Multiple business owners have told me that they have second guessed expanding within St. Albans Town because of the tax burden put on by the affiliation fee. Does the town fear the negative growth potential of the affiliation fee?

The Town is constantly working to make itself a more attractive place to live, work, raise a family, and start a business. We're also working with our neighbors to identify ways to bring Federal dollars home to Franklin County to tackle economic development initiatives that matter to more communities than just ours. We understand that we're not in competition with St. Albans City, Swanton, Georgia, Fairfield, Highgate, or any other Franklin County community. We're inspired by what we've seen with the Town of Highgate and Village of Swanton over the infrastructure expansion to bring Swanton Village municipal water and sewer to the Franklin County State Airport in Highgate. The Village understands that by allowing a neighboring community to leverage its existing capacity within its infrastructure to create growth, the positive outcome will be shared and enjoyed by potentially the entire County. The Affiliation Fee is the exact opposite approach and mindset. Protectionist and short-sighted policies like the Affiliation Fee Ordinance undercut the spirit of working together for the benefit of all, and could potentially cost our County countless opportunities.

- Selectboard Chair Brendan Deso

Has there been any data examined that could show potential detrimental effects to growth? (Note: the town is currently gaining more population than the city. While there’s definitely multiple parts of that equation here outside of just the affiliation fee, I’m curious if the town has actually been able to gauge the actual effects on development, because right now, it’s a he said/she said sort of deal.)

No comment on this question at this time.

What is the town's position on the legality of the affiliation fee? For example, I’ve heard from residents and lawmakers that categorize the fee/tax as illegal. The town has also pursued litigation against the city in the past. If the town's position is that the fee is illegal, please explain your reasoning.

Being that I’m not an attorney, I’d have to defer to the original complaint filed by the Town against the City at the beginning of litigation to answer this question. I’d add that the claims brought by the Town were never heard or decided because Judge Rainville ruled that the Town lacked standing to bring the suit for reasons enumerated in his ruling.

- Town Manager Carrie Johnson

Has the town considered potential solutions to the burden of the affiliation fee/tax outside of legal challenges/legislative approaches? If so, what are they?
We’ve essentially given up on trying to work with the City’s Administration on this issue for the time being and are instead focused on developing our own infrastructure and working with other neighbors who have like-minded views on regional economic development and a municipality’s role in creating growth. The St. Albans Bay sewer project is an important priority for us at the moment, as is working with the Town and Village of Swanton to potentially address infrastructure needs near exit 20. We still work well with the City on our recreation reimbursement program and mutual aid for fire and public works services.

- Selectboard Chair Brendan Deso

Have town officials considered paying the affiliation fee for town residents? (This has been the city’s big question in the past, but I want to give the town a chance for an official rebuttal to this point – feel free to go into detail, if you feel it’s necessary)

*The City is imposing a fee that’s based on assessed value, charged annually and in perpetuity, and is deposited into its General Fund. That by definition is a property tax. The issue is that the City does not have jurisdictional authority to establish a property tax outside its borders. One would think that if the City actually thought it had the legal authority to impose this fee/tax itself, this idea wouldn’t continue to resurface every time someone questions this practice.*

- Selectboard Chair Brendan Deso

How does the town characterize its relation with the city?

*Our Selectboard Chair still works well with the Mayor when possible, and even though we can’t seem to break through this water and sewer dispute, we still work incredibly well with the City on recreation, public works, and fire service related issues. We may have had to make the business decision to move on from the St. Albans City Police Department to the Franklin County Sheriff’s Office, but that was a dollars and cents decision entirely unrelated to this water and sewer issue. We hope the City someday comes to the table on water and sewer so we can work together to create opportunities for our residents and better our region, but we’re not going to end cooperation or sever all ties until that day comes. We don’t view this as a zero sum game.*

- Town Manager Carrie Johnson

The Groffs said they had approached the town when they first became aware of the expected payment and were received with open arms as they were willing to go through legal hoops to get the fee/tax overturned. Sally said that support evaporated when the help was deemed a “conflict of interest”. How would town officials characterize their interactions with the Groffs?
The Groffs and other residents reached out to Town officials this year when they received their Affiliation Fee invoices. We understand that they were caught off guard and surprised by the fee, and worked to help them understand the fee and the history of this dispute. The Selectboard at the time that Judge Rainville ruled the Town lacked standing to bring this suit forward decided to not appeal that decision, and to instead work with the City directly to try to move past this issue. The Town also understood at that time that a property owner subjected to the fee or another person adversely affected by the Affiliation Fee Ordinance could bring several of the claims in our suit forward. The current Selectboard decided that the Town will not provide substantive resources to any legal effort brought forward by a property owner against the City at this time. We are however a transparent organization that answers questions when asked. Our involvement has been limited to answering basic questions and providing context to the Groffs and their neighbors as they’ve made inquiries.

- Town Manager Carrie Johnson

In a recent VTDigger article and WVMT AM radio interview, City Manager Dominic Cloud said that the City deserves a cut of the growth its water and sewer infrastructure helps create in other communities, and that the Affiliation Fee is the mechanism for that purpose. Basically, he said that the City has millions invested in the water and sewer infrastructure and that it deserves a return on investment. I counter the City Manager by pointing out that Town users pay higher flat fees and usage fees than City users for the same exact usage. This extra surcharge on Town ratepayers cumulatively amounts to roughly $250,000 per year is my understanding. That money goes into the utility and is used to offset expenses, and in turn provide City users with a lower rate than what they’d have had to pay without the Town surcharge. That’s $5mm every 20 years and growing. City taxpayers also see property tax relief from water and sewer infrastructure by leasing space in City Hall and at the Public Works garage to the tune of roughly $118,000 in FY22. There’s no expense in the City’s General Fund to support the water and sewer utility that I can find. So that’s $250,000 annually in extra surcharges paid by Town users, and the City actually sees property tax reduction by owning the utility. The Affiliation Fee is unnecessary and overly burdensome in my mind. At some point enough has to be enough, and this infrastructure needs to be put to work for the betterment of St. Albans and Franklin County.

- Selectboard Chair Brendan Deso