

**VILLAGE OF ESSEX JUNCTION
CAPITAL PROGRAM REVIEW COMMITTEE MEETING
MINUTES OF MEETING
April 2, 2019**

TRUSTEES PRESENT: Andrew Brown (Chairman), Kevin Collins, Tim Dall, Amber Thibeault
ADMINISTRATION: Evan Teich, Unified Manager; Sarah Macy, Finance Director; Rick Jones,
Public Works Superintendent
OTHERS PRESENT: Raj Chawla

1. CALL TO ORDER and PLEDGE OF ALLEGIANCE

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

2. AGENDA CHANGES/ ADDITIONS

Mr. Brown added a discussion of the Paver Study on the agenda as item 4c, then renumbered the Sidewalk fund as item 4d and the Committee's role with Village buildings as item 4e.

ANDREW BROWN made a motion, seconded by AMBER THIBEAULT, to approve the agenda as amended. VOTING: unanimous (4-0); motion carried.

3. PUBLIC COMMENTS

There were no comments from the public.

4. DISCUSSION TOPICS

a. Local Option Tax

Mr. Brown introduced the Local Option Tax (LOT) discussion as an ongoing fact-finding process to feed policy conversations at the Village of Essex Junction Trustees and the Town Selectboard meetings. Ms. Macy provided and discussed a memo she wrote about how a LOT would impact residents and businesses of Essex and answered questions posed, at the previous Capital Program Review Committee meeting. She shared state information about how contractors pay local option taxes based on where they buy supplies and if their project qualifies as tax exempt. She talked about how a Local Option Meals and Rooms tax would apply to AirB&B rentals, pointing out that the tax applies unless renters stay in the B&B for more than 30 consecutive nights. She discussed a LOT's impact to residents' Water/Sewer, Electricity, Heating, Gasoline (for vehicles), Cable TV, Internet, and Cell Phone expenses.

Raj Chawla, a business owner, discussed his experiences paying LOTs. He explained that he can choose to either pay these directly, as a cost of doing business, or charge his customer and be exempt from the tax when buying supplies. Ms. Macy said she would verify, with the State of Vermont, how LOTs apply when retailers and sellers act as contractors. She also offered to research whether the LOT should be applied at the point of sale or the point of delivery, if goods are bought to be delivered.

Mr. Brown, Ms. Thibeault and Mr. Teich discussed the importance of having conversations with manufacturing businesses to determine their LOT practices. Mr. Collins recused himself from this discussion. Mr. Teich wondered how large manufacturers, such as Global Foundries, break out LOTs within their operational costs. Ms. Macy was wondered if rebated organizations report Essex or the state.

The committee agreed they would plan a report outline about LOTs at their next meeting.

b. Village Annual Meeting presentation and discussion

Mr. Brown introduced his plan to conduct a straw poll at the Village Annual Meeting, as discussed in the recent meeting of the Village Trustees. Mr. Brown shared his slides for introducing the Straw Poll, informing residents about how to make a robust investment in roads, considering three options: Taking out a Bond, with interest; making a Capital Boost of \$1 million by raising property taxes; or implementing a Local Option Tax to be directed toward infrastructure.

Mr. Teich pointed out that the LOT is the only option where residents are not solely responsible to raise all the funds. Mr. Collins suggested residents may like to know that neighboring municipalities are already applying LOTs. He wondered if combining Village capital projects with the Town Outside the Village projects could change the cost to Village residents. Mr. Teich explained combining the Capital road projects would not benefit the Village residents.

The Committee discussed the format of Mr. Brown's presentation, commending its conciseness. Mr. Dall said that it could help for Mr. Brown to mention that future capital projects have been ranked and costs have already been scaled back. Ms. Macy confirmed that the calculations in the slides include construction cost inflation of 5% per year through 2027. The Committee discussed reformatting the "Options" slide to show the information in columns, for ease of comparison, and the "Funding Projections" slide be formatted as a bulleted list under a heading that says "Options to Shorten the Timeline for Fixing Roads".

c. Paver Study discussion.

Mr. Collins requested that the Committee discuss Essex's paver study, that was conducted to evaluate roads and inform yearly paving efforts. He noted that, with paving no longer included in the Village Capital fund, it is now unclear how to access information about paving. He was also uncertain about how the paving budget is being managed. Mr. Teich explained that the Village Paving budget still has Village oversight and decisions are still made by the Village on these projects, even though the budgeting is consolidated but budgeting for paving cannot exceed 9%, without discussing the change with the Town. He also pointed out that the Paver study is not yet finished by the CCRPC. He described some of the dynamics between Town and Village staff that contribute to cost savings: applying for funds, conducting inspections and capital planning. The town engineer helps Mr. Martin with grant writing efforts, and Town staff serve as inspectors so the Village does not have to contract out for inspectors. Mr. Collins thought that it would be helpful for residents to hear about the benefits of sharing human resources in this way. Mr. Teich assured the Committee that Mr. Lutz would distribute the paver study to them when it is complete. The committee also agreed that the West Street project and grant could be discussed in May.

d. Sidewalk fund

The Committee agreed that this item should be moved to the June meeting and requested that the CCRP map about sidewalk needs be distributed to the group via. dropbox.

e. Committee's role with Village buildings

The Committee agreed that this item should be addressed at a future meeting.

5. REVIEW AND APPROVE MINUTES

a. Approval of Minutes: February 19, 2019

Mr. Collins provided the following changes to the minutes:

On the first page: Remove the words "and PLEDGE OF ALLEGANCE" in item number 1; in the second paragraph of item 4.a.i., line 3, replace "Collins" with "Teich".

On the second page: in the second line of bullet #4, remove "in accordance to the grand list".

AMBER THIBEAULT made a motion, second by KEVIN COLLINS, to approve the minutes of 2/19/18, with committee member changes. VOTING: unanimous (4-0); motion carried.

6. ADJOURN

AMBER THIBEAULT made a motion, second by KEVIN COLLINS, to adjourn the meeting. VOTING: unanimous (4-0); motion carried. The Meeting Adjourned at 7:00 PM

The committee set their next meeting for Tuesday May 21, 2019.

Respectfully Submitted,
Cathy Ainsworth