

# Officials Push for Local Option Tax Vote in March

by Ken Signorello

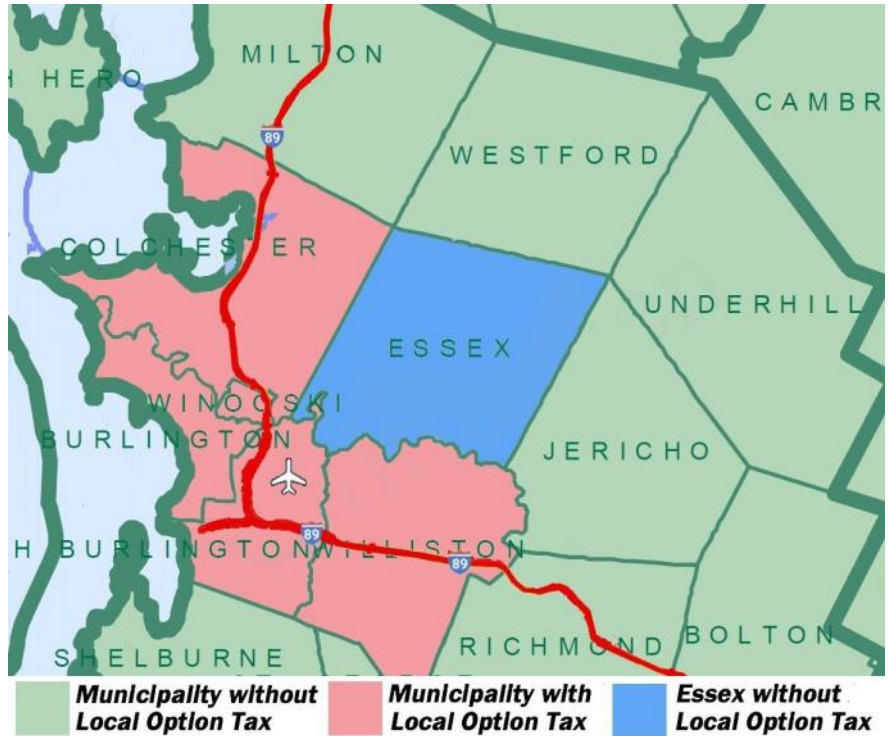
At the November 22nd Joint Selectboard and Trustee Meeting, Unified Manager Evan Teich and Deputy Manager Greg Duggan asked the boards to consider including a Local Option Tax (LOT) on the March Ballot.

A LOT is an additional 1% sales tax on retail purchases made by or shipped to Essex retail consumers. LOTs are levied in three ways: Sales; Meals and Rooms; and Alcoholic Beverages.

Voters in 17 Vermont municipalities have approved a LOT since 1999.

Essex Town voters rejected a proposed LOT at their 2009 Annual Town Meeting, as did Essex Junction voters in 2010.

*(Continues on page 2)*



Williston is a retail hub accessible by the interstate. It nets nearly twice as much LOT revenue per resident as any other municipality in Chittenden County.

## Help Wanted: Martone's Market Struggles to Find Workers



Video by Ken Signorello

Tony Martone has been making sandwiches too big to fit in the mouths of his customers for nearly 30 years.

He's never seen anything like this year's labor shortage, which has challenged employers across the U.S., as well as local businesses like his.

The *Retorter* talked with Tony in mid-December. That interview is here: [tinyurl.com/Martones](https://tinyurl.com/Martones)



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Selectboard member Dawn Hill Fleury asked why voters might approve a LOT now, after past rejections.

For years, Essex Town Managers have promoted the LOT as a new revenue source that would be partially paid for by non-Essex residents.

According to Duggan, the Vermont Tax Department projects that a LOT, including a Meals and Rooms tax, in Essex would generate \$1.5m to \$1.6m in revenue per year, after the state withholds a mandated 30% administrative fee of approximately \$700,000.

Duggan suggested that LOT revenue might be split between our two municipalities according to population, if not by the actual sales location.

[According to Teich](#), Essex is a net exporter of LOT tax to its neighbors. "Williston generates over \$3m in a LOT. I would

venture to say a good chunk of that is from us."

[Teich claimed](#) that Essex should be getting back some of the LOT collected by Williston retailers.

He did not say what would motivate Essex residents or others to stop making purchases in Williston and instead shop in Essex, if its sales, meals, rooms and alcohol tax increased.

The Town of Williston collects more LOT per resident than any other municipality in Chittenden County. With only half as many residents as Essex, it nets more than 4.5 times the LOT revenue per capita predicted for Essex. One reason for this may be Williston's concentration of big-box retailers drawing Essex shoppers via Route 2A and others via I-89.

Town and Village managers have circulated a survey to gauge community receptivity

to another tax and potential ways to spend the resulting revenue.

Selectboard member [Tracey Delphia raised](#) concerns about the regressive nature of sales tax in general; those with less income pay proportionally more sales tax.

Trustee [Raj Chawla supported](#) the LOT, despite its regressive nature, acknowledging, "it is what it is."

Town resident Paul Austin stated that he did not want to see a LOT go on the ballot.

He expressed concern that the average person will only see it as an additional 1% sales tax. He views it as much more: a 1-cent increase on 6 cents is a 16.7% increase over the current sales tax rate.

[Austin believes](#) that not having a LOT attracts customers and that Essex needs to highlight its business-friendliness.

Austin noted that Essex businesses also purchase goods. If

## Comparison of Neighboring Municipalities

Municipality	Pop. 2020	FY22 General Fund Budget	FY22 Property Tax Levy	FY22 Spending per Capita	FY22 Property Tax Levy per Capita	Spending minus Property Tax Levy per Capita	FY22 LOT Est.	FY22 LOT per Capita
Burlington	44,743	\$87.5m	\$47.4m*	\$1,956	\$1,059	\$898	\$6.7m	\$150
Williston	10,103	\$11.6m	\$5.7m	\$1,145	\$561	\$584	\$3.1m	\$307
South Burlington	20,292	\$26.7m	\$17.4m	\$1,318	\$857	\$461	\$3.8m	\$187
Underhill	3,129	\$3.1m	\$2.1m	\$1,004	\$670	\$334		
Winooski	7,997	\$8.2m	\$6.1m	\$1,027	\$761	\$266	\$0.4m	\$48
Jericho	5,104	\$3.7m	\$2.9m	\$734	\$561	\$173		
Richmond	4,167	\$4.2m	\$3.5m	\$1,006	\$843	\$163		
Essex Combined	22,094	\$21.6m	\$18.0m	\$976	\$815	\$161		
Westford	2,062	\$2.0m	\$1.7m	\$980	\$841	\$138		
Milton	10,723	\$8.7m	\$7.3m	\$810	\$684	\$127		
Colchester	17,524	\$13.5m	\$12.4m	\$769	\$709	\$60	\$1.5m	\$86

\*Includes payments in lieu of taxes



they are taxed an additional 1%, that may affect their desire to do business in Essex.

Village Trustee [George Tyler argued](#) in favor of a LOT.

[Tyler said](#), “In Chittenden County, because everybody else has [a LOT], but we don’t, we are nuts if we don’t do it.”

In fact, Chittenden County has 18 municipalities, per the Regional Planning Commission. Five of these 18 have a LOT.

Unified Manager Teich incorrectly stated: “Over the 8 or 9 or 10 years since this was brought up, all the other communities around us have instituted the local options tax.”

The record shows that only Colchester and Winooski instituted a LOT since the last Essex vote.

[Teich went on](#) to list neighboring towns that have a LOT, but he neglected to mention four that don’t: Milton, Westford, Underhill and Jericho.

“Williston’s property tax rate is 0.2 and that’s because they have a gold mine,” said Tyler.

Williston’s property tax was 0.2 back in FY 2010. It is now 0.2721. It does have a lucrative retail center, which preceded the LOT by 6 years.

Williston’s LOT enables it to maintain a significantly lower tax rate than any nearby town. However, its relatively large grand list (\$2.1b) and relatively small budget (\$11.5m) also contributes to its tax rate low.

Essex’s combined budget is double that of Williston, but our projected LOT is \$1.5m,

half of Williston’s \$3.1m.

[Tyler also claimed](#), “If you look at municipal spending per capita and you look at what taxes are raised, and ... it’s — pretty much always, with a few exceptions — almost completely accounted for by that community having a LOT.”

The *Retorter* examined Essex’s neighboring towns to test Tyler’s claim: Municipalities with a LOT are able to support more spending per resident while collecting less property tax per resident.

The Table on page 2 shows towns’ most recent populations, budgets and LOT estimates, sorted by the metric that Tyler singled out.

His claim appears accurate on its face. However, each town’s

circumstances are different.

Here are some characteristics which greatly affect the metric upon which he based his claim:

- ♦ Burlington, top of the list, gets only 7% of its budget from its LOT. It has large non-property tax revenue sources.
- ♦ Burlington collects its own Meals, Rooms and Alcohol Tax, thereby saving 30% in state fees.
- ♦ Colchester reserves its LOT for future voter-approved spending.
- ♦ Underhill received significant grants in FY22.
- ♦ Williston collects 64% more LOT per resident than any other municipality in the county, funding 27% of its budget.

## Joint Boards Owe Unified Manager \$83,000 Severance

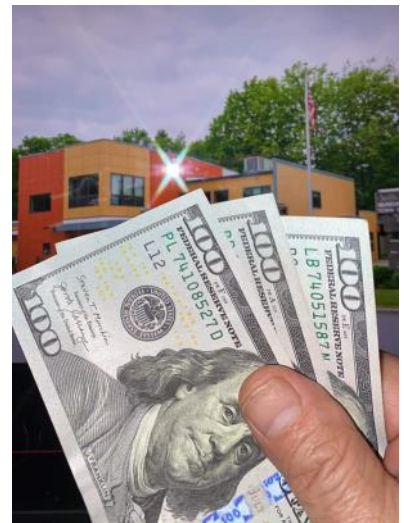
by Irene Wrenner

The Town Selectboard and Village Trustees failed to notify Unified Manager Evan Teich on time of their plans to renew his contract. Missing that August 2021 deadline triggered a penalty.

Consequently, the municipalities, whose workload Teich splits, now owe him approximately \$83,000. Neither board has publicly discussed this oversight nor how much the Town and Village will each contribute toward that total, along with associated legal fees.

After exiting executive session on December 20th, the Selectboard voted unanimously “to execute a severance agreement with the cost to be evenly split between the Town and Village.” The Trustees met the following night but made no such motion.

Teich’s employment with both municipalities ends on Feb. 26th.





## Bob Bates: A Good Citizen

My friend and neighbor Bob Bates recently passed away just shy of his 72nd birthday.

Bob made many contributions to life in Essex since he moved here in 1990, through his church, Essex High School, letters to the editor, appearances before the Selectboard and faithful participation at Town Meeting.

Here are just two remembrances of his life.

For State Representative Tanya Vyhovsky, Bob made a significant and positive difference.

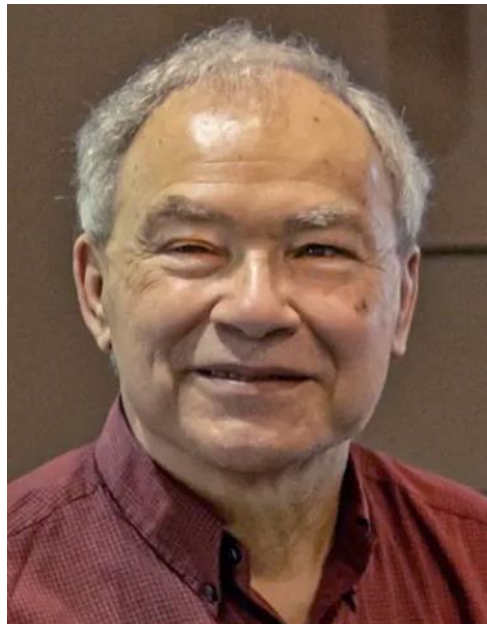
She encountered Bob as one of her guidance counselors in high school. "Bob ... cared deeply for every EHS student," she wrote, "and was always willing to sit thoughtfully with their struggles and validate and find ways to harness their energy."

She remembers him "igniting my passion for supporting children and building stronger systems in our community. ... At the time I didn't know it, but Bob was, without a doubt, one of the people who turned me towards my work as a social worker, policy maker and advocate."

As for myself, I think of Bob Bates in the context of American philosopher Mortimer

Adler's assertion that "... citizenship is the primary political office under a constitutional government." In my mind, Bob lived up to Adler's ideal in more ways than one.

He was a regular presence at Town Meeting, where he offered not just his opinions but also kept folks on track with his knowledge of Robert's Rules of Order.



As much as he loved Town Meeting, Bob felt it was unjust that the Town budget could only be approved by the very few who could attend. He became an early member of Budget-to-Ballot, a group of citizens — Town and Village — who advocated moving the budget to a public ballot so that all voters could have their say.

Bob also championed neighborhood assemblies, which would enable residents to have a voice on issues important to their immediate, localized area. It is a form of bottom-up, not top-down, governance that

could also be a model for establishing representative voting districts for Selectboard members.

Some people build their legacies with grand gestures, dramatic acts and bombast. Bob Bates was not like that. He built his with quiet, everyday encounters.

Perhaps you've heard the expression "I hate to see 'em coming but I am glad to see 'em go." Just the opposite with Bob: I was always happy to see him coming, and now, I'm sorry to see him go. Rest in peace, neighbor.

[www.corbinandpalmer.com/obituary/Robert-Bates](http://www.corbinandpalmer.com/obituary/Robert-Bates)

*Bruce S. Post, a former Essex Selectboard member, often writes and lectures on Vermont environmental history.*

## The Essex RETORTER

Published by  
Essex Retorter LLC

12 Main Street  
Essex Jct, Vermont 05452

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[www.EssexRetorter.com](http://www.EssexRetorter.com)

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