Present: Trustees - Walter Scott, Guy Breault, Ellen St. Marie, Leonard Charron, Bill Spears, Jr.

 Staff – Jonathan Elwell, Caroline Marcy, Garry Atherton, Ken LaPlant, Greg Clark

Meeting called to order by Chair, Walter Scott at 6:30 p.m.

1. 2016 Budget Discussions
	1. **Electric Department:**

Jonathan Elwell initiated the conversation by explaining that there will be no anticipated rate increase in the Electric Department despite the projected deficit of $147,000 for the 2016 budget year. Approximately $80,000 of this deficit is projected lost revenue during hydro generation downtime of Phase I of the Hydro Renovation Project to be completed summer/autumn 2016. Another contributor to this picture is the estimated $120,000 discount to Franklin Foods for their Economic Development Agreement entered into with them in March of 2015. The EDA is scheduled to end January 2018. If these two factors were not present, the Electric Department would be showing excess revenues for the year.

Jon continued to highlight two additional fairly significant projects included in the 2016 budget:

* In 2012, an engineering study was performed on the Bridge of Flowers & Light. This study identified a number of areas of deterioration and worsening conditions with the structural integrity of the bridge. The study outlined a three phase plan to address the issues as identified in the study and strongly recommended that the repairs/maintenance project be completed within five years. Accordingly, the 2016 budget includes $80,000 to complete Phase I of the study plan per updated engineer estimates.
* Lack of storage space has forced the Wastewater Department to park their Sludge Vacuum Truck outside where it is exposed to the elements and in danger of freezing during cold weather. We were initially looking at building a new garage for the Wastewater Department. After consideration and conversations with employees in Wastewater, Electric, and Public Works departments, we have decided to build a new garage for the Electric Department and not the Wastewater Department. The Electric Department will move some of their equipment and materials to free up a bay at the Public Works Garage location, and the Wastewater sludge truck will be stored at the Public Works Garage. The new garage will then be owned and used by the Electric Department. All departments are in agreement with this plan given the mix of needs and various locations available.

The projected cost of the new garage is $35,000 and will be placed on the existing slab at 42 Village Drive that used to have a garage on it several years ago.

At this point, Greg was invited to explain recent developments in the electric department that occurred in 2015. Greg described the aggressive preventative maintenance program that the Electric Department concentrated on during 2015. In particular, these procedures focused on persistent tree trimming and bringing in outside crews to help when clearing a line. Again, Greg brought to the Board’s attention the need to upgrade lines and infrastructure due to increasing sugar making activities in our service territory.

Greg also mentioned the Electric Department’s need for more storage space. The upgrade to the hydro facility will provide some extra space, but Greg asked the Trustees to think about removing the old diesel generator. It was Greg’s opinion that the scrap from the generator would more than pay for its disposal and would free up a considerable amount of space. Guy Breault inquired if the generator could be sold for parts vs being scraped. Greg replied that we could certainly put the word out.

The Trustees thanked Greg for his hard work on behalf of the Electric Department. Greg left the meeting at 7:15 pm.

* 1. Public Works Department:

The main item of concern in the Public Works Department for 2016 is the Duffy Hill Paving project. Staff has been informed several times that the Village will be receiving a Class II Paving Grant in the amount of $175,000 for this project. However, despite several phone conversations with VTrans, we still have not received a Grant Agreement from the State.

The total projected cost of the project is $278,795.00. Taking into consideration the $175,000 paving grant, the Village will need to obtain voter approval for a loan in the amount of $104,000 over ten years. The impact of this project on the 2016 budget will be minimal, however in future years – this loan payment will increase the tax rate by 1.57 cents.

Garry notified the Board that he was able to obtain a Better Back Roads Grant in the amount of $10,000 to perform ditching work on Duffy Hill Rd. This grant only requires a match in labor and equipment with no money out-of-pocket. The Village was also able to obtain a Better Back Roads Category A grant to perform an inventory of the Village’s roads and streets.

Ken inquired that, due to an increase in the cost of asphalt, if the Trustees would consider raising the amount set aside in the paving line item expense. This year, only $5,000 has been budgeted for this expense which will only cover line striping. [This line item expense was reduced from $11,000 to $5,000 in order to account for the financing cost of the match required for the Duffy Hill paving project.] Ken continued to explain that even $11,000 only buys the Village a few loads of asphalt compared to “feet” of paving in previous years.

* 1. Water Department:

Jon brought to the Board’s attention that the water department budget, as presented, is showing a shortfall of $12,301.00. The largest areas of increase in this department are in Employee Salaries, Employee Benefits, Accrued Time, and Principal Payments. The last increase in the Water Department was a 16.3% increase in May 2015. In this preliminary budget, staff is recommending using unrestricted available cash in the operating fund to cover the $12,301 deficit for 2016. This recommendation will avoid a rate increase for 2016, but the Village cannot sustain taking significant deficits in future budgets and will recommend a rate increase in 2017.

1. Other Business

There was no other business.

1. Adjourn

There being no other business to come before the Board at this time, Bill Spears, Jr. made a motion to adjourn. Seconded by Leonard Charron. Unanimous. The meeting adjourned at 8:05 pm.

Respectfully Submitted,

Caroline Marcy, Director of Finance

***These minutes were approved as written at the Board of Trustees Meeting on January 26, 2016.***