

To: East Montpelier Selectboard
From: East Montpelier Charter Committee
Date: September 27, 2016
Re: Charter Committee Progress to Date

As the committee has begun its research on the three items that you included in its charge, we members have some initial thoughts we'd like to share with you.

We started by reviewing our work process during the creation of the initial charter three years ago and affirmed that the criteria that we developed at that time would continue to guide our work. Items considered for inclusion will be measured against the following goals:

- to help the selectboard more effectively exercise its ultimate responsibility for town affairs;
- to solve problems that the town currently has, has had in the past, or might have in the future;
- to be consistent with democratic control, particularly observing the principle of checks and balances;
- to avoid or minimize unintended consequences from modifications;
- to include changes that can be accomplished only through a charter;
- to keep the charter simple.

Initial research uncovered the fact that the legislature in 2014 approved 17 VSA §2651(d) which provides for a town to vote to allow its selectboard to appoint a delinquent tax collection (DTC). We were unsure whether the selectboard was aware of this change in the law since the last time the charter committee was convened. Since making this change no longer requires a charter change, and to keep the charter simple, one initial thought is to recommend that the selectboard seek that authority from the voters without inclusion in the charter. Our intention at this point, is to examine the benefits of making the DTC an appointed as opposed to an elected position. If the committee comes to support an appointed DTC, we will also make a recommendation as to whether it should be included in the charter or presented to the voters.

Relating to the third aspect of the charge—whether or not to include the basic property tax guidelines now voted on in town meeting each year—our initial research turned up the fact that a number of towns have, in recent years, modified the ways they motivate taxpayers to pay their taxes on time as well as encourage and enable them to pay overdue taxes as soon as possible. Thus, as we considered, for example, Article 5 on the 2016 Town Meeting Warning

Shall the Town authorize all property taxes for the fiscal year 2017 to be paid to the Treasurer, without discount, in two installments and received by the Town Treasurer at the East Montpelier Municipal Building as follows.....

Committee members questioned “without discount” since this is something done differently by other towns in a well-written tax policy. We went on to compare such aspects of our tax policy as when taxes are considered late (East Montpelier does not count postmarks, provide a grace period nor, for that matter, an incentive period for discount) and the size of the penalty (the 8% cap was set in the 1980s when interest rates exceeded 20%) as well as other issues which might benefit from a rewrite. Our initial research and discussion suggest that this might be an opportune time to reexamine new trends that may better suit the needs of both the town and its taxpayers. Thus, our preliminary preference is that it may not be suitable to put the language of our current policies in a charter. Instead, we may suggest that the Selectboard commission a group of citizens or a subcommittee to examine, in depth, all aspects of our tax collection policies with an eye to motivating and supporting taxpayers in discharging their responsibilities in a way that is efficient and beneficial to town finances.

We look forward to hearing your response to our initial thoughts.