

**TOWN OF CHARLOTTE
SELECTBOARD MEETINGS
JANUARY 29, 2007**

APPROVED

MEMBERS PRESENT: Eleanor Russell, Chairperson; Charles Russell, Jenny Cole, Ed Stone, Frank Thornton.

OTHERS: Nancy Sabin, Nancy Wood, Mary Mead, Dorothy Pellett, Robbie Stanley, Jennifer Slater, Moe Harvey, Ker Walker, Lisa Kiley, Peter Mick, Robert Mack Jr, Amy Demetrowitz, Nancy Goodrich, Robin Reid, Kate Lampton, Cedar Cowles, Rachel Gill, Charlotte Citizen; and others.

1. CALL TO ORDER

Ms. Russell, Chairperson, called the meeting to order at 7:00 p.m.

2. ADJUSTMENTS TO THE AGENDA

Add: Fire/Rescue Department budget review to Agenda #5.

3. PUBLIC DISCUSSION

None.

4. REVIEW AND APPROVE AUDIT

Ms. Russell said that a final audit report was not available at this time. The Town Auditors have a written list of questions to be addressed.

5. REVIEW AND APPROVE FY08 BUDGET

Ker Walker, Charlotte Fire Chief, explained that everything has been sent into the auditor. A check list has been created for future year's use.

Chief Walker reviewed the following items for this year:

- Appreciation schedule of assets requested from Town
- Special Funds accounts - are hand entered for Fire and Rescue. Chief Walker suggested utilizing a computer software program to track accounts.
- Proposing changes to create a handbook to assist the transition from one Chief to the successor Chief.
- Created a binder related to the budget
- The auditors requested the Fire Department's July and August books, and contracts after the July/August time period.
- The Chief would meet with the Executive Board to discuss financials.
- An in-house change: the Executive Officers will meet with the auditors regarding internal tracking of invoices for timely payments.

Chief Walker reiterated a recommendation to use a computer software program, such as Quick Books or Quicken.

Nancy Sabin asked what percentage of bills sent out for ambulance service(s) were paid. Fire Chief Walker replied that that the department sees a sixty percent return, and explained it was not the number of claims paid, but was the portion insurance/doctors pay. A question was if the unpaid portion should go to collection or not. It has to be fair across the Board.

Ms. Sabin suggested that the Fire/Rescue revenues should be footnoted. Nancy Wood said it was footnoted last year.

Nancy Wood reported that a list of Town Auditor questions was reviewed with David Angolango last week. One question was related to Capital Asset Values for the library. Question #9, we haven't been able to get fixed asset allocation values from the previous auditor. Mary Mead, Town Clerk, explained that the previous auditor has gone out of business and we can't get the records. Ms. Russell said to contact the Town Planner.

Ms. Wood asked why there has been no increase in library collections.

Ms. Wood said there have been a number of duplicate deposits. There should be continuing discussion on a recommendation for monthly reconciliation's to pick up any errors or discrepancies early.

Ms. Mead explained an adjusting entry by the auditor last year.

Ms. Sabin asked how tax collection payments collected two years late were posted. Ms. Mead replied the money was posted when it was received.

Ms. Sabin asked if the of \$26,465.80 due to the Thompson's Point fund (Question #7) is paid back to the fund, or carried forward year after year. Ms. Mead replied that the money belongs in the Thompson's Point Waste Water fund. The money was owed by the Town to the fund since 2001.

Ms. Sabin noted that the rent for the Burns property mobile home of \$2,000 is down from \$3000 the previous year. Mr. Stone explained that the Selectboard had voted to reduce the monthly rent to \$500 per month. The tenants paid for the utilities.

Ms. Sabin asked who pays for the water from the Flea Market pump. Mr. Thornton replied the Town.

An audience member asked for an update on the Town records back up of documentation, microfiche project. Ms. Mead replied that staff was at the last five volumes.

A question was asked about maximizing the return on the Land Conservation fund. Ms. Mead explained that the interest rate for the last two years was very low at less than 1 percent. Interest rates were now at 3 percent. Ms. Sabin commented that a three-month CD paid 5 percent interest.

Ms. Russell said that the next step was to receive a final audit for approval. A Special Selectboard meeting is scheduled for Friday, 02/02/2007 at 3:30 p.m.

Ms. Russell reviewed an estimated Capital Reserve fund projection on the Grand List, page 2, at \$0.02.5 or \$0.03 on the tax rate.

There was a brief discussion regarding interest rates, a suggestion to put off the purchase of Fire Department tanker/pumper for another year, and a recommendation for \$0.03 on the tax rate. Mr. Stone spoke in support of \$0.02.5 to stay within the budget.

MOTION by Mr. Stone, seconded by Mr. Russell, to approve a proposed \$0.02.5 increase on the tax rate for the Fire/Rescue FY08 budget.

DISCUSSION:

Fire Chief Walker spoke in support of a tax rate increase of \$0.03. If the tax rate increase was less than that, then the department would shift the purchase of the tanker out.

VOTE: 5 ayes; motion carried.

There was review of the proposed Town budget for FY08:

- \$200 was added back in the Howard Center request for a total of \$900.
- Recreation line item increase for Recreation Coordinator hours to a total of 18 hours per week as per a Recreation Committee Report submitted by Robin Reid, contingent upon maintenance of a time log of the Recreation Coordinator's activities.
- A proposed Beach Maintenance increase would put the Recreation budget over three percent. Funds would be used to pay for repairs to the beach stairs and bridge. Beach use program revenue would be used as an offset estimated at \$6-7,000.

MOTION by Mr. Russell, seconded by Mr. Stone, to approve a proposed increase of \$2,300 on the line item for the Recreation Coordinator salary for three additional hours as requested.

Mr. Russell and Mr. Stone withdrew their motion.

MOTION by Mr. Russell, seconded by Mr. Stone, to increase the Recreation Coordinator hours from 15 to 18 hours at the present rate.

VOTE: 4 ayes, 1 abstention (Mr. Thornton); motion carried.

There was discussion regarding estimated beach maintenance at \$450 (stair repair) and \$1200 (bridge repair), and picnic area drainage. The drainage area needs to be dug up and material replaced for an estimated cost of \$1500.

MOTION by Mr. Stone, seconded by Mr. Russell, to approve an amount of \$2,200 to start the Recreation maintenance projects as presented.

DISCUSSION:

Ms Mead noted that there was \$7,500 in the Recreation fund. Mr. Russell said hat the money was put in the Reserve fund and should come out of that. Mr. Stone and Mr. Russell withdrew their motion.

The final amended amount of the proposed FY08 budget was \$2,302,105.

Jenny Cole reported that the Charlotte Road Commissioner estimated \$15 per foot cost for a new 12' wide driveway at the Demeter Park. The distance was 675' long. There was a parking area proposed for 30' x 90', and \$250 for a culvert. The cost to remove the existing driveway was not known, but the material could be reused to reduce the cost of the new driveway. The Route 7 curb cut and paving was not included. The total cost of the project was estimated at \$13,500. The Thorp Committee was seeking an additional \$2500 to the Thorp Barn fund.

Dorothy Hill, abutter, said that she had questions regarding the project. Mr. Stone suggested that the Planning Commission would deal with (Ms. Hill's) questions.

Ms. Cole said that the Planning Commission would review a Site Plan for the proposed driveway/parking lot. The proposal would eliminate one access and replace it with a new driveway. Ms. Hill said that there was a 400' driveway on the southern end of the Varney Farm and a parking lot could be placed at end of barn. Mr. Russell pointed out that the topic tonight was to be a budget discussion. Ms. Hill's concern was related to the Thorp Barn.

Mr. Stone asked if Charlotte should support a request of \$5000 for a Special Investigations donation.

MOTION by Mr. Thornton, seconded by Mr. Stone, to delete a request for a \$5000 donation to Special Investigations.

DISCUSSION:

Ms. Russell explained that the program provided funding for manpower if Charlotte used the service. Ms. Mead reviewed that the donation is an assessment share based on usage over three years. Charlotte was assessed \$8,000.

VOTE: 2 ayes, 3 nays (Ms. Cole, Ms. Russell, and Mr. Russell); motion failed.

MOTION by Mr. Russell, seconded by Mr. Stone, to approve a total proposed Charlotte Town FY08 budget of \$2,302,105.

VOTE: 5 ayes; motion carried.

6. CHARLOTTE HOUSING TRUST FUND OPERATING POLICY

Mr. Russell reviewed a proposed Charlotte Housing Trust Fund Operating Policy as warned for the 2007 Charlotte March Town Meeting.

Mr. Stone said that if a homeowner used the fund to create an affordable rental unit then there should be a clause attached to the property deed and recorded in the Town Hall land

records. If someone wanted to eliminate an affordable unit and they paid the grant back to the Town then the lien would be removed from the deed.

Mr. Thornton stated that it was premature to put the affordable unit fund on the Town Meeting Warning. We don't know all the particulars and impacts. There is a meeting at the Vermont Law College next week that is addressing this topic. Ms. Russell pointed out that the Board agreed to have an article on the Town Warning last meeting. Mr. Thornton said that the Zoning Board raised questions on whether accessory apartments could be approved as per the Zoning Regulations. Ms. Russell replied that the Board was assuming that projects can be done on the main part of an existing house versus a separate structure.

Nancy Wood pointed out language inconsistencies related to "perpetual" affordable units, but if a homeowner wanted to remove the unit they only had to pay back the funding. "Perpetual" is forever – you can't give it up, said Ms. Wood. Mr. Russell said that the Town Bylaws defined perpetual as 99 years. Mr. Russell explained that the money would go back into the fund so someone else could create an affordable unit. Ms. Wood asked if the funds paid back would include interest added.

An audience member said that demanding a perpetual clause for an affordable apartment could be a disincentive because it could impact a sale of a house.

Robin Reid said that a person who created an affordable unit might need an opportunity for an "out" at some point in the future, or things could change in the house. Ms. Reid agreed with Mr. Thornton that the Town wasn't prepared regarding language.

Mr. Stone explained that the proposal could allow the creation of up to three units over the next year. The Affordable Housing Committee drafted a letter with an explanation, said Mr. Stone. Ms. Russell said the letter needs to be re-worked

Mr. Russell read the Zoning Regulations related to a definition of perpetual, which means (you) can't get out of it. We will need to remove the word "perpetually".

Marty Illick agree with Mr. Mack that if people aren't committed to creating an affordable apartment then they shouldn't do it. Ms. Illick suggested warning an advisory vote at Town Meeting to get an opinion of the Town. Then the committee could rework the letter. Mr. Mack said that paragraph one of the letter related to creation of rental apartments is a concern. Affordable units as homeownership versus rental should be considered, said Mr. Mack.

Ms. Reid said that one reason the proposal came up was to provide existing homeowners the ability to maintain homeownership. For example, my house could have an affordable apartment and that would bring in a little income.

Ms. Hill suggested that a donation line could be put on the tax bill like the state does for the Vermont Wildlife fund. That would make it volunteer versus a broad-based tax on everyone. There are a lot of issues, for example, the financial details aren't vetted.

Winslow Ladue asked if an example of a program could be found. There was concern that oversight costs were not being addressed.

7. BURNS PROPERTY PROJECT – REVIEW COST AND WASTEWATER ANALYSIS, POSSIBLE REVISION TO ARTICLE FOR TOWN MEETING WARNING

Amy Demetrowitz and Nancy Goodrich, Champlain Housing Authority representatives, said that reducing the number of affordable units from 9 to 5 units as proposed would add to the site costs by as much as \$10,000 per unit (rough estimates). A lot of the costs were associated with the septic and water. Option B clustered buildings along Greenbush Road. Electrical costs are substantially reduced because there aren't primary costs for distance. The cost could be \$400 versus \$480 per house for undergrounding the utilities. There would be three clusters of building for 9 units with three driveways and the utility cost was \$600-800 per cluster. Five homes would incur higher costs.

Mr. Russell pointed out that in the setbacks in the Rural District was 50'. Ms. Goodrich said that the buildings were pushed back further than 50'. The estimates presented did not include a Site Plan.

Ms. Demetrowitz said that the estimated costs were \$120 per square foot currently. If construction is next spring or fall the costs could be higher.

David Cummins, Habitat for Humanity representative, said a habitat structure could cost \$200-215,000 for a 2 bedroom 1100 square foot structure.

There was lengthy discussion regarding a definition of a median income in Chittenden County of \$70,000 for a family of four (Ms. Demetrowitz said that under that definition affordable units would meet the benchmark of 80 percent of median income); units were proposed as 1,300 square feet with three bedrooms; money would be borrowed to provide construction funding of the proposed clusters; and carrying costs, such as taxes, etc., which would add \$7,000 to \$9,100 to each unit. Ms. Wood said that fill to bring the grade up would cost \$2000.

Mr. Stone asked Mr. Cummins what one two bedroom Habitat house on Greenbush Road would cost if the Town donated the land, septic and water. Mr. Cummins replied in that situation it typically would cost \$65-95,000 for construction and materials. Labor was provided by the potential homeowner. Funding also included grants for the cost of the property. It must be clear that (you) are asking for different architectural design features than Habitat normally uses. Mr. Stone asked how many people in Charlotte could fit into the Habitat profile versus CHA proposal. It is the blue collar worker in this Town that we want to help.

Ms. Demetrowitz said that CHA program writes grants of \$40,000 and that brings the house price down to \$160,000, more or less.

Ms. Illick stated that the Burns Committee went through four years of work to come up with the proposal before the Town. Mr. Russell said that the Board has been talking of a combination of CHA and Habitat housing. Habitat housing is less because labor is provided by the potential homeowner. Mr. Cummins said that in order to blend in with CHA the Habitat design would need to upgrade materials, such as changing vinyl siding to cement board siding.

Mr. Stone pointed out the Town has two existing septic fields. One could be used for one set of houses and the second set for the other cluster. An alternative site could put 7 units at Flea Market versus destroying a beautiful field. The septic and water are already there and that would save costs.

There was further discussion regarding the Burns Property Master Plan.

Kate Lampton said the Selectboard has to decide what to bring before voters and it is the voters' decision. Nine units in the general area was not 'sprung' on the Town. The language has flexibility with "up to nine units". Mr. Stone said it didn't need to go before the Town. It is a Selectboard decision if (the Board) so chooses.

Mr. Thornton said there is a lot of information to bring out before a vote.

Mr. Russell said that there has been a lot of discussion regarding a proposal for nine units to make an affordable project feasibility versus five units. CHA and Habitat has provided estimated numbers to construct the units. One way to lower the costs is to put the project where the water and sewer hookups are, and that works more for five units than nine. It was not necessarily true that nine units were required. Additional architectural features were planned to fit in with character of the (Greenbush Road) neighborhood. The Flea Market fits in with more affordable units and speaks to 5, or 7 units.

Ms. Reid said that people should pitch a tent on the Burns property to get to know it and "own" it. I am amazed at the "group think" and why you can't make it work. The Town owns it and the Town builds it.

Mr. Russell asked if \$215,000 is the upper limit on what is affordable. Ms. Demetrowitz explained that \$230-235,000 would be over the 80 percent median income. Mr. Russell asked (Mr. Cummins) if Habitat used a similar formula. Mr. Cummins replied that infrastructure costs would stay the same and labor costs would decrease. Labor is sweat equity labor. Ms. Demetrowitz said that the estimates were to show the difference between nine or five units. Ms. Goodrich explained that the figures included drilling a well. If the units were placed where there was an existing well that would decrease costs. Mr. Stone stated that the Flea Market water well could support seven units. The septic is on-site as well, which would eliminate those costs.

Ms. Demetrowitz said the presentation was following the Charlotte plan. CHA has partnered with Habitat on three projects. Habitat acts as the General Contractor and would build three of the nine units. Mr. Cummins reviewed Option A at a cost of \$122-132,000 if there were nine units, or \$132-142,000 for five units based on \$70,000 in construction costs for a 1,100 square foot structure.

An audience member asked how many Charlotte people fall into the \$50,000 median income range. Mr. Russell said a needs assessment would have to be done.

Mr. Mack said that the Zoning Regulation changes done last year haven't been given time for private development to create affordable units.

Mr. Russell reviewed that David Marshall, Civil Engineering Inc, has conducted a survey of the waste water capacity on the Burns property. The 01/26/2007 report shows how an affordable project could hook into the Town system. It is the least expense option for an in-ground system. It needs further discussion.

8. APPROVE WARNING FOR 2007 MARCH TOWN MEETING

It was the consensus of the Selectboard to approve Articles I-IV as written.

ARTICLE V

Amy Demetrowitz asked if the proposed Burns property article talks about a specific location, or does it preclude the Flea Market. Ms. Russell yes. The article talks about the northwest or western portion of the Burns property. Mr. Russell said the location could change at the Town Meeting.

Ceda Cowles, resident, stated that voters were never given any choice other than the northwest or western portion. Ms. Cole said that language could add wording for a Flea Market location.

Mr. Thornton said that there were at least 50 families living in Charlotte in homes valued \$125,000 or less. By putting the funds on the tax rate the Board was burdening them with higher taxes.

MOTION by Mr. Russell, seconded by Mr. Stone, to approve Article V to authorize conveyance, on terms and conditions it finds to be fair and reasonable and in the best interest of the Town, approximately five acres in the western or northwestern portion of the former Burns property to a non-profit housing organization for the development of up to five affordable dwelling units, and also convey sufficient septic and water rights for said dwelling units, reserving the remainder of the 55 acre parcel for future town use in accordance with the Burns property master plan.

DISCUSSION:

Ms. Illick said that the article couldn't say "as proposed by the Burns Committee Master Plan" if the number was changed to five units. The Board should leave it as nine. Mr. Stone said he agreed there wasn't a "Burns Property Master Plan." The wording could be left off.

Ms. Lampton asked what has changed since the November advisory vote to make it more appropriate to go down to five units. The wording is “up to nine.” Mr. Russell explained that the difference was the Board didn’t have the water and septic information then. There is more to it than maximizing the number of units, such as impacts to the neighbors and there would be a large impact to the property. Today numbers were presented that show the project could still be done with five units. There was concern that at the last meeting the Selectboard had acted too quickly. There is the flexibility at Town Meeting for the voters to increase the number of units.

There was discussion regarding the cost comparison numbers presented by Habitat and the CHA; waiver of permitting fees that would help to reduce costs; an audience member request to warn nine affordable units; Selectboard responsibility to put out what is in the best interest of the Town (Mr. Russell said that five units on five acres was in the best interest of the site.); and a Selectboard member concern that there was insufficient time at Town Meeting to properly explain the project and costs.

Ms. Russell said that the Board was only asking how to go ahead and do this. The details could be worked out later.

Mr. Stone called the question.

VOTE to call the question: 3 ayes, 2 nays (Ms. Russell, Ms. Cole); motion carried.

VOTE on the Motion: 3 ayes, 2 nays (Ms. Russell, Ms. Cole); motion carried.

AFFORDABLE HOUSING FUND, ARTICLE VI

MOTION by Mr. Stone, seconded by Mr. Russell, will the Town vote to authorize the Selectboard to create a reserve fund (“Charlotte Housing Fund”) for the purpose of providing funds for the creation of affordable housing in accordance with a fund oversight policy to be adopted by the Selectboard.

VOTE: 4 ayes, 1 nay (Mr. Thornton); motion carried.

Article VII

MOTION by Mr. Stone, seconded by Mr. Russell, will the Town vote to authorize the Selectboard to increase the municipal tax rate in order to deposit \$40,000 into the Charlotte Housing Trust Fund for a period of three years commencing with FY07/08.

VOTE: 4 ayes, 1 nay (Mr. Thornton); motion carried.

ARTICLE VIII

It was the consensus of the Board to approve Article VIII as written.

ARTICLE IX

There was a suggestion to delete Article IX to allow the use of a vote tabulating machine.

MOTION by Mr. Stone, seconded by Mr. Thornton, to replace the proposed Article IX regarding the use of a vote tabulating machine, and to replace Article IX with the following: will the Town vote to increase an existing exemption from \$20,000 to \$40,000 of property valuation from education and municipal taxes for each Veterans Exemption commencing in FY07/08.
VOTE: unanimous; motion carried.

ARTICLE X

It was the consensus of the Selectboard to approve Article X as written.

(Mr. Stone left the meeting temporarily)

9. BILLS AND WARRANTS

The Selectboard signed Bills and Warrants.

10. ADJOURNMENT

MOTION by Mr. Thornton, seconded by Ms. Cole, to adjourn the meeting.

VOTE: 4 ayes, 1 absent (Mr. Stone); motion carried.

The meeting was adjourned at 10:08 p.m.

Respectfully submitted, Kathlyn Furr, Recording Secretary.

These minutes are subject to correction by the Charlotte Selectboard. Changes, if any, will be recorded in the minutes of the next meeting of the Board.