

**VILLAGE OF JOHNSBURG
APRIL 28, 2020 SPECIAL MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES**

President Edwin Hettermann called the meeting to order at 7:00 p.m. in the Village Hall.

Attendees

Trustee Greg Klemstein
Trustee McEvoy
Trustee Josh Hagen
Trustee Tom Curry
Trustee Frost
Trustee Beth Foreman
Assistant Administrator Vinny LaMontagna
Chief Keith VonAllmen

OMNIBUS AGENDA – Trustee Hagen moved to approve the Omnibus Agenda. Trustee Foreman seconded the motion. All Trustees present voted aye on the roll on the Omnibus Agenda. Motion carried.

PRESIDENT REPORT - President Hettermann reported on the status of the River Terrace gate. He explained that the gate is situated on private property and when the owners authorized the gate, it was with the intent that golf carts would be the only motorized vehicles permitted to pass through the opening. President Hettermann explained that he spoke with the owner aain about the size of the opening and Mr. Bianchi maintains that he does not wish to open it up to side-by-side UTV vehicles. President Hettermann pointed out that the main purpose for pursuing the gate was to enable the Village to open it up for emergency vehicles or when flooding prohibits passage on area roadways.

Trustee Curry expressed concern with the damage occurring to the utility pole because of the location of the opening. He suggested that the Village relocate the opening to prevent people from hitting the pole and added that if he were on the board when the discussion occurred regarding the allowance of golf carts and utility vehicles, he would not have been supportive of allowing utility vehicles on Village roadways. Trustee Curry also expressed concern with the quality of the gate. Trustee Foreman questioned what is hitting the pole, as it appears that there is more than adequate room for golf carts to pass. Trustee Curry replied that it is likely larger vehicles attempting to pass and expressed concern with damage to a ground wire on the pole. President Hettermann directed staff to look into the matter further and have Com Ed contacted regarding the ground wire.

Trustee Frost expressed displeasure with the quality of the gate and asked if the matter is being resolved. President Hettermann explained that vendor has been contacted and will be addressing the concerns. Trustee Frost suggested the repositioning of the cane bolt. President Hettermann added that the lock will be relocated.

OLD BUSINESS

BOND ISSUANCE - In follow up to the prior Board meeting, Village Administrator Claudett Sofiakis discussed potential impacts to future rates the Village can expect to receive on its bonds. She explained that Mr. Vail anticipates if the State's rating is further downgraded, it will likely occur with the reveal of the State's budget at the beginning of June and should that occur, it will affect the Village's bonds. With that in mind, Mr. Vail provided some alternative terms on both bond issues, which would enable the Village to take advantage of the current low rates while weathering the pandemic's economic impacts. She added that Mr. Vail is available to call into the meeting if desired.

Ms. Sofiakis discussed repayment terms for the building bond structure so that the first interest payment would be due February of 2022 and the first principal payment in 2023. The sewer bond could be structured in a similar fashion with interest only payments for the first 4 years, smaller principal payments in years 5 & 6 and level debt service thereafter, which is a repayment structure that takes into consideration the increase in users on the system that will contribute towards the debt service.

The Board reviewed updated financial projections, which take into consideration decreases in revenues resulting from the pandemic. Ms. Sofiakis pointed out that the projections anticipate a five- year rebound for State Income Tax and a four-year rebound in Sales Tax. She discussed the potential for delayed real estate tax payments and other impacts over the next several years and pointed out that the projections include committed contributions towards the Police Pension Plan and Reserves with additional contributions towards road improvements. Ms. Sofiakis explained that FY 2020 marks the final full year of economic incentive payments to Walmart freeing up more than \$500,000 annually and the Village's current debt will expire in 2027 freeing up an additional \$350,000. She added that if the board chooses to proceed with the bonds, it could delay the start of construction so long as 90% of the funds are spent within three years of the bond issuance. Ms. Sofiakis requested input from the Board on how they wish to proceed.

Trustee Klemstein stated that he expects a downgrade in the States rating to junk status sooner rather than later, which will have an impact on the Village's bonds. He added that although we cannot predict the future, current rates are probably the best we can expect to experience. He expressed sensitivity to the pandemics impacts on residents and the Village's finances, but agreed that the proposed structure helps to protect the Village. He added that the Village has options if the pandemics impacts create greater economic challenges than anticipated. Ms. Sofiakis explained that should that occur, the Village could restructure the bonds to experience lower payments during the early terms. She pointed out that although we cannot predict what will happen in the short or long-term future, we do know that steps must be taken to house the police department in the near future and there are businesses that are in dire need of sewers.

President Hettermann stated that he agrees with the need to move forward with the bonds while we can benefit from the lower rates as it is likely that the State's rating will affect the Village in the future. Trustee McEvoy questioned if the Village proceeds with the bonds and the States rating is later downgraded will it have an impact on the bonds. Ms. Sofiakis explained that it could affect the Village's future rating but would not affect the proposed bonds once sold. Trustee Klemstein stated that although we cannot predict what will happen in the future, it is likely that interest rates will go up due to the amount of stimulus funding issued. Trustee Foreman questioned how likely it is that the growth we hope to experience on Johnsborg Road will still occur. President Hettermann stated that it will occur eventually and pointed out the Village's past investments and the resulting growth that occurred. Trustee Curry agreed and added that there could be a delay in development but by moving forward with the sewer project we are helping existing businesses in need and providing opportunity for new businesses, but if we do not pursue the project, that new development will never occur and we risk losing existing businesses. President Hettermann explained that if the Village did not take bold actions in the past, we would not be benefiting from the commercial development we have today. Trustee McEvoy added that the building improvement is necessary to house the police department, whether that takes place now or a couple years from now.

Trustee Foreman questioned if there would be any impact if the State receives stimulus money and a decrease in their rating does not occur. Trustee Frost stated that is unlikely to occur, however it will not change the bonding situation for the Village, President Hettermann agreed and pointed out that the State's financial challenges are not because of the pandemic as the State has been in a poor financial position for years.

Ms. Sofiakis remarked that the Village has some encouraging development activity still taking place despite the pandemic referring to the Berkshire Development, which is still moving forward as well as the Rose Plaza development. Additionally, Legacy Restaurant is gearing up to open for delivery and pickup initially and people are eager for the country to open back up again. Trustee Hagen remarked that the situation is cyclical and while development may be down for a while, the timing may work out very well. By the time development comes back around, the sewer project will be completed.

Trustee Foreman expressed concern with the perception to the community. The Board discussed the importance of communicating the Village's decision to proceed with the bonds to benefit from the currently low rates and gauge economic conditions before proceeding with construction. Trustee Foreman questioned if a tax increase is expected to support the payment on the bonds. President Hettermann stated that the board has always been cautious in determining how decisions will affect the Village's finances and has not levied taxes to cover bonds in the past. Ms. Sofiakis added that budget projections include growing contributions to the capital fund and reserves to help protect the Village's cash flow position. Additionally, the end of the Walmart Economic Incentive Agreement is near as is the payoff of current debt, which will provide the Village additional revenues that can help buffer unforeseen impacts that may occur. Trustee Foreman expressed that she remains concerned with unforeseen impacts, but expressed confidence in the information provided and therefore supports proceeding with the bonds. Ms. Sofiakis pointed out that she cannot forecast what the future may bring, however the bond's structure helps to safeguard the Village from some of the unknown impacts that may occur over the next couple of years. She added that the Village will need to take steps to provide housing for the police department and extend its sewer system within the next couple of years and the bond rates are uncertain looking into the future. Ms. Sofiakis deferred to Trustee Klemstein who closely monitors economic conditions. Trustee Klemstein remarked that while we may see rates lower slightly in the short term, it is only a matter of time before they will increase. He added that the government has been printing a lot of money and eventually will need to address that debt. Historically when that occurred inflation was soon to follow.

Trustee Frost expressed his support for moving forward with the sale of the bonds. He remarked that he likes that a backup plan has been considered and that funds will be freed up in the near future to help buffer unforeseen impacts. All Trustees expressed their support to move forward with the sale of the bonds. Trustee Hagen remarked that times may seem scary now but the current situation is not going to last forever and things will improve. Trustee Curry concurred. Trustee Klemstein stated that although we are dealing in uncertain times, it is likely the best time to proceed. Ms. Sofiakis stated that given the boards concurrence she would contact Mr. Vail and direct him to proceed with the sale of the bonds.

NEW BUSINESS

Trustee Frost moved to approve expenditures in the amount of \$12,042 for soil borings and \$19,200 for topography and data collection related to the North Sewer Extension Project. Trustee Curry seconded the motion. All Trustees voted aye on the roll. Motion carried.

Trustee Foreman moved to approve expenditures in the amount of \$6223 for soil borings and \$2400 for topography and data collection related to the David G. Dominguez Municipal Center. Trustee McEvoy seconded the motion. All Trustees voted aye on the roll. Motion carried

VOUCHER PROGRAM- Trustees Klemstein and Hagen reviewed details for the Village "Bucks" Voucher Program, which will go into effect after the Stay at Home Order is lifted. All retail, service, restaurant and liquor establishments will be eligible for the program, which will provide \$20 in Johnsbury "Bucks" to each Johnsbury household to be spent at any participating business in Johnsbury. Eligible businesses must be registered with the Village. Letters will go out to all eligible businesses to determine which businesses will be participating. All Trustees expressed support of the program and directed Village staff to proceed.

ADJOURNMENT – Trustee Curry moved to adjourn the meeting. Trustee McEvoy seconded the motion. All Trustees present voted aye on the roll. Motion carried at 8:13 p.m.

Respectfully Submitted

Claudett Sofiakis
Village Administrator