

Stowe Selectboard Special Meeting
Thursday July 9, 2020
Virtual Meeting

Present:

Selectboard Members: William Adams, William Noyes, Morgan Nichols, Lisa Hagerty, Nick Donza
There were 9 participants on Zoom.

Call to Order

Chair Lisa Hagerty called the meeting to order at 7:32am.

Set FY21 Tax Rate

Town Manager Charles Safford presented the Selectboard with tax calculations from Tim Morrissey, Town Appraiser, indicated that based on the budget approved by the Voters at Town Meeting Day 2020 (\$13,014,744) with the amount to be raised by taxes being \$9,937,258, and with the Grand List as set by the Board of Listers being \$22,528,317, and with previously voter approved tax exemptions, the FY21 Municipal Tax Rates would be \$0.4411 for the Town General Fund Tax Rate, plus the \$0.0052 Voter Approved Tax Exemption Rate, for a total Municipal Tax Rate of \$0.4463.

It was noted that the State of Vermont provides the Education Tax Rates for homestead & non-homestead.

The Board discussed concern that this tax rate is higher than was predicted at Town Meeting Day, due to a -lower than anticipated growth in the Grand List. At that time, the Grand List was predicted to grow by 1.5% but actual growth was 0.4%. Mr. Morrissey explained that during the appeals process as well as equity adjustments there was less growth, particularly related to condos at Stowe Mountain Lodge and other timeshare sales being down. He stated that they are estimating slow growth in the next year as well, likely due to COVID-19 impacts.

Mr. Safford noted that usually the voter-approved budget cannot be adjusted, however the State Legislature has authorized local boards to reduce voter approved budgets and tax rates if they so choose this year. The Board discussed the tools for reducing the budget, which would include use to reserves or cutting expenses. Mr. Safford noted to bring the tax rate into alignment with what was projected on Town Meeting Day, the Board would need to reduce the approved budget by roughly \$100,000. He noted that as of the 2019 audit, the Town had \$568,678 in reserves, but that is reduced due to \$166,783 being budgeted in FY'21 to offset current taxes, with an estimated \$300,000 available. This money is built into the tax rate and carried forward each year, at the recommendation of the Auditors who would like to see 5-15% of the total budget in reserves. Mr. Safford cautioned this is not a lot of capacity for unexpected expenses, and the Capital Fund is also stressed due to decrease of Local Option Taxes from COVID-19. The Unallocated Capital Fund is currently at about \$800,000, however the Town is committed to paying debt service, which means that there is nothing left for anticipated FY'21 LOTAC revenue to pay for capital projects approved at the last Annual Meeting, which means the Town will have to draw down on its reserves in order to advance those projects. Looking at possible expenses to cut, Mr. Safford suggested the new position of Buildings & Grounds Director, which would amount to savings of \$137,123. He also suggested removing \$100,000 from Stormwater Permit efforts in the highway budget as another possibility, although he cautioned that there are a number of small and mid-sized culverts that need attention in Town that this would impact. Mr. Safford said that while it was not ideal to have department heads managing facilities, it could continue like that for now as that is what the municipality has historically done. The Selectboard acknowledges this was a needed position, and applauded Public Works for their efforts to date on keeping facilities running but felt this was a position that could wait until the Town is more financially stable following COVID-19.

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On a motion by Mr. William Adams, seconded by Mr. William Noyes, the Board eliminated the Buildings & Grounds Director position from the Voter Approved Budget, reducing the budget by \$137,123. The Board set the FY21 Town General Fund Tax Rate at \$0.4350 and the Voter Approved Exemption Tax Rate at \$0.0052 for a total FY21 Municipal (Non-School) Tax Rate of \$0.4402.

Manager's Report

Mr. Adams asked if the Town had needed to use the line of credit that it had gotten in anticipation of delayed or decreased tax payments. Finance Director Cindy Fuller stated that the Town had been able to manage the cash flow without using the Line of Credit to date. She said tax payments overall have been coming in on target with past years.

There being no further business, Chair Hagerty adjourned the meeting at 8:13am.

Minutes respectfully submitted by Abigail Earle.