeveloped land within the village and what may be appropriate uses of the space, and have the Trustees discuss how to move forward from that point.

DISCUSSION: John Lajza clarified the request is for the Planning Commission to identify green space noted in the village plan, not expand it, and acting on any subsequent recommendation(s) is the responsibility of the Trustees. The Board concurred.

VOTING: 5 ayes; motion carried.

Thanks and appreciation was extended to the residents for getting involved, though it is too late in the process to affect change on the Bouffard development proposal. Donation of land for an open park in the village would be welcomed. There was discussion of stopping the Bouffard project on Maple Street. It was noted if a project meets the requirements outlined in the village regulations the project can proceed. There was discussion of the price of the Bouffard parcel at the top of the hill versus the bottom of the hill, and the location of the water line. The process for adopting the regulations that guide the village was reviewed. Concern by residents adjacent to the Bouffard property was expressed with regard to the density proposed for the development. It was noted the density has changed in the area from 20,000 s.f. to 7,500 s.f. per lot. Also, state law mandates some rules that impact the village. The state wants higher density in growth centers rather than on the outskirts of communities.

Peter Rowan, Briar Lane, agreed with the need to identify potential parcels of open land and the price. Perhaps there is an individual who wants their name on a park as a legacy and has the means to donate the property. The request/search needs to be publicized. Peter Gustafson suggested the information be included in the next village newsletter. Larry Yandow suggested the Town of Essex be approached when the update to the town plan is being done to see about possible open space parcels. Mike Bottamini, Briar Lane, commented the town plan only relates to areas outside the village. Trustee Yandow stressed village residents are also town residents and have a right to use community open space in the town as well as in the village. Mike Bottamini mentioned development on a slope was brought up with the Bouffard development, and it was discovered the village does not address the matter (the town regulations do address slope). There was agreement common elements should be in both sets of plans (town and village).

V. NEW BUSINESS

1. Set Tax Rate

MOTION by Deb Billado, SECOND by George Tyler, to set the tax rate for FY2009 at \$.2075 as recommended.

DISCUSSION: The Village Manager reviewed the FY09 village tax rate which is a two percent decrease from last year due to the one time actions of deferred expenditures, use of \$70,000 in surplus funds and \$25,000 in remaining retirement funds from individuals no longer on village staff. One cent on the tax rate raises approximately \$100,000. There are issues on the school side of the tax rate, including the skewed CLA.

CALL THE QUESTION by Peter Gustafson. Discussion ceased.

VOTING: 5 ayes; motion carried.

2. Appointments

MOTION by Peter Gustafson, SECOND by George Tyler, to appoint Ron Gauthier to the CCRPC, Robin Pierce to the CCMPO Transportation Advisory Committee, and Dave Crawford as the alternate for both aforementioned positions. VOTING: 5 ayes; motion carried.

3. Audit

MOTION by John Lajza, SECOND by George Tyler, to accept the audit proposal by Sullivan, Powers & Company as presented (3.5% increase over last year's cost). VOTING: 5 ayes; motion carried.

4. Feedback on Increasing Interstate Weight Limits

John Lajza acknowledged tractor trailers are now 10' longer and should be filled to capacity for efficiency, but there is concern for the impact on Class 1 highways by the weight. Peter Gustafson stressed this is another example of the need to complete the circumferential highway to spare local roads of wear-and-tear by heavy trucks. Larry Yandow noted trucks greater than 80,000 pounds cannot travel on the interstate system, but can travel on Class 1 highways. The weight limits on the interstates need to be increased to take the trucks off of Class 1 roads. Deb Billado asked if more federal funding will be available if the weight limit is changed.

MOTION by John Lajza, SECOND by Peter Gustafson, that the Essex Junction Board of Trustees support Rep. Welsh's amendment to increase weight limits on interstate highways to over 80,000 pounds. VOTING: 5 ayes; motion carried.

VI. VILLAGE MANAGER'S REPORT

1. Verbal/Written Report

- The village joined in a collaborative bid for road salt.
- The annual village block party was a success again this year. Patty Benoit was commended for a job well done, lots of good work and great energy. There was a great team effort as well.
- Ad hoc community gardener, Sandy Willey, was recognized for the terrific job on the plantings in the Five Corners/Lincoln Hall area. More help is needed with on-going maintenance/weeding. The Board will consider adding some money in next year's budget for this activity. Volunteers are encouraged to help maintain the plantings.
- Construction work at Five Corners is ahead of schedule. Streetlight posts are being installed on Lincoln Street, Pearl Street and Park Street. Main Street and Maple Street will follow and should be complete by mid/end of August. Signals and poles will be installed when the materials arrive. The project is within approximately \$15,000 of the total \$1.5 million cost. Ornamental streetlights (cost of \$5,000 each) are on hold at present.

2. Trustees Meeting Schedule

- Open House on 7/28/08 for Jeff Arango starting at 2 p.m.
- Meeting with Prudential Committee on 8/11/08 at A.D. Lawton School
- Regular Meeting on 8/12/08
- Special Meeting on 8/19/08
- No Meeting on 8/26/08

VII. TRUSTEES COMMENTS/CONCERNS

1. Board Member Comments

- John Lajza stated a bicyclist suggested the 25 mph signs on main thoroughfares in the village, such as West Street, be set up on the curb, not on the roadway, to avoid forcing bikers into traffic.
- Peter Gustafson urged discussion of the issue of sexual predators residing in the village (Essex Junction has 45 offenders which is the third highest number in Chittenden County according to the *Burlington Free Press*). Trustee Gustafson suggested the Board may want to limit where these individuals are allowed to reside (i.e. proximity to schools) as Barre is proposing. Larry Yandow added there are 527 furloughed prisoners living in Essex Junction as well, the highest number in the state. George Tyler pointed out state statutes override local ordinances and the state took a position against adopting Megan's law. Local communities want Megan's Law.
- Larry Yandow reported on feedback about the reconstruction on Park Street. There have been negative comments about having to slow down on the street (the

reason the street width was narrowed). John Lajza said he has received positive comments on the work, adding it is the Trustees job to protect the village and the citizens. It was necessary to calm down the traffic coming into the Five Corners intersection, and the work on Park Street achieved this objective while providing extra parking for the merchants. Peter Gustafson said he has heard concerns about hitting the bump-out curbs. Dave Crawford stated markings and reflectors may be added to highlight the curbs. Also, conduits for surveillance cameras are being installed in the area.

VIII. CONSENT AGENDA & READING FILE

MOTION by John Lajza, SECOND by Peter Gustafson, to approve the consent agenda as follows:

- 1. Approve minutes of 7/1/08, 7/8/08, & 7/15/08**
- 2. Approve warrants**
- 3. Reading list acceptance (letters/communications)**
 - Zoning Board Minutes of 6/17/08**
 - Planning Commission Minutes of 6/26/08**
 - Notice from VLCT re: Municipal Golf Tournament**
 - Letter from CCRPC re: Proposed Regional Plan Amendment**
 - Letter from IBM re: Modification to Waste Management Systems**
 - Notice of Intent to Modify Contract to Employees Association President**

VOTING: 5 ayes, one abstention (Yandow on Item #1 - Approval of Minutes); motion carried.

IX. EXECUTIVE SESSION and/or ADJOURNMENT

MOTION by Larry Yandow, SECOND by Peter Gustafson, to go into Executive Session. VOTING: 5 ayes; motion carried.

The Board entered Executive Session at 8:30 p.m.

MOTION by John Lajza, SECOND by Peter Gustafson, to adjourn Executive Session and the regular meeting. VOTING: 5 ayes; motion carried.

Executive Session and the regular meeting were adjourned at 10:45 p.m.

RScty: M.E.Riordan