

SPECIAL COUNCIL MEETING

Tuesday, August 10, 2021, 6:00pm

This is a Hybrid Meeting (In-person and Virtual)

Council Chambers City Hall

Join Zoom Meeting

<https://zoom.us/j/95158084622?pwd=dWdScjg0d3M2YjZFOTdBMkJUNnhVQT09>

Meeting ID: 951 5808 4622

Passcode: 887370

One tap mobile

929-205-6099

1. Call to Order – 6:00 p.m.
2. Adjustments to the Agenda
3. Executive Session:
 1. Contracts, Personnel
4. Adjourn

REGULAR COUNCIL MEETING

Tuesday, August 10, 2021, 7:00pm

This is a Hybrid Meeting (In-person and Virtual)

Council Chambers City Hall

Join Zoom Meeting

<https://zoom.us/j/95158084622?pwd=dWdScjg0d3M2YjZFOTdBMkJUNnhVQT09>

Meeting ID: 951 5808 4622

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Page No. Agenda

1. Call to Order – 7:00 pm
2. Adjustments to the Agenda

3. Consent Agenda
 - A. Approval of Council Meeting Minutes
 - 6 1. Regular Meeting July 27, 2021
 - 11 2. Special Meeting August 2, 2021
 - B. Approval of City Warrants:
 - 12 1. Ratification of Week of Wednesday August 4, 2021
 - 19 2. Approval of Week of Wednesday August 11, 2021
 - C. Clerk's Office Licenses and Permits
 - D. Approve Allocation of Semprebon Bequest Funds for Community Visit
4. City Clerk & Treasurer Report
5. Liquor Control Board
6. City Manager's Report
7. Visitors and Communications
8. Old Business:
 - A. None
9. New Business
 - 23 A. Appointment of Joshua Akers to the Transportation Advisory Committee (Mayor)
 - B. Emergency Housing Program Update (DCF Commissioner Sean Brown)
 - C. Approval of Phase II TIF Consultancy Contract with White + Burke (Manager)
 - D. Presentation of FY22 Capital Equipment Plan (Finance Director)
 - E. SeeCLickFix Mobile App Overview (Elijah Morgan, DPW Engineering Tech)
 - 24 F. Presentation and Review of TIF Audit (Clerk)
10. Round Table
11. Executive Session – Personnel
12. Adjourn

Steven E. Mackenzie, P.E., City Manager

*The portion of this meeting starting at 7:00 pm will be taped for re-broadcast on Channel 192 CVTV and will be re-broadcast on Wednesday at 9:00 a.m. and 12:00 noon
CVTV Link for meetings online – cvtv723.org/*

OTHER MEETINGS AND EVENTS

Tuesday, August 10

Civic Center Committee, 8am, Council Chambers

Wednesday, August 11

Garden Committee, 4pm, at the Pocket Park across from Mathewson Playground

Ground Rules for Interaction with Each Other, Staff, and the General Public

- Rules may be reviewed periodically
- Practice Mutual Respect
 - Assume Good Intent and Explain Impact
 - Ask Clarifying Questions
 - If off course, interrupt and redirect
- Think, then A.C.T.
 - Alternatives – Identify All Choices
 - Consequences – Project Outcomes
 - Tell Your Story – Prepare Your Defense
- Ethics checks
 - Is it legal?
 - Is it in scope (Charter, Ordinance, Policy)?
 - Is it balanced?
- “ELMO” – Enough, Let’s Move On
 - Honor Time Limits
 - Be attentive, not repetitive
- Be open minded to different solutions or ideas
 - Remarks must be relevant and appropriate to the discussion; stay on subject.
 - Don’t leave with “silent disagreement”
 - Decisions agreed on by consensus when possible, majority when necessary
 - All decisions of Council are final
- No blame
 - Articulate Expectations of each other
 - We all deeply care about the City in our own way
 - Debate issues, not personalities
- Electronics
 - No texting/email/or videogames during the meeting



City of Barre, Vermont

“Granite Center of the World”

Steven E. Mackenzie, P.E.
City Manager

6 N. Main St., Suite 2
Barre, VT 05641
Telephone (802) 476-0240
FAX (802) 476-0264
manager@barrecity.org

MEMO

TO: City Council
FR: The Manager
DATE: 08/06/21
SUBJECT: Council Packet Memo re: 08/10/21 Council Agenda Items

Councilors:

The following notes apply to packet support materials for the Subject Council Agenda:

General:

I had intended that we would present the Capital Equipment Plan to Council at this 8/10 meeting, but with the colliding vacation schedules of Dawn and myself, we haven't been able to complete our internal review. I am deferring this presentation to the 8/27 Council meeting. I anticipate that we will be able to forward this substantive document well in advance of the 8/27 Council packet to allow more time for review at your convenience.

Executive Session:

An Executive Session (ZOOM) is scheduled at 6:00 p.m. for Contracts and Personnel. I will forward relevant privileged information via separate email over the week-end.

Consent Agenda:

No notes

New Business:

Item 9.C - TIF Consultancy Contract: As this item is the subject of the 6:00 p.m. Executive Session, the contract will be forwarded via separate email as part of the Privileged Documents in support of the ES discussion.

Should the Council conclude, after Executive Session Review, it wishes to proceed to approve/authorize execution of the contract in open session, the contract will be made available as part of the public record.
Should the Council decide not to proceed to approve/authorize execution,

the contract proposal will remain confidential until such time as revisions requested by the Council are addressed to allow the Council to schedule public approval.

Items without support materials are anticipated to be verbal presentations/discussions.

To be approved at 07/27/21 Barre City Council Meeting

**Special Meeting of the Barre City Council
Held July 27, 2021**

The Special Meeting of the Barre City Council was called to order in person and via video platform by Mayor Lucas Herring at 6:00 PM at Barre City Hall. In attendance were: From Ward I, Councilors Emel Cambel and Jake Hemmerick; from Ward II, Councilors Michael Boutin and Teddy Waszazak; and from Ward III, Councilor Ericka Reil. City staff members present were Human Resources Director/Acting City Manager Rikk Taft, and Clerk/Treasurer Carol Dawes.

Absent: From Ward III, Councilor Samn Stockwell.

Adjustments to the Agenda: NONE

Visitors and Communications – NONE

Executive Session –

Councilor Boutin made the motion to find that premature general knowledge of contracts and personnel to be discussed would clearly place the City of Barre at a substantial disadvantage should the discussion be public. The motion was seconded by Councilor Waszazak. **Motion carried.**

Council went into executive session at 6:01 PM to discuss contracts and personnel under the provisions of 1 VSA sec. 313 on motion of Councilor Cambel, seconded by Councilor Boutin. **Motion carried.**

Clerk Dawes was invited into the contracts portion of the executive session.

Clerk Dawes left the executive session at 6:24 PM.

Council came out of executive session at 7:00 PM on motion of Councilor Boutin, seconded by Councilor Hemmerick. **Motion carried.**

No action was taken.

The Special Council meeting was adjourned at 7:01 PM on motion of Councilor Waszazak, seconded by Councilor Hemmerick. **Motion carried.**

Mayor Herring said the regular Council meeting will begin in five minutes.

There is no audio recording of this meeting.

**Regular Meeting of the Barre City Council
Held July 27, 2021**

The Regular Meeting of the Barre City Council was called to order in person and via video platform by Mayor Lucas Herring at 7:08 PM at Barre City Hall. In attendance were: From Ward I, Councilors Emel Cambel and Jake Hemmerick; from Ward II, Councilors Michael Boutin and Teddy Waszazak; and from Ward III, Councilor Ericka Reil. City staff members present in person or via video platform were Human Resources Director/Acting City Manager Rikk Taft, Buildings and Community Services Director Jeff Bergeron, and Clerk/Treasurer Carol Dawes.

Absent: From Ward III, Councilor Samn Stockwell.

To be approved at 07/27/21 Barre City Council Meeting

Adjustments to the Agenda: Mayor Herring said he will add a brief discussion on the upcoming community visit during the final new agenda item.

Approval of Consent Agenda:

Council approved the following consent agenda items on motion of Councilor Cambel, seconded by Councilor Reil. **Motion carried.**

- A. Minutes of the following meetings:
 - a. Regular meeting of July 13, 2021
- B. City Warrants as presented:
 - a. Ratification of Week 2021-29, dated July 21, 2021
 - i. Accounts Payable: \$211,080.50
 - ii. Payroll (gross): \$127,385.65
 - b. Approval of Week 2021-30, dated July 28, 2021:
 - i. Accounts Payable: \$169,554.39
 - ii. Payroll (gross): \$137,063.17
- C. 2021 Licenses & Permits: NONE
- D. Authorize Letter of Support for Vermont CWIP/DIBG Stormwater Treatment Grant Application.

The City Clerk/Treasurer Report –

Clerk/Treasurer Dawes reported on the following:

- The TIF audit by the State Auditor’s Office has been completed. Copies of the audit will be distributed to Councilors, and the audit will be officially presented at the August 10th meeting.
- The Board of Abatement is holding hearings on July 29th at 6PM in the Council Chambers.

Liquor Control – NONE

City Manager’s Report - Manager Mackenzie is away on vacation this week.

Visitors and Communications –

Mayor Herring said the Arbor Day Foundation is celebrating its 10th anniversary. The Foundation provided trees to residents several years ago, and it is inviting people to post photos of their trees on the Foundation website. The Mayor said more than 1,400 tires were collected during Saturday’s free tire waste disposal event at the civic center, including 1,100 tires from the public and 300 tires collected by the City since the previous disposal event last year.

Old Business –

A) Strategic Planning and Priorities.

Mayor Herring said Montpelier City Manager Bill Fraser will be attending the August 24th Council meeting to talk about developing a strategic planning retreat and process. Councilors asked for a timeline, which the Mayor said he will work on.

New Business –

A) Appointment of JD Fox to the Diversity and Equity Committee.

JD Fox was in attendance by way of Zoom, and expressed his interest in serving on the committee. Council approved the appointment on motion of Councilor Waszazak, seconded by Councilor Reil. **Motion carried.**

B) Accept Resignation from Scott Bascom from the PRT Committee and CVRPC TAC.

Mayor Herring said Mr. Bascom has served the City on various committees for better than two decades, and is moving into retirement. Council accepted Mr. Bascom’s resignation with regret and gratitude for

To be approved at 07/27/21 Barre City Council Meeting

his years of service on motion of Councilor Cambel, seconded by Councilor Hemmerick. **Motion carried.**

C) Accept Re-appointments to the Barre City Energy Committee.

Mayor Herring said all members of the Committee are seeking reappointment. Council approved the reappointments on motion of Councilor Hemmerick, seconded by Councilor Cambel. **Motion carried.**

Mayor Herring said there are a number of open committee slots, and solicitation will continue until filled.

D) Presentation of See.Click.Fix Mobile App to Council.

This item is deferred.

E) Civic Center Special Promotion Extension.

Buildings and Community Services Director Jeff Bergeron said the Civic Center Committee is offering an extension for renewals of banner and dasher board sponsorships. Due to COVID, many local businesses have experienced financial hardships, and the extension would delay when their renewal fees are due. Renewals would return to their usual schedule next year. Council approved offering the extension to October 2021 on motion of Councilor Boutin, seconded by Councilor Reil. **Motion carried.**

F) Discussion on Creation of Homeless Task Force.

Councilor Waszazak reviewed his memo on creation of the task force, noting the state's emergency housing program will be ending soon and the City can expect an influx of unhoused people. Councilor Reil has offered to chair the task force, and brings experience from her service on the Montpelier Homeless Task Force. Councilor Reil said the Barre City Task Force would serve as an advisory group. The hope is to include law enforcement, mental health, and social service representatives along with those who are unhoused and City officials. The optimum number of task force members would be seven, and they would look to be active for a year.

There was discussion on providing locations for safe camping on City property; ordinance limits for nighttime use of parks, playgrounds and cemeteries; possible partnering with the Montpelier Task Force; looking at the systems that allow people to fall through the cracks; and providing access to electricity to recharge phones. Rev. Carl Hilton vanOsdall of the First Presbyterian Church said the Barre Interfaith Group has been working on food and housing insecurity issues for years. The Group is supportive of the Task Force and hopes to collaborate with its work. Councilor Boutin said he will be voting against creation of the task force, as he does not support allowing camping on City property, and feels the focus should be on looking at the broader systemic changes that need to be made.

Council approved creating a Homelessness Task Force chaired by Councilor Reil with support from Councilor Waszazak, to do the following:

1. Study the impacts of the end of the emergency housing program on Barre City.
2. Bring together city officials, unhoused individuals, and service providers.
3. Within 3 months of their first meeting, return to Council with a policy recommendation for the city's approach toward unhoused individuals.

The Task Force will consist of seven people who will be seated by August 27th, and will complete its work within one year.

Creation of the Task Force was on motion of Councilor Hemmerick, seconded by Councilor Cambel. **Motion carried with Councilor Boutin voting against.**

G) Approval of FY22 Municipal Property Tax Rate.

Clerk Dawes reviewed her memo and support materials and said the municipal tax rate calculates to

To be approved at 07/27/21 Barre City Council Meeting

\$1.9578, and the local agreement rate calculates to \$0.0191. The Clerk noted the tax rate increase from FY21 is approximately 1.41%, which is laudable.

Council approved the municipal and local agreement tax rates on motion of Councilor Boutin, seconded by Councilor Hemmerick. **Motion carried.**

H) Mayor VLCT Stipend Donation and Allocation to the City.

Mayor Herring said he receives a stipend from the VT League of Cities and Towns for his service on the board, and is donating the funds to the City. He asked the Council to accept the funds and allocate them for use in supporting the community visit event at the Elks Club on August 25th. The Mayor noted this will be a separate event from the community picnic, which will be scheduled for later this summer.

Council accepted the donation and allocated it to cover community visit expenses on motion of Councilor Waszazak, seconded by Councilor Hemmerick. **Motion carried.**

Round Table –

Councilor Reil said yesterday was the 31st anniversary of the signing of the Americans with Disabilities Act, which was touted at the time as breaking down barriers and creating equal rights. Councilor Reil said the fight for equal rights and access still continues.

Councilors Boutin and Waszazak offered condolences to the family and friends of Bruce Judd, who passed away earlier this week. They noted Mr. Judd was a fixture in the community, operating Hooker Whitcomb Funeral Home for many years, and bringing comfort to families in their times of grief.

Councilor Waszazak said he is grateful to be living in Vermont, which has the highest percentage vaccination rate in the country.

Councilor Hemmerick congratulated the Barre Partnership on hugely successful Food Truck Thursdays at Currier Park.

Mayor Herring announced the following:

- Mark your calendar for Green Up Day 2022 on May 7th.
- Department head priorities were included in the Council packet.
- He is gathering information on years of service for volunteers serving on City committees and boards, so they can be recognized.
- There will be an executive session at 6PM before the August 10th meeting to discuss contracts and personnel, and the August 24th meeting will begin early at 6PM to allow time for discussion on strategic planning with Montpelier City Manager Bill Fraser.

Executive Session – NONE

The meeting adjourned at 8:07 PM on motion of Councilor Boutin, seconded by Councilor Cambel. **Motion carried.**

The meeting was recorded on the video meeting platform.

Respectfully submitted,

Carolyn S. Dawes, City Clerk

To be approved at 08/10/21 Barre City Council Meeting

**Special Meeting of the Barre City Council
Held August 2, 2021**

The Special Meeting of the Barre City Council was called to order in person and via video platform by Mayor Lucas Herring at 12:04 PM at Barre City Hall. In attendance were: From Ward I, Councilor Jake Hemmerick; from Ward II, Councilors Michael Boutin and Teddy Waszazak; and from Ward III, Councilor Samn Stockwell. City staff members present was City Manager Steve Mackenzie.

Absent: From Ward I, Councilor Emel Cambel; and from Ward III, Councilor Erick Reil.

Adjustments to the Agenda: NONE

Visitors and Communications – NONE

New Business –

A) Approval of a letter of support for Downstreet Housing & Community Development's Building Communities Grant Application.

Council approved the letter of support on motion of Councilor Stockwell, seconded by Councilor Waszazak. **Motion carried.**

B) Appointments to the Animal Control Committee.

Council approved appointment of Councilors Boutin, Hemmerick and Reil to the Animal Control Committee on motion of Councilor Waszazak, seconded by Councilor Stockwell. **Motion carried.**

Manager Mackenzie said these appointments will become part of the annual schedule of appointments.

Executive Session – NONE

The Special Council meeting was adjourned at 12:12 PM on motion of Councilor Stockwell, seconded by Councilor Waszazak. **Motion carried.**

There is no audio recording of this meeting.

Respectfully submitted,

Carolyn S. Dawes, City Clerk

08/06/21
02:41 pm

8-10-2021 Council Packet
City of Barre Accounts Payable
Warrant/Invoice Report # 22-6

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check

20097 TD BANK							
PR01:237	FR-07/07/21	Payroll Transfer	001-2000-240.0007	UNION DUES PAYABLE	0.00	340.00	141952
21010 UNITED STEELWORKERS							
PR01:237	FR-07/07/21	Payroll Transfer	001-2000-240.0007	UNION DUES PAYABLE	0.00	236.30	141956
22095 VMERS DB							
PR01:237	FR-07/07/21	Payroll Transfer	001-2000-240.0005	EMPLOYEE PENSION PAYABLE	0.00	8,595.01	141959
22177 VMERS DB 2							
PR01:237	FR-07/07/21	Payroll Transfer	001-2000-240.0005	EMPLOYEE PENSION PAYABLE	0.00	20.00	141960
01031 ACCURA PRINTING							
	73418	business cards-mcwilliam	051-0280-360.1165	SEMP VCF TRUST PROJECTS	0.00	55.00	141893
01173 AMARAL ANTHONY							
	080321	hawkeye shooting range	001-6050-350.1056	TRAINING SUPPLIES	0.00	900.00	141894
01153 AMERIGAS							
	3125029410	tank rent	001-6055-320.0724	RADIO MAINTENANCE	0.00	66.95	141895
01110 APPRAISAL RESOURCE GROUP							
	VTBC-062021	consulting fees-assessor	001-5020-440.1241	CONTRACT SERVICES	0.00	140.00	141896
01057 AT&T MOBILITY							
	071921	wireless bill	001-5040-200.0214	TELEPHONE	0.00	46.57	141897
	071921	wireless bill	001-6040-200.0214	PHONE /LANDLINE/INTERNET	0.00	87.76	141897
	071921	wireless bill	001-6050-310.0616	PAGERS/CELL/AIR CARDS	0.00	582.32	141897
	071921	wireless bill	001-7020-200.0214	TELEPHONE	0.00	75.87	141897
	071921	wireless bill	001-7030-200.0214	TELEPHONE	0.00	31.61	141897
	071921	wireless bill	001-8050-200.0214	TELEPHONE	0.00	9.31	141897
	071921	wireless bill	002-8200-200.0214	TELEPHONE	0.00	87.74	141897
	071921	wireless bill	002-8220-200.0214	TELEPHONE	0.00	9.31	141897
	071921	wireless bill	003-8300-200.0214	TELEPHONE	0.00	9.31	141897
	071921	wireless bill	003-8330-200.0214	TELEPHONE	0.00	9.31	141897
	071921	wireless bill	001-6055-200.0214	TELEPHONE LANDLINE	0.00	36.44	141897
	071921	wireless bill	001-8500-200.0214	TELEPHONE	0.00	50.29	141897
	071921	wireless bill	001-6045-310.0616	PAGERS/AIR CARDS	0.00	132.03	141897
					-----	0.00	1,167.87
23018 AUBUCHON HARDWARE							
	490380	pex clamp	003-8330-320.0727	BLDG & GROUNDS MAINT	0.00	5.84	141898
	490387	coupling	003-8330-320.0727	BLDG & GROUNDS MAINT	0.00	8.99	141898
	490768	rockite 1lb	001-7030-350.1053	SUPPLIES/EQUIPMENT	0.00	3.59	141898
	490779	fasteners	001-7015-470.1270	MACHINE/EQUIP OUTLAY	0.00	4.11	141898
	490786	raid-insect repellent	001-7015-470.1270	MACHINE/EQUIP OUTLAY	0.00	18.87	141898
					-----	0.00	41.40
02123 BARRE PARTNERSHIP THE							
	22CITYAUGUST	august monthly payment	001-8035-120.0172	BARRE PARTNERSHIP	0.00	5,525.00	141899

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check

02290	BARRE TOWN POLICE DEPT						
	080421	russell-ballistic vest	001-6050-340.0941	EQUIPMENT - SAFETY	0.00	456.00	141900
02193	BEN'S UNIFORMS						
	098248	shirts, s/h	001-6050-340.0941	EQUIPMENT - SAFETY	0.00	378.00	141901
	098326	navy pants	001-6050-340.0941	EQUIPMENT - SAFETY	0.00	345.00	141901
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					0.00	723.00	
02204	BENOIT ELECTRIC INC						
	5291	off hrs svc call-wwtp	003-8330-320.0740	EQUIPMENT MAINT	0.00	325.00	141902
	5292	blown fuses, labor	003-8330-320.0740	EQUIPMENT MAINT	0.00	586.94	141902
					-----	-----	
					0.00	911.94	
02175	BUCHANAN EDWIN R OR CITY OF BARRE						
	03114	del water overpayment	002-2000-200.0214	REFUND OVERPAYMENT-T/C	0.00	1,441.30	141903
03009	CENTRAL VT HUMANE SOCIETY						
	073121	1/21-6//21 animal holding	001-6020-220.0415	HUMANE SOCIETY FEES	0.00	980.00	141904
04071	DEAD RIVER CO						
	73965-1	fuel oil, lic fee, fuel t	003-8330-330.0825	FUEL OIL	0.00	800.00	141905
03997	DENOIA'S DRY CLEANERS LLC						
	072521	uniform dry cleaning	001-6040-340.0945	DRY CLEANING	0.00	42.40	141906
	072521	uniform dry cleaning	001-6050-340.0945	DRY CLEANING	0.00	275.20	141906
					-----	-----	
					0.00	317.60	
05059	ENDYNE INC						
	379716	sludge	003-8330-230.0519	DISPOSAL OF SLUDGE	0.00	384.00	141907
	379728	wwtp sampling	003-8330-320.0749	WASTEWATER SAMPLING/TESTI	0.00	310.00	141907
					-----	-----	
					0.00	694.00	
05030	ESMI OF NEW YORK LLC						
	397772	sludge removal	003-8330-230.0519	DISPOSAL OF SLUDGE	0.00	5,146.55	141908
05007	EVERETT J PRESCOTT INC						
	5894435	risers, dirt shield	002-8200-320.0755	SERVICES MAINT (CURBS)	0.00	468.90	141909
06065	FISHER AUTO PARTS						
	291-664939	bonda body repair kits	002-8220-320.0727	BLDG & GROUNDS MAINT	0.00	33.33	141910
	291-664981	paint, paint mixing cup	002-8220-320.0727	BLDG & GROUNDS MAINT	0.00	120.61	141910
					-----	-----	
					0.00	153.94	
06012	FISHER SCIENTIFIC						
	6204355	odop probe, o2 meter	003-8330-320.0737	LAB MAINT	0.00	1,647.95	141911

08/06/21
02:41 pm

8-10-2021 Council Packet
City of Barre Accounts Payable
Warrant/Invoice Report # 22-6

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check

06892	FLOOD JEFFREY OR CITY OF BARRE						
	1145-0104	del taxes overpayment	001-2000-200.0214	REFUND OVERPAYMENT-T/C	0.00	599.12	141912
	1145-0104-00	del taxes overpayment	001-2000-200.0214	REFUND OVERPAYMENT-T/C	0.00	283.20	141913
					-----	-----	
					0.00	882.32	
07016	GALLS LLC						
	0018735207	4 row stitch	001-6050-340.0941	EQUIPMENT - SAFETY	0.00	95.45	141914
07006	GREEN MT POWER CORP						
	071521	merchants row ev charging	001-6045-200.0210	EVCS ELECTRICITY-MERCH RO	0.00	88.73	141915
	07192021	maple/summer traffic sign	001-6070-200.0210	TRAFFIC LIGHT ELECTRICITY	0.00	71.15	141915
	071921	n main/maple traffic sign	001-6070-200.0210	TRAFFIC LIGHT ELECTRICITY	0.00	93.19	141915
	583360003	n main st-pump sta	003-8300-200.0212	ELECTRICITY NO MAIN ST	0.00	196.89	141915
	JULY21	bailey st west hill tank	002-8200-200.0208	Electricity-Bailey St	0.00	24.68	141915
					-----	-----	
					0.00	474.64	
07008	GUYS REPAIR SHOP LLC						
	36249	blade kit, labor	001-7015-320.0721	FIELD MAINTENANCE	0.00	93.98	141916
08988	HAWTHORNE MARY HELLEN OR CITY OF B						
	02022	del water overpayment	002-2000-200.0214	REFUND OVERPAYMENT-T/C	0.00	405.25	141917
09026	INTOXIMETERS INC						
	684215	mouthpiece, freight	001-6050-360.1161	INVESTIGATIONS MATERIALS	0.00	70.00	141918
09021	IRVING ENERGY						
	330386	propane	001-7035-330.0836	BOTTLED GAS	0.00	994.56	141919
10031	JET SERVICE ENVELOPE CO						
	73553	tax bill envelopes	001-5070-360.1165	PROGRAM MATERIALS	0.00	254.14	141920
12010	L BROWN & SONS PRINTING INC						
	95747	tax bill notice	001-5070-360.1165	PROGRAM MATERIALS	0.00	319.00	141921
	95748	print tax bill and mail	001-5070-360.1165	PROGRAM MATERIALS	0.00	1,670.17	141921
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					0.00	1,989.17	
12099	LEAF						
	12038051	copier, printer rental	001-5010-210.0312	OFFICE MACHINES MAINT	0.00	784.50	141922
12137	LIEBENOW DAVID & CASANDRA-LYN						
	03311-A	water/sewer overpayment	002-2000-200.0214	REFUND OVERPAYMENT-T/C	0.00	5.17	141923
12009	LOWELL MCLEODS INC						
	S66566	steel, cutting	001-8050-320.0743	TRUCK MAINT - STS	0.00	51.99	141924
	S66577	thrd rod, 3/8 nuts	001-8050-350.1061	SUPPLIES - GARAGE	0.00	28.25	141924

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check
	S66614	steel	001-8050-320.0743	TRUCK MAINT - STS	0.00	132.75	141924
	S66634	gr8 bolt w/hardware	001-8050-320.0743	TRUCK MAINT - STS	0.00	11.80	141924
	W19779	alignment, labor	001-6050-320.0720	VEHICLE MAINTENANCE	0.00	165.00	141924

					0.00	389.79	
13087 M S SEPTIC SERVICE							
	073021	main sewer line-tree root	003-8300-320.0749	SURFACE SEWERS	0.00	300.00	141925
13075 MCWILLIAM JAMES							
	2021-3JM	8/2/21-8/6/21 services	051-0280-360.1165	SEMP VCF TRUST PROJECTS	0.00	275.00	141926
13189 MILES SUPPLY INC							
	0150899-01	toilet paper, soap, comet	001-7020-350.1049	CUSTODIAL SUPPLIES	0.00	183.56	141927
	0150899-01	toilet paper, soap, comet	001-7035-350.1049	CUSTODIAL SUPPLIES	0.00	141.84	141927
	0151016-01	trash bags, trash liners	001-8050-350.1065	SUPPLIES - STS	0.00	153.45	141927
	0151663-01	helmet muff	002-8220-340.0941	EQUIPMENT - SAFETY	0.00	24.22	141927
	0151711-01	trash bags	001-7030-350.1049	CUSTODIAL SUPPLIES	0.00	74.04	141927
	0151711-01	trash bags	001-7035-350.1049	CUSTODIAL SUPPLIES	0.00	74.04	141927

					0.00	651.15	
13017 MORGAN ELIJAH							
	20	mileage	001-8020-130.0182	TRAVEL/MEALS	0.00	10.53	141928
	21	mileage	001-8020-130.0182	TRAVEL/MEALS	0.00	7.50	141928

					0.00	18.03	
14016 NELSON ACE HARDWARE							
	253751	shipping	001-6045-320.0744	METER MAINT	0.00	20.49	141929
	254148	yellow poly rope	001-8500-320.0732	GROUNDS MAINT (HOPE)	0.00	12.59	141929
	254302	seed soil, ez seed	001-8500-320.0732	GROUNDS MAINT (HOPE)	0.00	76.97	141929
	254303	grass seed, weed & feed	001-8500-320.0732	GROUNDS MAINT (HOPE)	0.00	86.37	141929
	254355	sp o&d triaz rts 32 oz	001-8500-320.0732	GROUNDS MAINT (HOPE)	0.00	11.69	141929
	254441	lawn food starter	001-8500-320.0732	GROUNDS MAINT (HOPE)	0.00	14.39	141929
	254451	shipping	001-6045-320.0744	METER MAINT	0.00	15.49	141929
	254703	key cut	001-7015-320.0730	POOL & BLD MAINT	0.00	3.39	141929
	254754	shipping	001-6045-320.0744	METER MAINT	0.00	14.63	141929
	254876	safety can metal gas can	001-8500-470.1270	MACHINE/EQUIPMENT	0.00	54.14	141929
	254877	metal safety gas can	001-8500-470.1270	MACHINE/EQUIPMENT	0.00	54.14	141929

					0.00	364.29	
14091 NEMRC							
	48429	remote asst with tax bill	001-5070-360.1165	PROGRAM MATERIALS	0.00	435.00	141931
14022 NEWPORT GROUP INC							
	N39393788	per participant fee	001-9030-110.0156	CONSULTANT SERVICES	0.00	2,595.00	141932
	N39394273	q3 restatement	001-9030-110.0156	CONSULTANT SERVICES	0.00	1,350.00	141932

08/06/21
02:41 pm

8-10-2021 Council Packet
City of Barre Accounts Payable

Warrant/Invoice Report # 22-6

SeniorAcctClerk1

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check
					0.00	3,945.00	
14121		NORTHFIELD AUTO SUPPLY					
	343160	tools	003-8300-350.1060	SMALL TOOLS	0.00	3.99	141933
	343923	battery	003-8300-320.0743	TRUCK MAINT	0.00	241.82	141933
	344306	battery, core deposit	001-6040-320.0720	CAR/TRUCK MAINT	0.00	138.91	141933
	344581	oil-street compressor	001-8050-320.0740	EQUIPMENT MAINT - STS	0.00	33.96	141933
					0.00	418.68	
14055		NORWAY & SONS INC					
	16218	changed lights in garage	001-7035-320.0727	BLDG & GROUNDS MAINT	0.00	1,575.99	141934
	16219	fix broken pipe	001-7015-320.0721	FIELD MAINTENANCE	0.00	120.05	141934
	16262	trouble shoot sump pump	003-8300-320.0737	EJECTOR STATION N MAIN ST	0.00	150.00	141934
					0.00	1,846.04	
15035		O'BRIEN CATHERINE					
	03691-A	water/sewer overpayment	002-2000-200.0214	REFUND OVERPAYMENT-T/C	0.00	9.64	141935
15020		O'REILLY AUTOMOTIVE INC					
	5666-233405	wiper blades	001-6050-320.0720	VEHICLE MAINTENANCE	0.00	60.78	141936
15031		OFFICE SYSTEMS OF VERMONT INC					
	26AR571468	copier contract overage	001-5010-360.1172	CH PRINTERS EXPENSE	0.00	2,189.88	141937
15003		ORMSBY'S COMPUTER SYSTEMS INC					
	38861	hp zbook firefly laptop	002-8220-350.1051	COMPUTER SUPPLIES	0.00	1,355.00	141938
16105		PARRO'S GUN SHOP & POLICE SUPPLIES					
	3192	vest for fecher	001-6050-340.0941	EQUIPMENT - SAFETY	0.00	489.00	141939
	3192	vest for fecher	048-7000-320.0761	BULLET PROOF VESTS GRANT	0.00	489.00	141939
					0.00	978.00	
16003		PIKE INDUSTRIES INC					
	1144128	asphalt	001-8050-350.1063	SUPPLIES - NSC	0.00	1,937.52	141940
	1144128	asphalt	002-8200-320.0750	MAIN LINE MAINT	0.00	1,524.90	141940
					0.00	3,462.42	
16041		POWERPLAN					
	2099585	transmission oil filter	001-8050-320.0740	EQUIPMENT MAINT - STS	0.00	121.36	141941
17002		QUILL CORP					
	18487897	blue paper, batteries	001-5050-350.1053	OFFICE SUPPLIES	0.00	67.16	141942
	18487897	blue paper, batteries	001-5070-350.1053	OFFICE SUPPLIES/EQUIPMENT	0.00	6.99	141942
	18487897	blue paper, batteries	001-8030-350.1053	OFFICE SUPPLIES/EQUIPMENT	0.00	16.43	141942

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check
					0.00	90.58	
18148	R K MILES						
	13730	floor leveler	001-6043-320.0731	CITY HALL IMPROVE/REPAIRS	0.00	8.54	141943
	14048	lime-marking	001-7015-320.0721	FIELD MAINTENANCE	0.00	12.96	141943
	14591	sonotube	001-7015-320.0730	POOL & BLD MAINT	0.00	40.54	141943
	14787	concrete fast setting	001-7015-320.0721	FIELD MAINTENANCE	0.00	25.60	141943
					0.00	87.64	
18139	RIVARD SYLVIE						
	07232021	glasses	001-5070-340.0944	GLASSES	0.00	475.83	141944
19210	S D IRELAND CONCRETE CONSTRUCTION						
	358386	masonry, delivery charge	001-8050-350.1064	SUPPLIES - SS	0.00	495.50	141945
	358386	masonry, delivery charge	003-8300-320.0749	SURFACE SEWERS	0.00	495.50	141945
					0.00	991.00	
19002	SAFETY-KLEEN SYSTEMS INC						
	86652302	wahers	001-8050-320.0743	TRUCK MAINT - STS	0.00	264.19	141946
19007	SEWING BASKET THE						
	071821	alterations 1/21-4/21	001-6050-340.0940	CLOTHING	0.00	257.00	141947
19150	SHERWIN WILLIAMS CO						
	7602-5	line driver, paint	050-5830-370.1161	2020 \$1.7M BOND EXP DPW E	0.00	16,659.12	141948
19146	STOWE PEST CONTROL LLC						
	36828	rodent stations	001-7035-320.0727	BLDG & GROUNDS MAINT	0.00	90.00	141949
19160	SWISH WHITE RIVER						
	W447546	floor pat, carpet cleaner	001-7020-350.1049	CUSTODIAL SUPPLIES	0.00	121.30	141950
	W448033	clean and shine pads	001-7020-350.1049	CUSTODIAL SUPPLIES	0.00	150.85	141950
					0.00	272.15	
19137	TAFT RIKK						
	202108	july/aug phone stipend	001-5040-200.0214	TELEPHONE	0.00	100.00	141951
	202108EYE	eye exam reimbursement	001-5040-340.0944	GLASSES	0.00	155.00	141951
					0.00	255.00	
20020	TWOMBLY OLIVER L						
	07292021	40 park street	001-2000-200.0210	ACCOUNTS PAYABLE	0.00	480.81	141953
	08022021	6 college street	002-2000-200.0210	ACCOUNTS PAYABLE	0.00	192.10	141953
					0.00	672.91	
21002	UNIFIRST CORP						
	1070051500	uniforms	003-8300-340.0940	CLOTHING	0.00	34.46	141954

08/06/21
02:41 pm

8-10-2021 Council Packet
City of Barre Accounts Payable
Warrant/Invoice Report # 22-6

By check number for check acct 01(GENERAL FUND) and check dates 08/11/21 thru 08/11/21

Vendor

PO Number	Invoice Number	Invoice Description	Account Number	Account Description	PO Amount	Invoice Amount	Check
	1070051500	uniforms	003-8330-320.0743	TRUCK MAINT	0.00	10.60	141954
	1070051500	uniforms	003-8330-340.0940	CLOTHING	0.00	31.49	141954
	1070051502	uniforms	001-7020-340.0940	CLOTHING	0.00	56.32	141954
	1070051502	uniforms	001-7030-340.0940	CLOTHING	0.00	50.92	141954
	1070051502	uniforms	001-6043-340.0940	CLOTHING	0.00	21.72	141954
	1070051502	uniforms	001-7035-340.0940	CLOTHING	0.00	21.02	141954
	1070051502	uniforms	001-7015-340.0940	CLOTHING	0.00	10.58	141954
	1070051503	uniforms	002-8220-340.0940	CLOTHING	0.00	66.99	141954
	1070051504	uniforms	001-8050-320.0743	TRUCK MAINT - STS	0.00	69.00	141954
	1070051504	uniforms	001-8050-340.0940	CLOTHING	0.00	254.61	141954
	1070051504	uniforms	002-8200-340.0940	CLOTHING	0.00	92.71	141954
	1070051504	uniforms	003-8300-340.0940	CLOTHING	0.00	58.82	141954
						779.24	
21052	USTA NEW ENGLAND INC						
	TIPSUMMER202	tennis in the parks progr	001-7050-350.1060	RECREATION PROGRAMS	0.00	495.00	141957
22094	VMCTA						
	08052021	vmcta conf registration	001-5070-130.0180	TRAINING/DEVELOPMENT	0.00	150.00	141958
						75,237.61	

To the Treasurer of City of Barre, We Hereby certify that there is due to the several persons whose names are listed hereon the sum against each name and that there are good and sufficient vouchers supporting the payments aggregating \$ ****75,237.61
Let this be your order for the payments of these amounts.



Permit Administrator
 City of Barre
 6 N. Main Street
 Barre, VT 05641
 Phone: (802) 476-0245
 Fax: (802) 476-0263

Permits to Council
 July 17, 2021 to July 30, 2021

Permit#	Permit Type	Owner	Property Address	Permit Description
B21-000061	Building Permit	Claude & Mary Viens	56 Bailey Street	Replace roof over front porch and replace deteriorated structural header
B21-000062	Building Permit	Philip Ketcham	158 Seminary Street	Install larger window on west wall, Front porch rebuild, vinyl siding removed, repair/replace damage from fire on the interior
B21-000063	Building Permit	Todd C Wells	38 Willey Street	Replace a door with window, remove roof over the door entrance, rebuild back porch and extend to the edge of the building approximately 3'
E21-000088	Electrical Permit	City of Barre	0 N. Main Street	Wire new sump pump Lic. #EM3669
E21-000089	Electrical Permit	Colin Doolittle	20 GARFIELD AV	Wiring for free standing Garage Owner pulled permit
E21-000090	Electrical Permit	Patrick D II & Kimberly Kelty	160 Quinlan Drive	Rewire bathroom Lic. #EJ01330
E21-000091	Electrical Permit	The Housing Foundation Inc. C/O Allia	260 N MAIN ST	Adding 10 lights for Morse Block Deli Lic. #EM3280
E21-000092	Electrical Permit	Good Samaritan Haven	105 SEMINARY ST	Correcting Violations: Exit lights, smoke detector, fire alarm system Lic. #EM3280
E21-000093	Electrical Permit	Philip Ketcham	158 Seminary Street	applied
E21-000094	Electrical Permit	Sherman Cochran	24 Fecteau Circle Unit #19	Adding a 220 line, 2 ceiling fans, 12 wall outlets & 2 light fixtures Lic. #EJ03535
Z21-000055	Zoning Permit	30 Washington Street LLC	30 WASHINGTON ST	New sign for BHA offices 36" x 36"
Total:		11		



Permit Administrator
 City of Barre
 6 N. Main Street
 Barre, VT 05641
 Phone: (802) 476-0245
 Fax: (802) 476-0263

Permits to Council
July 31, 2021 to August 6, 2021

Permit#	Permit Type	Owner	Property Address	Permit Description
B21-000064	Building Permit	Kenny & Tina Peck	13 Vine Street	Remove existing bump out on front of garage and replace with a new section along the entire front of the garage with 2 bay doors. 24' x 20'
B21-000065	Building Permit	Richard Heitmann II	21 Brooklyn Street	Replace roof sheathing, shingles, support post (4"x4"), carrying beam and new stairs
E21-000095	Electrical Permit	William R Kelly II	91 Granite Street	Installation of a rooftop interconnected PV system, 13 Panels (340w) 4.22 Kw DC Lic. #EM06461
E21-000096	Electrical Permit	Colby Routhier	15 Gordon Lane	Service change: Due to age - replace w/mast service - 100 Amp. Lic. #EJ05266
E21-000097	Electrical Permit	Johanna Petty-Dunlap	39 Warren Street	Electrical for kitchen remodel, add smokes and new electrical panel Lic. #EM3751
E21-000098	Electrical Permit	Dana & Brenda Maxfield	45 Merchant Street	Add outlets in Unit #1 & Unit #4 Lic. #EM04805
E21-000099	Electrical Permit	Alan & Magdalena Kessler	10 Park Street	Rewiring kitchen for remodel Lic. #EM4870
Z21-000056	Zoning Permit	Enough Ministries	24 Washington Street	Wall sign 3' x 6' Enough Ministries, to be placed over main front door
Z21-000057	Zoning Permit	Wall Street Investments	302 North Main Street	Replace existing Army Recruiting Station sign with new one 24 sq. ft.
Total:		9		



City of Barre, Vermont

“Granite Center of the World”

**ACTION ITEM BRIEFING MEMO
CITY COUNCIL AGENDA ITEM
CITY COUNCIL AGENDA: 08-10-21**

Consent Item No.:3D _____ Discussion Item No. _____ Action Item No. _____

AGENDA ITEM DESCRIPTION:

Approve Allocation of Semprebon Bequest Funds for Community Visit

SUBJECT:

Using Semprebon Bequest Funds for expenses associated with the upcoming Community Visit, scheduled for August 25th.

SUBMITTING DEPARTMENT/PERSON:

Carol Dawes, clerk/treasurer

STAFF RECCOMENDATION:

Approve the allocation

STRATEGIC OUTCOME/PRIOR ACTION:

This action will support Council’s decision to participate in the Community Visit program offered by VT Council on Rural Development.

EXPENDITURE REQUIRED:

Program costs will include printing and mailing postcards, and other possible expenses associated with the August 25th visit and subsequent meetings and publications. Costs estimated to be \$2,000 - \$10,000.

FUNDING SOURCE(S):

Semprebon Bequest Fund

LEGAL AUTHORITY/REQUIREMENTS:

As per Charles Semprebon’s will: “This bequest is restricted to only civic improvements and cannot be used in any manner for the City’s General Fund Budget.”

BACKGROUND/SUPPLEMENTAL INFORMATION:

Upon his death in 2009, the bulk of Charles Semprebon’s estate was bequeathed to the City of Barre to support civic improvements. The total received was \$2,570,309.34. The Council solicited suggestions for projects to be funded by the bequest, and named the Charles Semprebon Fund Committee in February 2011, which was charged with reviewing the proposals and bringing recommendations to the Council for approval. The

Council approved many of the recommendations, along with other projects brought forward by Councilors and City staff.

Ultimately all funds were allocated, however, some of those allocations although many of them took several years to complete, and some funds are still being held on account, as the projects have not been finished. Therefore, the fund has earned interest over the intervening years, which make for additional funds being available for allocation. As of this date the additional available funds are approximately \$13,000.

LINK(S):

Not applicable.

ATTACHMENTS:

Not applicable.

INTERESTED/AFFECTED PARTIES:

All City residents.

RECOMMENDED ACTION/MOTION:

Approve use of Semprebon Bequest funds up to \$13,000 to cover expenses in support of the Community Visit program being sponsored by the Vermont Council on Rural Development.

From: Joshua Akers <vancha1987@gmail.com>
Sent: Thursday, July 29, 2021 10:43 AM
To: Steven Mackenzie <manager@barrecity.org>
Cc: Bill Ahearn <PWdirector@barrecity.org>; Lucas Herring <L.Herring@barrecity.org>; Jacob Hemmerick <jmhemmerick@gmail.com>; twaszazak@gmail.com
Subject: TAC - Application Interest

Hello,

On July 21st I joined the Traffic Advisory Committee in a meeting with concerns regarding speeding issues on Seminary Street. After speaking to the issue I was invited by other attendees to stay as their concerns were similar to mine. I did stay and actually found how invested I was into this conversation and how our Committee listened and really tried to find solutions.

Jacob Hemmerick visited me on July 22ed and thanked me for joining the conversation and let me know there is an opening on the committee if I was interested.

After talking to my wife Sara and thinking more about how I want to help the community I'm in, I have decided to put my name in to join.

So please consider me for the open position. As a Barre resident for over a decade and a home owner for 7 years in Barre City, I want to listen to my constituents and have an open mind to help where I can.

Thank you for your time and consideration.

Joshua Akers

130 Seminary Street

Barre, VT 05641

802-522-6946

Vancha1987@gmail.com



City of Barre, Vermont

“Granite Center of the World”

**ACTION ITEM BRIEFING MEMO
CITY COUNCIL AGENDA ITEM
CITY COUNCIL AGENDA: 08-10-21**

Consent Item No.: _____ **Discussion Item No. 9E** **Action Item No.** _____

AGENDA ITEM DESCRIPTION:

Presentation and Review of TIF Audit

SUBJECT:

State Auditor’s Office audit of TIF district. Final report issued 7/19/21.

SUBMITTING DEPARTMENT/PERSON:

Carol Dawes, clerk/treasurer and TIF POC

STAFF RECCOMENDATION:

Not applicable

STRATEGIC OUTCOME/PRIOR ACTION:

Not applicable

EXPENDITURE REQUIRED:

Not applicable

FUNDING SOURCE(S):

Not applicable

LEGAL AUTHORITY/REQUIREMENTS:

32 VSA § 5404a – (paraphrase) audits will be performed by the State Auditor’s Office five years after the first incurrence of debt, seven years after the first audit is completed, and at the end of the retention period.

BACKGROUND/SUPPLEMENTAL INFORMATION:

Barre City incurred first debt in January 2014, so audit should have been done in 2019. Due to delays in completing other TIF audits and COVID, Barre City’s audit didn’t begin until November 2020. Due to COVID all meetings were conducted virtually and all documents were passed back and forth electronically. No actual field work on site was done by the auditors.

LINK(S):

TIF statutes: <https://legislature.vermont.gov/statutes/section/32/135/05404a>

ATTACHMENTS:

Tax Increment Financing District: Barre City

INTERESTED/AFFECTED PARTIES:

City Council, staff, Barre City residents and property owners, VT Economic Progress Council, State Auditor's Office,

RECOMMENDED ACTION/MOTION:

No Council action necessary. Staff is carrying out the recommendations included in the audit.



Tax Increment Financing District: Barre City

City Managed TIF District in Accordance
with Requirements, Except Too Little
Tax Increment Retained and Too Much
Paid to School District



Mission Statement

The mission of the Auditor's Office is to hold state government accountable.

This means ensuring that taxpayer funds are used effectively and efficiently, and that we foster the prevention of waste, fraud, and abuse.

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DOUGLAS R. HOFFER
Vermont State Auditor

132 STATE STREET • MONTPELIER, VERMONT 05633-5101
(802) 828-2281 • TOLL-FREE IN VT: (877) 290-1400 • FAX: (802) 828-2198
AUDITOR@VERMONT.GOV • WWW.AUDITOR.VERMONT.GOV

Dear Colleagues,

Municipalities with a tax increment financing (TIF) district incur debt to finance infrastructure improvements and earmark a portion of incremental education and municipal property tax revenues from the district to repay the debt.

The Vermont Economic Progress Council (VEPC) approved Barre City's TIF district on December 13, 2012, authorizing the use of incremental property tax revenue to finance \$6,836,575 of infrastructure improvements plus \$4,050,981 of financing costs. According to Barre's projections, the City expects to divert \$4,438,000 from the Education Fund during its 20-year tax increment retention period. It is expected that it will take about 12 years after the retention period for the Education Fund to recover the diverted funds.

Our audit objectives were to determine 1) whether the City of Barre obtained required authorizations to issue its TIF district debt and used such debt to finance eligible improvement projects and related costs and 2) whether the City of Barre retained the appropriate amount of education and municipal tax increment in the TIF district fund and remitted the balance to the taxing authorities, as required for FY2018 – FY2020, and how the City used its tax increment.

Through FY2020, Barre issued \$2,200,000 of bonds for public improvements as authorized by VEPC and approved by municipal voters and has fully utilized this debt to finance eligible TIF district improvements such as parking reconfiguration, streetscapes, storm water controls, land acquisition, environmental assessment, demolition, remediation and other allowable costs.

Due to some errors in properties included in the tax increment calculations from FY2016 – FY2019, the City retained too little education and municipal tax increment in its TIF district fund and overpaid the State Education Fund. The errors included an inadvertent omission of a property from the calculation of tax increment. To rectify the effect of the FY2016 – FY2019 errors, Barre will need to transfer \$36,790 of additional tax increment to the TIF District Fund and seek reimbursement of \$20,962 from the State Education Fund.

The City TIF used its tax increment to repay TIF district debt and cover some eligible related costs. The corrected balance of tax increment funds available for payment of debt service, related costs, or direct project costs in the future was \$40,842 as of the end of FY2020.

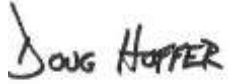
We make several recommendations, including establishing and implementing annual TIF-related reconciliation procedures.

I would like to thank the management and staff at the City of Barre for their cooperation and professionalism throughout the course of this audit. This report is available on the state auditor's website, <http://auditor.vermont.gov/>.

DOUGLAS R. HOFFER
Vermont State Auditor

132 STATE STREET • MONTPELIER, VERMONT 05633-5101
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AUDITOR@VERMONT.GOV • WWW.AUDITOR.VERMONT.GOV

Sincerely,



DOUGLAS R. HOFFER
State Auditor

ADDRESSEES

The Honorable Jill Krowinski
Speaker of the House of Representatives

The Honorable Becca Balint
President Pro Tempore of the Senate

The Honorable Phil Scott
Governor

Ms. Susanne Young
Secretary, Agency of Administration

Mr. Adam Greshin
Commissioner, Department of Finance and Management

Steven Mackenzie
Barre City Manager

Contents

	Page
Introduction	1
Background	2
Objective 1: \$2.2 million of TIF district debt was authorized and used to finance eligible improvement projects and related costs	7
GO Bond Issuance Authorized by VEPC and Municipal Voters	8
Eligible Costs Financed from FY2014 – FY2020	8
Objective 2: Incorrect tax increment retained and paid to taxing authorities, but used for debt repayment as allowed	10
City Retained Too Little Tax Increment in TIF Fund and Remitted Too Much to the School District	10
Barre Used its Tax Increment Appropriately	15
Conclusions	16
Recommendations	17
Management’s Comments	18
Appendix I: Scope and Methodology	19
Appendix II: Abbreviations	22
Appendix III: Descriptions of TIF-Funded Infrastructure Projects and Changes in Estimated Costs	23
Appendix IV: Comments from Management	24
Appendix V: SAO Evaluation of Management’s Comments	29

Introduction

Tax increment financing (TIF) is a tool that municipalities can use to finance public infrastructure, such as streets, sidewalks, and storm water management systems. In Vermont, establishing a TIF district allows a municipality to designate an area for improvement, incur debt to finance public infrastructure, and retain a portion of growth in property tax revenues, called incremental property tax revenue. Incremental property tax revenues are used to repay the debt, and they include municipal property taxes (municipal tax increment) and statewide education property taxes (education tax increment). Thus, a portion of state education property tax revenue is retained by the municipality for authorized purposes rather than remitted to the State's Education Fund.¹

The City of Barre (Barre) Downtown TIF District (Barre TIF District) was approved by the Vermont Economic Progress Council (VEPC) on December 13, 2012 to use incremental property tax revenue to finance \$6,836,575 of infrastructure debt plus \$4,050,981 of financing costs. Through fiscal year (FY)² 2020, Barre issued \$2,200,000 of bonds for public improvements. Barre is authorized to issue debt until March 31, 2024³ and to retain 75 percent of education tax increment through FY2034. Barre is required to allocate 75 percent of municipal tax increment for repayment of TIF district debt for the same period.

This audit is the first by the State Auditor's Office (SAO) of the Barre TIF District, as required by [32 V.S.A. §5404a\(1\)\(2\)](#).

This audit's objectives were to determine:

1. Whether City of Barre obtained required authorizations to issue its TIF district debt and used such debt to finance eligible improvement projects and related costs; and
2. Whether the City of Barre retained the appropriate amount of education and municipal tax increment in the TIF district fund and remitted the balance to the taxing authorities, as required for FY2018 – FY2020, and how the City used its tax increment.⁴

Audit findings and recommendations may be found on report pages 7 - 18.

¹ Education funding is statewide and accounts for all the education taxes collected and spent in communities across the State. Municipalities collect statewide education property taxes on behalf of the State and remit the taxes collected to their local school systems, or to the state directly, depending on the amount collected relative to the amount required to fund the local school system.

² Barre's fiscal year is July 1 to June 30.

³ [Act 73 \(2021\) Sec. 26a](#).

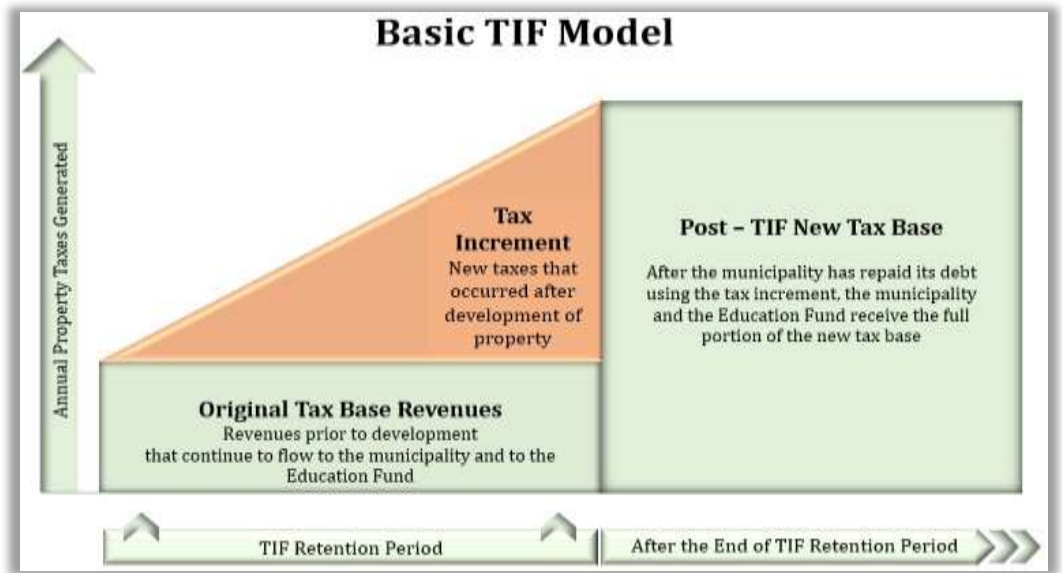
⁴ Appendix I details the scope and methodology of the audit. Appendix II contains a list of abbreviations used in this report.

Background

The purpose of a TIF district is to fund public infrastructure and stimulate economic development. A municipality designates a geographical area where it wants to encourage private sector development, and where the municipality thinks public infrastructure improvements are needed for that development. The municipality incurs debt to finance the needed public infrastructure improvements in the TIF which, in theory, stimulates private investment that would not otherwise have occurred in the designated TIF area.

The combination of both public and private investment is expected to increase property values, generating property tax revenue. The expected growth in property tax revenues (i.e., incremental property tax revenue) in the designated area is used to pay debt incurred to finance the cost of improvements. The tax increment, comprised of education and municipal increment, is retained by the municipality for a maximum period of 20 years beginning the year in which the first debt obligation is incurred. Taxing authorities, like the municipality and the State (i.e., the Education Fund), continue to receive property tax revenue on the original taxable value (OTV) of the properties during this time.⁵ Figure 1 below shows the basic TIF model, including the anticipated tax increment.

Figure 1: Basic TIF Model^a



^a Based on the figure presented on p.7 of "[An Examination of the State of Vermont Tax Increment Financing Program](#)" January 24, 2018, Vermont Legislative Joint Fiscal Office.

⁵ Per [24 V.S.A. § 1891\(5\)](#), OTV is the total valuation of all taxable real property located within the TIF district as of the creation date.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

TIF District Authorization and Oversight

The Vermont Legislature designated VEPC as the State body responsible for approving a TIF district after it is created and approved by a municipal legislative body.⁶

Since 2006, a municipality desiring to use incremental education property tax to finance TIF district improvements must file an application with VEPC. The application must contain both a district plan that has received prior approval from the municipal legislative body and a district finance plan. The district finance plan, which includes plans for debt financing, must be approved by VEPC before the municipality seeks a public vote to pledge the credit of the municipality (i.e., issue debt). Prior to seeking VEPC approval, a municipality must have held public hearings and established a tax increment financing district.

According to statute, VEPC conducts oversight and non-compliance enforcement of all districts. On May 6, 2015, VEPC adopted rules as required by statute to address issues related to creating, implementing, administering, and operating TIF districts.⁷ [TIF District Adopted Rules](#) (TIF Rules) address VEPC's oversight and monitoring of the TIF districts' compliance with rule and statute, and enforcement of any aspects of non-compliance and resolution.

TIF District Debt and Tax Increment

After VEPC approves the use of incremental education property tax to finance TIF district improvements, the municipality must seek voter approval to incur debt to build public infrastructure improvements and pay for related costs. A municipality may issue debt for up to ten years from the creation date of the district if the first debt is issued before the fifth anniversary of the district creation date.⁸

The term "improvements" means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose and fulfill the purpose of the district.⁹ According to [TIF Rule 704](#), improvements may include, but are not limited to: transportation (e.g., public roads, parking lots, garages, streetscapes, and sidewalks), land and property acquisition,

⁶ [32 V.S.A. § 3325\(a\)\(2\)](#) and [32 V.S.A. § 5404a\(f\)](#)

⁷ [32 V.S.A. § 5404a\(j\)](#)

⁸ The Legislature provided for extensions for periods the debt may be issued – see [Act 73 \(2021\) Sec. 26a](#).

⁹ [24 V.S.A. § 1891\(4\)](#)

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

property demolition, site preparation, and utilities, such as wastewater, storm water, water dispersal and collection systems.

Related costs are defined as expenses incurred and paid by the municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the TIF district.¹⁰ Per TIF Rule 705, examples of related costs include: 1) professional services incurred during preparation of a district plan, district finance plan, district application, or substantial change request; 2) costs of providing public notification about, and obtaining public approval for, a district plan, district finance plan, application or filing with VEPC; and 3) consulting, design, architects, engineering and other similar professional services costs directly related to the implementation and construction of eligible TIF district improvements.¹¹

Tax increment may be used to pay TIF district debt and to directly pay for improvements and related costs. Municipalities with TIF districts approved by VEPC are authorized to retain 75 percent of the state education tax increment and are required to allocate at least the same proportion of municipal tax increment for repayment of TIF district financing.¹² Education tax increment may be generated on Homestead (HS) and Non-Homestead (NHS) properties.¹³

Figure 2 illustrates the calculation of incremental property tax revenue.

¹⁰ [24 V.S.A. § 1891\(6\)](#)

¹¹ Per [TIF Rules Sec. 300](#), a substantial change is “an amendment to an approved District Plan or District Finance Plan which may result in a significant impact with respect to any of the criteria for approval by VEPC specified in [32 V.S.A. §5404a\(h\)](#) and [24 V.S.A. Chapter 53](#), subchapter 5, or a request for an extension of the five-year period to incur indebtedness...” A request for substantial change must be submitted to VEPC for review.

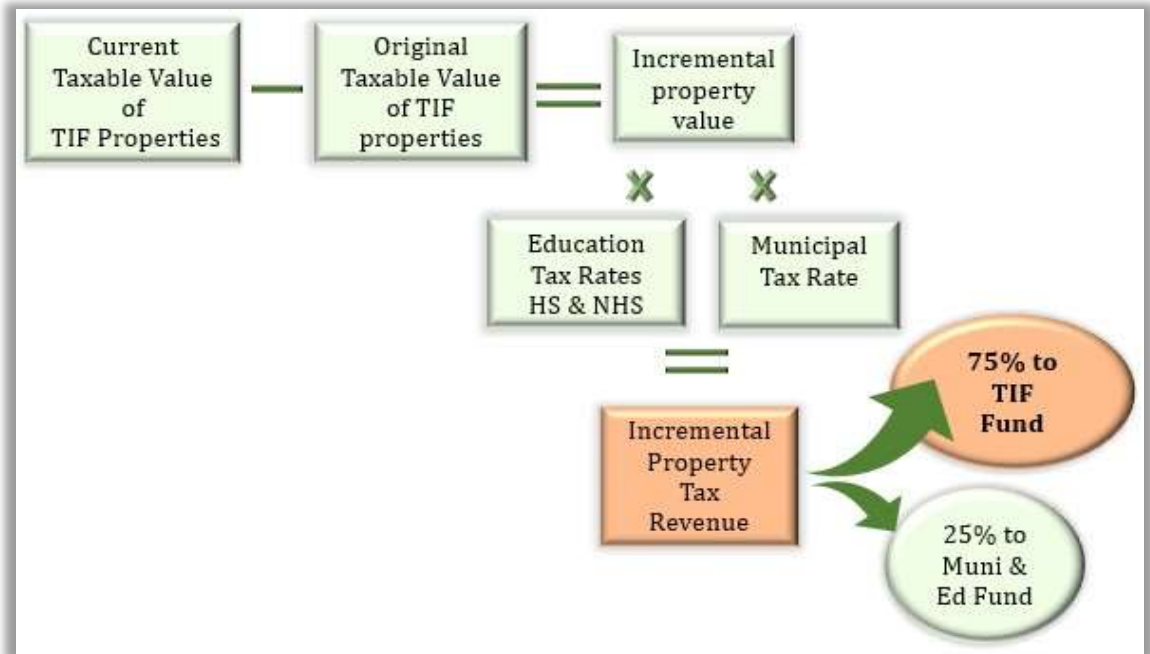
¹² TIF districts, approved by VEPC subsequent to 2017 ([Act 69 \(2017\) Sec. 1.3.](#), amending [24 V.S.A. §1894\(b\) and \(c\)](#)), may retain 70 percent of the education tax increment and are required to allocate 85 percent of the municipal tax increment to repay TIF district debt. A municipality may retain more than 85 percent of the municipal tax increment to service its TIF district debt.

¹³ [32 V.S.A. § 5401](#) defines “Homestead” to mean the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile or owned and fully leased on April 1, provided the property is not leased for more than 182 days out of the calendar year, or for purposes of the renter property tax credit under subsection 6066(b) of this title, is rented and occupied by a resident individual as the individual's domicile.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

Figure 2: Calculation of Incremental Property Tax Revenue



Some TIF Districts may distinguish its education OTV from its municipal OTV, in which case the calculation of education and municipal tax increments will be performed on two separate baseline values. Generally, the differences in the education and municipal OTVs are caused by local property tax agreements, where local voters have a discretion to provide additional property tax benefits to some property owners. Such agreements result in a property's value set at its full assessed value for the purposes of the state education property tax and at a locally approved reduced value for the purposes of the municipal property tax.

TIF Districts and Statewide Education Funding

Municipalities, acting as agents of the State, collect state education property taxes. Rather than remit the taxes to the state Education Fund, municipalities pay local schools the education property tax liability determined by the Agency of Education (AOE). As a result, payments from municipalities to local schools are in effect payments to the Education Fund.

Municipalities are statutorily required to provide the Vermont Department of Taxes (VDT) with grand list data.¹⁴ VDT uses this data to determine the taxable education property value (EPV) and provides the EPV for each

¹⁴ The grand list data forms the basis for the collection of property taxes for all the municipalities in Vermont and includes the owner's name and assessed value for all real estate parcels, all taxable personal estates, and tax-exempt properties.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

municipality to AOE. For municipalities with TIF districts, EPV excludes 75 percent¹⁵ of the incremental education property value of the TIF district, as allowed. The School Finance division of AOE uses EPV to calculate the amount of education property taxes each municipality owes its local school district and informs municipalities of their education property tax liability.

For those municipalities with TIF districts, EPV includes the portion of incremental education property value that corresponds to 25 percent of the education tax increment, which is required to be paid to the Education Fund.¹⁶

Municipalities are required to use New England Municipal Resource Center (NEMRC®), for the Grand List listing program, valuation and tax billing.¹⁷ NEMRC® includes a built-in TIF Module, which is used to account for TIF district properties, automate tax increment calculation, and produce TIF-related reports.

Although tax increment calculation is automated, its accuracy directly or indirectly depends on the completeness and accuracy of various information components, including:

- Property assessment values, listed on the grand list of the municipality,
- Certified TIF OTV,
- State Education Property Tax Rates,
- Municipal Property Tax Rate, including local agreement components.

These information elements originate at the municipal level and are reflected on various NEMRC® reports, including TIF Education and TIF municipal Parcel Value reports, which are provided to PVR for use in determining EPV.

Barre City TIF District

Pursuant to VEPC's 2012 approval, the maximum dollar amount of debt obligations to be paid with incremental property tax revenues, including the cost of financing, is \$10.9 million.

¹⁵ Per [Act 69 \(2017\) Sec. I.3](#), future TIF districts approved by VEPC may only retain 70 percent of the incremental education property value.

¹⁶ For municipalities with TIF districts approved by VEPC subsequent to 2017 ([Act 69 \(2017\) Sec. I.3](#), [24 V.S.A. §1894\(b\) and \(c\)](#)), EPV includes 30 percent of the incremental education property value.

¹⁷ The Department of Taxes, Division of Property Valuation and Review is implementing a new integrated system to manage the statewide education property tax system – the Integrated Property Tax Management System (IPTMS). The IPTMS is scheduled to go live in Q2 of 2022.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

The City of Barre's planned improvements include structured parking (i.e., parking garage) and streetscape. See Appendix III for descriptions of the VEPC-approved TIF infrastructure projects and changes in estimated costs to be financed with TIF district debt.

According to Barre's projections, through FY2034 the City expects to retain \$4,828,000 of education tax increment for debt repayment. It is expected to take about 12 years to recover the \$4,828,000 diverted from the Education Fund over Barre's 20-year tax increment retention period.¹⁸

Barre uses its TIF Fund to record costs of improvements and related costs financed with incremental property tax revenues. Debt proceeds, as well as debt repayment, are recorded in the fund.

Pursuant the [TIF Rules Sec. 902](#), Barre TIF District went through the OTV certification in 2017, establishing its education OTV at \$51,046,870 and its municipal OTV at \$50,203,270.

Objective 1: \$2.2 million of TIF district debt was authorized and used to finance eligible improvement projects and related costs

A \$2.2 million general obligation (GO) bond issued by the City in August 2015 for TIF improvements and related costs was authorized by VEPC as part of the approval of the City's TIF district December 2012. The GO bond was also authorized by municipal voters via a public vote held in November 2013. As of June 2020, the City had utilized all GO bond proceeds. We examined 89 percent of the TIF improvement project costs and related costs financed with the GO bond and concluded they were eligible to be financed with TIF district debt because the costs: 1) were authorized by VEPC and municipal voters as required by statute, 2) were for activities such as land acquisition and parking lot construction, which meet the definition of infrastructure improvements or related costs established in statute and the Adopted TIF Rules and 3) were approved in accordance with the City's policies.

¹⁸ Estimate of number of years is calculated using the total education increment projected to be retained divided by the amount expected to be retained in the final year. Specifically, \$4,828,000/\$395,000 = 12 years.

GO Bond Issuance Authorized by VEPC and Municipal Voters

VEPC approved the City of Barre's TIF district plan on December 13, 2012 and its use of tax increment for \$6,867,075 of improvements and related costs and an additional \$4,050,981 of financing costs. The improvement projects to be financed included \$4,462,500 for a centralized structured parking (i.e., parking garage) between Keith and Pearl Street and \$2,374,075 for Merchants Row & Enterprise Alley parking reconfiguration and streetscape.

On October 24, 2013, VEPC also approved the City's request (known as a substantial change request) to amend the approved TIF District Plan to 1) add a new project for acquisition, remediation and paving of a site at 1 Campbell Place at a cost of \$195,000 and 2) install a surface parking lot on the site that was presented in the TIF district application as the site for a parking garage.¹⁹ In its request, the City stated that the installation of a parking lot does not preclude building structured parking in the future and VEPC concluded that surface parking was consistent with the need to develop parking in the downtown to encourage private sector development.

As required by 24 V.S.A. §1894(h), Barre held a public vote on November 5, 2013 and obtained municipal voter approval for the \$2.2 million general obligation bond prior to issuing the debt for TIF improvements and related costs.

Barre City officials properly disclosed information required to be provided to the City's voters in advance of the public vote such as the type of debt to be issued, term of the debt, improvements and related costs that will be financed with the debt and expected private development. In addition, the City held a public meeting as required.

Eligible Costs Financed from FY2014 – FY2020

We examined \$1,974,282 of infrastructure improvements and related costs financed with TIF district debt from FY2014 to FY2020 (89 percent of total costs financed) and concluded that costs during this period were eligible costs. Specifically, the costs align with the descriptions of and the total costs estimated for improvements described in the 2012 TIF district plan, the City's 2013 substantial change request approved by VEPC, and an additional substantial change request conditionally approved by VEPC in 2019. The costs are also consistent with those disclosed in public notices provided to municipal voters in advance of public votes authorizing the City of Barre to

¹⁹ [24 V.S.A. §1901\(2\)\(B\)](#) requires any proposed substantial changes to the approved TIF district plan and approved TIF financing plan be submitted to VEPC for review.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

incur TIF district debt. Further, the costs were for land acquisition, site remediation, streetscape, and surface parking lots and activities such as engineering that fit within the statutory and TIF Rules definitions of improvements and related costs.²⁰ Lastly, the City generally followed its procurement policies and purchasing procedures.

Table 1 describes improvements and related costs for the TIF district from FY2014 to FY2020 and the amounts we tested.

Table 1: Infrastructure Improvements and Related Costs from FY2014 to FY2020

Projects	Description of Infrastructure Improvements and Related Costs	Total Costs	Total Costs Tested ^a	Percent Costs Tested to Total Costs
Keith/Pearl	Centralized parking area includes land acquisition, storm water controls, surface parking lot, and potential future construction of 3-story parking structure	\$1,502,842	\$1,402,643	93%
Enterprise Alley & Merchants Row, Steps 1A and 1B	Parking reconfiguration and streetscape includes land acquisition, storm water controls, and sewer connections	\$400,974	\$385,643	96%
1 Campbell Place	Surface parking includes real estate acquisition, remediation, and paving	\$199,917	\$185,997	93%
Related costs	TIF application preparation, legal, and administrative	\$103,716	-	-
	TOTAL COSTS	\$2,207,449	\$1,974,282	89%

^a Approximately \$99,000 of total costs tested were for engineering or legal services (related costs) which the City classified as improvement costs in its accounting records.

The City has until March 31, 2024 to incur additional debt to finance remaining planned improvements. The City's 2019 substantial change request increased the amount of improvements and related costs to be financed with TIF debt by more than \$1 million, from \$7,031,575 to \$8,093,941. See Appendix III for changes in cost for each improvement. In accordance with VEPC's conditional approval of the request, the City must submit updated information on the remaining projects using the substantial change process when the city is ready to proceed.

²⁰ [24 VSA 1891\(4\)](#) and [TIF Rules Sec. 300 and Sec. 704](#).

Objective 2: Incorrect tax increment retained and paid to taxing authorities, but used for debt repayment as allowed

Through FY2020, the City of Barre retained \$689,469 of tax increment in the TIF Fund but should have kept an additional \$36,790. In addition, the City overpaid the share of tax increment required to be remitted to the local school district by \$20,962. These inaccuracies were due to the omission of properties and incorrect original taxable value used in the calculation of tax increment from FY2016 to FY2019. Additionally, a reduction in assessed value for a TIF district property resulting from an appeal was not incorporated in the calculation of the amount the City owed the local school district. This occurred because the appeal resolution was settled after the AOE determined the amount the City owed to the local school district.²¹ Although there were mistakes in calculating tax increment and the amount owed to the school district, Barre City used tax increment plus interest income for debt service payments and related costs which are eligible uses. As of the FY2020 year-end, the corrected cumulative balance of Barre tax increment and interest income available for future use, was \$40,842.

City Retained Too Little Tax Increment in TIF Fund and Remitted Too Much to the School District

As statute allows, Barre commenced its tax increment retention in FY2015.²² Since then Barre has recorded \$689,469 cumulative tax increment in the TIF Fund, including \$399,034 of municipal tax increment and \$290,435 of education tax increment. Barre made several errors in the calculation of tax increment which resulted in too little tax increment recorded in its TIF Fund by \$36,790, cumulatively. Some of the errors also affected the calculation of the amount the City owed the local school district. In total, Barre overpaid its school district by \$20,962.

Errors that Impacted Tax Increment Recorded in TIF Fund

The most significant errors and their effects included:

-
- ²¹ AOE calculates the amount of education property taxes each municipality owes its local school district, based on a municipal submission of final Form 411 to PVR, which, in turn, comes to AOE in form of education property value (EPV) amounts.
- ²² Barre City TIF District incurred its first debt in January 2014. Accordingly, its tax increment starts on April 1, 2014 Tax Year (FY2015) and extends 20 years or through April 1, 2033 (FY2034).

Omission of a property from the NEMRC® TIF module in FY2016:²³

Due to the omission of a property, the education and municipal incremental property values used in the tax increment calculation were understated by \$1.5 million. As a result, the City recorded too little education and municipal tax increment in the TIF Fund, \$16,683 and \$19,538, respectively.

Barre officials could not explain what caused this error.

Erroneous substitution of municipal property base values with education base values for six properties in FY2016: Barre TIF district has six properties, for which each property has a different education and municipal base value.²⁴ In total, the municipal OTV of these six properties was established at \$843,600 lower than the education OTV. In FY2016, the municipal base value of all six properties was substituted with the education base values in error. As a result, the municipal OTV was too high by \$843,600.

Cumulatively, these base value substitutions caused an understatement of the municipal tax increment by \$10,988.

Barre officials could not explain what caused this error.

Omission of property base values from the education and municipal OTV in FY2017 to FY2019: When the Barre TIF District OTV was certified by VEPC, PVR, and the City as required, the certified City TIF parcel listing incorporated some changes to OTV. However, the City failed to reflect these changes in the NEMRC® TIF module.

In one case, two missing base values, totaling \$24,000, continued to be omitted from the NEMRC® TIF module in FY2017, FY2018 and FY2019.

In another case, the NEMRC® TIF module was missing a complete record of the property, including the base and the current list values. The City partially corrected the error, adding the property record to its NEMRC® TIF module in FY2018, however, that addition was made without a respective addition of \$171,000 of its base value. This error was present in FY2018 and FY2019.

²³ Initially we designed this audit to cover FY2018 – FY2020. Our analyses indicated some issues with how certain properties were handled in earlier years of the TIF District and we expanded the audit scope for tax increment to FY2016.

²⁴ The differences exist when a municipality votes to exempt a property from the grand list or stabilize the value or taxes on a property, but the exemption or stabilization does not affect the property's education taxable value.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

The base values omitted totaled \$24,000 in FY2017 and \$195,000 in FY2018 and FY2019. These omissions equally affected the calculation of the education and municipal tax increments. As a result, the City recorded too much tax increment in the TIF Fund.

These OTV omissions were identified by the independent City auditors in December 2019. At the time of the SAO audit, the City and PVR were in the process of reviewing the needed corrections.

Table 2 describes the errors, effect by fiscal year, and summarizes the additional \$36,790 of tax increment owed to the TIF Fund.

Table 2: Impact of Errors on Tax Increment and Total Owed by the City to the TIF Fund

Period	Description of Errors	Addition/(Reduction) to Tax Increment		
		Municipal	Education	Total
FY2016	Omission of the \$1.5M incremental value; overstatement of the muni base values by about \$844K	\$30,526 ^a	\$16,683	\$47,209
FY2017	Omission of two property base values for the total of \$24K	(\$321)	(\$269)	(\$590)
FY2018	Omission of three property base values for the total of \$195K	(\$2,641)	(\$2,211)	(\$4,852)
FY2019	Omission of three property base values for the total of \$195K	(\$2,687)	(\$2,290)	(\$4,977)
FY2020	No errors noted	\$0	\$0	\$0
Tax Increment Owed to TIF Fund^b		\$24,877	\$11,913	\$36,790

^a Comprised of \$19,538 and \$10,988.

^b These amounts were calculated as incremental property value x tax rate x 75 percent.

The City records property tax receipts in its General Fund and periodically transfers the incremental municipal and education property taxes to the TIF Fund to record the amount of tax increment that may be retained each year. Since too little tax increment was transferred to the TIF Fund, an adjustment is required to transfer additional tax increment from the General Fund to the TIF Fund.

The two errors that impacted the amount of tax increment recorded in the TIF Fund in FY2016 also impacted the calculation of the amount of education property taxes (i.e., the education property tax liability) the City owed the school district. Additionally, the late settlement of an appeal of a property's assessed value also impacted the amount owed to the school district.

Errors that Impacted Calculation of Amount Owed to School District

AOE calculates the amount of education property taxes each municipality owes its local school district based on taxable education property value (EPV) provided to AOE by VDT. For municipalities with TIF districts, EPV excludes 75 percent²⁵ of the incremental education property value of the TIF district (e.g., the exemption) as allowed.

The following describes the City's errors and the late settlement of a property tax appeal which impacted AOE's calculation of the amount the City owed the local school district:

Omission of a property from the NEMRC® TIF module in FY2016:

Because of this error, AOE used an EPV that was too high to calculate the amount of education property taxes the City owed the school district and Barre City overpaid by \$16,645. Specifically, the exemption for TIF Non-Homestead incremental property value was understated by \$1,125,000 (75 percent of the incremental property value of \$1.5 million) in the EPV determined by PVR.²⁶ Because the exemption amount was too low, the EPV was too high.

The City is required to upload grand list data via the Form 411 to PVR, including the exemption amount for the incremental education property value of the TIF district. However, a copy of Form 411, provided by the City to SAO did not agree with the information used by PVR and AOE and the City could not explain the discrepancy.²⁷ Based on the information provided by Barre and PVR, it was not clear whether the data filed by Barre was erroneous or whether PVR used an outdated data upload to determine EPV.

According to a Barre official, the error was discovered the following year and some discussions regarding this property omission were held with PVR; however, the error was not corrected. The official could not provide documentary evidence of the pertinent discussions but explained that based on their understanding, it was too late after the grand list final submission to correct the error.

To detect such errors timely, Barre could compare the EPV used by AOE to the City's records. This can be done by the City confirming the Homestead and Non-Homestead grand list totals in the Cash Flow

²⁵ Per [Act 69 \(2017\) Sec. 1.3](#), future TIF districts approved by VEPC may only retain 70 percent of the incremental education property value which means only 70 percent will be excluded from the calculation of EPV.

²⁶ As noted in the previous section, the omission of this property also impacted the calculation of tax increment.

²⁷ The Final 411, retained by the City did not match the PVR EPV tables for Barre City, which, by design, should be the same.

Statement (form used to calculate education property tax liability for each municipality) prepared by AOE and provided to the City.

Omission of property base values from the education and municipal TIF OTV from FY2017 to FY2019: Because the OTV for certain properties was omitted from the NEMRC® TIF module, the incremental property value was too high and thus the exemption used by PVR to calculate EPV was too high.²⁸ As a result, AOE used an EPV that was too low for the calculation of the amount of education property taxes the City owed the school district which resulted in the City paying too little.

Timing of a property tax appeal: A property assessment appeal that resulted in a \$2.4 million reduction of the property taxable value was settled after the AOE issued its final calculation of the City's FY2017 education tax liability.²⁹ As a result, the EPV determined by PVR was too high.³⁰ AOE used the overstated EPV, which resulted in the City paying too much to the local school district.

Barre could not produce a copy of the final grand list that was contemporaneous with the information submitted to PVR. A Barre official explained that the City reached out to PVR to see if an adjustment would be possible and stated that the request was denied. Barre did not retain documentation of the request to PVR or PVR's response and it is not clear why a request for adjustment would be denied.³¹

Consistent retention of the contemporaneous data submission support records, timely reconciliation of the grand list amounts, presented on the AOE Cash Flow Statements with the respective City records and more proactive cooperation with the PVR and AOE in instances where large corrections are needed could have helped to identify grand list discrepancies.

Table 3 presents the effect of the errors on the education tax liability and the total owed by the Education Fund to the City of Barre.

²⁸ These are the same properties described in the section regarding errors in tax increment calculation.

²⁹ The property assessment appeal was finalized on April 12, 2017; the AOE Final Cash Flow Statement dated March 22, 2017.

³⁰ The appeal changed property assessment from \$4 million to \$1.6 million. The TIF Non-Homestead exemption decreased from \$3.6 million to \$1.2 million. Barre correctly used the post-appeal value for its tax increment calculations, and it required no changes.

³¹ Per PVR and AOE, currently there are no mechanisms to make any corrections to the issued finalized education tax liability calculations without legislative action.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

Table 3: Impact of Errors on Education Tax Liability and Amount Owed to Barre City by the Education Fund

Period	Description of Errors	Addition/(Reduction) to Education Tax Liability
FY2016	Understated TIF NHS exemption due to the omission of the \$1.5M increment value	(\$16,645)
FY2017	Inflated property assessment value and overstated TIF NHS exemption; and omission of two property base values	(\$8,808)
FY2018	Omission of base values for three properties	\$2,206
FY2019	Omission of base values for three properties	\$2,285
FY2020	No errors noted	\$0
Total Amount Due to Barre City from the Education Fund		(\$20,962)

AOE advised that it does not have statutory authority to initiate or make reimbursements from the State Education Fund, as such reimbursements are not one of the statutorily allowed uses of Education Fund resources. According to AOE, reimbursement from the Education Fund requires Legislative action. AOE suggested that the City seek a legislative remedy.

As noted above, Barre City officials were unable to explain the errors that occurred in FY2016 and did not retain copies of the various Forms 411 filed with PVR, so the cause of the errors is not clear. A report of changes to all municipal properties is available in NEMRC®. NEMRC® also has a change report specific to a TIF district, however, such report requires NEMRC® support to enable it. Barre City was not aware of this report, but when it was brought to their attention, Barre officials contacted NEMRC® and will be able to run TIF parcel comparison reports going forward. VDT is implementing a new integrated system to collect the statewide education grand list and to manage the statewide education property tax system. As a result, SAO suggested that VDT consider including a report of changes in TIF district properties in its system development requirements. Such a report would facilitate municipal review of changes to TIF district properties and we believe decrease the risk of errors that impact the tax increment and education property tax liability calculations.

Barre Used its Tax Increment Appropriately

Through FY2020, Barre used a combination of tax increment and interest income to pay \$725,203 of debt service and \$6,867 of related costs; both of which are eligible uses of tax increment and interest income earned per TIF

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

Rule 714 and TIF Rule 912.³² The debt service payments included \$677,848 of general obligation (GO) bond principal and interest, and \$47,355 of BAN interest.

According to Barre calculations and the financial statements audited by independent public accountants, tax increment recorded in the TIF District Fund was less than the City's debt payments. In addition to tax increment, Barre allocated interest earned on the BAN, GO bond, and tax increment to the TIF District Fund and used the interest earned to make up the shortfall in tax increment. In total, Barre recorded \$46,654 of interest income in the TIF Fund.

In addition to debt service, Barre's cumulative tax increment and interest income allowed Barre to cover about \$6,867 of the TIF related costs, including annual audit fees.

Based on Barre's calculation, the TIF Fund had about \$3,000 of available cash at the FY2020 year-end. However, considering correction of the errors in the tax increment calculation noted in the previous section, as of the end of FY2020, Barre has \$40,842 available for payment of debt service, related costs, or direct project costs in the future.

Conclusions

As of FY2020, Barre has utilized \$2.2 million in general obligation bonds for eligible TIF improvements and related costs. VEPC conditionally approved Barre's FY2019 substantial request which increased the amount of improvements and related costs to be financed with TIF debt by more than \$1 million, from \$7,031,575 to \$8,093,941. Barre has until March 31, 2024 to incur additional debt and must file updated information with VEPC when it is ready to complete the remaining TIF projects.

Barre was authorized to retain 75 percent of education and municipal tax increment. Since issuance of its first debt, Barre retained \$689,469 of tax increment and accumulated \$46,654 in interest earnings. Barre inadvertently made some errors in handling the list of properties and base values within their TIF district, which resulted in a calculation error. This ultimately led to Barre retaining too little of tax increment and paying too much to the Education Fund. Barre will need to increase tax increment retained in the TIF District Fund by \$36,790 and receive a \$20,962 credit on its the State Education Fund liability to rectify the FY2016 – FY2020 errors. Barre used \$725,203 to repay outstanding TIF district debt and \$6,867 to pay for TIF

³² See [TIF Rules Sec. 714](#) and [Sec. 910](#).

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

district related costs. As of FY2020 year end, the TIF District Fund had \$40,842 available for future use.

Recommendations

We make the recommendations in Table 4 to the City Manager of the Barre City.

Table 4: Recommendations and Related Issues

Recommendation	Report Pages	Issue
1. Establish and implement procedures, including maintenance of supporting documentation, for an annual reconciliation process between the City's TIF district property records and the City's property data used by PVR and AOE. Specifically, ensure the procedures include verification that 1) the TIF exemptions per the City's final Form 411 submitted to PVR agrees to the TIF exemption stated on the City's TIF Parcel Value report and 2) the total education grand list, after exemptions, per the City's final Form 411 agrees to the EPV used by AOE for the education tax liability calculation.	11,15	For several errors related to the calculation of tax increment, Barre officials could not explain what caused the error. In addition, Barre did not retain copies of the various Forms 411 filed with PVR, so the cause of the errors in the calculation of the education tax liability is not clear.
2. Transfer \$36,790 from the General Fund to the TIF Fund.	10-12	Barre made several errors in the calculation of tax increment which resulted in too little tax increment recorded in its TIF Fund by \$36,790, cumulatively.
3. Retain documentation of Barre communication with VEPC and/or PVR, especially, in instances of error resolution.	14	A property assessment appeal that resulted in an approximately \$2.4 million reduction of the property taxable value was settled after the AOE issued its final calculation of the City's FY2017 education tax liability. AOE used the overstated EPV, which resulted in the City paying too much to the local school district. Barre could not produce a copy of the final grand list that was contemporaneous with the information, submitted to PVR. A Barre official explained that the City reached out to PVR to see if an adjustment would be possible and stated that the request was denied. Barre did not retain documentation of the request to PVR or PVR's response and it is not clear why a request for adjustment would be denied.

Tax Increment Financing District:
City of Barre

City Managed TIF District in Accordance with Requirements, Except Too
Little Tax Increment Retained and Too Much Paid to School District

Recommendation	Report Pages	Issue
4. Seek a legislative remedy to obtain a reimbursement from the Education Fund for the overpayment of education property taxes to the local school district.	15	AOE does not have statutory authority to initiate or make reimbursements from the State Education Fund, as such reimbursements are not one of the statutorily allowed uses of Education Fund resources. According to AOE, reimbursement from the Education Fund requires Legislative action.

Management’s Comments (and Our Evaluation, if applicable)

On June 28, 2021, the City of Barre’s City Manager and the City Clerk provided comments on a draft of this report on behalf of the City. This letter is reprinted in Appendix IV. The City agreed to implement all our recommendations but disagreed with the characterization of the BAN interest payments, provided on pp.15-16 of our draft report. Our evaluation of their comments is in Appendix V.

Appendix I

Scope and Methodology

For our first objective, we interviewed Barre City officials to gain an understanding of their role in administering the TIF district and the City Council's oversight of the TIF district. We inquired about policies, procedures, and internal controls in place for 1) authorizing, issuing, and tracking TIF debt; 2) ensuring costs financed with TIF district debt are for TIF infrastructure improvements approved by VEPC and municipal voters; and 3) recording TIF related transactions in the TIF Fund.

We identified the statutory provisions and TIF Rules that address authorization and issuance of TIF district debt; allowable uses of TIF debt; and the allowable period to incur debt.

We prepared a schedule for TIF debt issued in FY2014 through FY2016 by reviewing audited financial statements, certified voting results, and financing documents. We validated that the first debt was incurred within the first five years following creation of the district and determined the period during which Barre may borrow debt to finance the TIF improvements and related costs.

To assess whether the City adhered to statutory criteria for incurring TIF debt, we reviewed the ballot, warnings, City Council meeting minutes, and information presented at TIF public hearings. To determine whether TIF debt was for improvements authorized by VEPC, we examined the TIF district's application, original and revised financing plans, and substantial change requests approved by VEPC.

Next, we identified the statutory provisions and TIF Rules that address the criteria applicable to determining the eligibility of TIF infrastructure improvements and related costs eligible for tax increment financing.

We interviewed City officials about policies, procedures, and internal controls in place for authorization and payment of infrastructure improvements and related costs and we reviewed Barre's procurement policy and accounts payable procedures.

We reviewed the audited financial statements, general ledger TIF account detailed transaction records, and Barre's TIF district project cost reports for FY2014 to FY2020. We verified that the total costs for FY2014 through FY2020 recorded in the TIF general ledger accounts agreed to the recorded expenditures in the TIF Fund per the audited financial statements.

We judgmentally selected a sample of infrastructure improvement and related costs from the from the general ledger TIF account detailed transaction records for FY2014 through FY2020. We evaluated whether the

Appendix I

Scope and Methodology

costs were for infrastructure improvements or related costs authorized by VEPC and approved for financing by municipal voters. We reviewed documentary evidence provided by Barre such as invoices and contracts to determine whether the costs met the definition of improvement or related costs in statute and TIF Rules. We also assessed whether the documentary evidence demonstrated that the City officials had adhered to procurement policies and accounts payable procedures.

For our second objective, we identified the statutory provisions and TIF Rules relevant to the calculation and retention of tax increment.

We interviewed City officials regarding policies, procedures and internal controls over monitoring the grand list and properties in the TIF district and calculating tax increment. Using the pertinent criteria and date of the first debt, we calculated and documented the beginning and end of Barre's tax increment retention period.

We reviewed the method used by VEPC and VDT's PVR division to certify the OTV of properties in the TIF district. We confirmed Barre's certification of two separate OTVs – the education OTV and the municipal OTV. We reviewed Barre's application of those OTVs as their baseline OTVs for the purposes of calculating education and municipal tax increments.

We relied on the work performed by other auditors in lieu of performing certain procedures related to the calculation of tax increment for FY2018, FY2019 and FY2020. Specifically:

- The completeness and accuracy of the education and municipal tax rates used by Barre in their calculation of the tax increment.
- The mathematical accuracy of NEMRC® system calculation of Barre's education and municipal tax increment for FY2018, FY2019 and FY2020.
- The percent of education increment retained by the City was no greater than 75 percent and the municipal tax increment was no less than 75 percent.

We assessed whether the recalculated amounts agreed to the City's general ledger and audited financial statements.

To assess the reliability of the current values in the TIF Parcel Value Report, we interviewed City officials to understand how the City's Grand List is maintained and the source of data in the grand list. We also discussed how changes in property values were identified and adjusted in the grand list to

Appendix I

Scope and Methodology

ensure completeness and accuracy of properties in the TIF district. We reviewed VDT's Property Valuation and Review division introductory guide to the procedures used to ensure the list values in the Grand List approximate fair value (equalization study). We performed data testing to verify that all TIF district parcels were included in the tax increment calculation, as originally planned for FY2018, FY2019 and FY2020, and then, due to the noted inconsistencies in handling of some TIF properties, we expanded our look back period to FY2016 to capture possible deviations.

To assess whether the City paid 25 percent of education tax increment to the school district, we obtained property value data, including education list value, submitted to VDT by Barre for the period from FY2016 through FY2020. We determined whether the reported amount of the TIF exemption for homestead and non-homestead properties was equal to 75 percent of the incremental property value in the TIF district. We assessed whether the TIF exemption was excluded from the education list value and compared the education list value per the data submitted by Barre to the education list value used by the Agency of Education (AOE) to calculate Barre's education tax liability.

We compared the amounts the City paid to their municipal school district from cancelled checks and bank transfer reports and verified that the amounts agreed to the education tax liability calculated by AOE.

We conducted this performance audit in accordance with generally accepted government auditing standards, which require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II Abbreviations

AOE	Agency of Education BAN
	Bond Anticipation Note
EPV	Education Property Value
FY	Fiscal Year
GO	General Obligation
HS	Homestead
JFO	Joint Fiscal Office
NHS	Non-Homestead
OTV	Original Taxable Value
PVR	Property Valuation and Review
SAO	State Auditor's Office
TIF	Tax Increment Financing
VDT	Vermont Department of Taxes

Appendix III Descriptions of TIF-Funded Infrastructure Projects and Estimated Cost Changes

Descriptions of VEPC-approved TIF-funded infrastructure projects:

Structured parking: Centralized downtown parking area includes land acquisition, environmental assessment and removal of buried oil tank, creating a surface parking lot with an adjacent pedestrian walkway and potential future construction of 3-story parking structure.

Merchants Row & Enterprise Alley Streetscape: Parking reconfiguration and streetscape including land acquisition, storm water controls, and sewer connections.

Campbell Place: Centralized surface parking area including land acquisition, environmental assessment, demolition and remediation, site preparation and paving.

Table 5: Changes in Estimated Infrastructure Project Costs from Substantial Change #1 (2013) to Substantial Change #4 (2019)

Project	Substantial Change #1 (2013)	Substantial Change #4 (2019)	Increase (Decrease)
Structured Parking	\$4,462,500	\$5,250,000	\$787,500
Merchants Row & Enterprise Alley Step 1A	\$18,600	\$177,119	\$158,519
Merchants Row & Enterprise Alley Step 1B & 2A	\$282,475	\$203,005	(\$79,470)
Merchants Row & Enterprise Alley Step 2B	\$228,000	\$162,000	(\$66,000)
Merchants Row & Enterprise Alley Step 3	\$1,845,000	\$2,102,400	\$257,400
Campbell Place (added October 2013)	\$195,000	\$199,417	\$4,417
TOTAL	\$7,031,575	\$8,093,941	\$1,062,366

Appendix IV

Comments from Management

The following is a reprint of management's response to a draft of this report. Our evaluation of these comments is contained in Appendix V.



Strwn R. Mackenzie, P.E.
City Manager

City of Barre, Vermont

"Granite Center of the World"

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Barre, VT 05641
Tel: 802-716-4711 (V11) 4711-1124a

June 28, 2021

Douglas R. Hoffer
Vermont State Auditor
State of Vermont
Office of the State Auditor
132 State St.
Montpelier VT 05633-5101

Re: Barre City TIF District 5-Year Audit

Mr. Hoffer;

On June 14, 2021 Barre City received your Draft Report entitled *Tax Increment Financing District: Barre City; City Managed TIF District in Accordance with Requirements, Except Too Little Tax Increment Retained and Too Much Paid to School District*. We appreciate the professional working relationship we enjoyed with your staff on this large and complex undertaking, and are generally pleased with the findings. We appreciate the recommendations of ways to improve our record keeping and accounting for our TIF district.

As requested, we have reviewed the report and provide the following Management Comments.

Audit Objective 1: \$2.2 million of TIF district debt was authorized and used to finance eligible improvement projects not related costs.

City Management's Comments - There are no management comments on the findings for this objective.

Audit Objective 2: Incorrect tax increment retained and paid to taxing authorities, but used for debt repayment as allowed.

Page 11 - Omission of property from NEMRC TIF module. The Audit states:

Due to the omission of a property, the education and municipal incremental property values used in the tax increment calculation were understated by \$1.5 million. As a result, the City recorded too little education and municipal tax increment in the TIF Fund, \$16,683 and \$19,538, respectively.

Barre officials could not explain what caused this error.

1

Appendix IV Comments from Management

City Management's Comments – The error referenced above is related to the property located at 355 N. Main Street, also known as the Community Rank building (formerly the Merchant's Bank building). The building was constructed on leased land after the OTV list was established, and added to the NEMRC grand list software upon completion for the 2014 tax year (FY15). However, it did not appear on the 2015 tax year grand list (FY16), and this omission wasn't noticed in time to correct the error during the tax year. It was corrected for tax year 2016 and beyond. The working theory is that it was added to the tax year 2014 "as billed" grand list, but wasn't added to the working grand list, and therefore didn't track through for tax year 2015.

Page 11 -Erroneous substitution of base values. The Audit states:

Barre TIF district has six properties, for which each property has a different education and municipal base value. In total, the municipal OTV of these six properties was established at \$4,100 lower than the education OTV. In FY2016, the municipal base value of all six properties was substituted with the education base values in error. As a result, the municipal OTV was too high by \$43,600.

Cumulatively, these base value substitutions caused an understatement of the municipal tax increment by \$10,988.

Barre officials could not explain what caused this error.

City Management's Comments- The errors referenced above are related to the six properties shown in the chart below. After reviewing the issue with the SAO and a representative from NEMRC, there is no clear explanation for how the base values were changed. Such a change requires administrative access from NEMRC and is not something City staff could have done on its own. The representative from NEMRC had valuations recollections of making system changes at the time in question, but didn't have anything in his notes that shed light on these changes. As noted above, all six properties have different municipal and education grand list base values. The differences are due to tax stabilization agreements, exempt property status, or qualified housing exemptions.

Property addresses	Owner/AKA
30 Granite Street	ReSource
81 N. Main Street	Former home of Project Independence
260 N. Main Street	Housing?, Foundation
316 N. Main Street	Community National Bank
328 N. Main Street	Ivorth Country Federal Credit Union (formerly Granite Hills Credit Union)
8 Summer Street	Part of Downstreet redevelopment

Page 11-12- Omission of property base values. The Audit states:

When the Barre TIF District OTV was certified by VEPC, IVR, and the City as required, the certified City listing incorporated some changes to OTV. However, the City failed to include these changes in the IVR TIF module.

In one case, two missing base values, totaling \$24,000, continued to be omitted from the IVR TIF module in FY2017, FY2018 and FY2019.

Appendix IV Comments from Management

City Management's Comments – The omissions referenced above are related to a parking lot and driveway located in conjunction with the property at 6 Cartage Street. The parking lot and driveway were added as two new parcels for the 2015 and 2017 tax years, respectively, but the base amounts weren't entered into the NEMRC TIF module, therefore missing their full value to be considered increment.

In another case, the NEMRC® TIF module was missing a complete record of the property, including the base and the current list values. The City partially corrected the error, adding the property record to its NEMRC® TIF module in FY2018, however, that addition was made without a respective addition of \$171,000 of its base value. This error was present in FY2018 and FY2019.

City Management's Comments – Similar to the previous note, the omission referenced above is related to a portion of the property located at 1 Williams Lane. The State of Vermont owns 1 Williams Lane, and a new parcel was added to the grand list when the state leased a portion of the property for commercial purposes, creating a taxable parcel. The new parcel was created for tax year 2017, but the base amount wasn't entered into the NEMRC TIF module, therefore causing the full value to be considered increment.

Page 13-14- Omission of a property from NEMRC TIF module. The Audit states:

Because of this error, AOE used an EPV that was too high to calculate the amount of education property taxes the City owed the school district and Barre City overpaid by \$16,645. Specifically, the exemption for TIF Non-Homestead incremental property value was understated by \$1,125,000 (75 percent of the incremental property value of \$1.5 million) in the EPV determined by PVR. Because the exemption amount was too low, the EPV was too high.

The City is required to upload grand list data via the Form 411 to PVR, including the exemption amount for the incremental education property value of the TIF district. However, a copy of form 411, provided by the City to SAO did not agree with the information used by PVR and AOE and the City could not explain the discrepancy. Based on the information provided by Barre and PVR, it was not clear whether the data filed by Barre was erroneous or whether PVR used an outdated data upload to determine EPV.

According to a Barre official, the error was discovered the following year and some discussions regarding this property omission were held with PVR; however, the error was not corrected. The official could not provide documentary evidence of the prior discussions but explained that based on their understanding, it was too late after the grand list final submission to correct the error.

City Management's Comments- The error referenced above is related to the property located at 355 N Main Street, also known as the Community Bank building (formerly the Merchant's Bank building). Because of the error, not only was the increment miscalculated as addressed previously, but the education taxes were also miscalculated.

Page 14 - Omission of property base values. The Audit states:

Because the OTV for certain properties was omitted from the NEMRC® TIF module, the incremental property value was too high and thus the exemption used by PVR to calculate

3

Appendix IV Comments from Management

EPV was too high. As a result, AOE used an EPV that was too low for the calculation of the amount of education property (ax(:th:City owJ the school district which resulted in the City paying too little.

City Management's umune"ts- The error referenced above is rela!;Jd w ih!:J properties located at 6 Cottage Street (parking lot), 6 Cottage Street (dl"iveway), m1d1 Williams Lane (leased parcel). Because of/he errurs, nul unly were the increments miscalculated as addressed pre -iously, but the education taxes were also miscalculated.

Page 14- Timing of property tax appeal. The Audit states:

A property assessment appeal that resulted in a \$2.4 million reduction of the property taxable value was settled after the AOE issued its final calculation of the City's FY2017 education tax liability. As a result, the EPV determined by PVR was too high. AOE used the overstated EPV, which resulted in the City paying too much to the local school district.

Barre could not produce a copy of the final grand list that was contemporaneous with the information submitted to PVR. A Barre official explained that the City reached out to PVR to see if an adjustment would be possible and stated that the request was denied. Barre did not retain documentation of the request to PVR or PVR's response and it is not clear why a request for adjustment would be denied.

Consistent retention of the contemporaneous data submission support records, timely reconciliation of the grand list amounts, presented on the AOE Cash Flow Statements with the respective City records and more proactive cooperation with the PVR and AOE in instances where large corrections are needed could have helped to identify grand list discrepancies.

City Management Comments- The error referenced above is related to the property located at 22 Keith Avenue (Downstreet Housing and Community Development). The owners appealed the assessment to the Board of Civil Authority in fall 2016, and subsequently to the Vermont Department of Taxes Property Valuation and Review Division in early 2017. The appeal was settled in April 2017 and the reduced assessment was retroactive to the beginning of tax year 2016. However, the Agency of Education used the grand list values as submitted in January 2017 to calculate the education taxes for the year, and no subsequent adjustment was made for the reduction. Therefore, the City paid too much education taxes to the local school district.

When contemporaneous 411 reports were requested by the State Auditor's Office, the City noted the NEMJ-CJF module doesn't allow date-specific reports to be run, and so the only available report included the post-January 2017 settled assessment, and the values were different than those submitted to the AOE in January 2017.

Page 15- Reimbursements from the State Education Fund. The Audit states:

AOE advised that it does not have statutory authority to initiate or make reimbursements from the State Education Fund, as such reimbursements are not one of the statutorily allowed uses of Education Fund resources. According to AOE, reimbursement from the Education Fund requires Legislative action. AOE suggested that the City seek a legislative remedy.

Appendix IV Comments from Management

Comment 1

City Management's Comments – The City has spoken with the Agency of Education about the process for seeking legislative remedy. City representatives have been contacted about sponsoring a bill during the 2022 legislative session, and language is being drafted.

Page 15-I G- Use of tax increment. The Audit states:

Through FY2020, Barre used a combination of tax increment and interest income to pay \$725,203 of debt service and \$6,867 of related costs; both of which are eligible uses of tax increment and interest income earned per TIF Rule 714 and TIF Rule 912. The debt service payments included \$677,848 of general obligation(GO) bond principal and interest, and \$47,355 of BAN interest that originally was paid from Barre City non-TIF funds in January 2015 and August 2015. The non-TIF funds were reimbursed by the TIF District Fund in FY2020.

City Management's Comments – The City disagrees with the characterization of the BAN interest payments above as having been made with non-TIF funds. The City made BAN interest payments with TIF BAN funds and TIF bond proceeds, and reimbursed the TIF fund with TIF increment funds. Therefore, all interest expenses were paid out of TIF related funds with no non-TIF funds used

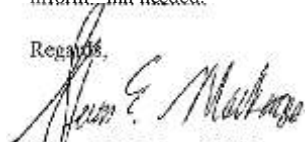
Page 17 – Recommendations

- | |
|---|
| <p>1. Establish and implement procedures, including maintenance of supporting documentation, for an annual reconciliation process between the City's TIF district property records and the City's property data used by PVR and AOE. Specifically, ensure the procedures include verification that 1) the TIF exemptions per the City's final Form 411 submitted to PVR agrees to the TIF exemption stated on the City's TIF Pared Value report and 2) the total education grand list, after exemptions, per the City's final Form 411 agrees to the EPV used by AOE for the education tax liability calculation.</p> |
| <p>2. Transfer \$36,790 from the General Fund to the TIF Fund.</p> |
| <p>3. Retain documentation of Barre communication with VEPC and/or PVR, especially, in instances of error resolution.</p> |
| <p>4. Seek a legislative remedy to obtain a reimbursement from the Education Fund for the overpayment properly taxed to the local school district.</p> |

City Management's Comments-

- | |
|--|
| <p>1. The City shall put procedures in place to ensure maintenance of supporting documents, reconciliation of financial records, and timely review of grand list data.</p> |
| <p>2. The City shall complete the transfer of \$36,790 from the General Fund to the TIF Fund upon receipt of the final version of the TIF audit from the State Auditor's Office.</p> |
| <p>3. The City shall retain all relevant communications related to TIF.</p> |
| <p>4. The City shall work with its legislative representatives to obtain \$20,962 overpayment reimbursement from the Education Fund.</p> |

Barre City appreciates the time and effort the State Auditor's Office put into our first TIF audit. Please let us know if you have any questions about our comments, or there is additional information needed.

Respectfully,

Steven E. Mackenzie P.E.
Barre City Manager

Appendix V SAO Evaluation of Management’s Comments

In accordance with generally accepted government auditing standards, the following tables contain our evaluation of management’s comments.

Comment #	Management’s Response	SAO Evaluation
1	<p><i>The City disagrees with the characterization of the BAN interest payments above as having been made with non-TIF funds. The City made BAN interest payments out of TIF BAN funds and TIF bond funds, and reimbursed the TIF bond with TIF increment funds. Therefore, all interest expenses were paid out of TIF-related funds with no non-TIF funds used.</i></p>	<p>During the audit, SAO reviewed details of the City’s cost records, including a spreadsheet used by Barre City officials to track improvement costs and related costs, and journal entries to record BAN proceeds. The spreadsheet includes the two BAN interest payments in FY2014 and FY2015 and shows these costs removed in FY2020 when the City recorded an entry to reimburse the General Fund with tax increment for the two BAN interest payments. This entry, combined with others from FY2016 to FY2020 recording the use of tax increment for debt service payments, means that tax increment was used to pay all debt service costs through FY2020. This is an eligible use of tax increment and is the conclusion we reported in the draft audit report.</p> <p>Management disagrees with our characterization of how the BAN interest was initially paid. Since the source of the initial BAN interest payments (BAN proceeds or General Fund) does not impact our conclusion regarding the appropriate use of tax increment through FY2020, we removed this comment from the audit report.</p>



• *City of Barre, Vermont*

“Granite Center of the World”

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To: Mayor Lucas Herring and the Barre City Council

From: Steven Mackenzie, P.E., City Manager

Re: Department Head Reports

Report Date: August 6, 2021

In order to keep you informed of the Department activities of the office, I'm forwarding this report of activities of the City staff for the previous Friday - Thursday. If there are any additional questions please do not hesitate to ask.

1. CLERK/TREASURER'S OFFICE:

- The 2021-2022 property tax bills went in the mail on Tuesday, August 3rd, and the first due date is September 15th.
- The new VT COVID Arrearage Assistance Program (VCAAP II) has launched, providing assistance paying overdue water/sewer bills for residential and commercial properties. The program is nearly identical to the program offered back in November/December, and applications will be received on a first come/first served basis until October 25th. Those with arrearages going back to April 2020 may apply. Information about the program has been on FB, the website, and Front Porch Forum, and notices are being included with all delinquent water/sewer bill mailings between now and the October 25th application deadline.
- The City has posted information on Front Porch Forum and the website about the mortgage assistance program being offered by the state with COVID relief funds.
- The City is spreading the word about the renter assistance program being offered by the state, which helps renters with delinquent rent and utilities associated with COVID-related financial hardship.
- There are four properties scheduled for tax sale on September 9th. There were originally 10 properties scheduled for tax sale, however 6 of them have been paid off to date. We expect most if not all of them to be paid off before the sale date.

2. BUILDING AND COMMUNITY SERVICES:

- I assisted the Rotary Club with their “drive-in movie night” event on Saturday night.
- The Recreation Department hosted a “Lego Robotics” camp on the third floor of Alumni Hall during the week.
- The day long summer camp/daycare group was in the AUD basement all week. This was week seven of the eight-week camp.
- On Monday, I met with the installation crew from Alliance Mechanical as they started work on the installation of heat pumps at City Hall.
- Also on Monday, I met with some folks from BYSA Basketball and the representative from Vermont Tennis Courts at the courts at Rotary Field. BYSA is heading up a proposed project to re-hab the basketball courts.
- On Tuesday, I participated in the Department Head meeting.
- Also on Tuesday, I met with Rob Favali from New England Air regarding the HVAC issues at the Public Safety Building.
- I assisted Barre Community Baseball with the removal of baseball/softball equipment from the BOR as we begin the transformation from spring/summer to fall/winter activities.
- I had my projects update meeting with the City Manager on Wednesday morning.
- Also on Wednesday, I met with the delivery driver for AirGas to swap out the CO2 tank at the pool.
- I participated in a scheduling software demonstration on Thursday as we prepare to move forward with replacing the obsolete system we currently have for the Civic Center.
- I met with a family at Hope Cemetery regarding a possible lot purchase on Friday.
- The Cemetery crew did mowing and trimming at all three cemeteries. They also worked on re-setting some grass markers as per lot owners requests. We had one full burial during the week.
- The Facilities crew mowed and trimmed all the playgrounds and fields as well as Currier Park. They also trimmed down through Merchants Row and Enterprise Alley. We removed the air conditioner unit from the Finance Office in preparation of the heat pump unit installation.

2a. RECREATION:

- The USTA tennis program finished up and final details were set with the USTA.
- Communication was done with the Renita Marshall Foundation. The foundation was able to sponsor season passes and some swim lesson registrations.
- Time was spent creating the 2021-2022 ice schedule. Draft #1 has been completed. We will need to merge to a different software company so time was spent working on Customer data bases, etc.
- Makeup swim lessons were held due to colder weather and rain the previous week.

- The Lego Robotics camp was held this week. The campers created lego items that would move with the assistance of computer generated programs. Coordination and time was spent with this program.
- The Alumni Hall camp offered the meal program of breakfast and lunch to the campers. The pool continued to offer daily lunch and snack.
- The pool has continued to operate 7 days a week with a limited staff. The staff has done well, however it has been challenging to fill all the shifts and allow for time off. We ideally need 3 – 4 more Lifeguards. Time was spent reviewing season passes and attendance. Season passes doubled as we were able to reduce the cost by 50% thanks to the Summer Matters For All Grant. We are seeing so many new families and the younger children are indeed enjoying the zero entry. Time was spent with admin and personnel coordination at the pool.
- Updated social media, secured a meeting rental in Alumni Hall.
- General tasks of daily running the pool box from the PD to City Hall, telephone, email inquiries, etc.

3. DEPARTMENT OF PERMITTING, PLANNING AND ASSESSING:

- Set up a masking-hand sanitizing table outside of the office for visitors;
- Participated in department head meeting Tuesday morning;
- Requested Heather to assist on the energy committee's landlord/heat pump campaign mailing to all landlords in the city (flyer created by Efficiency Vermont);
- Completed 3 years of sales on a spreadsheet for the planning commission whitepaper's housing statistics section;
- Worked on the final reimbursement request for the pool grant to close out (\$10,000 remains) and schedule a site visit with the state representatives;
- Worked on the HMGP Stormwater grants with Vermont Emergency Management;
- Met with the Manager regarding assessor candidate and status;
- Answering questions, phone calls, assisted fellow staff, timesheets, weekly report write-up, etc.

Permitting – Heather:

- Issued 1 Building Permit;
- Issued 2 Electrical Permits;
- Issued 1 Zoning Permit;
- Administratively closed out 3 building permits;
- Administratively closed out 9 electrical permits;
- Conducted a site visit;
- Reconciled monthly cash accounts;
- Attended the DRB hearing for 81 N. Main Street façade change request, and for a sign variance request at 185 N. Main Street;
- Researched a possible site for a new retail shop, possible fence encroachment and possible uses of a property on N. Main Street;
- Send out a letter on a possible zoning violation on S. Main Street;

- Continued to receive and process rental registry invoices. Collected to date 84%, \$102,701.50;
- Continued communications with Code Enforcement on various matters;
- Updating both zoning and the fire department's software for address changes, permit copies, etc.

Assessing Clerk – Kathryn:

- Regular office tasks: permit copies from Heather into databases, address changes, mapping updates, filing, checking Grand List items, Street numbers, corrections, e-mail messages, phone calls, etc.;
- Processed 10 PTTR's (property transfer return) for updating all property records in NEMRC, ProVal, and mapping software;
- Sent out 8 map copies and 15 lister cards as requested via email or by telephone;
- Downloaded 5 homestead filings and 1,067 state payments to go into the Grand List for tax billing (and these will be reviewed for appropriateness) for a total of 1,727 to date;
- Distributed the July 2021 property transfers list to all internal departments for updating databases;
- Continue cleaning up discrepancies between the now updated Assessing software and NEMRC, for missing inactive or otherwise parcels, span # discrepancies, etc.

Interim Assessor-Janet:

- Finally completed all work and notes associated with this year's change of appraisals and got them filed in the proper binders and file locations;
- Posted the new 2021 Grand list on the Assessment city webpage;
- Made some further revisions and additions to the Assessment webpage;
- Continue making revisions in the City's CAMA (computer assisted mass appraisal) system based on the revisions to the grievance process;
- Department Director checks assessor email and phone inquiries;
- Department Director has also sent out lister cards upon inquiry by realtors, etc.

4. DEPARTMENT OF PUBLIC WORKS:

Wastewater Treatment Facility

Mandatory Daily Operations

Other Maintenance preformed for the week

- 7/29 Unplug Rags from Grit Pump at Head Works
Greased all Sump pumps, Greased Thickened Pump #1
- 7/30 Changed Reducer Oil, Changed Compressor oil, and Greased Gravity belt
Loaded 1 Sludge Truck from Canada with Sludge from drying beds
- 8/2 Changed bearing on Press, Unclogged Drain in drying beds, Loaded 1 Sludge Truck from Canada with Sludge from Drying beds
- 8/3 Fix Sludge pump #1 in Digester Building,
Unplug rags from Grit pump at head works

Loaded 1 Sludge Truck from Canada with Sludge from Drying Beds

- 8/4 1 Load of Grit taken to C.V. Transfer Station, Cleaned Process Water Filters, Diagnose Problem with Digester Building Sump Pump #2, Cleaned Empty Contact Chamber
- 4 Staff workers

Sewer Department

- 07-29 Pump out manhole, cut out invert and TV line Onward St. to address recurring back-up, sewer maintenance, S-4 camera maintenance
- 07-30 Pump Station, manhole and pictures, patch hole on Elm St., shop maintenance, Garcia Lane & Guidici Lane easement camera
- 08-02 Pump Station
- 08-03 Pump Station
- 08-04 Pump Station, 16 Second St. sewer main check
- 1 Staff worker

Water Treatment Facility

Mandatory Daily Operations: State required lab testing for compliance, Chemical tank/ chemical feed monitoring, Outdoor Buildings/Grounds Maintenance, Indoor Cleaning/Housekeeping

- 07-29
- 07-30
- 08-02 Distribution Chlorine Residuals – 3 sites, Distribution pump station – 2 sites, ordered Sodium Hydroxide- 3000 gallons, entrance sign repair, weekly vehicle inspection, Iron and Manganese Testing
- 08-03 Grounds maintenance, entrance sign repair, source protection monitoring,
- 08-04 Distribution Chlorine Residuals – 3 sites, Distribution pump station – 2 sites, weekly generator inspection, grounds maintenance, entrance sign repair
- 3 Staff workers

Water Department

- 07-29 Brook St. locate lines for GMP, Washington St. locate main gates, haul material to WTP & WWTP truck #37, 91 Allen St. check sprinkler, Parts pickup at EJ Prescott, Service & maintenance
- 07-30 West Hill Tank, 24 Rudd Farm Dr. replace meter, 15 George St. new meter, 8 Grandview meter in and water on, S Barre & N Main flushing, Maintenance and services, N Barre hydrant, Trow & Holden verify water off and remove meter
- 08-02 West Hill Tank, 28 Fairview St new remote, N Main St. & S Barre Rd Hydrants, locate lines at WWTP, Repair at Hope Cemetery, water off/on 16 Second St., Service and maintenance
- 08-03 Locate Main on Hill St. & Perry St., clear brush, Check 302 vault, water off on 16 Second St. and check sewer lines
- 08-04 West Hill Tank, S Barre N Main St. hydrants, 13 Woodland Dr. new meter, Balsam Dr. Main line repair

- 2 Staff workers

Street Department

- 07-29 Municipal pool fixing the gate, Camp St. pick up crush material, load truck with screened top soil, cut brush and pick up around the City, finish Beacon St. fill in and top soil, repair signs bent over, clean up parking lot on Camp St. area, remove more tires and rims and bring to the BOR., repairs to truck #31 DPW, paperwork, screen topsoil in backyard at DPW, pick up Planet signs and work on to be installed on Bile Path
- 07-30 Cut up and remove tree at dead end of Orange St., grease Bob Cats, Cut brush and debris on Onward St., trim behind guardrails, trash pickup on Main St., filling in driveway ends on Camo St., fix and straighten signs, paperwork, put seat covers on truck #5, install planet path signs on bike patch, slope road edge on Camp St., work on street signs on Washington St.
- 08-02 Camp St. top soil lawns and edges, seed and apply asphalt around basins and driveways, pick up blocks for Wendell Place, paperwork, dig safe, pot hole filling, work planning, remove tree on Lawrence Ave., grease Volvo, Case loader, Kermit repairs on DPW truck 31
- 08-03 Reconstruction of wall on Elm St. & Wendell Place cut rebar, patch pot holes around the City, paperwork, prep for painting night time, shop work, repairs and maintenance to DPW truck 31 & 4, Volvo excavator, street sweeper
- 08-04 Elm St. wall reconstruction, water break Balsam Dr. paperwork, help GCB with 16 Second St. sewer, painting crosswalks stop bars, maintenance on paint sprayer, help with water break on Balsam Dr., repairs to Police Dept. under cover vehicle and Street Dept. truck #31

5. FINANCE DIRECTOR:

- Prepared cash & cash equivalent statement for FY21 audit
- Updated employee leave balances into an excel spreadsheet
- Attended DH meeting
- Met with Manager to review FY23 budget template; distributed template to DH's
- Time spent cleaning and organizing the payroll desk area
- Started preparing the workbook for implementation of the NeoGov HR/PR software system
- Prepared East Montpelier land sale net proceeds spreadsheet for the Manager
- Sr. Accounting Clerk performing payroll and AP duties in addition to regular job duties
- Sr. Accounting Clerk on vacation – Monday (8/2)
- Finance Director on vacation Wednesday – Monday (8/4-8/9)

6. DEPARTMENT OF PUBLIC SAFETY:

6a. FIRE DEPARTMENT:

Weekly Fire Activity Report to follow this memo.

6b. POLICE

Police Media Logs to follow this memo.