

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

**TOWN OF CHESTER
SELECTBOARD MEETING
January 17, 2024, Minutes**

Board Members Present: Arne Jonynas, Lee Gustafson, and Peter Hudkins at Town Hall; and Arianna Knapp via Zoom. Absent: Heather Chase

Staff Present: Julie Hance, Town Manager and Preston Bristow, Zoning Administrator and Town Planner, at Town Hall; and Susan Bailey, Recording Secretary, via Zoom.

Visitors Present: Bill Lindsay, Cathy Hasbrouck, Kathy Giurtino at Town Hall; and Joy Slaughter, Donna Hudkins, SAPA TV, Jerene Slivinsky, Hugh Quinn, Evan Parks, Scott MacDonald, Matt Gorsky, and Gary Cogger via Zoom.

Call to Order

Chair Arne Jonynas called the meeting to order at 6:31 p.m. with the pledge of allegiance. He welcomed everyone to the meeting and announced the first meeting would be the Water/Wastewater Commissioners Meeting. Arne noted that Peter was present with him at Town Hall, Arianna was by Zoom, Lee would be late, and Heather was out for health reasons and wished her well.

WATER/WASTEWATER COMMISSIONERS MEETING

Agenda Item 1, Citizens Comments

Bill Lindsay had requested a while back that the board/commissioners consider establishing an economically friendly water and sewer rate. He knew this wasn't the right time of year but asked that it be included on a future agenda for a regular meeting as it was something that should be advocated to promote economic growth. Arne remembered having written it down and thought it was a good idea to have something separate for water and sewer for commercial use.

Agenda Item 2, Water Department Budget

Julie said nothing had changed since they last looked at it. All expenses for 2023 were reflected. It looked like they were deficit budgeting because they were gradually increasing rates over the next two years. They will look at alternative ways to bill as Bill Lindsay had proposed. Arne asked if the water fees on the 2024 budget, which showed an income of \$336,000, were reflected and Julie said it was reflecting increases for 2024. In 2023, they were \$265,000, and they were budgeting \$336,000 this year and 2025 would show an increase. Arne asked if there were any questions or concerns and there were none.

Arne entertained a motion to approve the 2024 Water Department budget with total expenditures of \$388,285.94. Peter moved and Arianna seconded the motion, and it was approved unanimously.

1 **Agenda Item 3, Sewer Department Budget**

2
3 Julie said nothing had changed budget-wise for 2024 and 2023 actuals were updated. Sewer was
4 not in as bad of shape as water revenue over time but was showing a negative budget of \$8,740
5 and would be made up in 2025 with gradual increases so they would not be hitting everyone at
6 once. Arne confirmed with Julie that both the water and sewer departments had healthy fund
7 balances. Peter asked if the grant work done for investigating the sewer would consider projects
8 or if they would they need to set more money aside. Julie said it would look at projects and thought
9 at the second meeting in February they would have a presentation on the lead line inventory, as
10 well as the wastewater asset management plan, which like the water asset management plan, set
11 forth projects, prioritizes them, provides estimated funding, potential funding sources, and was all
12 part of the grant.

13
14 Arne entertained a motion to approve the Sewer Department 2024 budget with expenditures of
15 \$501,740.00 that was moved by Peter and seconded by Arianna. The motion passed unanimously.

16
17 **Agenda Item 4, Adjourn**

18
19 Peter moved and Arianna seconded a motion to adjourn. The motion was approved unanimously.

20
21 (6:39 p.m.)

22
23 **SPECIAL SELECTBOARD MEETING**

24
25 Chair Arne Jonynas called the meeting to order at 6:39 p.m.

26
27 **Agenda Item 1, Additions or Deletions to the Agenda**

28
29 There were none.

30
31 **Agenda Item 2, Approve Minutes from the January 3, 2024 Selectboard Meetings**

32
33 Julie said Lee, who had just walked into the meeting, had texted a change in the list of names
34 Jerene Slivinsky's name was incorrectly spelled but was corrected later. Julie noticed visitors
35 present mentioned Cortland Pennell who was not at the meeting although his name was mentioned
36 in the meeting. Arne said they were expecting him at that meeting but didn't attend. Sue Bailey
37 noted there was a similar name on the visitors' list that may have been omitted from the attendance
38 as she thought it was Cortland Pennell's name and she would check and let Julie know. There were
39 no other changes. Lee moved and Peter seconded a motion to approve the minutes, as amended.
40 The motion carried unanimously, and the minutes were approved, as amended.

41
42 **Agenda Item 3, Citizens Comments/Answers from Previous Meeting**

43
44 There were none.

1 **Agenda Item 4, Old Business**

2
3 Report given by the Town Manager, Julie Hance:

4
5 Wastewater/Water Projects

6 Naomi has submitted, on Julie’s behalf, the application to get Chester’s name on the priority list
7 for the forest main project which will require a little bit more but had kind of given the sign off
8 that the asset management plan. Naomi did a little extra work on the management plan to make
9 sure they didn’t need more steps. The application was submitted which puts Chester on the priority
10 list but doesn’t commit to funding. Julie hoped they would be in the loop for the program that
11 forgives the first \$250,000 and 50% of the second \$250,000 is forgiven, and with the project
12 projected to be \$1.5 million, it would be a big help. The second project gets them ready for the
13 secondary well. The reports are almost done and getting them on a priority list to identify them as
14 a priority project for Chester. Julie said the two applications had been submitted and added to the
15 priority list but would not commit them to anything.

16
17 Julian Quarry

18 Preston came in before the meeting and they had just literally received a letter from Julian’s
19 attorney withdrawing their application. Because it was just received, they needed to explore the
20 possible avenues. Julie would report back after she hears from Jim to formulate their next legal
21 strategy but wanted the board to know ahead of the public.

22
23 Arne said they had just received information about the decision, their counter, and then the next
24 letter comes withdrawing their application. Arne appreciated that part of the reason for
25 withdrawing their application was concern for their neighbors.

26
27 Julie read the letter from their attorney withdrawing their application. “Dear Chair, on behalf of
28 Julian Brothers, LLC, AllStone, I have been asked to withdraw the pending application for
29 conditional use approval of its stone quarries in Chester, Vermont. Much of what was originally
30 proposed is no longer part of the plans and during this proceeding, it has heard and considered the
31 comments of neighbors, which has caused it to rethink how it wishes to operate. It does not feel
32 its plans have solidified sufficiently to continue pursuit of the pending application, so the
33 application is being withdrawn. Please contact me with any questions.”

34
35 Unified Development Bylaws

36 Julie said they had adopted them, and they could sign them tonight and didn’t require a motion.

37
38 Arne wanted to add that when they talked one or two months ago about getting 802 Tree up to
39 some of the CCC trails in town to clear a view especially from the Lost Mine Trail, Peter
40 volunteered to head up there with a chainsaw. Arne and some others took him up there and Peter
41 did most of the work and John Russell helped quite a bit with clearing and removing the trees and
42 another gentleman helped. Arne thanked Peter for what he did, and the view was fantastic now
43 and you could see up to Ascutney. Arne said Peter was eager to do more.

1 **Agenda Item 5, Short Term Rental Discussion/Update**

2
3 Arne said it had been a long process but there had been a lot to digest. Preston did his best to come
4 up with suggested wording for the changes and he came up with 8 options. He searched for other
5 short-term rental regulations around the country to include things he could adapt for all the options.
6

7 The 8 items Preston found language for were:
8

- 9 1. A residency requirement, which basically allows only hosted short-term rentals.
- 10 2. An operator’s presence during the rental, which has been controversial in Burlington and
11 New York City. It requires residency and their presence during the rental.
- 12 3. One that many find appealing is a waiting period of two years after a property is purchased.
13 In zoning, permits are often attached to the property, but this would be an ordinance and
14 would not, unless the board said otherwise.
- 15 4. Peter had suggested a registration cap of 4% of the housing stock, which would be around
16 55 rentals. They have already registered 56 but this Preston assumed it would only apply
17 to unhosted rentals.
- 18 5. Peter also suggested a density limit and Preston found that Seaside, California has a density
19 limit. Preston suggested a 55-foot exclusion zone in the denser districts and a 500 foot in
20 the more rural districts. 55 feet had come from road rights-of-way which would make those
21 across the street ineligible.
- 22 6. For the concept of owner limit, Preston knew, from his time working in Killington, that if
23 you owned 6 or more rentals, it could be a full-time job managing them. Preston didn’t see
24 those problems in Chester yet. He pulled no more than 3 rentals out of the air. Currently, a
25 couple short-term rental owners in town have 2 but nobody has more than 3.
- 26 7. Through prohibition on corporate ownership, Preston discovered natural person is a term
27 used in some zoning bylaws. Since a lot of natural persons have various trusts through
28 which they hold property, it basically says ownership must be either a natural person or a
29 holding company investment vehicle or trust that is owned and operated for the benefit of
30 a natural person, which keeps c-corporations and similar entities out.
- 31 8. Conditional use review, which is required in Woodstock for short-term rentals, and a
32 problem Preston saw was that conditional use review is normally a one-time approval and
33 the permit goes with the land and successive owners can continue the use. Preston did a
34 hybrid requiring a one-time conditional use review but also an annual registration.
35 Woodstock requires a one-time review and then an annual report must be submitted, but
36 they haven’t enforced it, so people aren’t complying. Preston said there was an article in
37 the Vermont Standard saying nobody was complying because nobody had submitted their
38 annual report. Woodstock has a high turnover in zoning staff and a lot of balls got dropped.
39

40 Preston said the Planning Commission thought it would be helpful if he wrote a memo about how
41 easy or difficult the 8 options would be to enforce. Preston said he had and wasn’t going to go
42 through it but said he wasn’t advocating for anything and wouldn’t be sad if they made no
43 changes, but felt it was his job to provide the options and carry out their decision. He said some
44 would be more difficult to enforce and thought it would be key to keep the entire realtor
45 community informed, so they could head it off before people purchased properties rather than the
46 owner learning after the fact and then may be outraged by it.

1 Preston said they had just signed a 1-year agreement with a new short-term rental provider,
2 Rentalscape, for \$6,500 to provide internet scraping and a 24-hour hotline. The town would
3 continue to process renewals themselves for now. Most tracking short-term rentals were doing
4 from 700 to 1,200 rentals and Chester had 55 or 56 and 85, if you included all sites that showed
5 up, but some were inns, or bed and breakfasts, or didn't qualify for one reason or another. Preston
6 said they chose a small company who they hoped was eager to get established and provide good
7 service. One thing Chester lacks currently is good data about complaints because a hotline isn't
8 available to call, email or be anonymous and even attach related videos. Although Granicus
9 provided scrubblings, which meant going through the host sites, for compliance, you need a deeper
10 dig to see how often they rent and to how many. If they approved for 8 occupants, they want to
11 make sure they comply with 8, and they weren't getting that from Granicus. Lee asked about
12 registration fees. Preston said hosted is \$150 and un-hosted is \$300 which generated about
13 \$12,000. Lee appreciated all the work Preston had put into his memo. Lee didn't think they had
14 a problem yet but could see it turning into one. Lee thought the options Preston provided were
15 unenforceable. If the intent was to show preference to hosted for those who lived in Chester, Lee
16 suggested leaving the fee at \$150 but raising the fees for unhosted and wondered if that was a
17 way around it. Preston said it could be an option and wasn't illegal. Lee thought, from the data
18 collected, it wasn't as dire a situation as originally thought. Lee saw some issues but didn't think
19 a panic about the town being taken over was warranted. Preston thought Cathy would speak to it
20 after he was finished but added his perception was the downtown districts like the Green and
21 Village Center and mixed use are used to commercial activities and in the rural districts, they're
22 pretty spread out. So, what it really meant was the Stone Village and the new Neighborhood
23 District (previously R-20 and R-40) had the most concentration of houses and would probably
24 feel the most affected if there were a lot of STRs. Preston knew some felt strongly that there
25 shouldn't be one set of rules for one part of town and a different set for another, but Preston felt
26 those were the neighborhoods where there was more risk and the others, not so much. Arne said
27 a lot of zoning regulations go by neighborhood and Preston said that has been his counter
28 argument. Arne agreed. Preston said that was his counter argument that it was what zoning was
29 all about and there were different rules for different areas and an ordinance on STRs could
30 piggyback and say in the areas identified in the zoning bylaw, they are the rules under this
31 ordinance. Arne agreed with most of what Preston said and that unhosted ones were more of a
32 concern than hosted because they were part of the community and responsible. Arne thought
33 unhosted fell under the business sector as conditional use and tourist housing. Arne agreed the
34 urgency had seemed to quiet down but the effect it has had on certain neighborhoods and areas
35 of town has already happened and changed certain neighborhoods from being strictly residential
36 or a second home to more of a commercial feel because there's a different group there every
37 weekend and it's popular. Although it wasn't in their face, it was impacting certain areas. Arne
38 said they had a list of options, or they could do nothing and keep the ordinance. Arne didn't think
39 the 1- or 2-year waiting period and increasing the fee a lot for unhosted were bad ideas. For the
40 options that required more labor to enforce, it was time and money for the town and wanted to
41 make sure whatever they decided to do, it would not be negative cashflow for the town and could
42 support itself. Arne thought if they made a little extra money, that worked too. Lee agreed with
43 the enforceability of the options being a concern. Lee could see some who didn't live locally not
44 having to answer their neighbors if they didn't comply and that could be an issue. Preston said he
45 could write a municipal ticket, which was the same thing someone gets when they are ticketed
46 for speeding and both tickets are dealt with in the same court and many of the judges aren't eager

1 to enforce them. The process isn't easy for municipalities and although Preston has his ticket book
2 and is registered, he has never gone before the judicial bureau.

3
4 Hugh, as a citizen, advocated for less STRs in rural areas. While Hugh understood density is
5 higher in some parts of town, there are parts of the rural areas that are like little neighborhoods
6 and he lives in a subdivision of four houses which are close together and 50% of the homes are
7 STRs so they are what he considered neighborhoods in rural areas, and it was unfair to classify
8 all neighborhoods in rural areas as the same and say that STRs were not an issue there.

9
10 Arianna liked the idea of inflating the fee but saw an exorbitant fee as an irritant rather than a
11 deterrent. Arianna is a fan of owner quantity limit if they were talking about the limit only
12 applying to Chester as opposed to anywhere. Arianna is a fan of prohibiting corporate entities
13 and relying on natural persons and wondered how that prohibition was working in other
14 communities. Preston said they can only regulate what happens within the boundaries of Chester
15 so the limit would only apply to Chester, and it wasn't their business how many they had in other
16 places. Preston said regarding a natural person, he would look more but only found one example
17 from Portland, Maine which was a group of changes that ended up going down in referendum and
18 weren't law. Preston looked at Black's Law Dictionary for natural person and learned it was a
19 known concept in contract law. He said they would have to get Jim Carrol's opinion, but his
20 impression was that it wasn't a novel concept and was something they could do. Regarding
21 enforcement, Preston worries about those who buy property thinking they can do something and
22 realize after they can't. Preston was worried less about c-corporations. Peter asked about the
23 responsibility of posting the number for STRs and where it would be so it would be easy to find.
24 Preston suggested the town website home page and, in The Telegraph, and Journal. Arne agreed
25 it was important for the real estate community to be informed and possibly a letter sent to them.
26 Preston didn't have an email group that serves all realtors in Chester but thought it may be time
27 to create one. Having been in real estate, Preston thought they should be reminded regularly
28 because realtors come and go. Arne suggested the Board of Real Estate or other organizations and
29 Cathy said Crown Point was the local group. Preston agreed they could figure it out.

30
31 Arne suggested they go through the list and eliminate requirements they didn't agree with. Peter
32 thought they should eliminate the residency requirement because they had a lot of second
33 homeowners. Lee wondered if they should deal with unhosted rentals and leave the hosted alone
34 or whether they should have their fingers in both pies. Lee said if they were trying to eliminate
35 all unhosted, it would be the way to go but didn't think it would work because there were already
36 lawsuits associated with that tactic and he didn't see Chester being on the cutting edge of that
37 kind of lawsuit. Arne didn't think the consensus of the board was to eliminate all unhosted and
38 was open to suggestions. Lee asked Arne for his opinion. Arne thought unhosted should be treated
39 differently and thought the fee schedule should treat them so, because they were more of a
40 business but didn't see that for hosted because a homeowner is allowed to have a business. Arne
41 thought for those who didn't live here, it should be treated as a business and go through
42 conditional use and the fee should also reflect the difference.

43
44 Peter saw a hosted rental as income for the local and some of the small business was taking care
45 of the unhosted. Peter said the complaint line should help but also understood what Hugh said
46 about density. Peter would eliminate the first two and didn't think a registration cap was

1 necessary. Lee stopped him and wanted Arianna's opinion before they went further down the list.

2
3 Arianna said she has learned a lot and thought pausing to explore was a good choice. She felt
4 their ordinance was good and was comfortable with it. It was good for the community to find a
5 little bit more of a filter and why she found the limit to the number of STRs someone could have
6 appealing as well as prohibition on corporate ownership. She agreed with Peter that hosted STRs
7 were appealing and didn't see them as a negative for the town and thought they should be treated
8 differently. Unhosted STRs weren't as terrifying as they had thought, but she wished there was a
9 way they could go neighborhood by neighborhood. She wasn't ready to give up on the idea of
10 something that limited the density of STRs in communities. She wasn't for eliminating all
11 unhosted and didn't want to prohibit second homeowners from operating them. Arianna liked the
12 ordinance and thought it was strong but could be tweaked. She thought however they come out
13 of it, they needed to remember it was an ordinance and they were creating guidance for now until
14 or unless it was changed by a future board.

15
16 Cathy Hasbrouck said she could show them density in terms of houses being rented short-term
17 but was hoping with Rentalscape, she could show them how often. Cathy didn't know how far
18 back it would go but may have helped them figure it out. She has heard some say they hardly ever
19 rent their home out and this would clarify if they were looking at a neighborhood with a bunch of
20 second homes and an occasional rental or if it was a neighborhood with people coming and going
21 regularly. It could also show pockets of activity. Lee told Cathy her pushpin map would help him
22 visualize it. Cathy hoped Rentalscape would provide the information. Arne added that they would
23 have a complaint line which would help.

24
25 Hugh said he heard there was interest in giving hosted STRs a break but unhosted weren't their
26 favorites but didn't want to alienate or cause hardship for second homeowners, and he agreed
27 with that. Hugh pointed out the only time the waiting period would apply was after a home was
28 sold and his argument was if someone can afford a second home, they can wait two years. He
29 didn't view second homeowners as being in a hardship situation. If renting it out was necessary
30 to buy it, maybe they couldn't afford to buy it.

31
32 Sue Bailey asked if a 2-year waiting period was enacted, would it apply to someone who bought
33 a house to live in and would be hosted, and Arne didn't believe so and added they almost wanted
34 to encourage hosted.

35
36 Kathy Giurtino thought Preston had done a great job putting it all together. She also liked the
37 increased registration fee for unhosted. Kathy felt if someone bought a property and wanted to
38 turn it into a STR and they got upset, it should be buyer beware because if they were going to buy
39 a place to make it a STR and a business, it was their responsibility to know. Kathy thought they
40 should let the realtors know but after that, it was their responsibility to find out. A cap was easier
41 than trying to take it away down the road. Kathy thought if a short-term rental created an issue in
42 a neighborhood, they should take away their right to have one. She asked about Granicus and if
43 they got a refund. Julie said they only paid 50% or \$7,600. Arne said it took a while to get the
44 information, but they provided a list of the STRs in the area. Julie said towns have contacted her
45 for a reference for Granicus. Kathy appreciated what they were doing and thought they should be
46 able to take the right to have a STR away with complaints. Peter said it was all in the current

1 ordinance. Arne thought it would be a non-renewal for the next year. Preston has seen ordinances
2 saying after a certain number of complaints, they can't get a registration for a period.

3
4 Scott MacDonald asked if the proposed waiting period applied to Airbnb and Arne clarified that
5 Airbnb was a short-term rental. Scott asked if the waiting period came into play if someone bought
6 a house and living in it and hosting to help their income. Arne said the waiting period would only
7 apply to unhosted and they were definitely encouraging that. Preston said he had multiple calls
8 from people who wanted to retire in Chester but buy their house now and a waiting period would
9 apply to them but not to someone who moved to town and wanted to operate a STR. Scott thought
10 someone out of state or country may find a workaround by having an employee live there. People
11 who were hungry for money and come into the community may use that as a workaround to have
12 a hosted rental when it isn't a healthy part of the community or someone living in Chester. Preston
13 said saying an employee living in a property sounds bad, but the reality is many properties have
14 tenants and they are residents of the town and voters and would qualify as hosted per the bylaws
15 and he would encourage him to not say hosted only applies to the owner of the property. Scott
16 understood and wasn't sure how he felt about any of it. Scott thought if people's concerns were
17 about preserving a functioning working community full of citizens living here, and didn't want
18 them to end up like Ludlow and lose their high school because there weren't any kids. Scott said
19 there were people on both sides of the fence and saw hosted as a vague word and asked them to
20 make it as clear as possible. Scott said he has been receiving postcards from corporations telling
21 him how much money he can have if he lets them have his house and one suggested they have
22 employees who could be here, and Scott saw that getting out of control easily because of greed.
23 Scott said having someone stay for free in a rental when there were young couples who may not
24 be able to afford a home anymore and cautioned everyone that the community could be
25 completely different. Scott also thought you should be able to do what you want with the property
26 you own and saw this as being a tough decision for the board. Scott didn't want to see a company
27 buy property with a young person staying and working there and diminish the community.

28
29 The board returned to Preston's list and addressed residency requirement and the consensus was
30 to remove it. Arne thought operator present during rental was the definition of hosted. Arianna
31 thought it spoke to what Scott had just said and she didn't see a point discussing the definition of
32 hosted. She said if someone was there, it addressed their safety concerns, and someone being part
33 of the community. She would step away from trying to heavily define who could be a host. The
34 other members agreed and removed that one. Arne asked how they felt about a waiting period
35 and Peter said he would just say it applied to unhosted. Arianna thought a 1-year waiting period
36 felt good. The others agreed. For registration cap, Arne thought one advantage would be if a surge
37 came, it would provide time to address it. Lee said to Kathy's point, it was easier to add something
38 than take it away. Lee said if they cap it and find later it's too low, they can always increase it. If
39 suddenly the number is too high, it would be difficult to lower it, so Lee was in favor of having a
40 cap at the number currently in the books. Arne mentioned 60 and Lee agreed. Peter didn't know
41 how to get to 4% because Cathy mentioned the housing stock and they knew the number of
42 kitchens and that was about it. Arne thought that was a good indicator but may not be precise.
43 Cathy said the most reliable way to get a count of dwelling units was to count kitchens. Arne said
44 it didn't have to be a percentage and they could just use 60 because they knew they were at 55
45 and that would give them 5 more. Preston said he included it because it came up during the last
46 discussion and agreed a percentage wasn't necessary and a number could work. Arianna and Peter

1 were okay with the registration cap at 60. Arne asked if the cap would be unhosted only or include
2 hosted. Preston said it would only apply to unhosted, as hosted would not be subject to the
3 registration cap. Preston thought 60 could be lower and would provide numbers at a future
4 meeting. Cathy said there were people who rent but say they do it fewer than 14 days a year and
5 she was looking forward to verifying their claim under Rentalscape and learning if there were
6 really that many people who really don't rent that often. Arne thought it could be interesting
7 because if they rent for more than 14 days and there's a cap and they failed to register, they may
8 lose their opportunity. Arne suggested not having a cap on hosted and just having it on unhosted.
9 Arne thought Density limit was harder and understood that living in a small neighborhood could
10 be difficult to enforce and more labor intensive. Peter had put it together and was thinking about
11 the Stone Village. Peter said they had funny places where there were concentrations of houses
12 and where Hugh lived was an example. Peter thought 500 feet provided more spacing in rural
13 districts where people have complained. Lee asked if the 500 feet was from the property line or
14 house. Lee said his house is out in the middle of nowhere and farther from his neighbor than 500
15 feet but if he had a STR and it was the property line, his neighbor couldn't have one even though
16 their house is a quarter mile away. Preston said Lee raised a good point and Preston had said his
17 example was property line because he had borrowed the language, but it could be from the
18 building, so it didn't seem unfair. Preston compared it with the required distance from a school
19 for a marijuana dispensary being from the building and not the property line. Lee didn't agree
20 with the dispensary example and Preston said they could work out the short-term rental issue.

21
22 Kathy thought the Waters' house would become short-term in the Stone Village. They want to
23 retire here and are in their 30s so they would be weekending in Chester for a long time. She
24 mentioned some other homes and owners who had left and thought the Grossmans could find
25 themselves between two empty houses. She wondered how they could be protected from having
26 a STR on both sides of them. Kathy said she was for a 2-year waiting period and not a 1-year.

27
28 Arne asked if they wanted to leave density alone until they had more information and Lee agreed.

29
30 Lee called attention to Preston's notes about the difficulty of enforcement and angry people. Lee
31 agreed and was concerned about enforcement. Lee said they could make all the rules they wanted
32 but if they couldn't enforce them, it was useless. Arne said there was a legal process for enforcing
33 town ordinances, but it would eventually involve legal fees and attorneys. Lee agreed and
34 wondered how much liability the town would be subject to if they were going to enforce these
35 rules. Lee wondered if they capped registration at 57, what would they do if someone rented their
36 house regardless. Arne understood and said it was a good point. Cathy suggested they form an
37 alliance with the Vermont STR Association who don't want their members to be in trouble and
38 self-police. Cathy heard that if someone on Airbnb's platform receives enough complaints, they
39 aren't allowed to advertise there, which is economic death and would reduce them to Craigslist.
40 There were ways that were not about laws and would enable them to manage or influence it. She
41 thought Polly Montgomery was excited about it and Arne said Polly was the one who had raised
42 it at the meeting. Lee thought they were the same group suing the City of Burlington and
43 wondered how that would work if they were supposed to be self-policing. Arne said Burlington
44 basically didn't want any short-term rentals. Lee didn't disagree but said they should be careful
45 who they went to bed with, and Cathy understood but also didn't think they should ignore them
46 and thought they could possibly make some progress together.

1 Hugh agreed some things can be difficult to enforce but didn't think that should prevent them
2 from creating reasonable boundaries within the ordinance. He said they should assume that most
3 people will comply with the rules if they understand them. There would be bad actors who won't
4 comply, and they will need to figure out how to deal with them, but he wouldn't let that stop them
5 from creating regulations. By not creating them, people who would have complied won't because
6 the regulations won't exist.

7
8 Arne said they were at owner limit on the list. Lee thought if you owned a building and lived in
9 it, it wouldn't count toward the limit. Lee thought to Peter's point, unhosted rentals created a lot
10 of business in town so they didn't want to wipe them out, but he didn't think a limit of 2 was
11 unreasonable. Arne said if something came up that required them to change the limit, they could.
12 It wasn't set in stone, as it was an ordinance.

13
14 Prohibition of corporate ownership was next. Lee was with Preston about corporations. Preston
15 suggested they get Jim Carroll's opinion. Arianna and Peter agreed. Preston thought it would only
16 work if they coupled it with natural person because otherwise, people could have shadow
17 corporations and they would be chasing their tail to figure it out.

18
19 Arne said the last thing on the list was conditional use review and got the impression they would
20 stay away from it. Lee agreed and said as Preston had pointed out, if you met all the conditions,
21 you would be in. Peter said once conditional use review was granted, you couldn't just pull it
22 back. Arne added that it went with the land and Peter agreed. If there was a problem with a STR,
23 it would be next to impossible to take the conditional use back. Arne said they would leave it out
24 for now and would go with a waiting period, a registration cap, owner limit, and prohibition of
25 corporate ownership and investigate density limit, which would be interesting to see how it would
26 work regarding boundary lines and would require more work.

27
28 Julie asked what the next directive was, if they wanted to see a revised ordinance or send the
29 concepts to Jim for feedback and Lee suggested they draft the ordinance and send it to Jim if that
30 made sense. Julie agreed and she and Preston would do that. Preston said it would be fairly easy
31 to insert in the current ordinance and send to Jim for his opinion. Preston would do some more
32 digging on density limit to see if they could come up with something that would work. Arne
33 thanked Preston for all his work.

34
35 Lee asked about raising the fee for unhosted and they thought \$600 for unhosted registration,
36 which was often equivalent to two nights' rental, was good. Lee pointed out it will cost the town
37 money to enforce unhosted STR regulations and Preston agreed that he and Cathy had invested a
38 lot of time and because the taxpayers are paying part of the bill, unhosted can pay more. Preston
39 added that many jurisdictions around the country can get a business tax. Unless Chester
40 implements the local option tax, it's not open to them. Even with the short-term rentals, their
41 feeling is the local option doesn't generate enough to make it worthwhile, but they may change
42 their mind. Arne said the problem with the local option is it affects all businesses which makes it
43 harder. Preston understood the local option could be just rooms and meals or it could include
44 sales. Preston knew when Woodstock passed their local option tax, part of the deal was a certain
45 percentage of the money would go towards promotion of the community which was part of the
46 selling point. The board members were agreeable to a \$600 registration fee for unhosted. Arne

1 thanked Cathy and the Planning Commission for all their work and knew it was a lot and hoped
2 once it was settled and passed it wouldn't take up as much time.

3 4 **Agenda Item 6, Review Draft Town Warning**

5
6 Julie said for Articles 5 through the last one, they had no choice and had to put them on the warning.
7 Julie said the two for them to confirm were the articles that would be bond notes, the first being
8 \$380,000 for the match for Green Mountain Turnpike and the match for paving Andover Road.
9 The second article for \$565,000 she was putting forth as a bond because bonds get much lower
10 interest rates than the bank and are worth doing. It was for the dump truck, chipper, and ambulance.
11 Peter asked if they would be in the same bond because the ambulance was running out for 10 years
12 as opposed to 5 years. Julie said they were in the same bond but with two different financing terms,
13 which the bond could have multiple terms. The rate was a little over 2% so it was worth doing.
14 The bonds didn't usually sell until June so they would check with the bank at that time to see what
15 their interest rates were. They only needed to have it as an article on the warning because it would
16 give them an option to be a bond. Articles 2 and 3 would not be from the floor at town meeting
17 but rather by Australian ballot, so Lee wanted to know if they could add a footnote explaining why
18 they were doing a bond with lower interest rates because the average taxpayer wouldn't understand
19 why. Julie said it made sense, but it would be printed on ballots. Julie would try to figure out a
20 way to do it, so the article wasn't complex because if the article was too long, people don't read
21 it. Lee suggested they divide them up because he was trying to make it easier for the taxpayers to
22 understand. Julie said they could do that. Peter asked if the bond vote had to be Australian ballot
23 and it did. Peter thought it was easier to say no on an Australian ballot. Arne said it wasn't a
24 frivolous expenditure and was usually well received. Lee asked if they were all published in the
25 Town Report, and they were but not everyone reads the report or comes to the Town Meeting.
26 Julie would try to be creative and would speak with Debbie. They would need to sign it sometime
27 between Friday and Wednesday, so they needed to meet. Julie will scan to Arianna to sign and
28 return. They would sign at 9:30 a.m. on Friday, January 19th.

29 30 **Agenda Item 7, Approve 2024 General Fund Budget and Capital Bond Expense Plan**

31
32 Arne noted Julie had lowered it from 9% to 7% with changes for their consideration. Julie was
33 confident taking half the principal payment of \$176,000 to the bond or \$88,000 from ARPA
34 making this year's increase to the budget of \$88,000 and in 2025, the full \$176,000. There is the
35 possibility of asking the Trustees of Public Funds for \$16,000 for the cemetery mower and had
36 added that to the Trustees' meeting next week. Julie invited the board members to attend the
37 meeting. If they say no, the funds could come from the capital fund balance. The library fund has
38 approximately \$290,000 and of that, around \$168,000 is their wealth management fund and around
39 \$25,000 is money market, which came to them from bequests and couldn't be touched. Julie said
40 the remaining \$98,000 was an accumulated fund balance over many years of underspent budgets.
41 2022 and 2023 are the two years they have not been able to fundraise because of turmoil amongst
42 the trustees. Both years showed a deficit and came from their fund balance. Julie said \$10,000
43 could come from the library for the clapper valve. Julie wasn't 100% comfortable with it but had
44 said she would consider all funds and was leaving it to the board to decide. Peter would abstain
45 from the library but suggested they return the other \$47,000 from the surplus money from the
46 highway funds and put it in the budget. Peter suggested ARPA funds for the firehouse windows

1 and \$10,000 from the ARPA funds for the library because he didn't think it was a fight they would
2 win. Peter would stipulate that if they had a surplus in the library, it was returned to the general
3 fund. Arne said part of the discussion with the library was money they had already given them and
4 spending the money on the clapper valve was a discussion they should have with them to make
5 sure they were all on board. Arne wasn't that comfortable with it either because once they allocate
6 money to the library, what were the guidelines about getting some of it back. Lee agreed with Peter
7 and moving forward, if they don't spend it, they don't get it. Lee thought since it was the town's
8 building, they were responsible for the upkeep, and wasn't advocating they take \$10,000 of the
9 library's money to pay for it. Lee didn't think the taxpayer meant for the library to accumulate a
10 small fortune because they didn't spend their budget. Arne didn't think it was a small fortune and
11 once allocated, whether there even was a way for the money to be returned. Arne noted Matt
12 Gorsky, Chair of the Library Trustees, was present and offered him a chance to speak. Matt
13 couldn't speak for the entire Board of Trustees, but if this was something useful to do, they could
14 include it in next month's agenda to see if the trustees minded using the extra unspent money from
15 previous years to cover the cost. Arne and Lee thought that would be helpful. Matt said the Board
16 of Trustees was willing to work with the Selectboard in whatever way they could. Arne and Julie
17 noted that it would not happen in time for the budget so Julie could take it from ARPA pending
18 the library's discussion. Arne questioned drawing the highway budget to zero because some of the
19 expenses incurred in December from the last flood were just coming due and it hadn't been
20 declared a disaster yet. Arne was concerned with the unknowns given the weather events and didn't
21 think drawing it down and not having a cushion was a good idea and wanted it to stay a cushion
22 for future use and it had to stay in highway. Peter saw a surplus as something that could be returned
23 to the taxpayers. Arne said not having any surplus could support an argument of having a zero
24 fund balance every year. Peter thought they should have a fund balance and Arne said that was a
25 surplus. Julie said they are supposed to have \$400,000 but don't. Peter said the surplus shouldn't
26 be in highway and should be transferred but Julie said they couldn't as it had to stay in highway
27 so if highway overspends. Peter clarified that highway was a separate account from the \$400,000.
28 Arne said the \$400,000 fund balance was a recommendation by the auditors. Julie said the current
29 fund balance was not healthy. Julie said the state had made the application and it looked like they
30 would receive 90% of FEMA reimbursement but it hadn't been signed off by the President yet.
31 There is also language about reducing the TANF and if it happens, they will make out like they
32 did in Irene but if it doesn't, they will have a match and she won't know that until FEMA
33 reimbursement starts flowing. They received the first payment of \$4,200 since July for one project.
34 Peter said they still had ARPA funds. Julie said they must determine in 2024 how to spend those
35 funds and would discuss it soon. It won't be in reserve for 2025 because it will already have been
36 allocated. It must be spent by 2026. Arne noted those suggestions had dropped the budget from
37 9% to 7%. Arianna wondered if the suggestion of the Yosemite windows coming from ARPA was
38 something they all agreed on. She hadn't removed it from the general fund budget yet because
39 there are so many historic facilities that something will be put in line next year. They could decide
40 to do that, but it would just increase their budget by \$30,000 next year because it wasn't a one-
41 time expense. Arianna wondered what would be removed from the budget because ARPA funds
42 would pay for it. Julie said the budget before them proposed \$88,000 come from ARPA funds for
43 50% of the principal payment and the \$10,000 for the clapper valve at the library. Arianna wanted
44 to know if they all agreed. Arne thought they should decide at this meeting. Lee wondered how it
45 would work if the library decided to cover the \$10,000 and they had already used ARPA funds.
46 Julie said they were basically voting to remove it from the budget which would leave it open to

1 being covered by ARPA or the library if they decided to. Julie asked if they wanted to follow
2 Peter's suggestion about the highway surplus and Arne was comfortable with leaving it there
3 because it could come out next year, if needed. Julie said they could divide it or take it in one fell
4 swoop which Peter thought the voters had already decided on one fell swoop. Lee said they knew
5 this year and next year would be killers, and Julie agreed but said they had not expected the
6 inflation rates. Arianna thought dividing the payment was providing relief for the taxpayers now.
7 Arne was concerned about the highway department, given the weather patterns, and the
8 unpredictability of the federal government and thought a cushion was a good idea.

9
10 Jerene Slivinsky asked about the budget and if the state would increase educational rates. Julie
11 said it was only the municipal budget. The educational budget is set by the state and would be an
12 additional increase which Chester has no control over. Arne confirmed with Julie that 1/3 of
13 people's tax bills were municipal and 2/3 were school tax.

14
15 Arne asked how they wanted to deal with the recommendations and Lee was happy with them, as
16 presented, except possibly the library paying for the clapper valve. Peter mentioned the Trustee of
17 Public Funds' decision still being outstanding, and Julie said if the money didn't come from them,
18 it would come out of the capital and wouldn't affect the general budget. Arne hoped the response
19 would be positive from them. Arne asked if they were okay with the numbers and amounts and
20 where they came from. They decided to set the budget at this meeting.

21
22 A motion to approve a general fund budget of \$3,975,784.00 as the total budget, was made by Lee
23 and seconded by Arianna. Arne thought they had done a good job with the budget and saw nothing
24 frivolous and that it took a lot of money to provide the services they do. Julie said it was important
25 to note they had a lot of services which bring people to town. The motion carried unanimously,
26 and the budget passed.

27 28 **Agenda Item 8, Tobacco License Jiffy Mart**

29
30 Lee moved to approve Jiffy Mart's application for a tobacco license and Peter seconded the motion.
31 The motion passed unanimously.

32 33 **Agenda Item 9, New Business/Next Agenda**

34
35 Julie will present at a collaborative funding group workshop about the impacts of flooding in
36 Chester. The group is a collaborative of funding sources across the state and some federal
37 organizations. They are trying to determine the needs of towns most impacted by the flooding.
38 They have already met with Waterbury, Montpelier, and Barre and are now hearing from smaller
39 towns about hurdles faced, challenges, and issues with funding. Julie will talk about impacts to the
40 roads, bridges, water, wastewater, and the dam, and environmental hurdles with debris removal,
41 prior resiliency work, and plans for years to come. She will speak about command structure and
42 communicating the community aspect of the event. Julie said Peter suggested, which was great, to
43 have a real hydrogeological study of the branches of the Williams River and the floodplain to
44 figure out the causes and what work could be done to lessen the damage. Julie asked if there were
45 other topics or anything specific, they wanted her to mention. Peter said it was more floodplains
46 than rivers and they wanted the floodplains to be fixed so they function. Arne noted there were

1 three rivers converging in town. Peter thought they needed to go above the town and ensure the
2 floodplains weren't blocked off and said there was a study in Waterbury where there was a section
3 that if they lowered it 3 feet, it would lower the water in the center of town by 4 feet. Peter thought
4 one of the traps they fell into was thinking the if the railroad bridge were bigger, it would be great,
5 and he saw it as washing away the sewer plant. Julie agreed. Peter thought going way upstream
6 may provide more water storage if they facilitated the floodplains and slowed it before it got to
7 Chester. Arne thought it sounded like making floodplains. Peter said they may find places that
8 were diked up years ago. Peter said he has fields in the floodplain but if you were diking it up, it
9 was illegal and a zoning violation but wouldn't suggest picking on the homeowners. It was a
10 zoning by the town unless it was agricultural and then would be state. Lee was concerned about
11 deadwood and logs causing a jam and redirecting the floodwaters. Lee said if they didn't take care
12 of those things, they would make it worse for the next flood and wanted to push it back in the laps
13 of the bureaucrats. Julie would mention it in her discussion.

14
15 Peter said the issue with the solar fields had nothing to do with the transformer but everything to
16 do with the hydro on the Black River. Green Mountain wants to sell the power generated closest
17 to the river. If it went the other way, it would go to the bridge. If they put more solar generation
18 in, they will offset their revenue from the hydro. Lee had heard the transformer was undersized.
19 Peter said they don't want to change it because they want to use the revenue from their dam. Peter
20 thought they should propose a solar field and force their hand. Julie had reached back out to Mike
21 to see if he needed anything further but hadn't heard back. She heard the bond bank has a program
22 coming up for municipal green energy projects with interest rates of 1.5%. Julie asked if the money
23 could be used to purchase or buy an existing one and he thought it could be used to buy an existing
24 one. Lee wondered if they would fix the fence and Julie said they were probably waiting to see if
25 Chester was going to buy it first. Peter suggested they send a note to the Public Service Board
26 saying they are afraid children will get in there and get electrocuted. Lee said it was a requirement
27 by code. Julie said she would do that. Peter said it was their responsibility to keep the fence up to
28 code.

29
30 Arne asked if there was anything else they wanted to see on future agenda items and there was no
31 response.

32 **Agenda Item 10, Executive Session; Town Manager Contract**

33
34 Lee moved and Peter seconded a motion to go into executive session for the purpose of discussing
35 a contract. The motion carried unanimously. Arianna would join the session by cellphone.

36
37 (Entered executive session at 8:54 p.m. for approximately 30 minutes.)

38 **Agenda Item 11, Adjourn**

39
40
41 Lee moved and Peter seconded a motion to adjourn. A vote was taken, and the motion passed
42 unanimously, and the meeting was adjourned at approximately 9:24 p.m.