

**Stowe Selectboard, Liquor Commission & Water/Sewer Commission Meeting
Tuesday December 27, 2022**

Present:

Selectboard Members: William Adams, Jo Sabel Courtney, Nick Donza, Lisa Hagerty, Paco Aumand
In Person attendees: Paul Sakash, Matt Frazee, Harry Shepard, Cindy Fuller, Scott Reeves, Sarah McShane, Don Hull, Jonathan Thereault
There were 3 participants on Zoom

Call to Order

Chair Billy Adams called the meeting to order at 5:36pm.

Chair Adams spoke briefly about the winter storm that hit the Town on Friday, December 23rd and thanked the many agencies that worked together at the Emergency Operations Center, including Stowe Electric, Police, EMS, Highway and Public Works.

Approve the Agenda

On a motion by Ms. Jo Sabel Courtney, seconded by Mr. Nick Donza the Board approved the agenda as presented.

Consent Agenda

1. 12/12/22 Selectboard Minutes
2. Errors & Omissions
3. Personnel Rules Amendment – EMS VMERS D
4. Liquor Consent Items

On a motion by Mr. Paco Aumand, seconded by Ms. Courtney, the Board approved the Consent Agenda as presented.

FY'24 Proposed General Fund & Capital Budget

Town Manager Charles Safford presented the Selectboard with a proposed General Fund & Capital Budget for FY'24. He began with an overview of the entire budget process, noting that after tonight's presentation, the Selectboard will meet again on January 9th to hear from community organizations requested new or increased funding, then again at a special meeting on Wednesday January 18th for further budget deliberations, with the plan to adopt a final budget and Town Meeting Warning at their meeting on January 23rd.

Mr. Safford explained that this had been a particularly tough budget to develop due to inflationary pressures (CPI-U growth of 7%), growth in service demands, increased reliance on communication technology, and a decline in availability of emergency management volunteers. The budget as Mr. Safford presented it represented a budget increase of \$1,578,678, a 14.59% increase. The proposed budget is projected to increase the municipal tax rate \$0.0565 or 12.34%. Mr. Safford did note that the voters will be asked on Town Meeting Day to consider a 1% Local Option Sales Tax, which is estimated to generate \$700,000 in revenue which would be put towards the General Fund and would result in a municipal tax rate increase of \$0.0275 or 6.01%. Mr. Safford thanked Finance Director Cindy Fuller for her work in pulling the entire budget together.

Mr. Safford then went through each department noting major changes in their budgets. He noted no significant changes in the Accounting, Cemetery, Debt Management, Elections, Insurance, Library, Listers, Parks, Public Works Administration, Solid Waste and Town Clerk departments. He also noted

that while several community organizations have requested new or increased funding, those requests were not included in the proposed budget and will be determined by the Selectboard after the January 9th meeting.

In the Information Technology Department, Mr. Safford noted that a part-time IT Manager with no benefits was proposed to increase to full time with benefits, noting the increase reliance on IT for Town systems to function. The Town provides public safety services and must be operational 24/7/365. The Town also maintains confidential information such as bank routing and social security numbers, so cyber security is important. Other increases in the IT budget include the addition of Microsoft Defender Security Systems previously approved by the Selectboard to protect confidential information, lease payments on a tower on Mt. Mansfield, operational costs related to a communications capital project to improve connectivity throughout Town for Emergency Responders, and the addition of a server at the Wastewater Treatment Facility to provide back up to the Akeley and Public Safety servers. It was discussed that there may be grant funding available to offset some IT costs, which IT Director Jonathan Thereault said he would be watching for and applying for as appropriate.

Administration had budgeted a large contingency of \$133,000 in FY'23, which has been reduced to the standard amount of \$10,000 in FY'24. The larger contingency allowed Administration to absorb some inflationary pressures not budgeted in FY'23, as well as labor negotiations and other uncertainties coming out of the pandemic. It was noted that inflationary pressures remain.

Buildings and Facilities included increased utility expenses for heating oil and electricity in Town buildings. It was also noted that a capital outlay project was included in the operating budget to replace stairs and rails at the entrance to the Helen Day Art Center and railing and some siding at the Historical Society Building, budgeted at \$30,000.

Mr. Safford noted that \$3,200 had been added for training in the Emergency Management budget.

In the EMS department, Mr. Safford explained that -EMT payrates were increased from \$15.28/hour to \$18.00/hour and candidates pay increased from \$5.00/hour to \$13.18/hour, the Vermont State minimum wage. This minimum pay for volunteers / per diems is also reflected in Fire and Stowe Mountain Rescue.

The Equipment Fund Transfer as presented was increased 10.87% to \$510,000. Mr. Safford expressed concern that the Equipment Fund has been particularly hit with inflationary costs and with the elimination of a municipal government discount due to supply chain issues. This discount had been approximately 30-40%. For example, it was explained that a dump truck previously budgeted at \$45,000 went out to bid and came back with a low bid of \$85,000. That purchase was pushed back by one year in the hopes that they will get a better bid price. Mr. Safford warned that the Equipment Fund will go negative by FY'27, however there is hope that once supply chain issues are resolved the municipal discount will return and prices can be adjusted downward but this is not assured. While a fund can go negative, it is a future liability exposure for the municipality that needs to be recognized. It was also noted that some equipment that the Town has historically owned, such as a ballfield groomer and utility vehicle for the Recreation Path, used to be outside the Equipment Fund as they cost under \$10,000 but with increased pricing they now have been added. The Board discussed possibilities such as extending life cycles of vehicles, but it was noted that municipal vehicles often can't afford to become unreliable, particularly in public safety and public works departments. Mr. Safford indicates that the department heads and the mechanic are often pushing to reduce the assumed life cycles, not increase them. It was noted that the Town Mechanic does much of the maintenance and repairs for Town vehicles in house, sending vehicles out for repairs only when they require specialized work at a dealership. It was also noted

that there has been some push to move the municipality to electric vehicles, however the costs for those vehicles would put further pressure on the equipment fund, as well as the need to upgrade electrical in Town buildings to accommodate EV charging.

The Stowe Fire Department has seen both increased number of calls and decreased number of volunteers, particularly those with years of experience. Chief Reeves explained that Year to Date, the Fire Department has been on 429 calls, while in the past they have never gone over 400 calls per year. He said he currently has 24 people on his roster, but many of those are newer volunteers with little to no experience and there are varying levels of a volunteer's availability. Having experienced volunteers that can drive vehicles has become a big challenge for the department. Chief Reeves noted that he has four volunteers who put in the bulk of the hours in Stowe, and he is concerned about burning them out. Recently he experienced having two of his four officers out sick, and having to cover 7 days, 24 hours a day, with only two remaining officers. In FY'23, the Town added two full-time Fire Department employees to allow for surety of service during daytime and weekends. Those officers have also worked on community outreach, equipment maintenance and volunteer training. In FY'24, he requested an additional two full-time employees to help cover shifts. Mr. Aumand expressed concern that positions were being added before a comprehensive study could be completed on the future of the EMS and Fire Departments. While Mr. Safford indicated that he understands the desire to put first things first, he also indicated his immediate concern regarding the current availability of firefighters to provide an adequate response 24/7/365 and that his sense is the study would call for even more full-time firefighters which could compound future budget pressures. He noted that the paid staff not only help provide surety of service but help support the volunteer base which is also invaluable to our response capabilities.

In the General Government budget, it was noted that the Lamoille County Sherriff's Department dispatch services have increased in cost by \$27,691, or 9.55%, and the Lamoille County Court costs have increased by \$23,793, or 8.30%. Mr. Aumand questioned who had approved these county-wide budgets, and Mr. Safford indicated that Mr. Aumand could serve as the representative from the Town at those budget meetings. It was the consensus of the Selectboard for him to do so.

The Highway Department has proposed an 11.86% increase in the paving budget, for a total paving budget of \$486,050, with the intention of milling and overlay on Barrows Road, approximately 1.8 miles. This is a heavily trafficked road that requires additional thickness of paving to be structurally sound. It was noted that there are a number of other roads in Town that could use paving, however prices are increasing and there is only so much that can be done in one Fiscal Year. Other increases in the Highway budget include equipment maintenance cost and the inflation of fuel cost.

Mountain Rescue has increased their officer payrate from \$18.00/hour to \$25/hour for active calls and training. This is in alignment with other Emergency Services.

Mr. Safford explained that the Police Department had originally requested two new patrol officers as part of the FY'24 budget. Mr. Safford included one new patrol officer in the proposed budget before the Selectboard. Chief Hull explained that there are more demands on the department due to growth in the community. Also, the complexity of cases leads to more investigation time, more paperwork and officers often having to stay late or come in early to complete work and are not able to patrol as much as the people of the Town would like. The Selectboard asked about the impact of special events. He noted it is getting difficult to staff special events that require police coverage, and that has led to a reliance on part-time officers. There are currently 13 full time officers, including the chief, and the staffing minimum is at least two officers per 12-hour shift, with a swing shift when staffing allows. Chief Hull noted that many of his officers are younger with family obligations outside of work and that the demands of the job are

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causing additional stress and poor work-life balance, leading to burnout and concern about retention of officers. It was also discussed that the Chiefs salary was raised in recognition of him taking on the Emergency Management Coordinator position previously held by the full-time Fire Chief.

The Recreation Department recently raised rates on field rentals and summer camp fees to offset growing costs of staffing and transportation.

Stowe Arena has experienced an increase in electricity costs, with a budgeted increase in utility costs of 25%.

The Planning & Zoning Department has requested an additional full-time employee to serve as a project coordinator. The Planning and Zoning Departments merged a few years ago and now staff four different committees that meet 1-2 times per month in the evenings, or more than 96 night meetings per year. The amount of night meetings needing to be staffed have led to issues keeping the office open to public during the workday hours, and also staff burnout. There have been increasing demands for zoning permits, and the permits being received are more complicated, requiring more staff time, more permits going before Boards and more appeals. There is an incredibly high expectation of the community on this department from a customer service standpoint, and the current staffing of two full time employees is not able to meet that demand. The Town is also going to need to devote staff time to the upcoming Town Plan update process. Appeals take a lot of time to address, including large legal fees. Mr. Safford noted that the legal budget has historically been budgeted at \$15,000 but with the large number of cases going to litigation they have increased it to \$40,000 and that may still go over budget if trends continue up.

Mr. Safford then went through the Proposed FY'24 Capital Budget, outlining the 8 proposed projects for a total of \$770,000. It was noted that the Local Option Tax that funds the Capital Fund is anticipated to bring in \$1.5M in revenue this year, with \$555,686 earmarked for debt payments for the Stowe Arena and Village Overhead Utility Relocation Project. The projects outlined for FY'24 are: \$35,000 for a comprehensive Fire/EMS study to look at future staffing needs - and organizational structure options; \$35,000 to hire a consultant to assist with community engagement as the Planning Commission provides a Town Plan update; 175,000 for Public Safety Communications System Enhancements, which will provide better coverage throughout the Town. It was noted that the Town has applied for \$50,000 in grant funding towards this project, which would reduce the cost if awarded. \$25,000 for a Town-wide web platform consolidation, as currently the Town, Public Safety, Recreation and Library all have separate web platforms and websites, this would allow for better support and consistency. \$95,000 to rehabilitate the Town Clock and return to the original mechanical gears to operate the clock as the current electric motors are outdated and no longer able to be repaired. \$120,000 for a Stormwater Catch Basin & Line to coincide with a sewer main replacement that makes sense to do at the same time. \$125,000 for Streambank Stabilization at Rec Path Bridge 1. It was asked if the Town should consider widening the bridges on the Rec Path due to increased use, however it was noted that replacement of the bridges might trigger the State to require longer spans and would come at an estimated cost of \$1M per bridge. Finally, the Town has proposed bear-proof trash containers to replace all trash receptacles owned by the Town, including in parks and on Main Street, at a cost of \$160,000. The Board discussed that there have not historically been issues with bears getting into trash on Main Street and the bear-proof containers are not aesthetically pleasing, particularly for the high cost. With this in mind, the Selectboard requested this project be scaled back to not include replacement of the Main Street trash and recycling cans, which would reduce the cost from \$160,000 to \$60,000.

The Board discussed the overall systemic shift in the Town of Stowe post-pandemic, noting that the increase in people both living in Stowe and visiting Stowe have placed additional demand on services.

Also, there are some that desire local government to support a broader range of societal needs such as housing and additional regulatory requirements from the State and Federal governments-. Mr. Safford stressed that there are also increasing pressures from inflation, such as the Equipment Fund which is currently underfunded. Balancing these competing needs in the Town while maintaining the tax rate is increasingly challenging.

The Board then deliberated on the overall budget, noting that they understand the pressures the Town is under, but would like to keep the budget to a 4% increase (if the Local Option Sales Tax is approved) rather than the proposed 8% and the projected tax rate to 3% rather than the proposed 6% (if the LOT Sales Tax is approved). They also discussed the difficulty of increasing taxes while the Town has unallocated reserves in both the General Fund (approximately \$2.5M, mainly from ARPA one-time funding) and in the Capital Fund (approximately \$1.8M). The Town has been cautioned not to use those surplus funds to offset taxes as they are one-time funding that will need to be made up in future years by tax increases, however the Board discussed perhaps using a small amount of the reserves to offset taxes. It was noted that the Capital Reserves are designated from the LOT by policy and to use that money for anything else would require policy changes. Mr. Safford noted that the auditors recommend keeping at least two months cash flow in the unallocated reserves and for emergency purposes.

Mr. Aumand suggested using the Unallocated Capital Reserve Fund to fund the EMS/Fire Department Study immediately rather than waiting for FY'24, which would be a good option to potentially get answers on where to go with staffing prior to hiring more FTEs for the Fire Department. In conjunction with this, he suggested budgeting the two FTEs for 6 months of FY'24 rather than the entire year to give the Town more time to get the results of the study. He stated he wants to support the Fire Services however it needs to be done in a logical and planned way.

On a motion by Mr. Donza, seconded by Mr. Aumand, the Board approved the allocation of \$35,000 from the Unallocated Capital Reserve Fund for a Fire/EMS study to begin as soon as possible.

Mr. Safford suggested that the stairway and railings at the Helen Day Art Center were a liability and if the Board felt they could allocate reserve funds now rather than include the repair in the General Fund for FY'24, then that project could begin sooner and make the building safer sooner.

On a motion by Chair Adams, seconded by Ms. Sabel Courtney, the Board approved the allocation of \$30,000 from the Unallocated Capital Reserve Fund for repairs to the Helen Day Art Center and Stowe Historical Society Building.

Those two projects will be removed from the Proposed FY'24 Capital Budget and General Fund Budget, respectively. Staff will move the EMS/Fire Study and the HDAC/HS stair/railing repairs out of the proposed capital budget and reduce the requested two full-time employees to six months in the operating budget. Staff will further work on the level of unallocated surplus that it will take to meet the Selectboard budget and tax objectives, so the Board can decide how much to use in their upcoming budget deliberations in January.

Manager's Report

Mr. Safford reminded the Board of the January meeting schedule, with meetings on January 9th, a special meeting on Wednesday January 18th and January 25th.

Mr. Safford also advised the Board that the Historic Preservation Commission has sent a letter to a consulting agency working with AT&T about siting of a 140' monopole proposed for Weeks Hill Road,

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requesting that they look at alternative locations that would be less impactful on historic properties throughout town. If the project is advanced, the Selectboard would have the opportunity to provide comment in the future.

There being no further business, Chair Adams adjourned the meeting at 9:33pm.

Minutes respectfully submitted by Abigail Sweetser.