

TOWN OF FAIR HAVEN, VERMONT
SELECTBOARD; Water and Sewer Commissioners; Liquor Commissioners;
Cemetery Commissioners
SPECIAL Select Board Meeting
Municipal Building, Fair Haven, VT -- September 29, 2020 -- 7:00 P.M.

APPROVED MINUTES

Members Present: Bob Richards Jeff Sheldon (on phone), Glen Traverse, Carol Egan

Members Absent: Jay Brown

Others Present: Town Manager Joseph Gunter, Recording Secretary Claire Stanley, Debra Fallon, (on phone), John Lulek, Paul Allen-Webber, Carl Scott

Call to Order: Chairman Bob Richards called the meeting to order at 7:00 p.m. and led the assembly in the **Pledge of Allegiance**.

PUBLIC HEARING to Discuss the 1% Option Tax in Fair Haven: Manager Gunter prepared a flyer "LOCAL OPTION TAX INFORMATION" (mailed to all water/sewer customers in their last billing) and gave an overview of the issues under discussion. The Town voted a \$6.5 million bond for sewer plant upgrade -- \$3.5 million to be paid back over 30 years. The approximately \$152,000 yearly payments will begin in two (2) or three (3) years depending on when construction begins.

In the past, the Board has discussed the few options available for how to reduce the amount paid by water/sewer users, including: only users pay; include on property tax; include in regular budget; and a local options tax.

The Vermont Department of Tax's Economist estimates \$123,000 would be collected by a 1% tax (post Covid-19); 70% returned to the Town (\$86,000); this amount does not count on-line spending -- the State has no reasonable estimate for this amount.

Chairman Richards stated it is felt that the sewer improvement cost should not be placed solely on users which would raise the sewer base rate by \$40 to \$60 per quarter. Mr. Richards stated the sewer system has value to other than (only) users in Town. Mr. Scott commented, the burden might better be placed on property taxes and discussed the Killington situation where an option tax was partially repealed. Mr. Scott asked if Fair Haven attracts enough non-resident shoppers to offset the 30% of the tax collected leaving Fair Haven and going to the State. How much of the estimated \$123,000 is collected from Fair Haven residents and how much is from non-residents? Is the amount collected from Fair Haven residents more or less than the \$85,000 that the Town gets back from the State? Mr. Scott pointed out that a sales tax is a regressive tax meaning it places a higher burden on low-income and elderly residents.

Mr. Paul Allen-Webber (owner of Maplewood Inn) stated small businesses already pay more taxes than individuals, such as rooms and meals, and would find it hard to absorb another. He commented that due to Covid-19, business is substantially lessened for lack of tourism, as well as the loss of Green Mountain College and other College activities; also, what will be lost with people opting to shop elsewhere to avoid the tax. Ms. Debra Fallon closed the Rosewood Café when Covid-19 hit and notes other businesses are in peril and may not make it; this is not a good time to further burden them. Ms. Fallon suggests make efforts to find a business that uses a lot of water such as a car wash to settle their business in Fair Haven to ease the burden. Chairman Richards noted this idea has been discussed by the Board including looking at possibly bottling and selling water; that a car wash was considered by someone but interest did not continue.

Mr. Allen-Webber stated if there was a strong Civic Organization, it would be easier to work on filling empty storefronts; it will be hard to recover from the pandemic while losing more businesses.

Mrs. Stanley stated she is not a water/sewer user, but feels a 1% Local Option Tax paid by all residents, as well as out of Town travelers making purchases in Fair Haven is the most equitable means of mitigating the cost of the sewer plant upgrade.

Chairman Richards noted Covid-19 affects everybody; the sewer rates are going up without doubt; though Fair Haven is not a destination Town such as Killington or Manchester, we are a border Town; a 1% Option tax would help. This meeting is meant to inform and gather more information and input from citizens so voters can make a more informed decision when voting the issue on November 3rd. The Board is trying to make this project as painless as possible for users.

Manager Gunter is asked to get a more accurate breakdown of cost figures: cost per 100 gal.; cost of sharing on both property tax and 1% Option tax, by the next Public Hearing on October 6th before the regular Select Board meeting.

Mr. Traverse made a motion to sign the November 3, 2020 warning of 2 Articles for 1% Local Option Tax; seconded by Mr. Egan and passed.

Mr. Traverse moved to close the Public Hearing at 7:58 p.m.; seconded by Ms. Egan and passed.

Respectfully submitted,
Claire L. Stanley


Jeff Sheldon, Board Clerk