

Village of Old Bennington
Trustees' Meeting Minutes
Jan. 2, 2024

The meeting was held at The Barn and on Zoom. A link to the Zoom recording is here:

https://us06web.zoom.us/rec/share/3H_TT31ceWrUNjC0fISuGJs0L6krxZQEj87mcmn8jwc96hpCAX1YWUvxBOeLPmLB.cc5dsDzISsYHAUJ3

Passcode: 8Zx@X2xq

Officials present: Presiding officer Anne Slattery; Trustees Jim Warren, Ed Woods, and Susan Wright; Treasurer Ron Rabidou; Auditor Kathy Wagenknecht; and Clerk Mary Walsh. Trustee Steven Anisman attended on Zoom.

Officials absent: None.

Citizens present: Rick Caswell, former presiding chair of the Board of Trustees, came to offer information on how road maintenance and financing were done in the past, for perspective; Renny Ponvert and Andy Buchsbaum, among others.

1. Call to order: The meeting was called to order at 7:01 by AS, who noted that the meeting was being recorded.
2. Changes or updates to the agenda: AS made one change, saying that the auditor's report would be immediately after the roads discussion.
3. Approval of minutes from Dec. 5, 2023: The minutes were unanimously approved.
4. Citizen comments not related to agenda: None.
5. Special topic: Repair, maintenance and financing of our roads by trustees and officers:

AS said RR's written report was excellent, and she wanted him to summarize the three scenarios it described and offer his thoughts on their viability. After that she would take comments from the floor and then the trustees would hold their discussion and make decisions.

RR said the Village had recognized the need to repair roads in 2019, so MSK Engineers was engaged to assess road conditions and make recommendations. At that point, the Village was spending less on roads than the Town of Bennington was, so our taxes were

increased twice (in 2020 and 2022) to get back on par with the Town. There was a general agreement that the busiest roads should get the highest priority. Then there was a lag because of the pandemic.

This year, The Village intended to start by repairing Bank Street, but couldn't get a grant in time, so Fairview went first. But the State only makes grants for work on Class 2 highways. Bank Street, Elm Street and Monument Avenue are Class 2 highways, but Fairview is not. It's a Class 3 highway. Borrowing possibilities included the Vermont Bond Bank, which has an active pooled borrowing program for Class 2 or Class 3 highways, and the Vermont Infrastructure Bank, which makes loans for Class 2 or Class 3 highways but seems unresponsive.

RR's first scenario involved no borrowing. To do the repairs this way, we'd have to double our taxes.

RR's second scenario involved borrowing all the money required for the repairs. It would necessitate a 15% tax increase. As a practical matter, no lender would be likely to lend us this much.

RR's third scenario was a combination of borrowing and self-financing. This would require the Village to raise taxes by amounts that would fluctuate from 60% to 80% over twenty years.

KW pointed out that each year, Village residents two tax bills, one from the Town of Bennington and one from the Village, which is much smaller. Within the Village tax bill, there are two portions: a portion for highway taxes and a portion for general taxes. She said people should be aware that the increases that RR was projecting would apply only to the "highways" portion of the Village tax bill.

Renny Ponvert summarized a letter that he had written to the Trustees about RR's analysis. He said he wrote it because he was "horrified" by the tax effects of the road repairs under any of RR's three scenarios. He said his letter made three points, none of which were meant to be critical of anyone.

First, the Village's most recent financial statements show that it is running an operating deficit, which may continue into 2024. We're financing the operating deficit by spending down our cash reserves. We can't afford all this road work without plunging the Village, and all of its taxpayers, into debt.

Second, doing substantial rebuilding of Bank Street will only encourage more transient, pass-through traffic from outside the Village, and encourage that transient traffic to drive faster. The Trustees have already received complaints this year about speeding on Bank Street, and requests to post Stop signs at the corner of Bank Street and Catamount

Lane. Bank Street is a “country road,” and it doesn’t have to be maintained as an urban thoroughfare.

Third, there are just 83 households in the Village, and such a small population can’t afford to provide perfect roads that are widely used by drivers who live and pay their taxes elsewhere. The Trustees owe a fiduciary duty only to the residents of the Village. Therefore, they should maintain the roads only as is reasonably required by the tax-paying residents of the Village. This could mean using the “remilling” process—adding tar, fixing potholes and solving urgent drainage issues. We don’t have to replace everything right down to the foundation of the road, as we did on Fairview.

Rick Caswell then gave some historical perspective. He has served both as presiding officer and assistant road commissioner in the past, and he thinks he might be the only native-born Bennetonian. He said that people have been arguing about road care for decades, and it’s important to think about it in terms of the Village’s relationship with the Town.

JW said that at some point the Village separated its own road maintenance from the Town, and wondered if RC remembered how that happened. RC said the Village was already maintaining its own roads separately back when he became a Trustee. The Village had more than 83 households then, so the cost was spread over a larger group.

RR said the division of road work is in our Village Charter, which isn’t really a free-standing document like other municipalities have, but a series of pieces of legislation by the State. They’re available on the Village website and go back to the early 1900s. This so-called Charter set up the Village with responsibility for the maintenance of roads and sidewalks.

Andy Buchsbaum said that if the Village no longer wants to have control over road maintenance, the Charter would have to be changed. He recalled that when MSK was doing its road assessment, it hired a subcontractor and they walked around together for a day, examining the roads. If people aren’t confident in its assessment now, they should hire a different contractor. But based on what he learned during the 2019 road assessment, we shouldn’t assume the Village can save a lot of money by avoiding full reconstruction work and staying with lighter maintenance. The MSK analysis said that that would be cheaper in the short run, but it wouldn’t last as long.

EW said he has lived in the Old Village for three years, and in Bennington for 20 years, where he’s also a Town selectman. Before he moved here, he lived in a town in Connecticut where there were private roads. The neighbors near those roads were the only ones using them and they were responsible for their upkeep. He said he doesn’t really understand the Village’s model for who uses the roads and who cares for them.

EW also said that Fairview had to be totally reconstructed. Last winter it got to the point where repairs that were made would last just a few days before they had to be done over again. Two different consultants told the Trustees that full reconstruction was necessary. With the remaining roads, he said, "I don't like any of the scenarios we're faced with, and I think they're bad ideas." He would like to work with the Town of Bennington on a solution. Maybe the Town could be a vendor to the Village. Or maybe our streets would be treated like every other street in the Town of Bennington, and the Town would get the money we now pay as the "highway" portion of our Village taxes.

SW said she agreed that the Town could and should play a role, "But the question is, do they want to?" The Town seems perfectly happy not to have to bother with the Village's roads.

EW said the Town isn't going to see this issue the same way we do. It would be easier for the Town if the Village didn't even exist. The Town will not take responsibility for our roads unless they also get our "highway" taxes. Therefore, if we make this kind of change, we'd be reducing the Village's tax revenue. He said he wasn't sure that's where we want to go.

JW said the Village already has a hard time getting the Town to salt the streets and plow snow in the winter.

EW said we have responsibility for our roads because that's the way the Village is structured. It's not realistic to think we'll ever get a reimbursement from the Town for all the Town residents who drive through the Village on our roads. There's no sense in asking for that.

AS said she wanted the Trustees to address our financial situation, as laid out in RR's memo. First of all, any scenario that would increase Village taxes 60%, 80% or 100% is a nonstarter. "I would never recommend that to any of our residents." Second, in AS's experience working with municipal bonds, she thinks it would be hard to get any substantial financial institution to touch our deal. We don't have resources that show we could service the debt.

RR said that the Vermont Bond Bank will handle this particular borrowing, but he can see that if we did borrow on this scale wouldn't be able to borrow any more later.

AS: "I won't approve in writing anything that is not financially feasible." So, is there a path forward in any of these scenarios? "My answer is no."

EW said he also thinks No.

JW said he liked the middle solution, where the Village combines self-financing with borrowing. But do we need an outside audit for that?

KW said the Village needs an audit if it works with the Vermont Bond Bank.

JW said in the audit it would look like our income is way down compared to expenses, but we had been building up our reserves lately for the anticipated work on Fairview. We're not going to be doing that every year in the future.

EW asked RR to repeat the terms of the compromise solution. RR said that if we financed only Fairview with the Vermont Bond Bank, the tax increase would start out at around 78% more than the current rate and decline to about 20% more than the current tax rate by the end of the ten-year projection period. But Fairview is done now. After paying for Fairview, at the end of the year [March 30] we'd have barely enough money to pay for the Bank Street work unless we increase taxes.

SA said it appeared the trustees were acknowledging that we "are failing at our fundamental purpose by Charter and bylaw." We seem to be talking about mortgaging the future of the Village in a way that he considers irresponsible. We are discussing whether the Village can survive, and how. We have to focus on what we can actually do. We should not make huge financial commitments before we know what options we have. We really should talk with the Town about changing the division of labor.

EW said that if the Village went down the path of not owning our roads, it would be a historic district, and the cost would be what it costs to operate the historic aspects of the entity. If our budget were correct today, we'd pay 90% of each household's current tax bill to the town today.

AB said we would still want to control the "parks and recreation" aspects of the Village—having the weeds that grow in the swales removed, for example.

AS said that Charters can be changed but it has to be properly negotiated. The Town knows that we're between a rock and a hard place on road maintenance. We should think about how we could make our road maintenance something that Town would be interested in doing. We shouldn't decide anything on the bond tonight. We should think about how to sweeten the pie for the Town first.

KW said there wasn't free money to transfer over to the Town to pay for our road maintenance. We don't normally spend all of our "highway" tax revenue on the roads. We spend some of it on other things. If we handed over all of our "highway" tax revenue to the Town, we'd have to raise taxes to cover those other things. We're accustomed to having a police officer, for example. But there are other things covered by our "highway" taxes.

AS said we needed to analyze how much of our "highway" money is being used to pay for other things.

KW said she thought it would be wise to go ahead with our outside audit, because if we're going to get into a new relationship with the Town we need to know our numbers are correct.

SW asked what was in it for the Town to take over our road maintenance. There was a general agreement that it could be attractive for the Town because they'd be getting more tax dollars from the Village. Their marginal cost of maintaining the Village's roads would be low because they already have all the equipment, and they can get volume discounts when they buy materials. They already drive their snowplows down some of our Village streets and just put the plow up until the Town's portion of the street resumes.

EW said it sounds like the negotiations would be above-board and routine.

KW said yes, as long as we review our "highway" tax revenues and keep in mind what we're currently spending that money on.

RR said that he prepared the three scenarios for information purposes only and that he wasn't recommending a specific proposal. He added that he didn't think any of the scenarios would be acceptable to most taxpayers.

SA said he didn't think the audit should be done if we weren't going to borrow for the road work.

KW said the audit wasn't just for the Vermont Bond Bank.

EW said he didn't think the Village should move on spending anything until it was sure exactly what portion of the tax revenue is going to road work, versus on spending. There was a discussion of the Town's plans to increase its taxes, and taxes for public schools. RR said it would be reasonable for the Town to want all of our Village "highway" tax revenue, plus even more money, because we had not paid as much road taxes as the Town property owners had over the years.

JW said that the Village might be able to afford maintenance of the roads if it pushed some of the work out into the future. He didn't think Walloomsac needed any repairs, for instance.

RR said he could prepare some scenarios like that. They might not be as dire as the current scenarios, which cover the cost of repairs on all roads.

AS said she wanted to find out what the Town was prepared to do, at what cost. She said she has no history of interacting with the Town and would be comfortable having an exploratory conversation with them.

JW asked RC if he remembered when the City of Bennington dissolved and was merged into the Town of Bennington. RC said the board's current discussion would be similar to the discussion they had back then. The City had to find out how much the residents' taxes would increase if the City dissolved and merged into the Town.

RR said he thought that in the 1950s the Village and the Town of Bennington had rejected a merger. [It was actually in 1955.]

KW said the Trustees should strive to prepare an analysis that could be shown to the Village residents at the next annual meeting.

EW said the Village wouldn't want all responsibility to be shifted to the Town; the Village should retain some. The Trustees needed to get information from the town about the tax effects.

AS said she saw nothing to vote on if no money was going to be spent as of this meeting. The board now has an action item on more financial analysis, an action item to meet with the town, and a need to bring back more information and suggestions based on what we learn.

EW asked if AS could appoint a subcommittee to work on this issue.

AS said she would like to handle talks with the Town, working with RR, in compliance with Vermont's Open Meetings Law.

6. AS said that KW should go ahead of the other Commissioners' and Officers' Reports, because she had an agenda item, a review and decision on the Outside Auditor's Letter of Engagement.
 - a. KW said that the outside auditor's fee was \$16,000. They have already done some work on the audit. RR has already sent them some of the materials they need. We shouldn't think that if we drop the audit now, we won't owe at least part of the fee. One question now is whether we'd have more credibility in our negotiations with the Town if we have an audit. We've never had an outside audit done, and we have had experience with fraud.

EW said that given the direction we're heading in now, we should just be buttoned up. We ought to be having an outside audit done every five years anyway.

KW said the audit was going to be a part of the major expenditures of our "highway" taxes—it's a cost of maintaining the roads. If the Trustees vote in favor of the audit, she will need a signature on the Letter of Engagement. The firm is reputable. It audits the books of about 90% of the municipalities in Vermont.

EW moved to go ahead with the audit JW seconded the motion. The motion passed unanimously.

- b. Planning Commissioner NC offered an update. She said people have been asking about Village priorities. At the last meeting, the Planning Commission learned about Enhanced Energy Plans, and what they would and would not do for the Village. They can put a municipality in a stronger position vis a vis the Public Utility Commission. But there isn't any grant money for writing an Enhanced Energy Plan right now, and it's a complicated process. We can work on Energy Plan verbiage within the Village Plan of Development—they do not have to be done separately. But there's no grant money now for writing a Plan of Development either. There might be grant money from the State Climate Office, but we need to keep an eye on grant possibilities and maybe there will be more opportunities later. The current budget for the Planning Commission is \$750. In 2024 we might ask for additional money to help with getting our Development Plan into writing.

The Planning Commission also hopes to have a set of proposed Zoning Bylaw revisions done soon. They will focus on illumination, fences, tree removal, etc. There was a State grant of \$300 to pay for upgrading our Bylaws to mesh with the new Home Act. The Vermont County and Regional Commission has already given us many hours of assistance so I have no problem paying for the work. NC must still send the draft document to VCRC to see if we're now in good shape for the Home Act. We'll have to have a public discussion of the draft in February, then present it to the Trustees for approval in March. We're trying to stay with this schedule but it might not be ready for the Trustees until April. Most municipal planning grants run around \$15,000. There's another bylaw modernization grant that we would apply for in 2025.

RR asked NC what was going on with ugly temporary fence outside the Walloomsac Inn. NC said they have been notified that it must come down no later than March 31. If they want to apply for another zoning permit with a longer-range plan in mind, they can do that, but the current fence's permit cannot be extended.

- c. Roads Commissioner JW said he spoke with John Cerreta Excavation today. There will be minor work on Route 9 where they're trying to pull a new sewer line under the highway. It will start on Jan. 3 and should not disturb Village roads. Cerreta seemed interested in bidding on our plowing and salting work.
- d. Tree Commissioner SA had nothing to update.

- e. Parks and Sidewalks Commissioner SW had nothing to update. RR asked if the overgrown vegetation on Walloomsac had been taken care of. SW said mostly but there continues to be a tree in the yard that's falling down.
 - f. Police Commissioner EW said he hadn't received the current policing report yet, so he will submit it next month. There was a discussion of speeding on Monument Avenue. JW said the worst offenders seem to be FedEx trucks and propane trucks. EW said his wife was recently passed by a FedEx truck on Monument Avenue. In such cases it's a good practice to take down the license numbers.
 - g. Treasurer RR said almost all of the residents' taxes have now been paid, plus we received almost \$16,000 from the State PILOT [Payment in Lieu of Taxes] program, compared to \$13,000 last year. We're also about \$10,000 under budget, so we have some money we can use to pay for the audit. We haven't received a bill yet for salting. There was no bill for police coverage this month. There's very little to report in terms of cash and investments. Another CD is rolling over, and that cash will be deposited in the Bank of Bennington. RR plans to meet this month with the Village attorney, Merrill Bent, to talk about beginning the foreclosure process on Tzaims Luksus's house. RR hopes that beginning that process will motivate Tzaims's brother or son to step in.
7. There are seven checks under Warrant; see RR's report on these posted on the "Treasurer's Reports" page of this website. JW moved to approve the warrant list. EW seconded the motion. The Warrant list was unanimously approved.
8. Old Business: None.
9. EW moved to adjourn the meeting. SA seconded the motion. The Trustees agreed unanimously to adjourn at 8:40.

JW the most annoying speeding vehicles are FedEx, propane trucks, etc.

EW: My wife was PASSED by a fedex truck on Monument. You should always take down the license numbers.

KW Pembroke trucks are bad too.

RR: Have we taken care of the overgrowth on Walloomsac?

SW: It's hard to say. There's a falling tree down in his yard.

RR: I thought we were just going to just trim it.

EW: I looked and the swalews are cleared out.

Rr: The ggood news is almost all of our taxes are in, plus we got almost \$16,000 from the state compared to \$13,000 last year. We got some highway bucks in. We're \$10,000 under budget, so that can go to ay for our audit. We haven't gotten a salting bill yet. No police coverage this month. We're in pretty good shape and we'll be way under budget on fines, but we aren't paying

Seven checks under warrant
bill from Wilmington for solar work
Msk for road project.
streetlights.

Cash and investment, not muvch change but another CD will roll over. I'm pulling the money out of HFCU and putting it into BoB.

Delinquent taxes, I emailed with Merrill and we'll get together in early Janaury to talk about foreclosure process on Thames's house. Hopefully that will get Thames to get his brother or son to step in

JW: I move we approve the warrant list, EW seconds. unanimous.

No old business.

New business: Renny: I'm so relieved we're not doingt his big project. So RR, are you projecting an operating deficit this year?

RR, the \$270,000 is going to come from existing reserves.

Renny: Where will reserves be at the end of theFY. We were going to have -\$264,000. But we could end up with between \$160,000 and \$200,000 in reserves. Wwe were expecting that because of the road work.

EW movest to adjuourn. SA seconds. Ananimous, at 8:40.

