

Chapter 3

TOWN GOVERNMENT AND FINANCE

A. TOWN GOVERNMENT

History

The first Montpelier Town Meeting was held on March 29, 1791. At that meeting, 27 residents elected a moderator, town clerk, three selectmen, a treasurer, a tax collector, listers, and a fence viewer. From that time until 1849, what we now know as East Montpelier was part of the Town of Montpelier. In 1848, the State Legislature approved a division effective on January 1, 1849 and the Town of East Montpelier was incorporated.

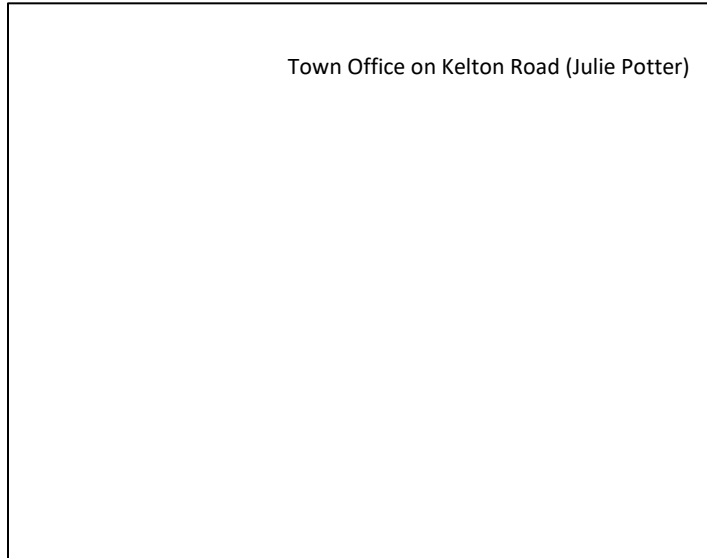
Current Status

The town conducts a municipal election on the first Tuesday in March which consists of a ballot vote on the town budget, funding articles over \$25,000 and the election of town officials, and a town meeting to decide on smaller funding articles. A public forum is held in late February/early March to discuss warned items. Town meeting is also sometimes used to discuss significant upcoming projects for the town, potential changes to town government or the addition of new committees, and to address items of concern in town. The school district's vote to approve a budget and elect officers is typically held concurrently with the town's election, but this is technically a separate election as is the vote on the Central Vermont Career Center's budget. In presidential primary years the primary will also be held on this election day, meaning that technically there are 4 separate elections being conducted simultaneously.

While the town had switched to a hybrid format in which some items continued to be voted on at town meeting while others were voted by Australian Ballot long before the Covid-19 pandemic, that event brought significant changes to East Montpelier's election norms. The increase in voting by mail has been sustained, and the town has continued to mail ballots to all registered voters for each town meeting day election and for the November general elections. Ballots are not automatically mailed to all voters for other elections, but are made available for early voting at the town clerk's office and voters can also request that the town clerk mail them a ballot for other elections.

Town offices are located in a former two-room schoolhouse in the East Montpelier Village. The offices were renovated and made handicapped accessible in 1988. The building now includes office space for town employees and provides well-utilized meeting spaces. The Town Office

building is too small for current space demands. The basement is currently unusable due to mold, making adequate storage space a significant problem. The town purchased the 48 acre Old Laperle Farm property in 2016 with the intent of developing part for affordable and/or senior housing and to hold property in the village that could be used to build a new town office. While the attempts to develop the land for housing were unsuccessful and much of it was sold off again, the town has retained a small portion of the land to potentially build a new town office on in the future.



In 2010, the Selectboard approved the creation of East Montpelier Fire District #1. The fire district encompassed an area roughly based on the location of properties served by the privately-owned Crystal Springs Water Company, including most of East Montpelier Village. The fire district was created with the expectation of purchasing and operating the Crystal Springs system. Negotiations were unsuccessful, however, and the Fire District dissolved by merging with the town in 2017.

Town Officials

Many talented and committed people have come forward to serve as town officials, almost all volunteers. The town encourages broad participation in government to ensure diverse representation, facilitate quorums and avoid conflicts of interest. Meetings of town boards and committees are open to the public, and minutes of the proceedings are on file at the Town Clerk's Office and on the website.

Structure of Town Government

The **Selectboard** is the town's legislative body and is ultimately responsible for the town's operations. It consists of five members, three members serving for three-year terms and two members serving two-year terms. It enacts ordinances, regulations and policies, and is responsible for overall management of the town including town property and personnel, annual planning for maintenance of town roads, the annual town budget, and for appointing most non-elected local officials.

The **Town Administrator**, who is appointed by and answers to the Selectboard, prepares and monitors the annual budget and Capital Plan for the Selectboard; provides grant and loan administration; prepares Articles of Warning, town policies, and ordinances; assists with road issues, risk management, procurement, personnel matters, and system administration.

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The Selectboard has hiring, reappointment, and firing authority over all town employees, but the town administrator is responsible for day to day management of the town's other employees. These include the following:

- The **Town Clerk**, appointed for a one-year term, takes minutes at town meetings; records, preserves, and certifies public records of the town; runs the local elections; issues marriage, dog, hunting and fishing licenses; and maintains the list of registered voters.
- The **Town Treasurer**, appointed for a one-year term, collects current taxes and maintains the accounts for all the financial activity of the town.
- The **Zoning Administrator (ZA)**, recommended by the Planning Commission and appointed by the Selectboard for a one-year term, issues zoning permits and enforces the zoning bylaws. The ZA is the E911 Coordinator. The ZA acts as the town sewage officer, working as a liaison with the State Wastewater Program that issues permits for on-site wastewater treatment.
- The **Collector of Delinquent Taxes**, appointed for a one-year term, handles all aspects of delinquent property tax collection.
- The **Town Services Officer** assists individuals within the town who require emergency food, fuel, or shelter assistance when the Vermont Department of Social Welfare is not available.
- The **Road Foreman** oversees a three-member crew and assists the Selectboard in effectively using town Highway Funds to maintain safe and traversable roads.
- The **Municipal Assistant** provides support to the Selectboard, Town Clerk, Town Treasurer, and Lists with the daily operations of the town.

The Road Foreman and Municipal Assistant are paid on an hourly basis. The other positions are paid by salary. All positions receive benefits under the town's personnel policy.

Other appointed officials include the **Town Tree Warden, Town Services Officer, Town Health Officer, Town Attorney, Forest Fire Warden, Emergency Management Coordinator, Green Up Day Coordinator, Acting Zoning Administrator, Animal Control Officer, and Assistant Animal Control Officer**. The health officer and animal control officers receive annual stipends. The acting Zoning Administrator is paid on an hourly basis and works on an as-needed basis.

Other Elected Officials

The town has a number of other elected officials, though that number has been reduced in recent years. The town charter that was adopted in 2014 and amended in 2017 made the town clerk, treasurer, and collector of delinquent taxes appointed positions rather than elected ones. The town constable was also changed from an elected position to an appointed one in 2023 following a vote at the 2022 Town Meeting. In addition to shifting oversight of these positions from the voters at large to the Selectboard, this has allowed for these positions to be filled by people who are not residents (and not registered voters) of East Montpelier, which has expanded the talent pool available.

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- Each of three **Listers** serves a three-year term with one term expiring each year. The Listers are responsible for the valuation of all taxable property in town. The Listers are paid on an hourly basis.
- The **Planning Commission** is a board of nine members, each serving a three-year term; three members are elected each year. The Planning Commission is responsible for development of the Town Plan, drafting town zoning bylaws, and effectively guiding East Montpelier's growth patterns. Zoning bylaws conform to our town plan and state land use and development statutes to standardize the permitting process. While the Planning Commission can act independently of the Selectboard, its primary bodies of work - the Town Plan and the zoning bylaws - must be approved by the Selectboard. Since 2012, Planning Commission members receive an annual stipend.
- Three **Auditors** are each elected for three-year terms, one term expiring each year. The auditors review the financial records of the town and report their findings in the form of an annual Town Report, which is distributed to the legal voters of the town at least ten days before the Town Meeting held each year in March. The Auditors are paid on an hourly basis.
- Voters annually elect both a **Town Moderator** to run the Annual and Special Town Meetings.
- Ten **Justices of the Peace sit on the board of civil authority and the board of tax abatement, among other duties.**
- The **Board of Civil Authority**, made up of the Town Clerk, Selectboard, and Justices of the Peace, is responsible for assisting with elections, the voter checklist, and appeals from property tax assessment grievance decisions,
- The **Town Board for the Abatement of Taxes**, responsible to hear property tax abatement requests, is made up of the Board of Civil Authority, the Listers, and the Town Treasurer.

Appointed Committees and Boards

Groups appointed by the Selectboard carry out specialized work for the town, but in most cases they do not have final decision-making authority and recommend actions to the Selectboard for final approval. The most significant exception to this is the Development Review Board (DRB), which has a quasi-judicial role in the zoning process and is able to rule directly on the questions of permitting and zoning that are brought before it.

- The **East Montpelier Charter Committee** was first discussed at Town Meeting in 2013 when the Selectboard sought volunteers to explore strategies to make the town's government more efficient. After further outreach through Front Porch Forum and other postings, the Selectboard, on April 15, 2013, appointed eleven volunteers to serve on the Charter Committee. The committee was charged with researching specific areas of town government that might benefit from changes that could be accomplished through a charter, such as changing some town officers from being elected to being appointed. A

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town charter, approved by the town voters and by the legislature, is necessary for a town to deviate from state law which calls for certain positions to be elected. The first Town Charter was approved by the voters and by the legislature in 2014. The charter was amended by the same process in 2017. The charter calls for the Town Clerk, Town Treasurer, and Collector of Delinquent Taxes to be appointed, and abolishes several obsolete offices. Charter Committee documents are available on the town website.

- In 2010, the town formed a **Development Review Board** (DRB) to consolidate onto one board the various permitting activities of the Zoning Board of Adjustment (ZBA) and the Planning Commission. The ZBA was abolished, allowing the Planning Commission to focus on the vision of the future of the town, and leaving the DRB to handle the quasi-judicial aspects of the zoning process. The DRB consists of nine members appointed by the Selectboard each serving staggered three-year terms. Three members of the Planning Commission are appointed to the DRB, and the remaining Planning Commission members serve as alternate members of the DRB, available to fill in when regular DRB members are absent.
- The **Capital Improvement Committee** (CIC) develops a Capital Improvement Plan to ensure that capital expenditures are identified and planned in advance so that associated costs are predicted for the budget, thereby stabilizing financial impacts on the taxpayers. Annually, the CIC presents a revised capital plan to the Selectboard to assist in budget development and project planning.
- The **Conservation Fund Advisory Committee** reviews proposals to conserve land involving allocations from the Town's Conservation Fund. Such projects may involve local funding to purchase development rights from local landowners in order to preserve our open, scenic, and agricultural land. The Committee reviews project to ensure they are consistent with the conservation and economic interests of the town in mind.
- Each year, a number of organizations and service agencies ask for funding from Vermont towns. Rather than deliberate on individual requests at Town Meeting, East Montpelier established a **Funding Request Study Committee** to review all applications and make recommendations, which are then published in the Town Report and voted on at Town Meeting.
- The **Recreation Board** sponsors activities for town residents, including swimming lessons for children, and maintains the recreation field near the Elementary School.
- The **Energy Committee** leads in creating the parts of the Town Plan which make up the town's Enhanced Energy Plan, and works towards the fulfillment of the goals and actions laid out in that plan. The energy planning work runs through the Planning Commission as it is part of the Town Plan, while the work on the goals and actions is independent..
- The **Revolving Loan Advisory Committee** advises the Selectboard on the use of the proceeds from the repayment of the Vermont Community Development Program's loan to the Vermont Housing Authority (owner of the Sandy Pines Mobile Home Park). Uses of the proceeds are governed by federal and state guidelines with an aim to "principally benefit low and moderate income persons" and are limited to economic development, housing creation and/or improvement, some public facilities, and some types of public assistance.

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- The **Town Forest Committee** oversees the maintenance of the Town Forest and other town-owned forests. It also assists the town with roadside cutting issues and provides guidance to the schools on tree maintenance.
- In 2019 the town voted to create a Conservation Commission. Members of that committee were never appointed, and the Covid-19 pandemic interrupted this work.
- The Resilient Roads committee was created in 2017 to inventory roadside vegetation and make recommendations around management of stormwater runoff, wildlife habitat, and planning around roadsides. In recent years its mission has shifted to overseeing the roadside ash tree management program following the arrival of the Emerald Ash Borer in Vermont.
- Care and management of the town's cemeteries fall to the Cemetery Committee. This committee was an elected body until 2019, when its responsibilities were transferred to the Selectboard and members were appointed. Annual activities include the cleaning and repair of broken stones, fence repair, painting, mowing, and signage.
- The Emergency Preparedness Committee does emergency planning and works to make the community more resilient in the face of disasters. It works to bolster community-level readiness and to help identify resources for the town.

In addition, ad hoc committees are formed to meet specific needs. The East Montpelier Village Committee was given official status in 2013 and was involved in gaining village center designation, creating the village master plan, and working on the village sidewalk project. It has been dormant in more recent years. The Old Laperle Farm Committee was created in 2016 to help the town decide how to use a parcel of land that the town had purchased adjacent to the village center.

Local citizens are appointed to represent the town on the **Central Vermont Regional Planning Commission** and its **Transportation Advisory Committee**, **Central Vermont Solid Waste Management District**, **State Police Community Advisory Board**, **Four Corners Schoolhouse Association**, and **Wrightsville Beach Recreation District**.

Goals and Actions

- **Goal 3.1:** Ensure that town government effectively represents the interests of townspeople.
 - ✓ **Action 3.1.1:** Encourage residents to participate in town government and activities.
 - ✓ **Action 3.1.2:** Maintain regular communication among town officials, committees, and the public.
- **Goal 3.2:** Ensure that town government responds to the increased complexity of the issues it faces.
 - ✓ **Action 3.2.1:** Evaluate the evolving requirements of local government and the most appropriate structure of staffing to meet these needs.

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➤ **Goal 3.3:** Keep the Town Offices in East Montpelier Village.

- ✓ **Action 3.3.1:** If a new Town Office building is needed, it should be located in East Montpelier Village.



B. TOWN FINANCE

History

For more than 250 years East Montpelier has taxed its residents to finance road building and maintenance, public cemeteries, administration and, until 1967, support of the poor. Responsibility for funding the schools rested largely with the town's eleven school districts.

The town initially taxed improved real property and personal property including livestock, watches, and furniture, as well as "polls" (a person's earning capacity), and "faculties" (his or her trade or profession distinct from farming). Highway taxes were paid through labor on the roads; the state required each man to work on the roads four days in the spring and fall of each year or pay the equivalent in cash.

During the nineteenth century, taxes remained relatively stable with "poor expense" the greatest burden except during the Civil War when the town went into debt to pay war bounties. With little increase in population for nearly a century, the town grand list did not grow significantly until 1950, but taxes increased progressively except during the Great Depression of the 1930s. In 1935, a high level of delinquent taxes forced the town to issue bonds to finance its indebtedness.

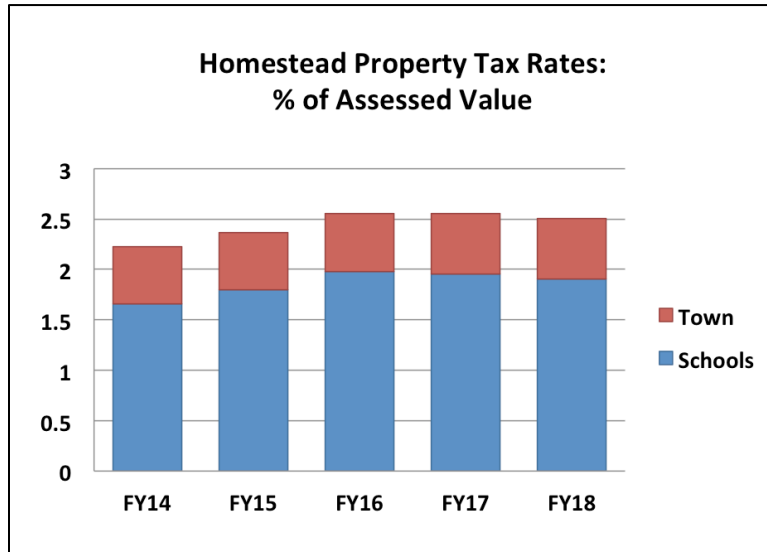
From 1950-2000 the grand list expanded exponentially as the population more than doubled, increasing 129 percent. In 2009, the town was required by the state to conduct a town-wide reappraisal of property values. To complete the reappraisal, the town contracted with an independent assessor firm in Vermont. The grand list of property for taxation increased 82 percent, growing from \$156,330,100 to \$284,162,550 in 2010, while the homestead tax rate decreased 43 percent, from \$2.94 to \$1.69.

The town is now due for another reappraisal, with state estimates placing the appraised value of property in town at around 70% of actual value. Because of the significant increase in property values statewide since the beginning of the pandemic, there are now many towns due for reappraisal at the same time so it is unclear when East Montpelier will be able to contract with appraisers to have this work completed.

Current Status

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Property taxes continue to be the largest source of revenue to cover the town's municipal and school expenses. For fiscal year 2018 (FY18), the homestead tax rate is \$2.50 or 2.5 percent of assessed value. That means a property valued at \$100,000 will have a tax bill of \$2,500. In FY18, the town tax bills total just over \$7.282 million, 75 percent of which funds our schools. Details of tax income and expenditures are in the annual Town Report.



School Taxes

Act 60 of 1997, amended several times since then, created a statewide system of school funding. School taxes are collected by the towns, but distributed by the state in a manner that is meant to assure that each school district statewide assesses its citizens the same tax rate for an equal amount of per pupil spending. Part of this process involves a state effort to equalize property values across Vermont's many diverse municipalities. While this system has met the Vermont Supreme Court's mandate for equal access to educational funding, its complexity and many of its provisions have resulted in frequent calls for basic changes. The 2018 legislature is examining new ways of funding schools.

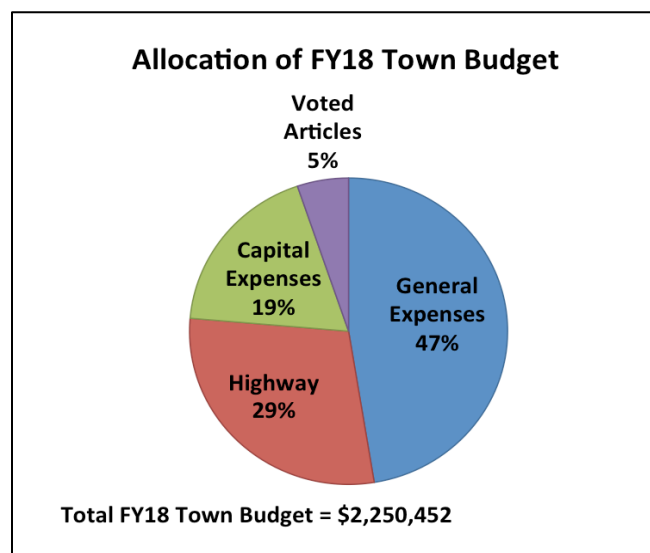
Town Taxes

Municipal property taxes are assessed and spent locally as they have been traditionally.

Town Expenses

The town's biggest single expense category is the highway budget, including paving (\$922,342 projected for FY18).

General expenses in FY18 are projected to be \$1,045,519 and include payroll and related employee costs, town operating costs, repair and maintenance of the Municipal Building, loans and interest expenses, dues to various state and regional organizations, and budget requests for items such as the Fire Department and Ambulance Service, as



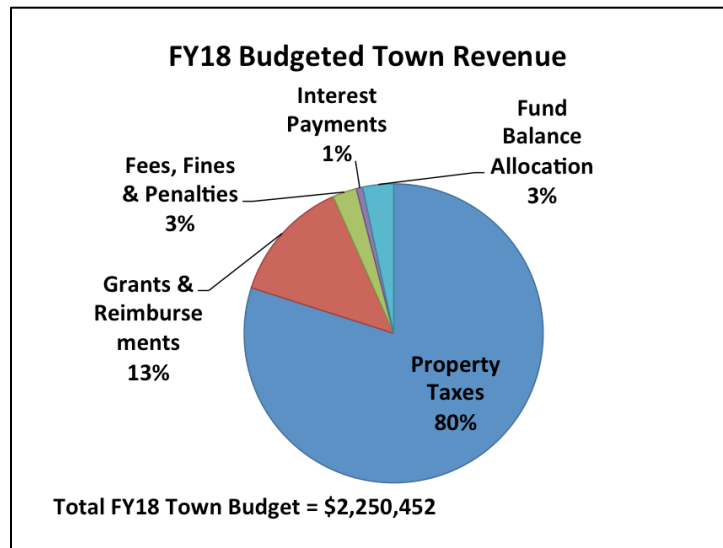
well as other items voted as separate articles

In August 2013, the Capital Improvement Committee (CIC) was created to develop a Capital Improvement Plan (CIP) for the town. The purpose of a CIP is to ensure that capital expenditures are identified and planned in advance so that the associated costs are also planned and budgeted for over the life of the capital item. By planning for capital expenditures, the financial impacts on town taxpayers can be stabilized, and the timing of payments can be flexible. Capital expenses can be paid from accumulated funds (prior taxes), current taxes, loans (future taxes), or any combination of these.

The CIC inventories and evaluates the Town’s capital assets, including existing buildings, vehicles, heavy equipment and paved highways. This information is used to establish a schedule of the costs for major maintenance and/or replacement. The CIC continues to solicit information from town residents about capital projects that are envisioned for the future. It is interested in projects at any stage of development from a conceptual idea to a shovel-ready project. There is also a segment of the CIP that covers the town matches for grants and unexpected opportunities.

The CIC continually reviews and revises the CIP and uses it to develop a capital budget amount, which is presented to the Selectboard for inclusion in the next year’s town budget. The Selectboard reviews the CIP and capital budget amount developed and recommended by the CIC. The Selectboard then determines the capital contribution to be included in the next year’s budget and adopts a CIP that reflects that contribution. The CIP is used by the Selectboard to guide its use of the Capital Reserve Fund.

Town Revenues

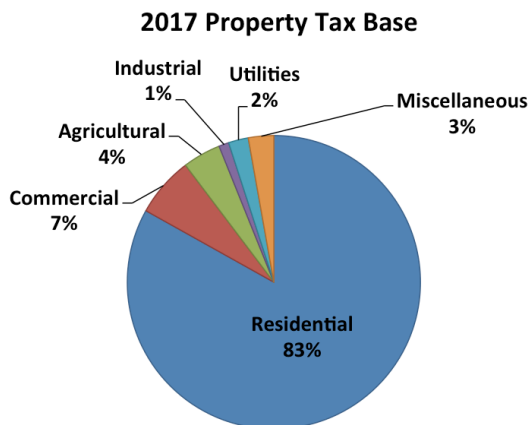


The town operates on an annual budget of approximately \$2.25 million (excluding grants, special projects, and schools). Property taxes make up 80 percent of revenue. The other 20 percent comes from various fees, interest payments, loan repayments, and state funding.

Most of the town revenue is from property taxes. In 2017, nearly 85 percent of the town’s total assessed property value was derived from single- and multi-family residential properties. It is important to note that for those townspeople whose income

has not matched tax-rate increases or inflation, especially farmers and those on fixed incomes, property taxes are a substantial burden.

Other sources of town revenues include: grants and reimbursements, fees, fines and penalties, and interest payments.



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In order to address the problem of the property-tax burden, the state established tax relief programs including the Current Use Valuation Program, and the Act 60 property-tax rebate. Additionally, in 1989, East Montpelier established a Conservation Fund, which, in combination with various state and federal grants, can be used by the Selectboard, in conjunction with various land preservation organizations, to buy land development rights. These tax relief programs have allowed some farms to remain operational, thereby retaining valuable agricultural and forestlands.

In 2017, there were 109 parcels of qualifying agricultural and managed forest land and farm buildings in the state's Current Use appraisal program, exempting \$17,088,023 of assessed property value. Under the Current Use "hold harmless" system, the state covers the education tax portion of the Current Use program's exempted value and reimburses the town for the lost local tax revenue. There are also 33 parcels (3,786 acres) of privately owned land in permanent conservation.

Residents have debated whether or not commercial development relieves the tax burden on residential property as well as the impacts of land conservation on property taxation. Townspeople have empowered the Selectboard both to enter into tax stabilization agreements with new industrial and commercial operators and to spend Conservation Funds to buy the development rights of agricultural parcels. The anticipated effect on property taxes has not been the determining factor in land use planning. A healthy, sustainable community strives for a balance between types of land use.

Goals and Actions

- **Goal 3.4:** Maintain and improve core municipal facilities and services in a fiscally responsible and sustainable manner.
 - ✓ **Action 3.4.1:** Utilize the capital plan and budget process to ensure that on-going and proposed capital projects are appropriately planned and financed.
 - ✓ **Action 3.4.2:** Pursue relevant grant opportunities to assist with funding needed town projects.

