



CAPITAL PROGRAM REVIEW COMMITTEE NOTICE & AGENDA
TUESDAY, FEBRUARY 19, 2019 at 6:00 PM
81 MAIN ST., ESSEX JUNCTION, VT 05452

1. Call to order
2. Agenda changes/additions
3. Public comments
4. Discussion topics:
 - a. Capital funding revenue options
 - i. Data on Town and Village local option tax
 - b. One capital account for all project types or multiple capital accounts (i.e. sidewalks, waterline, sewer, etc.)
 - c. Committee's role in Village buildings
5. Review and approve minutes of previous meeting 11/6/18
6. Adjourn

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Certification: 02/15/2019 AMitchell
Date Posted Initials

MINUTES SUBJECT TO CORRECTION BY THE CAPITAL PROGRAM REVIEW COMMITTEE. CHANGES, IF ANY, WILL BE RECORDED IN THE MINUTES OF THE NEXT MEETING OF THE COMMITTEE.

**VILLAGE OF ESSEX JUNCTION
CAPITAL PROGRAM REVIEW COMMITTEE MEETING
MINUTES OF MEETING
February 19, 2019**

TRUSTEES PRESENT: Andrew Brown (Chairman), Kevin Collins, Tim Dall, Amber Thibeault
ADMINISTRATION: Evan Teich, Unified Manager; Sarah Macy, Finance Director/Assistant Village Manager; Rick Jones, Public Works Superintendent
OTHERS PRESENT: Cathy Ainsworth (Recording Secretary)

1. CALL TO ORDER

Mr. Brown called the meeting to order at 6 PM.

2. AGENDA CHANGES/ ADDITIONS

There were no changes to the agenda.

3. PUBLIC COMMENTS

There were no comments from the public.

4. DISCUSSION TOPICS

a. Capital Funding revenue options

i. Data on Town and Village local option tax

Mr. Brown introduced the discussion of a Local Option Tax to be considered for new revenue toward the Capital Plan. Ms. Macy provided a spreadsheet overview and talked about Village and Town Local Option Tax projections, for FYE 2016, 2017 and 2018, after the state of Vermont's percentage, if the municipalities had collected a Meals and Rooms tax (MRT), a Sales and Use tax (SUT) or both over these years.

Essex Local Option Tax projections			
	MRT	SUT	Grand Total
2018	301,630.52	1,025,321.68	1,326,952.20
2017	296,557.28	976,601.53	1,273,158.81
2016	272,317.48	965,581.11	1,237,898.59
Grand Total	870,505.28	2,967,504.32	3,838,009.60

The committee discussed parameters of local option taxes and Ms. Macy shared a relevant fact sheet from the State. Ms. Macy pointed out that a Sales and Use tax is not applied to gasoline, heating fuels for domestic use or car sales in Vermont. Mr. Teich reminded the committee that the tax would also be applied to industrial worksites like Global Foundries. Mr. Teich explained that, once a tax is adopted, it is applied across-the-board, but if specific businesses show tax hardship, Essex may decide that these businesses should receive rebates from the municipalities. Ms. Thibeault pointed out that if the SUT is too cumbersome, a solution could also be to only implement the MRT.

The committee talked about when to discuss and strategize the Local Option Tax option with the Town. They pointed out that together, the municipalities would need to determine how revenue should be parceled out and/or agree on joint projects where these funds could be used. The committee proposed

that, by the 2020 vote, experts from the Department of Revenue, along with board members from the two municipalities, should present the merits of these taxes to the taxpayers. They discussed the pros and cons of including the tax conversation in consolidation and merger discussions. Mr. Teich and Mr. Collins stressed the importance of using local option tax revenue only for capital projects, not operating costs, in order to assure voters that their taxes will be used for community improvements.

Mr. Brown asked the committee members for questions they to be answered before the next meeting.

- Mr. Dall wondered how local option taxes would affect contractors. Ms. Macy agreed to check into this.
- Mr. Dall wondered how the taxes would affect local employers. The committee discussed the fact that all other locales in the area are also applying local option taxes and guessed that the risk that people choose to purchase elsewhere may be low.
- Mr. Collins discussed, based on experience, the need for taxpayers to know specifically how the taxes will affect them. Mr. Teich said that the fact sheets from the state will be helpful with this.
- Mr. Collins wondered if the state could break out tax reimbursements to each specific municipality. Staff agreed to research if this is possible.
- Ms. Thibeault wondered how the MRT would apply to Air B&B and other home businesses.

b. One capital account for all project types or multiple capital accounts (i.e. sidewalks, waterline, sewer, etc.)

Mr. Collins introduced the discussion of how to prioritize capital accounts. He pointed out that big projects, which grouped multiple needs, were prioritized during the capital projects' ranking process, while sidewalk improvements were pushed back. He wondered whether sidewalk repairs could, instead, be funded through a regular allocation of money, the way sewer and water projects are funded. Ms. Thibeault and Mr. Jones discussed how road improvement funds are put aside each year and the merits of establishing a similar protocol for sidewalk repairs. The committee asked Mr. Jones to determine what sidewalk projects could take place using 5% or 10% of the budgeted \$365,000 in FYE 2020 capital plan. They requested that Mr. Jones bring these to the next Capital Program Review Committee meeting, for further discussion. The committee agreed to discuss, in the next meeting, what impact this would have on scheduled capital projects.

c. Committee's role with Village buildings

Mr. Brown introduced the discussion of what role the committee sees themselves having with building improvement projects being identified by the building needs assessment consultant. Mr. Dall disclosed that he is involved with the consultant's work on this assessment. Mr. Brown proposed, and the committee agreed, to table the discussion until their next meeting.

5. REVIEW AND APPROVE MINUTES OF PREVIOUS MEETING 11/6/18

**MOTION by Amber Thibeault, SECOND by Kevin Collins, to approve the minutes of 11/6/18.
VOTING: unanimous (4-0); motion carried.**

6. ADJOURN

**MOTION by Amber Thibeault, SECOND by Tim Dall, to adjourn the meeting.
VOTING: unanimous (4-0); motion carried. The Meeting Adjourned at 7:00 PM**

Respectfully Submitted,
Cathy Ainsworth