

Stowe Selectboard Liquor Commission & Water/Sewer Commission Meeting

Wednesday, December 23, 2024

5:30pm

**Akeley Memorial Building
67 Main Street
Stowe, Vermont**



Selectboard Members: Billy Adams, Paco Aumand, Jo Sabel Courtney, Nick Donza, Ethan Carlson

In-Person Attendees: Town Manager Charles Safford, Assistant Town Manager Will Fricke, Finance Director Cindy Fuller, Public Works Director Harry Shepard, Technology Manager David Martin, Parks & Recreation Director Matt Frazee, Interim Fire Chief Scott Reeves, Brett Loomis, Ryan Thibault, Paul Sakash (10)

Zoom Attendees: Lyn Goldsmith, Beth Gadbois, and one other (3)

Call to Order

Selectboard Chair Adams called the meeting to order at 5:30pm. He wished everyone happy holidays. Ms. Sabel Courtney gave tribute to the recently passed Alan Thorndike.

Approval of the Agenda

Ms. Sabel Courtney moved to approve the agenda. Mr. Carlson seconded. Motion carried (5-0).

Consent Agenda (Items A-1 through A-5)

1. Selectboard Minutes – December 11, 2024
2. Stowe Electric General Obligation Refunding Bonds - VT Transco Equity Purchase
3. Errors & Omissions
4. Special Event Application – Stowe Jazz Festival
5. Liquor Items

Ms. Sabel Courtney moved to approve the consent agenda. Mr. Carlson seconded. Motion carried (5-0).

FY'26 General Fund Operating & Capital Budget Presentations (Item B-1)

Mr. Safford explained the upcoming budget scheduling, saying there will be an additional working session and budget hearing in January. Mr. Adams noted that this is the first budget since the transferring of the budget to Australian ballot. Questions, comments, and clarifications by the Selectboard will be important for the community to understand the budget as they dig into it.

Mr. Safford said the CPI-U for October was 3.5% and the Grand List is projected to grow by 1.0%. The anticipated growth in the grand list is \$531,845, which provides \$121,152 in anticipated new tax revenue. A penny on the tax rate raises approximately \$537,000. The FY' 26 Budget as proposed represents a net budget increase of \$536,846(+4.59%).

The proposed budget is projected to increase the municipal tax rate \$.0078 or (+3.56%). The proposed operating budget reflects a status quo budget with no new services or major initiatives. It does add the position of Chief to oversee and support the Fire & Rescue Department. It also adds a Public Works Town Engineering position to help keep up with demand for capital projects and other needs such as stormwater management. Finally, it converts 2 part-time positions serving Parks & Arena to a full-time position shared between them which only adds benefit costs to the budget. There is more surety relying on full-time year-round employees to provide trained support and services related to Arena and Parks operations.

He added that it is important to remember the Equipment Reserve Fund, which is funded primarily with transfers from the General Fund Operating Budget, is projected to have a \$615,043 deficit in FY'28. Mr. Safford said he asked the Assistant Public Works Director to do a comprehensive update of the Equipment Fund next year for consideration by the Selectboard for FY'27. The actual deficit is likely to be greater due to the rising cost of equipment.

It should be noted that the undesignated surplus is \$2,606,982 based on the internal FY'24 financials. This represents 14.9% of the proposed FY'26 operating budget. Two months of cash flow equals \$1,800,000. The Town General Fund at times borrows internally from other funds which receive an allocation of interest based on their equity holdings. With the anticipated large projects in water and sewer which will draw down cash reserves, the Town may find in the future a need to borrow from private lenders in anticipation of taxes to meet our cash flow requirements. With this being said, if the Selectboard thinks there is surplus budget or unallocated reserve capacity, then it could transfer, through the budget, on a one-time basis to other funds, such as bringing the Equipment Fund into the black. This would not necessarily lead to an increase in the proposed tax rate if it was on-time spending using unallocated reserves. The Selectboard should also anticipate the Housing Task Force may recommend the Town use municipal resources, yet to be defined, to advance affordable/workforce/and/or year-round housing in Stowe. Fiscal capacity should be reserved for one time spending and/or significant on-going spending to undertake bona-fide municipal needs.

Mr. Safford said the Equipment Fund includes three 72" zero turn electric mowers and to his knowledge they still do not have an option of a side discharge and/or bagging option. Mr. Donza asked how much the electric mowers cost versus gas mowers. Mr. Safford indicated the 72" electric mowers are budgeted for \$46,000 and a gas mower is \$22,000. Mr. Adams said the equipment fund transfer used to be \$10,000 a year, it is now \$20,000 per year, and asked what number per year would make a difference. Mr. Safford said they are looking into it and will have a better idea next year. There used to be a municipal discount that used to save up to 40% of the purchase price but that went away after covid. Mr. Carlson noted they use patrol vehicles for four years. Mr. Safford said the policy is 4 years, 100k miles. They get phased out to recreation or other departments and do not get any significant money at auction for them. Mr. Safford said with respect to the equipment fund it is important recognize liabilities and even out the annual appropriation to manage the tax rate, not so much the equipment that is purchased in a given year.

The Selectboard discussed the Lamoille County Sheriff funding formula. It was noted that their contribution is for dispatch rather than for law enforcement, but they do back up when needed. Mr. Aumand said he will be recusing from discussion on the Lamoille County Sheriff budget item and would ask that the Board make a separate motion for it that he can abstain from. It was noted that the Courthouse budget is based on grand list, and the sheriff is based on 50% grand list and 50% population.

The Selectboard discussed the proposed paving budget. The FY36 paving is proposed to repave the section of Nebraska Valley road between bridge 48 and bridge 51, which will both be replaced.

Mr. Safford noted the inclusion of a fourth public works engineer. There was discussion about lowering the workload by taking on fewer projects. Mr. Safford said there is a huge amount of development pressure coming at the Town with increasingly complex projects. A vulnerability historically is infrastructure being turned over to the Town by developers that is not up to standards. He added that they have overqualified people doing certain extra jobs because there are not enough staff in the lower strata. Mr. Donza asked how much of public works salaries are split between other funds. Mr. Safford said the Assistant Public Works director and the new position are budgeted 100% for the general fund, and the public works director and the existing engineer are split with two thirds of their salaries coming from the water and sewer fund. Mr. Adams asked how zoning fees are modeled. Mr. Safford said they benchmarked it against other municipalities a few years ago and there may be an opportunity to recover more costs.

Mr. Safford noted the flooding in 2024 and the effort from public works, including the highway and water/wastewater departments, that went into that as well as the finance department. He emphasized the significant effort that goes into working with federal and state granting agencies.

The Selectboard discussed the backlog of projects and pressure points. Mr. Safford said they need to manage expectations about what can happen when, but the Selectboard should direct him about what cannot wait and what the level of patience is. Mr. Adams said the community is growing very fast and infrastructure is a main pain point. Mr. Safford said they would need to decide if they want to do bonded debt to spread out the load and get ahead of the growth. Mr. Donza asked how much it would increase the tax rate to raise funds for a \$10 million project in one year. Mr. Safford said they can provide an amortization schedule for a comparable bond.

Mr. Shepard said they are looking to hire someone with the capabilities of doing project development; getting permits, working with consultants going through the DRB, advancing designs on capital projects, etc. He noted the difficulties with stormwater issues and stormwater regulations. Mr. Donza said a handyman for facilities could be one way to alleviate pressure on public works. Mr. Carlson said he would want to know the cost impact from staffing the department in a way that they are not constantly playing from behind. Mr. Safford said what is expected from local government has expanded exponentially in the last five to seven years.

Mr. Safford said the Town received \$1,580,846 in local option rooms, meals & alcohol taxes in FY'24 and over the last three completed fiscal years the average is \$1,531,835. Finance is estimating \$1.5 million in new local option tax revenue for FY'26. Of this \$350,000 has been earmarked for Stowe Arena debt and the annual debt payment for the overhead utility line is estimated at \$201,327. This is estimated to leave in new revenue \$948,673 for FY'26. Added to the unallocated capital reserves of \$910,881, as of November 2024, this is anticipated to leave \$1,859,554 of unallocated capital reserves at the end of FY'26.

Mr. Carlson asked what it would take to not be behind, and if the staffing increase is sufficient. Mr. Safford said it won't get you to where you need to be on its own but will help move things forward. The Town will continuously need to reposition, and they do not know what the end point is. It is a challenge to find qualified people and takes time to on-board them. Also, where to house them is also going to be a challenge going forward.

Mr. Donza asked if it was possible to hire an engineer to do some of the capital projects that are allocated in the capital fund such as assessing the Rec Path bridges. Mr. Shepard said a specialist should be hired for the bridges as it is a niche project. Mr. Donza asked if the bridges could be widened. Mr. Shepard said even if it was feasible, it would not be prudent, as they need to plan to replace them entirely. Mr. Safford said replacing the bridges is likely a \$5 million+ project.

Mr. Shepard said the Parker Barn will start to collapse if it is not repaired. The idea is to build another foundation next to it and move the barn. Mr. Donza asked if engineering comes back and if it's determined that it is not in good condition, would there be a need to spend significant money on it, in the realm of \$500,000? Mr. Shepard said there would be. Mr. Donza said there could be better uses of that money. Mr. Adams said the situation is similar to the Rotary Barn. Mr. Safford reminded the Selectboard that they are in need of storage space for municipal operations.

Mr. Carlson asked why the process is to budget for design/permitting without looking at the whole cost of a project. Mr. Safford said in an ideal world the whole cost would be included in a true capital program, and you would see it in an outlying fiscal year. This is just a capital projects budget, not a true capital program. The process was set up to set projects in stages and they cannot properly project cost of project without doing design/permitting.

Mr. Safford said with respect to Memorial Park, there is a need for recreation facility improvements, but they don't know if this is feasible to do all of the desired elements and their cost it without design and permitting. Mr.

Donza said there is a lot of value to have the Rec Center near the elementary school, but some other things could be moved. Mr. Safford said they will need to prioritize what they want on that site if there are permitting restrictions. He added that they can program out the projects, but they will have to take some small loss leaders to inform the voters and provide accurate budget figures for bonding purposes.

Mr. Donza asked what was uncovered in the first phase of the Memorial Park project. Mr. Shepard said they got plans out of it, but the question is whether it can be permitted. The State essentially condemned via regulations two out of three baseball fields. The State does not want wetlands filled in. The Town will have to overcome the permitting barrier. Mr. Adams said they saw the master plan, and if they didn't like what they saw they would have stopped at that point. He said the community is behind the project, this is part of the process, and now is the time to commit to it and get the voters on board. Mr. Safford said if the Board is going to ask for 5 to 10 million dollars, they will need a bit of surety. Mr. Carlson noted the goal is to get enough information to move forward. Mr. Donza asked if it be a binary yes or no answer from this phase, or will it be an assessment of what can fit in the space. Mr. Shepard said the State classified the existing fields as wetlands and they need to overcome that. Mr. Carlson asked about the timeline. Mr. Safford said in the past wetlands assessments are good for three years. The Board needs to tell us when they are ready to ask the voters to bond for it. Mr. Adams said the best thing is to go to the voters once and not have to go back. Mr. Safford said they theoretically could get this project started within three years if permitting comes back good, but they need to get the State to buy in. There may be fees/offsets.

Mr. Carlson asked if they could start on temporary pickle ball courts. Mr. Shepard said that is a value decision by the Selectboard. If they are serious on moving the master plan as fast as possible, the value may not be there, but if they want to delay a few years, it could make sense to build courts now. He added it would not be possible to build them next Spring. Mr. Adams said the question is whether the question is whether \$175,000 is disposal to this community if in three years you need to rip it up. He added another question is time from public works and what they are spending time on. He said he would rather see them getting the master plan out the door as fast as possible. Mr. Carlson said they owe it to the community to build pickleball courts. Mr. Donza said he wants a new recreation offering there within 3 to 5 years.

Mr. Shepard noted the Cemetery Road bridge project is not in the state bridge replacement program and VTrans is overrun. The Town is meant to maintain this one, but to maintain it is to overhaul it. There never has been enough money in the state bridge replacement program. Mr. Adams noted that if they really want these kinds of things done, you need to pay for it on your own.

Ms. Sabel Courtney said it would be helpful to see step-by-steps for projects.

The Board discussed the Moscow Field playground project. Mr. Carlson said it is a desirable property that looks abandoned. Mr. Adams added that there is a cycle to properties that are often flooded.

Mr. Safford said there is not necessarily a cause to go to the voters on capital projects, as the money is already raised and reserve funds are within the control of the local legislative body. Mr. Carlson asked if they could be discussed during non-binding business at Town Meeting. Mr. Safford said they could.

The Selectboard heard from additional department heads regarding capital projects including new Cemetery tracking software and public safety communication systems. Mr. Safford noted property owners have been understanding the need in locating radio repeaters for public safety. Mr. Martin said the location at Trapp Family Lodge will fill Nebraska Valley.

Chair Adams said the Board will continue budget discussion on January 8 along with Town Meeting discussions.

Mr. Adams said revenue from local option taxes gives capacity but also increases desires and puts pressure on departments. Mr. Donza asked if FEMA reimbursements will come in this budget cycle. Mr. Safford said they

are likely two or more years out from that. Ms. Fuller said they received their 2019 reimbursements in 2023. Mr. Adams asked about Grand List growth.

Manager's Report (Item C-1)

Mr. Safford said the new municipal ethics law takes effect on January 1. They do not have a clean policy to review from the state at this time. It is not yet clear what effect it will have on the Town's existing ethics policy. Mr. Aumand said he is concerned about the law's definition or lack of definition of perceived conflict of interest and improper personal gain. Mr. Safford agreed that it is a challenge, and the State Ethics Commission will handle the interpretations on an advisory basis.

Mr. Safford said they will be delaying launching the short-term rental registration launch until February as key staff will be on FMLA leave in January.

Mr. Safford provided Act 250 notices and minutes to the Selectboard.

Public to be Heard - Non-Binding (Item C-2)

No public comment.

Executive Session

Mr. Aumand moved to enter executive session to discuss personnel and contracts. Mr. Carlson seconded. Motion carried (5-0).

The Selectboard entered executive session at 7:45pm, and left at 8:09pm.

Motion

Mr. Aumand moved to approve the consulting contract with JW Consulting for \$25,300 to assist with the Police Chief Hiring Process. Ms. Sabel Courtney seconded. Motion carried (5-0).

Adjournment

Chair Adams adjourned the meeting at 8:10pm.

Notes

Minutes submitted by Will Fricke.

The Selectboard of the Town of Stowe meets on the second and fourth Wednesday of each month at 5:30pm.

A recording of this public meeting is available at: <https://www.stowevt.gov/Government/Selectboard>