



**CITY OF ESSEX JUNCTION CITY COUNCIL
SPECIAL MEETING AGENDA**

Online & 105 Pearl St.
Essex Junction, VT 05452
Saturday, January 27, 2024
11:00 AM

E-mail: admin@essexjunction.org

www.essexjunction.org

Phone: (802) 878-6944

This meeting will be in-person at Champlain Valley Expo Blue Ribbon Pavilion and available remotely. Options to watch or join the meeting remotely:

- **WATCH:** the meeting will be live streamed on [Town Meeting TV](#)
- **JOIN ONLINE:** [Join Zoom Meeting](#)
- **JOIN CALLING:** (toll free audio only): (888) 788-0099 | Meeting ID: 944 6429 7825; Passcode: 635787

1. **CALL TO ORDER** [11:00 AM]
2. **AGENDA ADDITIONS/CHANGES**
3. **APPROVE AGENDA**
4. **PUBLIC TO BE HEARD**
 - a. Comments from Public
5. **PUBLIC HEARING**
 - a. Public Hearing on the Proposed FY25 General Fund and Capital Budgets
6. **BUSINESS ITEMS** - none
7. **CONSENT ITEMS** - none
8. **READING FILE** - none
9. **EXECUTIVE SESSION** - none
10. **ADJOURN**

Members of the public are encouraged to speak during the Public to Be Heard agenda item, during a Public Hearing, or, when recognized by the President, during consideration of a specific agenda item. The public will not be permitted to participate when a motion is being discussed except when specifically requested by the President. Regarding zoom participants, if individuals interrupt, they will be muted; and if they interrupt a second time they will be removed. This agenda is available in alternative formats upon request. Meetings of the City Council, like all programs and activities of the City of Essex Junction, are accessible to people with disabilities. For information on accessibility or this agenda, call the City Manager's office at 802-878-6944 TTY: 7-1-1 or (800) 253-0191.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

**CITY OF ESSEX JUNCTION
CITY COUNCIL
SPECIAL MEETING
MINUTES OF MEETING
January 27, 2024**

8 **COUNCILORS PRESENT:** Raj Chawla, President; Amber Thibeault, Vice President; Andrew Brown.

9 **ADMINISTRATION:** Regina Mahony, City Manager; Steve Eustis, Moderator; Ron Hoague, Chief
10 of Police; Susan McNamara-Hill, Clerk; Jennifer Marbl, City Planner; Jess
11 Morris, Finance Director; Harlan Smith, Interim Building Coordinator; Ashley
12 Snellenberger, Communications & Strategic Initiatives Director.

14 **OTHERS PRESENT:** Dotti Bergendahl, Eve Bernen, Jay Blanchard, Rachel Boyers, Casey
15 Carmolli, Diane Clemens, Karen Dolan, Nell Dosker, George Dunbar, MJ
16 Engel, Hilary Fannon, Michael Giguere, Cristin Gildea, Jeanne Grant, James
17 Grimsley, Maureen Hoague, Lori Houghton, Tim Kemerer, Jeanne Kent,
18 Samuel Kernan, David Knox, Tami Krester, Tacy Lincoln, Deb McAdoo, Sue
19 McCormack, Scott McCormick, Tim Miller, Nick Meyer, Arlene Scanlon,
20 Carolyn Smiles, Richard Smiles, Gibson Smith, Diane Strackbein, Stefan
21 Strackbein, Andy Suntup, Linda Suntup, Kristina Sweet, John Terborgh,
22 Alison Wermer, Carl Wermer, Lexi, Micah, Resa.

24 1. **CALL TO ORDER**

25 Councilor Chawla called the meeting to order at 11:35 A.M.

27 2. **AGENDA ADDITIONS/CHANGES**

29 3. **APPROVE AGENDA**

31 4. **PUBLIC TO BE HEARD**

32 a. Comments from public on items not on the agenda

33 None.

35 5. **PUBLIC HEARING**

36 a. Public Hearing on the Proposed FY25 General Fund and Capital Budgets

37 Councilor Chawla began by noting that the Council wanted to solicit input on the budget now so that it
38 has time to incorporate feedback from today's public hearing into its budget working session on February
39 14th, after which it will warn the budget on February 28th for a ballot vote on April 9th. He said that the
40 public has opportunities today, February 14th, and February 28th to provide input on the budget.

41
42 Councilor Chawla provided an overview of the FY25 budget as it currently stands. He said that the
43 budget as proposed today is \$12.1 million, a 6.6% increase over the FY24 budget, the impact of which
44 on a home assessed at \$280,000 is around \$170. He noted that this does not include the penny on the
45 tax rate economic development item that is expiring this year and which will likely appear on the ballot
46 for voter approval. He said that the impact of this penny is \$28 on a \$280,000 home. He noted that
47 property taxes make up around 91% of the revenues for this budget, with the remaining revenue coming
48 from fees from community development and other sources. He noted that 6% of the property tax revenue
49 come from Global Foundries and that City business contribute another 11% of that. He provided a
50 breakdown of the FY25 General Fund expenditures, noting that the largest departments are related to
51 health and human services and include Essex Rescue and the City's contract with Essex Police. He
52 said that the next largest department is Public Works, which includes salting, plowing, and street
53 maintenance, followed by EJRP and the Library.

54
55 Councilor Chawla said that the General Fund is broken out into 18 expenditure lines, and said that the
56 goal of today is to highlight any large changes in these line items from last year's budget. He began by
57 noting that the single biggest driver of expenditures is a 15.5% increase in health insurance premiums,
58 which is a common theme in recent years across the public sector, nonprofit sector, and private sector.
59 He said that salary increases are also driving increases. He said that another driver is the proposed
60 addition of a Finance Billing Coordinator in the Water/Wastewater Department, which was previously a
61 part-time position, but noted that at least 50% of this position will be covered by enterprise funds (not
62 the General Fund and property taxes). He noted a \$10,205 increase in the Administration budget for
63 more community outreach, and a \$20,000 increase in the Legislative budget (\$10,000 for strategic plan
64 implementation and \$10,000 for a community event and meal). He noted reduced revenues in the Clerk's
65 Office of \$31,000, driven by reductions in recording fees in FY24, and decreased expenses in technology
66 subscriptions and election expenses. He noted that the City Clerk will go down to 32 hours per week on
67 January 1 (though office will continue to be staffed full-time). He noted an increase in general
68 liability/property and casualty insurance over FY24 of 10.7% in the Finance Department, and an increase
69 of \$74,961 in the IT Department, driven by the managed service agreement and scheduled device
70 replacement based on consultant estimates. He noted that increases in the Community Development
71 Department are for a full-time code enforcement/rental inspector/health officer position, which would be
72 offset by anticipated rental registry revenue. He spoke about a reduction in the Economic Development
73 Department of \$36,000 based on a pause in economic development work for FY25. He spoke about
74 increases in the Stormwater Department for professional services expenses to assist with
75 implementation of a stormwater utility, as well as matching grant funding needs. He spoke about an
76 increases in the Assessment Department, which is shared with the Town. He noted a reduction in the
77 Buildings Department based on reallocating the cleaning and supply costs for Park Street School to the
78 EJRP Program Fund. He spoke about planned increases in the transfer to capital funds. He noted an
79 increase in the Fire Department driven by an increase in paid training hours and higher call volume.

80
81 Councilor Chawla then spoke about the summary of projects currently scheduled for the City's capital
82 plan over the next five years (unranked). He said that they are subject to change based on updated cost
83 estimates and financing.

84
85 Councilor Chawla spoke about the implementation of a Local Option Tax in Essex Junction. He noted
86 that the Council passed a policy to use all tax revenues from this tax for capital projects, with 25% of
87 annual revenue to be applied directly to sidewalk improvement and repairs. He noted that this policy
88 allows the Council to direct funds outside of those parameters based on full Council approval, as well.
89 He noted that the estimated revenue from the LOT is over \$800,000 per year.

90
91 Moderator Eustis opened the discussion up to the public.

92
93 The following public comments were received:

- 94 • Nick Meyer said that one of the drivers of the increase of this budget is the development of a
95 City, as the Junction builds out its staff capacity. Other than the position of code enforcement
96 officer, he asked what the City envisions as future needs in terms of personnel. City Manager
97 Mahony replied that several positions were added in the FY24 budget (in contrast to the one
98 position being added for FY25) and that this budget reflects the array of services that the City
99 feels is necessary to cover after separation from the Town. She said that there will continue to
100 be evolution over time, but that they feel adequately staffed with this budget.
- 101 • John Terborgh asked about the City's outlook on capital expenses over the next five years in the
102 context of becoming a City. City Manager Mahony replied that the City has done an excellent job
103 with capital planning for a number of years, noting a healthy number of capital planning projects
104 over the next five years. She said that the plan itself looks much further into the future than five
105 years. She said that what is being presented in the FY25 budget is a transfer that represents

106 supporting that capital plan, coupled with the increased revenue from the local option tax. She
107 noted that there will continue to be capital needs as the City faces aging infrastructure, and the
108 City will anticipate those needs as best as it can.

- 109 • Sue McCormack thanked staff and the City Council for their work on the budget. She said that
110 one of the common expectations from separation with the Town was that taxes would go down,
111 but expressed concern that a tax rate increase, as presented hear, will lead to an erosion of
112 public trust in local officials and will set the stage for negative consequences over time. She
113 asked about the implications of this tax increase and the City's thinking about presenting a budget
114 with this type of increase at this time. Councilor Chawla replied that the City had not expected or
115 anticipated some of these increases when contemplating separating from the Town, noting
116 sustained high inflation at the national level, cost-of-living increases, and health insurance
117 premium increases. He said that moving forward, the City needs to work on gauging the right
118 service level for every department, which is an ongoing conversation. He said that he anticipates
119 continued conversation by the City Council for all departments over the next several years. City
120 Manager Mahony noted that the largest driver of cost in the City is its human resources and the
121 value of staff. She said that a flat budget would have primarily affected wages and benefits and
122 would have been difficult, in that it would likely have entailed service cuts.
- 123 • Karen Dolan asked about City's plan for supporting Essex CHIPS. City Manager Mahony replied
124 that the City is planning to renovate the 2 Lincoln Street offices, which will impact Essex CHIPS
125 programming. She said that they are looking to begin construction in August for about 9 months,
126 and that the CHIPS space will be used for storage during construction and will not be safe for
127 public access. She said that after construction, CHIPS will have its space again, though it will
128 have a smaller footprint than it does currently. Councilor Chawla acknowledged that it is
129 unfortunate that they will not be able to offer space for Essex CHIPS during the construction
130 period.
- 131 • Christin Gildea asked whether there has been discussion about relocating the Essex CHIPS
132 program temporarily either with the library or with one of the schools, given that the program
133 provides valuable services to the children in the community. Councilor Chawla said he isn't aware
134 of the conversations occurring between Essex CHIPS and the schools or the library. City
135 Manager Mahony noted that the Library is reaching out to CHIPS to see if they can help with their
136 space needs during that construction period.
- 137 • George Dunbar said that most communities of comparable sizes run their local option tax policies
138 through the budget process, and asked why the City chose to form its policies off-budget, saying
139 that this seems less transparent. He asked about the benefits of forming a stormwater utility. He
140 also suggested pulling out approximately \$500,000 from the General Fund transfer to the capital
141 plan as a way to decrease this year's tax increase. Councilor Chawla said that from its inception,
142 the local option tax was formed to address capital needs in the Junction. He said that the Council
143 debated whether to propose the current dollar amount for a capital fund transfer, but that it
144 determined that a disciplined approach to planning for its capital projects will be the most cost-
145 effective in the long run, given the extensive list of capital projects the City is facing. Finance
146 Director Morris said that the City's Capital Committee polled a number of other municipalities
147 about their policies regarding local option tax revenue, and felt that it was most prudent not to
148 include LOT revenue in the operating budget, given that it is not a guaranteed revenue source.
149 She said that there is a \$20 million capital need for the City over the next 15 years, and that
150 funding it through the LOT would decrease the need to substantially increase taxes to fund these
151 needs. She noted that the City's policy allows for the redirection of funds based on needs, if other
152 needs arise. City Manager Mahony spoke about the needs for forming a stormwater utility, which
153 are the result of bearing the collective cost of environmental permitting related to phosphorus
154 reduction. She noted that the City is working on developing that utility, but does not yet have a
155 concrete proposal.
- 156 • Lexi asked about the fee related to the rental registry, saying that it is proposed at \$120 per year,
157 which is more expensive than Burlington's rental registry program. She also asked why it is an

158 annual fee and not a fee per inspection, given that inspections would occur every five years. City
159 Manager Mahony replied that they developed the budget of what the rental registry program
160 would cost and arrived at \$120 per year to fund the program. She said that the frequency at
161 which rentals are inspected would depend on past violations. She said that staff are working to
162 develop responses to this and other frequently asked questions about the proposed rental
163 registry, and that they are still taking public comment on it.

- 164 • George Dunbar asked whether waterline projects are part of the General Fund, and Finance
165 Director Morris replied in the affirmative. Mr. Dunbar asked about matching revenues in the
166 capital plan, and Finance Director Morris replied that they don't have expected matching
167 revenues associated with these projects yet.

168
169 City Manager Mahony reiterated that this budget is not the final proposed budget that will appear on the
170 ballot. She said that there are still opportunities to provide public input and give feedback on February
171 14 and February 28.

172
173 6. **ADJOURN**

174
175 The meeting adjourned at 12:36 PM.

176
177 Respectfully Submitted,
178 Amy Coonradt