

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.

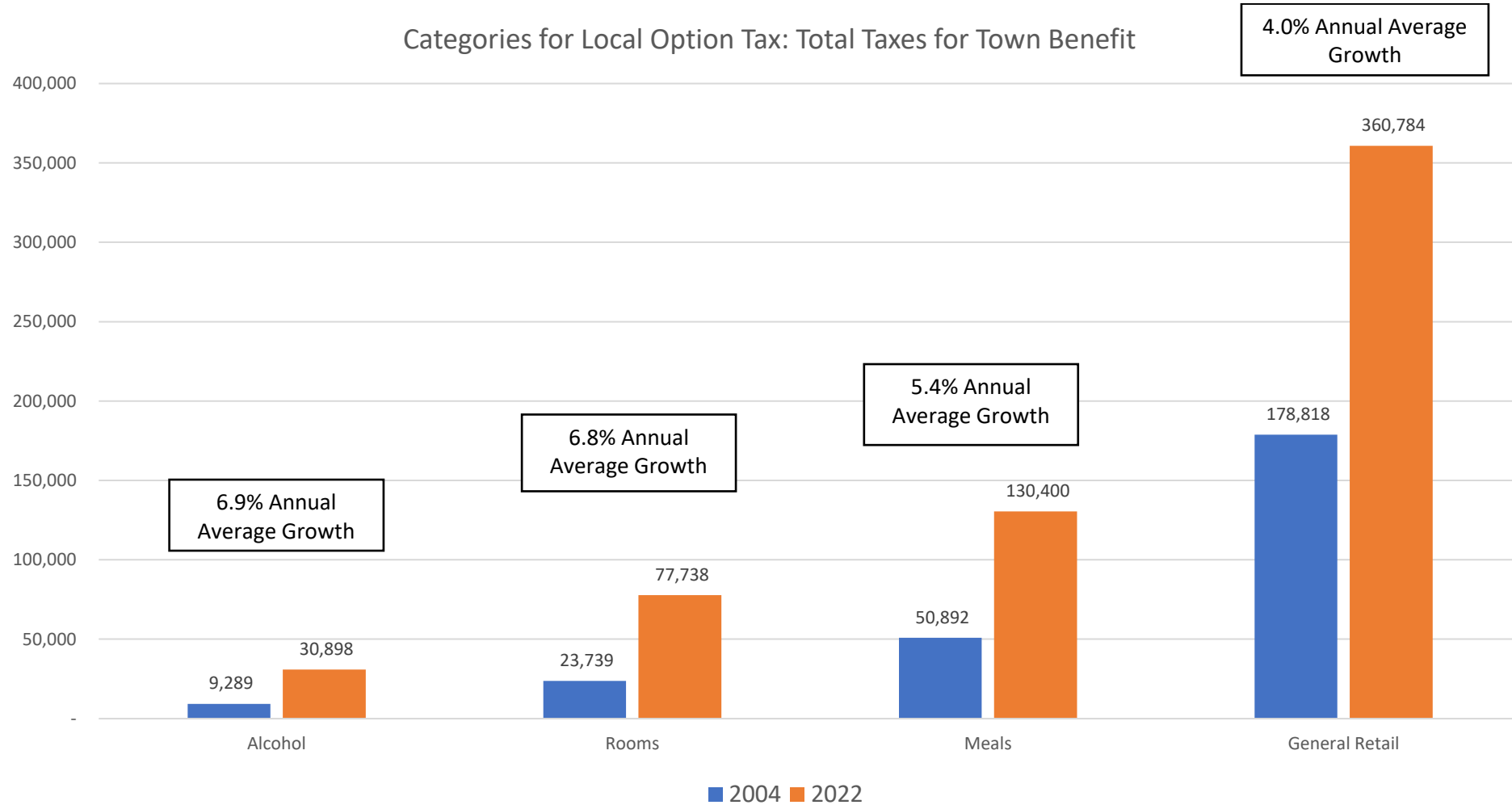
Identical to the following Cities & Towns: Brandon, Brattleboro, Barre City, Burlington, City of Essex Junction, Colchester, Dover, Killington, Manchester, Middlebury, Montgomery, Rutland Town, Rutland City, Shelburne, St. Albans City, St. Albans Town, South Burlington, Stowe, Stratton, Williston, Wilmington,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



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						Impact on Tax Rate (¢)
	Alcohol	Rooms	Meals	General Retail	Total Revenue		
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

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- 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.