**Town of Montgomery - P.O. Box 356**
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Minutes of the
SPECIAL MEETING OF THE
SELECTBOARD & WATER COMMISSION
Monday January 26th 2026
6:30pm
Town Office (86 Mountain Road)
View Recording:
https://www.youtube.com/watch?v=iu6_p3VNnAM&list=PLrBf_FpjKbwcSJm_gBqfFSmPGaVWJXBB7&index=1

In attendance: Leanne Barnard, Mark Brouillette, Charlie Hancock, Daniel Khan; Visitors: Josh Howard

1. Review and make any changes to the agenda
    a. Three additions: Fleet Permits (6d), Ernest Krush and RG Gosselin; Millbrook Invoice Approval under PSB Reno conversation (5c); FY27 Water Budget (3c)

2. Review/approve minutes of the December 15th and January 5th meeting
    a. Motion to approve the minutes of 12/15 as written by Mark; seconded by Daniel; approved 3-0-1 (Leanne abstaining)
    b. Motion to approve the minutes of 1/1 as written by Leanne; seconded by Mark; approved 3-0-1 (Daniel abstaining)

3. Public Works
    a. Municipal Wastewater Project Updates (*discussion*)
        i. STEP III (bidding and construction) WW engineering services
            1. Charlie presented the STEP III Engineering Service Agreement (ESA) from Aldrich and Elliot for Bid Phase and Construction services. All fees have been approved by DEC/WID for reimbursement against ARPA/SRF funding (Town has approval letter in hand). Work continues to clarify scope of work with HTA for supplemental consulting as needed. Motion to adopt the STEP III ESA with Aldrich and Elliot for bid phase and construction services in the amount of $1,112,400 from Mark; seconded by Daniel; approved 3-0-1 (Leanne abstaining).

    b. Streetscape Project Updates (*discussion*)
        i. Discussion ensued re: use of town "ARPA Reserve" funds as it pertains to both the Streetscape Project and the PSB/Town Office renovation project (*see below for PSB/Town Office ren project discussion re: ARPA context*). As previously discussed w/ Bethany Remmers from NRPC, Streetscape project has an

approximate $81K gap to get the town through the right-of-way process, after which the Town can apply for Bike/Ped Program funding through the State of Vermont, and additional funding through the Northern Boarders Regional Commission. The proposal on the table is to use $81K of funds from "ARPA Reserve" to bridge the gap in project funding. Mark made a motion to authorize up to $18k in funding from the "ARPA Reserve" to go towards the right-of-way phase from the Streetscape Project; seconded by Daniel. Approved 4-0.

c. Water System (*discussion as needed*)
    i. SOS Service Agreement
        1. Board has reviewed SOS contract proposal. Discussion ensured re: outstanding questions, included those related to hourly rate and time/work reporting.
            a. Daniel moved to amend the agreement to a start date of March 1st, and adopt the agreement as amended; seconded by Leanne; approved 4-0.
            b. Water Budget – significant changes for FY27 include the removal of "water operation" funding and inclusion of SOS contract rate under "contracted services", and additional padding of $10k to cover transition costs. Results in a budget increase of approx. $41k. This should not impact water rates for FY27, but the Board will want to consider a rate increase for FY28 w/ Mark noting that water rates have not been adjusted in 10+ years. Motion to adopt the FY27 Water Budget as presented in the amount of $151,342 made by Leanne; seconded by Mark; adopted 4-0

d. General Updates
    i. 2026 Highway Mileage Certificate *(board action*)
        1. No changes since 2025. Mark made a motion to sign the 2006 Highway Mileage Certificate as presented; seconded by Daniel; approved 4-0
    ii. Western Star Loan Paperwork *(board action*)
        1. Authorized by voters for up to $300k; actual amount to be drawn will be $260k based on actual cost. Motion to approved the Community Bank loan paperwork for the Western Star Truck in an amount to exceed $300k made by Mark; seconded by Daniel; approved 4-0.

4. Visitors

5. Old Business
    a. Community Bank Loan paperwork (*formally approved - board signature req*)
        i. This is the paperwork for the loan on the F550, which has been previously approved by the Board; all that is required is signatures (previously signed documents we misplaced). No formal action required.
    b. Short Term Rental Ordinance (*discussion/action pending PC revisions*)
        i. No action – Table (Planning Commission meeting Thursday 1/29 at 6pm)

c. PSB Renovation Project update (*discussion*)
  - Board discussed project budget and proposed use of funds. Initial budget estimate of project was $1.1M. This is an incredibly high end estimate pending further updates from architectural firm and updated cost tables.
  - Funding Proposal:
    - Voters previously approved $250k for vault; updated quote for this is around $126k
    - Town has MERP award - $297,397.60
    - Proposed plan to cover the balance of budget is to pull up to $206k from “ARPA Reserve” and up to $150k from Building Capital Improvement Fund, for total funding stack of approximately $903,400.
    - No formal action required from Board; pending updated cost tables and amended project budget

  i. Added: Millbrook Invoice Approval re: modified modular vault work
    1. Mark made a motion to approve payment from Millbrook in the amount of $6,579.44 from the Building Capital Improvement Fund; seconded by Leanne; approved 4-0

6. New Business
  a. FY27 Municipal Budget Review and Approval *(board action*)
    i. Board has reviewed the FY27 Budget as adopted by the Budget Committee and associated Budget Narrative. Charlie reviewed a handful of small edits/clarifications to the budget narrative. Discussion ensued. Main impacts to budget are debt service and cost of employee insurance, as well as approx. $2M reduction in Grand List value from State reappraisal of utility properties. Projected municipal tax rate is $0.6420, which is a 6.2% increase from FY26.
    ii. Mark made a motion to adopt the FY27 Municipal Budget in the amount of $1,515,240, of which $1,072,946 will need to be raised by taxes; seconded by Daniel; approved 4-0
  b. Town Meeting 2027 Warning Review and Adoption *(board action*)
    i. Board reviewed the Town Meeting warning, including two articles which were added by voter petition(s) which were deemed to have the legally required signatures and format by the Municipal Clerk, noting that the Barry’s petition language is advisory, included under “other business”. Mark made a motion to adopt the warning as presented; seconded by Leanne; approved 4-0.
  c. Liquor/Tobacco Licenses *(board action)* - none
  d. Fleet Permits *(board action*)
    i. Added: Fleet Permits Ernest Krush and RG Gosselin. Marked moved to approve the fleet permits as presented; seconded by Leanne; approved 4-0.

7. Open Mail / Sign Orders / Administrative Matters
8. Review Action Items for Board Members
9. Adjourn
  a. Motion to adjourn by Daniel; seconded by Mark; approved 4-0
  b. Meeting adjourned at 7:22pm