TOWN OF MORRISTOWN **SEPTEMBER 17, 2001**
SELECTBOARD MEETING MINUTES

Members Present:	Brian Greenia, James Paige, Lee Sturtevant and Mark Struhsacker
Members Absent:	Donald Anderson
Department Heads:	Paul D. McGinley, Mary Ann Wilson, Bill Moulton, Richard Keith, Wally Reeve and David Godfrey
Guests:	Heidi Krantz, Sam Guy, Julia Compagna, Eric Zeikes, Mark McEathron, Alex Wylie, John Sullivan, Sonny Demars, Bill Rossmassler, Scott Corse, Mary West, J.B. McKinley, Donna Merriam, Gert Lepine, Kathleen O'Neill and Ben Hogwood

Chair, Brian Greenia called the meeting to order at 6:00 PM in the Morristown Centennial Library.

GUESTS

VERMONT LAND TRUST STUDY:

Mark McEathron and Alex Wylie of the Vermont Land Trust gave a presentation to the Selectboard on the impacts of Private and State Land Conservation on property taxes in the Town of Morristown. Morristown was chosen for the study by "Luck of the Draw", explained Mark McEathron. Morristown does not reduce the assessed value of property after an easement is acquired, while other towns may choose to. Tax on parcels of land enrolled in Current Use is affected differently than property that is not in Current Use. Act 60 also plays a roll, as calculations are based on the prior year's Grand List, as does the Current Use Program. Several tables showing tax implications of State-owned land in Morristown were available for comparison. (See attached)

Brian Greenia asked, on average what percentage of land in a community is off the tax rolls, or not generating tax revenue. Mark replied most land that is not generating tax revenue is municipal property or other public land such as State or Federally owned. A standard town in Vermont is about 35,000 acres. One large farm of 350 acres conserved, is average or approximately one percent of the town. A town with 4000 to 5000 acres in conservation would be high and at the top of the limit allowed. Morristown is slightly higher than average with 1200 to 1400 acres or about four percent.

Jim Paige asked who determines the price that the development rights cost. An independent appraiser hired to appraise the property determines the selling price.

Is it easier to get grants for recreational use (bike and ped trails) on land that is conserved, was asked by Lee Sturtevant. The response was that the easement allows the landowner to develop and maintain recreational trails, not commercial ones. It was also pointed out that land developed for residential use puts more financial stress on towns than loss of tax revenue from conserved land.

APPROVED

LIQUOR CONTROL:

Mary Ann Wilson has received two requests for catering malt and vinous beverages and spirituous liquors from Melben's Restaurant. One event will be on October 18, 2001 and the other on December 15, 2001.

On a motion by Lee Sturtevant, seconded by Mark Struhsacker, the Board voted to approve the 10/18/01 request. Lee, Mark and Brian in favor of the motion and Jim opposed.

On a motion by Lee Sturtevant, seconded by Mark Struhsacker, the Board voted to approve the 12/15/01 request. Lee, Mark and Brian in favor of the motion and Jim opposed.

At 7:38 PM, Lee Sturtevant moved to go out of Liquor Control Board, seconded by Mark Struhsacker. So passed.

TOWN ADMINISTRATOR:

Paul McGinley gave a brief report of the MPD activities this past week.

GRANGE REQUEST:

The Grange has requested to make improvements to the triangular piece of land at the intersection of Cadys Falls Rd, Needles Eye Rd and LeClair Rd and install a picnic table. Discussion showed there was no good access area to the location for vehicles and could create a dangerous traffic problem. Bill Moulton also stated that water lines cross that parcel of land for houses nearby.

Brian Greenia made a motion to allow the Grange to beautify the property, seconded by Mark Struhsacker. The request was declined, the vote being Mark in favor of the motion, Brian, Lee and Jim opposed.

MAPLE STREET PROJECT:

Paul McGinley gave the Board a brief report on the proposed water, sewer, electric, street and sidewalk renovation project for Maple Street. Questions raised were: types of street light fixtures to be used, will there be a standard light used all over the village and will the town ever be expected to take them over. The need to define the operations and the responsibility, cost wise of the owners (town, village and water & light) for the different aspects perspective to each department. The Selectboard expressed an interest to meet with the other boards for further discussion on this matter as well as others.

RESCUE PURCHASE REQUEST:

Rescue has requested to spend $2,000 for the purchase of five radios and applicable accessories, as they have several new people participating on the squad.

On a motion by Lee Sturtevant, seconded by Jim Paige, the Board approved the request to purchase the additional radios at a cost of no more than $2,000.

WARRANTS

Lee Sturtevant made the motion to approve the Memorandum, dated 09/17/01 as presented. Jim Paige seconded the motion and it passed. (Memorandum enclosed)

OTHER BUSINESS:

The LRSWMD Transfer Station was revisited. The Board asked Paul to talk with Lamoille Kennels again to see if there was any possible interest in having the station at their location.

Brian Greenia expressed his thanks to Barb for her work in organizing the get together held at the Elmore State Park.

The Board decided to postpone the Executive Session until the next meeting.

Jim Paige reported that Mr. Higgins, Fact-finder for the Union negotiations has requested a week extension because of the attack last week on the Trade Towers. Mr. Higgin's wife is employed by American Airlines and has family involved in the situation.

Paul gave a brief update on the breakfast forum held at the Charlmont Wednesday. He along with Mary Ann, Heidi and Joanne Harrison traveled to Bellows Falls on Thursday to tour their facilities and meet with the parties involved with their "Downtown" group.

Brian suggested that Paul and George Cormier work together on the Recreation/school grounds cooperative program and bring something back to the board. Paul stated that George is working on that with the committee.

Lee Sturtevant moved to adjourn at 8:40 PM. Seconded by Jim Paige, the motion passed.

Barbara Cochran, Scribe *Brian Greenia, Chair*
Minutes Filed 09/21/01 *Minutes Not Approved*

TOWN OF MORRISTOWN SELECT BOARD

PLEASE SIGN IN

PRINT NAME	PRINT ADDRESS
ERIC Zeikes Stowe CONSERVATION Alliance	3929 Sterling Valley Rd Stowe, VT 05672
Mark McEathron VT Land Trust	8 Bailey Ave Mplr 05602
Alex Wylie VT Land Trust	3045 W. Salisbury Rd Salisbury, VT
Bill Rossmassler LCPC	P.O. Box 1004 M'ville
SAM Guy	

207 KING STREET · SUITE THREE
TEL 802·658·1953

NORTHERN ARCHITECTS

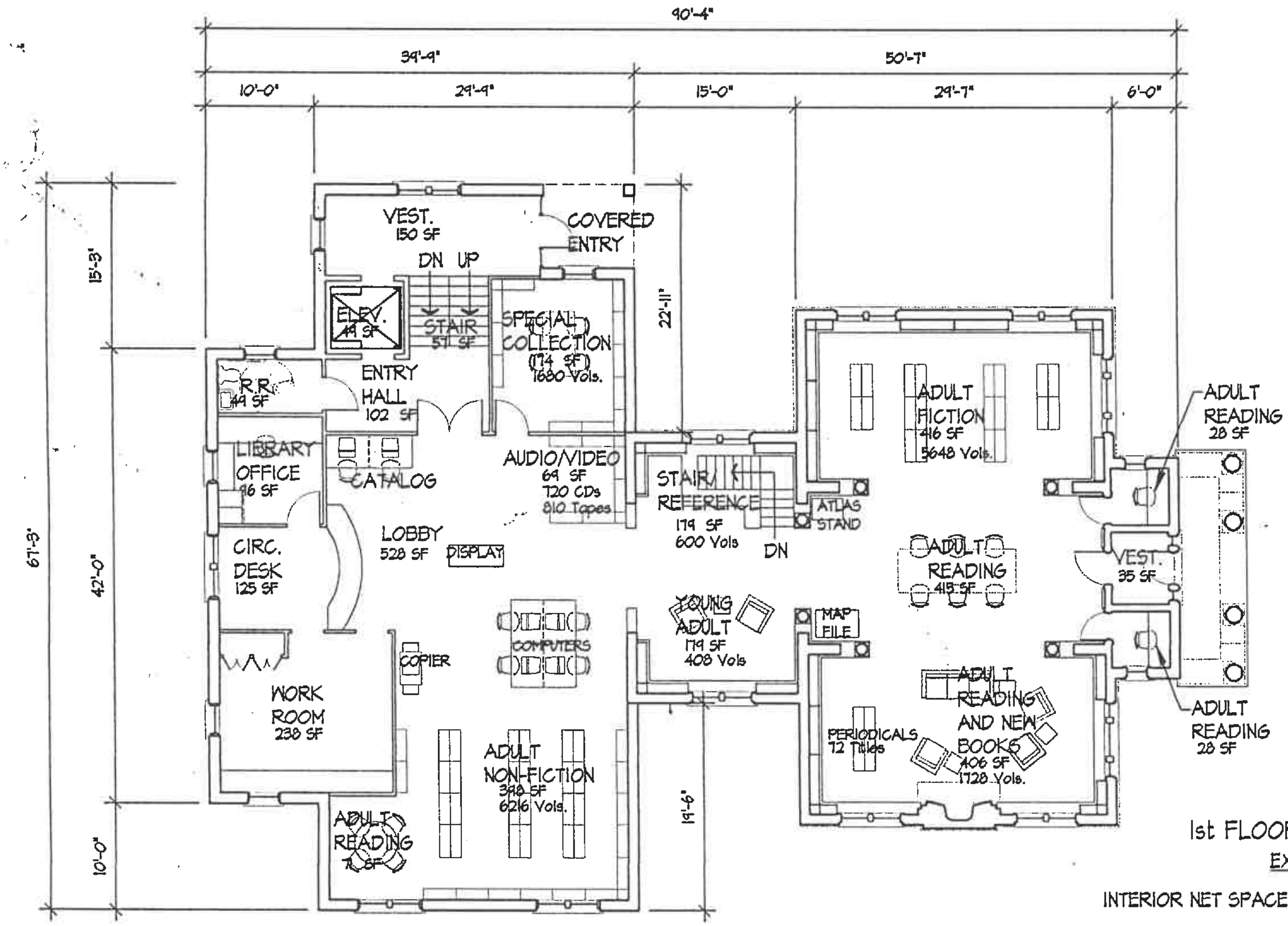
BURLINGTON · VERMONT 05401-4502
FAX 802·658·2975

MORRISTOWN CENTENNIAL LIBRARY
PRELIMINARY PROJECT BUDGET

August 7, 2001

SITE DEVELOPMENT		
New Sewer to Street	$10,000	
Pavement	8,400	
Sidewalks	8,000	
Lighting	8,000	
Landscaping	4,000	
Site Excavation	5,000	
Site Demolition	5,000	
Electric Service	6,000	
Veteran's Memorial	20,000	
		$74,400
BUILDING DEMOLITION		$15,000
BUILDING RENOVATIONS: 3173 SF x $75 SF		$238,000
NEW CONSTRUCTION: 3427 SF x $150 SF		$515,000
SITE SURVEY		$1,100
CONSTRUCTION PERMIT		$3,700
ARCHITECTURAL/ENGINEERING FEE		$91,700
OWNER EXPENSES		
Reimbursables	$10,000	
Moving Costs	$5,000	
Clerk of the Works	$20,000	
		$35,000
DATA/COMMUNICATION SYSTEM		$12,000
ASBESTOS ABATEMENT (Hazardous Materials)		$5,000
FURNITURE AND OFFICE EQUIPMENT		$10,000
BOOK SHELVING (3125 LF of Shelving for 25,000 Vols.)		$42,000
TOTAL PROJECT BUDGET		**$1,042,000**

contingency fund 10%

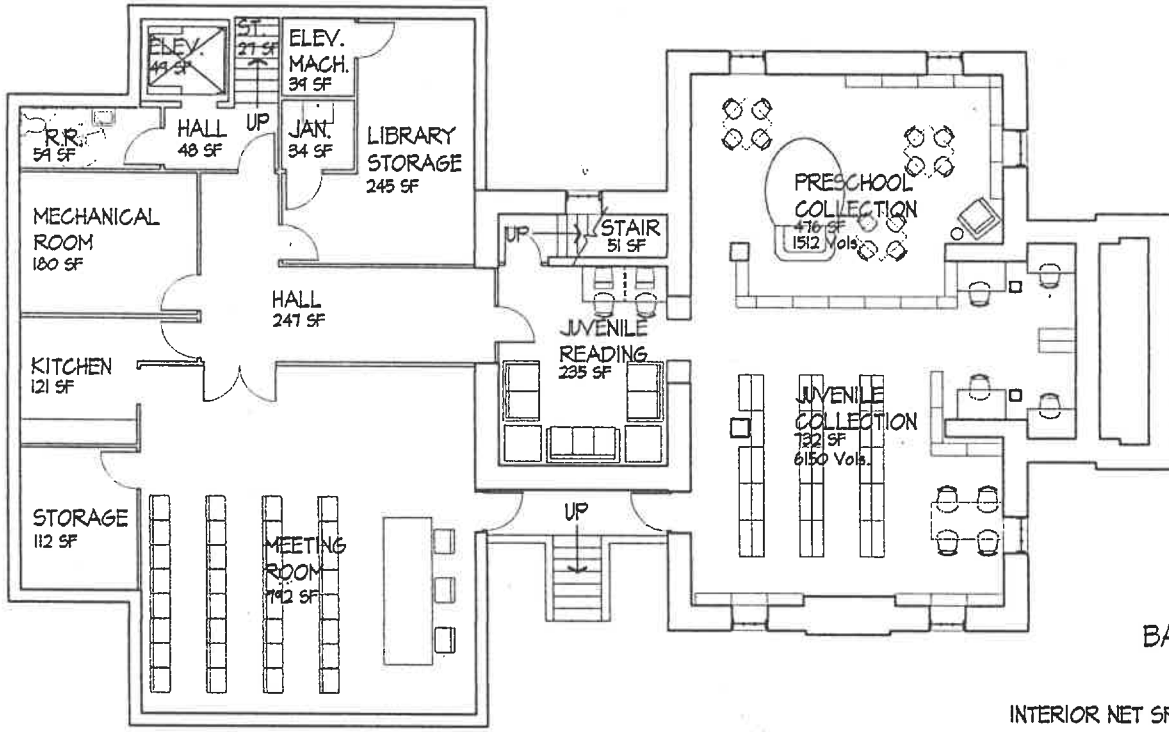


1st FLOOR AREA SUMMARY

	EXG BUILDING	ADDITION	TOTAL
INTERIOR NET SPACE	1686 SF	2106 SF	3792 SF
GROSS AREA	1929 SF	2331 SF	4260 SF

PROPOSED GROUND FLOOR PLAN

PROPOSED GROUND FLOOR PLAN



BASEMENT FLOOR AREA SUMMARY

	EXG BUILDING	ADDITION	TOTAL
INTERIOR NET SPACE	1494 SF	1953 SF	3447 SF
GROSS AREA	1960 SF	2165 SF	4125 SF

PROPOSED BASEMENT FLOOR PLAN

TOTAL FLOOR AREA SUMMARY

	EXG BUILDING	ADDITION	TOTAL
INTERIOR NET SPACE	3180 SF	4059 SF	7239 SF
GROSS AREA	3889 SF	4496 SF	8385 SF

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#2

A Study of the Impacts of Private and State Land Conservation on Property Taxes in the Town of Morristown

Vermont Land Trust

Summer, 2000

Research By: Aaron J. Brondyke

Introduction

Land conservation in Vermont has been accomplished primarily through two methods: conservation easement and fee-simple acquisition. Together, governments, non-profit organizations, and private citizens have used these two conservation tools to permanently conserve productive farm and forest land and protect Vermont's natural, cultural, recreational, and scenic resources. While advancing these goals, land conservation has also raised questions about possible impacts on local property taxes. This study addresses these concerns by analyzing the effects of different types of land conservation on property taxes in Morristown.

How Land Conservation Affects Property Tax

General Impacts

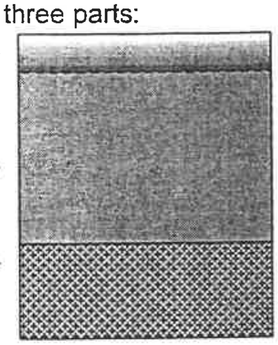
In a fee-simple acquisition, the buyer obtains full rights to the property. Alternatively, when a government agency or private organization places a conservation easement on a property, only the development rights are acquired. The remaining rights, such as the right to use the parcel for farming or forestry, remain with the original landowner. While both kinds of land conservation can provide a variety of benefits to local communities, they can also reduce the local tax base.

State law (10 VSA Ch. 155, § 6306(c)), specifies that towns must consider the effect of a conservation easement when assessing the value of a conserved property. Vermont towns that choose to assess properties with conservation easements at a lower value than unencumbered properties should experience some changes in their property taxes due to conservation easements. The first year is different from the following years because Act 60 and the Current Use Program base their calculations on the prior year's Grand List, rather than the current year's Grand List. If an easement is acquired on land enrolled in the Current Use Program, there will be no tax loss to either the town or the school district in the first year. If an easement is acquired on land not enrolled in the Current Use Program, the town will lose in the first year both school and municipal taxes normally paid on the valued removed. After the first year towns that reduce the assessment will lose the municipal tax normally paid on the valued removed, but the town will not lose any school taxes. However, towns that assess property with and without easements in the same manner should experience no changes in their property taxes due to easements.

Figure 1: Components of the Property Tax

With the implementation of Act 60, a property tax bill is now composed of the following three parts:

1. The local education tax, or above-block tax, which is paid to the State of Vermont via the local municipality, is based on a town's choice of per-pupil spending beyond the State's block grant.
2. The statewide education tax, or block grant tax, is paid to the State of Vermont via the local municipality, and funds the State's per-pupil education block grant to towns.
3. The tax for municipal services, which is paid directly to the local town.



the parcel is removed from the town's total taxable property value, and therefore, its "grand list" (defined as "one percent (1%) of the total assessed valuation of all real estate and personal property in each town.[5]"). The State of Vermont compensates local communities for the loss of these values through a "payment in lieu of tax" (sometimes called "PILT") program. Under the terms of this program, towns are compensated in the amount of 1% of the appraised value of each ANR property as determined by the Agency each year. Table 3 illustrates the current effects of state ownership on property taxes in Morristown. At the present time, individual municipal property taxes in Morristown are slightly lower as a result of state ownership. The cost of removing this land from the town grand list is offset by state payments in lieu of taxes.

Table 3. Property tax implications of State-owned land in Morristown, 2000

Total Reduction in Taxable Property Value Due to State Ownership of Land[6]	Decrease in Taxes Collected, Due to State Ownership[7]	State Payments in Lieu of Taxes for these Public Lands	Net Effect Upon Town Budget	One-Year Change in Education Component of Annual Property Tax on a $100,000 Property due to New State Lands Since 4/1/99	Change in Municipal Component of Annual Property Tax Bill for a $100,000 Property
$884,169.00	$6,910.59	$8,841.69	$1,931.10	Not Applicable	$0.70 lower than bill without any State ownership

Federal Lands Not Addressed

Federal lands were not addressed in the current or future analysis sections of this report due to the complexity of regulations governing federal disbursements for conservation lands. Federal payments can vary annually, depending upon the level of government revenues generated from the properties and budget appropriations by Congress. Some federal payments go directly to towns, while others are directed to school districts. For details about the tax implications of existing or future federal conservation lands, individuals should consult with the federal agencies.

Summary

Based on information gathered regarding tax rates, grand lists, and individual property assessments, the $100,000 property owner in Morristown pays $0.70 less in property taxes as a result of existing state and private land conservation.

[5] Definition from 1999-2000 Vermont Year Book. The National Survey, Inc. Chester, VT, 1999. Taxes are voted on as a percentage of the grand list. To determine the property tax due on a particular property, multiply the tax rate by one percent of the assessed value of the property.
[6] Figures based on appraisal data gathered from the Vermont Department of Taxes, Division of Property Valuation & Review.
[7] Amount that the community would have to pay in additional taxes in order for the town to meet its budgetary requirements if the State provided no reimbursement.

Community Benefits of Conservation Should be Considered

All communities should continue to discuss the effects of land conservation on their property taxes. Decision-makers considering open space planning and development should carefully weigh the costs and benefits of conserved land against the costs and benefits of other land uses. Conserved land can benefit local communities through economic stabilization, water supply protection, wildlife habitat protection, opportunities for outdoor recreation, and the restriction of alternative land uses that might be incompatible with community goals. In addition, land conservation can help to preserve much of what makes a community unique and livable, and thus, can enhance community pride and residents' connection to the town and each other.

While conserved land generates less tax revenue, it also requires little in municipal services. Other studies in Vermont and around the United States have shown that farms and forested lands often generate more tax revenue than they require in services. Additionally, federal revenue-sharing payments for public lands can sometimes lower education tax bills for the entire town, and state payments in lieu of taxes are sometimes higher than the municipal tax payments that towns would receive if these lands were privately owned. Conversely, residential properties typically require more in community services than they generate in tax revenue[8]. Every town must weigh the short- and long-term costs and benefits of different land uses when making land use decisions for the future.

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[8] Among the many references on this subject, this evidence is documented well in *Community Choices, Thinking Through Land Conservation, Development, and Property Taxes in Massachusetts,* written by Deb Brighton of Ad Hoc Associates. The Trust for Public Land. Boston, 1999; also *The Effect of Land Conservation on Property Tax Bills in Six Vermont Towns*, written by Deb Brighton of Ad Hoc Associates, RD 1, Box 319, Salisbury, VT 05769; *Cost of Community Services: Snapshots of Net Fiscal Impacts of Different Land Uses in Towns.* American Farmland Trust. Northhampton, MA, 1992; and *The Cost of Community Services in Monmouth County, New Jersey.* American Farmland Trust. Washington, DC, 1998.

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Effects of Easements on Property Taxes

Although not all towns reduce the assessed value of property after an easement has been acquired, this is a summary of what would happen if the easement reduced the assessed value and, therefore, some value is removed from the Grand List.

After the first year, the town will lose all municipal taxes normally paid on the value removed, but the town will not lose any school taxes.

The **first year** is different because Act 60 and the Current Use Program base their calculations on the prior year's Grand List rather than the current year's Grand List.

- If an easement is acquired on land enrolled in the Current Use Program, there will be no tax loss to either the town or school district in the first year.
- If an easement is acquired on land that is not enrolled in the Current Use Program, the town will lose both school and municipal taxes normally paid on the value removed.

Easement Acquired on:	Tax Loss to Town	
	Year 1	On Going
Non Current Use Land	School + Municipal Taxes normally paid on property value	Municipal Taxes normally paid on property value
Current Use Land	No tax loss	Municipal Taxes normally paid on property value

Example in Town with $1.40 combined school rate and $0.40 municipal rate:

Easement Acquired on:	Year 1	On Going
Non Current Use Land $200,000 value before $150,000 after $50,000 removed from List	School taxes lost: $700 Municipal taxes lost: $200	School taxes lost: $0 Municipal taxes lost: $200
Current Use Land $200,000 full value before $150,000 full value after $50,000 use value on Grand List No change in Grand List	School taxes lost: $0 Municipal taxes lost: $0	School taxes lost: $0 Municipal taxes lost:[1] $200

[1] In reality, the town doesn't lose "municipal taxes" when an easement reduces the value of land enrolled in Current Use, but it does lose the state reimbursement.

DRAFT: Calculation of Property Tax Consequences of Land Conservation

Line	Parcel Information	Your parcel	EXAMPLE	NOTES
	Full value of parcel before conservation:		200,000	***This assumes the listers will change the assessed value of the parcel following its conservation. If the assessed value is not changed, there will be no change in the property taxes.
	Current use value before onservation (if enrolled):		50,000	
	Value after conservation***		150,000	
	Land Not Enrolled in Current Use			
1	School tax rate (state + local)		1.55	
2	Municipal tax rate		0.45	
3	Assessed value before conservation		$200,000	
4	Assessed value after onservation		$150,000	
5	Amount Removed from Grand List= (line 3 - line 4)		$50,000	
	Year 1			**Year 1**
6	School tax loss = (line 1 * line 5/100)		$775	Tax Loss = all taxes ordinarily paid on parcel
7	Municipal tax loss = (line 2 * line 5/100)		$225	
	Total tax loss = (line 6 + line 7)		$1,000	
	Year 2 and ongoing			**Year 2 and ongoing**
	Total tax loss = (line 7)		$225	Tax loss = municipal (not school) taxes ordinarily paid on parcel

Line	Land Enrolled in Current Use	Your parcel	EXAMPLE	NOTES
1	School tax rate (state + local)		1.55	Because the after value generally exceeds the Current Use value, there is no change in the school Grand List.
2	Municipal tax rate		0.45	
3	Current Use Value before		$50,000	
4	Full Value Before (for state hold-harmless payment)		$200,000	
5	Full Value After (for state hold-harmless payment)		$150,000	
6	Lower of after value or current use value		$50,000	
7	Amount removed from school Grand List = (line 3 - line 6)		$0	
8	Amount removed from calculation of state hold-harmless payment = Before value - After value (line 4 - line 5)		$50,000	
	Year 1			**Year 1**
9	School tax loss = (line 1 * line 7/100)		$0	No loss
	Municipal tax loss = 0		$0	State hold-harmless payment still based on before value so it does not change in the first year
	Total tax loss = (line 9)		$0	
	Year 2 and ongoing			**Year 2**
	Total tax loss = (line 8 * line 2/100)		$225	State hold-harmless payment based on after value. Loss in state hold-harmless payment = municipal rate X (difference between before and after value)

Note: This assumes there is no payment in lieu of taxes received by the town for the conserved property.