

SOUTH ALBURGH FIRE DISTRICT NO. 2 REGULAR MEETING

Monday, April 17, 2017

6:30 PM

Alburgh Town Conference Room

Present: Prudential Committee Members John Fitzgerald, Alton Brusco, Tony Speranza
Treasurer Richard Ernst
Admin. Assistant Danielle James Choiniere
Guests Darwin Cameron, Leeann Porto, George Boutah, Larry Dupont

Meeting was called to order at 6:35 PM by Chair John Fitzgerald.

AGENDA ADJUSTMENTS

Alton Brusco tacked onto the agenda a concern from the Town Select Board.

APPROVAL OF MINUTES

Alton motioned to accept minutes from 3/20 as printed, Richard seconded, all in favor. So approved.

VISITOR INPUT

George Boutah asked about the \$565,000 +/- loan and John Fitzgerald said how it was from engineering costs years ago done along Route 2 South. It wasn't fair to saddle just water users with that debt as it was voted upon by the entire district. It's rolled into a 3% interest loan that encompasses Phase I along West Shore Road. George asked if other phases were created, if users would pay different rates depending on what phase they were in. Without having more than one phase completed, the answer is yet unknown.

Darwin Cameron said he'll never see water, would need to get several easements from neighbors to bring water to his house, and wasn't keen on paying something he'd never benefit from.

Leeann Porto said she was once told by a district rep the water system would be self-sustaining and it isn't. John didn't know which rep that would have been, but explained current water users do pay all of their own debt from their water line, but this property tax was to pay for separate engineering. That engineering work is done and still mostly applicable (certain permits expire), should Phase II run down Route 2. Leeann asked if everything will be increasing, and John explained that the loan repayment recently billed for via taxation was a fixed annual payment.

George asked if a Phase II happens, where would the money come from? John replied a current grant SAFD2 has applied for (up to \$30,000 that does not need repaying) will help shape future decisions. Leeann asked if they aren't awarded the grant, then what? John explained the district does have a capital fund if need be.

Darwin heard that the water project down West Shore Road needed 100 customers to pan out and the district didn't have those numbers, but did the project anyway. John clarified the State approved their starting numbers, and the minimum requirement of users was met.

Leeann asked if water users needed to pay to bring the waterline to their house. The board responded, yes, it was \$1,500 for early sign on (now \$2,500 after the fact), and the customer needed to hire a person(s) of their choosing to install the pipe from the water main to their home. Richard Ernst said even nonusers can benefit by the presence of municipal water; it increases the value of their house should they wish to sell.

George asked if Phase II and III go by the level of interest. John said it's possible, there are other factors to consider, but public interest is a major component.

Larry Dupont, of North Hero's water board, addressed that his town has hired an engineer to install an additional filter in their water plant, planning for future usage. He advised an official conversation between the two water boards to work on what may be advantageous to both sides. North Hero could sell the district water, and in turn North Hero may be able

to capitalize on the district's -3% interest rate. It does not have to be a lengthy agreement, just a few years if desired. John said he didn't want SAFD2's bond money being used to fund North Hero projects, to which Larry said he wasn't after the district's bond money. Alton Bruso said it was a bit premature to have both boards meet, that they're still waiting to see if their grant is approved. Larry acknowledged that viewpoint, but said North Hero needs to move ahead and is working on locking in loan interest rates. They are usually hard to change once established.

Tony Speranza met with a member of Dubois & King and hopes to have an answer regarding the grant by May 1st. He was more motivated to gather estimates, realizing time has a habit of closing doors. Even a strawman proposal, what costs would hypothetically be with 100 users, or 200, etc. He just didn't want to miss opportunities.

Leeann asked if Phase II begins, would the district's taxes go up? John mentioned an option for billing an assessment, versus a tax, on property valuation. The assessment would be the annual loan figure divided by the number of people within the district. This amount would be the same for every property regardless of value. That was a suggestion and something that would likely need district voters' approval.

Darwin asserted the tax was not fair, some people will never see water based on their location (too expensive to bring pipeline to their homes). Richard explained the course of water is heavily based on interest. In theory, the more people willing to hook onto water, the cheaper it will be for that area, as the costs are split.

TREASURER'S REPORT / INVOICES

<u>People's United Bank</u>	\$39,857.52 (Operating Account)
	\$1,002.63 (Project Account)
	\$13,436.71 (Savings/Capital Funds)
<u>NorthCountry Federal Credit Union</u>	\$85,000 (Savings/Capital Funds)
	\$52.16 (Regular Shares)

Alton motioned to accept the Treasurer's Report. Tony seconded, all in favor. Motion carried.

- \$310.48:** Admin Assistant's paycheck for Jan
- \$64.77:** IRS for tax withholding on February paycheck
- \$21:** Richard Ernst for purchase of stamps for mailing tax bills
- \$38.51:** Richard Ernst for envelopes
- \$540:** Endyne Inc for tab testing
- \$2515.65** Alburgh Village for water

Alton motioned to approve bills totaling **\$3,490.41**. Tony seconded, all in favor. Motion carried.

WATER / OPERATIONS / CORRESPONDENCE / MISC

Taxation- a fire district has the authority to tax its members like other municipalities. The board may seek a different deadline for next year. They will endeavor to issue bills at least 60 days in advance. Alton motioned to extend the due date of bills this year only from May 10th, up from April 10th, to factor in the Canadian mail system. Tony seconded, all in favor. Motion carried.

WS359- John made a motion to check to see what was done for the Golf Course and how the district handled their number of ERUs. Richard said he could check to see what was physically paid when they signed on.

2017-18 BUDGET & ANNUAL VILLAGE MEETING IN APRIL

The board looked over the Village's proposals.

TABLED ISSUES

Most remained tabled. Leeann asked if there was a penalty for paying loans off earlier than their deadlines. Tony said it's best to wait as long as possible to take advantage of -3% interest.

The board reiterated they need their engineering files from Phelps Engineering.

AGENDA ADJUSTMENTS

Alton brought up that the Town Select Board does not want their office to be responsible for further SAFD2 phone calls and that the board should have their own method of contact. The board agreed to meet with the Town for solutions.

ADJOURN

Alton motioned to adjourn the meeting at 8:52 PM. Tony seconded, all in favor. Meeting adjourned.

These are draft minutes not scheduled for approval until May 15th.

Respectfully submitted,
Danielle James Choiniere