

Approved Minutes
MAIDSTONE SELECTBOARD MEETING

Monday, August 7, 2023

7:00 pm

Hybrid Meeting, both in person at Town Hall and by Zoom Video Conference

Members Present in Town Hall (in-person): Scott Lovell, Chair; Brad McVetty, Bruno McKenzie

Town Officials Present at Town Hall: Treasurer, Delinquent Tax Collector, Lister, Zoning Board and Planning Commission member Bob Champagne-Willis; Emergency Management Coordinator and Fire Warden Bill Sanborn

Also Present at Town Hall: Representative Terri Williams of the Essex-Caledonia District, Senator Russ Ingalls of the Essex-Orleans District, Andy Champagne-Willis

Town Officials and Staff Present via Zoom: Town Clerk and Lister Amy Pear; Zoning Board and Planning Commission member Bruce Barker; Zoning Board and Planning Commission Chair Chris von Alt; Zoning Administrator Mike Otis; Lister, Auditor, and Health Officer Sandra Gray; Administrative Assistant Mary von Alt

Also Present via Zoom: Alexa Bernotavicz, Ed Tully, Jan Barker, Lin Mixer, Sam and Carol Gorham, Burt and Carol Kline, Bonnie Lovell

Chairman Scott Lovell called the meeting to order at 7:00 pm. He began the meeting by saying that there was no need to remind everyone about the Rules for Participation, with which all are now familiar. He then said that if there were any problems with Zoom, as had occurred at the July 10, 2023 meeting, the discussion of any serious topic beyond routine reports would be tabled until the next meeting.

APPROVE JULY 10, 2023 SELECTBOARD MEETING MINUTES:

Brad made a motion to approve the minutes of the July 10, 2023 Selectboard meeting; Bruno seconded the motion. All voted in favor.

SENATOR RUSS INGALLS, ESSEX-ORLEANS DISTRICT:

Senator Russ Ingalls encouraged Maidstone to “think big” when pursuing the \$500,000 grant for energy efficiency and resilience improvements to municipal buildings, in this case, our Town Hall. (According to the State, the intent of this grant is “to increase comfort and reduce operational costs while decreasing greenhouse gas emissions and expanding reliable access to critical services for Vermonters.”) The Senator urged the Town to take advantage of this opportunity to include all possible improvements to the Town Hall, equipping it to be a fully functioning emergency shelter. The Northeastern Vermont Development Association (NVDA), our Regional Planning Commission, will help with writing the grant, including providing counsel about what to include.

Bob Champagne-Willis reminded all that there are three components to the program:

- First is the mini-grant of \$4000; Bob already submitted the mini \$4,000 grant application that was approved by the State in May; according to Senator Ingalls, the fact that Maidstone has been awarded this \$4,000 grant means that we are very likely to receive the big \$500K grant, stressing that the Town should include all possible improvements in order to receive as much funding as possible;
- Second is to conduct an Energy Study - an audit of our Town Hall to establish its current condition and, based on that, to recommend what we can do to improve energy usage; this is already in the works, said Bob;
- Third is write the application for the \$500,000 grant.

Scott asked if there is a timeline for the grant. Both the Senator and Bob said Maidstone is already on the path, with the expectation that the timeline will be in the next year or possibly two.

Bruno asked if the grant would pay for a generator. The Senator responded that he thinks the preference is for a battery back-up, but that the grant would cover a secondary power source to be used if we lost power.

Representative Terri Williams was pleased that Maidstone is already pursuing this grant opportunity. She stressed the availability of State-funded grant writing assistance, which she has worked hard to achieve.

Bob asked if the Senator had any update about the Peaslee Bridge, which is currently closed. The Senator did not. He had spoken with Secretary of Transportation Joe Flynn right after the Maidstone Lake Association meeting on July 8th when the topic of the bridge came up, so he knows the bridge was on the Secretary's radar, but that was before this recent flooding catastrophe. Bill Sanborn, Emergency Management Coordinator, emphasized the crucial role of the bridge to emergency services being able to respond to need in the Town. At present, it is taking approximately 20 additional minutes for emergency services to arrive, due to the need to drive around through either Bloomfield or Guildhall. Amy reported that the Town had received an email last week about the bridge that she had forwarded to Scott, who said he had seen the email. Vermont and New Hampshire are working together on the bridge, hoping that within the next two weeks they will have a team at the bridge with the proper equipment to assess the damage.

Lin Mixer asked if the Senator had followed up on his intent, expressed at the Maidstone Lake Association meeting in July, to contact Direct TV and Nexstar. The Senator said he had, including reaching out to the State Attorney General, highlighting that these services are not just for viewing pleasure, but also a necessity for receiving news. Thus far, he has not had much positive response from these world-wide companies.

In closing, the Senator stressed that people should contact either him or Representative Terri Williams if they have any concerns or problems.

Representative Williams said she has also been working on the State formula for the education tax. Brad James of the Agency of Education is willing to have a meeting with people in the Essex-Orleans District. Sharon Ellingwood-White of Lemington will facilitate that meeting, probably at the Guildhall building. Bob pointed out that Maidstone could host as well. Maidstone will be kept updated about this meeting.

REPORT OF THE ZONING ADMINISTRATOR:

Mike reported that nine permits have been approved since he last updated the Selectboard at the June 5, 2023 meeting. He has had numerous requests for help with zoning permit applications, so he expects more to be submitted. There have been several violations of the Bylaw by people building without permits. Bruno asked for more details, to which Mike responded: (1) the Elmendorfs were building an addition for which they had a Shoreland permit, but did not have a Town permit; now they have the Town permit and are good to go; (2) Ann Ford was putting an addition on her deck; all is within the Town Bylaw, she now all required permits, and she is all set; (3) the Robertsons were building a shed without either a Shoreland permit or a Town permit; they now have the Town permit and are waiting for the Shoreland permit; (4) Sean Morse put in a septic system without a Town permit; he did have the State Wastewater permit, and now has the Town permit as well; (5) the Schaefers are adding a big addition to their garage; they have applied for a Shoreland permit, but have not yet received it; they are waiting to receive it before they apply for a Town permit; meanwhile, they have ceased all building.

REPORT OF THE ROAD COMMISSIONER:

Brad said he did not have a lot to report; the roads have held up pretty well despite all of the rain. The only concern that could be coming up involves the replacement of the box culvert on Westside Lake Road at the north end of the Lake near the intersection with Maidstone Lake Road. Brad talked today with Tim Ruggles, the engineer on the project, who thinks there might be a delay in getting the box built. At present, due to the many emergency situations demanding attention, all the cement companies are handling those. We will just have to wait to see what happens. In response to Bob commenting that the grant runs out at the end of this year, Brad said he thinks an extension will be available, for which he will have to apply. He will monitor the situation.

REPORT FROM THE TREASURER:

- **Budget to Actual:** The Report has been submitted for the month of July. There is nothing extraordinary to report. The Town will exceed the budget for software, due to increased pricing from both New England Municipal Resource Center (NEMRC), which raised its price from \$5000/year to \$5,400/year, and

QuickBooks, which had been \$400/three years and has been changed to \$600/year. This overage was expected and has been reported as an anticipated overage at previous Selectboard meetings.

- **Selectboard Warrant:** The Selectboard Warrant is on the Signing Desk.
- **The Tax Anticipation Note (TAN)** with Passumpsic Bank for the amount of \$250,000, authorized by the Selectboard in 2022, expired on June 30, 2023. The TAN acts as a safety net, there to be used for a specific amount if the Selectboard approves, only if needed. The TAN does not cost the Town anything if not used. Scott asked what the interest rate would be if the Town did use the TAN; Bob responded that interest rates have been low, but he cannot predict what it would be, especially with the hikes in the interest rate lately. Brad made a motion using the wording on the Agenda, “to authorize the Treasurer for the Town of Maidstone to open and sign for a Tax Anticipation Note with Passumpsic Bank in the amount of \$250,000.00, maturing June 30, 2024. If the TAN is needed, the Selectboard will issue a written notice authorizing the Treasurer to draw a specified amount against the TAN.” Bruno seconded the motion. All voted in favor.
- **Setting the Municipal Tax Rate:** Bob explained the procedure for setting the Municipal Tax Rate and explained the source of each tax rate that appears on our tax bills: the Municipal Tax Rate, the Local Assessment Tax Rate, and the Homestead or Non-Homestead Tax Rate. He then went through adding up all of the Tax Rates, resulting in the Total Combined Homestead Tax Rate and the Total Combined Non-Homestead Tax Rate . Finally, Bob presented to the Selectboard, for its consideration, three options related to setting the Municipal Tax Rate.
 - **The procedure** by which the Town sets the municipal rate is as follows:
 1. Determine the amount that the Town needs to raise by adding the amount of our municipal budget to the amount of all the appropriations approved at Town Meeting, then subtracting the amount the State pays the Town.

$$\text{Budget} + \text{Appropriations} - \text{Payments from the State}^* = \text{Amount that needs to be raised}$$
 *Payment In Lieu Of Taxes (PILOT) and Current Use
 2. Divide the amount we need to raise by the total municipal Grand List value*. That gives us the Municipal Tax Rate.

**NOTE: The total municipal Grand List value is the total of the appraised values of all the taxable properties in Town as of April 1 of the calendar year.*
 3. This year that process yields a Municipal Tax Rate of 0.3691.
 - **Local Agreement Tax Rate:** A Local Agreement is made when the Town approves a motion that costs the Town money by implementing the Agreement, thereby reducing the amount of Education Tax collected for payment to the State. In this case, Maidstone has approved a motion that reduces the property taxes of disabled veterans by exempting up to \$40,000 of each disabled veteran’s appraised property value from taxation every year. (The State mandates a \$10,000 exemption, but allows towns to exempt up to \$40,000.) Maidstone has two eligible residents. However, the Town is still obligated to pay the full amount of Education Taxes due to the State, calculated by appropriately applying the Homestead Tax Rate or the Non-Homestead Tax Rate to the full appraised value of each property. In order to pay the full amount of Education Taxes due to the State, the Town must collect the revenue for the exempted property value through the Local Agreement Tax. Therefore, the amount of the Education Taxes that have been foregone due to the Local Agreement are calculated, and the means by which they are collected, i.e., the Local Agreement Tax Rate, is calculated. This year that calculation results in a Local Agreement Tax Rate of 0.0017.
 - **The State has given Maidstone its Homestead Education Tax Rate of 1.9642 and its Non-Homestead Education Tax Rate of 1.8231**, both of which are up considerably this year.
 - In summary, in this tax year, if we add the Municipal Tax Rate to the Local Agreement Tax rate to the Homestead Tax Rate, the result is a Total Combined Tax Rate for Homestead of 2.3350, almost a

14.5% increase over last year. If we add the Municipal Tax Rate to the Local Agreement Tax rate to the Non-Homestead Tax Rate, the result is a Total Combined Tax Rate for Non-Homestead of 2.1939, a 9% increase over last year.

Option #1: The Selectboard approved setting the Municipal Tax Rate at 0.3691. Bob will then print the tax bills and send them out.

Option #2: The Town generates a surplus in the accumulation of monies when we have non-tax revenue, such as interest and Town Clerk fees, or we raise money for expenses that we subsequently do not need to spend. If we just look at our tax flow, from 2019 until the end of 2022, the Town has accumulated a surplus in that time period of about \$45,000, either from non-tax revenue or from money that we raised, but did not need to spend after all. This is not a good measure of how we are doing, said Bob, because the way our system works, we have calendar year expenses starting on January 1, but we do not raise the revenue to pay for those expenses until payment of the property taxes due on October 15th and the remainder of those property taxes for which payment is due on April 15th of the following year. That means that from January 1st of each calendar year until about September 15th, the Town must rely on its accumulated surplus to pay the bills. After that, property tax payments start to come in, which is money that belongs to that year. We also raise monies from our property taxes that are due in October and in the following April to pay our school district bills, which are due on December 1 and June 1 of each year. If we match the Town's monies to the year in which they belong, at the start of 2019, the Town had an accumulated surplus, a "cushion", of about \$68,000. That was what helped the Town pay for its expenses in 2019 until the property taxes started being paid that October. In 2019, the Delinquent Tax Collector Bonnie Lovell brought down the amount of our delinquent taxes by bringing in over \$100,000 in delinquent tax money; that was money for expenses that the Town had already had to pay for in prior years, some of which had been due in 2013 and 2014. By the end of 2019, the Town had increased the cushion with which the year began, so that we started 2020 with an accumulated surplus of \$178,000. By the end of 2022, the Town had an accumulated surplus of \$266,000.

Bob recalled former Selectman Bob Snowman saying that a Town should have a surplus equal to the amount the Town needed to raise in one year. Maidstone currently needs to raise \$249,754.52. The entire surplus of \$266,000 is therefore not needed as a cushion; the Selectboard could decide to propose using some of the surplus to reduce the amount that the Town has to raise, which would lower the Municipal Tax Rate. Although this is a possibility, Bob Champagne-Willis said there is a very short window in which that action can be taken, because it requires voter approval at a Special Town Meeting that must be warned 30 days ahead of time. Another factor for consideration is that property owners must have their tax bills in hand by September 15th, giving them a month before the bills are due. To meet these two time constraints, a Special Town Meeting would have to be held on the first possible date that is 30 days from now, i.e., September 7, 2023. This is all doable, but the Selectboard would have to decide to take this approach tonight, so that the meeting could be scheduled and warned.

While considering this option, it is important to think about the fact that next year, after completion of the reappraisal that is starting this year, our April 1, 2024 Grand List could be close to double its current value because of the increased property values after reappraisal brings them up to date. That means that the school taxes could also be close to double. In response to Bruno's question, Bob said that the Municipal Tax Rate will probably be half its current rate if the Grand List doubles, but that the school taxes are independent of the Grand List - the State controls the school taxes. Our taxpayers will be seriously burdened, Bob predicted. Bruno referred back to Representative Williams' mention of a meeting being scheduled to discuss the formula by which the State determines the Education Tax Rate, i.e., the Homestead or Non-Homestead Tax Rate. Bob concurred that how the school/education taxes are calculated is very important. Bob said that the Homestead Tax Rate is calculated by taking the school budget, dividing it by the number of students, then dividing by the State Yield Number, and finally dividing it by the Town's Common Level of Appraisal (CLA). After this reappraisal, Maidstone's CLA will be considerably better, but it is the student count that is really tricky. By statute, the number of students used to determine spending per student in the school budget is not based on the number

of students in the current year, but is calculated by a formula that averages the number of students for the past two years and weights grade levels differently. That results in a different amount of spending per student than if it were calculated based on the current number of students. That is part of what people would like to discuss about the State's formula for determining the Homestead Education Tax Rate. In 2025, there will be different factors considered in the weighting portion of the formula, such as poverty, small population, and distance to school, that will help us.

Scott asked if the TAN authorized earlier in the meeting would be used to borrow money to pay expenses, if we did not have the surplus and needed money to pay the school taxes. Bob responded yes. Scott said it made more sense to leave the surplus where it is and not have to pay interest on borrowed money. Brad agreed, adding, "For this year. If it's going to be bad next year, would it be worth waiting and applying it next year?"

Option #3: This is the option Bob is more in favor of - using the Local Option Tax. The Local Option Tax is a way for towns to raise additional revenue by charging a 1% tax on any of the following: meals and alcoholic beverages, rooms, or sales. Some towns have a Local Option Tax for all three, some for just one or two of the categories. With regard to the rooms tax, Bob said that the Town has more and more places available for short term rentals on North Road, Percy View, and around the Lake; a rooms tax would apply to those rentals plus to rental of campsites in the State Park. Anyone who rents for more than any combination of two weeks is required to register with the State and to collect taxes and submit them. Entities such as AirBnB, VRBO, etc. are notified of the rooms tax by the State and do the collecting. The same principle applies to tax on sales or meals and alcohol. Entities such as Amazon, E-Bay, etc. would be notified by the State and do the collecting. The taxes are received by and managed by the State, which then gives towns their share. We could use the Local Option Tax monies received from the State to reduce the amount that we need to raise and therefore reduce our Municipal Tax Rate. The process for instituting such a tax is for the Selectboard to recommend it and the voters to then approve it. After such approval, it takes about a quarter of a year for the taxes to be implemented and received by the Town. A Local Option Tax approved this year would help next year. Bob recommended that, if the Selectboard is in favor of this, a Special Meeting be held in September for the voters to either approve or disapprove the tax. Some towns include all three options in one article to be voted on; some break the options into separate articles. Bob gave examples of wording for such articles. Bob said he has not been able to find information about the amount of money the State Park takes in. Typically, the Park books campsites in the first quarter of the year, which is part of the reason Bob thinks it would be advantageous to put a Local Option Tax in place soon, so that it would apply to those first quarter State Park bookings. Bruno asked if the State Park was tax exempt as State entities often are, but Bob said that the Park does have to charge a room tax.

In summary, Bob said that there are three options:

#1: Set the Municipal Tax Rate at 0.3691;

#2: Use some of the surplus to reduce the amount of money that the Town has to raise this year, which would reduce the Municipal Tax Rate;

#3: Recommend a Local Option Tax on any or all of the three areas described; hold a Special Town Meeting in September for voters to either approve or disapprove; if voters approve, notify the State. Any tax monies collected would be used to reduce the amount of money that the Town has to raise next year, which would reduce the Municipal Tax Rate.

Scott said he was in favor of leaving the surplus where it is for at least another year. Brad said the Town has used the surplus in this way before; the last time, we were then short of money to pay our bills. Bob said that in the past the surplus has sometimes been used to put money into different funds within the budget. Brad recalled that historically, the Town has tried to keep \$250,000 in surplus. Bruno said he would rather leave the surplus for now, rather than use it now and have people be hit that much harder next year. Bob said no motion was needed if we were not using the surplus.

Bruno and Brad said they would like to think about the Local Option Tax for a while. Scott asked Bob if it were time sensitive. Bob said the only time sensitive aspect is that the sooner the Town puts such a tax in place, the sooner it will receive revenue from it. Scott suggested tabling it for another month.

Brad questioned if we might have more people present to vote on it at the Town Meeting in March. The Selectboard decided not to make a decision about this tonight.

Brad asked if Bob had run any numbers for different scenarios of using part of the surplus. Bob calculated that using \$50,000 of the surplus to reduce the amount of money the Town needs to raise would reduce the Municipal Tax Rate from 0.3691 to 0.2952, which would bring the Total Combined Tax Rate for Homestead down from 2.3350 to 2.2611 and the Total Combined Tax Rate for Non-Homestead down from 2.1939 to 2.12. It is not possible to predict what the amount of the surplus may be at this time next year.

Brad recommended not using the surplus this year; Scott agreed, saying to leave it for possible use next year to relieve the expected heavier tax burden; Bruno agreed. From the paperwork, Bob read that the motion would be to set the Municipal Tax Rate at .3691 and the Local Agreement Tax Rate at .0017. Brad said, "I'll make that motion, just what Bob read." Bruno seconded it, saying also, "Just what Bob read." All voted in favor.

Andy Champagne-Willis said that he would like more information about all that Bob had just discussed about taxes, perhaps at an informal meeting with other people in the Town; it would be an opportunity to be educated about the various options that the Town has. Bob said he was happy to talk with anyone at any time about this. Scott said that if anyone is interested, they should email Bob and he could put something together.

REPORT OF THE DELINQUENT TAX COLLECTOR:

There has been steady progress on reducing the delinquent taxes due.

REPORT FROM THE LISTERS:

The process of Statistical Reappraisal is starting. We have paid NEMRC for two of the twelve months for which we have a contract with them. Bob has received a list of the random properties selected to verify that the data in our system is accurate. This is a Data Integrity Check performed on 5% of our 364 properties, which Bob believes is 20 in number. The property owners will be receiving a letter informing them that their properties will be visited by the Listers and the Assessor sometime in September or October. Their property data cards will be redone, and the results of the Data Integrity Check will be reported to the State. Then the Statistical Reappraisal will be performed by Ed Clodfelter of NEMRC. Sales prices for properties have not peaked, but continue to increase, said Bob, citing as an example of the sales that are factoring into the reappraisal the recent sale of a property on North Road, listed by the Town at \$28,000, but sold for \$79,000. Bruno and Bob spoke of the negative impact of increased taxes on people, causing some to decide to sell their homes despite having planned to live in those homes for the rest of their lives. Bob expressed his feeling that this will be as detrimental to our community as when Champion sold the lots around the Lake in 1996. The appraised value of all properties in Maidstone will be going up.

REPORT FROM THE TOWN CLERK:

Amy gave the following updates:

- the Town is working on the Emergency Management Performance Grant (EMPG), trying to get that done before the September 15th deadline;
- The website redesign is in the works;
- Today the Town received the Local Hazard Mitigation Plan (LHMP) that has been tentatively signed off on by the State; that plan has been sent out to the Local Hazard Mitigation Committee;
- She and Suzy have finished updating the Town Clerk Job Description.

There is a request for reimbursement for the Vermont League of Cities and Towns (VLCT) Conflict of Interest training on the Signing Desk. Brad made a motion to reimburse the Town Clerk the ten dollars for the VLCT training; Bruno seconded the motion. All voted in favor.

Amy said the Town Clerk's office has received some complaints and phone calls indicating some confusion about the weight of trash bags. The Town Clerk is trying to get the word out that people should not overweight the trash bags, as it takes a toll on Vaughn. Bob added as a side note that Vaughn had dropped off the signed Waste Collection and Disposal contract today.

REPORT FROM THE EMERGENCY MANAGEMENT COORDINATOR AND FIRE WARDEN:

Bill Sanborn reported that the Local Emergency Management Plan (LEMP) has been updated. A few spelling corrections were made, and the contact for the Emergency Operations Center was changed from Assistant Town Clerk Suzy Irwin to Town Clerk Amy Pear. The Plan needs to be signed annually and updated as needed. Brad made a motion to approve the updated LEMP; Bruno seconded the motion. All voted in favor.

OLD BUSINESS:

Review and approve updated Town Clerk job description: Amy said she had sent the updated Job Description to the Selectboard a week or two ago. Bruno asked if this was a State job description. Amy responded that it was the job description in place when she became Town Clerk, but she does not know if it came from the State. She and Suzy went through it and updated it to be as accurate a description of the Town Clerk's job as possible. Brad made a motion to accept the Town Clerk's new Job Description; Bruno seconded it. All voted in favor.

Continue review of Purchasing Policy; decide upon revisions needed: After discussing and agreeing to increase the dollar amount for incidental and regular purchases, Brad made a motion to accept the Town of Maidstone Purchasing Policy with the two amended figures for Regular Purchases to go up to \$10,000 and the Incidental Purchases to go up to \$4,000; Bruno seconded the motion. All voted in favor.

Update about progress with flagpole purchase: Scott was hoping to get some money from the grant that Senator Ingalls was discussing to use to purchase a flagpole, but he said he wasn't sure if that was supposed to be just for energy related items. Bob said that would be a question to ask Dave Snedeker of NVDA, but that the purpose of the grant is for energy resilience. Bruno said that Amy had spent a lot of time on the grant for the generator. He would like to put that on the \$500,000 grant. Brad asked if we still could do that, but Bob pointed out that the process is well under way. The generator is arriving on Wednesday. The discussion moved to the meeting with Dave Snedeker about work to be included in the application for the \$500,000 energy resilience grant, including perhaps replacing the furnace and waterproofing the basement. In conclusion, Scott said he would talk with Dave Snedeker about the flagpole and table that topic for a while.

NEW BUSINESS:

Bill Sanborn said that he and Health Officer Sandy Gray are interested in scheduling a CPR course for which they would like permission to use Town Hall. The Selectboard said that sounded like a good idea and expressed support. Bill said they would put together a letter or notice to inform everyone.

Brad asked Amy if there was any information about how the LHMP has to be adopted. Amy said that she and Bill had been discussing that, and it will be at the top of her list to address when she is at work on Thursday. She will relay any information she is able to find to the Local Hazard Mitigation Committee. Bill said there is an adoption procedure that must be followed; he and Amy will contact Jesse Noonan of NVDA and find out exactly what the Town has to do.

The business of the meeting concluded, Brad made a motion to adjourn; Bruno seconded the motion. All voted in favor. The meeting was adjourned at 8:23 pm.

Respectfully submitted,
Mary von Alt