

**Village of Woodstock  
Board of Trustees  
December 14, 2021  
6:30 pm  
Town Hall & Zoom  
Minutes**

**Draft minutes are subject to approval.**

**Present:** Chair Jeffrey Kahn, Seton McIlroy, Daphne Lowe, Brenda Blakeman, Bill Corson, William Kerbin, Nikki Nourse, Ellen Phillips Soroka, Roger Logan, Police Chief Robbie Blish, Jill Davies, Patrick Proctor, Karim Houry, Patrick Fultz

**A. Call to order**

1. Chair Kahn called the Village Trustees meeting of December 14, 2021, to order at 6:30 pm.

**B. Interview for Village Design Review Board – Ellen Phillips Soroka**

1. Ms. Soroka stated that restoration is a focus of hers. She is a practicing architect. She has not attended a Village Design Review Board meeting.

**C. Citizen comments**

1. Chair Kahn stated that there is concern regarding masking. They are going to have a discussion later in this meeting about masking policy.

**D. Additions to & deletions from the posted agenda**

1. Additions
  - a. Executive session
  - b. Masking policy
  - c. Update on East End Park

**E. Manager's report**

1. General report
  - a. Mr. Kerbin gave an update. He is looking into grants and funding.
2. Financial report
  - a. Chair Kahn asked about why they show zero for real estate tax revenue.
    - i. Mr. Kerbin stated that this should show up on January's report. The same thing happened last year. This is standard practice.
  - b. Chair Kahn stated they budget \$2,000 of interest income and they have 4.28% of that.
    - i. Mr. Kerbin stated that it should also reflect on January's report.

**F. Police Chief's report**

1. Chief Blish stated that the Turkey Trot went well. They collected 405 pounds of food during that event. Wassail went well. He thanked all the volunteers and the Highway Crew that put out the barricades. They did Toys for Tots during Stuff a Cruiser. They collected three shopping cards full of toys. They also collected \$350 in cash donations.

**G. Permit – Use of the Green – BarnArts Winter Carols**

**Motion:** by Mr. Corson to approve the Use of the Green Permit for BarnArts Winter Carols.

**Seconded:** by Ms. Blakeman.

**Discussion:** none.

**Vote:** 5-0-0, passed.

**H. New business**

**1. Proposal to expand the local option tax in Woodstock**

- a. Mr. Houry shared a presentation (included in minutes).
- b. Chair Kahn stated that he talked to members of the business community to find out how they feel about it. There is a lot of disagreement. He shared letters against it from PJ Eames (Clover Gift Shop), Kimberly Smith (37 Central Clothiers, Red Wagon Toy Co, Woodstock Scoops, Central Street Holdings), and Lee Ann Lyman (Ace Hardware) (included in the minutes).

**Motion:** by Mr. Corson to put the local option tax on the ballot for Australian Voting in March.

**Seconded:** by Ms. Lowe.

**Discussion:** Chair Kahn believes that it is too soon, and they should discuss this more.

**Vote:** 1-4-0, did not pass. (Mr. Corson for, Chair Kahn against, Ms. McIlroy against, Ms. Lowe against, Ms. Blakeman against)

**2. Library parking lot lease – will discuss in executive session**

**3. Possible purchase of extended warranty for parking kiosks**

- a. Chief Blish stated that this extended warranty would be for the four kiosks that were purchased back in February. The proposal would be \$7,200 a year. The fees if you do not have a warranty if something breaks is \$195 an hour with a two hour minimum and a \$95 vehicle charge. In five years, this would be about \$35,000. These are new machines. He believes the warranty is overpriced. He thinks they should set aside some funds from parking revenues in the budget or capital reserve account to pay for any future issues they may have.
- b. Chair Kahn stated they can use the parking fund for any maintenance.

**I. Other business**

1. Chair Kahn stated that there have been numerous people asking for mask mandates. However, there are numerous people saying to keep things the way they are.
2. Ms. Blakeman stated that she took a poll today at the salon with customers asking them how they felt about a mask mandate. Everyone felt, herself included that at this point people should know what the right thing is to do. They are all adults and can make their own decisions. She does not think that it is necessary for them to mandate it as it is not enforceable.
3. Mr. Corson stated that he is on the fence about this issue. He suggested surveying some on the businesses.
4. Ms. McIlroy stated that Vermont has the highest number of cases that they have had throughout the entire pandemic. They are the most vaccinated state in the country. In the past two weeks Windsor County has had 773 cases.
5. The Village Trustees will provide signs that “Woodstock Wears Masks” and they will be provided to stores and businesses.

**J. Executive session**

**Motion:** by Ms. McIlroy to enter executive session at 8:28 pm to discuss appointments and contracts.

**Seconded:** by Ms. Blakeman.

**Discussion:** none.

**Vote:** 5-0-0, passed.

Executive session ended at 8:40 pm.

1. Chair Kahn stated gave an update regarding the parking lot at East End Park. They were originally told they could use certain materials. They could create a parking lot on one

acre that adjoins East End Park if they purchased it using grant funds that were associated with the wastewater project in South Woodstock. They were about to go forward and have an engineer take a look at it and see what would be required and the expenses. However, they were told they can no longer put a parking lot here. The only place parking could be accommodated on that acre would be where that acre adjoins the road that goes from East End Park area over to Sunset Farms. They do not know how many spaces they could get out of that situation. It might be as few as ten. It would be very expensive.

2. A site visit will potentially be held on January 2<sup>nd</sup> at noon.

**Motion:** by Ms. Lowe to approve the Library Parking Lot lease agreement for \$11,000 a year with the terms submitted.

**Seconded:** by Ms. Blakeman.

**Discussion:** none.

**Vote:** 5-0-0, passed.

**K. Approval of minutes**

1. 11/2/21 special meeting minutes

2. 11/9/21 meeting minutes

**Motion:** by Ms. Lowe to approve the minutes of 11/2/21 and 11/9/21 as submitted.

**Seconded:** by Ms. Blakeman.

**Discussion:** none.

**Vote:** 5-0-0, passed.

**L. Adjournment**

**Motion:** by Ms. McIlroy to adjourn the meeting at 8:52 pm.

**Seconded:** by Ms. Lowe.

**Discussion:** none.

**Vote:** 5-0-0, passed.

*Respectfully submitted,  
Nikki Nourse*

# Proposal to Expand the Local Option Tax in Woodstock

*(and secure an additional \$180,000 annually for the town and village)*

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## *The Case for a 1% Local Option Sales & Use Tax*

*December 2021*

# The Problem Statement

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*With continuing financial pressure on our property taxes due to current and upcoming staggering funding needs for Woodstock's challenged infrastructure (schools, sewer, water, municipal buildings...), how can we continue to create new and alternative revenue sources for the Town and Village?*

Upcoming Infrastructure Projects	From (Estimate)	To (Estimate)	Timing
Town Hall and Pentangle	\$1,000,000	\$7,500,000	2023
South Woodstock Wastewater Plant	\$2,800,000	\$4,500,000	2022
Main Wastewater Plant	\$8,000,000	\$18,000,000	2025
EMS Building	\$4,500,000	\$4,500,000	In Progress
School	\$40,000,000	\$70,000,000	TBD
Municipal Water System	\$3,000,000 ?	\$10,000,000 ?	TBD
<b>Total</b>	<b>\$59,300,000</b>	<b>\$114,500,000</b>	

# Objectives

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1. Ask town and village voters, in March of 2022, to secure a \$150,000 to \$200,000\* annual revenue opportunity for the town of Woodstock by levying a 1% sales and use local option tax (LOT), thereby reducing the pressure on our property taxes. Woodstock currently collects an extra 1% via the meals and room tax with all proceeds (around \$270,000 a year) going to the EDC.
2. Demonstrate – based on facts and historical tax data – that a 1% increase in sales tax will not impact the level of Woodstock’s annual taxable sales amounts nor does it impact the consumer experience in any notable way.
3. Ask our retail merchants to join hotel and restaurant owners’ 2015 effort (via the 1% meals and rooms LOT), by supporting this local option sales tax initiative thus helping the town secure a needed new source of revenues.
4. Allocate this new annual revenue source to specific and identified ongoing town/village expenses.

# Vermont Local Options Taxes - Definition

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- A local option tax (LOT) is a way for municipalities in Vermont to raise additional revenue .
- A municipality may vote to levy a 1% sales and use local option taxes in addition to state sales and use business tax of 6%.
- Although local option taxes are levied by the municipality, the Tax Department collects and administers the taxes. Vendors who collect these taxes remit them to the Tax Department along with their state taxes.
- The town keeps 70% of the LOT while the state keeps 30% to cover processing costs.
- The LOT is calculated as 1% of the taxable (net) sales for each town.
- Current local option taxes levied in Woodstock:
  - Local Option Meals Tax (adopted by Woodstock in 2015 to fund the EDC):  
9% meals tax + 1% = 10% total tax.
  - Local Option Alcoholic Beverages Tax (adopted by Woodstock in 2015 to fund the EDC): 10% alcohol tax + 1% = 11% total tax.
  - Local Option Rooms Tax (adopted by Woodstock in 2015 to fund the EDC):  
9% rooms tax + 1% = 10% total tax.

# Vermont's Local Option Tax Landscape

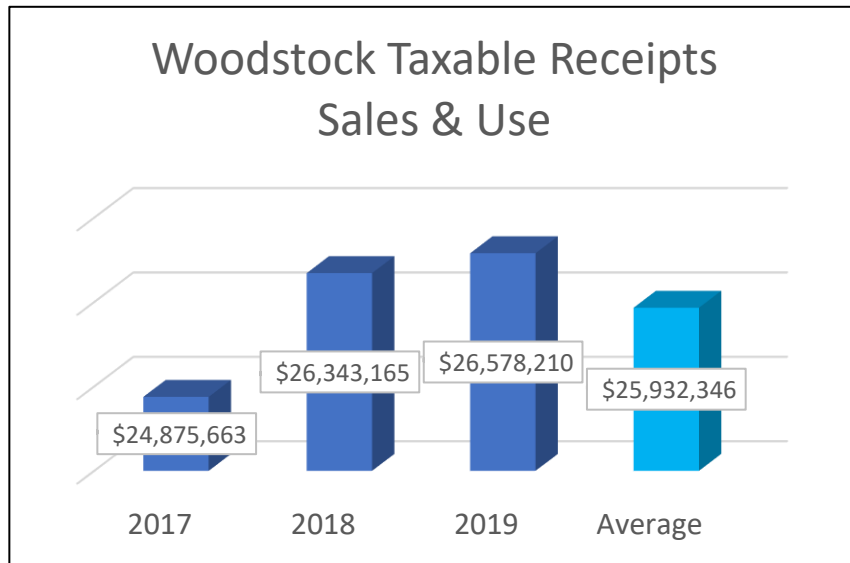
*16 municipalities have implemented a local option sales tax while 21 have done the same for the meals and rooms tax*

Local Option Tax		
Municipality	Meals & Rooms	Sales & Use
Brandon	Oct. 2016	Oct. 2016
Brattleboro	Apr-07	Jul. 2019
Burlington		Jul. 2006
City of Barre	Oct. 2018	
Colchester	Oct. 2015	Oct. 2015
Dover	Jul. 2007	Jul. 2007
Hartford	Oct. 2017	
Killington	Oct. 2008	
Manchester	Apr. 2008	Apr. 1999
Middlebury	Oct. 2008	Oct. 2008
Montpelier	Oct. 2016	
Rutland Town	Apr. 2009	Apr. 2009
St. Albans City	Oct. 2020	Oct. 2020
St. Albans Town	Jul. 2014	Jul. 2014
South Burlington	Oct. 2007	Oct. 2007
Stowe	Jul. 2006	
Stratton	Jul. 2004	Jul. 2004
Williston	Jul. 2003	Jul. 2003
Wilmington	Jul. 2012	Jul. 2012
Winhall	Jul. 2010	Jul. 2010
Winooski	Jul. 2019	Jul. 2019
Woodstock	Jul. 2015	

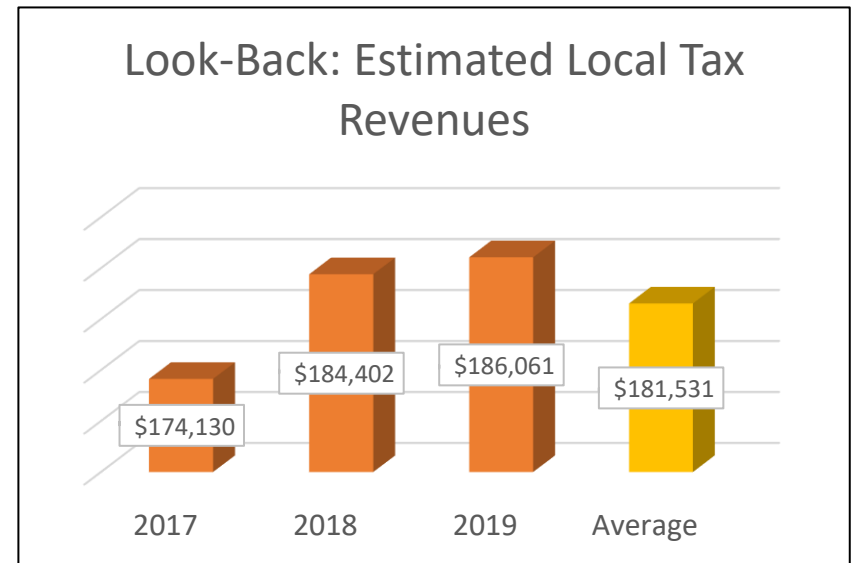


## Primary Argument in Favor of the Proposal – More Town Revenues

*Had the Local option sales & use tax been in place, the town of Woodstock would have averaged over **\$180K in additional ANNUAL revenues** (with more future revenue upside expected thanks to online taxes levied since 2018).*



Source: Vermont Tax Department website



Local captured revenues = 70% of 1% local option tax revenues

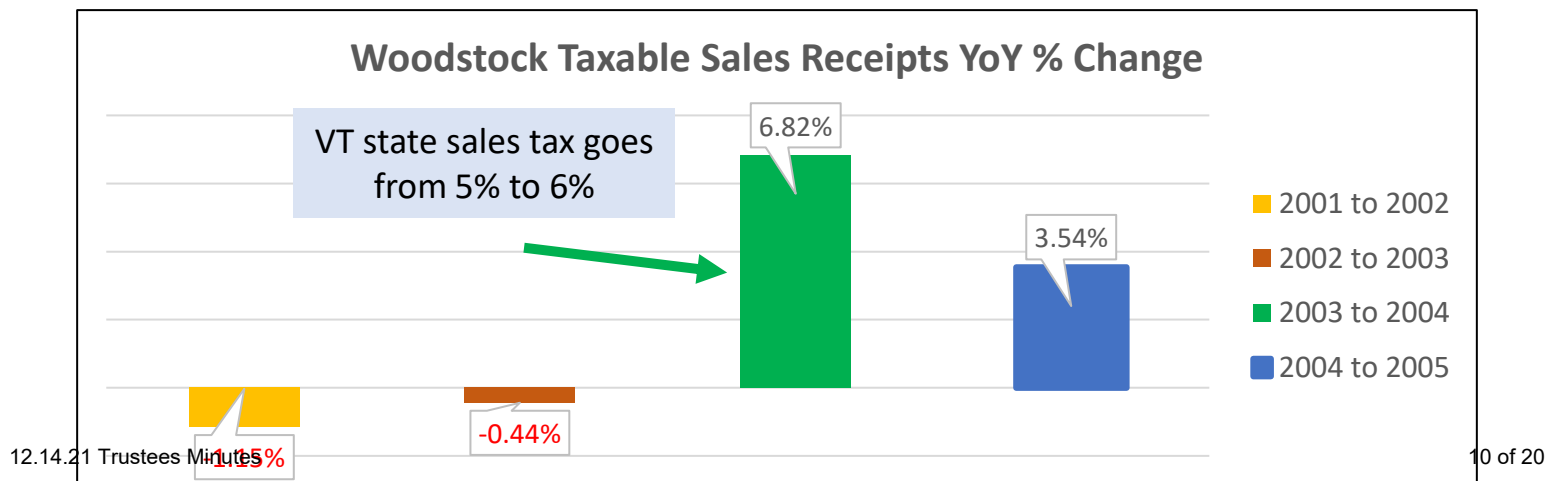
### Notes:

- Due to the COVID pandemic, 2020 figures are not shown as they would not reflect a “normal” business year.
- Sales and Use taxable receipts for Q1 2021 were roughly the same as 2019 pre-pandemic levels (+/- \$5MM).

# Addressing the First Potential Concern

*“If we levy a local option sales tax, less people will shop and spend their money in Woodstock’s stores”*

- The local option meals and room tax was implemented in 2015 in Woodstock. That year and all subsequent years (excluding 2020 due to COVID) , meals and rooms sales increased in Woodstock.
- From 2012 to 2016, Brandon, Colchester, St. Albans Town and Wilmington (all relatively small towns like Woodstock) implemented their 1% local option sales and use tax. Despite this, retail sales increased in all four towns during their implementation year of the new tax and the following year as well (per data from the Tax Dept. website).
- Woodstock is a tourist town, therefore, a notable portion of in-store shopping is done by out of state visitors. Tourists are not sales tax sensitive when shopping and local taxes are not a consideration when selecting their vacation destination.
- In 2003, Vermont state sales tax increased from 5% to 6%, yet taxable receipts increased during that year and the following one in Woodstock (see chart below).



Source: Vermont Tax Department website

# Addressing the Second Potential Concern

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*“We need to compare apples to apples and choose NH border towns as comparison points”*

## **Wilmington**

- In 2012 Wilmington implemented its 1% local option sales and use tax. Wilmington is 26 miles away from the first NH town while Woodstock is 18 miles away.
- Wilmington’s taxable retail sales increased by 6% in 2012 and by 10% in 2013 despite their new local 1% sales tax.

## **Brattleboro**

- Brattleboro, a true border town to NH (even closer than Woodstock), introduced its local option tax in 2019.
- While Woodstock’s taxable receipts decreased by 13% from 2019 to 2020 due to the COVID pandemic, Brattleboro’s taxable sales decreased only by 5% despite the introduction of its local option sales tax.

# Addressing the Third Potential Concern

*“More people will shop online if we increase our sales tax”*

- With the adoption by Vermont of the South Dakota vs. Wayfair Supreme Court ruling, this argument is no longer as valid since online sales are now taxed under certain conditions.
- Going as far back as 1999 with a Nielsen study, to a more recent 2020 Oberlo survey, studies show that sales taxes appear nowhere in the top reasons why people shop online (see table below).

## TOP REASONS PEOPLE SHOP ONLINE

Nielsen – 1999

Most Important Reasons People Shop on the Web	
Easy to place an order	83%
Large selection of products	63%
Cheaper prices	63%
Faster service and delivery	52%
Detailed and clear information about what is being offered	40%
No sales pressure	39%
Easy payment procedures	36%

Oberlo - 2020



# Addressing Other Potential Concerns

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*“It’s unfair towards low-income families”*

- The local option sales tax will not apply to essential staples such as food, diapers, clothes, heating oil and medication as these items (and many others) are exempt from sales tax in general.

*“People will go instead to NH or MA to shop”*

- Tourists will continue to shop in Woodstock. They will not drive to other states for their vacation shopping. Sales tax is not a decision factor when selecting a vacation destination.
- People who are tax sensitive will just continue going to neighboring NH for their shopping.
- It is unlikely that people will drive as far as MA because the difference in taxes between Woodstock and MA will only be 0.75% once the 1% local tax is implemented... this is only 75 cents more on a \$100 purchase or 15 cents more on a \$20 purchase. It will cost them more in gas and wasted time.
- As indicated in the previous slides, taxable retail sales actually increased despite the implementation of the local option sales tax in similar Vermont towns.

# Additional Arguments in Favor of the Proposal

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- Hotel and restaurant owners as well as sellers of alcohol have been doing their part to help raise revenues for our town via the MRT LOT since 2015, let's now have retail merchants partake in that effort as well.
- This tax will allow Woodstock to align with other VT tourist destinations such as Manchester, Stratton, Middlebury and Burlington who raise a significant amount of revenues from their local option sales tax.
- The town is in dire need of new and alternative sources of revenues and taxpayers could certainly use this tool to mitigate continued increases in their property taxes.
- The process is administered by the state so that the town just waits for its payments to hit its bank accounts. Any adjustments to POS systems by retailers is expected to be a fairly easy task.
- The “Nuclear Option”: This local tax can always be rescinded by voters in the future if the town or village is not satisfied with the outcome.

## Local Options Taxes – Proposed Usage of Raised Funds

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- It is always recommended to identify an agreed upon usage of annual cash in-flow, preferably earmarked toward an ongoing annual expense.
- For example, we could use the annual funds (approx. \$180K) towards maintaining and enhancing Woodstock's streets to ensure the town remains attractive for residents and visitors who will be spending their money in the Village and Town shops and restaurants.
- These are the average annual costs for:
  - Sidewalks = \$90,000
  - Streets Lights = \$40,000
  - Tree maintenance = \$15,000
  - Street paving = \$50,000
- And/or towards the Highway department capital reserves fund:  
It averages around \$65,000 a year.
- And/or towards financing a \$2.5 million 20-year bond at the prevailing average interest rates.

## In Summary...

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- A 1% Local Sales & Use Options Tax will provide an additional \$180,000 of revenues annually to the Town and Village of Woodstock.
- This is \$180,000 in revenues (which can fund a \$2.5 million bond) which will not need to be provided by additional property taxes to cover our upcoming infrastructure or other costs.
- Similar to the current Meals & Rooms 1% Local Option Tax, this new tax is well in the spirit of Woodstock businesses looking to help contribute to the financial health of our Town and Village. Merchants should join hotel and restaurant owners in this effort.
- Various town and state level tax data sources demonstrate that a 1% increase in tax will not negatively impact annual taxable sales amounts or the consumer experience, especially when that consumer is a tourist.
- Many essential items such as food, medication, diapers or clothing will be exempt from this new tax. This minimizes impact on local shoppers
- This additional source of revenue can be put to good use to cover annual expenses such as sidewalk repairs or other infrastructure expenses.
- It is therefore recommended that this proposal be put on the annual ballot in March 2022 by the Town and Village. If it is approved, then the new local option tax will be effective beginning the next tax quarter following 90 days' notice to the Department of Taxes of the imposition.



## Sources

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- Interview with Jessie Baker, Winooski Town Manager (implemented local option sales tax in 2019)
- Interview with Patrick Moreland, Brattleboro Assistant Town Manager (implemented local option sales tax in 2019)
- Vermont Department of Taxes website and data provided by its staff
- Nielsen and Oberlo surveys: Top reasons people shop online
- Various conversations with Woodstock retail merchants and other Woodstock residents

KIMBERLY C SMITH -4620 Cloudland Road- Woodstock, VT 05091

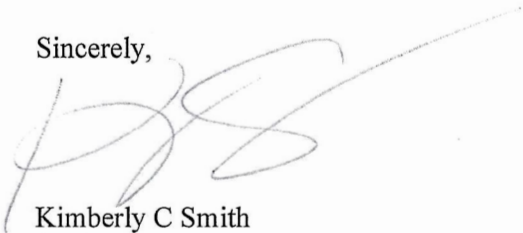
December 13, 2021

To The Village Trustees,

As a Woodstock Multi-Business Owner, Board Member of the Woodstock Area Chamber of Commerce, Village Building Owner and Woodstock Resident, I am opposed to Expand the Local Option Tax in Woodstock. I believe this additional 1% would be detrimental to our business community, future development and residents' ability to afford shopping local. We cannot lose another local business or deter future business development. I believe imposing this tax could do just that, especially, given our proximity to sales tax free New Hampshire.

Thank you for your consideration on behalf of this local business owner.

Sincerely,

A handwritten signature in dark ink, appearing to be 'KCS', is written over a light gray horizontal line.

Kimberly C Smith  
37 Central Clothiers  
Red Wagon Toy Co  
Woodstock Scoops  
Central Street Holdings

Patricia Eames  
Clover Gift Shop  
10 Elm St  
Woodstock VT 05091  
802-280-5287  
pj@clovergiftshop.com

The Woodstock Village Trustees  
C/O Jeff Kahn  
Unicorn  
Central St  
Woodstock VT 05091

To Whom It May Concern,

As a Village business owner, I am strongly opposed to the proposed 1% local sales tax. Right now, consumers are seeing historically high prices on everything from the fuel that heats their homes to the food that they put on their table. Adding an extra tax during these unprecedented times is irresponsible, and suggests that Woodstock is out of touch with what the average American is experiencing with burden of increasing living expenses.

This tax would affect not only our tourists, but also our local residents. With our proximity to tax free NH, enticing locals to spend their money in the village is already a challenge. Adding an additional tax will exasperate this issue.

Building supplies are already at a historical high, with prices rising up to 50% within a few months. Would this tax affect our local hardware and building supplies businesses? If so, it would make it even more difficult for residents to justify shopping locally rather than taking a trip to West Lebanon NH to pick up everything they need, tax free.

Woodstock needs to realize, that additional taxes do not only affect our tourists. More importantly, they affect our local residents, many of whom are just making ends meet trying to hold onto their little piece of VT.

Please reconsider putting this issue to vote this year. It is the last thing we need on top of an already incredibly difficult year.

Thank you,



PJ (Patricia) Eames  
Owner, Clover Gift Shop

14 December 20201

Woodstock Village  
Board of Trustees

Ladies and Gentlemen:

My name is Lee Ann Lyman, I am the store manager of Woodstock Home and Hardware. I understand there is a proposal before you to raise the sales tax in Woodstock to 7%. My concern is this will increase the financial burden of the existing businesses here, thus making it harder to survive in Woodstock. We should instead focus on recruiting new business to Woodstock and filling our empty store fronts.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Ann Lyman". The signature is fluid and cursive, with the first name "Lee" being the most prominent.

Lee Ann Lyman