



TOWN OF ST. JOHNSBURY

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Meeting of the St. Johnsbury Select Board May 8th, 2023 @ 6:00 pm

Present-

Select Board: Steve Isham, Tracy Zschau, Frank Empsall, Dennis Smith, Brendan Hughes

Staff: Chad Whitehead, Joe Kasprzak, Rachel Waterhouse, Paul Berlejung, Stacy Jewell

Press: KATV

Public: Jim Brown, Don Smith (via zoom), Daniel Kimbell, Robert Michael, Elmoore Dickstein, Jeanie Kelly, Matt Riordon, Pam Parker, Kelly Degee, M. Dikstein, Stan Zajko, David Zajko, Clark Atwell, Jody Fried, Minty Conant, Gillian Sewake (via zoom), Lynn Wurzburg, James Bently, Kerry Colby (via zoom)

Agenda Amendments:

- None

Public Comment:

- Jim Brown mentioned that on Friday May 5th a freshman crew from St. Johnsbury Academy assisted in beautification in Town which included removing dog do and other debris, raking and mulching and cleaning up debris piles. He expressed how wonderful it was and what a great job they did.
- Frank thanked the freshman for a wonderful job.

Warrants:

- On a motion by Brendan and second by Tracy to approve the warrants as presented. All in favor. Dennis abstained.

Minutes:

- On a motion by Dennis and second by Tracy to table the minutes from the April 22nd, 2023 Select Board meeting. All in favor.

Liquor/Tobacco License:

- Frank reviewed the liquor and tobacco license requests
 - Pica Pica Filipino- 1st class
 - 98 Mill Italian Pub- 1st class and outside consumption
 - Moose Lodge #1779- 1st class, 3rd class and outside consumption

- Pizza Hut- 1st class
- VS Gourmet LLC- 1st class and 3rd class
- The Tack Room- 1st class
- Horizon Deli- 2nd class, tobacco, and tobacco substitute
- RL Operating Company- 2nd class
- On a motion by Dennis and second by Tracy to approve the liquor and tobacco licenses as presented. All in favor. Brendan abstained.

Energy Committee Update:

- Pam Parker provided the Select Board with an update regarding the Energy Committee activities. She mentioned that Green Up Day was successful and thanked the Town Crew for their assistance. She said the Energy Committee is working on a Community Build Project which has had over 177 requests for inserts.
- Pam highlighted the work of Elmore Dickstein and David Zajko on the Energy Committee since 2020.
- Lynn Wurzburg from the Energy Committee provided a background on how the Energy Committee recruited Elmore and David.
- Pam Parker read a letter from Elmore's advisor and James Bently spoke on behalf of David. Pam expressed how dedicated and committed both have been to the Energy Committee and that the committee couldn't be prouder of them.
- Chad Whitehead, Town Manager commented on their service to the Town and thanked them for their dedication and commitment.
- Frank mentioned as both the Select Board Chair and a Trustee at St. Johnsbury Academy he couldn't be prouder of them.

April Financials:

- Lesley Russ, Finance Officer provided the following April Financials.
- The property taxes are prorated in the governmental funds as well as interdepartmental and reserve funds.
- General fund at the end of April had a surplus of \$1,031,374. Departments within the general fund are on target except for the public safety building. Overtime continues to exceed the budget in dispatch and the fire department. The new employee in Dispatch should be available to fill shifts in June and there is still one vacancy to fill in the Fire Department.
- Special Services Fund at the end of April had a deficit of \$90,689. Regular salaries and overtime combined are 88% of the budget. Staffing continues to be an issue in the police department, currently there are two full time and one part time open positions. Expenses in the Special Services Fund include two new outfitted vehicles at a cost of \$102,800 of which \$50,000 will be reimbursed by a grant. However we do expect the police department to have a deficit at year end.
- The Highway fund at the end of April had a surplus of \$367,469. There are several large loan payments to be made in June which will reduce the surplus. Winter maintenance came in under budget by \$107,824 due to a mild winter.
- At the end of April, the water fund had a deficit of \$210,751. Expenses in the water fund are on budget except for chemical supplies and fire hydrant purchases Revenues are under budget due to year-end audit adjustments.

- The Sewer fund at the end of April had a surplus of \$189, 778. The Sewer Fund has received \$2,502,503 in grant funds for the Pleasant and Gilman project. The Sewer plant is over budget due to solids handling and the purchase of RBC frames.
- At the end of April, the parking meter fund had a surplus of \$16,313. Revenues are ahead of projections.

St. Johnsbury Creative Campus:

- Jody Fried and Minty Conant from Catamount Arts provided the Select Board with an overview of their hopeful project for 105 and 107 Eastern Ave. Catamount Arts hopes to purchase the property and create a Creative Campus. Jody explained that that currently the phase 2 assessment is underway. He mentioned that the acquisition of the property would help with parking and the tenants there now would be able to stay. He explained that the project will happen in multiple phases and outlined phase 1 to be acquisition of the properties, phase 2 would be renovations and phase 3 would be attracting the creative economy to St. Johnsbury. He stated that he thinks St. Johnsbury will need to be fiercely competitive when it comes to attracting a creative economy to St. Johnsbury but explained that this location is a complement to other resources within the Town. He mentioned that it is a healthy project and wanted to make the Select Board aware. He is hopeful that the Town can help prioritize this project and preserve the historical value of these properties as Catamount Arts hopes to bring life back to them.
- Frank asked if the idea was to bring in incubator businesses. Jody said that was the long term goal. He explained that the buildings already have some key tenants and they would continue to support the folks there as well.
- Tracy asked if there was a projected timeline. Minty commented that currently they are in phase 2 and are doing their due diligence. They are hoping to purchase the properties by the end of June. She explained that they expect that phase two will take 12-24 months and long term 3 to 4 years.
- Steve Isham asked how Jody thought the Town could help. Jody explained that he thought the Town might be able to assist with the transformation but at this point he just wanted to bring the project forward as they feel strongly that the money put into this will positively impact St. Johnsbury.
- Steve Isham asked if those that currently rent space in the existing octagon building would stay. Jody explained that it would be multi use going forward and would not be used for Catamount Arts but for the creative economy as a creative hub.
- Jim Brown commented that creative economy was a big topic at the recent NVDA meeting. He asked what impact Zoning and DRB would have on the project and if the properties would come off the grand list. Jody said they are not to the point of Zoning and DRB and that they do not intent to take the properties off the grand list.
- Joe Kasprzak, Assistant Town Manager commented how exciting this project was and how it would take community revitalization to the next level. He expressed that he felt this was a great opportunity for St. Johnsbury.

St. Johnsbury Development Fund Project Request:

- Frank recused himself from the discussion.
- Daniel Kimbell approached the Select Board on behalf of the St. Johnsbury Development Fund. He provided the board with an overview of past projects the St. Johnsbury Development Fund has completed including the remodeling of 131 Railroad Street. He explained that the St. Johnsbury Development Fund is interested in purchasing and repurposing the Maple Center Hotel. He

mentioned that they have a purchase and sales agreement in place with St. Johnsbury Academy and currently are in phase 2 of the remediation process.

- Following the purchase the next steps would be to tear down and remove the current buildings on the property which has been estimated to cost \$200,000. After that the St. Johnsbury Development Fund would have a 5 acre buildable lot and would work to determine what they wish to build.
- Daniel asked the board to consider awarding \$200,000 from the St. Johnsbury Revitalization Fund Grant Program to cover the cost of the demolition and site cleanup.
- Dennis questioned if Daniel felt \$200,000 would be enough for mitigation and demolition. Daniel expressed that there are a lot of partners involved and based on recent quotes \$200,000 would cover it.
- Tracy asked what the estimate was for redevelopment. Daniel explained that he was unsure and no firm idea has been decided on. He expressed that he felt that was about 18 months out.
- Brendan asked if the St. Johnsbury Development Fund had completed an application for the St. Johnsbury Revitalization Fund Grant Program. Daniel said no. Chad mentioned that the committee was aware of the request and reviewed the total allocations of the funding the Select Board has already committed.
- Tracy mentioned that the goal of the ARPA funding and asked if the St. Johnsbury Development Fund had looked at other funding options as well. Daniel stated that there were CRRP funds available at the state level and different funders for the project. He estimates the project being somewhere around 3-4 million.
- Dennis stated that it sound like seed money and will result in leveraging more funds for the project.
- Steve Isham asked if the property would be on the grand list. Daniel said yes.
- Steve Isham asked if Daniel would come back if he needed more funding within the 3 weeks. Daniel said that the \$200,000 would cover the quotes they have received for the work.
- Patrick Shattuck from Rural Edge explained how Rural Edge was initially interested in this property however it did not work out. He expressed the Town's dire need for housing and mentioned that the site has been deemed eligible for the national register. He explained that the site was important Town site and was looking forward to seeing it developed. He explained that the plan is feasible and offered any assistance.
- Patrick Shattuck mentioned that the Cherry Street location will be housing its first residents on June 1st in the new facility.
- On a motion by Dennis and second by Brendan to award \$200,000 for the St. Johnsbury Revitalization Fund Grant Program to the St. Johnsbury Development Fund for the tear down and mitigation of the Maple Center Motel. All in favor.

Property Easement:

- Chad Whitehead, Town Manager explained
- Clark Atwell approached the board regarding the request for a property easement across Peter and Polly Park. He explained that the park was gifted to the Town in the 1980's by the school district and looking back has been unable to locate anything formalizing the easement for the school house lot in the back that is land locked. Clark explained that it wasn't until he was helping sell the piece of land behind the school house that he discovered the property was landlocked and there was no evidence that an easement was created. He explained that he was hoping the Town would approve an easement from Route 2 to the 1 acre parcel as there is already a road there and it would cure the problems for anyone else who is landlocked on that road. Clark showed the Select Board where on a map he was requesting the easement.

- Paul Berlejung, Zoning Administrator explained that the map provided by Clark was incorrect and that the map was off by 50 feet.
- Jeanine Kelly explained that the property easement is not in the deed.
- Clark stated it was in the deed that was created at parcel.
- Jeanine explained that she and Matt own the school house and the right away is to their property. She mentioned that it's not really a road and that Holfelt feels he has access across their property. She explained that they have sought legal counsel and that is already underway.
- Clark explained that he is just trying to establish a legal right to what is already there now.
- Stacy Jewell, Town Clerk mentioned that the right away that is currently there has not been built to any standards and that there are monitoring wells within that area.
- Chad explained that they are not looking to create a Town road. Stacy mentioned if they plan to subdivide or create a development
- Chad mentioned that there seemed to be some more underlining issues that need to be sorted out and suggested the Select Board table to easement.
- Frank agreed that he thought it needed to be looked into further and sorted out more.
- Brendan expressed that he would like to see it all in writing and more clear before moving forward.
- Clark mentioned that he could provide copies of the deed.
- Steve Isham clarified that the easement was on the eastern side of the park and would not take land from the park. Clark confirmed that.
- On a motion by Brendan and second by Tracy to table the property easement. All in favor.
- Paul Berlejung recommended the Select Board name the easement and sell the easement.

Water/Sewer Budget Presentation:

- Chad Whitehead, Town Manager provided an overview of the proposed water and sewer budget for FY23-24. He provided a 10 year projection cost for both water and sewer projects.
- He explained that in the next few years some larger water projects such as Gilman and Pleasant, the Water Filter Plant, Portland Street and Railroad Street projects will be coming online. The 10 year projections takes this into account and the Town has proposed using the water fund to help stabilize rates. The Town has planned for 8 years to help stabilize rates and we are just entering into this deficit plan this year. The Town is proposing a 2% increase in water rates for the next two years and then a 3% increase in water rates for 8 years following. Chad explained this would increase a single family's water bill by about \$2.12 a quarter.
- Chad explained that in the next few years some larger sewer projects such as the Solids Handling Project, Portland Street and Railroad Street projects will be coming online. The 10 year projections takes this into account. The Town is proposing a 5% increase in sewer rates for the next two years and then a 4% increase for 5 years and then a 2% increase for 3 years. Chad mentioned that this would increase a single family's water bill by about \$7.83 a quarter.
- Tracy clarified that with the increases a single family residents would only see a total increase of about \$40 a year and that it seemed that the investment was palatable. Chad agreed.
- Tracy asked what the pace in the past years has been for water and sewer increases. Chad explained that in 2020 there was no rate changes, however the last two years have seen 2.5-3% increase in sewer and 1.5-2% increase in water rates.
- Stacy commented that last year was the first time the Town increased their septage fees in at least 10 years.

- On a motion by Dennis and second by Brendan to approve the proposed water and sewer budget and the increase the water rate by 2% and the sewer rate by 5% and utilize \$750,000 over the next 10 years to offset rate increases. All in favor.

Armory Project Update:

- Joe Kasprzak, Assistant Town Manager provided an update on the Armory Development Project.
- He explained that the Town was awarded 1.2 million from the Brownfield Revitalization Fund on April 17th and on May 5th the Town was awarded \$162,000 from the NRPC Grant (EPA Funding). The Town continues to make progress and currently has an application in with the Vermont Community Development Program for \$330,000. If awarded the VCDP funds phase 1 of the project would be fully funded.
- Joe provided an overview of the timeline including the hopes of onboarding a QEP later this month. The total project cost is at 11.2 million with 2.5 million in remediation and 8.7 in construction.
- He explained that the Town has asked for \$3,000,000 in Congressional Direct Spending for the project and was notified that Sander's office is moving the project forward and that the project was eligible for more funding.
- Continues to work with the Energy Committee to identify funding.
- Joe explained that it is a sizeable chunk of funding.

Town Manager's Report:

- Chad Whitehead, Town Manager provided the following Town Manager's Report.
- The paving contract for June includes funding for FY 22/23 and FY 23/24. Chad explained that he will work with Lesley on how best to utilize the funds for FY 23/24 in this year's budget. By doing all the paving in June the Town was able to secure better pricing. He will bring back to the Select Board once he has talked with Finance on how to proceed.
- The Town received a class 2 paving grant and will begin paving in June.
- The Town has on boarded a new Police Officer who will be going to the part time academy in June and the full time academy come fall.
- Working on scheduling a LVRT meeting soon.
- Chad explained that the Somerville designated area application was submitted today.
- Joe mentioned that the amenities plan for the LVRT continues, overnight parking has been identified for those wishing to use the trail for extended days and will be available at both the trailhead and the park and ride.

Other Business:

- None

Executive Session:

- On a motion by Dennis and second by Brendan that an executive session was needed to address a legal matter and that premature general public knowledge would put the Town at substantial risk.

- On a motion by Dennis and second by Brendan to enter executive session and invite the Town Manager. All in favor.
- On a motion by Dennis and second by Brendan to exit executive session. All in favor.
- The Chair had nothing to report.

On a motion by Brendan and second by Dennis the board adjourned by unanimous decision.

DRAFT