

**VILLAGE OF ESSEX JUNCTION
BOARD OF TRUSTEES
MINUTES OF MEETING
March 23, 2010**

BOARD OF TRUSTEES: Deb Billado, John Lajza, George Tyler, Peter Gustafson.
(Larry Yandow was absent.)

ADMINISTRATION: Dave Crawford, Village Manager.

I. CALL TO ORDER and PLEDGE OF ALLEGIANCE

In the absence of Village President, Larry Yandow, Trustee Billado called the meeting to order at 6:30 p.m. and led the assemblage in the Pledge of Allegiance.

II. AGENDA ADDITIONS/CHANGES

- Add to Consent Agenda: Sale of Aeration Blower at WWTF.
- Hold information meeting on local option tax prior to update on Pearl Street multimodal transportation plan.

III. GUESTS AND PRESENTATIONS

1. Comments from Public on Items Not on Agenda
None.

2. Public Hearing: Charter Amendments re: Fire Chief Appointment
The public hearing was opened at 6:34 p.m. There were no comments from the public.
The hearing was closed at 6:35 p.m.

3. Information Meeting on Local Option Tax

Trustee Billado explained the information to be presented, introduced the Local Option Tax Committee members, and explained the mission of the committee (to find out what taxpayers need to know about a local option tax, both the good and the bad). A local option tax is being investigated for the village because the village has a revenue loss problem. Sources of taxes for the village include IBM, the IBM subsidy (will be phased out) and taxpayers (residents and businesses). According to the consultant who worked on the study 75% of the local option tax in the village will be paid by nonresidents. Revenue from the tax will be used for capital improvement projects. The revenues will decrease the need for additional property taxes for community needs. The local option tax revenue could be used to pay for state mandated storm water requirements. CVE will be a major contributor of local option tax revenue due to events at the fairgrounds. Most of the participants are from outside the community. Tax revenue will be collected from the sale of concert tickets. A cup of coffee costing \$2 will cost \$2.02 with the local option tax. IBM office supplies and building equipment and materials will be taxed unless the materials are used in the manufacturing process. Food sales at the IBM cafeteria will be taxed.

PUBLIC COMMENTS

John Findel asked about purchases outside the village being delivered to a residence inside the village. Deb Billado stated if the item is delivered to Essex Jct. the village will receive the local option tax revenue. Mr. Findel asked about pursuing a surcharge on ticket sales for shows at the fairgrounds which could yield up to \$300,000. Peter Gustafson explained the agreement with CVE is for a \$15,000 per year payment for the next five years which is a step in the right direction. CVE is a 501(c)3 nonprofit organization. It is estimated \$50,000 will be generated from the local option tax on events at the fairgrounds. John Lajza recalled previous attempts by the village to implement an entertainment tax on events at the fairgrounds were defeated by court order. In lieu of this the agreement that is now in place was negotiated.

Norm Faunce observed the state appears as unfriendly toward business and now with the local option tax the village will appear unfriendly as well. Mr. Faunce asked if the impact on businesses was investigated, adding businesses may choose to locate in places without the tax. Deb Billado stated the local option tax will be a pass through expense put on the customer so there is not a major impact on businesses. Most of the surrounding towns have a local option tax and have found little to no impact on their business community. Typically, business people when searching for a location look at the site, level of traffic, demographics of the area, rent rates, and so on. Having a local option tax would be low on the list.

Bob Marcotte recalled a vote was taken town-wide on a local option tax and it failed. Mr. Marcotte questioned if it is premature to pursue the tax especially in the current economy. Cuts should be made, not additions. Mr. Marcotte suggested adding 1% to fairground ticket sales.

Diane Tardif stated with high ticket items and competition with high buying power, like Lowe's, a one percent tax makes a difference. There are only about 30 locally owned businesses in the village. Economic times are going to get tougher than they are now, and there are too many businesses on the edge of survival. The tax may put them over the threshold. John Lajza explained the village runs very lean as it is. Reductions have been made, for instance, only one side of the sidewalks is plowed, and complaints are still heard. There is no evidence the citizens want to eliminate services, but that is the only way to reduce taxes. Maintenance items have been deferred, but this cannot continue or the cost will be much greater for repair. Businesses in surrounding towns with a local option tax have not seen an impact from the tax even with high end items. Ms. Tardif stressed the need for less taxes, not more, even if it means each property clears their sidewalk and curb. Perhaps less can be spent on the library, suggested Ms. Tardif, or a different approach than always increasing taxes could be taken. Deb Billado pointed out programs are not being added. The village is simply trying to hold its own. The burden of taxes is shifting to the residents to come up with funds to pave streets and make repairs.

Steve Schonberg, Post Office Square Shopping Center, stated his experience has been that the village is friendly and supportive to businesses in the complex. The village is trying to create additional commercial activity within its boundaries and the local option tax will be an impediment, though how much of an impediment is not known. Sales tax

does motivate the buyer's decision. One tenant who ultimately decided not to locate at the shopping center for various reasons said not having the 1% tax was a consideration in locating at the site. The long term solution is thriving, growing business enterprises within the boundaries of Essex Junction, but the tax works against this in general. Deb Billado commented if the infrastructure is not maintained and upgraded potential tenants and businesses will be lost. The upgrades must be paid for somehow. Mr. Schonberg said in his experience with tenants what is important are the issues of accessibility, other retailers, population, demographics, where shopping dollars are being spent.

David Hauke, Essex Junction Shopping Center, stated rent rate is another issue for businesses. Also, there are certain national companies that will not locate in the village because of the distance to the interstate. The companies want easy access and good rent. There are lots of service businesses in the village. Deb Billado disclosed Mr. Hauke is her business landlord.

Peter Allard asked if utilities are taxed. Deb Billado stated commercial electric bills will pay the local option tax unless there is a special agreement with the power company or the state. Nonprofits do not pay the tax. Some telephone and cable charges are taxed. Heating fuel is not taxed. Downloaded music is taxed. A non-clothing item delivered to the village may be subject to the 1% tax. A purchase at Lowe's in the town that is delivered to the village will be taxed (point of delivery system). The store collects the sales tax and reports to the state then the state pays the village. If a purchase is made in Williston and the item is pick up there then the tax is paid to Williston. Basically, the local option tax applies to whatever the current state sales tax applies to. Essential items (clothing, food, medicine) are not taxed. Restaurant meals, alcohol, food to go are taxed. Mr. Allard opined the local option tax is not going to be a draw to new businesses.

Gary Audette stated the cost of doing business for a business is going up and the tax will be passed onto the customer. Mr. Audette speculated the tax will be increased in the next three years, citing the increase in the state sales tax that was 3% and is now 7%. Bernie Lemieux stated the increase in the local option tax cannot be more than one percent unless the amount is changed across the state. Mr. Audette warned the country is about to experience the largest increase in federal taxes ever seen. Real estate taxes have increase 25%. Places to cut spending must be found. Deb Billado stated as a business owner the tax will increase the electric bill, but property taxes should decrease due to the offset of revenue from the local option tax. There are a number of streets in the village that need repair, yet the streets are not even in the capital plan. Much work is deferred year after year. Mr. Audette questioned sending 30% of the revenue to the state. Ms. Billado explained the money is returned to communities for pilot programs.

Deb McAdoo pointed out without the local option tax the property tax is the only source of revenue. The state tax commissioner is looking to eliminate the local option tax so this may be the only opportunity for the village. As IBM taxes decrease, taxes for village residents increase. Without the local option tax the additional money will have to come from the village taxpayers. The local option tax is an opportunity for those outside the village who use the resources in the village to pay their fair share. Peter Gustafson

commented on the exportability factor, noting the shocking amount villagers pay to other municipalities with the 1% tax when a purchase is made in those communities. Bernie Lemieux calculated to raise \$350,000 requires 3.5 cents on the tax rate which would mean increasing property taxes or having a local option tax. If the money is not needed by the village then the tax should not be implemented.

Carlton Houghton stated with the tax more is being added on those who have less. John Lajza explained his support of the local option tax as a reasonable approach to keep up village infrastructure to avoid decreasing the value of the houses. It is acknowledged everyone is in a difficult financial situation. The local option tax committee did a great job on the study. The decision to implement the tax will be made by the voters at the village annual meeting on April 7, 2010.

4. Pearl Street Multimodal Transportation Plan Update

Jim Donovan (landscape architect), Greg Edwards (engineer), Eleni Churchill and Jason Charest (CCMPO) reviewed the multimodal plan for Pearl Street. The goal of the project is to make the corridor a model of multimodal transportation and to grow as a village center where businesses want to locate rather than an elongated strip development. The overall recommendations include creating a “complete street” that handles motorists, bikes, transit service, and commuter rail. Land use changes in the corridor need to encourage more mixed use development. Rapid bus transit will allow people to easily commute as will commuter rail service. Vehicle use can be reduced with complete streets which will allow more traffic through without adding more travel lanes. If the attainment status for air quality is lost there will be requirements to decrease emissions. Emissions will have to be tracked so any funding that is received will have to be used for this task rather than on improvements.

Specific recommendations for the village to create a complete street in the near term (within the next seven years) include re-striping a single lane to include a bike lane from Susie Wilson Road on Route 15 to CVE. Driveways should be consolidated to decrease the number of access points. Signal phasing at West Street Extension with an exemption for bus service should be implemented. Street trees, landscaping, textured crosswalks, bus shelters, new street lighting, and banners should be added. Crosswalks at West Street Extension and by CVE will go to bus stops. There will be bus shelters with bike racks (enhanced bus shelters). There will be three lanes by CVE (shared center turn lane). With the three lane configuration versus four lanes it is anticipated there will be a 10% reduction in car accidents. The bike lane ends and goes to “sharrows” to signal the motorist to share the road with bicyclists. There will be pedestrian led intervals for the traffic signal at the Pearl Street shopping centers and vehicle detection on Pearl Street. The light will coordinate with the signal at So. Summit Street. There will be a textured crosswalk at So. Summit Street and School Street and a marked drive at the fire station. In the Office-Residential (R-O) and Residential II districts to increase the number of residences without changing the character of the area streetside in-fill development is recommended. The regulations need to be amended to allow increased density. As improvements in front of CVE are done, commuter train service will begin, perhaps seasonal service or for the weeks of the fair as a start. A temporary train stop must be

developed with the railroad. As commuter traffic builds the stop will become permanent. The shared use path in the railroad right-of-way is already in practice in the country (Rails with Trails program).

Long term improvements (seven years out or more) include an express bus service (rapid transit system), two left turn lanes from West Street Extension onto Pearl Street, construction of a shared use path within the railroad right-of-way, adding sidewalk to feeder roads to Route 15, adding a traffic circle at Gate B by CVE and at the Pearl Street traffic light by the shopping centers, restricting left turns (u-turn opportunities are provided by the roundabouts), and adding a planted median in front of the Essex Junction Shopping Center (Pearl Street will have to be widened for the median). The roundabouts have a diameter of 120' and will allow cars exiting the fairgrounds to re-enter the village rather than being funneled to the west. The bike lane will continue from the shopping centers to Five Corners by removing the green space along the road to accommodate the bike lane.

John Lajza suggested a safety island between the lanes by Warner Ave. to protect pedestrians crossing the road. Greg Edwards pointed out this would negate two lanes going west from CVE which was requested by CVE. Jim Donovan said the idea can be explored. Mr. Lajza mentioned there is queuing at the Susie Wilson Road intersection. Also, cars block the intersection from Route 15 onto Susie Wilson Road. Cross-hatching may be needed.

Deb Billado mentioned the bus stop being so close to the intersection at the shopping centers and traffic trying to go around the stopped bus. Greg Edwards stated the bus company prefers bus stops be located away from intersections and prefers stopping in the travel lane rather than having a bus pull off area. Ms. Billado asked if a traffic study has been done since the improvements to the Susie Wilson Road intersection. Eleni Churchill agreed the function of the intersection with the improvements need to be analyzed.

George Tyler asked if 'complete streets' will become federal policy for grant approval. Jim Donovan said FHWA favors complete streets and there are bills to mandate the policy. Work funded with federal money will require complete streets. The state is moving in this direction as well. Eleni Churchill added sustainability and livability are crucial factors for getting grants.

Steve Schonberg, Post Office Square, observed to be more friendly for pedestrians and bicyclists means more restrictions on cars. Both shopping centers serve local residents as well as the larger Chittenden County population. More obstacles for car traffic will impact businesses that depend on customers who drive to their business. The 'complete street' concept seems to serve the local population well, but not the drive-to population. Jim Donovan replied the change to the traffic signals provides the same or better level of service for vehicles. Also, the changes proposed when made to other corridors in the long run improves traffic because there is a steadier flow so more traffic moving through can be handled. Greg Edwards added the intersections control mobility in the corridor.

Changes are not proposed to the intersections (lanes or capacity is not being decreased at the intersections).

Dave Crawford mentioned the speed limit on the railroad tracks (currently 10 mph) needs to be increased for the commuter train otherwise travel will be faster by car and people will not use the train. New England Central Railroad is willing to allow as a pilot project the multi-use path in the rail corridor from the Amtrak station north. This is the first project of this type in the country. Regarding the bike lane from the shopping centers to Five Corners there may not be enough room in the right-of-way for all the suggested improvements.

George Tyler suggested at some point an abbreviated presentation highlighting the Susie Wilson Road area should be given to the Essex Selectboard. Deb Billado suggested inviting the Selectboard to the presentation of the final version of the plan.

Comments on the project need to be submitted as soon as possible to CCMPO. The budget for the project ends June 30, 2010. The Trustees will discuss the project at the 4/13/10 meeting. CCMPO will finalize the plan.

IV. OLD BUSINESS

1. Village Annual Meeting Preparation

Deb Billado will draft talking point on the General Fund budget. Dave Crawford will draft questions/answers on the articles.

V. NEW BUSINESS

None.

VI. VILLAGE MANAGER'S REPORT

1. Meeting Schedule

- April 7 @ 7:00 – Village Annual Meeting (community dinner at 6 p.m.)
- April 13 @ 6:30 – Regular Trustees Meeting
- April 13 from 7 AM to 7 PM – Annual Village Meeting Australian Ballot Voting
- April 22 @ 8 AM – Special Meeting: Board Retreat
- April 27 @ 6:30 – Regular Trustees Meeting
- May 18 @ 6:30 – Regular Trustees Meeting
- May 25 @ 6:30 – Regular Trustees Meeting
- June 8 @ 6:30 – Regular Trustees Meeting
- June 22 @ 6:30 – Regular Trustees Meeting

2. Tax Collection Date

The Board will discuss possible interim steps to address late payment of taxes (there is an increase in occurrences likely due to current economic conditions and impact on village taxpayers). Current policy is the date is firm.

3. Written Manager's Report

The Board reviewed the written report from the Village Manager covering the meeting schedule, Pearl St. streetscape project, train station project, update on stimulus grants, treatment plant filter problems, storm water issues, railroad connection upgrade, and information on the Prouty Building.

4. Budget Presentation

Channel 17 will broadcast presentation of the village budget on March 29, 2010.

VII. TRUSTEES COMMENTS/CONCERNS

George Tyler suggested the duties and responsibilities of the Village President be defined. Dave Crawford will research the matter with VLCT for discussion at the 4/13/10 meeting.

VIII. CONSENT AGENDA & READING FILE

MOTION by John Lajza, SECOND by Peter Gustafson, to approve the consent agenda as follows and with the addition of the sale of surplus equipment (high efficiency aeration blower):

- 1. Approve Minutes of Previous Meetings (2/23/10 & 3/9/10)**
- 2. Approve Warrants**
- 3. Approve seeking STAG grant funds for manhole and pipeline inspections.**

VOTING: 4 ayes; motion carried.

IX. EXECUTIVE SESSION

MOTION by Peter Gustafson, SECOND by George Tyler, that the Board of Trustees go into Executive Session to consider legal matters, contract negotiations and personnel matters, and potential budget changes related to personnel issues where premature general public knowledge would clearly place the Village at a substantial disadvantage, and to invite the Village Manager to attend. VOTING: 4 ayes; motion carried.

The Board entered Executive Session at 9:55 p.m.

MOTION by George Tyler, SECOND by John Lajza, to adjourn Executive Session and reconvene the regular meeting. VOTING: 4 ayes; motion carried.

Executive Session was adjourned and the regular meeting reconvened at 10:29 p.m.

X. ADJOURNMENT

MOTION by John Lajza, SECOND by Deb Billado, to adjourn the meeting. VOTING: 4 ayes; motion carried.

The meeting was adjourned at 10:30 p.m.