

**VILLAGE OF ESSEX JUNCTION
BOARD OF TRUSTEES
MINUTES OF MEETING
February 8, 2011**

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

I. CALL TO ORDER and PLEDGE OF ALLEGIANCE

Village President, Deb Billado, called the meeting to order at 6:30 PM and led the assemblage in the Pledge of Allegiance.

II. AGENDA ADDITIONS/CHANGES

Add under Old Business:

- Clarification comments from the Village Attorney (Memo from Dave Crawford, dated 2/8/11)
- Confidential correspondence from Dave Crawford to the Board of Trustees
- WWTF Resolution

Add under New Business:

- Clean copy of General Fund Capital Reserve Plan

Add under Village Manager's Report:

- Deb Billado and John Lajza to serve on the RPC subcommittee

Add to Consent Agenda:

- Warrants
- Authorization of Village Manager to sign the Sludge Management Agreement between CSWD, New England Organics, and Village of Essex Junction

III. GUESTS AND PRESENTATION

1. Comments from Public on Items Not on Agenda

There were no comments from the public.

IV. OLD BUSINESS

1. WWTF Rehabilitation Project Costs

Wayne Elliot, consulting engineer, reported the following:

Village Owned Pump Stations

- The village owns seven pump stations built in the 1960s, 1970s and 2007.
- Upgrades were done in 1984 and 2001.
- The pump stations have deficiencies.
- A preliminary engineering study was done for upgrade recommendations.
- The high school pump station needs structural improvements and a grinder to handle disposable wipes which are not biodegradable and cause clogs in the system.
- Telemetry will be added to three other pump stations in the village.
- Total project cost for the pump stations is \$1,287,000. The village is responsible for 100% of the cost for village owned pump stations. A bond

vote in the amount of \$1,257,000 is recommended. The difference of \$30,000 is the local share. It is recommended the local share be taken from the waste water capital plan. Funding through the state revolving loan program is recommended (20 year term, 2% administration fee). The first loan payment is due when construction is complete.

- An increase in the sanitation rate is not anticipated as a result of the project. There are ARRA funds available to apply to the project.

Waste Water Treatment Facility

- The facility was built in 1964 and upgraded and expanded in 1984.
- Essex Junction owns the facility and treats flows from the village, Essex Town, and Town of Williston. Essex Junction uses 59.3% of its capacity, Essex uses 48.6% of its capacity, and Williston uses 68% of its capacity.
- The facility has a life design of 20 years. Major equipment at the plant is now over 26 years old.
- A preliminary engineering study has been done. The rehabilitation project will address deficiencies, extend the useful life of the facility, and meet new regulations. The project is expected to be complete by 2014.
- Green Project Elements workshop identified efficiencies and cost savings.
- Cost of the rehabilitation project is \$15,398,000. The recommended bond amount is \$15,230,000 to be shared by the tri-town members (Essex Junction, Essex, Williston). Funding sources include the state revolving loan program (20 year term, 2% administration fee), Vermont Municipal Bond Bank (20 year term, 4.494% interest rate), and any grants that may be available. The local share will come out of the waste water capital plan.
- An increase in the sewer rate of \$115 to \$130 per year is anticipated.

George Tyler asked if a change in staffing is anticipated with the newly rehabbed plant. Mr. Elliot explained staff levels are marginal at present. An additional part-time worker is needed. Existing staff are well experienced, long term employees at the facility. The additional worker is needed to cover holidays, vacations, and sick days as well as any additional work load. The facility has been well managed and maintained which is why the upgrade is not costing twice as much. Cost saving measures have already been put in place (co-gen) which result in the energy savings (50% of electrical use). Having control of the sludge and dewatering on-site is an asset. If the rehab work is not done there is risk of increased problems at the plant and an increase in fines. The water of the Winooski River and Lake Champlain must be protected. Costs will continue to increase to implement the improvements. The bidding climate is very favorable at this point in time.

2. Action on WWTF Rehabilitation Project Bond Vote Resolution

MOTION by John Lajza, SECOND by Steve Atwood, to authorize the Village Manager, engineer, and staff to proceed with finalizing documents necessary for the Annual Meeting Warning and vote on April 12, 2011.

DISCUSSION: Dave Crawford will show the division of payment by the tri-town members in the article. It needs to be clarified that Essex Junction owns the waste water facility and through the tri-town agreement shares services with Williston and Essex Town. There were no further comments.

VOTING: unanimous (5-0); motion carried.

The public will be informed about the project through the informational DVD (Channel 17 assisting with the production), information posted on the website and in the village newsletter. Public presentations will be done as requested.

3. Discussion/Action re: Recreation Agreement

Dave Crawford reviewed the memo from Dave Barra opining that the declaratory court case is still on firm ground. George Tyler noted a petition signed by 15% of the voters can compel a change in the Code or prevent a change. The Code says the Prudential Committee is under complete control and supervision of the recreation department. This was codified in 1985. Dave Crawford stated if the Trustees vote to change the Code, then the Code is changed.

John Lajza asked if any transmittal from the Prudential Committee regarding participating in the Declaratory Judgment has been received (none to date). George Tyler pointed out the Prudential Committee's position appears to be that the recreation department is under their ownership, operation, and control, and this is not under negotiation. Mr. Tyler asked what happens if the Prudential Committee does not participate in the Declaratory Judgment. John Lajza recalled there was agreement the Trustees would proceed alone though the Prudential Committee can join in at a later time if desired. Deb Billado expressed hope that the two boards can negotiate an agreement even though the Village offered an agreement which was declined and there has not been success to date in getting the two boards together to negotiate. George Tyler stated when the pool was built and school merger discussion was reestablished, the Prudential Committee reestablished their ownership of the recreation department. Minutes from the Board of Trustees meeting in 1970 show the vote to transfer the recreation department to the school department. John Lajza stated Chapter 31 of state statute clearly identifies oversight of parks and recreation is with the municipality. There can be contract entities, but the responsibility of oversight remains with the municipality. Deb Billado added there is no legal mechanism for the Board of Trustees to give away parks and recreation. The action in the 1970s by the Trustees may have been to give away the authority to manage parks and recreation. Dave Crawford noted the Trustees have been trying to resolve the issue for months without success so a third party (the court) has been asked to make a ruling.

Regarding the agreement, March 22nd is the three month notice point to the Prudential Committee to renew or decline to renew the recreation agreement, said Mr. Crawford, adding if the Prudential Committee declines to renew and recreation transfers back to the Village, because the village owns the land then in a sense the Prudential Committee is in the position of basically trespassing.

George Tyler stressed the Board received a petition with 852 signers that said stop now-not after getting a declaratory judgment or an opinion satisfied – yet the Trustees continue to pursue the matter despite the petition. John Lajza acknowledged the petition and said he would prefer management to continue under the school board, but what is

best for the community needs to be understood first. There were also 330 people who said move the governance to the village, recalled Mr. Lajza. The Trustees are trying to gather data so a good decision can be made. A contract has been offered to extend the agreement for a year, but that contract has not been accepted by the Prudential Committee.

Deb Billado stated two boards that work for the taxpayers should sit down and work out an agreement. An answer to the question of who owns the recreation department is needed. If the Declaratory Judgment says the Prudential Committee owns the recreation department then the Village needs to develop a land lease. If the judgment says the recreation department belongs to the Village then that is a different discussion. There were 350 voices speaking about access to government and that issue migrated to who owns EJRP. George Tyler rebutted that the Trustees “kicked a hornet’s nest and now wonders why everyone is all upset”. Resources were spent on a philosophical fine point. EJRP is an asset that adds value to the community. The asset was created by the school district, not the village. The school district created the programs and buildings. Deb Billado recalled George Tyler was the only board member who said recreation belongs under village government and suggested spending a year to work on the matter. George Tyler disagreed, clarifying he said if the community, school district, and Trustees feel recreation belongs under village government then do it. Deb Billado stated the issue needs to be settled once and for all because the matter has been raised before. John Lajza again referred to Ch. 31 which says it is the Trustees’ responsibility to oversee and understand the recreation department, and if this is the case, the Trustees have been neglectful in doing so. Deb Billado read from the letter from Dave Barra regarding the action by the Trustees in 1970 (relative to the recreation department) not being authorized by law and therefore without force and effect.

V. NEW BUSINESS

1. Adopt FY12 Budgets and Capital Programs

Dave Crawford noted format changes in the spreadsheet. The waste water plant refurbishment project is not in the Waste Water Treatment Facility Capital Reserve Plan because the project requires a bond vote.

MOTION by Peter Gustafson, SECOND by John Lajza, to adopt the FY12 budget (General Fund of \$3,168,456) and capital plans as presented.

DISCUSSION: George Tyler said he will support the budget with great reluctance because there has been little discussion of some of the increases, such as the increase in administrative costs of \$126,000 in three years, and transfers and miscellaneous cost increases of \$86,000 in three years. It is understood the transfers are from the general budget to pay for capital costs, but the Trustees need to discuss how to turn the trend around. Legal expenses for any potential lawsuit relative to the recreation department which the Trustees brought on themselves will come out of the budget and that is of concern, said Mr. Tyler. Dave Crawford assured staff continues to be committed to answering any question or comment about the budget. Individual increases have been reviewed in detail. The administration took a very careful look and can explain each increase. There is a commitment to

maintain the service level in the village and there are necessary capital improvements. Also, the increase in administration covers the time period when there was no village manager in place to filling the position. Deb Billado expressed confidence the department heads did a good job with staff appraisals and recommended increases. George Tyler reiterated the Trustees need to look systematically at how the village operates. Regarding capital funding, village taxpayers send money to the town's capital fund and projects keep being pushed outside the village. These are the issues that should be discussed rather than spending time and money on the recreation matter, opined Mr. Tyler. Peter Gustafson suggested showing the list of grants received in the past three years to justify the effort administratively. Dave Crawford recalled the Trustees challenged staff to pursue grants and this was done with results. George Tyler stated commitment by the Trustees is needed to look at options in case grants are not secured (i.e. where the village is now, the relationship with the town, and developing a long term strategy). There was further discussion of the relationship with the town and the offer of \$200,000 toward the purchase of the fire truck as well as the joint effort to locate the new police station. Peter Gustafson stated there is confidence that the village can work with the town. Mr. Gustafson agreed too much time has been spent by the Trustees on one issue in the past few months and the focus needs to be on budgets, the police station issue, and the new fire truck. John Lajza noted the property reappraisal added to the tax increase as well as the continued reduction of the IBM subsidy. The library is 20% of the budget and the recreation department is 27% of the budget, but if the public continues to be willing to support the budgets then so be it. George Tyler mentioned the Trustees approved moving forward with the bond vote for the treatment plant which will increase the water/sewer bill by approximately \$130 per household and that increases the cost of living in the village. Mr. Tyler stressed the need to look at the entire picture. There were no further comments.

VOTING: unanimous (5-0); motion carried.

2. Discussion of the First Draft of the Annual Meeting Warning

Article 5 was modified to cap the amount in the Land Acquisition Fund at \$500,000.

Article 9 was modified to correct that there is one Village Trustee position for a two year term and two Village Trustee positions for three year terms. Staff will revise the warning for review/approval at the next meeting.

VI. VILLAGE MANAGER'S REPORT

The Trustees received a memo on items in the Manager's Report.

1. Meeting Schedule

- February 22 @ 6:30 – Regular Trustees Meeting
- March 8 @ 6:30 – Regular Trustees Meeting
- March 22 @ 6:30 – Regular Trustees Meeting
- April 6 @ 7:00 – Village Annual Meeting

- April 12 @ 6:30 – Regular Trustees Meeting
- April 26 @ 6:30 – Regular Trustees Meeting
- May 10 @ 6:30 – Regular Trustees Meeting
- May 24 @ 6:30 – Regular Trustees Meeting
- June 14 @ 6:30 – Regular Trustees Meeting
- June 28 @ 6:30 – Regular Trustees Meeting

Special Meetings/Events:

- February 10 @ 3 PM – Employee Appreciation Party (On Tap Bar & Grill)
- March 3 @ 1 PM – Reception at CVE for Retiring Police Chief Leo Nadeau
- March 3 @ 5 PM – Sign Annual Meeting Warning
- April 12 – Australian Ballot Voting for Annual Meeting

2. Questions and Comments from Taxpayers

Staff is responding to taxpayer questions/comments.

3. Crescent Connector Meeting

The public meeting on the connector road is 2/22/11.

4. School Closing and Information Flow

Dave Crawford explained the recent incident involving sidewalk plowing and closure of schools in the village by the school superintendent. George Tyler suggested plowing sidewalks on key routes first.

5. Traffic Lights

Synchronization of the lights on Park Street is underway.

6. Grants

Grants are being sought for the fire department, arts, emergency management, and a generator.

7. Essex Town Capital Plan and Equipment Replacement

Information was received on the town's capital plan and equipment replacement.

8. F-35 Report

The F-35 issue is ongoing.

VII. TRUSTEES COMMENTS/CONCERNS

George Tyler suggested the Trustees sign a resolution of support for the F-35 program. Staff will draft a resolution.

VIII. CONSENT AGENDA & READING FILE

MOTION by Peter Gustafson, SECOND by Steve Atwood, to approve the consent agenda as follows with the addition of the warrants and authorization of the sludge management contract:

1. Approve Minutes (1/11/11, 1/18/11 & 1/25/11)

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2. Approve Warrants
 3. Approve and Sign 2011 Certificate of Highway Mileage
 4. Approve and Sign WWTF Rehab Project Preliminary Plan Loan from Vermont ANR
 5. Authorize Village Manager to Sign CSWD, NEO, and VEJ WWTF Sludge Management Agreement
 6. Approve and Sign Resolution for Police Chief Leo Nadeau
 7. Reading List Acceptance (Letters & Communications)
 - Town of Essex Annual Report by Health Office
 - Planning Commission Minutes (1/20/11)

VOTING: unanimous (5-0); motion carried.

IX. EXECUTIVE SESSION and/or ADJOURNMENT

MOTION by Peter Gustafson, SECOND by George Tyler, that the Board of Trustees go into Executive Session to consider personnel matters and legal issues involving contract negotiations where premature general public knowledge would clearly place the Village at a substantial disadvantage, and to invite the Village Manager, Dave Crawford, and other individuals previously invited to attend.

VOTING: unanimous (5-0); motion carried.

Executive Session was convened at 8:50 PM and adjourned along with the regular meeting at 10:15 PM

RScty: M.E.Riordan