

Waterbury Select Board Meeting
Monday May 16, 2016
7:00 p.m.
Minutes

Present: D. Schneider, C. Viens, C. Nordle, M. Frier, J. Brown, select board members; S. Lotspeich, Community Planner; B. Farr, LTCR Director; D. Sweet, Lister; and W. Shepeluk, Municipal Manager

Public: Paul Arnot; Robert Dombrowski, Z. Gordon, L. Parette, Whitney Aldrich, Wade Hodge, Monica Callan, Peter Holm, S. Blow, Waterbury Record; A. Imhoff, ORCA Media;

Don Schneider called the meeting to order at 7:00 p.m.

The board considered the agenda for the meeting. W. Shepeluk recommended removing letter b, the MOU with Hope Cemetery Association, from the agenda as all requested materials have not been submitted by the association. D. Schneider suggested adding an item, the consideration of a memorial bench to be placed in the library's "Word Garden." C. Nordle suggested that the issue be placed on the agenda for the next meeting as its inclusion this evening would not allow informed input from the public. The other members agreed. J. Brown moved to approve the consent agenda as printed, but without letter b, as recommended by the manager. C. Nordle seconded the motion and the vote in favor was unanimous.

There was no public comment.

Paving: The meeting was a bit ahead of schedule so the board moved up the discussion the 2016 paving plan. W. Shepeluk reported that the town's application for a Class II Paving Grant was not funded by the state. The town's request was for \$108,000 and was to be used to fund a \$135,000 paving project on Blush Hill Rd. The manager consulted with Celia Clark, Highway Supt. and Bill Woodruff, Public Works Director and the three staff members all recommend that the Blush Hill project should still go forward. The attached memo outlines the manager's recommendation to amend the 2016 paving plan, given the lack of grant funds. The board asked some questions and considered the recommendation. The board asked for some time to consider the recommendation and asked the manager if a decision could wait until the next meeting. Shepeluk agreed a decision could wait. The board directed the manager to include the issue on the agenda for the next meeting.

Taxes on Undeveloped Lots: Paul Arnot, a local developer, appeared to discuss his residential development, Waterbury Commons that is under construction on Perry Hill. Chris Nordle recused himself from the discussion as he provides legal services to Mr. Arnot. Mr. Arnot is concerned about property taxes and their impact on the "carrying costs" a developer must bear while a multi-lot residential development is under construction. He suggested the town's Listers and appraiser must be careful when valuing the lots for tax purposes. He stated that while it was reasonable for the taxable value of a single building lot to increase significantly when water, sewer, electricity are brought to the lot or when a driveway is established, it is not quite so reasonable for such a significant increase to be recorded for all lots in a multi-lot development when utilities and driveways are made available. Arnot said that months may pass before the sale of any one such "improved" lot. He wondered whether the town might consider entering into tax stabilization contracts with developers like himself who are "carrying the cost of development" while trying to provide needed housing that meets goals established in the Town Plan. Several members of the board indicated an understanding of the issue, but made it clear that any proposed "tax agreements" on such properties be made available to all developers of similar properties in an even

handed manner. Shepeluk stated that tax agreements entered into by the select board might be applicable to the town's municipal tax, but not the village tax or the education tax. He suggested that working with the Listers to make sure the appraised value was "reasonable" might be a better way to proceed as all property taxes that are assessed are based on the valuation of the property. The board encouraged Mr. Arnot to work with the Listers and the municipal manager concerning the value of his property. The board indicated a willingness to consider some type of tax stabilization agreement for these types of development if a fair policy and procedure can be developed.

Tax Stabilization Policy: Zoe Gordon, economic development director of Revitalizing Waterbury appeared to discuss the potential development and implementation of a policy for tax stabilization agreements. Ms. Gordon distributed a draft, sample policy to the board for their consideration. She and Shepeluk presented a brief history of tax stabilization agreements that have been offered by the Town of Waterbury. The last and only known contracts were established in the early 1980s and were between the town and Karl Suss America and the town and Ben & Jerry's Homemade. The agreements expired long ago. Shepeluk explained that in 1997, the voters of the town authorized the select board at town meeting to enter into tax agreements with property owners without having to bring the agreements to town meeting for ratification. As far as he knows, the authority is still in place. Ms. Gordon stated that use of such agreements can be an effective economic development tool for the community. C. Viens agreed, but also stated that development, especially commercial or large-scale residential development, can impose a burden for services on a community. He said the town ought to consider carefully the costs as well as the benefits of implementing tax stabilization agreements. The pros and cons of the concept were discussed. There was a unanimity of sentiment that a policy for these types of agreements should be developed before any are implemented. C. Nordle suggested that such a policy should incorporate community's sentiments that are expressed in the Town Plan and that the implementation of the policy through a tax stabilization agreement should help meet development or housing goals expressed in the plan. The other members agreed and asked W. Shepeluk and S. Lotspeich to work with RW and Zoe Gordon, in particular, to bring a policy to the board for its consideration.

C. Nordle excused himself from the meeting at 8:25

Downtown Way Finding: Z. Gordon & L. Parette appeared to present some information to the board concerning "Way Finding" signs proposed for the downtown, with hopes of incorporating some of the proposed signs into the Main Street Reconstruction Project set for 2018-2020. The board expressed thanks for the presentation. D. Schneider cautioned against "too many signs as they can be overwhelming for visitors".

Healy Court Elevation Project: B. Farr introduced Whitney Aldrich and Wade Hodge to the board. They own 5 Healy Court, one of the homes that will be elevated through the HMGP grant. Farr reported that Jeff Kilgore, Esq. has drafted a contract between the town and Don Welch, Architecture in the amount of \$92,000 for the first phase of elevating the Aldrich/Hodge home. She recommended approval of that contract. She also reported that a second contract will be drafted for the same parties to conduct a second phase of construction after the state approves the additional money to complete those additional elements. M. Frier made a motion to authorize W. Shepeluk, municipal manager, to sign a contract with Don Welch, Architecture for \$92,000 for the first phase of the elevation project. J. Brown seconded the motion and it was approved unanimously.

M. Frier made a motion to authorize the municipal manager to sign the contract for Phase II of the project if and when the state approves the funding, with the understanding that the additional state funding and funding from the property owners will cover all costs of Phase II and that the town's "expenses" will be limited to in-kind services provided by staff. J. Brown seconded the motion, which was approved 4-0.

Randall & Elm Streets-Historic Architectural Analysis: The Division of Historic Preservation and FEMA had requested a 106 Historic Preservation Review prior to approving an HMGP elevation grant for 8 homes, 7 which are in an historic neighborhood on Randall and Elm Streets. A CDBG grant has been awarded and approved earlier by the Select Board. An RFP was distributed with 6 qualified responses for architectural renderings of the 7 homes in the historic neighborhood. 4 firms were interviewed and Wiemann-Lamphere was selected with the best proposal and under budget, at \$20,248. The grant also included the need for an archeological review and an historic preservation consultant to prepare a final report on the potential impact of the elevations to be submitted to the Division of Historic Preservation for approval. J. Brown made a motion to authorize the municipal manager to sign a contract with Wiemann-Lamphere in the amount of \$24,248 to do the work described. M. Frier seconded and the motion was approved 4-0.

Village Center Designation: S. Lotspeich provided the board information about a "Village Center Designation" for the neighborhood in the immediate vicinity of the "common" in Waterbury Center bounded by Maple Street, Guptil Road and Howard Avenue. Jane Brown reported that she owned property in the proposed district and as such she would recuse herself from the discussion and any vote that may occur. Lotspeich introduced Monica Callan and Peter Holm, both of whom recently purchased the former Grange Hall in Waterbury Center. Lotspeich described a public meeting that had been held on May 11th where 14 community members heard about the advantages of the designation. Owners of "income producing properties" can be eligible for tax credits for making improvements to buildings within the district. See attached. Lotspeich recommend the town apply to the Vermont Department of Housing and Community Affairs for a "Village Center Designation" for the area described. A map of the proposed "Village Center" must accompany the application. He stated that a letter of recommendation for the district must be provided by the Central Vermont Regional Planning Commission. That organization has agreed to make the recommendation and will produce the required map, as well. M. Frier made a motion to authorize the municipal manager to sign the application for the Village Center Designation. C. Viens seconded the motion. It passed 3-0, with one abstention recorded for Jane Brown.

Waterbury Reservoir Greeter Program: S. Lotspeich reported that the state's Agency of Natural Resources has approved the town's application for a grant that will allow the Friends of the Waterbury Reservoir to employ a "greeter/educator" to be posted at the various boat launches on the reservoir. The main function of the greeter will be to educate the boating public about preventing the transport of invasive plant species between water bodies on boats. The grant amount is \$1,750 and the town will pass the money through to the Friends of the Waterbury Reservoir, according to the state's schedule, once a sub-grant agreement between the town and the "Friends" is executed. Mark Frier made a motion to authorize the manager to sign the grant agreement with the state and to sign a sub-grant agreement with the Friends of the Waterbury Reservoir. C. Viens seconded the motion which was approved unanimously.

Budget Report: W. Shepeluk presented a budget report to the board for the town's three operating funds-general fund, highway fund and library fund. The report covered the period January 1, 2016 –April 30, 2016-approximately one-third of the budget year. The income and expense reports are attached. There is nothing extraordinary or out of line to report. Through the period, spending is about 20% of budget, but as some large expense lines are "back-loaded" in the year, this spending rate is expected. The

manager discussed the balance sheet of the Tax Stabilization Fund. He reported that he has taken action to rebalance the portfolio to reduce the exposure to equity securities in the fund by selling \$200,000 worth of mutual funds within the past 6 weeks. He explained to the board that of the “invested” portfolio equities represent about 42% of the total, well below the 50% threshold outlined in the investment policy. He reminded the board that \$308,500 still is present on the balance sheet as loans to the town’s Capital Improvement Funds. At 4%, the loan will yield more than \$12,000 of income to the Tax Stabilization Fund this year. In addition, \$32,100 of principal will be paid back to that fund in 2016. The manager and the treasurer keep watch on the financial markets and surplus cash will be reinvested when it is prudent to do so.

Recreation Director: W. Shepeluk reported that 35 applications for the position of recreation director had been received. He has narrowed the field to 8 candidates. The search committee will meet Tuesday night to review and discuss the credentials of the current candidates. Interviews will be scheduled perhaps as early as next week. The manager hopes that an offer of a job can be made by June.

Adjournment: M. Frier made a motion to adjourn, which was seconded by C. Viens. The motion was approved without dissent and the meeting adjourned at 9:43 p.m.

Respectfully submitted,

William Shepeluk, Municipal Manager

Approved on: June 6, 2016