

**Brandon Select Board  
Town Charter for a Local Options Tax Hearing  
May 26, 2015**

**Select Board Members Present:** Doug Bailey, Seth Hopkins, Ethan Swift, Tracy Wyman

**Others present:** Dave Atherton, Kathy Rausenberger, Wayne Rausenberger, Richard Baker, Mike Frankiewicz, Arlen Bloodworth, Bernie Carr, Chris Brickell, Dolores Furnari, Dick Kirby, Brent Buehler, Raymond Jobst, Bill Claessens

**Call to Order:**

Doug Bailey opened the Select Board's 1<sup>st</sup> Town Charter for a Local Options Tax hearing at 7:04PM.

Mr. Bailey read the following notice of public hearing:

*"Notice is hereby given that the Town of Brandon Select Board will hold a Public Hearing on May 26, 2015 at 7:00PM at the Brandon Town Hall, 1<sup>st</sup> Floor Conference Room, located at 1 Conant Square, Brandon, Vermont and a second Public Hearing on June 29, 2015 at 7:00PM at the Neshobe School located at 17 Neshobe Circle, Brandon Vermont to take public comments on and to consider adopting a Town Charter specifically for a Local Option Tax. The full text of the Town Charter is available for public review at the Town Office and the on web at: <http://www.townofbrandon.com>."*

The Mr. Bailey read the proposed Town Charter:

***"FORM OF CHARTER PROPOSED BY BRANDON SELECTBOARD FOR ADOPTION BY BRANDON VOTERS (17 V.S.A. § 2645) CHAPTER 150. TOWN OF BRANDON § 1. GENERAL LAW: APPLICATION***

*The Town of Brandon shall have all of the powers granted to towns and municipal corporations by the Constitution and laws of this State and this charter, together with all of the implied powers necessary to carry into execution all the powers therein granted.*

***§2. LOCAL OPTION TAX***

*(a) Upon resolution of the Select Board of the Town of Brandon, or upon receipt of a petition signed by five percent of the registered voters of the Town of Brandon, at an annual or special meeting warned for the purpose, by a majority of those present and voting, the voters of the Town of Brandon may vote to assess any or all of the following:*

*(1) a one percent sales tax;*

- (2) a one percent rooms tax;
- (3) a one percent meals and alcoholic beverage tax.

*(b) Any local option tax imposed under the authority of this section shall be collected and administered and may be rescinded as provided by the general laws of this State.*

*(c) Revenues received through the imposition of a tax imposed under this section shall be used for capital projects within the Town of Brandon.*

### § 3. EFFECTIVE DATE

*This act shall take effect upon passage.”*

### **Public Comments:**

William Jobst questioned how the funds will be allocated once collected. Doug Bailey stated the money will be used for the town's infrastructure such as roads, sidewalks and parks and will not be deposited directly into the General Fund. It will help solve the problem of the deteriorating roads. Mr. Jobst questioned which option has the greatest revenue source and Mr. Bailey noted the greatest source will be to collect from all three options, with the largest share to be the sales tax. This would realize about \$100,000.00 net to the town after the state collects 1/3 for administrative fees. The process will include a vote to adopt the town charter and if approved, it would be forwarded to the legislature to act upon. If passed by the legislature, it could then go into effect, which would most likely begin July 1, 2016. The warning will be created for the special town meeting this evening and consideration can be given to proposing all three tax options, or they could be split into separate questions. It was questioned whether the capital projects have been defined. Mr. Bailey stated there is not a separate definition of capital projects, but at the last meeting it was deemed that the projects could be determined by the Select Board. Ethan Swift stated infrastructure has a great need and the intent is not to augment the General Fund, so salaries will not qualify for the funding. It was questioned if there is an accounting policy to give guidance. Seth Hopkins stated he is unaware of one, but during the last discussion, the Town Accountant advised that specific items are under the capital projects. Mr. Swift stated there are identified needs that the Select Board has discussed. The mechanics of the tax collection and how the funds will be dispersed was discussed. Mr. Hopkins stated a business in town would remit the funds monthly to the State of Vermont. When the town businesses send in their sales tax return, there would be another line added for the 1% and the state would collect the funds, charge an administrative fee and return the remainder to the town on a quarterly basis. It would then be put into a separate fund that would be used for capital purchases and projects. It was asked if any of the current 6% state sales tax comes back to the town and it was noted that the state contributes a portion of money to maintain the state's roads through the State Transportation Fund.

Mr. Bailey stated this town owns the roads in and around the town, which is an unusual situation. The state will be paving from the top of Brandon Gap to the Brandon Police Station next year and the voters have approved paving up to that point from town. Mr. Bailey sees the road problems as a continual issue and this is a necessary step. Mr. Claessens agreed but he encouraged that there is more to life than raising taxes. He has invested in a home in this town and he would like to see the value increase to get a good return on his investment. He has concerns with putting a tax in, as businesses do not normally come to areas that have increased taxes. He encouraged an overall plan of attack and he understands the budget issues, but he hopes if property values increase the town would consider discontinuing the additional tax. If the town could get back to the 2010 property values, it would bring in \$150,000.00. He hopes that will be the long-term solution as he is concerned with the impact to the economy with attracting businesses to the area. Mr. Claessens suggested putting a term on the option tax and questioned if the voters could get rid of the tax once imposed. Ethan Swift advised the Town has obtained a lot of input from towns that have the local options tax and by in large, it does not affect their shopping. He thinks that it would not turn away business from the market analysis that was done. There are many different ways to increase taxes and there are different ways to change the dynamics, but part of the issue is that there are declining revenues. The average homeowner in Brandon is below the average income level for the State of Vermont and if the Town invests in the community, it is thought that more people will move to Brandon. Mr. Claessens encouraged the Board to have a long-range plan. He likes to support the local businesses and he hopes that the Board received feedback from the Chamber.

Wayne Rausenberger stated that Brandon will be using the taxes for specific purposes and Middlebury has had the local option tax for a while and there have been no decisions to eliminate the tax. He does not see where the town will ever come to a point that the tax will not be needed. Mr. Claessens wants the effort to be successful, but he will lobby for it to be removed if it has succeeded in its intent. Bernie Carr has not done a Chamber poll of the businesses, but he has not heard of anyone having issue with it. He has had a business for 37 years in town and he is fully in favor of it. He has watched too much degradation of the town and \$100,000.00 is a small amount for infrastructure upgrades. Mr. Carr stated Segment 6 will be a tremendous boon for the town, but it will be good to know that there will be money available for infrastructure going forward. Mr. Jobst stated there have been tax increases and if it is slow enough and respectful, it should be accepted. Once people are adjusted to the tax and it is known that it has a good purpose, people will understand. Mr. Bailey stated during the March town meeting, the #1 complaint was the roads and that they were affecting property values. Chris Brickell stated he has lived in different towns and he does not know of any towns that have the 1% local tax that have given it up, as it is the only tax that the local towns have the opportunity to control. Mr. Claessens hopes the local tax is successful and could eventually assist with lowering property taxes. Mr. Carr stated it might be surprising how many people do not know the towns that have the local tax. Mr. Claessens encouraged the Select Board to promote growth and to advise the people of

Brandon about what the Select Board is doing to promote the town. Mr. Bailey stated in the last 8 to 10 years, starting new businesses have been difficult but it is hoped that the Industrial Park will bring in new business. Seth Hopkins stated the town has a draft Tax Stabilization Plan that will be used as a tool to attract new businesses and is a part of a larger strategic report. A consultant will be identifying strengths and weaknesses to do a more coordinated approach to the economic development. He noted the consultant has indicated that the first step is to improve the infrastructure. Mr. Swift stated there has been other market analyses done that indicate the town has lost some market to Rutland and Middlebury and the town will continue to implement some of the strategies from the reports to improve the economy. Kathy Rausenberger stated the V-DAT report is available at the Public Library. Dave Atherton advised there has been an ad in a nationwide publication that caters to businesses that need water for their businesses advertising Brandon's good water. Mr. Atherton stated the Board does a good job of covering the business of the town. Mr. Buehler thought the local option tax will be possible because of the new leadership in the town and he applauded the Select Board's effort. Mr. Jobst asked if there are facilities in place to accommodate growth and Mr. Swift stated there is a fair amount of unused capacity. Mr. Carr stated the Industrial Park has upgraded the water line and has 3-phase power and sewer also available.

**Adjournment:**

The hearing was closed at 7:52PM.

Respectfully submitted,

Charlene Bryant  
Recording Secretary