

**VILLAGE OF ESSEX JUNCTION  
BOARD OF TRUSTEES  
MINUTES OF MEETING  
March 25, 2008**

**BOARD OF TRUSTEES:** Larry Yandow (Village President); Deb Billado, Peter Gustafson, John Lajza, Tim Jerman.  
**ADMINISTRATION:** Dave Crawford, Village Manager.

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**I. CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Village President, Larry Yandow, called the meeting to order at 7 p.m. and led the assemblage in the Pledge of Allegiance. Dave Crawford, Village Manager, was introduced. Trustee Tim Jerman who is not running for re-election was acknowledged for his past seven years of service on the Board of Trustees

**II. AGENDA ADDITIONS/CHANGES**

There were no changes to the agenda.

**III. GUESTS/PRESENTATIONS**

**1. Presentation by Champlain Valley Exposition (CVE)**

Rod Halsted and Matt Stevens, CVE Board of Directors, gave a presentation on CVE's contribution to the community. Rod Halsted noted CVE was founded in 1922 and since 1923 has held an annual fair at the site. The Champlain Valley Fair is Vermont's largest agricultural fair. CVE has an annual operating budget of \$5.5 million and employs 17 full-time staff. During the fair 400 additional people are hired and over 70 volunteers (for the fair and other events). CVE Board of Directors has 15 members. Events held at the fairgrounds include the annual fair and other agriculture related events such as Everything Equine and the Alpaca and Sheep Festival. Agricultural events are a \$2 million industry in the Vermont. Craft and sportsmen shows are also held at the fairgrounds. CVE leases facilities and gets paid for the use of the buildings and grounds like other non-profit organizations (Flynn Center, Shelburne Farms, Shelburne Museum). The money pays for expenses. Some of the funds are set aside for the nonprofit mission. Athletic clubs (soccer) which are nonprofit organizations also use the fairgrounds and buildings at a price they can afford. The nonprofit mission of CVE is four-pronged: education, agriculture, commerce, and entertainment. CVE is nonprofit per state and federal guidelines. Shareholders are members with no economic advantages or dividends received. If someone gives a contribution to CVE, a tax deduction for a nonprofit contribution is allowed. CVE tries to have revenues in excess of expenses. Money is needed to maintain the buildings, equipment, and grounds, and to set aside for the nonprofit mission. If CVE ceases to exist the assets do not go to the community, but must be turned over to another nonprofit, such as the Red Cross or Boy Scouts. CVE files Federal Tax Form 990 for nonprofit organizations each year. The document is a public document. Mr. Halsted mentioned year end balances for the past few years, noting CVE's budget is essentially zero-based. Mr. Halsted stated CVE did not receive notice of the reappraisal of the property from the Town of Essex and learned of the value of \$27 million in the newspaper. CVE disagreed with the reappraisal and had other appraisals

done which resulted in a figure of approximately \$10 million. The Town of Essex appears to be in agreement with this figure.

Matt Stevens reviewed how CVE is a value to the community. CVE pays for all permits and services necessary to operate and host events, contributes to village projects and studies, provides discount rentals of buildings and grounds as well as in-kind contributions. The residence on Willey's Court owned by CVE is on the tax roll as a separate, residential parcel. CVE pays \$4,112 per year in taxes on the property. Rental income is used to offset associated costs. CVE pays for water and sewer service from the village, pays for banners and permits, pays the local police for services during fair week and during other events, and offers on-site EMT services for events thus alleviating a burden on community services. Local fire departments use the grounds as a training site. Buildings and equipment are donated for use. The site is used for a multitude of events by the community (Veteran's Day, Village Block Party, July 4<sup>th</sup>, Halloween, staging area for Memorial Day Parade, storage of Essex Rescue equipment, high school graduation, snow storage, driver's education, emergency evacuation site for schools and community). The public uses the park like setting of the grounds for walking, biking, cross-country skiing. Estimated value of services provided by CVE is approximately \$30,000. The Pearl Street Revitalization Study (cost of \$12,850) was funded by CVE. This study was a catalyst for the federal appropriation secured by Sen. Leahy for improvements to the Route 15 corridor. CVE also paid \$10,000 for the economic development and planning study by RKG used by the Village, and contributed \$5,000 to Memorial Park at Five Corners. The interior road connecting Route 15 and Route 2 was built at the request of the Village to alleviate traffic on Pearl Street. The cost of this project was \$450,000. The Miller Complex was built as a huge step toward increasing economic development. The complex is a year round event/sports center. The cost of the complex was \$5,500,000. RV improvements on the grounds were installed (water and power) to host RV groups. The cost was \$580,000. RV groups bring a big economic boost to the community. CVE has built additional parking areas and improved lighting, invested \$2 million in storm water systems, and spent other significant money on improving infrastructure. CVE is a good neighbor and wants to continue being a good neighbor, and in that spirit proposes to pay \$100,000 to the Village over eight years for use as half of the local match for the Route 15 corridor improvement project. The project to upgrade Route 15 is possible because Sen. Leahy reviewed CVE's study of what the street should look like and secured federal funding. CVE cannot make a payment in lieu of taxes (PILOT) because that would set a precedent in the state for other nonprofit organizations and fairs. There have been meetings with representatives from the Village Board of Trustees to develop a plan of action. CVE wants to be partners with the Village in boosting the economic value and entertainment value of the community. The Trustees asked CVE for an action plan and CVE asked the Trustees for a letter outlining their requests. These items were discussed and the result is the offer of \$100,000 toward the local share funding for the Route 15 project.

Dave Crawford, Village Manager, confirmed there has been frank and open discussion at the meetings with CVE. Issues have been defined as well as points of agreement/disagreement. Negotiations are on-going. Items that need more discussion

include an entrance fee option, sales tax alternative, additional ways to support the village through mutually beneficial projects, and the Pearl Street Improvement Project commitment.

*PUBLIC COMMENT*

[Note: for ease of reference comments from individuals are grouped together though the comments may have occurred at different points in time during the meeting.]

Shirley Zundell, village resident, asked for confirmation of the offer (\$12,500 per year for eight years). Matt Stevens confirmed the amount, noting the money is not easy for CVE to come by and has to come from CVE's capital budget. Later in the meeting Ms. Zundell questioned how the community is to know if the amount being offered by CVE is a reasonable figure. Mr. Halsted stated information on CVE is in their annual report and Federal Tax Form 990. Both documents are public information. The IRS has increased reporting requirements for nonprofit organizations so there is more detail on Form 990 than in the past. Mr. Halsted also pointed out the monetary contribution is in addition to all the other contributions by CVE that were mentioned previously by Mr. Stevens.

George Tyler, village resident, observed CVE seems to want to extend their nonprofit status to rock concerts and home shows which are assumed to be for profit. Mr. Tyler asked what portion of the \$5.5 million budget is used for the fair and other events. Mr. Halsted explained Vermont statutes and federal statutes allow nonprofit organizations to host a variety of events which most do. Facilities are leased. What is done with the money earned is what determines being nonprofit, and that is to spend the money in support of the nonprofit mission which is exactly what CVE does. The agricultural fair is a significant portion of the total budget. Mr. Halsted did not have the exact number readily available, but estimated the amount is greater than half the total budget.

Dave Johnson, village resident, spoke in support of CVE and how CVE supports the community, and urged the community to do the same. Mr. Johnson also spoke about the philosophy of nonprofit organizations in American life. Nonprofits are integral to American life. Language on 501.C.3 organizations was read (nonprofits and tax exemptions) Nonprofits provide goods and services to the public, both tangible and intangible, and there is an impact when these organizations leave a community.

Chris Chiquoine, village resident, opined approximately 10% of the events at the fairgrounds deal with agriculture. Mr. Chiquoine stated his quality of life is impacted all summer long by events at the fairgrounds. Regarding CVE's fair share of \$100,000 over eight years for the Route 15 improvements, Mr. Chiquoine stated he does not get to dictate that his tax dollars be spent on something that will benefit him. Mr. Halsted reiterated CVE pays for police, EMS, and other services so the load is not on the village, and this is in addition to the cash contribution. If CVE had a tax bill, the amount would likely be about \$20,000. CVE is making contributions in excess of this amount. Mr. Chiquoine stated CVE is bringing in a large number of people for short periods of time. Mr. Halsted stated CVE is less than 5% of the traffic load on Route 15. Road paving and traffic have been discussed at the joint meetings with the Trustees. Mr. Chiquoine

interjected the meetings are not attended by the public and there is no record of what transpired at the meetings between the Trustees and CVE so the meetings are not open discussion. Trustee Deb Billado stated the meetings are amicable and the groups have moved forward, but there are still open issues. Ms. Billado offered to answer any questions from residents. Dave Crawford pointed out the meetings are negotiating meetings (Executive Session) and the public presentation by CVE is to bring the public up to date on progress. "Open" in this case means each side (CVE and Trustees) can ask any question and request information during the meetings. Ms. Billado assured the presentation provides the gist of the meetings. Mr. Chiquoine referred to the 3/18/08 Trustees minutes relative to comments on noise level overages at the fairgrounds. Mr. Chiquoine said he complained about a concert that did not have a noise waiver. Larry Yandow stated the issue of noise is still outstanding. Dave Crawford assured CVE understands there have been some overages and discussion of better monitoring has been held. Noise levels have been monitored by both CVE and Village staff, but there is still concern. A third party will be used to determine a baseline. Covering the associated costs is an open issue. Mr. Chiquoine requested the focus be on how to decrease the amount of noise. Mr. Crawford agreed the Village needs to work with CVE on how to control noise from the fairgrounds. Trustee Peter Gustafson observed it is unique for a fairground to be located in the middle of a residential area. There is sympathy for the quality of life issue for residents, but there must also be faith in the process. Trustee Gustafson said he would like to push for resolution of the noise issue before fair session if possible.

Peter Hunt, village resident, requested the Trustees add discussion of the CVE presentation and progress of the negotiations to a near future Trustees meeting agenda. Later in the meeting Mr. Hunt mentioned he has not heard what CVE will do for Essex Junction specifically. Village President Larry Yandow asked Peter Hunt and the public at large to send in their questions to the Board to be addressed at the Trustees meeting when the presentation by CVE is discussed. This will allow the Board to compile information and be prepared to answer questions at the meeting.

Gayle Rowell, village resident, asked if the Trustees were able to view the CVE budget in its entirety. Deb Billado said she did not review specific numbers at the meetings, but has seen the records in the past. Mr. Halsted reiterated the numbers are in the CVE annual report and tax form 990 (both public documents). Matt Stevens explained the tax amount based on the \$27 million appraisal was refuted by CVE. Following further review Town Assessor, Randy Viens, has concluded the value is closer to \$10 million. Firm numbers should be available by June, 2008.

Al Parrella, village resident, took exception to the statement regarding CVE paying for permits and services and such, noting the services that were paid for were utilized by CVE not given to the community. Matt Stevens and Rod Halsted agreed, but added CVE is also providing in-kind and cash contributions to the community.

Norm Faunce, village resident, mentioned the gain by hotels, restaurants, gas stations and other businesses in the area from the activities at the fairgrounds. Event attendees spend much money in Chittenden County and other areas in the state. Mr. Faunce urged

everyone to be open-minded and to look at the whole economic picture. Matt Stevens stated according to the Chamber of Commerce the economic impact of CVE is \$27 million on the local economy.

George Dunbar, village resident, asked about the relationship and contribution to the Village of Essex Junction which does not have a hotel and has only one major restaurant. Mr. Halsted stated the percentage going to the village is difficult to calculate. The presentation was targeted to the village. Visitors to the fairgrounds spend money in the state and residents of the village are residents of the state so the benefit is shared by all. Larry Yandow stated CVE has been a good neighbor, but with the increase in the number of events there have been more complaints. It was a step forward to begin discussions again with the fair directors, and this should continue. Everyone wants to see the issues resolved. George Dunbar commented monitoring sound (noise) is not that difficult. CVE and the Village need to agree to a level.

Glenn Rogers, village resident, complimented the Trustees and CVE for the work done for the community and other nonprofit organizations, adding it is good to keep open communications. State fairs are an important part of the agriculture and economy of the community. Mr. Rogers re-listed the contributions by CVE to the community, noting CVE is a wonderful nonprofit working with the village and has done much for the village and surrounding communities.

Nick Meyer, village resident, suggested the fair share paid by CVE should be based more on what has been spent for the events at the fairgrounds. CVE does many events that put them into a different light than state or county fairs. Mr. Meyer spoke in support of a greater contribution from CVE.

Joanie Macly, village resident, pointed out residents living closer to the fairgrounds than some attending the meeting are not complaining about CVE. Ms. Macly also mentioned the 4-H horseshows that still occur at the fairgrounds (Ms. Macly participated in the events herself as a child), and mentioned the long traffic lines to get into fairs in Massachusetts and Maine. Ms. Macly suggested everyone “smoke a peace pipe and get along”.

Mike Sutliff, village resident, suggested the Trustees be allowed to determine if the amount offered by CVE is fair. If the voters are unhappy with the Trustees’ actions, then they can vote them out of office.

Trustee Tim Jerman mentioned the dynamics of noise levels at concerts. Dave Grimm, CVE General Manager, briefly explained his role with concerts and introduced Tom Oddy who works with the performances at the fairgrounds. Mr. Oddy stated each act receives a copy of the noise ordinance. Staff is stationed at the sound mix board and around the fairgrounds to monitor noise. Communication with radios allows quick response. CVE is working on a new sound system and having third party involvement in noise monitoring. Trustee Gustafson asked about the planned overhang on the stage front to muffle noise. Mr. Halsted stated the addition is part of the larger expansion plan, and it

is felt the noise will be significantly decreased by the overhang. It is not known when the addition will be built. CVE has substantial debt service presently.

Bill Kalanges, village resident, mentioned the three taxing entities (village, town, school) and the contribution. Mr. Kalanges also asked for clarification of the grant to improve the Route 15 corridor. Matt Stevens explained CVE is going to pay half of the local share (total local share is \$200,000 in order to secure the \$1.6 million grant) divided over eight years because that is what CVE could afford to pay. The Village will have to pay the other half. The project may not begin for a number of years and the contributions from CVE will accrue. Dave Crawford briefly explained the federal earmark and how the funds trickle through the bureaucracy to the local community. There was further discussion of the Route 15 corridor improvement project and the federal earmark/local match. Bill Kalanges asked if the \$30,000 contribution estimated by CVE is based on the \$10 million appraisal. Mr. Halsted stated CVE tried to put a value on their contributions.

Gail Connors, village resident, expressed dissatisfaction with having to pay taxes to the town and hearing about CVE possibly not paying its fair share. Trustee Jerman acknowledged there is sentiment in the community of a progression occurring in the village of lost revenue from IBM, still paying town taxes, and now the tax issue with CVE. The fact is the village is the host community to a large nonprofit organization.

Trustee Billado announced there are two vacancies on the Board of Trustees. Candidates include incumbent Peter Gustafson, Bill Kalanges, Steve Atwood, and George Tyler. Ms. Billado asked that a hardcopy of the slides produced by CVE for the presentation be available to the public. There will be continued dialogue on the issues.

2. Comments from Public on Items not on the Agenda  
There were none.

#### **IV. OLD BUSINESS**

None.

#### **V. NEW BUSINESS**

##### **1. Award Five Corners Redevelopment Project Contract**

Dave Crawford reported the low bid was lower than expected. Staff is recommending not replacing the overhead traffic sign at the south end of the intersection at this time, holding off on the treatment for the sidewalks (\$6,400) and vehicle emitters for the fire trucks (\$10,760), and adding a reserve of \$10,000 to handle contaminated soils if found on the site. The total contingency is \$53,384. The low bidder was Don Weston Excavating, Inc. The project bid is \$1,497,660.25 which includes the contingency.

**MOTION by Tim Jerman, SECOND by Peter Gustafson, to award the bid for the Essex Junction Five Corners Redevelopment Project (STP 5300(9) & 10)) to Don Weston Excavating, Inc. for the amount of \$1,497,660.25, and to authorize the Village Manager to sign all necessary documents. VOTING: 5 ayes; motion carried.**

Preconstruction meetings with the Village Engineer and meetings with affected property owners will be scheduled in the near future. Deb Billado asked about the railroad crossing upgrade. Dave Crawford stated the railroad will receive \$115,000 from the project funds to do the work with an approved contractor. There was further discussion of the bid and contingency figures.

## **VI. VILLAGE MANAGER'S REPORT**

None.

## **VII. TRUSTEES COMMENTS & CONCERNS/READING FILE**

### **1. Reading List**

No comments or questions.

### **2. Board Member Comments**

#### **Meetings**

The start time of the meeting on April 14<sup>th</sup> was corrected. There was discussion of items to be covered at the Board retreat. Delineation of items that are appropriate for Executive Session is needed. There was discussion of CVE doing a presentation at the Annual Meeting and dialogue following the presentation. Deb Billado stressed it must be made clear to CVE that the \$100,000 proposal is an offer, not an agreement. The Board of Trustees has not accepted the offer. Dave Crawford will communicate this point to CVE. Mr. Crawford briefly mentioned his planned presentation at the Annual Meeting (will be shorter than the presentation done at the Channel 17 forum).

Tim Jerman mentioned in the future combining the school and village meetings so voters do not have to attend multiple meetings. Deb Billado spoke in support of voting all budgets (village, town, school) at one vote by Australian ballot. John Lajza stated the annual meeting should be a review of the budget and voting should be held the next day by Australian ballot.

Dave Crawford announced he has met with the superintendents and business managers at the school districts. It was suggested there be a joint meeting of the school board and Trustees this summer. There could be discussion of combining next year's annual meetings.

#### **Rail Excursions**

Tim Jerman mentioned conversation with New England Central Railroad is needed to promote rail excursions.

#### **Farewell Comments**

Tim Jerman said it has been a pleasure working with the current Trustees. The village is well served and the Board members work well together.

## **VIII. CONSENT AGENDA**

1. Approve Minutes of Previous Meeting (3/18/08)
2. Approval of the Warrants

**MOTION by Deb Billado, SECOND by John Lajza, to accept the consent agenda as presented. VOTING: 5 ayes; motion carried.**

**IX. EXECUTIVE SESSION**

None.

**X. ADJOURNMENT**

**MOTION by John Lajza, SECOND by Deb Billado, to adjourn the meeting.  
VOTING: 5 ayes; motion carried.**

The meeting was adjourned at 9:45 p.m.

*RScty: M.E.Riordan*