

Municipal Corner – May 2017

Property Taxes: I have been a Town Manager in three different Vermont communities and in each community property owners will come into my office and ask me what they get for their property taxes. In Stowe you receive the following services that are supported by property taxes: highway, police, fire, rescue, mountain rescue, emergency management, zoning, planning, library, cemeteries, conservation, parks and recreation, and administrative services.

The Town owns a great deal of property it also takes care of with property taxes: Mayo Farm, Cady Hill Forest, Stowe Recreation Path, Memorial Park, Sterling Forest, Moscow Field, Helen Day Art Center/Library Building, Akeley Building, Stowe Historical Society & Bloody Brook Schoolhouse, Vermont Ski Museum Building, Public Safety Facility, and Stowe Arena.

Finally the Town takes care of a great deal of infrastructure with property taxes: over 100 miles of roads, 24 bridges, over 600 culverts, catch basins and other storm water systems, sidewalks, and fire hydrants.

All of this takes personnel and equipment. The Town has 60 full-time non-utility employees and a number of part-time employees. It has an extensive amount of equipment, too numerous to quantify here, but the Equipment Reserve Fund currently receives \$410,000 per year in funding. The purpose of it is to fund the replacement of vehicles that cost over \$10,000 on a planned basis.

What is not mentioned above is that most of your property taxes support schools and (percentage?) of it goes to support schools outside of Stowe through the statewide property tax.

Debt Management: The Selectboard recently approved a Debt Management Policy that uses \$500,000 as a guideline. For projects costing under \$500,000, the Town will generally pursue funding through pay-as-you-go capital spending. For projects costing over \$500,000 the Town will generally pursue funding through long-term bonds. The Selectboard also established guidelines on debt limits. It uses the following ratios as a guideline:

Total annual General Obligation Debt as a percentage of its municipal Grant List (total taxable property divided by 100) should not exceed 8.5%.

Total annual General Fund debt service as a percentage of total Town General Fund Operating budget expenditures should not exceed 17%.

The Town currently has \$10 million in outstanding General Fund Debt Obligation, which leaves approximately \$7 million in additional long term debt capacity based on these ratios. The Town is currently planning to replace all the existing sidewalk and curb network except for what was most recently constructed within the Mountain Road Village. This will likely cost several million dollars. The Town has also studied the West Hill / Rt. 100 Intersection calling for a traffic signal and the Moscow Road / Rt. 100 Intersection calling for a roundabout. It is in the process of studying the Luce Hill / Mountain Road Intersection. These projects will cost several million dollars. While these projects may involve Federal / State money, they will require a local match.

If Stowe wants to accelerate these intersection projects it may want to increase its local share. In addition, we also have community boards and community groups that are proposing several projects: Additional recreation fields, replacement of the recreation center, relocating or burying the Main Street utility lines and village parking improvements. Finally, there will be projects that will materialize as time goes on. The impact of State storm water regulations to clean up the public waters of the State of Vermont remains to be seen. Also, there is always the risk that we will face unplanned emergencies like Hurricane Irene. The Town will need to leave some capacity in order to address these contingencies as well as the desires of future generations.

The community will need to think about how to grown the Town's Grand List while maintaining its character. It will also need to think about how to manage its debt, which will require choices on how best to maintain our infrastructure and enhance Stowe's quality of life.