



**Town of Berlin
Meeting held at:
Berlin Elementary School
338 Paine Turnpike North
Berlin, VT. 05602
Regular Select Board Meetings
1st & 3rd Monday of Each Month**

Monday, January 18, 2016

6:00 PM-Public Hearing-Local Option Tax

7:00 PM-Selectboard Meeting

Selectboard Members: Ture Nelson, Chair; Jeremy Hansen, Vice Chair; Roberta Haskin, Secretary; Brad Towne and Pete Kelley. Present: Dana Hadley, Town Administrator; Diane Isabelle, Town Treasurer. All items are unanimous unless otherwise noted.

APPROVED MINUTES

Public Hearing- Local Options Tax

The Public Hearing was opened by the Chair.

At the start of the meeting, George Malik, former president of the Central Vermont Chamber of Commerce introduced Bill Moore who is the current president.

Selectboard member Hansen presented a power-point presentation about the local option tax.(LOT) This gave an overview of possible proceeds to the town as well as what is taxed and other details involved in a local options tax. He explained that \$420,000 is expected in income that would offset property taxes. The income would be about 16% of this year's budget. Reducing property taxes is the most popular option. Other ideas include a capital fund for reserves that could be spent on infrastructure improvement. No studies in Vermont exist that support the LOT as a business deterrent. Chair Nelson reviewed how the LOT would affect property taxes should 100% of the income from LOT be dedicated to offsetting property taxes. George Malik had a presentation about the effect the tax would have considering income taxes. Kelley discussed that if the money is used for debt relief services instead of on property tax relief this would benefit taxpayers. Resident and State Legislator Patti Lewis and Malik both said that the overall effect to property owners may be the same. Bob Wernecke asked what is done with the 30% that is taken by the state. Hansen answered that administrative costs are taken out and the rest put in pilot fund pool that the state maintains to fund the pilot program (payment in lieu of taxes) for state properties. LOT can also be assessed on rooms and meals but the town is proposing a tax strictly on sales. A resident asked if the funds have to be used for property relief or it can be used for other purposes. If the question on the Town Meeting Warning specifies what the funds are to be used for such as property tax relief the fund would have to be used for that purpose. If the warning did not specify there may be other ways that future boards could use the funds.

The public hearing was closed at 6:52 pm.

Selectboard Minutes

January 18, 2016

Page 2 of 4

Selectboard Meeting

7:00 pm.

Call to Order

Chair Nelson called the meeting to order. Haskin absent.

Changes to Agenda

None.

Public Comment

None.

Treasurers Report

Isabelle provided the trial balance and budget status report for December as well as year to date accounts payable from July 1, 2015- December 31, 2015 and delinquent tax report as of January 14, 2016. There is a scheduled tax sale tomorrow with only one property to be sold, there were legal issues with the other property that had been on the list for tax sale.

Approval of Licenses, Permits, Vouchers, and Applications

Towne moved to accept payroll warrant number 16-15 for the December 27, 2015 to January 9, 2016 in the amount of \$42,804.11. Also to accept accounts payable warrant number 16g17 with checks 15835-15878 in the amount of \$31,101.36. Also to accept accounts payable warrant number 16w8, water division, with checks 10030-10034 in the amount of \$281,929.76. Journal entries for December 2015 tax administration and December reconciled bank statements for the general fund and water division. Seconded by Hansen. Passed unanimously.

Kathleen Gent and Matt Levin, Central Vermont Solid Waste District

Gent and Levin were present to discuss plans at CVSWD. Gent, the planning analyst from the district, provided materials that explained the benefits to the town for being part of the district and explained grants available for application. The district is in planning phase for a new facility. The planned facility is 7500-8500 square feet at an estimated cost of \$1.5 million for construction and associated costs. There will be an increase per capita in order to fund the new building, making per capita \$2 from the previous \$1. Should the plan not commence, then money would return to the towns and the per capita would return to \$1. The proposed site is in East Montpelier near the Barre Town line in Route 14. One of the most popular programs is the household hazardous waste program, and one of the features of the new building would be to have a permanent drop off location for that program.

Discussion for Preparation of the 01-19-2016 Tax Sale

Isabelle had information to follow up from the conversation about what to do in the event there are no bids on the property. One option that the Town could consider is for the Town Administrator with the direction from the Select Board to bid the minimum amount to acquire the property in the event no one else bids. If this were not to be the case the property must go to tax sale again which includes all new legal fees until it

Selectboard Minutes

January 18, 2016

Page 3 of 4

is sold. Isabelle asked, if no one bids, if the board would give permission to Hadley to bid on the Armstrong property. The amount is \$5,409.92 which is less legal fees. Nelson asked the board if it would like to pursue this option. The property is about .33 acre with a modest house in poor condition. The expense for the town has already been paid in legal fees. Buying the property would take it off of accounts receivable. A resident called and asked if they could bid less. Isabelle discussed that with the town attorney, and the minimum must be bid unless it states otherwise in the town charter. Should it go back to tax sale, the town has to absorb legal fees because the owner of the property can only be charged up to 15% of the property tax in fees. Current legal fees are around \$1,200.00. Towne explained that it would be unfortunate if the town ended up with small lots everywhere that are difficult to resell or would mean taking a loss to sell. At the same time, though, losses are incurred if legal fees have to be paid again to bring it back to tax sale. The property is currently inhabited so control of the building would be assumed by the town after 12 months. The rest of the discussion was postponed as Hansen pulled up the flood map and Isabelle retrieved the exact numbers. Discussion continued after round table. \$5,409.92, and the property is not in a flood zone. Discussion of the options continued. Towne asked if the League has a policy or suggestions on this topic which Hadley will ask about but all towns handle tax sale properties differently. There was general agreement that a plan/policy should be put in place to have protocol for dealing with tax sale properties so the board decided to pass on bidding this time.

Bank Certificate of Deposit Rate. rfp- Received

On the sewer commission, there is an approximately \$350,000 CD coming due January 31. It had a 3% interest rate for 5 years which cannot be renewed. Isabelle requested rates from Northfield Savings Bank, Community National, Merchants Bank, Green Mountain Credit Union, TD Bank, North Country, and VSECU with VSECU not responding to the request. The best rate was from Community National with 1.51%. Next was Green Mountain CU with 1.35%, Northfield Savings was 1.3%, North Country 1.05%, TD .92%, Merchant .55%. Hansen moved to authorize Isabelle to open a CD with Community National at the rate of 1.51%. Seconded by Towne. Passed unanimously.

Audit rfp- Received

Three proposals received. Fothergill, Segal, and Valley proposed a 3 year term with the total for June 2016 being \$15,000, June 2017 being \$15,500, and June 2018 being \$16,000. Total being \$46,500. Mudgett, Jenett, and Krogh-Wisner proposed \$17,500 for 2016, \$18,000 for 2017, and \$18,500 for 2018 for a total of \$54,000. Sullivan, Power, and Company proposed \$16,000 for the first year (2016), \$16,300 in 2017, and \$16,800 in 2018 for a total of \$49,100. Isabelle and Hadley will further review before a decision. Hansen moved to table until town Treasurer and Administrator have had time to review.

Certificate of Highway Mileage for Vermont Agency of Transportation

The certificate is an inquiry to see if the town has added any highways which Berlin has not. Hansen asked about Mercier Road since it was converted from private to town. Towne mentioned that there was no report of road condition so the board did not vote on it or else such a report would have had to have been presented. Hansen moved to accept the certificate of highway mileage from the state agency of transportation. Seconded by Towne. Passed unanimously.

Appointment of Josh Fitzhugh to Full Time Member of DRB

Hadley explained that Fitzhugh is currently an alternate member but has agreed and requested to be appointed to the full time vacancy on the DRB. Hansen moved to appoint Josh Fitzhugh to the DRB. Seconded by Towne. Passed unanimously.

Selectboard Minutes

January 18, 2016

Page 4 of 4

Town Administrator Report

A letter was received from FEMA regarding the Community Rating System (CRS) stating that the town has been enrolled in the program. There will be a 5% reduction in insurance rate for residents who need to have flood insurance.

A check was submitted for the storm water permit paid to the Agency of Natural Resources.

The state has been surveying under bridges on Crosstown Road and bridge by Exit 7. They have plans to do work on them next year. Crosstown Road will not need to be closed when work is done and there are mechanisms that will be in place for keeping traffic to the hospital moving.

The planning commission is still working on zoning regulations and have gone through all the regulations and have come up with a strategy on those. There will be two more public hearings. The select board needs to have two public hearing and the planning commission will recommend that it goes on ballot in November.

The town report needs to go to the printer by January 28.

Approval of Minute(s) of Previous Meeting(s)- 1/4/16

Hansen moved to approve the minutes of the January 4, 2016 budget work session and select board meeting with previously noted changes. Seconded by Kelley. Passed unanimously.

Round Table

None.

Liquor Control Board

Hansen moved to adjourn the select board and reconvene the liquor control board. Seconded by Kelley. Passed unanimously. Hansen moved to approve the liquor licenses for Maplewood Limited of Montpelier, Maplewood Limited of Montpelier Comfort Inn, Wayside Restaurant, Price Chopper number 123, and Jolley Associates, LLC. Seconded by Towne. Passed unanimously. Hansen moved to adjourn the liquor board and reconvene the select board. Seconded by Kelley. Passed unanimously.

No executive session.

Hansen moved to adjourn. Seconded by Kelley. Passed unanimously.

For the Select Board:

Bethany A. Towne