

# Town of Waitsfield Infrastructure Summit

Tuesday February 17<sup>th</sup> @ 6:00pm



# Purpose of Tonight's Meeting



- Better understand Town's infrastructure needs
- Discuss gap between costs and revenues
- Review proposed new revenue source to help pay for infrastructure
- Emphasis on transparency and community involvement



Photo: Courtesy of Elizabeth Palumbo

# Agenda



1. Summary overview
2. Current Town Infrastructure Needs
3. New Town Infrastructure Needs - Wastewater
4. Infrastructure Funding Options
5. Overview of Related Articles and Ballot Items at Town Meeting
6. Discussion & Q&A



# Summary Overview



## The Big Picture

- Much of Waitsfield's infrastructure is aging.
- Heavier storms are stressing roads, culverts, and bridges.
- New systems (wastewater, stormwater, facilities) are needed to support a thriving community.

**Bottom line:** Our needs are growing faster than our current funding capacity.



**Proactive  
Vs  
Reactive**





## Current Funding Limits

- Federal grant opportunities are shrinking.
- State transportation funding is under severe strain.
- Education taxes are under severe pressure.

### **Bottom line:**

Property taxes cannot keep up with rising infrastructure costs.



Road foreman & commissioner assessing Town dump truck.

## Proposed Solution

- We need revenue sources beyond property taxes.
- Local Option Tax (LOT) offers a new, reliable revenue stream.
- 80%+ of LOT taxes paid by our visitors.
- LOT helps fund roads, culverts, bridges, wastewater, capital facilities, and resilience work.

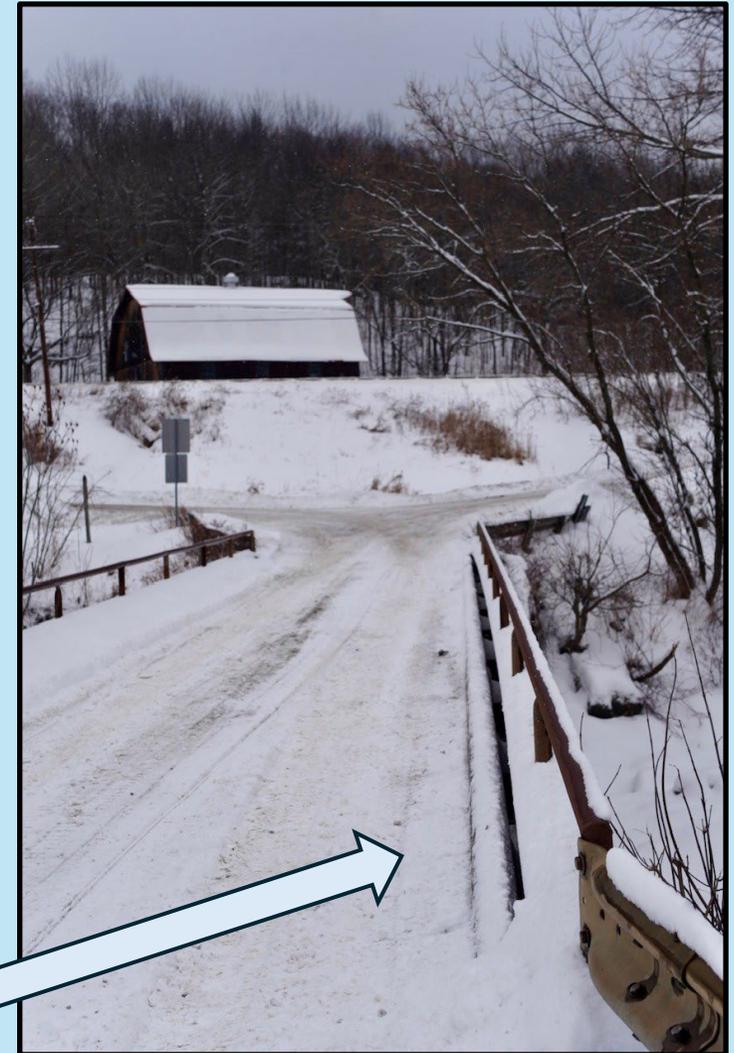
## Bottom line:

LOT helps close the gap between what infrastructure costs and what property taxes can support.

## Meadow Road Bridge



Following damage from the July 2023 flood, the Meadow Road Bridge weight limit was reduced from 12 to 8 tons.



Bowling of the structure

# Current Town Infrastructure: Bridges



## Pine Brook Covered Bridge

- Steel I-beams were installed beneath bridge to increase load capacity and extend life.
- Wooden decking requires full replacement.



## Village Covered Bridge

- Recent inspection revealed rotting floor joists under deck.
- Significant repairs will be required later this spring/summer.



# Current Town Infrastructure: Culverts



Older culverts are rusting out and need replacement:



Rust Hole

North Road

Culvert prices have surged, making larger, storm-ready upgrades even more expensive.

Other culverts are too small to manage stormwater from intense storms, increasing flood risk:



# Current Town Infrastructure: Culverts



Many thanks to the Road Crew for replacing and upgrading numerous culverts each year!



Even with sustained effort, the need to replace undersized and aging culverts is outpacing our resources.



Next up in Summer 2026:  
**Common Road south of Schuss Road.**

# Current Town Infrastructure: Roads



Waitsfield's road network is one of the Town's most essential public assets—supporting everyday travel, emergency response, local businesses, and community life.

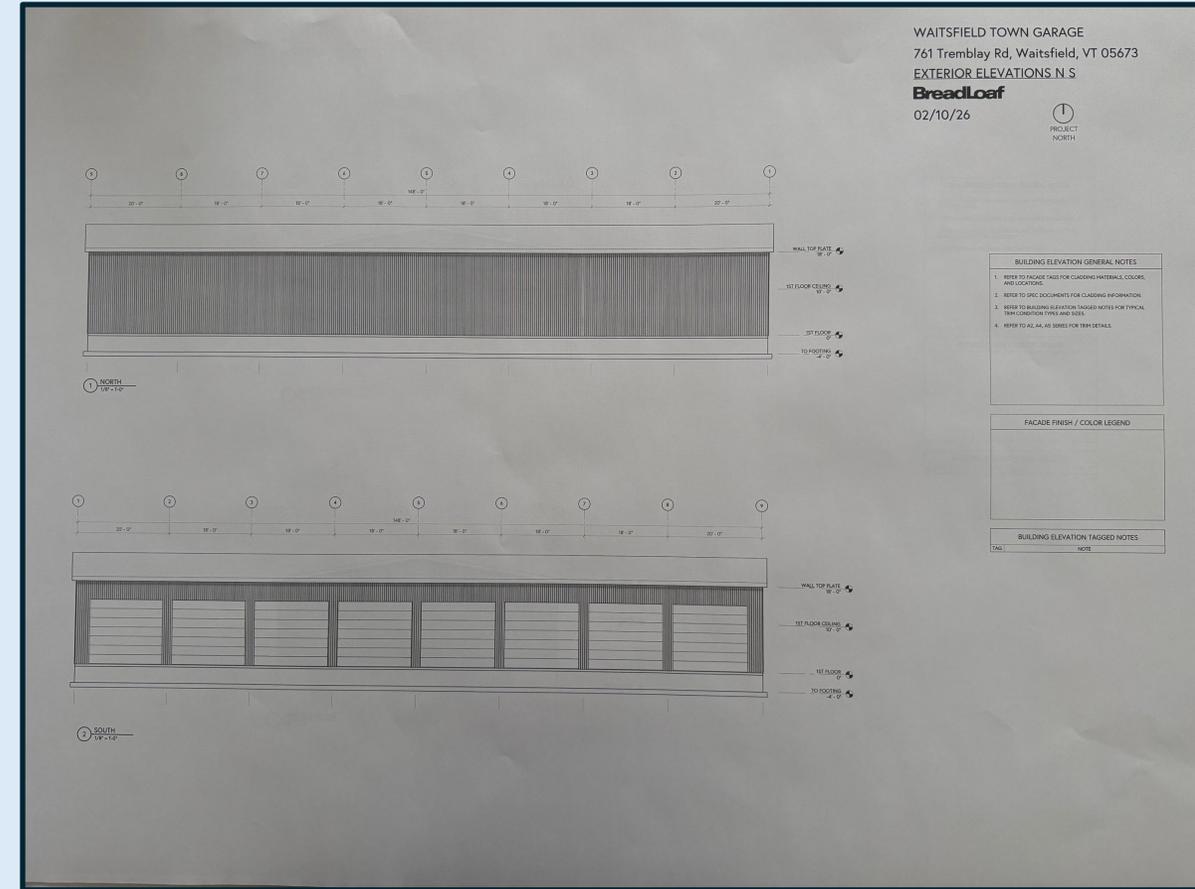
Maintaining this system requires ongoing investment, yet rising costs, aging components, and severe weather are placing new pressures on the Road Department and Town Budget.



# Current Town Infrastructure: Town Garage



Current Town Garage circa 1970  
Inefficient – small – safety issues – leaks – etc.



Preliminary design work on a new, larger,  
and long overdue Town Garage

# Current Town Infrastructure: Town Garage



- Current garage is undersized and aging.
- Equipment barely fits, roof leaks, etc.
- These issues create operational and maintenance challenges.
- Hoping to put bond vote before Town voters as early as this fall.

# Current Town Infrastructure: Town Garage



Despite the wonky heating system, leaking roof, and lots of snow this winter, members of the 4 person road crew remain upbeat!

# Current Town Infrastructure: Fire Station



- Current Fire Station built in 1974
- Structure is showing its age!
- Will be due for replacement after Town Garage



## Increasing Heavy Rainfall

The region is experiencing more frequent and intense heavy rainfall events.



## Need for Climate Resilience

Increased flooding underscores the need to adapt and upgrade our infrastructure.

East warren  
road  
2023

## Recent Flooding Incidents

Between 2023 and 2025, the Mad River reached flood stage multiple times with five high-water events recorded.





### The Four Pillars of Emergency Resilience

#### Prepare

Planning, training, communication, and strengthening the infrastructure *before* disaster strikes.

#### Respond

Coordinating Town departments, fire services, MRVAS, utilities, and volunteers during an emergency.

#### Recover

Restoring power, clearing roads, repairing infrastructure, and helping residents get back on their feet.

#### Mitigate

Making long-term improvements—stronger culverts, drainage, facilities, and emergency systems—to reduce future risks.

### Our Priority: Taking Care of Our People

- Ensuring safety, communication, access to power, shelter, and essential services.
- Supporting vulnerable residents and coordinating community volunteers.



# Current Town Infrastructure: Deferred Maintenance



- Deferred maintenance is accumulating
- Costs increasing with delay
- Vulnerability to severe weather
- Budget strain on property taxes alone



## Deferred maintenance is accumulating

- Many town assets — **bridges, culverts, roads, buildings, and equipment** — have maintenance needs that have been postponed due to limited budgets.
- Delaying work means small issues (rust, rot, drainage blockages, pavement cracks) become larger and more expensive failures.

## Costs increase with delay

- Construction, materials, and labor costs rise every year; when projects are deferred, the **price tag** grows.
- Emergency repairs cost far more than scheduled maintenance and often disrupt traffic, services, or emergency response.
- For example: weather-related culvert damage can force **full rebuilds instead of simple replacements**.

# Summary: Infrastructure Challenges



## Proactive vs reactive

Being proactive prevents emergencies.  
Being reactive responds to them

Proactive investment protects people, infrastructure, and budgets



# Conclusion: Infrastructure funding strains budgets



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## **Budget strain on property taxes alone**

Waitsfield relies heavily on property taxes to fund capital improvements, but large infrastructure upgrades exceed what local property taxes can sustainably support.

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Essential projects (bridge maintenance and replacements, road department facilities, paving cycles, culvert upgrades) outpace the Town's annual budget capacity.

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Without diversified revenue, residents face rising tax pressure as infrastructure needs escalate.

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# New Infrastructure: Municipal Wastewater

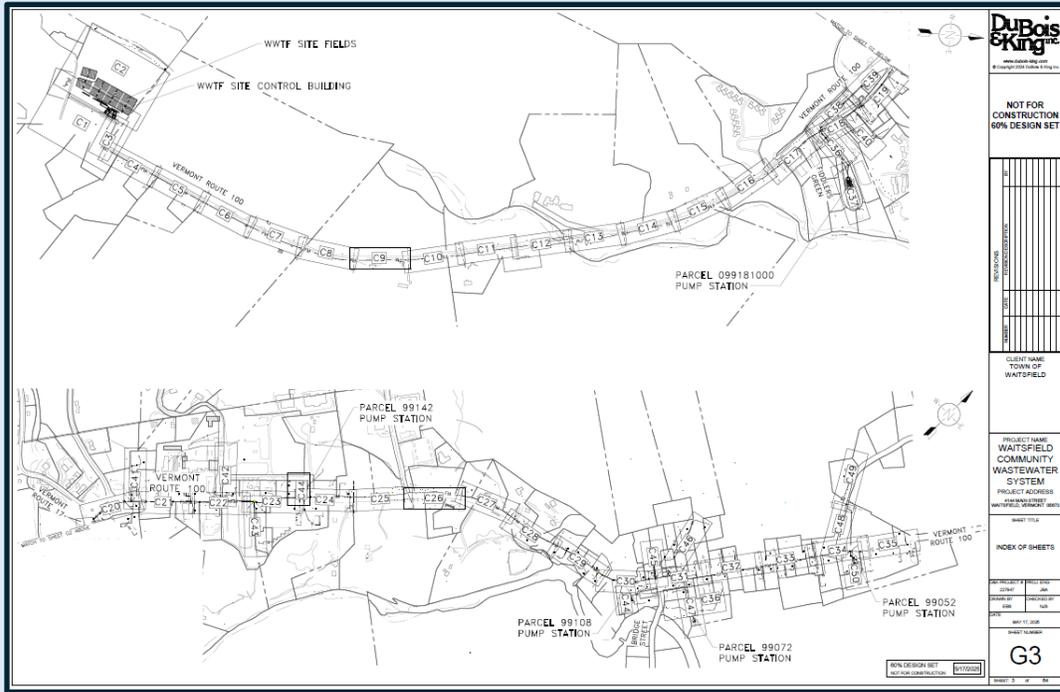


## Project Goals:

- Protect water quality in the Mad River
- Safeguard human health near drinking water wells
- Replace aging septic systems with no upfront cost
- Build more housing in Waitsfield Village & Irasville
- Have no impact on Waitsfield municipal tax rates

# Wastewater: What is it?

# When will we build it?

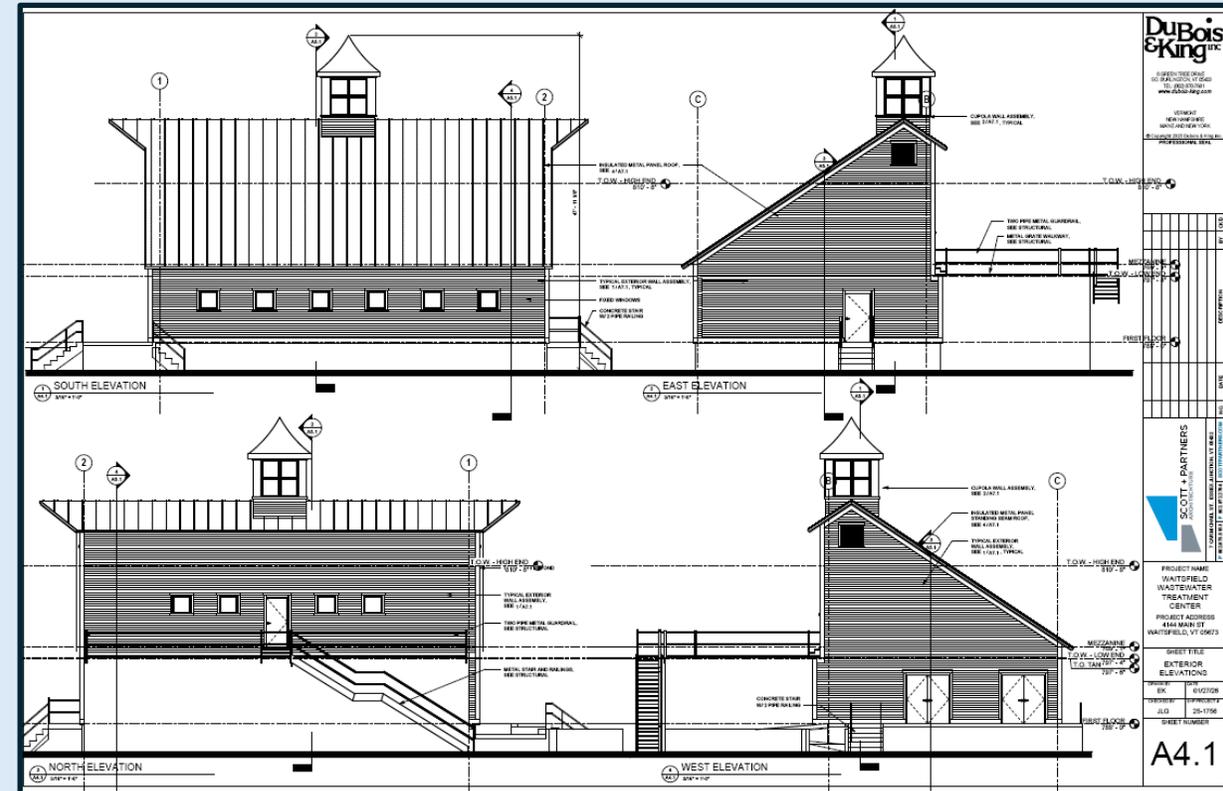


## Timeline:

- ➔ 2022 Planning
- ➔ 2023 Preliminary design
- ➔ 2024 Successful Bond Vote
- ➔ 2024-26 Final design
- ➔ 2025-26 Permitting
- ➔ 2026 Bidding
- ➔ 2026-28 Construction

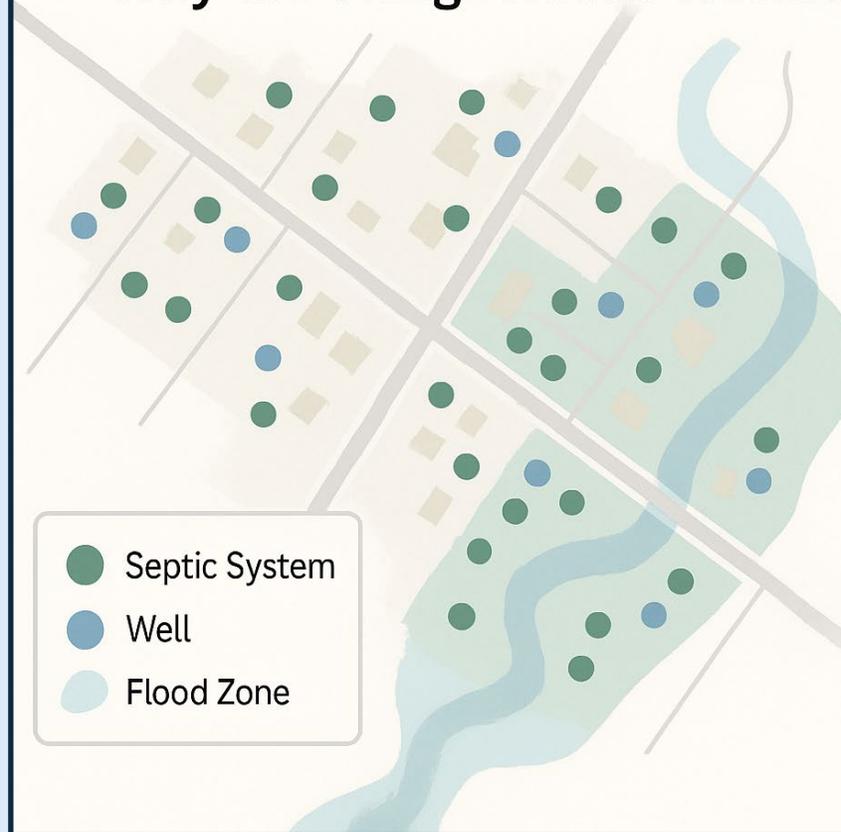
## System Components:

- Wastewater collection from homes and businesses in Waitsfield Village & Irasville
- Conveyance pipe through villages along VT 100 to the Munn Site
- Treatment & disposal at the Munn Site, across from Valley Animal Hospital



- Final design and permitting approvals expected in late Spring 2026
- Completion of the final design requires additional information from property owners who wish to connect to the wastewater system.
- Site visits with priority parcel owners will include:
  - Confirm location of existing septic/water
  - Path for new waste water/water pipe
  - Install & maintenance easement

## Why the Village Needs Wastewater Infrastructure



### Aging Septic Systems

74% of nearing expected lifespan

### Health Concerns

26% of leachfields overlap well shields

### Environmental Risks

27% of systems in the floodplain

### Development Barriers

Large lots & outdated infrastructure

### Housing Shortage

Outdated septic /imits fror affordable, rental, workforcng

# Wastewater: Funding Update



- Expected to fund 80%+ of project costs with grants, but funding landscape has changed
- \$5.5M of grant funding received to date, with add'l \$1M pending (< 40% of project costs)
- Low cost debt available to fund balance of project costs
- But... too much debt makes user fees unaffordable
- **OPTIONS**
  - Build project in phases to defer costs
  - Delay and wait for more grant funding
  - Find other revenue to offset debt costs

## SOURCES OF FUNDS

### Received & Pending Grants

VT State Grants - Received	\$3,889,854	
Federal Grants - Committed	\$1,649,000	
VT State Grants - Pending	\$1,000,000	
<b>Sub Total - Committed Grants</b>	<b>\$6,538,854</b>	<b>35%</b>

### Committed Loans

USDA Loan	\$7,553,000	
VT State Revolving Fund Loan	\$4,416,953	
<b>Sub Total - Committed Loans</b>	<b>\$11,969,953</b>	<b>65%</b>

<b>TOTAL SOURCES OF FUNDS</b>	<b>\$18,508,807</b>	<b>100%</b>
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# How do we Fund Infrastructure



- ✓ Federal & State Grants and Loans – less available today
- ✓ Bonding/Borrowing – project financing paid for by property taxes
- ✓ Capital Reserves – set aside \$ over many years to pay for future projects
- ✓ User Fees - project financing paid for by users, like Town water system
- ✓ Local Option Taxes
  - Only other significant municipal revenue source under VT law
  - LOT legislation passed in 1999; first adopted by Manchester
  - Adoption slow at first (Williston 2003, Stratton 2004, Burlington & Stowe 2006)
  - Adoption accelerated when charter change eliminated in 2024
  - 40+ VT towns will have LOTs in 2026

# What Exactly is a Local Option Tax



April 16, 2025

ECONOMY

**Amid federal and state funding questions, more Vermont municipalities are turning to local option taxes**

- A municipal tax of 1% on three existing categories: retail sales, rooms, meals & alcohol.
- Enabled by Vermont statute; requires voter approval.
- Revenue stays in the town for local priorities; paid by consumers, including tourists and non-residents.
- Can supplement strained municipal budgets to fund capital needs and help keep property taxes low.

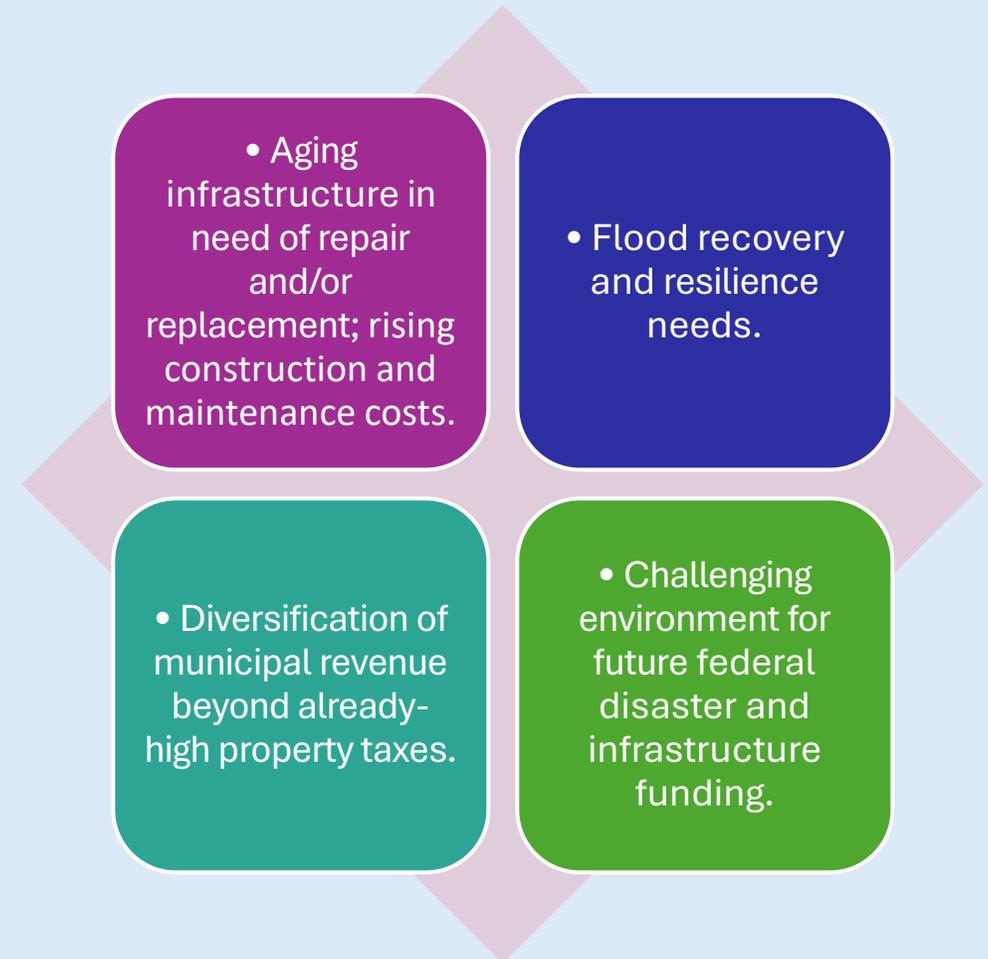
## **Local Option Taxes are not applied to:**

- Most groceries
- Clothing
- Prescription and OTC medications and medical products
- Gasoline
- Residential heating fuels and electricity, municipal utilities
- Most business-to-business purchases
- All other categories exempted from sales or relevant tax, including most services and purchases by and from non-profits

## Why Consider a LOT Now?

When LOT was discussed in 2020, towns received 70% (not 75%) of revenues and adoption required a charter change.

The concept at that time was a Valley-wide tax to fund a possible range of Valley-wide projects chosen by an undefined decision-making body – not specifically for Waitsfield infrastructure and capital improvement projects selected by the Selectboard and Town voters.





- 1% added to specific taxable transactions.
- LOT estimated burden: visitors ~82%, Waitsfield residents ~18% (~\$86 per Waitsfield resident, ~\$186 per household annually).
- Administered by the State of Vermont.
- Minimal local administrative responsibilities.
- Businesses already remitting state sales tax use the same system.
- The alternative – the same funds if raised by property taxes:

Town	LOT Revenue	Grand List Value	Annual Tax Impact on a \$300k Home	Annual Tax Impact on a \$450k Home
Waitsfield	\$598,641	\$3,980,614	\$451	\$677

# Potential Revenue for Waitsfield



- The Town has relied almost entirely on property taxes and grants to fund its budget.
- Grant funding is now in decline.
- LOT can reduce pressure on property tax rates by diversifying revenue and expanding the number of taxpayers.
- \$600,000 of projected annual LOT revenue.
- Ensures non-residents and tourists help fund community infrastructure they use.



# Examples from Other Vermont Towns



- Currently nearly 40 Vermont towns have a LOT.
- Commercially competitive geographic neighbors that now have a LOT include Waterbury, Stowe, Montpelier, Barre City, Berlin, Montpelier, Burlington, South Burlington, Winooski, Colchester, Essex, Williston, Shelburne, Middlebury, Brandon, and Rutland.
- New towns voting on LOT in 2026: Bristol, Morristown, Swanton, Chester, West Windsor, Milton, Castleton, Fair Haven, Mendon & more.
- Provides predictable annual revenue to fund necessary infrastructure and municipal priorities; helps reduce pressure on property taxes.



## ARTICLE I

Shall the voters approve the Town of Waitsfield assessing a one percent (1%) Local Option Tax on sales, rooms, and meals and alcoholic beverages, pursuant to 24 V.S.A. §138(b), for the purpose of funding capital investments, capital reserves, and debt service to finance municipal infrastructure and capital projects?

### What Your Vote Means

- **A YES Vote:** Waitsfield will adopt a 1% LOT for the above categories, generating an estimated **annual \$600,000 limited to support capital projects & infrastructure** through a diversified revenue stream. If approved, the tax would take effect approximately **July 1, 2026**.
- **A NO Vote:** Waitsfield will not adopt the LOT. The town will continue to rely primarily on property taxes and existing revenue sources to fund municipal services and projects.

# Article 6: Proposed LOT Allocation Framework



**Article 6:** In the event the voters approve Article I, authorizing the establishment of Local Option Taxes pursuant to 24 V.S.A. §138(b), to be voted by Australian Ballot, shall the voters authorize the transfer of fiscal year 2027 revenue from Local Option Taxes in accordance with the following allocation:

1. 35% to the Bridge & Culvert Reserve Fund;
2. 20% to the Paving Reserve Fund;
3. 15% to the All Hazards Recovery Reserve Fund;
4. 15% to the Waitsfield-Fayston Fire Department Building Reserve Fund;
5. 15% to the Road Department Facilities Reserve Fund.

**Article 7:** Shall the voters authorize the creation of an All Hazards Recovery Reserve Fund to enable the Town to fund unanticipated expenses associated with damage to municipal infrastructure from future natural and man-made disasters and similar emergencies, and approve the transfer of \$10,000 to that fund from the general fund?

- Town Meeting voters will discuss & vote on the Selectboard's proposed allocation of FY2027 revenue generated from the LOT, if passed.
- Prefunds immediate critical infrastructure needs while avoiding property tax increases.
- 85% to existing capital reserve funds; 15% to the new All Hazards Recovery Reserve Fund if created.

## Questions



Thank you for joining us tonight to talk about Waitsfield's future.

- Understanding where we are
- Imagining where we want to go
- Working together to get there