



First Annual Vermont Chamber of Commerce Business Summit

January 2, 2008



Submitted by:
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President of the Vermont Chamber of Commerce

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December 6, 2007



Dear Business Community:

The Vermont Chamber of Commerce is energized and excited by the outcome of the first annual Business Summit. Our objective for the Business Summit was to provide an atmosphere conducive to meaningful and productive conversation so that delegates may develop a comprehensive understanding of the issues within our state that drive the business climate. We achieved this by dividing the Business Summit delegation into five workgroups focusing on the following issues: housing, energy, workforce development and transportation. Each workgroup was moderated by a professional facilitator who guided the conversation to ensure that the group defined key issues, discussed goals for the solutions and outlined the role that the state should play in ensuring that these goals are achieved.

Our organization takes a multi-layered approach to helping Vermont businesses. Of these, advocacy is one of our most powerful tools to change and create policies that make Vermont a place where businesses can grow and prosper. It is my belief that providing a forum for business leaders to articulate consistent, well-considered positions will empower business delegates as well as the Vermont Chamber of Commerce advocacy team to proceed forward with clear objectives and expectations for the upcoming legislative session. A unified and clear message to legislators and the Governor's office that is derived directly from the most knowledgeable and informed voices is our best hope to challenge the forces that have proven to stifle sustainable economic growth and development in our great state.

The Vermont Chamber of Commerce is honored to take on the challenge that we are faced with in our continued goal of fusing Vermont's signature quality of life with a vibrant business environment. In order to make progress in this arena, know that we are deeply reliant on *your* voice and continued involvement with our organization.

Sincerely,

Duane Marsh



President
Vermont Chamber of Commerce



Vermont Chamber of Commerce Business Summit Executive Summary

In early December 2007 the Vermont Chamber convened 100 business leaders from throughout Vermont to facilitate sessions on the problems facing their business and industry. This summary represents what was offered as an itinerary of efforts that can lay the foundation for change that is necessary for a vibrant economic and social future.

Creating a positive business environment that gives entrepreneurs the confidence and willingness to maintain and create jobs is a goal that all Vermonters can embrace. National studies continue to portray Vermont in the bottom quarter of all states as a place to do business. Addressing the causes of these less-than-desirable rankings and conditions must become a priority. Summit delegates concur that Vermont's business environment needs to be improved.

Reliable and competitively priced energy is a cornerstone of future business strength. We should seek generating capacity from a variety of currently available and emerging alternatives, including conservation and efficiency. A thorough review of the cost/benefit/impact of all alternatives will give businesses and policy makers the tools they need to make future decisions. We request that our Vermont elected officials remove current regulatory impediments that hinder Vermont energy providers, create incentives to encourage effective investment, and provide a mechanism to evaluate the financial and programmatic effect of efficiency programs.

An abundance of talented and motivated job applicants is the basis for the creation of good paying jobs. Job opportunities exist for, and will increase with the availability of, a critical mass of talent is provided. We request that Vermont's elected officials develop a system of performance measures to assess overall educational accomplishment by all sectors of the educational provider community, begin the process of reducing the cost of higher education by identifying cost drivers, expand job related internships, fully fund a scholarship program, and create an "ombudsman" role in workforce development.

Good and safe transportation infrastructures are needed and possible in Vermont. We would request that Vermont elected officials look favorably upon bonding and purifying the Transportation Fund by eliminating fund transfers to other programs as the source of needed funding. With these funds a concrete 10-15 year infrastructure improvement plan should be developed with prioritization given to the Circ Highway, improving Route 7 south of Shelburne, enhancing transportation between Burlington and Southwest Vermont by creating a new interstate, and/or providing more bypasses, improving water and rail transport, and working with New York State to connections between our states.



A large impediment to filling jobs is the cost of housing, and taxes associated with that housing. We request that development costs be lowered, the permitting process be streamlined to become less cumbersome and costly, and that the property tax burden be reduced by reducing educational costs.

Tax policy is a major concern of our state's job providers. It is directly related to the costs associated with all state programs. We request that Vermont's elected officials empower a study group comprised of private sector business leaders to examine overall state spending and associated taxes, in order to develop a series of state-wide forums to discuss the biggest and costliest state programs, review the performance and value of each, develop recommendations on how to reduce Vermont's tax burden through prioritized spending.



Workgroup: Fiscal Policy

Issues as Identified by the Delegates:

1. Education Funding
2. Tax Burden
3. Budget Sustainability

Issue #1: Education Funding

Objectives: To address the economies of scale present within the Vermont system by restoring local control at regional level. This can be achieved by shifting responsibility and decision making from the state level to the local level, by creating regional boards comprised of locally elected leaders to be involved in the decision making process.

State's Role: Quantify resources and existing infrastructure, better facilitate transparency within the current system, and continue to provide assets and resources based on regional needs.

Issue #2: Tax Burden

Objective: To facilitate statewide discussion/debate about Vermont's tax burden, this is viewed by the business community as being too high and uncompetitive. The intent is to find a "common ground" fiscal policy that will both reduce our tax burden and still provide funding for much needed and valued government services. Also, we seek to reach consensus on ways to prioritize government spending, identify potential efficiency opportunities, and create methods by which the state can deliver those prioritized services in an effective way.

State's Role: To host series of forums and empower a study group to analyze government spending and identify options that may be available to reduce overall spending. Also, the state should evaluate other states that have created tax structures that are more conducive to business than Vermont's.

Issue #3: Budget Sustainability

Objective: To review and analyze all current state programs with the intention of prioritizing programs based on greatest impact. Stay focused on state and local issues, rather than national issues.

State's Role: To authorize the creation of a private-sector study group, making available necessary resources to carry out the suggested review.





Workgroup: Energy

Issues as Identified by the Delegates:

1. Energy Supply
2. Energy Efficiency

Issue #1: Energy Supply

Objective: To encourage and incorporate an array of diverse energy sources into Vermont's energy suppliers.

State's Role: To review the current permit structure and tax process which may hinder Vermont energy providers. Also, the state needs to consider providing tax credits to current and potential energy providers. Standards that ensure the affordability and reliability of the energy providers must be created.

Issue #2: Energy Efficiency

Objectives: To evaluate our current energy efficiency assessment and delivery systems giving stakeholders a better understanding of what already exists and provide insight on how best to expand them.

State's Role: To provide a mechanism to evaluate, financially and programmatically, energy efficiency programs and services. From this evaluation create a "pattern model" that future efficiency programs can follow.



Workgroup: Workforce Development

Issues as Identified by the Delegates:

1. Education Outcomes
2. Coordinated Leadership
3. Opportunity Development
4. Business & Employee Retention

Issue #1: Education Outcomes

Objective: To develop minimum standards of performance within the states educational system, and enhance the role and reach of our state's tech center program.

State's Role: To set rigorous performance standards and provide and provide the necessary support to local communities so they may assess performance and react accordingly.

Issue #2: Coordinated Leadership

Objective: To ensure that Vermont is able to attract and retain an skilled and competent workforce by providing a high quality, cost effective education system that provides every working age Vermonter with the prerequisites to secure and function productively in a job that will meet their individual and family needs and add value to their employer.

State's Role: To create a task force comprised of businesses, education providers, non-profit organizations, and appropriate government agencies.

Issue #3: Opportunity Development

Objectives: To reduce the cost of doing business in Vermont so that job providers find Vermont to be a viable state to pursue business opportunities. Expand job-related internships and create and create an "ombudsman" for workforce education.

State's Role: To lower taxes and reform Act 250, rendering Vermont more affordable and "open for business." Also, the state needs to develop accountability standards for internship programs and other workforce training efforts.





Workgroup: Workforce Development (Continued)

Issue #4: Business and Employment Retention

Objective: Fully fund state scholarship program and make higher education more affordable. Work to identify key industries within Vermont for scholarships, keeping in mind current companies and industries as well as emerging ones.

State's Role: Determine the cost drivers in higher education and solutions for over-coming them, approve a robust scholarship program.



Workgroup: Transportation

Issues as Identified by the Delegates:

1. Money
2. Planning
3. West side of Vermont

Issue #1: Money

Objectives: To employ state bonding and purify the Transportation Fund, ensuring all funds are utilized solely for transportation projects. Tax increases are not needed and not supported.

State's Role: To stop diverting funds from the transportation fund, approve bonding for state projects, and educate Vermonter's on the current status and importance of roads and bridges throughout the state, emphasizing the essential role sound roads play in sustaining the economic and physical well-being of Vermont.

Issue #2: Planning

Objectives: To develop, with public input, a firm 10-15 year plan for current and new projects and adhere to that plan. Preference should be given to completing the Circ Highway and improving Route 7 south of Shelburne.

State's Role: To provide oversight and funding.

Issue #3: West side of Vermont

Objective: To improve the transportation corridor from Burlington to the Southwest corner of the state by possibly constructing new interstate, creating more bypasses, improving water transport, or improving railway transportation. Work with New York State officials to improve the connecting roads between Rte. 4 and I-87 Northway.

State's Role: To provide oversight and funding.



Workgroup: Housing

Issues as Identified by the Delegates:

1. Address property tax burden
2. Provide regulatory relief for both existing housing and new construction
3. Develop a strategy that will meet the full range of housing needs, including all ages and income levels.

Issue #1: Address Property Tax Burden

Objectives: To find creative ways to reduce the property tax burden.

State's Role: To strive to contain school budgets, and maintain the integrity of the education fund.

Issue #2: Provide Regulatory Relief (both for existing housing and new construction)

Objectives: To simplify the regulatory process.

State's Role: To revisit the state's current permitting process, looking at whole processes including the role the Agency of Natural Resources plays from viewpoint of permit seeker.

Issue #3: Develop a Strategy to Meet the Full Range of Needs (including all ages and income levels).

Objectives: To shorten permit process by creating a pre-approval of core communities, and provide incentives to develop infrastructure for housing which parallel those for economic development.

State's Role: See goals and solutions, and be specific.



Delegates

Below is a list of delegates who attended the Business Summit and the companies and organizations they represent:

Carol Presley	Acadia Insurance Company
Walter Freed	Apollo Industries
Jim Jennings	Ascendancy Consulting
Bill Driscoll	Associated Industries of Vermont
Bea Grause	Bernhardt Associates
Loretta Roby	Caleidoscope Communications Company
Brian Keefe	Central Vermont Public Service
George Malek	Central VT Chamber
Jan Marinelli	Chittenden Bank
Paul Millman	Chroma Technology Corp.
Brigitte Ritchie	Citizens Bank
Peter McCarthy	Citizens Bank
Lisa Birmingham	Comcast
Jill Michaels	Community Investments
Janet Coleman	COVER Home Repair
Frank McDougall	Dartmouth-Hitchcock Medical Center
Dave Bouffard	Derby Village Store
Erika Schramm	Distributed Energy Systems
Rick Milliken	Doubletree Hotel Burlington
Lucie Garand	Downs Rachlin Martin PLLC
Melissa Kalinen	Downs Rachlin Martin PLLC
William Sayre	Duncan Hermanson Corp.
Laura P Dagan	Dwight Asset Management Company
Brian Cosgrove	Entergy Vermont Yankee
Paul Lapotosky	Farrell Distributing Corp.
Mark Saba	Formula Ford
Paul Comey	Green Mountain Coffee Roasters
Dorothy Schnure	Green Mountain Power
Mary Morris	Green Mountain Power
Jim Merriam	groSolar
Bob Scott	Ground Round Grill & Bar
Tayt Brooks	Home Builders
Marie Houghton	IBM Corp.
John O'Kane	IBM Corp.
Stephen Bousquet	Lamoille Valley Chamber of Commerce
Linda Lloyd	Mad River Valley Planning District
Shawn Banfield	NFIB
Kevin O'Donnell	Old Tavern at Grafton
Alan Walker	Qimonda
Dianne McLaughlin	Re/Max Destinations
Debbie Millon	Restaurant Phoebe





Delegates (Continued)

Monica Taylor	Shelburne Art Center
William White	SolarWrights
Ken Ballard	Spherion
Jack Cummings	St. Johnsbury Academy
Gregory Edwards	Stantec Consulting Services
Rob Apple	Stowe Mountain Resort
Ken Libby	Stowe Realty
Ginny Champney	SUSS MicroTec Inc.
Marie Frohlich	Taproot Consulting
Mac Teeson	Teeson Real Estate
Bob Foley	The College of St Joseph
Marli Gloeckner	The Inn at Sawmill Farm
Richard Ewald	Town of Rockingham
Cleve Kapala	TransCanada Hydro Northeast
Ken Alton	TransCanada Hydro Northeast
Marilyn Miller	VADA
Bryant Watson	VAST
Bea Grause	Vermont Assoc. of Hospitals & Health Systems
Bob Hill	Vermont Association of Realtors
John Boutin	Vermont Business Magazine
Chris Barbieri	Vermont Chamber of Commerce
Vicky Tebbetts	Vermont Chamber of Commerce
Vinny Detoma	Vermont Chamber of Commerce
Bill Fuller	Vermont Chauffeured Transportation
Amanda Ibey	Vermont Energy Partnership
Matt Cota	Vermont Fuel Dealers Association
Eileen Simollardes	Vermont Gas Systems
Jim Harrison	Vermont Grocers' Association
Lorraine Atwood	Vermont Law School
Tom Salmon	Vermont State Auditor
Ty Handy	Vermont Technical College
Ed Miller	Vermont Truck and Bus Association
Dale Dawson	Vermont Ware, Inc.
David McElwee	Vermont Yankee
Perry Schafer	VT Film Commission
Anson Tebbetts	Vt. Agency of Agriculture
Teresa Doyle	Vt. Agency of Agriculture
Bill MacDonald	Waits River General Store
David Mount	Westaff
Nancy Chartrand	Windham Group
Marlene Finger	Wynn Realty
Ted Brady	Office of Senator Patrick Leahy





Media Coverage

Major daily newspapers, including the Times Argus and the Burlington Free Press, covered the Business Summit.



State Chamber targets 'business climate'

By Peter Hirschfeld
Times Argus Staff
Article published Dec 5, 2007

MONTPELIER – Crippling regulatory framework, soaring housing costs and one of the highest tax burdens in the nation have conspired to stifle economic growth in Vermont, according to dozens of business leaders convened at a first-of-its kind summit in Montpelier on Tuesday.

Complaints about the fiscal and regulatory issues hampering business interests in this state aren't new. But the Vermont Chamber of Commerce, which organized Tuesday's Statehouse summit, says unifying the voices of Vermont's business community could precipitate the legislative action needed to change what some business leaders see as the state's anti-business reputation.

"It's at a point where we're almost going off the cliff," said Mark Saba, second vice chair of the Vermont Chamber of Commerce.

Saba, who heads up the Chamber's governmental affairs office, said the summit was intended to set priorities for the upcoming legislative session and to leverage political influence by uniting business interests into a bloc that has more impact.

"I think we have to start by telling legislators that these things are on the minds of our business people," Saba said. "There's nothing here that's going to be surprising to (the legislators). But when they start in on individual issues, this might help them ... get some things done."

Duane Marsh, president of the Chamber of Commerce, said solutions to Vermont's economic hardships can be crafted inside legislative chambers.

"Young people are finding it very hard to find the jobs they need to sustain a family," Marsh said. "We would like to be able to go to the (Douglas) administration and Legislature and give specific objectives that delegates of this summit determined are needs in these various business arenas."





State Chamber targets 'business climate'

(Continued)

Ginny Champney is the human resources director at Suss MicroTec in Waterbury Center. Champney said her company, which designs and manufactures equipment for the semiconductor industry, has difficulty drawing would-be employees to a state with such high property taxes and housing costs.

"I certainly can understand people not coming here to live," Champney said. "When they look and compare the cost of living to other states, it's much higher."

The bedrock American ideals of owning a home and earning a comfortable living, she said, are made less attainable by housing costs and property taxes.

"The cost of education is out-of-sight here," Champney said. "And housing costs have increased exponentially in the past four to five years ... I don't think Vermont can afford that."

Champney and others say state government can play a role in alleviating some of the pressures weighing down Vermont businesses.

William Sayre is the president of Duncan Hermanson Corp., a real estate investment company. He says the legislators should vest their constituents with the power to rein in public spending via mechanisms that include school choice.

"I believe we can slow the growth in spending by introducing more opportunities for individuals to control government spending that is on their behalf," Sayre said. "... The money will be spent more carefully, more wisely."

High taxes and regulations that stunt development, Sayre said, will render many Vermont families financially incapable of enjoying the quality of life the state supposedly has to offer.

"We live in what is an increasingly globally competitive economy," Sayre said. "It's competitive. Sometimes brutally competitive. And (businesses) will compare the cost of doing business here in Vermont versus Texas or North Carolina or elsewhere."

In coming weeks, the Chamber of Commerce will fine-tune proposals offered by summit delegates. Fixing roads and bridges, lowering the cost of higher education, reforming Act 250 and conducting an external review of public spending in Vermont will be among their goals.



State Chamber targets 'business climate'

(Continued)

Not everyone is on the bad-for-business bandwagon. Rep. Warren Kitzmiller, D-Montpelier, is a former longtime business owner who now chairs the House Committee on Commerce, which oversees proposals that affect Vermont's business community. He said he considers Vermont to be a "wonderful place" to do business.

"I'm in the camp that thinks Vermont is a darn good place to do business," Kitzmiller said. "If you're somebody with an idea who wants to start a business, it's easier here than anywhere else."

Taxes and regulations exist in all states, Kitzmiller said. And Vermont's landscape and culture, he said, attract new business into the state.

"If the only thing you're looking at is profit ... that's a very myopic view of life," he said.

He said he's receptive to the concerns voiced at the summit, but will measure his support for suggested reforms against their impact on Vermont communities.

"I am very receptive to having a discussion about all these subjects, and I'm sympathetic to their concerns," Kitzmiller said. "The devil is always in the details. And we'll see where this discussion goes."



Media Coverage

Major daily newspapers, including the Times Argus and the Burlington Free Press, covered the Business Summit.

Burlington Free Press

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Businesses weigh in on housing policy

By Dan McLean
Free Press Staff Writer
Article published Dec 5, 2007

MONTPELIER -- Mary Fillmore stood in the well of the Vermont Senate chamber with a flip-pad and red marker facilitating a debate among nine people who had come to discuss statewide housing policy Tuesday morning.

She was one of five facilitators spread throughout the state capitol on Tuesday. Others worked to reach consensus on energy, work-force development, transportation and fiscal policy.

Fillmore wrote three housing topics on her oversized pad: property tax burden, regulatory relief for builders and developing a strategy to address the full-range of housing needs. Participants then wrote ideas on Post-it notes, which Fillmore stuck under the appropriate question.

Her next step was to urge the group to remove any controversial ideas that would not be resolved in the 1 hour and 45 minute session. "We're looking for the common ground we can find reasonably easily," she said, later adding, "Our purpose here is to come to some consensus."

Initial ideas to create a larger stockpile of affordable housing in Vermont included offering incentives to develop traditional downtown areas and shortening the permitting process. Finalized ideas for each group will be compiled into a report that the Vermont Chamber of Commerce will present to the Legislature and governor.

Fillmore, director of Changing Work, a Burlington-based facilitation firm, said she was delighted with the participation in her group. "There's both controversy and consensus -- and that's what we're hoping for," she said during a break.





Businesses weigh in on housing policy

(Continued)

Carol Presley, who works in the South Burlington office of Westbrook, Maine-based Acadia Insurance Co., attended the work-force development session. She said the state needs to better coordinate efforts with businesses to help persuade people to move to Vermont.

"We find recruiting employees increasingly challenging," she said. Some prospective employees are ready to leave major cities to take advantage of Vermont's slower pace and outdoor-orientated lifestyle, but others are more reluctant, she said. "It seems it's taking longer to fill some of our positions."

The cost of living in Vermont is "somewhat of an obstacle," Presley said. "I feel like there is this hurdle we go through just getting some people to Vermont."

Senate Majority Leader John Campbell, D-Windsor, who spoke to attendees before they broke into policy sessions, praised the Chamber's first business summit and said one of the major problems at the Statehouse is too much partisan politics.

"Take the opportunity to teach us how to better communicate with you," Campbell said.

Campbell, who is considering a run for governor, encouraged attendees to "think about how we can bridge those gaps between the environmentalists and the business community.

"I don't think there is anybody here who doesn't care about the environment," the senator said.

Campbell touched on some of the issues to be considered by discussion forums. "I think it's no secret that our transportation infrastructure has crumbled," he said. "There is not enough money in the till. It's time to raise the bond ceiling for the state of Vermont."

More assistance needs to be given to the business community to support efforts to provide health care for workers, he said.

The goal of the chamber's business summit, Chairman Rick Milliken said, is to invite dialogue to create "a uniting voice" to help grow Vermont's economy.

The policy positions developed Tuesday represent the business community's "unified agenda," not the Chamber's political agenda, said chamber spokesman Tjark Aldeborgh. "We just wanted to get a feel of what area businesses were thinking," he said.

"Your input, your insight, as a member of the Vermont business community, can be a critical voice," said Administration Secretary Mike Smith, who spoke in place of Gov. Jim Douglas who was traveling to Quebec.

About 100 people, mostly Chamber members, were expected to attend Tuesday's forums.

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