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**TOWN OF SWANTON
SELECTBOARD**

SPECIAL ARENA REVOTE MEETING

INFORMATIONAL SESSION

MINUTES

**Swanton Village Complex Meeting Room
120 First Street, Swanton, VT 05488**

Monday, May 6, 2013 @ 7:00 p.m.

Present: John Lavoie, Selectboard Chair; Dan Billado, Selectboard Vice Chair; Joel Clark, Kathy Lavoie, and Dick Thompson, Selectmen; David Jescavage, Town Administrator; Yaasha Wheeler, Secretary; Ryan Lawyer; Lisa Bourgeois; Paulette Tatro; Kim Gates; Jim Pratt; Nils A. Berglund; Karen Gagne-Fortin; Paul Kilbury; Tanya Remillard; Cathy Fournier; Todd Conger; David Kimel; Steve Bourgeois; Ron Kilburn; Larry LaRocque; Mark Rocheleau; Adam Paxman; Michele Bombardier; Luc Choquette; April Kilbury; Louise LaBombard; Gene LaBombard; Mandy Bouchard; Kelly Merrill; Wynn Paradee; Channel 16.

A. Call to Order

Mr. Lavoie called the meeting to order at 7:00 p.m.

B. Pledge of Allegiance

Mr. Lavoie led those present in the pledge of allegiance.

C. Reading of Warning – Town Moderator

Mr. Lavoie read the warning for the arena article:

Article 1: Shall the Town of Swanton issue bonds or notes in an amount not to exceed \$2,367,200 (Two Million Three Hundred Sixty Seven Thousand Two Hundred Dollars) for the purpose of funding its share of recreational facility improvements located in the Town of Highgate to be owned, operated, and managed under the terms of an interlocal contract to be approved by the Selectboards of the Towns of Swanton, Highgate, and Franklin? The facility improvements include a finished ice skating rink surface measuring 200 feet by 85 feet.

D. Meeting Topics:

Chairman’s Rules of Order

Mr. Lavoie read the following rules of order for the meeting:

- 1. This is not a TTRC meeting.
- 2. Purpose is to address ballot question only.
- 3. No more than 2 minutes for each speaker.
- 4. No debating – questions & answers only.

- 1 5. No pros & cons – stick to facts.
- 2 6. Raise hand to be recognized.
- 3 7. Stand while speaking clearly.
- 4 8. Wait for & speak into microphone.
- 5 9. No speaking between audience members.
- 6 10. No interrupting person who is speaking.
- 7 11. Be respectful of others' opinions.
- 8 12. No personal attacks.

9

10**12. Powerpoint Presentation & Discussion of Ballot Question to**
 11 **Fund Renovation of Highgate Arena**

12Mr. Lavoie presented the slideshow, as follows:

13

14**Shared Tri-Town Arena Renovation Costs**

- 15 • 55% (\$2,367,200) = Swanton's Share
- 16 • 32% (\$1,377,600) = Highgate's Share
- 17 • 13% (\$ 559,650) = Franklin's Share
- 18 • 100% (\$4,305,000) = Total Cost of Renovations

19

20**Burden on Swanton Taxpayers**

- 21 • Swanton would have to borrow \$2,367,200 to fund its share of the Highgate Sports
- 22 Arena Renovation Project .
- 23 • Annual loan payments by the Town of Swanton would be approximately \$120,000 for
- 24 20 years.
- 25 • Average single family home assessment in Swanton is \$219,000.
- 26 • For average home at least an extra \$65 per year in property taxes for a 20 year period.
- 27 • An owner of an average commercial property in Swanton would pay an additional \$93
- 28 per year.

29

30**Concerns: Annual Arena Operating Expenses**

- 31 • Will annual cost of operating expenses exceed the annual arena revenues generated ?
- 32 • If annual revenues are less than the annual operating expenses, who will pay the deficit?
- 33 • If unanticipated emergency expenses exceed the annual revenues, who will pay for those
- 34 costs?
- 35 • Will a capital reserve fund be established to pay for future expenditures for costly capital
- 36 items?
- 37 • Will extra taxes be needed for operating \$\$\$?

38

39**Interlocal Contract**

- 40 • All 3 Towns are required to form an Interlocal Contract to operate the renovated arena.
- 41 • What entity will be formed to operate arena?
- 42 • How will arena management decisions be made by this entity?
- 43 • Who decides on operating expenditures?
- 44 • Will the 3 Selectboards have any input or veto power on the financial decisions?

45

46Mr. Lavoie summed up that the article in Franklin and Highgate had passed, but had failed in
 47Swanton. There had been a petition for a revote, so the Swanton revote would be held May 14th
 48from 7 a.m. to 7 p.m. at the Swanton Village Office.

49

50 **3. Public Comments**

51**Mr. Paul Kilbury**

52Mr. Paul Kilbury: The arena project had been discussed for 2 or 3 years and that he felt the
 53Selectboard had pretended to be neutral, but now they were vocally in opposition to the plan.
 54Why weren't the people informed earlier of the Selectboard's opinion?

55

56Mr. Lavoie: Swanton helped to fund the \$25,000 feasibility study, for a sum of about \$14,000,
 57hoping to get some answers. Not all questions were answered. The Selectboard was pressured to

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1 promote the project, but Mr. Thompson had responded that it was not the Selectboard's job to
2 promote, but to give information. The Selectboard did not want to influence the voters. Once the
3 voters had been heard, then the board took a stand. To clarify, the board did not want to see the
4 arena go down, but did have questions about whether the current plan was the best way to
5 prevent the arena's closing. Hard economical times, the needs of the elderly, and the struggle of
6 others who were financially limited made the project as proposed all the more difficult to justify.

7

8 Mr. Kilbury: The Selectboard had known of its opinion for a long time, and its silence was
9 interpreted as opposition. The board should have halted the project and really worked with the
10 other two towns to create options.

11

12

13 **Mr. Charles Meunier**

14 Mr. Charles Meunier: His income had dropped because of the financial crisis and taxes have not
15 decreased. He had not been aware of the arena information until recently. He had checked
16 information about hockey arenas in the state and noted that Stowe was going through the same
17 process, with detailed information from consultants who were hired by the town to develop
18 proposals. He had serious questions about the operating costs versus the projected revenue. If
19 the revenue involved new activities, that would involve a lot of marketing and a lot of unknowns.
20 Highgate's article wording had included the phrase "as an advisory non-binding opinion." Was
21 Swanton's article a binding article?

22

23 Mr. Lavoie: Yes, the article is a binding article.

24

25 Mr. Meunier: Is the TTRC proposal currently based on new activities that would have to be
26 marketed?

27

28 Mr. Lavoie: The TTRC was planning on doing a lot of marketing to introduce new ideas. All
29 projections were based on their 3 years of data from MAHA.

30

31 Mr. Meunier: Who picks up the bill in the case of an operating deficit?

32

33 Mr. Lavoie: Swanton would pay 55% of the cost, Highgate would pay 32%, and Franklin would
34 pay 13%.

35

36 Mr. Meunier: Swanton voters should seriously consider their responsibility as taxpayers in this
37 matter.

38

39 Mr. Billado: When TTRC came up with the current projections, the numbers from the feasibility
40 study done a year ago "went out the window" and the current projections include numbers
41 tweaked by the TTRC.

42

43 Mr. Warren Fournier: Referencing the industrial park situation, he wondered about the legality
44 of the proposal, the bottom line being that the Town cannot lead money toward a property to
45 make a profit. Who administered the money for the feasibility study?

46

47 Mr. Thompson: The Town of Highgate.

48

49 Mr. Fournier: Would the towns form a committee for a profit basis to operate the arena?

50

51 Mr. Clark: The towns would form an interlocal contract, which, after speaking with lawyers, the
52 board felt included sufficient legal footing with which to move forward.

53

54 Mr. Lavoie: The committee would include 3 representatives from Swanton, 2 from Highgate,
55 and 2 from Franklin, with the Selectboards overseeing the committee to some extent. In the
56 event that Swanton passed the article, more details would be worked out.

57

58 Mr. Fournier: Can tax dollars be used for operational profit business?

59

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2 Swanton Selectboard

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May 6, 2013

Minutes by Yaasha Wheeler

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1Mr. Clark: The three communities would run the arena under contract.

2

3Mr. Thompson: This would be no different than the recreational commission, in which the
4board of directors ran the operation, but were appointed by and responsible to the Selectboard.

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6

7**Mr. Wynn Paradee**

8Mr. Paradee: Since the bond was set for a period of 20 years, if the property increased in value,
9the taxpayers would pay more.

10

11Mr. Thompson: Not necessarily. The property taxes would increase if the budget increased, but
12if the grand list went up, the tax rate would decrease.

13

14Mr. Paradee: What is the meaning of the statement in the Selectboard letter, that the bond taxes
15would be "increasing as value of properties now increase"?

16

17Mr. Thompson: The intention was to point out that taxes will continue to rise, not necessarily
18dependent on the bond amount.

19

20Mr. Clark: Depending on the grand list, the tax rate could go up or down slightly.

21

22

23**Mr. Steve Bourgeois**

24Mr. Bourgeois: By adding \$2.5 million of debt to Swanton, would this drive up later costs
25because of the debt standing against the town?

26

27Mr. Lavoie: The Selectboard has a 5-year plan which is used to try to forecast future projects and
28needs.

29

30

31**Mr. Todd Conger**

32Mr. Conger: The arena is an investment. We either need to invest in children or in a correctional
33center. At what meetings were the letters to the editor written?

34

35Mr. Lavoie: The letters were discussed in executive session under "real estate" and "contracts."

36

37Mr. Conger: The Selectboard seems to be secretive. After not promoting arena, the board
38promoted the town garage.

39

40Mr. Billado: The money for the garage was approved last year by the voters and the Selectboard
41simply wanted to show the taxpayers what their money would buy.

42

43Mr. Conger: Why can't we sell things in order to raise money for the arena, as was done with the
44garage?

45

46Mr. Lavoie: The board does not want the arena to close, but is skeptical that it needs work to the
47extent that was asked for and did not think that there would be enough generated money to pay
48off the debt.

49

50Mr. Conger: Why did the Selectboard seem to choose a project option that was unattainable?
51There seemed to be more questions and roadblocks than solutions.

52

53Mr. Clark: Things were moving along very quickly and there was not adequate time to take a
54hard look at the data. I insisted on the 200 foot rink length because, if the money was going to
55be spent, the rink might as well be regulation size. However, when the taxpayers voted the
56article down, the Selectboard looked at some alternatives. The TTRC has given a helpful
57presentation, but there were still some concerns, especially since the real cost might not be
58restricted to simply the 20-year bond vote, but other costs as well.

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1Mr. Conger: It would be helpful to hear more about positive aspects and answers.

2

3Mr. Clark: No one had information at the time decisions were being made; things were moving
4too quickly.

5

6Mr. Billado: The uncertainty and speculations are particularly concerning, not the numbers.
7From 2002 to 2013, the facility never made enough money to keep its operations “fluid.”

8

9Mr. Conger: If the bond stayed the same, MAHA would charge more over time, so the revenues
10would increase, but taxes would stay the same.

11

12Mr. Billado: Then why hasn't Highgate done that already? That's the question the Selectboard is
13asking.

14

15

16Mr. Larry LaRocque

17Mr. LaRocque: Swanton has always supported students, and there are current Swanton services
18for which the Town absorbs the cost, such as the fire department or the Swanton recreation
19department.

20

21Mr. Lavoie: The Fire Department gets a certain budgeted amount and no more. Swanton gives
22the Swanton recreation department \$86,000 a year, and they raise the rest to meet their
23\$109,000 budget.

24

25Mr. LaRocque: When Swanton recreation comes for a vote, does the Selectboard question it?
26Also, what is the cost of a new Zamboni?

27

28Mr. Thompson: We review the budget; this year it was level-funded. The basic Zamboni models
29start at \$95,000 and the electric models start at \$125,000.

30

31

32Mr. Tom Hungerford

33Mr. Tom Hungerford: It seemed that the Selectboard was on board with the whole project at the
34Tri-Selectboard meetings. Swanton's cost of the project is a deal and that number will never be
35seen again. There will be 20 years to plan over the bond period, and to update the facility with
36extra stuff. The arena adds value to the community and attracts people to Swanton, which
37increases property value.

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39

40Ms. Sandy Dubois

41Ms. Dubois: There have been many questions; where are the answers?

42

43Mr. Clark: We don't know the answers yet; that is why there has been so much discussion about
44projected revenues and expenses. Hiring employees will increase expenses, which will exceed
45any of the revenues generated to date. The projection is that more time will involve increased
46revenues, but the board felt that some of the projections might not materialize.

47

48Ms. Dubois: Wouldn't it make more sense to have established emergency revenues?

49

50Mr. Clark: The Selectboard has asked about that, but we need something in writing about
51whether the potential sources of funding are committed to that purpose. A capital fund is
52definitely necessary.

53

54Ms. Dubois: Seems that the communities can be left holding the bag. Considering Swanton's
55ratio of representation as proposed for the arena committee, what if Franklin and Highgate vote
56for something that Swanton does not want? Does Swanton get voted down, 4 to 3?

57

58Mr. Clark: Yes. However, the interlocal contract, as currently proposed, does not give the
59committee the power to raise revenues or put a budget together.

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3Mr. Ron Lawyer

4Mr. Lawyer: Does Swanton currently pay Highgate to allow Swanton kids to skate?

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6Mr. Lavoie: A portion of the taxes paid to MVU goes toward the hockey program, but anyone
7else, such as MAHA members, have to pay.

8

9Mr. Lawyer: If the vote passes and Swanton pays \$2.5 million toward the renovations, would
10Swanton residents still pay for the use of the rink?

11

12Mr. Lavoie: Yes, they will.

13

14

15Mr. Adam Paxman

16Mr. Paxman: If the vote is no again, does the TTRC have a back-up plan? And will Swanton
17pursue the renovation project?

18

19Mr. Lavoie: If the vote fails, the TTRC will revamp a new plan, which will be presented to the
20three towns. No vote will be held until March 2014. Swanton would certainly consider other
21options if the current option was voted against.

22

23Mr. Clark: Donations to Highgate are considered both a revenue and an expense, and it seems
24favorable that, if the article passes, Swanton should enter negotiations to get some kind of
25return for the money it pays into the arena.

26

27

28Ms. April Kilbury

29Ms. Kilbury: The HUD grant, which is used to reduce the renovation cost from \$4.5 million to
30\$4.3 million, will expire in 2015 if not used. There is also a contingency fund of \$90,000 that
31was fundraised by the town of Highgate. MAHA has also earmarked \$40,000 toward capital
32improvements on the building. The money is available. The reason for the quick process was
33because of the HUD grant.

34

35Mr. Clark: The Selectboard needs some kind of letter to indicate that the \$90,000 and \$40,000
36would be used for the suggested purposes and, if so, would there be an expected match from the
37other participating towns?

38

39Ms. Kelly Merrill: If the vote does not pass, why should the letter state the availability of the
40money?

41

42Mr. Clark: The letter could indicate "if the article passes."

43

44

45Mr. Alex Dubois

46Mr. Dubois: Why would Swanton pay 55% of the vote, but have only 40% representation on the
47committee? Also, Franklin would pay 13% but have 28% representation.

48

49Mr. Clark: Getting 9 people to volunteer would be difficult; 7 was a more manageable number.
50We were just trying to get agreement from all the communities.

51

52Mr. Thompson: If the article passes, the interlocal contract will have to be agreed upon before
53any money is spent.

54

55Mr. Lavoie: We originally wanted a 4-2-1 ratio.

56

57

58Mr. Charles Meunier

59Mr. Meunier: The voters who vote on this article will only be a small percentage of the voters.

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2Mr. Thompson: There are 3600 voters on the checklist, and 882 voted on the last article. The
3turnout will be around 10%.

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6Mr. Steve Bourgeois

7Mr. Bourgeois: Can a loan like this be made for this purpose? If we think we can borrow, we
8need some kind of agreement so that Swanton will not be responsible for Highgate and
9Franklin? Have we spoken to the lender?

10

11Mr. Thompson: In our discussions, we feel confident that this loan is feasible.

12

13Mr. Bourgeois: Because this item is not a necessity, why don't the supporters form an entity to
14allow them to buy shares to invest in the facility, use the money to leverage borrowing money,
15and thereby take the responsibility off of the taxpayers and into the hands of the people who
16have a passion for the facility?

17

18Mr. Larry LaRocque: Then we might as well do away with all the town-funded sports. We need
19this facility.

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21

22Mr. Wynn Paradee

23Mr. Paradee: Highgate didn't buy the last Zamboni. At other rinks, a new Zamboni purchase
24involves coporate sponsorship. What is really need is more out-of-town students to lower the
25school tax. It would be easier to draw in those students if MVU had such a facility to offer. Either
26we pay it in school tax or the arena tax. Spending an extra \$65 in taxes per year is worth it, if
27your property taxes go up and you can sell your house for \$20,000 extra.

28

29Mr. Clark: Can we get a letter from the MVU school board, stating that they'll give the town the
30money generated by out-of-town students?

31

32Mr. Paradee: We would pay extra in school taxes otherwise.

33

34Mr. Lavoie: The school was \$1 million short last year, so even 15 out-of-town students would not
35fix the debt. The logic is correct, but we need the 10,000 vehicles who pass through the town to
36spend money in Swanton to make a difference. We feel it may be best to just do the bare
37minimum and get the building in compliance, then look at what else might need to be done.

38

39

40Ms. Lisa Bourgeois

41Ms. Bourgeois: Was there any profit from the years 2002 to 2013?

42

43Mr. Billado: The three years that MAHA has run the facility, it has been in the black, but they
44have probably not made enough money to "keep fluid" if the labor switch from volunteer to paid
45employees.

46

47Ms. Bourgeois: It doesn't make sense to pay 55% for something that is "barely floating." No store
48or household could be run that way. How can the bank loan money to pay for a project that we
49are not making money on?

50

51

52Ms. Kelly Merrill

53Ms. Merrill: We have not yet heard the promised alternatives. If there were so many concerns,
54why was a slower route not chosen? Why sabotage at the end? Why not decide in the beginning
55to do basic repairs and then take more time to consider viable alternatives?

56

57Mr. Thompson: The Swanton Selectboard was very skeptical about the unknowns, which is why
58the members decided that the voters deserved an unbiased, fair vote. The Selectboard did not

1sabotage, because no opinions were given. Once the voters had spoken, the board felt it was fair
2to state its opinions.

3

4Ms. Merrill: There is only one week before the vote and no alternative plans have been heard yet.
5The facility is more than hockey, and revenue can be generated with a dedicated manager.

6

7Mr. Lavoie: The Selectboard does not have the “golden egg” or the perfect answers. We have
8options and have not been keeping them secret.

9

10Mr. Clark: One option is to downsize, as has been mentioned.

11

12Ms. Kim Gates: That would cost \$2.5 million to bring it up to code, without the regulation size
13ice.

14

15Mr. Larry LaRocque: Who decided to go with the \$2.5 million as opposed to the \$2.5 million?

16

17Mr. Lavoie: The three Selectboards agreed, at the recommendation of the TTRC.

18

19

20Ms. April Kilbury

21Ms. Kilbury: It seems that the Selectboard wants two things: to rebuild according to regulation
22size, but then to do the bare minimum.

23

24Mr. Thompson: The bare minimum involves keeping the arena functional; it does not include
25adding weight rooms, a track, and other things. Since the voters said “no,” we are going tback to
26the drawing board. People aren’t happy with paying 55% of something that resides on leased
27land in another town.

28

29Ms. Kilbury: That is already done with the school.

30

31Mr. Thompson: The school and recreation are not the same thing. I’m willing to have Highgate
32continue to own it, and we simply pay for “readiness to serve,” as we do with emergency
33services.

34

35Mr. Bourgeois: So, rather than committing to it for 20 years, we vote on it each year.

36

37Mr. Thompson: It would be less than \$2.3 million, and Highgate would be responsible for the
38profit and liability.

39

40Mr. Lavoie: Because it is donated land, we are not going to own the land, but rather 55% of the
41building.

42

43Mr. Clark: An alternative is private funding.

44

45

46Mr. Paul Kilbury

47Mr. Kilbury: All we want is ideas and we’ve been going for 2 years without them. The
48Selectboard should have had ideas all along.

49

50Mr. Lavoie: Having 5 members versus 3 gives us more information, and we wanted to ensure
51that we gathered all the information we needed before presenting it. We also didn’t want to
52influence the vote.

53

54

55Ms. Kim Gates

56Ms. Gates: The TTRC has worked for 3 years with 3 towns to create a solution and has looked at
57many options. People can e-mail questions to ttrc@franklinvt.net and the TTRC will answer
58them. There will be an informational meeting before the revote, to be covered by Channel 16.

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1 There was discussion about allowing the TTRC representatives to present. Mr. Jim Pratt stated
2 that he felt it was unnecessary, since the item under discussion was the article, which would not
3 change. Mr. Clark said that the meeting should have been warned to include a TTRC
4 presentation. Ms. Gates passed out pamphlets of information about MAHA's 3-year history at
5 the rink and other information.

6

7 Mr. Lavoie thanked the TTRC for its hard work and said that he needed to follow Robert's Rules
8 of Order. Because the meeting was warned as an informational meeting, the line had to be
9 drawn at that. He apologized to Ms. Gates and Ms. Tatro. Ms. Tatro mentioned that she had
10 been present at the Swanton Town Informational Meeting prior to voting day and she had been
11 allowed to present information on the article.

12

13 Mr. Terry McLaughlin stated that he was the consultant who had done the study and that the
14 \$160,000 in the study included the difference between the 2 salary requirements. He added that
15 the refrigeration system needed major work.

16

17 Mr. Lavoie reminded the Swanton voters to vote on May 14th.

18

19 **4. Any Other Necessary Business**

20 No other necessary business.

21

22 **E. Executive Session**

23 No executive session needed.

24

25 **F. Adjournment**

26 Mr. Billado made a motion, seconded by Mr. Thompson, to adjourn at 9:00 p.m. Motion carried.

27

28 Typed on May 7, 2013

29 Minutes by Yaasha Wheeler

30 Received and filed by:

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36 _____
Cathy Fournier, Swanton Town Clerk

Date