

Minutes of Bethel Town Hall Finance Committee

September 27, 2008

At Bethel Public Library at 7 p.m.

Present were committee members Amy Bergamo, Chris Masters, Janet Burnham, Rick Benson, Winslow Ayer and Paul Feeney after 7:45. Also present were Geneva Gaiko, Davis Dimock, Victoria Weber.

Amy called the meeting to order at 7:10.

1- The minutes of the August 31, 2008 meeting were accepted as written by the committee members present.

2- Davis updated the group on what he and Victoria had **done during the past month**:

- With Jamal Kheiry's help had created a document of Answers to Possible Questions about the hall and the bond. This is for use by the committee members and friends, and had been distributed via email on September.....
- Victoria wrote an article which appeared on the front page of the 9-25-08 *Herald* as "Bonding Vote Set in Bethel". It describes what happened at the September 22nd select board meeting and was written because Bethel does not currently have an active correspondent.
- Davis wrote a letter to the editor in the 9-18-08 *Herald*.
- Contacted Heidi about getting Hall info up on the Bethelvermont,.com web site. Amy is 'pdf-ing' the old newsletters and Prospectus for this.
- Victoria created two illustrated posters saying the Time is Now for the bond vote, and focusing on getting in and using it. She displayed these and talked to and answered questions at the joint Bethel Historical Society and Bethel Business Association meeting on September 18th.

3- Victoria explained what she and Amy, Winslow, Geneva and Davis learned at the September 22nd select board meeting that they attended. The most important thing is that the **wording of the actual bond ballot** will say "\$1,300,000", but the amount to be raised will be \$944,000 or less. The wording of the ballot is dictated by Vermont statutes and must state the full cost of the whole project. In contrast, the actual bond, when it is taken out in May, will be for the cost of the project, "subject to reduction of the application of reserves", which means less the amount we have in hand. The town has in hand the \$301,000 Save America's Treasures grant (assuming it is matched by this bond vote), \$25,000 voted toward restoration at 2007 town meeting, and about \$30,000 in the Town Hall Fund, most of it raised through the "1892 Fund" campaign. So \$1,300,000 minus \$356,000 in hand = \$944,000 for the actual bond.

4- Amy pointed out that asking is still going on, and any money received in donations before May 2009 will further reduce the amount that will need to be bonded for.

Amy also explained that the **timing of grants** can be tricky. Many will not give money if you have already started the work, but most want you to be all set to start, and typically it needs to be completed in a set amount of time, and you do not receive the money until the work is done, when you are reimbursed.

5- The group discussed and critiqued the draft of an **informational flyer** that Victoria had drafted. They wanted it to be very clear as to what the bond would cost tax payers, and the interaction between the \$25,000 annual appropriation which has been voted in at Town Meeting for several years and the bond vote. The bond would replace the \$25,000 which currently costs taxpayers about \$12.80 per \$100,000 of property value.

How much to discuss the tax rate and how much to discuss actual dollars was debated, with dollars taking precedent. The overall Bethel tax rate is \$1.90, only 34¢ of which is for municipal things.

Besides the flyer, Victoria will create a more in-depth **Table of Tax Implications and document explaining the bond** in more detail. It will be attached to the Events for November 4th on the Bethelvermont.com web page. (For people's interest, it is also attached to the end of these minutes.) Victoria will get specific numbers from Dell Cloud to use to create these tables. Victoria will show the draft flyer to the selectmen to get their input before it is finalized.

6- Paul is working on a **powerpoint slide show** with help from David Allen. He plans to show it at the Apple Pie Social.

7- **Apple Pie/Apple Crisp Social.** The committee will hold an informal informational meeting instead of our next scheduled meeting, October 30th. Per statutory requirements, the select board is holding an informational meeting on the bond on October 27th, and ours will be another opportunity for people to ask questions and learn about the bond and how it impacts them. We will each bring an apple pie or apple crisp, and Mary Floyd will supply ice cream to make them a la mode.

8- **To summarize our attempts to publicize the bond vote and inform voters** about it, the group will:

- Create and distribute informational flyer in shops, banks and restaurants around town. We would have preferred to mail this to all voters, but we have no funds to do this, and town funds cannot be used. Amy, Victoria and Winslow offered to print up copies of the flyer.
- Write more letters to the paper.
- Continue to try to get the *Herald* to write articles about the hall and the bond vote. No luck so far.
- Create a small 8" x 11" poster to get attention and to inform people of ways they can get more information on the bond vote.
- Post the 2 informational meetings and the Tax Implications document on the bethelvermont.com web site (the town hall web site is gone).
- Post the old newsletters and Prospectus on the web site.
- Hold an Apple Pie/Apple Crisp Information Social on October 30th, including a powerpoint slide show by Paul.
- Utilize "Leaping Dog" drawing by Janet to encourage folks to 'make the leap over the last hurdle' so Bethelites can use their own hall. This follows the "Roof Dog" graphic that helped the campaign to get a new roof on the hall in 2007. Thanks to Janet for her drawing.
- Talk it up.
- Talk to local organizations. Victoria will speak briefly to Rotary on November 3rd.

The meeting was adjourned at 9 pm.

❖ ❖ ❖ ❖ Minutes respectfully submitted by Victoria Weber ❖ ❖ ❖ ❖ October 16, 2008 ❖ ❖ ❖ ❖

see below for the Bond document ----->>>>

Tables of Tax Implications for Bethel Town Hall Bond Vote 2008

1- The Bond ballot is worded for more than we will actually have to pay

The amount to be raised by the November 4, 2008 bond vote in Bethel will be no more than \$944,000, and it could be less than that if several in-the-works grants are obtained, or if someone makes further donations to the “1892 Fundraising Campaign”, which is named after the year the hall was built, 1892.

However, state statutes require that any bond vote identify the entire cost of the project it supports, which in this case is \$1,300,000, “subject to reduction of the application of reserves”. That is a fancy way of saying that when it comes time to actually take out the bond the amount will be for the full cost of the project minus the money the town already has in hand. We already have the \$301,000 Save America’s Treasures grant that the bond will match, the \$25,000 appropriation made at last town meeting, and the money in the Town Hall Fund, which is about \$30,000. Thus \$1,300,000 minus \$356,000 = \$944,000. So the bond ballot will say \$1,300,000, but the reality is that we are bonding for \$944,000 or less.

2- Cost spread over 20 years. The bond will be for 20 years, with payments being higher at the beginning and being reduced every year. In fact payments in year 20 are just a little over half of what they are in year 1. For example the cost of the bond for a \$100,000 property in year one is \$42.66, and by Year 20 it is down to \$24.70. Subtracting the current town hall allocation means that that \$100,000 property will pay \$29.66 year one and \$11.97 in year 20. The following tables set out the costs at year 1, 10 and 20.

3- We could retire the bond early. If the project ended up costing less, or if extra money is found, we could retire the bond early.

4- Cost is spread among townspeople. The Town Hall is owned by the town, which means it belongs to all the people. Indeed, it is the symbol for our town, a way unique and beautiful building that Bethel is identified with statewide. You could say it is the emblem of Bethel. It will be used by all townspeople, and by others as well, thus helping to support it. It is right that the cost of rehabilitating it is shared by all taxpayers, so that no one bears too large a burden, and we can all benefit.

5- Current Town Hall appropriation. Each of the last 6 years the voters at town meeting have appropriated money toward town hall rehabilitation, and so we have been paying taxes into the town hall fund for about 6 years. So far this has gone toward architect’s and engineer’s fees. For the past 3 years that amount has been \$25,000 per year, which works out to \$12.80 on a property worth \$100,000.

The Nov. 4th bond vote will replace this annual appropriation, so in order to tell how much more you will pay in taxes, you need to subtract \$12.80 per \$100,000 of property. The following table does this.

6- The following numbers are based on the latest figures the Town has from the Vermont Municipal Bond Bank.

Cost of Town Hall Bond over life of the bond, based on property value

Cost for property valued at:	Current cost for \$25,000 Hall Appropriation	Cost for Bond Year 1	Year 1: Your Additional Cost = Bond Cost -- minus current cost	Cost for Bond Year 10	Year 10: Your Additional Cost = Bond Cost -- minus current cost	Cost for Bond Year 20	Year 20: Your Additional Cost = Bond Cost -- minus current Cost
\$100,000	\$12.80	\$42.66	\$29.86	\$35.67	\$22.87	\$24.76	\$11.96
\$200,000	\$25.60	\$85.32	\$59.72	\$71.34	\$45.74	\$49.52	\$23.92
\$300,000	\$38.40	\$127.98	\$89.58	\$107.01	\$68.61	\$74.28	\$35.88

7- **Tax Rate implications.** Taxes are often discussed in terms of tax rate, which is usually so many cents per \$100.00 of assessed property value. Each year a determination is made of how much money one cent raises, based on the Grand List of values of all properties in town. The following figures are based on the July 2008 rate where 1 cent (¢) raises \$19,522. For 2008 the municipal tax rate is \$00.56, and the education tax is \$1.35, for a total town tax rate of \$1.91. The following table shows the tax rates that the bond vote would raise, based on the current figures.

Tax Rate Table for Town Hall Bond

Year of Bond	Bond Tax rate	-Minus Current tax rate for \$25,000 Hall appropriation	= Actual tax rate
Year 1	4.266¢ per \$100 of property value	1.28¢ per \$100 of property value	2.986¢
Year 10	3.567¢ per \$100 of property value	1.28¢ per \$100 of property value	2.287¢
Year 20	2.478¢ per \$100 of property value	1.28¢ per \$100 of property value	1.198¢



This Bond vote is a stretch for all of us, but together we can do it and reap the benefits for our future, our children's futures and the future of our town. We've done a lot already - this is the last big hurdle. Let's finish the project! Let's Leap!