

**East Montpelier Selectboard Meeting APPROVED (07/11/16) MINUTES
June 20, 2016 at the Town Office**

Selectboard members present: Carl Etnier (recording secretary), Seth Gardner, Kim Swasey, Gene Troia; Bruce Johnson (town and zoning administrator).

Others present: Art Chickering, Conservation Fund Advisory Committee (CFAC); Nona Estrin, East Montpelier Trails; Britt Haselton, Vermont Land Trust VLT; Charles Johnson, CFAC; Brian Lusignan, CFAC; Cherie Staples, nearby landowner to Lylehaven property discussed; Jean Vissering, Planning Commission; Don Welch, Treasurer; Greg Western, Cross Vermont Trail Association.

A. CALL TO ORDER

Chair Seth Gardner called the meeting to order at 6:37 pm.

B. ADDITIONS TO THE AGENDA

Agreement for Legal Services from Stitzel Page & Fletcher

C. PUBLIC COMMENT

Ms. Estrin noted that the town had discussed issues related to open land, conserved land, and housing at town meeting. She said she heard strongly that town liked both conservation and housing. A parcel of Lylehaven land that is not on today's agenda could also serve for trails and housing.

**D. CONSIDERATION OF CONSERVATION FUND ADVISORY COMMITTEE'S
RECOMMENDATION ON PROPOSED VLT/FAIRMONT FARM PROJECT**

The Conservation Fund Advisory Committee (CFAC) unanimously recommended on May 24 that the town expend \$6,000 from its Conservation Fund to assist in the conservation of a 361-acre parcel owned by Fairmont Dairy, LLC. The parcel was formerly part of the Lylehaven Farm. The SB requested that members of the CFAC attend the meeting to explain the committee's recommendation.

Mr. Gardner laid out this history of the issue and raised questions about the tax implications for the town of permanently removing 361 acres from the possibility of development.

Mr. Chickering noted that the Town's stated purpose for the Conservation Fund lists six criteria (from the 1989 formation document). He noted that "benefits to taxpayers" is not one of them. This property, he said, meets five of the six criteria, which are:

- *Protection of agricultural land that will help ensure the continuing viability of existing farms and agricultural enterprises in the Town*
- *Support of the traditional family farm as an economically viable unit of agricultural production and provision of opportunities for young people to enter farming*
- *Protection of the Town's rural character and scenic open space*
- *Prevention of excessive increases in public service costs*
- *Provision of opportunities for public outdoor recreation for the people of East Montpelier*
- *Preservation of natural habitats for plants and animals*

Mr. Chickering acknowledged that Fairmont Dairy, LLC is larger than what is usually considered a family farm. [A summary of the project for an application to the Vermont Housing and Conservation Board (VHCB) describes the farm as a partnership between Richard and Bonnie Hall and their nephew, Tucker Purchase. It says the farm milks 1,400 cows on 3,000 acres in two counties.]

Mr. Charles Johnson said the CFAC is using its original mandate, until the Town provides new guidance. He noted the Town has agreed to address the issue of development vs. conservation this fall.

Mr. Haselton said Vermont Land Trust (VLT) hopes to conserve a fair amount of Fairmont Dairy's holdings from the former Lylehaven Farm. They are tackling it in three phases. This parcel is the first phase. He described the property as having abundant agricultural and natural resource values. A section of the Cross Vermont Trail is on the property, though there is no permanent public access for the trail at this point.

He said the total amount to be paid to Fairmont Dairy for the conservation easements is \$470,000. VHCB approved a contribution of \$460,000. Cross Vermont Trail Association (CVTA) and East Montpelier Trails, Inc. (EMTI) have pledged \$2,000 apiece. The project needs \$6,000 more; this is what the Town is being asked to contribute.

Mr. Haselton said VLT would talk about excluding areas from the conservation easement that might make sense for future growth, in the final phase, where the Lylehaven farm infrastructure is. It is VLT's general process to leave areas like this out of conservation easements. The piece currently being discussed is all in the rural residential and agricultural zoning district, so it seemed simple, he said.

Ms. Swasey asked what would happen with the trail on the property.

Mr. Western said there would be permanent permission for a trail to go through. He described three current and future routes around part of the trail that was washed out in 2011.

Ms. Swasey asked about the path of the Cross Vermont Trail.

Mr. Western said that in East Montpelier, it goes from U-32 to the rail bed to Plainfield. Overall, it goes from Burlington to Wells River, roughly following Route 2 and 302. He said the mission of CVTA is to build universally accessible trails, for non-motorized use. If a land owner allows other use, like snowmobiles and four-wheelers, then CVTA is OK with that, as long as there's a local host.

Ms. Swasey asked how East Montpelier compares with other towns, and Mr. Western said there's a really active trail committee here.

Ms. Swasey asked about tax implications of conserving the land, and Mr. Haselton said VLT had hired a consultant who reported that not adding houses there would not add to municipal expenses.

Mr. Troia asked whether the entire 361 acres needed to be conserved to get the trail easement.

Mr. Haselton said yes, explaining that Fairmont came to VLT looking for a conservation easement. VLT thought the trail would be additional value.

Ms. Estrin added that trails add additional points for VHCB funding decisions.

Mr. Western said that housing is fine from CVTA's perspective; part of their mission is to connect housing with the trail.

Mr. Gardner argued that this parcel will never be developed; it's profitable for Fairmont to keep

farming it.

Mr. Charles Johnson said that's only true of the current landowner, but they could sell it. And Mr. Haselton noted that VLT's easements last forever. He described the easement deal as an once-in-a-lifetime opportunity to conserve a significant agricultural resource.

Mr. Bruce Johnson asked why the Town was not asked for a letter of support. Mr. Haselton reported that VHCB is not asking for letters of support any more. They are just sending notification letters. He referred to letters sent to the Planning Commission and Selectboard describing the conservation project. They said VLT believes it's in compliance with local zoning and the Town Plan and asked for notification if the PC or SB disagreed.

Mr. Etnier asked whether it might not be a good idea to ask the Town whether it supports projects applying for VHCB funding, especially when the Town will later be asked to provide funding. Mr. Haselton reiterated that asking for support is not part of the current process. Mr. Gardner said it was odd that the process plays through without active town support.

Mr. Bruce Johnson noted that the Vermont Association of Snow Travelers (VAST) and EMTI co-own property on VT Rte. 14 South that serves as the trailhead for this section of trail, and says it sounds like the Town will not be on the easement. He asked who owns the easements on other sections of the Cross Vermont Trail in East Montpelier.

Mr. Western said that a series of private land owners have for decades given verbal permission. There are two more parcels between this Fairmont parcel and Plainfield, and Cross Vermont Trail owns easement on both of them. He hopes the whole route will be connected with easements.

Mr. Bruce Johnson asked whether conservation fund money might be better used to leverage easements from these land owners who aren't getting VHCB money.

Mr. Etnier spoke in favor of this project, both for its permanent protection of agricultural land and its trail easement.

Mr. Charles Johnson characterized the VHCB grant as a strong vote of confidence; he said they don't make such grants often. He also said the CFAC supported the easement for overall conservation of this parcel, not just the trail.

Ms. Vissering said the PC has had concerns, too. She asked about two areas on the parcel where some development could take place. Mr. Haselton said they were on the road and could be used for agriculture-related development.

Ms. Vissering said it's interesting that the Town gets notice for development, but not for conservation.

Mr. Haselton acknowledged that it was a good point. He explained the VLT process is confidential until they notify towns. They don't know whether they have a project until they have it appraised. He mused that maybe he should have a better notification process for East Montpelier.

He also said the easement for this property also protects wetlands and provides riparian buffers above and beyond regulatory requirements; it's not just preventing houses from being built.

Ms. Estrin said she has been looking at housing in the county. She has found successful communities have expensive housing, and communities that are failing are ones that people travel to for affordable housing. She thinks we can reinvent housing in an economically successful community. She advocated finding a developer who wants to do something extraordinary, that would break the mold.

Mr. Gardner noted that zoning redistricting will probably happen soon. It's on the radar.

Mr. Etnier asked the three members of the CFAC how they feel about their recommendation, after listening to the discussion.

Mr. Charles Johnson said that if the Town declined to contribute \$6,000, it could jeopardize VHCB's funding.

Mr. Lusignan and Mr. Troia asked Mr. Gardner how he would feel about the project if someone else was the land owner. Mr. Gardner said he doesn't think it's worth half a million dollars of taxpayer money.

Mr. Etnier asked whether everyone on the CFAC still supports the project. Each of the three members present said they supported it. (One member was not present.)

Ms. Vissering, emphasizing she spoke as an individual, not as chair of the PC, said open space on the outside of a village is a good idea. Most or all of this parcel is just outside the village area the PC is now conducting a year-long planning process for.

Motion: I move to approve \$6,000 from the Conservation Fund to secure a trails easement in conjunction with the 361-acre parcel from the former Lylehaven farm, now owned by Fairmont Dairy. Made: Mr. Etnier. Second: Mr. Troia. 1-3. (Gardner, Swasey, Troia).

Mr. Chickering asked the SB why it has a conservation fund committee if it doesn't want to conserve land.

Mr. Gardner said the SB wants to conserve land, but there are questions about this parcel. Ms. Swasey said the project will go through regardless of town support. Mr. Etnier noted the SB had heard doubts about that, and Mr. Charles Johnson said he wasn't sure.

Mr. Gardner said it was good to send a message to VHCB to ask for Town support before they make their decision.

Mr. Haselton said he was not sure he would bring further conservation projects to the Town.

E. TOWN TREASURER REPORT

Mr. Welch reported the Town is in pretty good shape for near the end of the year. All the details will be available after the fiscal year ends (June 30). Furthermore, the Town has not needed to borrow any money in anticipation of taxes this year.

F. CONSIDERATION OF DRAFT FINANCIAL MANAGEMENT POLICIES

Mr. Welch presented financial management policies to guide his work.

Motion: I move to approve the Tax Collection Policy: Elimination of Small Amounts Due. Made:

Ms. Swasey. Second: Mr. Etnier. 4-0.

Motion: I move to approve the Tax Collection Policy: Small Credits Policy. Made: Ms. Swasey. Second: Mr. Troia. 4-0.

Motion: I move to approve the Investment Policy. Made: Mr. Etnier. Second: Mr. Troia. 4-0.

G. CONSIDERATION OF TRANSFER OF FUNDS FROM GENERAL FUND TO CAPITAL RESERVE FUND

Mr. Welch said a formal action by the board is necessary to make the transfer. This was formerly a voted article at Town Meeting.

Motion: I move to transfer the remaining \$223,746.75 from the General Fund to the Capital Reserve Fund. Made: Mr. Troia. Second: Ms. Swasey. 4-0.

H. FUND BALANCE POLICY DETERMINATIONS FOR FY2017

Mr. Welch and Mr. Bruce Johnson recommended restricting \$50,000 from the FY2016 fund balance, for use in meeting anticipated expenses in FY2017. If these restrictions are not made, the money would not be available until FY2018.

The Town currently has a fully unfunded liability for vacation day payments at time of employee termination; total current value of the potential liability is around \$30,000. And with the pending retirement of the Road Foreman, an extra \$25,000 set aside for the highway labor line would pay for the next Road Foreman to overlap with the current RF and learn from him.

Motion: I move to restrict \$50,000 from the fund balance, with \$25,000 to partially cover the currently fully unfunded liability for vacation day payments at time of employee termination and \$25,000 for highway labor. Made: Mr. Etnier. Second: Ms. Swasey. 4-0.

I. CONSIDERATION OF 2 CEMETERY PERPETUAL CARE CD RENEWALS

The two have a value of \$50,000 and \$16,236.90. Mr. Welch is considering consolidating them into one CD.

Motion: I move to authorize Treasurer Don Welch to act on the renewal of two cemetery perpetual care CDs, using his best judgement. Made: Mr. Etnier. Second: Mr. Troia. 4-0.

J. CONSIDERATION OF EMPLOYEE PAY RATES FOR FY2017

The SB set the wages for town employees for FY17.

Motion: I move to approve the FY17 wage schedule for municipal employees. Made: Ms. Swasey. Second: Mr. Troia. 4-0.

Motion: I move to additional vacation time of 5 days to municipal assistant Denise Brown in appreciation of her coverage of the town clerk position. Made: Mr. Etnier. Second: Ms. Swasey. 3-0-1 (Troia).

K. CONSIDERATION OF VTRANS GRANT AGREEMENT FOR COUNTY ROAD REPAVING

Motion: I move to authorize Town Administrator Bruce Johnson to sign Standard Grant

Agreement # P01688 with the Agency of Transportation to accept a \$168,000 award for paving County Road, with a 20% Town match. Made: Mr. Etnier. Second: Mr. Troia. 4-0.

L. CONSIDERATION OF WARRANT TO IMPOUND UNLICENSED DOGS

This is the standard statutory language for a warrant the SB issues to the animal control officer this time of year.

Motion: I move to sign the warrant to impound unlicensed dogs. Made: Mr. Etnier. Second: Ms. Swasey. 4-0.

M. WARRANTS

Signed.

N. AGREEMENT FOR LEGAL SERVICES FROM STITZEL PAGE & FLETCHER

The services are for the right-of-way phase of the village sidewalk project.

Motion: I move to authorize the Town Administrator to finalize the agreement with Stitzel Page & Fletcher PC, assuming the sidewalk project continues to move forward. Made: Mr. Troia. Second: Ms. Swasey. 4-0.

O. MINUTES

Motion: I move to approve the minutes of June 6, 2016 as submitted. Made: Mr. Troia. Second: Ms. Swasey. 4-0.

P. OTHER BUSINESS

Update on BDE East Montpelier Lazar Solar, LLC PSB CPG Proceedings

In spite of Mr. Lazar's request, the Planning Commission declined to submit a letter to the PSB asking for expedited review of the application; there's been no information from the PSB since January and no indication of a schedule for making a decision.

Update on Muddy Brook Road VTrans Better Roads Program Grant Application

The grant application was denied. The Town is continuing to pursue funding options to ensure that the necessary work is done prior to upcoming Village Bridge replacement & US Rte. 2/VT Rte. 14 intersection project closure of VT Rte. 14 in 2018.

Vermont League of Cities and Towns (VLCT) Annual Report

It was distributed to SB members. Essentially, it lists services of VLCT.

Notice for the Annual Central Vermont Cycling Tour Event

It will take place June 26, 2016, operating from Morse Farm. There is a choice of 15, 30, and 60 mile loops through East Montpelier, Calais, Woodbury, Middlesex, and Worcester.

Meeting Schedule

In July, SB meeting only on July 11th. The likely date for the fire department's quarterly budget presentation at the village fire station is July 14. On July 21, there is a community event for Planning Commission's EM Village Master Plan project, held at the village fire station.

Q. ADJOURNMENT

Motion: I move to adjourn. Made: Mr. Troia. Second: Ms. Swasey. 4-0. 10:04 p.m.