

1 **TOWN OF CHESTER**
2 **SELECTBOARD MEETING**
3 **August 2, 2023, Minutes**

4 **Board Members Present:** Arne Jonynas, Lee Gustafson, Peter Hudkins, Arianna Knapp, and
5 Heather Chase at Town Hall.

6 **Staff Present:** Julie Hance, Town Manager, at Town Hall; and Susan Bailey, Recording Secretary
7 via Zoom.

8 **Visitors Present:** Shawn Cunningham of The Chester Telegraph, Bill Lindsay, Kathy Giurtino,
9 Chuck Giurtino, Nick Boke, Remus Preda, Hugh Quinn, Lori Quinn, Robyn Potter, Fred Potter,
10 Joan Grossman, Ed Grossman, Andrew Gritsevskiy, Jan Moot, and John of Wilmington Trust and
11 M&T Bank, at Town Hall; and SAPA TV, Scott Blair, Joy Slaughter, Cathy Hasbrouck, Jerene
12 Slivinsky, and Preston Bristow via Zoom.

13
14 **Call to Order**

15
16 Chair Arne Jonynas called the meeting to order at 6:31 p.m. with the pledge of allegiance. He
17 welcomed everyone to the meeting and asked those in attendance to sign the sign-in sheet.
18

19 **Agenda Item 1, Additions or Deletions to the Agenda**

20 Arne said there would be a short executive session at the end of the meeting regarding an update
21 on the union grievance. There would be no action taken afterward as it was only to update the
22 board. There would also be the addition of an item for a cemetery deed.
23

24 **Agenda Item 2, Approve minutes from the July 5, 2023 Selectboard Meeting and July 13,**
25 **2023 Special Selectboard Meeting**

26 Lee moved and Arianna seconded a motion to approve the July 5th minutes. There were no changes,
27 and the minutes were approved, as written.

28 Lee moved and Arianna seconded a motion to approve the July 13th Special Selectboard meeting
29 minutes. There were no changes, and the minutes were approved, as written.

30 **Agenda Item 3, Citizens Comments/Answers from Previous Meeting**

31 Scott Blair invited anyone to 7 Pineview Drive to tour the cannabis shop he is opening. They are
32 close to being done with the construction project and are due to be on the State CCB Licensing
33 Committee for August 30th. They have provided tours to the EMS and some of the members of the
34 Cannabis Control Commission for Chester. He wanted to extend the invitation to any Selectboard
35 members to schedule a tour. Scott and his business partners were more than happy to conduct a
36 tour for them. Arne thanked Scott for the update and thought he would be a welcome addition to
37 the business community in town and thought it would be interesting to see how it all worked out.
38 Scott agreed.

39 **Agenda Item 4, Old Business**

40 Report given by the Town Manager, Julie Hance:

41 Citizen Advisory Committee

1 Sam Bailey is leaving the area and would step down from the Citizen Advisory Committee. Julie
2 would advertise filling the spot and bring it before the board in September for an appointment.

3 Solar

4 Julie reached out to Greenbacker and received a response. The appraisal should be in within the
5 next week or two.

6 VHIP

7 The Vermont Housing Improvement Program, which helps people with unpaid rent, mortgage,
8 utility payments, and delinquent taxes, has reopened their program. There had been a cap of
9 \$30,000 but it has been increased to \$40,000 per household, so there is now another \$10,000 they
10 may be eligible for. It is federal funding that was a result of COVID bills that went through
11 Congress a couple years ago. A lot of people in Chester benefited from the program and Chester's
12 delinquent taxes and utility bills are the least they've ever been in Julie's 19 years working for the
13 town because of this program, which has helped a lot of people.

14 **Agenda Item 5, M&T Wealth Management; Update on Accounts**

15 Remus Preva and his colleague, John, of Wilmington Trust, a division of M&T Bank, were present
16 to give an update and answer any questions from board members. Julie told them there would be
17 a request in the fall or spring as the board had approved up to \$20,000 for a project on the Green,
18 but she thought it would be closer to \$10,000. They said it would be easy to do. John has decades
19 of experience and was familiar with the account. He had reports with him as of June 30th but
20 wanted them to have the most current through July 31st and provided them with that. The economy
21 is still growing well. It's not dynamic but growing at 3 ½% which was where they were before the
22 pandemic. Despite the Federal Reserve raising rates substantially, they are financially healthy.
23 They expect the market to gain. The fear had been they were going to go into a recession but that
24 wasn't the case. His expectation was for the economy to grow modestly. He didn't expect the type
25 of performance they saw in the equity markets in the first half. What had driven the performance
26 in the first half was a very limited number of stocks. The growth index was up 31%. He thought
27 the feds were done raising rates. Chester's portfolio is very diversified and is roughly 50/50
28 between a mix of fixed income and equities.

29 Lee thanked them for the explanation and asked them to explain their philosophy of investing and
30 whether they consider ESG factors in their investments. They said they don't in the current
31 portfolio but could. Arne asked for the definition of ESG. Lee said it was environmental social and
32 governance and was a means of looking at investment relative to ethics. From what Lee has seen
33 and heard, it was not a good way to invest public funds because the level of return is less than
34 investing in equities and stock. John said most ESG portfolios are very heavily weighted towards
35 technology and depending on the market, will either do very well or not. They are typically not
36 very well balanced. In general, John said their risk philosophy is to be diverse.

37 Arne asked John if they normally invest the way they want or differently if directed by the town.
38 John and Remus agreed. Arne said a lot of people are trying to divest from fossil fuels because of
39 what is happening with climate change. That would be a discussion for the board and a policy that
40 Arne didn't think existed. Lee thought the experts should make those decisions rather than the
41 board suggest how to invest the money since the board is not experts. Arne understood that but
42 said the socially conscience part was if they were happy investing in things like that. Arne noted
43 it was a good point Lee brought up because he hadn't considered that aspect of investment. Heather

1 said they had a policy, and they were clear about goals and had spent a lot of time deciding what
2 to do and how to do it. Heather said it was her 9th season on the Selectboard and she was proud of
3 how the money was invested. Peter thought it was probably a diverse investment. John agreed. It
4 was a lot more money than when they had started it.

5 Arne and the others thanked them for their presentation.

6 **Agenda Item 6, 2023 Pinnacle Usage; Dog Walk Event**

7 A request from the Chester/Andover Family Center to parade through town from the vet clinic to
8 the Pinnacle on Sunday, October 15th called Strut Your Mut. Matt from the Recreation Department
9 had no issues nor did the Police Department. Arne didn't see anything that raised any red flags,
10 and it would go for a great cause. Heather moved and Lee seconded a motion to approve the
11 request. Arne said it would be Sunday, October 15th beginning around 10 a.m. and would finish at
12 the Pinnacle. A vote was taken, and the motion carried unanimously.

13 **Agenda Item 7, Short Term Rentals**

14 Their registration process was effective April 1st. Granicus was the corporation collecting the data
15 and was slow doing so but had gotten them the information they requested. Hugh Quinn was
16 present from the Planning Commission for any questions or concerns. It was on the agenda to
17 discuss their options. The Planning Commission had provided information included in their packet
18 that was applicable to Chester and what had been happening in other areas. Arne wanted to open
19 it up for discussion now that they had information. Some citizens were concerned with the growth
20 of short-term rentals. Registration was just the first part and now that they had information, the
21 issue was how to approach it. Lee found it interesting there were 64 STRs, though the map had
22 four different identifiers: compliant, non-compliant, unknown compliance status, and not yet
23 identified. Lee asked for an explanation. Hugh said the map was to show a snapshot of where they
24 were. Green dots meant they had registered as a short-term rental and complied with the ordinance,
25 but because they hadn't fully implemented the process, they expected the red dots would go green.
26 The gold triangle meant there is a property listed on a STR platform, but were unable to connect
27 it to anything on the listers' database. Hugh wasn't sure what the unknown compliance status was
28 partly because Granicus was behind schedule. They had provided data, but all the things to
29 implement the process were yet to be done. Heather confirmed what they thought would be
30 implemented in April had not been implemented yet. Hugh said it was partly because of the
31 company but it also was a collaboration between the town and company to match information.
32 Cathy Hasbrouck had done a great job providing the information to Granicus. Granicus initially
33 didn't have a project manager for the Chester project, so it sat on hold, but the problem was
34 resolved. Heather asked Preston what happened if someone wanted to register a STR and Preston
35 tells them they will hear from them. Arne asked if the 64 current STRs was a definite number and
36 Hugh said it was. The number didn't mean they were registered, only that they were identified.
37 Arne asked if there would be more than 64. Hugh thought the graph on the second page was a
38 trend graph and STRs fluctuate and tend to come and go depending on what people do with their
39 properties and some are seasonal. The beginning of mud season, things trailed off. At the end of
40 ski season, things dropped off. Hugh thought over time the thing to look at was whether the trend
41 line stayed seasonal or ramped up.

42

43 Peter disclosed that he had a short-term rental. Because there was no enforcement, he was working

1 on what he needed to, such as the fire inspection. He said he had oodles of work to do which was
2 difficult to get because of the flood. When nobody is receiving a letter directing them to do these
3 things, but then the fire inspector must go through, he felt the numbers would drop because what
4 was necessary to pass was significant. He thought getting the Housing Commission formed was
5 important and he wanted to hear their thoughts. Peter didn't see it spiking it up. Heather had been
6 under the impression it could be as high as 8%. Hugh thought it was close to that in March but
7 there were 17 STRs who advertise more than 8 and they would need to have the Fire Marshall
8 come out and undergo a rigorous process per the State of Vermont. Hugh said for under 8
9 occupants, the owner self-certifies that they meet the regulations. Peter said the town requires that
10 they meet the state requirements to register with the town.

11 Arianna noted there were regulations from the state level. She said she stays in Airbnbs all around
12 the world and utilizes the STR program at least once a month and appreciates them. She thought
13 it was clear from conversations there and around town that the two concerns regarding STRs were
14 the impact on affordable housing market and the strain on infrastructure when turning over guests
15 on a regular basis. It wasn't that they had an issue with the business of having a STR but how they
16 impacted the community. Arne said it was part of it but also it was an unregulated business, where
17 other businesses in town were. Arne said it was the only business where they allow that to happen.
18 Heather said they don't want big corporations to come in and buy multiple properties. Only two
19 STRs have owners of multiple properties. Hugh thought the number was low. Lee asked if the
20 numbers were a surprise to the Planning Commission. Hugh said the numbers were barely
21 consistent with what they saw when they first began looking. The number was lower, but he
22 wouldn't make any decisions about trends until they complete a full annual cycle. Leaf season and
23 other seasons could affect it. Arne said if they don't advertise, they are off the radar and may not
24 advertise until leaf season. Hugh agreed that was a possibility. If a property is not advertised on a
25 short-term rental platform, it won't get picked up.

26 Lee said it looked like they had 2 ½ years of data and Hugh agreed. The trend went up but then
27 dropped back down. Hugh said the listing number would be higher than the actual number of STRs
28 because they list on multiple platforms.

29 Preston said they started with 80 and as they got into it, they eliminated The Fullerton who has
30 rooms listed on Airbnb. The state has requirements that STRs with 8 or more occupants must be
31 inspected but have no idea who they are unless they register so this will help the state. Preston was
32 disappointed with Granicus but noted they were continuing to make progress and punitive actions,
33 at this point, were not appropriate. The letters, which have been written, may not go out until
34 November. Heather said they would implement the ordinance in October or November and give a
35 window of opportunity to comply. She wondered what the public should know about when they
36 would have a registry because letters going out didn't mean they would have a registry. She wanted
37 to set her expectations for herself and others as to when Chester would have a STR registry. Preston
38 said the intent was when they were ready, which could be November, all STRs will receive a letter
39 directing them to register within a certain period. There would be a grace period. The contract with
40 Granicus was for a year. They had paid them about half. Arne said to make sure they didn't pay
41 them the remaining balance until they provided as promised. Arne thought they should do
42 something before the numbers increased. Arianna thought it was helpful to read what other towns
43 were doing. She felt strongly that they should continue to pay attention and thought they shouldn't
44 let it go quietly and once the Housing Commission was in place, it belonged on their agenda, as
45 well. Arne said it would be a board decision whether they did anything, stayed with the registration,

1 or added to it now or in the future, or just keep their eyes on it. Heather was happy to read about
2 other things they could implement and thought they needed to keep a balance. Tourism is the
3 biggest economic driver for Vermont. When there are homes that are already second homes being
4 rented to tourists, she was afraid there could be unforeseen consequences when they implement
5 restrictions that will hurt businesses. Heather thought they should keep on top of it, but it was a
6 trend much bigger than Chester, Vermont.

7 Nick Boke wanted to remind them that unhosted rentals would have someone local to manage it.
8 Kathy had done an excellent job speaking with other towns and suggested they take another look
9 at it. He knew it was a tiny anecdote but where he lives on Meadow Road, across the road from
10 him and right around the corner on Church Street, there are three new owners. Two have said they
11 will not turn them into rentals. One new owner is staying there a lot. All three owners have other
12 homes. He knocked on the door of the third because of flooding and it was a STR. He understood
13 1 out of 3 of the recently purchased homes in Chester was a STR. He thought it mattered. Heather
14 agreed.

15 Arne said they struggled to get the basic registration. It had a slow start but was going in the right
16 direction. He still came back to the same thought that it was a business they don't regulate. He
17 wondered why and realized there were arguments both ways but wondered why it was different
18 for a STR than any other business. Peter said the ordinance was proposed because it was faster to
19 do than a zoning change. Peter voted for the ordinance through the Planning Board. For him, it
20 would cost him \$30,000 to \$40,000 to comply. The people affected by the ordinance in November,
21 don't even know it yet.

22 Kathy wasn't concerned with STRs but rather unhosted STRs. She said they weren't necessary for
23 tourism because they have the motel, The Fullerton, and several hosted STRs. Most coming up
24 now were not purchased by someone with a seasonal home here but are buying them just to make
25 money. She pointed to a home in her neighborhood and said the third day on the market someone
26 in New Jersey bought it sight unseen. They will have another unhosted STR. Kathy said every
27 time a house becomes a short-term rental, it's one less house people can move into. She said for
28 someone out of state, \$289,000 is a drop in the bucket. They will get \$300 or \$400 a night and it
29 was tax deductible. The taxes will go up because more firemen are needed, and the citizens will
30 pay more taxes, but it will be a tax write-off for the Airbnb. Kathy said they only care about what
31 they can take from the community, and she saw them losing the high school. 47 graduated this
32 year, 40 the next year, and 35 the next year. She wondered how many years they could keep the
33 high school going if the enrollment continued to drop. Kathy said these people don't care because
34 their kids don't go to school here. The rotary has no new members and can't do what they do
35 because there are no young people moving into town. STR owners don't care because it doesn't
36 affect them and they're getting money from the STRs. In Venice, Italy, they used to have 70%
37 full-time residential population and now they have 30%. Kids want to move back home but can't
38 because they can't find a place to live. She talked to Morristown and said they were not being
39 sued. She recommended someone from the board should talk with them. Morristown drew a line
40 in the sand that there would be no more short-term unhosted rentals. She thought Chester should
41 do the same. Kathy thought they should only allow hosted short-term rentals. Kathy has only been
42 in Chester 9 years and chose to move here instead of Perkinsville because they didn't have the
43 amenities Chester does. One of the things she loves is schools. Kathy said Chester is becoming an
44 old town and there is nobody present in their 30s. She didn't want to lose houses to people who
45 "don't give a damn" about Chester except what they can take from it. Arne thanked Kathy for all

1 her work and said she had been a wealth of information.

2 Lori Quinn was there to speak as a citizen and not the wife of Hugh Quinn. She remembered
3 coming to meetings when they discussed the ordinance and there was snow out and she had no
4 problem with them implementing it now. She disclosed that she lives in a small subdivision with
5 four homes, the last of which was sold last year, and the owners are retirees who are here half the
6 year. The other two owners have STRs and as a result, their quality of life has changed drastically.
7 A couple of weeks ago a party went on next door with lots of dancing and super loud music and
8 their dog decided to join the party. They have elderly neighbors next door. She asked them to turn
9 their music down at 10. It put her in a situation where she is affected as a neighbor by people
10 visiting that Airbnb. There are many people in the community who do not benefit from tourism.
11 They only see the owners once or twice a year. They used to be people they sat around their
12 campfire with, and now they are trying to mend that relationship. It is a small subdivision where
13 they value their quality of life and is why they chose to move to Chester. She is looking forward
14 to having a number to call. Her subdivision doesn't allow for a commercial entity but STRs don't
15 fall under those guidelines. She appreciated the board's concern about the issue. Arne and Lee
16 thanked her. Arne thought it was important to hear the personal side of it.

17 Jan Moot of North Street pointed out what happened to Ludlow who had been bought-out with
18 hardly any residents, no school, and didn't think they realized what was happening. She hoped
19 Chester didn't get to that.

20 Ed Grossman of North Street wanted to support what had already been said. He didn't know
21 Chester and when people asked him how it was going in Chester, he told them they had such great
22 neighbors and felt part of the community. He could speak about the houses; one was owned for
23 half a century by one family and almost four decades by another and both were in transition. In his
24 neighborhood, almost 1/3 of the homes have been sold since he moved there. He asked them to
25 give serious consideration to regulating the STRs. The owners don't get involved with the
26 community. Arne thanked him.

27 Robyn Potter of North Street said Vermont has always had tourism and needs tourism so she didn't
28 think STRs would go away. She thought people would come and take homes away from people
29 who could live here and needed their children in a good school and needed memories and that's
30 what she wanted for her grandchildren. She wanted it to stay the same. She said there was a window
31 of time, and they may lose it if they don't act, and they can't keep having meetings and needed to
32 act. Arne thanked her for her comments.

33 Lee was leaning toward limiting the number of unhosted short-term rentals but wondered how that
34 limitation would affect people trying to sell. Lee said the majority of STRs were unhosted and if
35 they weren't going to allow that, would it make a significant difference. He wondered what the
36 ramifications would be by limiting the number. He understood there was a lack of affordable
37 housing and one way to address it may be to limit unhosted STRs. He thought there were some
38 stories that proved the need for a host and someone responsible for the action of their renters. It
39 wasn't fair to the neighbors to police or put themselves in an uncomfortable situation by dealing
40 with something a host could deal with. But on the other hand, they should be aware of the
41 unintended consequences of limiting any kind of rentals. He asked the other members for their
42 opinions. Peter thought the ordinance addressed it by requiring a local manager. Peter had no
43 problem limiting the number of unhosted but thought they should consider a ratio and distance.
44 Peter thought they needed to hear from the Housing Commission. Peter said they shouldn't have

1 to call their neighbors but rather utilize the registration. Arne didn't think it would solve many of
2 the problems he was hearing. Arne thought the big difference was between hosted and unhosted.
3 Arianna found it frustrating that the ordinance hadn't moved faster yet she saw a problem with
4 putting another ordinance in place when they had yet to enact the one that they had put in place in
5 hopes of mitigating it. Arianna wondered who or what body was responsible for shepherding the
6 ordinance in action. Arne said the original ordinance was registration. Julie said it hadn't been able
7 to be enacted yet because of the delay with Granicus. Arianna said they had discussed it and
8 wondered what the next active step they could take with the existing ordinance was and how to
9 move it forward. Hugh said in terms of enactment of the existing ordinance, his belief was Preston
10 was leading the effort with the software vendor, Granicus. Arianna wanted to invite herself to
11 Friday's kickoff call with Granicus and once the process started, she suggested they revisit it on a
12 regular basis. Arne said the kickoff would help but it still came back that it was the basic
13 registration but wouldn't stop any purchases of STRs. He thought they should act sooner than later
14 if they thought the issue was what Lee referred to as unintended consequences.

15 Preston suggested they amended the ordinance to cap registrations by saying when they reach a
16 certain number, they would issue no more. If the number was lower than the current number, they
17 could have a lottery. Arianna thought it would incentivize compliance. Hugh saw on the west coast
18 where a town capped them and had a lottery where a person received a registration for a period,
19 and once that time expired, they were back in the pool. Heather wondered if there was data from
20 other communities with respect to where the tipping point is and wondered how many were second
21 homes. Hugh said an unhosted home would not be someone's primary residence. Lee thought if
22 they had 64 STRs and only 50 registered, that would be the cap or should they set the cap and
23 allow 50, and if they receive more than that, it was too bad for the people who didn't get one. Lee
24 was trying to determine how they set the number and if it was too high or too low. Lee wanted to
25 hear more after the Friday call to learn if they have any more insight and if all listings were active.
26 Hugh said they scan the listings regularly, so the data is in real time. Lee wondered if they only
27 implemented the registration process and gave them 30 days to register, after that they're out of
28 luck. Hugh said it would be an ongoing registration process. Preston would become aware of
29 unregistered rentals on a regular basis. It wouldn't be an annual registration process but something
30 that happened continuously. Lee said setting a limit would be a way to limit the number of STRs.
31 Hugh said the question would be the equity of who gets one and who doesn't. Peter suggested not
32 breaking up the neighborhoods. If Stone Village was going to have 5, that would be out of
33 proportion. If they wanted to limit it and there were already 5 there, it would be a problem anyway.
34 Peter thought they needed to look out how to do it proportionally per square mile rather than just
35 naming a number. Lee wondered if it was a zoning issue and how would they do it without opening
36 themselves up to a lawsuit. Lee thought it was a great idea but questioned how they would do it.

37 Kathy was concerned about the number of stone houses in Stone Village that were becoming STRs.
38 She said there were several houses that had been sold or were for sale. Lee asked if someone
39 wanted to sell their house, but it wasn't permitted to be a STR and if someone local couldn't afford
40 to buy it, did the seller have to lose out on a sale due to the regulations imposed and was it
41 something the town could even do? Kathy said right now the house prices are increasing because
42 they are expecting out of state buyers. Lee agreed and wondered if what they were asking people
43 to do was accept less for their homes. Kathy agreed but said Chester would keep its community.
44 Lee understood but was trying to think through the ramifications for everyone and how they would
45 make it work in a way that was equitable. Heather said she really liked the STR regulation option
46 landscape that Preston had gotten and said they could also do other things such as limiting the

1 number of days it could be rented per year. It wouldn't hurt the current homeowners who rent it
2 out for 6 or 8 weeks a year and still are part of the community. Heather mentioned the crawl, walk,
3 run approach, and wished the crawl was faster. Once they had the information on Friday, she
4 thought they should review the ordinance again and consider other strategies that didn't limit it to
5 only 4%. She preferred to stall the growth but maybe not limit it until they understand the housing
6 better. Arne said it would come down to the details of any enforcement and how to address the
7 details important to them without the unintended consequences. Heather didn't think they could
8 implement anything until the registration was up and running. Arne said the list had quite a few
9 ways to accomplish different things. Heather liked the waiting period option where someone had
10 to own a house for a couple of years before turning it into a STR. Arne said a STR in Springfield
11 is a conditional use with the neighbors aware and they're happy with how it's working. Heather
12 said they could expand the list. Arne said there was a lot to figure out because they wanted to get
13 it right. Julie pointed out that it was on the list under zoning. Arne said they needed more time to
14 figure it out.

15 Chuck Giurtino thought they had the mechanism in place with registration and suggested giving
16 those who hadn't registered a window to do so. He said going to the DRB for conditional use was
17 an excellent idea.

18 Robyn Potter said when she and her husband were buying their home, nobody told them there were
19 Airbnbs in their neighborhood which they would have wanted to know, and they never told them
20 there was anything they needed to do to rent it out. She thought the realtors should be involved.
21 Arne thought that sharing the information with realtors would be an excellent idea once they were
22 on that path and had the information themselves and a process they were going forward with.

23 Lee said they seemed to all agree to wait until after the meeting on Friday and then discuss it in
24 September. Arianna will join the meeting on Friday. Arne said if three members wanted to join,
25 that would be fine, but they would need to warn the meeting. Preston said it was between 11 and
26 12 on Friday and he welcomed the support.

27 Arne thanked everyone who came out to speak.

28 **Agenda Item 8, Errors and Omission**

29 The board members signed the necessary paperwork related to an increase in a lister value.

30 **Agenda Item 9, Severe Storm Update**

31 Julie provided an update. The town is in the recovery phase. They are rebuilding the tail end of
32 Smokeshire and most roads are coming to a close with regard to recovery. FEMA is putting real
33 boots on the ground and has been in the area the past few weeks. Julie attended applicant briefings
34 via Zoom and in person in Springfield. Chester officially submitted a request for funds from
35 FEMA. In three weeks, they will be assigned their project manager. It is a similar process to what
36 they went through in Irene. They will come and meet with Julie and Kirby and have a recovery
37 scoping meeting to discuss damages and remaining work. They will have 60 days to identify the
38 damage inventory and every project, and then they begin the work of what it will cost. They
39 probably have 82 projects, which is a little less than Irene. With the reservoir dam excluded, they
40 have no projects that are classified as large projects, which for the state is \$250,000 and for FEMA
41 is over \$1 million. That is good for Chester because it makes the process simpler and recovery of
42 funds simpler. FEMA's federal share is 75% which leaves 25% on the town. During Irene, the
43 state put into effect the Emergency Relief and Assistance Fund and depending on the levels of

1 hazard mitigation and resiliency work done, they are awarded points. If they have enough points,
2 they will receive 12½% from the state, so that Chester will only be responsible for 12½% of the
3 damages. All of Julie's time, employee labor, and overtime rates with benefits are reimbursable.
4 FEMA also has cost codes for equipment and fuel and if they keep track and document it, it is all
5 money that will come back through these projects and straight time is money already built into the
6 budget. The town made \$75,000 during Irene. At the end of the day, Irene did not affect the
7 immediate budget and Julie was hopeful it would be the same for this event. Arne pointed out that
8 even though they may be reimbursed, it affects other jobs the town can't perform, and projects get
9 put on the back burner.

10 Julie has been fielding the most calls for river debris. Teams are giving permission to remove trees
11 and gravel berms. Unfortunately, it is not a cost code FEMA will reimburse for. Julie said if they
12 use contractors to do it, they will be well into six figures that will not be reimbursable to the town.
13 Engineers are getting permits to remove but the State of Vermont Agency of Natural Resources is
14 telling the public that nobody is allowed in the river, so things are not clear between the state and
15 FEMA. Chester is not doing debris removal until things are figured out. They want the gravel
16 berms in the pit, and they want the trees removed so they don't clog bridges down the road, but
17 they need to get the funding figured out and how to get it done. When FEMA is in town, they will
18 form a team and go to the sites and fight for getting it done. They are hoping to get FEMA to sign
19 off on the projects. After Irene, it was a couple of months before any of that type of work began.
20 Heather asked if it would go into river mitigation and bolster some things for neighborhoods. Julie
21 said bank stabilization on the back of someone's property is not something Chester does but rather
22 private property work. The town cannot do any work on private property. What happened after
23 Irene that Julie hoped would also happen this time was the state instituted a program that provided
24 funding, sometimes 100%, to property owners who received special permission due to an approved
25 issue, such as a structure issue, and were given 100% funding to hire a local contractor to do bank
26 stabilization. The programs take time and don't happen quickly. Windsor has reached the FEMA
27 threshold for funding, but she wasn't sure Windsor's threshold had yet been reached for the
28 individual assistance side. Arne added there were a lot of hoops to jump through and they were
29 lucky to have someone who had a handle of what was happening since it was Julie's second storm.
30 Arne also gave a shoutout to the town crew for all their work including many overtime hours. Arne
31 thought possibly 100-year storms would be more like 5 years.

32 Julie said the structural engineers from the dam safety division had come down a couple times and
33 the earthen part of the dam was damaged. They didn't believe the concrete structure in the ground
34 suffered any significant damage. The spillway is dramatically undersized but was an expensive
35 project that kept getting put off. Julie thought FEMA would cover a portion but not the expense of
36 upsizing the dam. They would be looking at other funding for the dam. Naomi is compiling the
37 reports and writing up a plan and will help Julie write a scope of work for the project and then go
38 out to bid for engineering to find out the full scope of the project. Naomi is also looking at culvert
39 sizes down Reservoir Road. The stone culvert and two tubes failed, so they need to be upsized.
40 Whatever program is put into place for the recovery of the dam, they also need to consider whether
41 the culverts down the road can handle an overflow. There was a lot to look at. Julie would argue
42 with FEMA that they should at least cover the first part. Julie noted there may be ways to phase in
43 the improvements which would enable them to seek different levels of funding and grants. Peter
44 questioned the function of the dam. Julie said that originally it was a backup water supply but
45 wasn't any longer and was now used for recreation. Peter wondered if they were going to make a
46 million-dollar project for recreation, maybe the dam should be removed if it wasn't flooding

1 mitigation or part of the water system. He thought if they were spending \$1 million for people to
2 fish, they should seriously consider removing the dam. Julie said they could, but she didn't know
3 with any form of confidence it would cost \$1 million. Peter pointed out it said \$800,000 in the
4 packet and Julie countered that it wasn't engineered and recommended getting a cost benefit
5 analysis and Peter agreed. Arne said it would be a separate discussion but one of the engineers he
6 had spoken with at the dam stated a properly operating dam was a flood control item because they
7 could lower the level 4 or 5 feet before a big storm, and it would serve a purpose. It could be a
8 combination of both, but Arne said that was for a whole discussion for another time. Heather was
9 happy with what they had learned from the floods and that they were able to take that and make
10 things better. Julie agreed with Peter that it could be part of the scope with the engineer and have
11 a discussion with the Selectboard and community. Peter suggested spending the \$800,000 toward
12 a recreation center that could serve as a refuge. Julie agreed and said she would have them include
13 a cost-benefit analysis in the scope, so they had everything they needed to decide.

14 Heather said a grant was approved that would be funded through Efficiency Vermont for \$10,000
15 to renters and homeowners for appliances, including hot water heaters and boilers damaged in the
16 flood. There are income qualifications.

17 Arne thanked Julie for all her work.

18 **Agenda Item 10, Financial Update; General Fund**

19 At the half-year mark, they are looking good and holding well. While revenues are trailing,
20 expenses are down. The EMT is the only department that was over budget but expected. With
21 Mike's new certification, they can run all calls at an advanced EMT level and can bill at a higher
22 rate and expect to see revenue pick up. Peter asked about the discussions with Springfield Hospital
23 and if they were continuing or were lost in the flood. Julie said it was lost but they are continuing
24 the conversations and Springfield's board needs to have their discussions. Mike and Tom have
25 been meeting with a clinical person assigned to Chester who is shared with Bellows Falls. There
26 is now a contact for mental health calls and someone who will follow up the next day. It started in
27 mid to late June. If they need to step up to the next level and have someone dedicated to the town,
28 it is available. Peter asked about the community health with Springfield Hospital. Julie said they
29 needed to have an advanced EMT, which Mike had become. They also need a second one and have
30 three applicants for the position, so that would overcome those obstacles. Springfield Hospital is
31 very interested, but conversations are still ongoing about funding, but they are working on it.

32 Bill Lindsay asked about the balance sheet for the General Fund. Bill was also concerned about
33 the accounting position being replaced and replacing it with someone qualified. Bill also asked
34 about the Tax Anticipation Note that went from \$500,000 in 2022 to \$900,000 in 2023. Anything
35 that is close to \$1 million makes Bill nervous. On the liability side, the fund balance in 2022 was
36 \$1,157,000 but this year was \$1.6 million or an increase of about \$500,000. He asked the board to
37 pay attention to their fund balance at least quarterly. Arne and Lee thanked Bill for his comments.
38 Julie said they have always borrowed close to \$800,000 or \$900,000. They had a couple years
39 during COVID where large amounts of money came in that had been sitting and they were able to
40 draw from it for cash flow. They had the Popple Dungeon and Emergency Services projects where
41 they were able to play a cash game and have a \$300,000 invoice but not have to pay it for 30 days,
42 so she had 30 days to float the cash. The auditors were comfortable with them doing it because
43 they have a good accounting system and it enabled them to not have large TANs for a few years.
44 They've now started to spend some of the COVID money so the reserves are lower, and the TANs

1 are getting back up to what they have been historically. It is a matter of cash flow due to the town
2 being in a calendar year and taxes go out in July and are not due until September, so they have a
3 good 7 months to run the town on what's in stock. They are getting the TAN later where it used to
4 be in January. They must make the school whole June 30, otherwise, they were making the school
5 whole December 31st which had changed their cash flow.

6 Julie said they had five interviews with five very strong candidates. Debbie, Cil, and Julie
7 interviewed five and narrowed it down to two. They had the second round of interviews today and
8 the auditor conducted them to get his perspective. They are beyond excited about an applicant they
9 feel extremely comfortable with and will be in good hands and are looking to hire her. Cil will not
10 be going far. She will stay on part-time and do payroll and A/P for 10 hours a week. The new
11 person will be the staff accountant and finance manager and Cil will be there to help with a good
12 lengthy transition. Arianna said given the FEMA reimbursements and related accounting
13 transactions because of the recent flooding, which is outside of the regular operations as a town,
14 she assumed the new person would be involved in the emergency accounting and how it would
15 add to the time of transition. Julie said a separate account was opened as they had during Irene, so
16 none of the expenses would run through the General Fund. It allows for everything to be more
17 easily tracked. Julie does the actual accounting of the damage because she is experienced with it
18 and the ultimate one responsible. Julie said the new person would be involved in related journal
19 entries and it was a three-way team and both she and Cil were still there.

20 **Agenda Item 11, Cemetery Deed**

21 The board members signed a cemetery deed.

22 **Agenda Item 12, New Business/Next Agenda**

23 There is a union grievance hearing on September 16th.

24 There will be a Citizen Advisory Committee appointment.

25 There will be a traffic ordinance.

26 The Town Manager retirement plan coming up. Julie said currently, her contract retirement is 8%.
27 The town is with VMRS and the town is required to contribute 6 ¾ and she contributes 6 ¼ and
28 there are no options, so Cil has to cut Julie a check for 1 ¼% and Julie has to invest it. A lot of
29 towns put their managers in Group C. For Julie, it would make things easier and would only cost
30 the town another ½% putting the town's contribution at 8 ½% and Julie's contribution at 11%. The
31 bigger impact will be on Julie. It changes from a 30-year retirement to a 20 year at age 55. Julie
32 did not imagine she would retire at 55 but was more about an easier contribution. Peter suggested
33 an annuity. Julie said they could discuss it at the next meeting but per state law, she had to be part
34 of VMRS.

35 Peter wanted to discuss Class 4 roads when flooding wasn't an issue. Julie suggested the second
36 meeting in September.

37 As previously agreed, there is not a second meeting in August, so the next meeting will be in
38 September.

39 (8:52-9:04 Brief Executive Session)

40 **Agenda Item 13, Adjourn**

41 Lee moved to adjourn, and Heather seconded the motion. A vote was taken, and the motion passed

1 unanimously, and the meeting was adjourned at 9:05 p.m.

2

3 **WATER/SEWER COMMISSIONER'S AGENDA August 2, 2023 Following Selectboard**
4 **Meeting**

5 **Agenda Item 1, Citizens Comments**

6 There were none.

7

Agenda Item 2, Set Water and Sewer Rates

8 Sewer was last increased in 2014 and water in 2019. The reason water increased when sewer did
9 not was because of the water project. The rates had to be a certain level to receive funding. Arianna
10 asked for clarification if they would have to increase their rates to recover from the flood because
11 it was all coming from FEMA and Julie agreed they would not need to increase the rates, as it
12 would either come from insurance or FEMA. Arne pointed out they did have upgrades coming.
13 Julie agreed and said she had provided copies of the next 5-to-10-year increments. Both funds have
14 healthy fund balances, and they will draw on them for some of the projects. The rate increase was
15 to cover operating expenses and keep the balances healthy.

16 Julie proposed they raise the water base rate to \$64 and the water base consumption to \$1.50 and
17 the sewer base to \$104 and the sewer consumption to \$4.50 for this time. She thought it would get
18 them to where they need to be over the next 18 months and would review it quarterly. Peter asked
19 how it compared with other towns. Julie said some towns only do consumption, but they don't
20 because consumption varies, and the base rate theoretically covers operations. Arne asked what
21 the base rate was. The current base rate for water is \$60 and sewer is \$102. Heather was
22 comfortable with the current increase and then revisiting it. Arianna, who has never been on water
23 or sewer in Vermont, asked for an average person on Main Street in an average house with an
24 average family what the increase would cost them. Julie said if they used 8,000 gallons per quarter
25 it was \$60 for base for the quarter and then \$102 for sewer and \$38 per quarter. She said if they
26 did the 18-month plan, at the end of 18 months, they would be adding \$38 per quarter or \$152 per
27 year. Arne said his bill is about \$1,200 per year and Arianna said she was glad she lived out of
28 town but then said she's replaced 3 septic systems. Arne agreed there were those costs when you
29 aren't on town water and sewer. Julie said sewer was okay and water was the one that was trailing
30 but sewer has larger products coming. Arne questioned when the base rate was going from 60 to
31 75 but usage was only going from 150 to 250, he wondered if the percentage increases should be
32 more equal. The theory when the program was implemented in 2011 or 2012 was that the base rate
33 would manage operational cost. The consumption helped with overflow. It used to be the other
34 way with base rate being minimal and consumption higher but then there were seasonal homes.
35 The base rate requires everyone to pay. Commercial properties are also on a base rate which equals
36 18,000 gallons of usage. The high school has a bigger usage and have multiple base rates. Single
37 family residents have one base rate. Arne said rightfully so as there is a lot of sewer and capacity
38 used. Arianna thought it was important to look at how long it's been since an increase and had it
39 been done over time, how much they would be paying. Julie said a lot of towns increase it annually
40 by 2% to 5%. Julie said they should do that consistently but was only asking for an August increase
41 at present.

42 Heather moved to accept Julie's August price increase for water and sewer with Peter seconding.
43 It would increase from \$60 to \$64 and \$1.00 to \$1.50 for water and \$102 to \$104 and \$4.10 to

1 \$4.50 on sewer. Peter asked how the multiple base rate was developed. Julie said one base rate
2 was equivalent to 18,000 gallons of usage and every few years they run a usage chart to determine
3 how many base rates. Peter wondered if they could raise the commercial rate more to alleviate the
4 residential increase. Arianna wondered if there could be a further increase the next time they
5 addressed the rates in November. Julie said some municipalities have a commercial rate and a
6 residential rate and bill commercial monthly but residential quarterly. Peter said short-term rentals
7 would be commercial and they could increase their rates. Lee wondered how it would impact small
8 businesses. Peter asked about Drew's and Julie said they pay their fair share. Lee didn't think they
9 could pick and choose who it applied to except for the distinction of commercial and residential.
10 Lee wondered about the pie shop. Arianna thought it would be an interesting discussion the next
11 time they addressed the rates and they needed to afford the time to have the discussion. She thought
12 there were creative ways to address it. Arianna said it wouldn't work for short-term rentals. Arne
13 agreed they could discuss it at a future meeting and come up with some creative ways to address
14 it.

15 A vote was taken, and the motion carried.

16 At the conclusion, Julie said the finances for water and sewer are in good shape.

17 **Agenda Item 3, Adjourn**

18 Heather moved and Arianna seconded. Motion passed and the meeting adjourned at 9:22 p.m.