

Minutes of the Charter – Informational Meeting - Select Board  
Monday, October 30, 2023  
Steele Community Room, 28 North Main Street and via zoom

**Attendance:** Alyssa Johnson, Kane Sweeney, Mike Bard, Roger Clapp; Board; Tom Leitz Municipal Manager, Karen Petrovic Town Clerk

**Public Attendance:** ORCA Media, Tom Gloor, Lisa Scagliotti Waterbury Roundabout, Ingrid & Bill Shepeluk, Doug Greason & Pegeen Mulhern, Marie-Andree Gervais & Mary Koen, Rachel Muse Library Director, Billy Vigdor, Dana Allen

**ZOOM:** Carolyn & John Ritter, ORCA Media, Dani Kehlmann Select Board, Natalie Sherman, Theresa Wood, Laura Parette, Elizabeth Walton

R. Clapp called Special Meeting to order at 7:05pm and stated that a pillar of the Waterbury Community, Lefty Sayah, passed away earlier today.

**Approve Agenda:** K. Sweeney moved to approve the agenda which was seconded by A. Johnson; a vote was held and passed unanimously.

**Consent Agenda:** A. Johnson moved to approve the Consent agenda which was seconded by K. Sweeney. M. Bard asked what a Tobacco Substitute License is, K. Petrovic stated it is items such as e-cigarettes. A vote was held and passed unanimously.

**Public:** no comment

**Informational Meeting:** T. Leitz began the presentation with background information regarding thoughtfulness of the two articles on the warning for the Charter being considered by Australian ballot at a vote to be held on December 5, 2023.

Visual resource used at the meeting can be found:

[https://www.waterburyvt.com/fileadmin/files/News\\_files/Charter\\_Presentation\\_10.20.2023.pdf](https://www.waterburyvt.com/fileadmin/files/News_files/Charter_Presentation_10.20.2023.pdf)

T. Gloor asked about the data used to collect information for slide #6? T. Leitz was able to explain his rationale using historical data and projecting 50% going forward.

What is the process for getting feedback on how the funds are spent each year? The funds would be broken out in the budget when presented in the Annual Report. The voters at Town Meeting Day also have authority over the spending. T. Gloor felt the categories are very broad and wondered how and when decisions for spending would be decided.

T. Gloor asked about boundaries – Aubuchon Hardware in Moretown would not be subject to a local options tax and worried the other local store would suffer because of the 1% local options tax.

T. Wood wanted to appreciate the staff and Boards' consideration of the local options tax. There are a lot of options about how the money would be used, however, without a vote Waterbury can't have a discussion about how to spend the money.

B. Shepeluk stated he supports the local options tax and wanted to confirm that 70% proceeds of the tax go to the Town and 30% goes to the State. However, the State uses the funds to pay PILOT

installments of which Waterbury is one of the main recipients. T. Lietz stated the Town of Waterbury anticipation a PILOT payment this year of \$300,000 and received \$400,000 in State PILOT payment in 2023

B. Shepeluk stated interest rate to borrow now being at 5%-6% is more in line with where interest rates were years ago opposed to recent history of 2%. He suggests he would like to see smaller ticket items purchased with local options funds so that those are paid from current property owners as opposed to larger ticket items that last longer and newer tax payers get to take advantage of having.

T. Gloor asked to speak again – are there any unknown requirements that the State is going to levy on us now? Policing was mentioned as an example. No, there is no statute that calls for additional employees because of a Charter.

R. Clapp spoke about the need to list priorities for the purpose of the legislators knowing the intend of the spending.

Ballots are available now from the Town Clerk for early/absentee voting. December 5, 2023 voting will take place in person in the Steele Community Room.

M. Bard stated many of the surrounding towns have a local options tax so while he appreciates the thoughts about folks shopping outside of Waterbury to avoid a 1% tax, he feels many won't consider the 1% an inhibitor.

B. Shepeluk spoke about the impact of internet sales, it applies to items that are already taxed but not to non-taxable items. For example, the Hardware store in Moretown, while not having the additional 1% local options tax, it is not possible to make these types of impactful decisions and please everyone, there is a municipal overburden of which many individuals in neighboring communities get to take advantage.

**Adjourn: M. Bard made a motion to adjourn which was seconded by K. Sweeney and passed unanimously.**

# Town of Waterbury Municipal Charter

Shall the Town of Waterbury request approval by the Vermont General Assembly to enact a Town Charter with the following language?

**Article 1: Clarifying the Authority of the Municipal Manager, as Requested by the Selectboard**

The Municipal Manager shall hire, appoint, discipline, and remove all Town employees, subject to the provisions of personnel rules approved by the selectboard.

The Municipal Manager may authorize a department head to hire, appoint, discipline, or remove an employee, subject to the Manager's discretion and supervision.

The Municipal Manager's appointment of a department head shall be approved by the Selectboard.

## Town of Waterbury Municipal Charter

Shall the Town of Waterbury request approval by the Vermont General Assembly to enact a Town Charter with the following language?

**Article 2: The Town Selectboard shall be authorized to levy a one-percent tax on sales, meals and alcoholic beverages, and rooms.**

**Identical to the following Cities & Towns:** Brandon, Brattleboro, Barre City, Burlington, City of Essex Junction, Colchester, Dover, Killington, Manchester, Middlebury, Montgomery, Rutland Town, Rutland City, Shelburne, St. Albans City, St. Albans Town, South Burlington, Stowe, Stratton, Williston, Wilmington, Winhall, Winooski

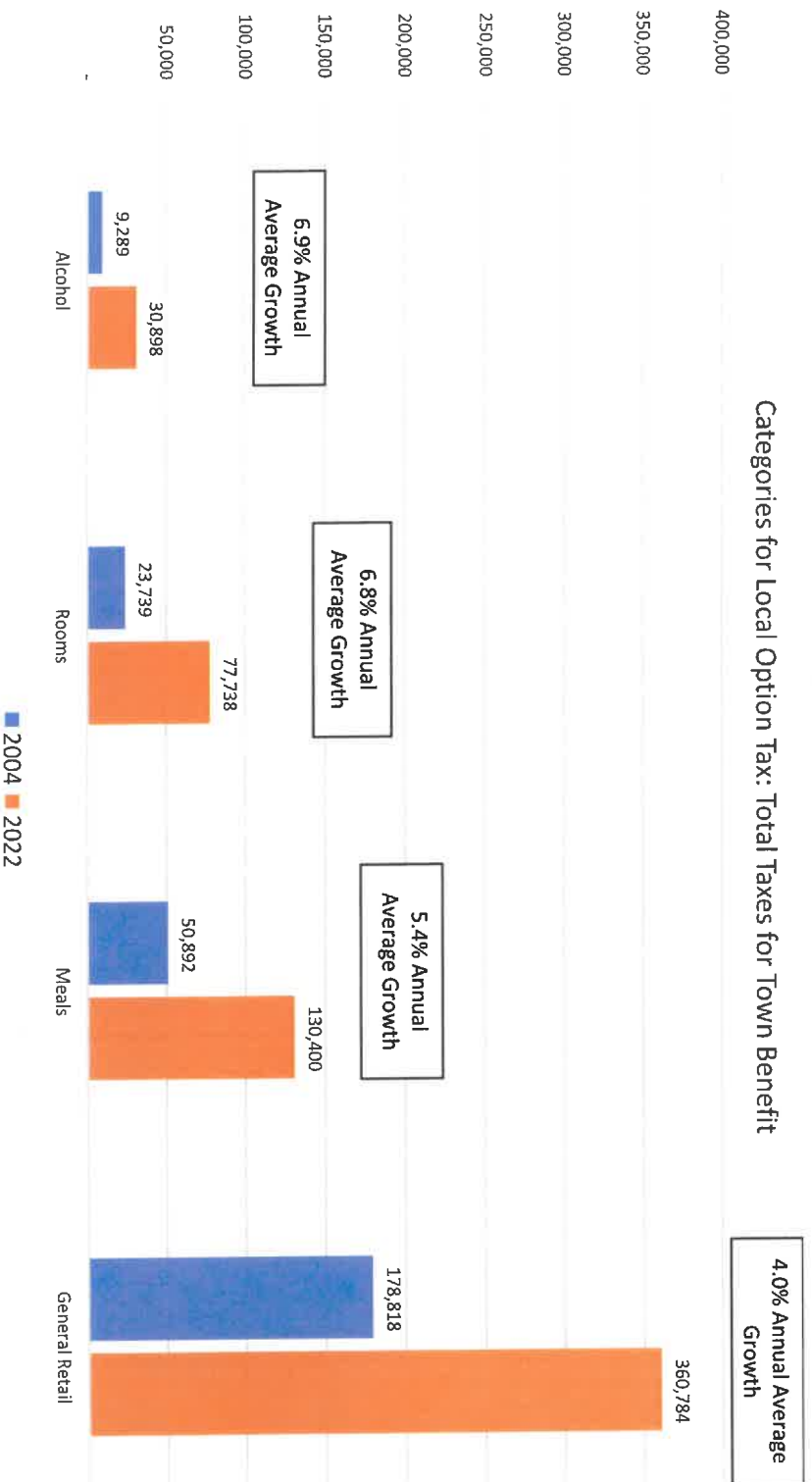
# Town of Waterbury Municipal Charter

## 1% Local Option Tax (LOT) Details

- Sales Tax – currently 6%
- Rooms Tax – currently 9%
- Meals Tax – currently 9%
- Alcoholic beverages tax – currently 10%
- Does **not** impact motor vehicle purchases
- Does not apply to most clothing, groceries, and medicine
- Does apply to short term rentals (Vacasa, Air B&B, etc.)
- Does apply to internet purchases

# Town of Waterbury Municipal Charter: Revenue Implications

Categories for Local Option Tax: Total Taxes for Town Benefit



# Town of Waterbury Municipal Charter: Revenue Forecast

Table below is conservative – growth in sales is 50% lower than historical

- 2025 is realistic first year for revenue collection

Year	Categories for Local Option Tax Revenue					Total Revenue	Impact on Tax Rate (¢)
	Alcohol	Rooms	Meals	General Retail			
2025	\$ 34,209	\$ 85,954	\$ 141,181	\$ 382,735	\$ 644,080	8.26	
2026	\$ 35,390	\$ 88,882	\$ 144,969	\$ 390,345	\$ 659,586	8.46	
2027	\$ 36,612	\$ 91,909	\$ 148,859	\$ 398,106	\$ 675,486	8.66	
2028	\$ 37,876	\$ 95,040	\$ 152,853	\$ 406,021	\$ 691,790	8.87	
2029	\$ 39,184	\$ 98,277	\$ 156,954	\$ 414,094	\$ 708,509	9.08	
2030	\$ 40,536	\$ 101,624	\$ 161,166	\$ 422,327	\$ 725,654	9.30	
2031	\$ 41,936	\$ 105,086	\$ 165,490	\$ 430,724	\$ 743,236	9.53	
2032	\$ 43,384	\$ 108,665	\$ 169,930	\$ 439,288	\$ 761,267	9.76	
2033	\$ 44,881	\$ 112,366	\$ 174,490	\$ 448,023	\$ 779,760	10.00	
2034	\$ 46,431	\$ 116,193	\$ 179,171	\$ 456,931	\$ 798,726	10.24	
2035	\$ 48,034	\$ 120,151	\$ 183,979	\$ 466,016	\$ 818,179	10.49	

## Town of Waterbury Municipal Charter: Revenue Forecast

- How much of the local option tax is paid by residents, and how much by tourists?
- 8.26¢ on your property tax bill equals \$247.80 for a home valued at \$300,000

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## Town of Waterbury Municipal Charter: Local Option Tax

- The Town has one primary revenue source: property taxes
- Draft Selectboard policy on utilizing LOT
  - Payment of existing debt
  - Capital expenses
  - Economic development and community vitality efforts.
  - Municipal investments to generate long-term savings/efficiencies

## Town of Waterbury Municipal Charter: Local Option Tax

- Major challenges on the horizon
  - The lack of affordable housing remains a challenge.
  - Paving budget has been level funded for 3-years. Asphalt is up 40%.
  - We have two fire engines that are 2006 models.
  - Future of policing is uncertain
  - Planning & engineering to advance flood mitigation efforts

## Town of Waterbury Municipal Charter

- Closing thought...fast forward to Town Meeting Day in 2025.
  - Assume a *very* conservative scenario of \$650,000 in local options taxes (no growth in retail sales).
  - The Town could payoff \$256k in outstanding debt. This saves \$14k in interest and amounts to a 2 cent impact on the tax rate.
  - At Town Meeting Day in 2024 the Fire Chief will advocate for a new truck, with a cost of \$370,000. We could issue a short-term line of credit and pay half in 2025, the balance in 2026.
- The above still leaves us with over \$200k in surplus funds.