TOWN FAIR 2003 HIGHLIGHTS

VLCT’s return to Barre for the Hometown Homecoming Town Fair proved a warm homecoming indeed. Town Fair 2003 was an inspiring event, set this year in the hills of Barre with beautiful fall foliage all around. Over 850 attendees (local and state officials, speakers and vendors) made the trip to Barre. We welcomed many new and familiar faces to Town Fair, including Governor James Douglas who came wearing two hats: Governor and Middlebury Town Meeting Moderator.

Most importantly, 657 local officials attended across the two-day event, representing 147 towns from Addison to Worcester!

Over 100 vendors participated as well. Many took advantage of the two-day option in the B.O.R., which provided shelter from the cool October breeze and intermittent rain. Other vendors set up their displays on the lower level of the Auditorium on just Thursday. Both sets of vendors represented all kinds of products from prefab bridges to banking to safety equipment, and many more in between.

At the heart of Town Fair is the Annual VLCT Awards Luncheon. The Luncheon is a chance for Town Fair attendees to pause and recognize a select group of their peers and colleagues for their outstanding work on behalf of local government and their communities at large. This year’s ceremonies were marked by a beautiful poem, reminding all of why local government and community work are so important (see sidebar), and special thanks by several winners to their families, who, as we all know, patiently share them with selectboards, fire departments, planning commissions, etc.

The 2003 VLCT award

The stage was set for a grand Town Fair Annual Awards Luncheon.

(Continued on next page)

SANDERS TO SPEAK AT HEALTH TRUST ANNUAL MEETING

U.S. Representative Bernie Sanders will be the keynote speaker at the VLCT Health Trust’s 14th Annual Meeting next month. As Mayor of Burlington, Representative Sanders was a founding Board member of the Health Trust 21 years ago. He will address a substantially larger Health Trust (286 current members) at its November 14 meeting at the Capitol Plaza in Montpelier.

“We are looking forward to hearing Representative Sanders’ perspective on the challenges Vermont municipalities face in providing affordable health care insurance for their employees,” said Dave Sichel, Director of VLCT Group Services.

Some of the topics the Health Trust has asked Representative Sanders to address include prescription drug costs in the United

(Continued on Page Nine)

VLCT OFFERS NEW REGIONAL LEGISLATIVE MEETINGS

MEET LEGISLATIVE STAFF AND STRATEGIZE FOR 2004

Karen Horn and Todd Odit, VLCT’s legislative advocacy staff, will be hosting regional meetings later this fall to seek input from VLCT members about how best to approach the 2004 legislative session.

The new meetings are designed to start a grassroots dialogue about what cities and towns would like to accomplish at the Vermont State House in 2004. The League’s recently adopted 2004 Municipal Policy will serve as a starting point for our discussion. Please also bring your ideas about how the legislature can better assist your communities.

Local officials are the best advocates on issues that affect their cities and towns. This holds true in the State House and back home on the legislators’ home turf. We look forward to discussing the recently adopted 2004 VLCT Municipal Policy with you. Which of these issues are most important to you? What do you think is the best way to approach you legislators on these issues? How might you help to further

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The opening and closing gavels for the 2003 VLCT Annual Business Meeting fell less than an hour apart on Thursday, October 2, 2003. Despite a full hall of voting delegates, there seemed to be little dissention among municipal leaders about the legislative initiatives to pursue in 2004 or about which of their fellow officials should lead their organization.

Returning to its old haunts of Alumni Hall at the Barre Municipal Civic Center after a five-year hiatus, representatives from over 80 member cities and towns made quick work of adopting their 2004 municipal legislative priorities, which are:

- assistance in implementing Act 68, the new education funding law, and continued state financial support for education
- home rule authority for local governments to have more local control over local decisions, including additional taxing authority for sales and rooms and meals taxes
- addressing the myriad problems related to town public record retention, including the vault space issue as well as the commercial requests for access to town computer records
- providing additional revenues to meet the needs to repair and replace the state’s deteriorating transportation infrastructure
- improving the availability, quantity and quality of training for all of the state’s public safety personnel

(Continued on Page Five)
Put our experience to work for you. At Banknorth, our Government Banking division offers a full range of deposit, cash management, investment, lending, leasing and financial advisory services, along with an unparalleled knowledge of local, state and county governments. In addition, you’ll benefit from our commitment to providing outstanding customer service. All of our Relationship Managers have direct experience in governmental affairs and banking. This knowledge, combined with local decision making and the power to personally deliver virtually any banking request you may have, produces results for the citizens and taxpayers you serve. We invite you to call today to schedule an appointment.

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**LISTERS’ APPRAISAL VALUE UPHOLDED BY SUPERIOR COURT**

A decision of the Bennington County Superior Court has affirmed an appraisal value set by the Town of Winhall’s board of listers. In re Appeal of William Stutt, Trustee, Bennington Superior Court, Docket No. 337-5-01 Bncv (August 27, 2003). While this decision comes from a superior court, and not from the Supreme Court, the decision is important because it highlights the legal thresholds that appellants must satisfy in order to prevail in a property tax appeal.

The appellant taxpayer, William Stutt (“Taxpayer”), appealed the 2001 valuation set by the town of Winhall’s board of listers. Superior Court has affirmed an appraisal value set by the town’s board of listers.

**The Presumption of Validity**

An important concept in the property taxing process is that the value set by the listers is presumed to be correct. How does a taxpayer overcome this presumption of correctness? A property owner may first grieve to the listers, and then appeal that decision to the board of civil authority (BCA), and appealed beyond to the Bennington Court of Appeals (BCA), and appealed beyond to the Bennington Superior Court. Taxpayer claimed that the listers’ reappraisal was so flawed that no one could make any determination as to whether comparable properties had been assessed equally (“equalized”).

In the Stutt proceeding, Taxpayer questioned the listers at trial, and the evidence was quite clear that the appraisal methods were rather “seat of the pants.” Stutt at 11. However, Taxpayer never presented evidence that would go beyond merely questioning the listers’ methodologies. This failure to convince the judge that the appraisals could have been done in a better way is what upheld the listers’ valuations. The presumption of validity held up in court. Had Taxpayer presented independent evidence from, say, an expert appraiser showing that the listers were wrong about fair market value, then the case would have had more merit. Instead, the Town introduced independent evidence of fair market value (an independent appraisal) that the actual fair market value was in fact $2.3 million. The Vermont Supreme Court has stated that independent evidence of fair market value in excess of the listed value is adequate to sustain a challenge to the methodology of the assessment. See Kruse v. Town of Westford, 145 Vt. 368 (1985).

This case is not an endorsement of listers flying by the seat of their pants in the reappraisal or valuation process. What the Stutt decision says to municipalities is that if an appraisal is challenged in court, and the town can marshal up supporting evidence to show that there was no better method of valuation for a property, the listers’ decision will likely stand. Most towns would like to see these appeals resolved before they reach the litigation stage. Therefore, the strong recommendation here is to ensure that your town listers are well trained in the complex art of property appraisal.

- Brian Monaghan, Attorney, VLCT Municipal Assistance Center
VLCT Annual Meeting - (Continued from Page Two)

- controlling the costs of escalating health insurance premiums for local government employees

The following slate of board members and officers were elected for the coming year:

**President** – Charles Lusk, Selectperson, Stowe (Pop. 4,339)

**Vice-President** – Susan Spaulding, Town Manager, Chester (Pop. 3,044)

For the Board of Directors for the five, two-year terms through October 2005:

James Condos, City Council Member, South Burlington (Pop. 14,879)

William Fraser, City Manager, Montpelier (Pop. 8,035)

Sandy Grenier, Town Clerk/Treasurer, St. Johnsbury (Pop. 7,525)

Hunter Rieseberg, Town Manager, Hartford (Pop. 10,400)

Al Wilkinson, Alderman, City of Rutland (Pop. 17,292)

For the Board of Directors to fill a vacancy for a one-year term on the Board of Directors through October 2004:

Gail Fallar, Town Clerk/Treasurer, Tinmouth (Pop. 567)

The following members of the 2003 Board of Directors will serve one more year on their current term:

Nicholas Ecker-Racz, Selectperson, Glover (Pop. 966)

William Perkins, Selectperson, Middlebury (Pop. 8,183)

Mary Peterson, Selectperson, Williston (Pop. 7,650)

Stephen Willbanks, Selectperson, Strafford (Pop. 1,045)

Bill Shepeluk, outgoing President, will serve another year as Immediate Past President.

Finally, the members gave Clavelle, who has served 16 years on the VLCT Board in three different stints and as its President twice (the first time in 1977-78 as Winooski City Manager), a standing ovation in recognition of his service.

- Steven Jeffrey, VLCT Executive Director
Questions asked by VLCT members and answered by the League’s legal and research staff

ISSUING PERMITS IF VIOLATIONS EXIST; WIND POWER FACILITIES

If a zoning violation exists on a property and an applicant requests a zoning permit unrelated to that violation, can this permit be denied because of the existing violation?

No, unless the bylaws provide otherwise. The existence of a violation is not a valid reason for a denial of a permit by the zoning administrator (ZA). It is the duty of the ZA to "interpret the bylaws literally." 24 V.S.A. § 4442(a).

The underlying policy is to limit the role of ZA to performing ministerial tasks. The authorizing statute states that in addition to interpreting the bylaws literally, the administrator "shall not have the power to permit any land development which is not in conformance with such bylaws." 24 V.S.A. § 4442(a).

When the ZA interprets the bylaws literally, his or her role is limited to determining when a permit meets the specified criteria stated in the bylaws. This does not give the ZA discretion to permit or deny an application on any basis other than those described in the bylaws. The existence of another violation is generally not a criterion for denying or approving the permit, unless the applicable bylaws provide otherwise.

- Daniel Phillips, VLCT Municipal Assistance Center Summer Associate

The selectboard has received a voter petition calling for a special town meeting. If approved by the voters, the petitioned article would require the board to enact an ordinance regulating wind tower development. Do the voters have the authority to direct the board to do this?

No. There is no express legal authority that gives the voters the power to direct the selectboard to enact an ordinance or policy regulating the development of wind energy facilities/towers. With very few exceptions, under Vermont law it is the selectboard — not the voters — that has the discretionary authority to enact public policy and adopt regulations. 24 V.S.A. § 1972.

Only after an ordinance or rule is adopted by the legislative body may the voters petition for a public vote on the matter, and then only to uphold or disapprove the action of the board. 24 V.S.A. § 1973. (For a more in-depth discussion of voter petition authority, see the February, 2003 VLCT News Ask the League article, which can be accessed at www.vlct.org.)

All that said, although the board is not required to warn a special town meeting in response to an invalid petition, it is probably best not to just ignore the petitioners either! The better response is to view the petition as symbolic of community interest and/or concern about a potentially controversial subject. As new wind energy facilities are proposed around the state, citizens are becoming more vocal and desirous of establishing clear public policies and rules for such development. Public sentiment runs strong on both sides of the issue. Some towns may wish to promote wind development, having decided that the benefits of this renewable energy resource far outweigh any perceived negative impacts. Other towns may feel just the opposite. No matter which sentiment is expressed by the petitioners, their clear message is — We have an opinion. We want to be heard. We want you to do something.

What can the selectboard do? The selectboard could offer to meet with the petitioners (and others) at a regularly scheduled selectboard meeting to discuss their interests. The board could also notice a special information meeting to solicit town-wide input on public policy. Before holding either meeting it

(Continued on next page)
is important for the board to understand the town's legal authority with regard to wind energy facilities. First, state law preempts municipal authority to regulate commercial (on-grid) wind energy facilities. 30 V.S.A. § 248. This fact should not discourage towns from adopting clear policies in the municipal plan, however, since the Public Service Board is required to consider documented municipal policy prior to issuing the required Certificate of Public Good.

The selectboard also lacks explicit legal authority to enact a stand-alone municipal ordinance regulating non-commercial wind energy facilities. On the other hand, non-commercial (off-grid) windmills and towers erected exclusively to serve a private property may be regulated under the town's zoning bylaws. Thus, once the selectboard has received sufficient public input, the board should consult with the planning commission and consider amending the town plan, as appropriate, to reflect the town's policy. Likewise, the planning commission and board may wish to amend the town's zoning bylaws as they relate to off-grid wind towers. By doing so, your citizens will thank you for: (1) acknowledging their right to express their opinions; (2) listening to their concerns; (3) acting within your legal authority to respond to those opinions and concerns. Good job!

On January 15, 2004, VLCT will host a day-long conference on Municipalities and Wind Power. Please plan to join us for an in-depth look at this subject!

- Gail Lawson, Associate, VLCT Municipal Assistance Center
ATTENTION HEALTH TRUST MEMBERS

Renewal season is upon us! A mailing will be sent out to you this month. Included in the mailing will be an On-Site Visit request form. If you would like to have a Member Relations Representative visit your municipality to discuss plan options, please return the form as soon as possible, or call the Member Relations Department at 800/649-7915.

ATTENTION PACIF MEMBERS

Just a friendly reminder! Have you returned your 2004 Renewal packet? The deadline of November 7, 2003 is fast approaching. We appreciate your cooperation!

The VLCT PACIF Board is seeking nominations for the position of Alternate Board Member. This term is for one year. If interested, please call Vicky Abare at 800/649-7915 to obtain a nomination form, or download one from http://www.vlct.org/boardnom.cfm. Please submit nomination forms by November 26, 2003. Thank you!

ATTENTION UNEMPLOYMENT TRUST MEMBERS

The VLCT Unemployment Trust Board is seeking nominations for the position of Alternate Board Member. This term is for one year. If interested, please call Niki White in Member Relations at 800/649-7915 to obtain a nomination form, or download one from http://www.vlct.org/boardnom.cfm. Please submit nomination forms by November 14, 2003. Thank you!

(Continued on next page)
Potential workplace health hazards include air contaminants and chemical, physical, biological, and ergonomic hazards.

- **Air contaminants** can include dusts, fumes, mists, aerosols, fibers, and vapors. Contaminants in large enough quantities in the air you breathe can make you sick. That’s why ventilation and, in some situations, respirators are used to eliminate air contaminants or at least to reduce them to safe levels.

- **Chemical hazards** can also make you sick. How sick you get depends on the amount of exposure, the length of exposure, and the toxicity of the chemical. It is important to eliminate chemical hazards from the workplace. When they can’t be eliminated, safety procedures and personal protective equipment (PPE) are used to protect employees.

- **Physical hazards** include excessive levels of noise, vibration, illumination, and temperature. To minimize these hazards, use available protective devices, follow safety procedures, and always wear assigned PPE.

- **Biological hazards** include bacteria, viruses, fungi, and other living organisms that can cause infections by entering the body either directly or through breaks in the skin. Good housekeeping to maintain a clean and sanitary workplace can help reduce these hazards. So can frequent handwashing.

- **Ergonomic hazards** in the workplace, such as repetitive motion, awkward working positions, heavy lifting, and prolonged periods of sitting or standing, can cause health problems known as musculoskeletal disorders (MSD). To control these hazards as much as possible, redesign jobs, processes, tools, and workstations. When this approach alone doesn’t solve the problem, add safe work procedures to help protect your health.

For more information about safety and health programs available to VLCT PACIF and Health Trust members, call the VLCT Safety and Health Promotion Department at 800/649-7915; e-mail, info@vlct.org.

**ANNUAL MEETINGS**

(Continued from Previous Page)

Officials from member municipalities are encouraged to apply for the alternate board positions for both the PACIF and Unemployment Trusts. Please contact VLCT Group Services at 800/649-7915 for a nomination form, or download a copy from http://www.vlct.org/boardnom.cfm if you are interested.

Thank you to our members who attended and for the great questions you asked. We are here to serve you and look forward to 2004!

- Dave Sichel, Director, VLCT Group Services, and Nicolette White, Administrative Assistant, Member Relations

**SANDERS**

(Continued from Page One)

States and Canada, Medicare and Medicaid cost shifting, and alternative health delivery plans.

“While the VLCT Health Trust works hard to provide affordable health insurance programs for municipalities, our task is daunting,” commented Sichel. “Health insurance costs are taking up an increasing amount of our municipal budgets and taxpayer pocketbooks,” he added.

To register for the VLCT Health Trust Annual Meeting, please return the form recently mailed out to all Trust members, or visit www.vlct.org/calendar/ to register online. We look forward to seeing you at what promises to be an informative and interesting meeting.
Town Fair -
(Continued from Page One)

winners were:

Municipal Person of the Year
William Finger, Middlebury Manager

Town Government Award
Susan Clark, Middlesex

Legislators of the Year
Rep. Richard Marron, Stowe
Rep. Robert Rusten, Halifax

Town Citizenship Award
Marshall Squier, Tinmouth

Lifetime Achievement Award
Margaret Picard, S. Burlington

Another popular Luncheon event is the drawing for the Grand Raffle. The ten lucky winners of $100 each were:

Warren Davis, State of Vermont, VTrans
Carolyn Hier, Town of Weathersfield
Steve Lotspeich, Town of Waterbury
Edward Payne, Town of Bridport
Bill Finger, Town of Middlebury
Raymond Tanguay, Town of Berlin
Yvette Brown, Town of Craftsbury
Howard Burgess, Town of Rutland
Georgette Johnson, Town of Highgate
Betsy Gray, Town of Mendon
Ellen Ward, City of South Burlington


Over 31 teams from across the state participated in the Annual Snow Plow Rally co-sponsored by the Vermont Municipal Highway Association. Winners were:

1st Place, Town of Barre, Tom Bailey and Mike Woodard
2nd Place, City of Burlington, Scott Smith and Jay Latrelle
3rd Place, Town of Duxbury, Dave Quenneville and “Woody” Woodard

In addition, the following awards were presented at the Annual Awards Ceremony following the barbecue under the Tent.

Highway Persons of The Year
Gary Richardson, Highway Foreman, Town of Berlin (population 1000-4000)
Dennis E. Lutz, P.E., Public Works Director, Town of Essex (population > 4000)

-The Giving
(Written by Marshall Squier, 2003 VLCT Town Citizenship Award Winner.)

The Giver, . . .
free,
unselfish,
caring,
responsible,
dependable,
uplifted.
The Receiver, . . .
grateful,
deserving,
humble,
uplifted.
The Gift, . . .
needs,
necessities,
a hug,
a hand,
uplifting.
The Giving, . . .
most important,
the high road,
hope,
eternity,
universal,
love,
the answer,
the challenge.
HELPFUL HINTS GRAB BAG

USEFUL DEBT FUNCTIONS IN EXCEL

Here are a couple of functions you can use to calculate both fixed payment leases or loan payments and your annual interest payments on a loan or bond.

To calculate a monthly or annual lease or loan payment that is fixed (the same amount for each payment), open a blank worksheet and enter the following data in the cells indicated:

- In cell column A, row 1, enter an interest rate for the lease. We’ll use a rate of 7.5% (.075).
- In cell column A, row 2, enter the purchase cost of the item you are leasing. Let’s assume we are leasing a photocopier that costs $11,000.
- In cell column A, row 3, enter the total number of lease payments. We’ll use 5 years of monthly payments, a total of 60 payments.
- In cell column A, row 4, enter the following function:  =PMT(A1,A3,A2,,0)

The function works like this: First it is asking you for the cell where you have entered the interest rate of the lease or loan (cell A1). Next, it asks for the cell containing the total number of payment periods (A3). The third cell it is asking for is the present value - in other words, the principal or the amount you are borrowing or leasing (A2).

Notice the commas after each cell reference as well as the two commas after A2. Commas separate the pieces of data the function is looking for, and whenever you see two commas together, it indicates that some data is missing. The missing data in this case is the future value of the loan or lease. That is the amount of cash you want to have left over after the final payment is made. When you are debt-financing equipment, you will generally only borrow what is necessary to pay off the purchase price of the equipment, so this section of the function can be left blank.

The last piece of data the function needs is the timing of the payment, either at the beginning of the period (1) or at the end of the period (0). This can change the amount of interest you pay because payment at the end of the period will include interest on more principal than if you paid at the beginning. Here’s what A1, A2, A3 and A4 should look like:

<table>
<thead>
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<th>7.50%</th>
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<tr>
<td>11,000</td>
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<tr>
<td>60</td>
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<td>$835.91</td>
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The number calculated from the function in A4 will show as a negative number because it is a payment or expense to you.

A similar function is the calculation for straight interest payments on a loan or bond. This will calculate the interest for any given period of the debt. In other words, if you have a $150,000 bond for 20 years at 4.2% interest, what would the interest payment be for the 6th year (period 6)?

Using the same worksheet, enter the following:

- In cell column B, row 1, enter the interest rate of 4.2% (.042).
- In cell column B, row 2, enter the loan or bond amount of $150,000.
- In cell column B, row 3, enter the term of the loan, 20 years.
- In cell column B, row 4, enter the period you wish to calculate the interest for, period 6.
- Enter the following function in column B, row 5:  =ISPMT(B1,B4,B3,B2)

(Continued on next page)
TECH CHECK -
(Continued from previous page)

The function is asking for the interest rate first (B1), then the period interest is calculated for (B4), the term of the loan (B3), and finally the principal of the loan (B2). Here’s what B1, B2, B3, B4, and B5 should look like:

4.20%
150,000
20
6
(4,410.00)

EMBEDDING EXCEL WORKSHEETS IN WORD

This is a nifty tip for those of you working on your budgets for March town meeting. You can create or bring an Excel worksheet into your Word document by clicking on Insert in your Word menu, then Object (or just click on the Insert Microsoft Excel Worksheet icon that looks like a little worksheet table with an green X on it). You then scroll down the list of options to Microsoft Excel Worksheet, and a new worksheet will be embedded into your document. You can then click on it to add your data.

You can also insert worksheets you’ve already created by clicking on the Create from File tab that appears in the dialogue box that gives you the scroll down options after you’ve clicked on Object. You can then click on Browse to choose the correct folder and file.

E-MAIL FOR THE WHOLE WORLD TO SEE!

The Federal Energy Regulatory Commission has posted over 1.6 million e-mails and documents from Enron to a searchable database on its web site. This includes some pretty embarrassing personal correspondence. As public officials, we are all exposed to outside scrutiny, and that extends to our e-mail correspondence. If you’re using a town computer for personal correspondence, don’t assume you have a right to privacy. Use discretion when you’re e-mailing and avoid forwarding potentially sensitive or inappropriate messages, files or links. Before sending an e-mail, ask yourself if you would like to have it read by the general public. If not, DON’T SEND IT!!!

E-mail mgilbar@vlct.org with any questions, comments or suggestions for the next Tech Check.

- Michael Gilbar, Director, VLCT Administrative Services
Are you curious as to the number of municipalities that offer a 4% discount for early payment of property taxes? How about the number of municipalities that regulate telecommunications towers through zoning bylaws or stand-alone ordinances?

Well, now you can find the answers to these questions and others having to do with local government operations in the 2003 Census Report.

The purpose of the Census is to gather information on how municipalities in Vermont "get the job done." Armed with this information, municipalities will be able to compare notes and research alternative ways to conduct town business.

The purpose of the Census is to gather information on how municipalities in Vermont "get the job done." Armed with this information, municipalities will be able to compare notes and research alternative ways to conduct town business.

A survey for the 2003 Census Report was mailed to all municipalities in late 2002, which asked questions regarding numerous municipal government policies and practices. Of the 274 questionnaires that were mailed, 219 were completed and returned - an excellent response rate of 80%.

The following is just a sample of the information contained in the 2003 Census Report. A published version of the 2003 Census Report is available for purchase for a nominal fee; communities that participated in the survey were mailed one free copy earlier this month.

**Municipal Operations**
While Vermont law requires that school districts operate on a fiscal year of July 1 through June 30, municipalities are able to operate on a calendar or fiscal year (24 V.S.A. § 1683). Provided with that opportunity, 43% of the responding municipalities have switched their fiscal year to July 1 to June 30. Some of the pros of switching to a fiscal year include: 1) the school and town will be on the same time schedule so the budgets will be concurrent; 2) tax collection may start soon after the beginning of the fiscal year, thus eliminating the need to borrow money for operating expenses; 3) winter highway maintenance costs are in a single year; and 4) auditors have more time to do their job as they can audit the books in July and August and prepare the town report by December or January.

Another option that the voters of a municipality have is to pay collect taxes on a single date or in as many as four installments throughout the year. 32 V.S.A. §§ 4871-4872. Although payment in installments provides for smoother cash flow for the town and allows taxpayers to spread the tax payment out, installments do result in more bookkeeping for the tax collector and more deadlines for taxpayers to meet (or miss). Given the pros and cons of collecting taxes in installments, 43% of the municipalities responding to the question do so.

**Boards and Commissions**
Even though regular selectboard, planning commission, development review board and zoning board of adjustment meetings are not required by state law to be conducted under any specific set of rules or procedures, according to the survey responses, 101 selectboards, 69 planning commissions, 21 development review boards and 51 zoning boards of adjustment have adopted rules of procedure in order to avoid confusion and charges of inconsistent and arbitrary decisions. As far as when selectboard, trustee or council meetings are held, 50% of the respondents hold their regular meetings on Monday. It seems municipal officials like to "get to work" early in the week.

**Municipal Positions**
When it comes to the position of constable, municipalities have a variety of choices to make. But, according to the survey results, most towns approach the position of constable the same way. Of the responding municipalities, 82% elect the constable, 80% do not restrict the constable from exercising law enforcement authority and 87% do not require the constable to receive training from the Vermont Criminal Justice Training Council.

If you would like a copy of the report, which includes more information, you can call VLCT at 800/649-7915 or e-mail VLCT.
TAX INCREMENTAL FINANCING
– TOOl OR TOken?

Since 1985, Vermont municipalities have had available to them a tool for economic development that has swept the country as a major vehicle to eliminate urban blight, encourage private investment and enhance the local tax base. Yet, despite being on the books for 18 years, only three examples of tax incremental financing have ever been actually implemented; two others are now in the works.

Californians invented tax incremental financing (TIF) in 1954. Since then, a total of 47 states have enacted enabling legislation allowing municipalities and special districts to use this system. In the state of Illinois alone, more than 700 TIF districts now exist, 60% of them created in the 1990s and 91 in 1999 alone.1 Chicago has been creating TIFs at the rate of one a month for the past four years.2 A Google search returns pages and pages of Web sites of cities and states extolling the vehicle’s availability to potential economic partners.

Tax incremental financing uses the additional revenues and the total average due date for the bond is arrived at at the time of the first appraisal. Since the $1 tax rate (or whatever the existing rate is at that time) against the future value of the developed lot now and forever more is deposited in the general fund to pay for all the project. The bonds used to finance the public improvements can either be “revenue bonds” (pledging only the revenues to be derived from the tax increment on the new development) or “general obligation bonds” (pledging the full faith and credit of the municipality and all taxable property therein). There are pluses and minuses of using either form, which will vary depending on the project and the municipality. Other options are available to municipalities for securing the funding needed for the public improvements, such as state revolving loan programs for sewer and water projects and federal Housing and Urban Development Department Section 108 loans that are then repaid from the tax increment proceeds.

To date, only Burlington, Milton and, more recently, Winooski have pursued the idea of tax increment financing. After preparing a project related to its waterfront more than a decade ago (that, due to a charter provision unique to Burlington, required a two-thirds vote for approving the issuance of bonds), Burlington voters refused to approve a bond to pay for the project by just a few votes. Since that first failed attempt, Burlington has successfully funded two TIFs and is now working on a third. In each case, the key to success included the revenues for the public improvements coming from federal Section 108 loans rather than local tax-supported bonding.

Milton’s TIF is related partially to the Husky plant and to an industrial plant, and was created to provide upgrades to a sewer plant and lines and local roads. So far, the only purpose for which TIF funds have been pledged is for paying off a state sewer revolving loan. The Winooski TIF is just part of a huge urban redevelopment project involving $40 million of public improvements that is close to commencing with many funding pieces that all need to fit together. Of the total, $20 million is to come from TIF revenues and, once again, Section 108 federal loans are the source for the original funds and no local bonding is expected.

One of the problems of making TIFs work in Vermont is that so little of the actual property tax dollar goes to municipal services. Almost 75% of the average local tax bill is deposited in the school bank accounts. This means that there is little revenue stream from the new private development left to divert to retire the public improvements debt. Act 60 complicates this, with the state laying claim to the school property taxes as a state resource. The law prohibits the use of TIFs committing any of the growth in education taxes resulting from new development to be used for the bond repayment (Continued on next page)

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2 ibid.
3 Vermont Statutes Annotated, 24 V.S.A. § 1892.
**FOR SALE**

**Fire Truck.** The Town of Morristown has for sale a 1968 Maxim Pumper. It has a 1000 gpm Hale pump, a 750-gallon booster tank. It is powered by Detroit Diesel (not original equipment). Body was replaced in early 1980s with a new aluminum one. Fire Department is looking for $5,000. Contact Brian Kellogg at 802/888-5629 or 802/253-4059 for further information.

**Okidata Microline 591 Wide-Carriage Dot Matrix Printer.** $300. 24-pin wide-carriage dot matrix printer. Used only four months. Connects via parallel. 450 CPS in High Speed Draft Mode. Comes with original documentation and software. Drivers to support Windows 95, 98, ME, 2000, NT can be downloaded. Contact Jill George at VLCT, 800/649-7915 or jgeorge@vlct.org.

**Two flat file map storage units.** One medium cabinet - 5 drawers. Dimensions: 35.5”D x 46.5”W x 16.6” H - $150.00. One large cabinet - 5 drawers. Dimensions: 41.5”D x 53.5”W x 16.5” H - $175.00. Contact the Walden Town Clerk’s office at 802/563-2220; e-mail at waldenct@vtlink.net.

**HELP WANTED**

**Town Planner.** The Town of Georgia is seeking qualified applicants for a part-time position as Town Planner. Applicants should have a working knowledge of Title 24 V.S.A., Chapter 117 and its application. Familiarity with subdivision and site plan review helpful. Applicants should send a cover letter and resume, with references, to: Douglas Williams, Town Administrator, Town of Georgia, 47 Town Common Road North, Georgia, VT 05478. For information, please call 802/524-9794. Applications will be received until the position is filled. The Town of Georgia is an equal opportunity employer.

**Project Coordinator.** Chittenden County Transportation Authority (CCTA) has a full-time opening for a dynamic person with strong writing skills, spreadsheet experience and meticulous attention to detail (especially with numerical calculations). This position will assist with grant management, federal reporting and transit planning processes, including information gathering, working with spreadsheets, as well as operational data collections. CCTA offers competitive wages and excellent benefits. To apply for this position, please send, fax or email a cover letter and resume to CCTA, Attention: Human Resources, PO Box 609, Burlington VT 05402-0609, fax 802-864-5564, email: humanresources@cctaride.org.

**TIFs -**

(Continued from previous page)

without approval from the Vermont Economic Progress Council (VEPC). That is handicapped by only allowing $300,000 of state education property taxes per year to be used for such purposes statewide, and that the repayments are limited to a ten year period – much too short for funding any meaningful projects with local bond revenues. VEPC can only approve committing state education property taxes for a project if there is clearly a long-term gain in the Education Fund from the new growth created by the TIF. To date only one of the Burlington and the Milton TIFs has been approved by VEPC to dedicate a portion of the new education tax revenues for TIF project repayments. The Legislature has granted an exception to VEPC rules for the Winooski project, allowing it to use education tax revenues more freely than for any other projects.

Another technical problem with Vermont’s enabling legislation (24 V.S.A. §§ 1891-1899) is that the bonds issued can be used only for public improvements “located wholly or partly within the district.” This means that if a sewer system needs a major main rebuilt to serve the district but is physically located outside of it, the project is ineligible for such funding.

Lastly, eligible TIF improvements do not currently include preserving open space in the district. Preserving urban open space is becoming a very valuable component to retaining the vitality of our downtowns, and allowing TIF proceeds for such acquisitions would help.

Though widely used nationally and widely accepted as being an effective tool to help localities redevelop downtowns and other areas that may otherwise continue to deteriorate, TIFs have begun to come under fire from some. A recent study of five TIFs in the Chicago area found that they had only limited impact on economic development. The study found that land values in the districts had increased, but that the number of businesses did not consistently increase, there was no net increase in jobs, residential property sales increased, and the impact on housing prices was mixed.

States and local governments have been using economic development incentives since 1791 when the State of New Jersey granted a tax exemption to a manufacturing company owned by Alexander Hamilton. Vermont has used property tax stabilization agreements at the local level as well as the proceeds from state and federal community development and downtown development grant programs. TIF districts are only one of the weapons in the arsenal of Vermont communities trying to attract and retain economic activity, and they are finally beginning to prove themselves valuable.

- Steve Jeffrey, VLCT Executive Director

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4 Developing Neighborhood Alternatives Project, page 2.
VLCT Regional Legislative Meetings. See article and schedule on Pages 1 and 2.

Town Health Officers Workshop. Thursday, October 30, 2003, Suzanna's Restaurant, Berlin. Offered by VLCT's Municipal Assistance Center, this annual workshop will focus this year on the municipal role in the event of an infectious disease outbreak such as SARS. For more information, contact Jessica Hill, VLCT Conference Coordinator, tel., 800/649-7915, e-mail, jhill@vlct.org. To register online, visit http://www.vlct.org/calendar/.

Vermont Downtown Program Conference. Thursday, October 30, 2003, Capitol Plaza Hotel and Conference Center, Montpelier. The Fifth Annual Downtown Program Conference will feature a keynote address by Kennedy Smith, Director of the National Main Street Center. For more information, call the Vermont Downtown Program at 802/828-3211 or e-mail Debra.Sayers@state.vt.us.

Vermont Land Conservation Conference. Saturday, November 1, 2003, Northfield Middle/High School, Northfield. Organized by the Vermont Land Trust, this conference is designed for anyone involved with or interested in land conservation in Vermont, including land trust staff and board members, conservation commissioners, planning commissioners, and staff and volunteers from other organizations. For more information, contact William Flender, Champlain Valley Office Manager/Program Assistant, Vermont Land Trust, tel. 802/434-3079, e-mail, will@vlct.org.

Green Mountain Water Environment Association Trade Show and Technical Program. Thursday, November 6, 2003, Sheraton Hotel, South Burlington. Annual educational program and trade show for water and wastewater professionals. For more information, contact Jessica Hill, VLCT Conference Coordinator, tel., 800/649-7915, e-mail, jhill@vlct.org.


Hiring, Firing and Running the Town. Thursday, November 13, 2003, Suzanna's Restaurant, Berlin. The VLCT Municipal Assistance Center presents a workshop on the hiring process, writing a good job description, conducting performance evaluations and dismissing the municipal employee. Contact Jessica Hill, VLCT Conference Coordinator, tel., 800/649-7915, e-mail, jhill@vlct.org. To register online, visit http://www.vlct.org/calendar/.

VLCT Health Trust Annual Meeting. Please see article on Page 1.