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COPY

**A REPORT
OF THE
AD HOC COMMITTEE
STUDYING THE FEASIBILITY
OF ESSEX JUNCTION AS AN
INDEPENDENT COMMUNITY**

April 17, 1996

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INTRODUCTION

In December of 1994, the Village of Essex Junction Board of Trustees appointed an Independent Essex Junction Study Committee¹ to examine the feasibility of the Village becoming an independent community. This Report is presented to the Board of Trustees in fulfillment of our charge as specified in the Mission Statement.

The information contained in this Report presents a strong case for the pursuit of Village independence. It demonstrates that:

1. A savings of over a million dollars a year can be realized for Village taxpayers.
2. The quality of life in the Village can best be maintained through local control.
3. With independence, mutual regard for the Village and the Town's respective roles will be enhanced.
4. "Status quo" is inequitable to Village residents.

MISSION STATEMENT

The Independent Essex Junction Study Committee will examine the following and submit a written report and recommendations to the Trustees.

1. *Shall update and evaluate the accuracy of the 1990 study, done by the Village, regarding the costs of an independent Essex Junction and the savings, if any, that would accrue to Essex Junction's taxpayers.*
2. *Shall identify the advantages and disadvantages of an independent Essex Junction.*
3. *Shall evaluate any other information that the Committee feels is important.*
4. *Shall make a recommendation regarding whether Essex Junction should go forward with a vote on the question of an independent Essex Junction* and shall recommend a time table for such vote and the transition period.*

* *"Should Essex Junction become an independent community?"*

The Ad Hoc Committee consists of eight individuals who responded to the Trustees' public advertisements seeking Village residents to serve on this Committee. The Committee has met weekly since February of 1995. The Report has been completed without a budget and essentially without cost to Village taxpayers. Members of the Ad Hoc Committee, collectively, have resided in the Village for a total of 163 years, and all have served the Village in various public service activities.

¹ Hereafter referred to as the Ad Hoc Committee

The Committee has been dedicated to preparing a Report based on accurate, factual data. (See Prologue.) In the past, all attempts to study the relationship between the Village and the Town have come up short due to the absence of a thorough, systematic approach.

While it is recognized that the issue of Village independence has an emotional component, it is the hope of the Ad Hoc Committee that the FACTUAL information of this Report will provide a sound basis on which the citizens can make a responsible decision for the future of Essex Junction.

THE PROCESS

1. **December, 1994:** The Village Board of Trustees appointed an Ad Hoc Committee to Study the Feasibility of the Village as an Independent Community.
2. **February, 1995:** The Committee met with Village Manager Bill Dugan and directed him to update the 1990 Cost Reduction Study with 1995 figures, and to report any additional relevant data and information to the Committee.
3. **March, 1995:** All Village Department Heads were sent a letter requesting completion of a survey to identify what additional services would be needed if the Village became independent of the Town.
4. An additional source of information was interviews with several long-time Village residents regarding their views on Village independence. Collectively, the individuals interviewed have a long history of public service and interest in the Village.
5. **August 22, 1995:** Linda Miller, Committee Chair, presented a status report to the Board of Trustees and reaffirmed with the Board that the Committee was carrying out the Board's Mission Statement directives. A target date was set for the Village Manager's updated Study to be presented to the Committee.
6. **October 3, 1995:** Ad Hoc Committee members met with representatives of the Town of Essex to request information to broaden the perspective of the Ad Hoc Committee.
7. **October 4, 1995:** Village Manager Bill Dugan presented the first draft of the Updated Cost Reduction Study to the Committee. This draft was reviewed and questions were submitted for clarification.
8. **November, 1995:** Bill Dugan submitted Draft #2 of the Updated Cost Reduction Study to the Committee for further review and comments.
9. **November, 1995 through mid-April, 1996:** The Committee reviewed all information and finalized the document to be presented to the Board of Trustees.
10. **April 17, 1996:** The Ad Hoc Report is presented to the Village Board of Trustees.

COMMITTEE SUMMARY

- **SAVINGS IN EXCESS OF ONE MILLION DOLLARS PER YEAR CAN BE REALIZED IF THE VILLAGE BECOMES INDEPENDENT OF THE TOWN OF ESSEX.**

Currently, Village taxpayers pay 60% of the Town municipal expenses through the Town's General Fund.¹

Village taxpayers now pay for portions of various Town services that duplicate services already provided by the Village. With independence, the actual services now rendered by the Town to the Village (e.g., police, vital statistics and real estate appraisal) would be provided solely by the Village. The costs for replacement of these services are included in the approximately one million dollars savings.

As the Town of Essex grows, most of its expansion would be financed via general fund revenues, and possibly bonding. Under the present forms of government, Village taxpayers will be required to pay for this expansion. By becoming independent of the Town, Village residents will be taxed to finance just one community, the Village.

- **QUALITY OF LIFE IN ESSEX JUNCTION.**

The quality of life in the Village has evolved over 103 years. The best guarantee that the Village's high quality, low cost services such as municipal, schools, library, fire department, recreational opportunities and high property values will continue is by becoming independent from the Town.

The Village's 4.6 square miles of land has many attributes, such as paved streets, sidewalks, municipal water/sewer, and small lot sizes which are typical of a traditional village.

The Village has grown in population to more than 8,500 people. Today, the Village of Essex Junction is the twelfth largest community in Vermont by population and supports more than 250 businesses.

The Village must determine whether its focus for the 21st Century should be to enhance the quality and character of its numerous assets as a totally independent community or to

¹The major expenditures of communities are presented in that portion of their annual budgets known as "the general fund." The general fund contains those items normally viewed as "governmental services," e.g., police, fire, roads and streets, administration, planning, debt service, et al. Specialized areas having their own source of income, such as water departments, are described as "enterprise funds" and are not included as part of the general fund.

invest in costly expansion and sprawl as a part of the Town. The quality of life in Essex Junction is a direct result of the willingness and ability of Village citizens to manage their community and to make the right choices for the Village, which local control allows.

- **RELATIONSHIP BETWEEN THE VILLAGE AND THE TOWN.**

Disagreements and misunderstanding between both communities sometimes surface. This can be attributed to the different resources, priorities and needs of the two communities, such as:

- a. land area
- b. development status (mostly developed versus partially developed)
- c. population growth
- d. philosophies : (tax equity, growth, regional services - CCTA, etc.)
- e. tax base (commercial, industrial and residential).

Because this situation doesn't exist with any other neighboring communities, the Committee feels that once Essex Junction becomes independent, a more positive relationship will exist between the Village and the Town.

Independence will not occur overnight. A transition period will enable the Town and Village to work together to effect a smooth, cooperative transformation.

- **"STATUS QUO."**

Through the years, several votes regarding the issues of independence and merger have taken place. Without facts being available and presented to residents, voters have been reluctant to make a change. The Committee finds that the uniqueness of the Village has declined under the current Village/Town government relationship. Please consider some of the following facts:

- ✓ **Taxes:** The Village now pays more taxes to the Town than to its own municipal government (in 1995, \$2.6 million to the Town versus \$2.3 million to the Village).
- ✓ **Loss of police force:** The Village no longer has its own police force. From 1949 to 1980, the Village had its own police force.
- ✓ **Champlain Water District:** Essex Junction was a charter member of the Champlain Water District. We now have no direct representation.
- ✓ **CCTA:** Essex Junction has no direct representation.
- ✓ **Essex Junction Educational Center:** Essex Junction no longer owns the high school that the Village citizens independently built and paid for in the 1970s. Its

assets include the tech center, the hockey rink, the agricultural building and the athletic fields and open lands for a total of 98 acres.

- ✓ **Population growth in the Village** (1960 - 1995) has risen from 5,304 to 8,624 (est.) - an increase of 3,320 residents (+63%). The Village has responded with the necessary changes to accommodate this population increase and has funded these growth needs independently. The Village has built a solid tax base to support its residents with high quality services at reasonable costs.

Population growth in the Town (1960 - 1995) has risen significantly from 1,739 to 8,984, an increase of 7,245 residents (+416%). This population growth has resulted in the need for funding for increased services, including potential school expansion and new roads, and has forced the Town to actively seek out resources to support its tax base.

The current government structure calls for Village taxpayers to pay approximately 60% of the Town's general fund budget with Village residents funding portions of the Town's growth plans.

PROLOGUE

In order to better understand this Report of the Ad Hoc Committee*, the following information is presented:

- * History (Essex Junction, Essex Town)
- * Significant events (development of Essex Junction)
- * Specific votes (relative to the status of Essex Junction)

Please note that the information presented herein is not all inclusive. Further, as with any report of this type, the perception of subjective interpretation may arise. The Committee offers no apology for such perception. This investigation reflects an attempt to present factual information from verifiable sources.¹ In like manner, only those issues that relate to the Ad Hoc mission "Should the Village of Essex Junction become an independent community?" were addressed.

*Committee to study the feasibility of an independent Essex Junction.

¹

- a. The History of Essex by Frank R. Brent (Nov. 1993)
- b. Public sources:
 - Burlington Free Press
 - Minutes from Village of Essex Junction meetings
 - Town of Essex reports
 - Village of Essex Junction reports
 - 1990 Cost Reduction Study
 - Interviews with Village citizens

HISTORY

Essex, along with many other Vermont towns, was chartered in 1763. The principal feature of Essex in its early existence was the Winooski River. The river served as a transportation/travel route between Lake Champlain and the Connecticut River, and later as a source of power for early commercial endeavors.

Essex remained, in general, rural in character, with exceptions of two or three pockets of growth or neighborhoods. One of these concentrations was Hubbells Falls, later to be known as Essex Junction.

This early period was also marked with the expansion of railroad service, culminating in 1853 with six (6) railroads serving "Essex Junction." The development of Essex Junction began to take on a unique character from this time forward. As the population density increased, numerous amenities of community living became desirable.

The Village of Essex Junction was incorporated on November 15, 1892 to provide additional amenities for its residents. The amenities, in general, were not of interest to the people living in the rural areas outside of the Village, and no effort was ever made to force on this populace any of these expensive services that they neither needed nor wanted. Essentially, Essex Junction grew and developed apart from the rest of the Town, with no one in either community really expressing a care or concern.

In 1957, IBM opened a manufacturing plant in Essex Junction. This single event has produced major effects in the State of Vermont, in general, and in Chittenden County to an even greater degree. By far the greatest impacts have been experienced in Essex Junction. Not surprising, Essex Junction receives the majority of the benefits as well as most of the disadvantages inherent with the presence of a large manufacturing facility.

In response to the arrival of IBM, the people of Essex Junction have met the challenges associated with a large industrial business by providing the necessary attitude, leadership and commitment to accommodate the vast changes and problems.

Village taxpayers have made major investments in upgrades in schools, roads, sidewalks, water, sewer, library, fire, police, planning and zoning, administration, recreation, transportation, and other areas commensurate with the need IBM introduced in the Village.

Essex Junction citizens have always strived to be good neighbors. They have shared their many bounties and have frequently provided ideas and encouragement to adjoining communities as their neighbors' needs arose.

Village residents possess an unselfish attitude, forward vision and dedication of purpose. Essex Junction's success, to a large degree, is reflected by the quality of its citizens.

TABLE OF SIGNIFICANT DEVELOPMENTS IN ESSEX JUNCTION

1763	Town chartered.
1853	Six (6) railroads serve "Essex Junction".
1858	Drury Brick locates in Essex Junction.
1892	Essex Junction incorporates.
1893	Essex Junction volunteer fire department established.
1893	Electricity service to Essex Junction.
1895	Trolley service to Essex Junction from Burlington.
1899	The Library was established. The Library, along with the fire department, moved to the Lincoln Hall block.
1900	Community water is made available in Essex Junction.
1911	Major upgrade in Essex Junction with the water system.
1922	Champlain Valley Exposition relocates to Essex Junction.
1925	Community sewer service in Essex Junction.
1926	Samuel Brownell built and donated the present library building.
1935	Trolley service is replaced by bus service.
1949	Essex Center is incorporated as a village.
1949	Village police department established.
1952	Maple Street Park pool opens.
1955	Major upgrade to the water system (Indian Brook Reservoir).
1955	Essex Junction hires a professional manager.
1956	Essex Junction opens a high school on Maple Street.
1957	IBM comes to Essex Junction.

- 1960s Cable television service comes to Essex Junction.
- 1967 Champlain Water District (CWD) begins operations - Essex Junction is a charter member.
- 1969 Natural gas service comes to Essex Junction.
- 1970s Amtrak provides rail passenger service to Essex Junction.
- 1970 Essex Junction Educational Center and the Vocational Education Center opens.
- 1971 Essex Junction disenfranchised as a voting CWD member (a legislative act).
- 1973 Essex Junction indoor skating rink opens at the Educational Center site.
- 1980 Police become employees of the Town of Essex . Essex Junction no longer has its own police force.
- 1980 Village Meeting approved the establishment of a senior bus program.
- 1983 Completed a 20 year capital improvements budget for street, drainage, sidewalk, curbing, water and sewer system improvements, and a 15 year capital budget for vehicle replacements.
- 1983 New wastewater treatment facility built in Essex Junction serving the Town of Essex, the Town of Williston and the Village of Essex Junction.
- 1984 Essex Junction issues bonds to separate storm and sanitary sewers.
- 1985 Village Meeting approved the establishment of a senior center in Lincoln Hall.
- 1992 Essex Junction adopts a Land Development Code, the first of its kind in Vermont, (Act 200 requirement).
- 1993 Village budget reduced.
- 1993 The Village establishes a Community Development Committee.
- 1993 The first phase of the bike path was dedicated.

- 1994 Agreement signed to lease excess sewer capacity to the Town of Williston.
- 1994 Village taxpayers approve a level funded budget.
- 1994 Essex Junction Trustees appoint an Ad Hoc Committee to study Village independence.
- 1994 Insurance Services Office Commercial Risk Services, Inc. improved the Village's fire insurance classification from a 5 to a 4. One reason for this reclassification is due to improvements to the Essex Junction Fire Department. This is an excellent tribute to our volunteer fire service.
- 1995 Village taxpayers, again, approved a level funded budget.
- 1995 The Village approves spending funds for a "Main Street Study" performed by the National Main Street Center.

ESSEX JUNCTION VOTES

(Status of the Village)

✓ 1958: Petition to merge circulated (J. Spears) - nothing resulted.

✓ 1970: Straw vote, non-binding.

Merge: 223

Separate: 408

Status Quo: 136

FORMAL VOTES

<u>DATE</u>	<u>ISSUE</u>	<u>FOR</u>	<u>AGAINST</u>
1971	Separate	299	1,200
1974	Merger	395 433	1,346 (municipal) 1,289 (school)
1978	Separate	718	1,147
1982	Merger	576	1,349

TABLE
POPULATION OF ESSEX JUNCTION AND ESSEX TOWN

<u>YEAR</u>	<u>ESSEX JUNCTION</u>	<u>ESSEX TOWN NOT INCLUDING ESSEX JUNCTION</u>
1860	500	1,406
1900	1,141	1,062
1910	1,245	1,469
1920	1,410	1,039
1930	1,621	1,235
1940	1,901	1,158
1950	2,741	1,739
1960	5,304	1,739
1970	6,511	4,400
1980	7,032	7,386
1990	8,396	8,102

Source: U. S. Census Figures

VILLAGE OF ESSEX JUNCTION ASSETS

1. **HISTORY:** The Village of Essex Junction was chartered in 1892. At present, its population is 8,396. Essex Junction is centrally located in Chittenden County.
2. **LAND AREA:** 8,832 acres (4.6 square miles)
3. **BENEFITS:** Essex Junction is a compact village with a visible downtown with many historic buildings. Housing stock in Essex Junction is stable, well maintained, and in high demand. Senior housing is available in the Village at Whitcomb Woods on West Street.
4. **SERVICES:**
 - ✓ public bus system (CCTA)
 - ✓ senior bus service
 - ✓ public library (Brownell Library)
 - ✓ childrens museum (Discovery Museum)
 - ✓ volunteer fire department
 - ✓ police service (shared with the Town of Essex)
 - ✓ clerk/treasurer/tax collector
 - ✓ assessor (shared with the Town of Essex)
 - ✓ senior center
 - ✓ rescue service (Essex Rescue)
 - ✓ historical society
 - ✓ Champlain Water District (represented through the Town of Essex)
5. **COMMERCIAL/INDUSTRIAL:**
 - ✓ IBM - Vermont's largest private employer
 - ✓ Champlain Valley Exposition - " the fairgrounds"
 - ✓ shopping centers
 - ✓ motel
 - ✓ professional services (doctors, lawyers, real estate agents, architects, landscape architects, etc.)
 - ✓ numerous small commercial enterprises (more than 250)
6. **SCHOOLS:**
 - ✓ High School (joint Village and Town endeavor)
 - ✓ Vocational technical center (joint Village and Town endeavor)
 - ✓ Middle school
 - ✓ Three elementary schools

7. **RECREATION:**
 - ✓ Several parks
 - ✓ Indoor skating rink
 - ✓ Outdoor swimming pool
 - ✓ Recreation paths
 - ✓ Baseball parks, football fields, tennis courts
 - ✓ Bike paths
 - ✓ Open space - former tree farm on Route 2A
 - ✓ Canoe access - Winooski River
8. **RESOURCES:**
 - ✓ Industrial park and open land on the IBM site
 - ✓ Winooski River
 - ✓ Open space: Whitcomb Farm
Champlain Valley Exposition
School department open land
 - ✓ Traditional village - pedestrian friendly
 - ✓ Amtrak train station/CCTA bus station
 - ✓ Tree Farm (State of Vermont)
9. **INFRASTRUCTURE:**
 - ✓ All sewer/water services in place
 - ✓ Street lights
 - ✓ All public roads are paved
 - ✓ Sidewalks and curbs
 - ✓ Wastewater treatment facility
10. **UTILITIES:**
 - ✓ Green Mountain Power
 - ✓ Vermont Gas Systems
 - ✓ Telephone service
 - ✓ Cable TV
11. **RESTAURANTS:**
 - ✓ There are a variety of restaurants in the Village.
12. **TAXES, WATER/SEWER RATES:**
 - ✓ Low taxes with little outstanding debt
 - ✓ Low water and sewer rates
13. **PLANNING FOR THE FUTURE:**
 - ✓ Comprehensive Master Plan adopted
 - ✓ Detailed Land Development Code adopted
 - ✓ Planning Department
 - ✓ Essex Junction Community Development Committee

TO: Ad Hoc Committee Studying Independence

FROM: William K. Dugan, Village Manager

RE: Cost Reduction Study Update

DATE: December 11, 1995

INTRODUCTION

In 1989, the Village Trustees requested that the Village Manager and staff investigate any and all areas in which the Village taxpayers could achieve cost reductions. In March of 1990, the Manager submitted a report to the Trustees showing that the Village could save more than one million dollars annually if the Village became independent of the Town of Essex. Subsequently, a CPA was employed to determine the accuracy of this Report. Sullivan, Powers, Inc., CPA, Montpelier, confirmed its validity.

In December of 1994, the Village Trustees appointed an Ad Hoc Committee to take a more detailed look at this proposal and other issues. The Manager was directed to meet with the Ad Hoc Committee in February of 1995. At that time, the Ad Hoc Committee directed the Manager to update the 1990 Study and to present additional data and information to them. This Study is in response to that request.

EXECUTIVE SUMMARY

The update of the 1990 Study again shows that more than one million dollars can be saved annually if the Village becomes independent of the Town of Essex. (Please see Graph #1.) The Village taxpayers now pay \$2.6 million a year to the Town of Essex for services. To replace these services would cost \$1.5 million a year. The savings is approximately \$1.1 million a year. (Or, to look at the General Fund Budget in total, the Village taxpayers currently pay approximately \$4.9 million a year to the Village and the Town for municipal services. The updated Study indicates that all of the Town's services could be replaced and Village services continued for \$3.8 million per year.)

Where do these savings come from? The majority of these savings come from Village taxpayers who currently pay for a portion of Town highways, Town Capital Reserve Fund, Town Parks and Recreation, Town Library, Town Planning & Zoning, Town Administration, Town Fire Department, Town senior bus and other Town services. Village taxpayers would not have to pay for these services if the Village became independent.

Why would we not have to pay for these services? Because the Village already has an independent Village highway department, a library, a recreation department, a senior bus. etc.

Graph #2 summarizes the findings of other studies, which come to the same conclusion. This data is explained below.

- PER CAPITA EXPENDITURE DATA
 - CHITTENDEN COUNTY DATA: The Village has collected per-capita expenditure data from the nine communities in Chittenden County that have populations of more than 5,000. This data was then used to construct a budget for a community of 8,500 people. Again, the total cost of these services is more than one million dollars per year less than our current costs.
 - TAX POLICY COMMITTEE DATA: The Tax Policy Committee also gathered per-capita expenditure data for Chittenden County. We constructed a budget using the average county per-capita spending level, for the services that the Village now enjoys, for a population of 8,500 people. The savings, once again, exceeds one million dollars per year.
- OTHER VERMONT COMMUNITIES:
 - THE TOWN OF MIDDLEBURY: There are communities in Vermont, like the Town of Middlebury, which are very similar to the Village in population size and extent of municipal services. Middlebury had a population of approximately 8,093 in the 1990 census, and today has a population of approximately 8,500. The total area of Middlebury is approximately five square miles. Middlebury currently provides all of the same services to their customers that Village customers receive, (with the sole exception of the senior bus service which costs the Village approximately \$40,000 per year). To achieve this, Middlebury spends a million and a half dollars a year less than what Village taxpayers are now paying to the Village and Town for these same services.
 - THE TOWN OF MILTON: Similarly, the Town of Milton had a population of 8,404 in the 1990 census, and is currently spending \$2 million a year less than current Village expenditures to the Village and Town for municipal services. The total area of Milton is approximately 64 square miles.
- WATER AND SEWER DATA (NON-GENERAL FUND COSTS):

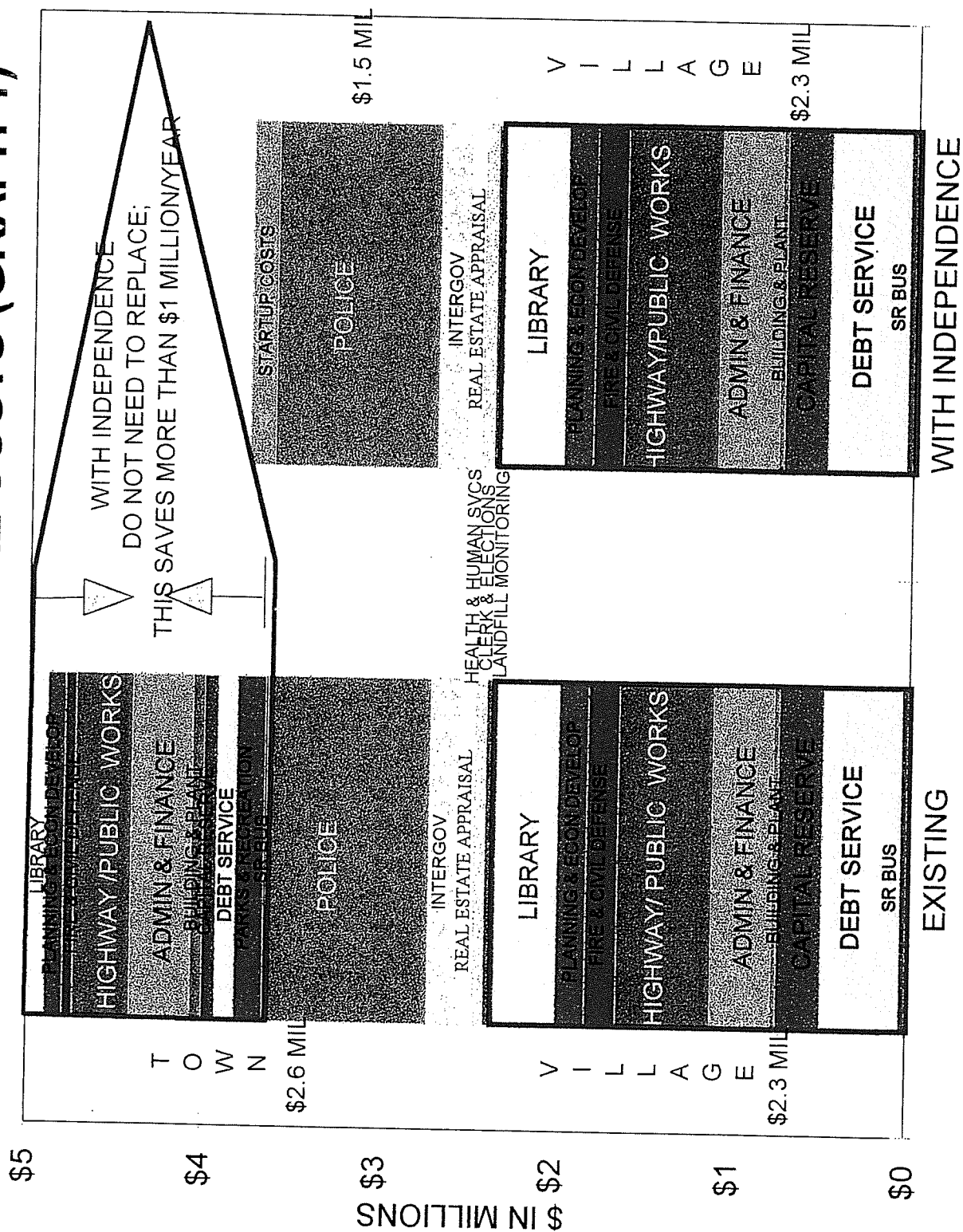
Please see Graph #3 which compares the water and sewer rates of the nine largest communities in Chittenden County. As you can see, the Village has the lowest water/sewer rates in the County. Our water and sewer system is already independent and would be unaffected by the creation of an independent Village.

CONCLUSION

No matter how you look at this issue, (1) whether it is from the view of the updated 1990 Study, (2) county per-capita spending data, (3) or through other communities of similar population size like Middlebury and Milton, all of the methods reach the same conclusion: that there is more than one million dollars a year that can be saved if the Village is independent of the Town.

Following are graphs and spreadsheets which provide additional data regarding this question.

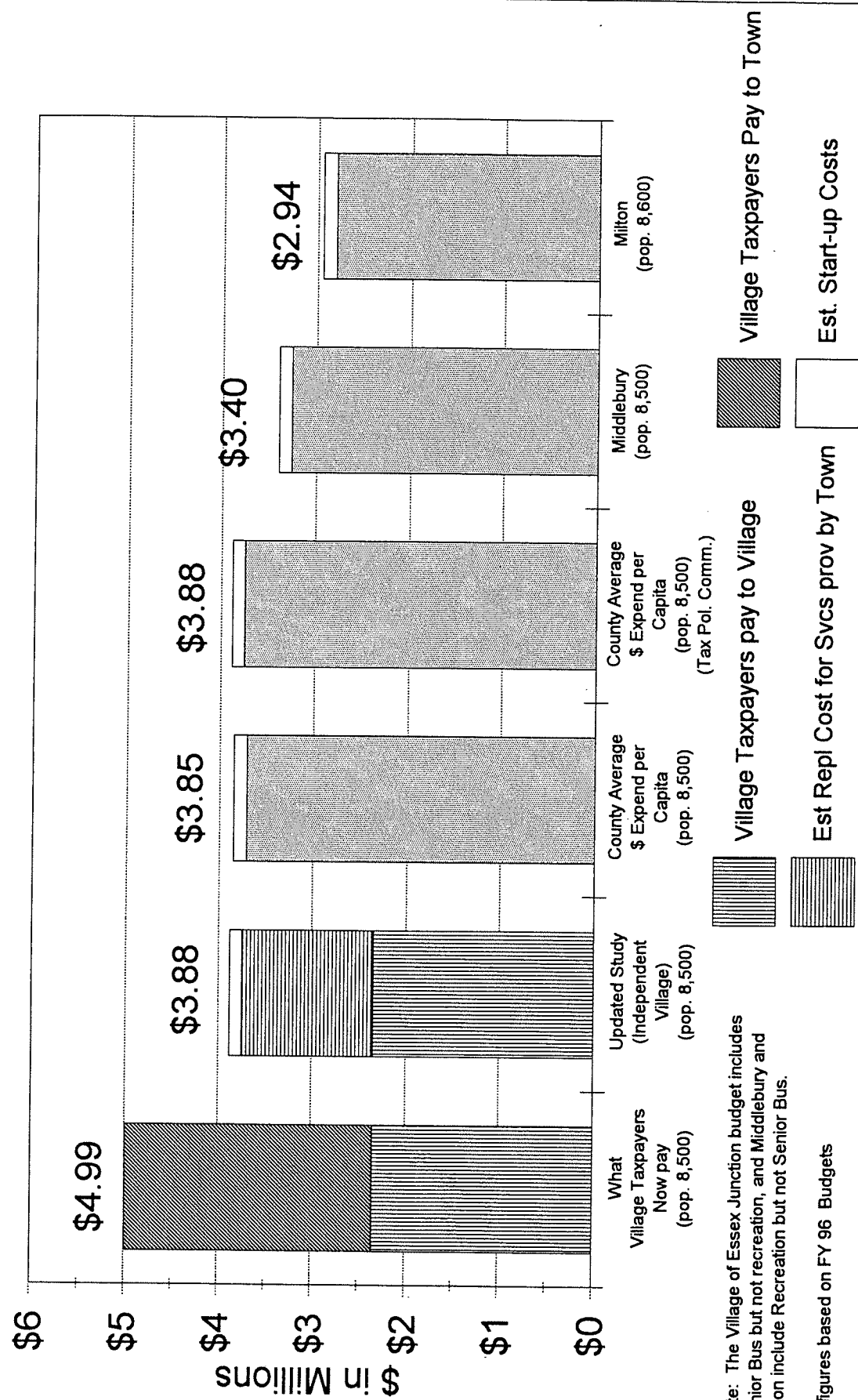
1995 VILLAGE MUNICIPAL COSTS (GRAPH 1)



1995 VILLAGE MUNICIPAL COSTS (GRAPH 1)

		EXISTING	WITH INDEPENDENCE
Essex Town	Library	96,166	
Essex Town	Planning & Econ Dev	105,820	
Essex Town	Fire & Civil Defense	56,480	
Essex Town	Highway & Public Works	326,615	
Essex Town	Admin & Finance	338,478	
Essex Town	Building & Plant	66,058	
Essex Town	Capital Reserve	81,130	
Essex Town	Debt Service	104,448	
Essex Town	Parks & Recreation	165,873	
Essex Town	Sr Bus	13,497	143,310
Essex Town	Startup Costs		922,763
Essex Town	Police	922,763	922,763
Essex Town	Intergovernment	161,590	161,590
Essex Town	Real Estate Appraisal	91,576	91,576
Essex Town	Health & Human Svcs	44,011	44,011
Essex Town	Clerk & Election	63,470	63,470
Essex Town	Landfill Monitoring & Cons	14,641	14,641
Village	Library	345,262	345,262
Village	Planning & Econ Dev	167,532	167,532
Village	Fire & Civil Defense	175,850	175,850
Village	Highway & Public Works	535,058	535,058
Village	Admin & Finance	342,183	342,183
Village	Building & Plant	27,340	27,340
Village	Capital Reserve	265,000	265,000
Village	Debt Service	438,612	438,612
Village	Sr Bus	38,822	38,822
		4,988,277	3,777,021

COST OF MUNICIPAL SERVICES FOR COMMUNITIES WITH POPULATIONS 8,000 - 8,500 (GENERAL FUND BUDGET)



Note: The Village of Essex Junction budget includes Senior Bus but not recreation, and Middlebury and Milton include Recreation but not Senior Bus.

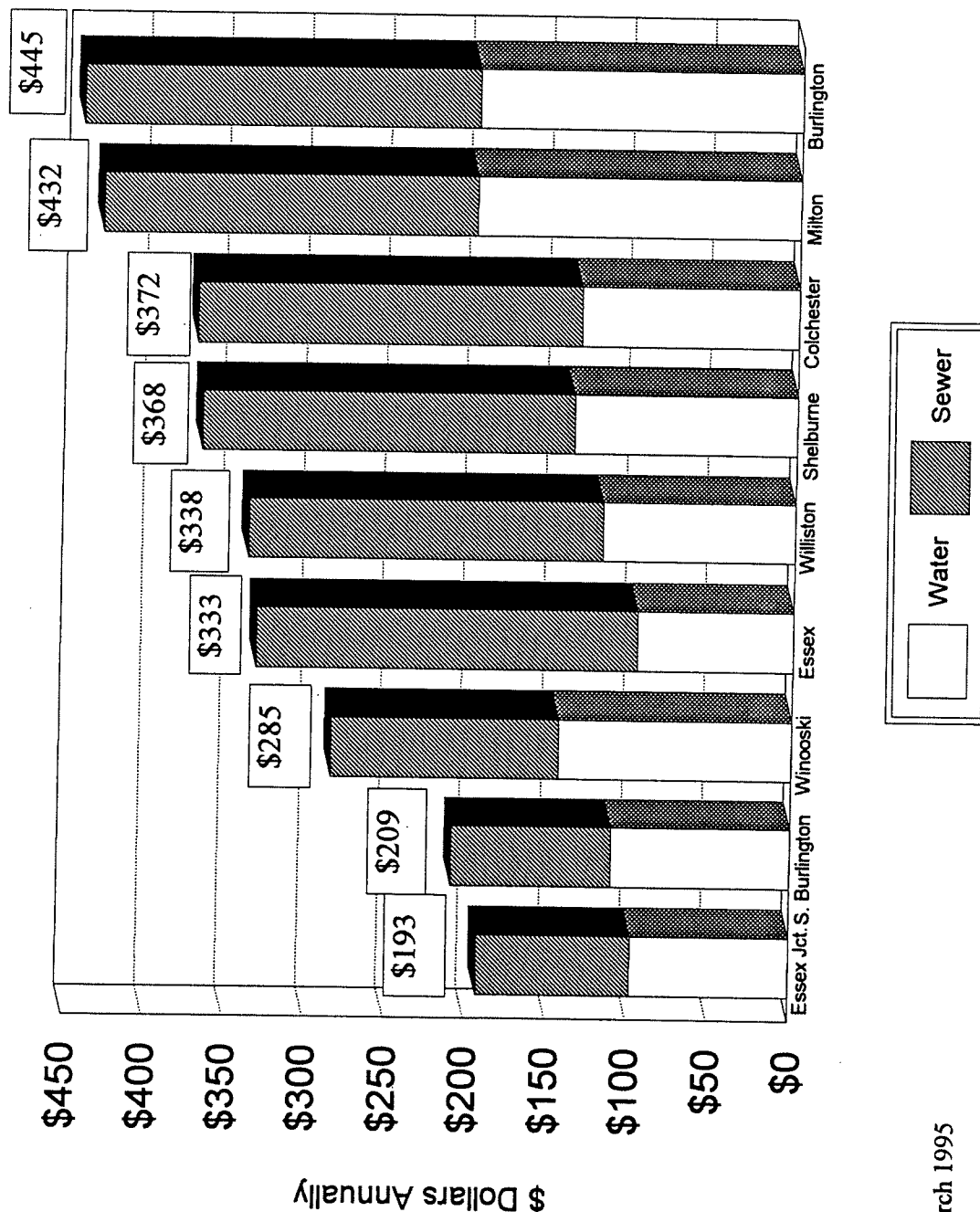
All figures based on FY 96 Budgets

GRAPH #2

	What Village Taxpayers Now Pay	Updated Study (Independent Village)	County Average \$ Expend per Capita	County Average \$ Expend per Capita (Tax Pol. Comm.)	Middlebury	Milton
Village General	\$2.34	\$2.34				
Village Pays Town	\$2.65					
Cost of Additional Svcs		\$1.40				
Chittenden County Ave			\$3.71			
Chittenden Country Ave (Tax Pol Comm)				\$3.74		
Middlebury					\$3.26	
Milton						\$2.80
Startup Costs		\$0.14	\$0.14	\$0.14	\$0.14	\$0.14
Total	\$4.99	\$3.88	\$3.85	\$3.88	\$3.40	\$2.94

1995 EFFECTIVE WATER & SEWER COSTS

Based on 165 gal/day Usage



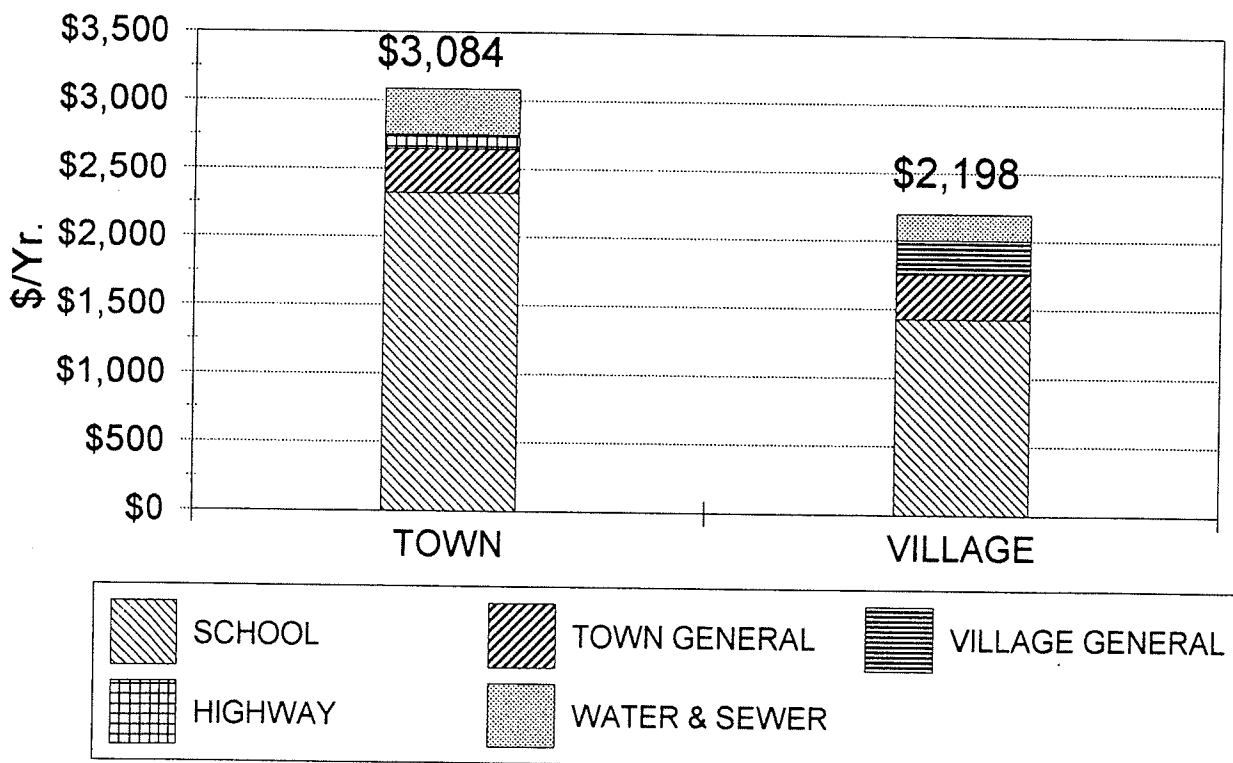
Survey taken March 1995

GRAPH #3

1995 Effective Water & Sewer Retail User Costs
Based on 165 gal/day use

	Water	Sewer	Total/Year
Essex Jct.	\$98	\$95	\$193
S. Burlington	\$110	\$99	\$209
Winooski	\$144	\$141	\$285
Essex	\$96	\$237	\$333
Williston	\$119	\$220	\$338
Shelburne	\$138	\$230	\$368
Colchester	\$134	\$238	\$372
Milton	\$200	\$232	\$432
Burlington	\$199	\$246	\$445

Annual Difference in Costs (Taxes, Water & Sewer) for a \$125,000 house in the Town and Village



*FY 1995 rates used

Graph #4

Annual Difference in Costs
(Taxes, Water & Sewer)
for a \$125,000 house
in the Town and Village

	TOWN	VILLAGE
SCHOOL	\$2,323	\$1,426
TOWN GENERAL	\$328	\$328
VILLAGE GENERAL		\$251
HIGHWAY	\$100	\$0
WATER & SEWER	\$333	\$193
	\$3,084	\$2,198

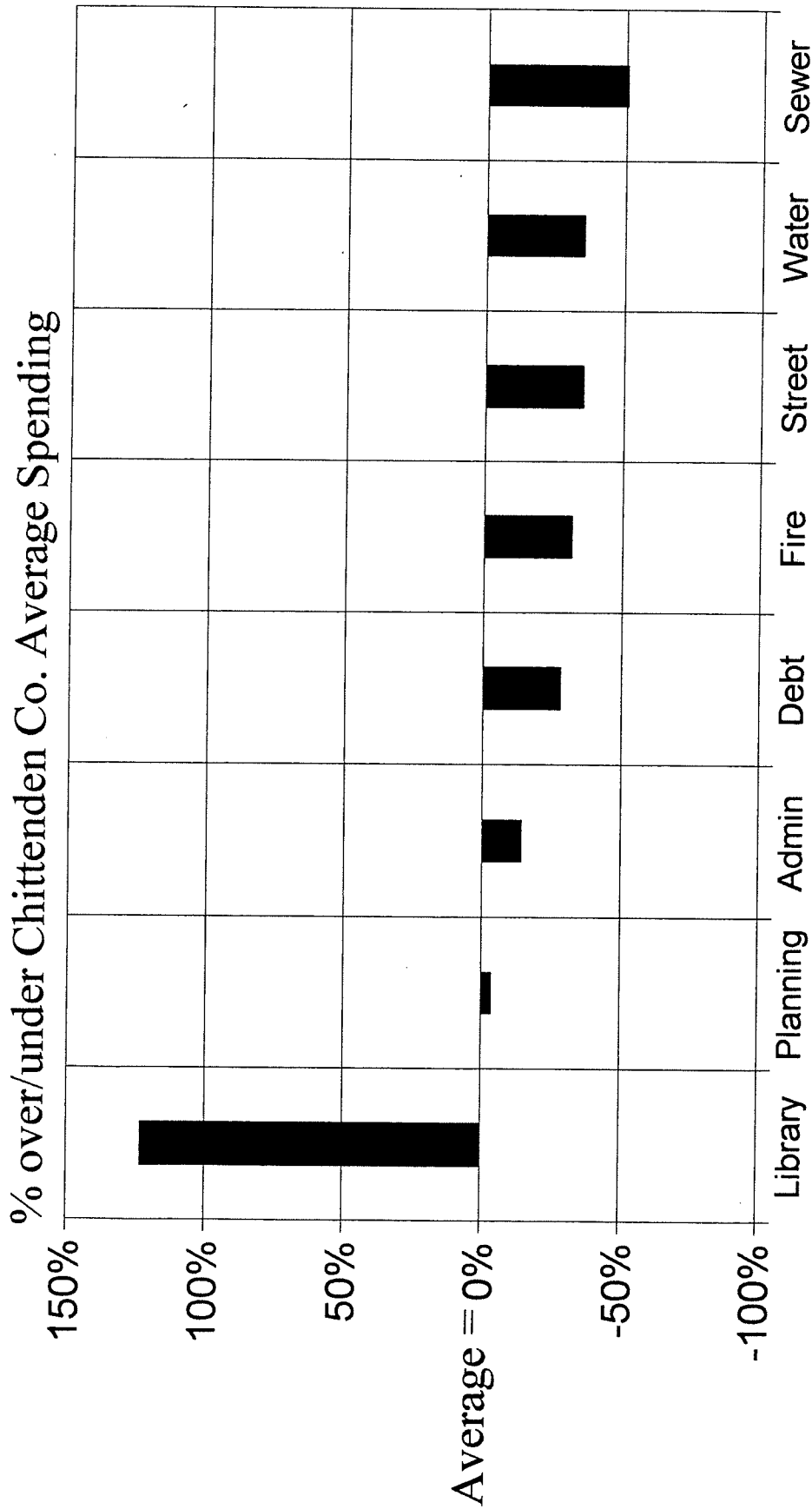
Annual difference in costs
(taxes and water/sewer)
for a \$125,000 house
in the Town and Village

	Combined tax rate	Taxes on a \$125,000 house	Water/Sewer for average usage **	Combined taxes and Water/Sewer
TOWN	\$2.20*	\$2,750	\$333	\$3,083
VILLAGE	\$1.604	\$2,005	\$193	\$2,198
\$ difference	\$0.596	\$745	\$140	\$885
% difference	37%	37%	72%	\$40%

* includes Town highway tax rate.

** average Village usage = 165 gallons/day

1996 VILLAGE DEPT BUDGETS & 1995 UTILITY RATES Shown compared to Chittenden County Average per capita spending (Communities > 5,000)



Utility Rates (% of Chit Co. Ave. Cost/House)
 Data Compiled by W. Dugan 5/95

08/04/95

Graph #5

1996 VILLAGE DEPT BUDGETS & 1995 UTILITY RATES
SHOWN AS COMPARED TO CHITTENDEN COUNTY AVERAGE
PER CAPITA SPENDING

Dept	% over or under County Ave.
Library	123%
Planning	-4%
Admin	-14%
Debt	-28%
Fire	-32%
Street	-36%
Water	-36%
Sewer	-51%

BENCHMARK STUDY - SURVEY OF CHITTENDEN COUNTY COMMUNITIES WITH POPULATIONS OVER 5,000 - FY96 BUDGETS

Data Compiled by W. Dugan 6/95

COMMUNITY	POPULATION	PLANNING & ECONOMIC DEVELOPMENT		FIRE DEPT. & CIVIL DEFEN		STREET, PW DIR & ENGINEERING		# of employees	Miles of Road	# emp. per mile	\$ budget per mile	ADMIN. AND FINANCE**	BUILDING AND PLANT		1995 Rates \$/house/year***	
		\$/cap	LIBRARY	\$/cap	\$/cap	\$/cap	\$/cap						\$/cap	\$/cap	WATER	SEWER
Essex Jct.	8,396	\$345,262	\$41.12	\$167,532	\$19.95	\$175,850	\$20.94	3.0	29.8	0.10055	\$17,934	\$322,783	\$38.44	\$27,340	\$93	\$95
Essex Town	8,102	\$189,653	\$23.41	\$208,691	\$25.76	\$111,387	\$13.75	8.5	69.6	0.12206	\$16,776	\$667,526	\$82.39	\$130,276	\$96	\$237
Burlington *	39,127	\$934,920	\$23.89	\$993,110	\$25.38	\$3,567,744	\$91.18	14.0	92.1	0.15198	\$24,789	\$1,780,204	\$45.50	\$166,250	\$199	\$246
Shelburne *	5,871	\$100,235	\$17.07	\$87,210	\$14.85	\$58,820	\$10.02	4.0	47.0	0.08518	\$11,044	\$336,444	\$57.31	\$51,229	\$138	\$230
Colchester *	14,731	\$185,963	\$12.62	\$318,159	\$21.60	\$463,075	\$31.44	8.0	77.6	0.10311	\$13,636	\$551,837	\$37.46	\$143,225	\$134	\$238
Winoski *	6,649	\$41,600	\$6.26	\$105,385	\$15.85	\$70,636	\$10.62	6.0	17.0	0.35265	\$45,940	\$369,057	\$55.51	\$210,200	\$144	\$141
Williston *	5,000	\$143,878	\$28.78	\$126,639	\$25.33	\$113,081	\$22.62	5.0	57.8	0.08649	\$14,670	\$211,575	\$42.32	\$42,670	\$119	\$220
So. Burlington	12,809	\$89,372	\$6.98	\$220,520	\$17.22	\$756,298	\$59.04	17.0	63.2	0.26888	\$17,469	\$544,470	\$42.51	\$0	\$110	\$99
Milton	8,404	\$46,640	\$5.55	\$169,570	\$20.18	\$143,000	\$17.02	6.0	97.6	0.06145	\$7,682	\$270,880	\$32.23	\$51,900	\$265	\$232
AVERAGE			\$18.41		\$20.68		\$30.74			0.14804	\$18,882		\$48.18		\$9.82	\$144
Village as a % over/under Chittenden County Average		123.4%			-3.5%		-31.9%			-32.1%	-5.0%		-20.2%		-66.8%	-35.5%
Town as a % over/under Chittenden County Average		27.2%			24.6%		-55.3%			-17.6%	-11.2%		71.0%		63.8%	-33.4%

* Employee benefits are included as an est. (i.e. 30% of salaries, 20% of Fire salaries or 20% of total department budget).

** Capital Reserve appropriations and capital expenditures are not included in any of the amounts shown.

*** Water & Sewer utility rates are shown as annual cost/house for usage of 165 gallons/day. (March 1995 rates)

Population figures are from the 1990 U.S. Census.

Administration includes Finance (Treas. & Acct.), Legal & Board expenses.

Only municipal expenditures are included.

Street Dept. # of employee numbers do not include the PW Directors.

Only two Village departments are above average in expenditures.

BENCHMARK STUDY - SURVEY OF CHITTENDEN COUNTY COMMUNITIES WITH POPULATIONS OVER 5,000 -FY96 BUDGETS

Data Compiled by W. Dugan 6/95

COMMUNITY	CAPITAL RESRV SPEC ART. OR CAP EXP (ADDED TO BUDGET)	\$/cap	POPUL- ATION	POLICE AND DISPATCH	\$/CAP	INTER. GOV.	\$/CAP	APPRAI- SAL	\$/CAP	CLERK AND ELECTION	HEALTH & HUMAN SERVICES	1996 DEBT SERVICE	\$/CAP	1994 TOTAL DEBT (W&S INCLUDED)	1994 TOTAL DEBT \$/CAP	TOTAL GEN. FUND BUDGET + DEBT SERV.
Essex Jct.	\$265,000	\$32	8,386	\$0	\$0	\$8,500	\$1	\$0	\$0	\$10,900	\$1	\$438,612	\$52	\$2,470,109	\$294	\$2,296,837
Essex Town	\$160,000	\$10	8,102	\$1,819,815	\$110	\$318,678	\$19	\$180,601	\$11	\$125,171	\$8	\$205,986	\$12	\$2,758,043	\$167	\$5,372,876
Burlington *	\$4,185,280	\$107	39,127	\$5,724,144	\$146	\$969,860	\$25	\$182,100	\$5	\$362,868	\$9	\$1,875,000	\$48	\$37,473,370	\$958	\$23,025,028
Shelburne *	\$45,000	\$8	5,871	\$766,008	\$130	\$82,613	\$14	\$34,954	\$6	\$44,600	\$8	\$139,996	\$24	\$1,919,389	\$327	\$2,290,418
Colchester *	\$184,229	\$13	14,731	\$1,517,207	\$103	\$202,932	\$14	\$91,801	\$6	\$58,500	\$4	\$47,840	\$3	\$5,544,000	\$376	\$4,871,188
Winoski *	\$127,430	\$19	6,649	\$818,246	\$123	\$123,320	\$19	\$29,900	\$4	\$52,000	\$8	\$96,900	\$15	\$2,997,653	\$451	\$2,862,173
Williston *	\$277,540	\$56	5,000	\$283,798	\$57	\$61,212	\$12	\$59,985	\$12	\$45,183	\$9	\$115,870	\$23	\$1,522,879	\$305	\$2,362,135
So. Burlington	\$711,626	\$56	12,809	\$2,057,182	\$161	\$261,861	\$20	\$102,489	\$8	\$149,640	\$12	\$867,728	\$68	\$5,402,996	\$422	\$6,865,666
Milton	\$50,000	\$6	8,404	\$600,700	\$71	\$39,542	\$5	\$48,500	\$6	\$67,600	\$8	\$302,800	\$36	\$2,685,144	\$320	\$2,570,732
AVERAGE		\$34			\$113		\$16		\$7						\$402	
Village as a % over/under		-6.7%			NA		-93.7%		NA		-82.4%		NA		-26.8%	
Chittenden County Average																
Town as a % over/under		-71.3%			-2.2%		20.8%		50.9%		3.0%		49.4%		-58.4%	
Chittenden County Average																

Intergovernment includes CCTA, County Tax, Regional Planning Commission and MPO.

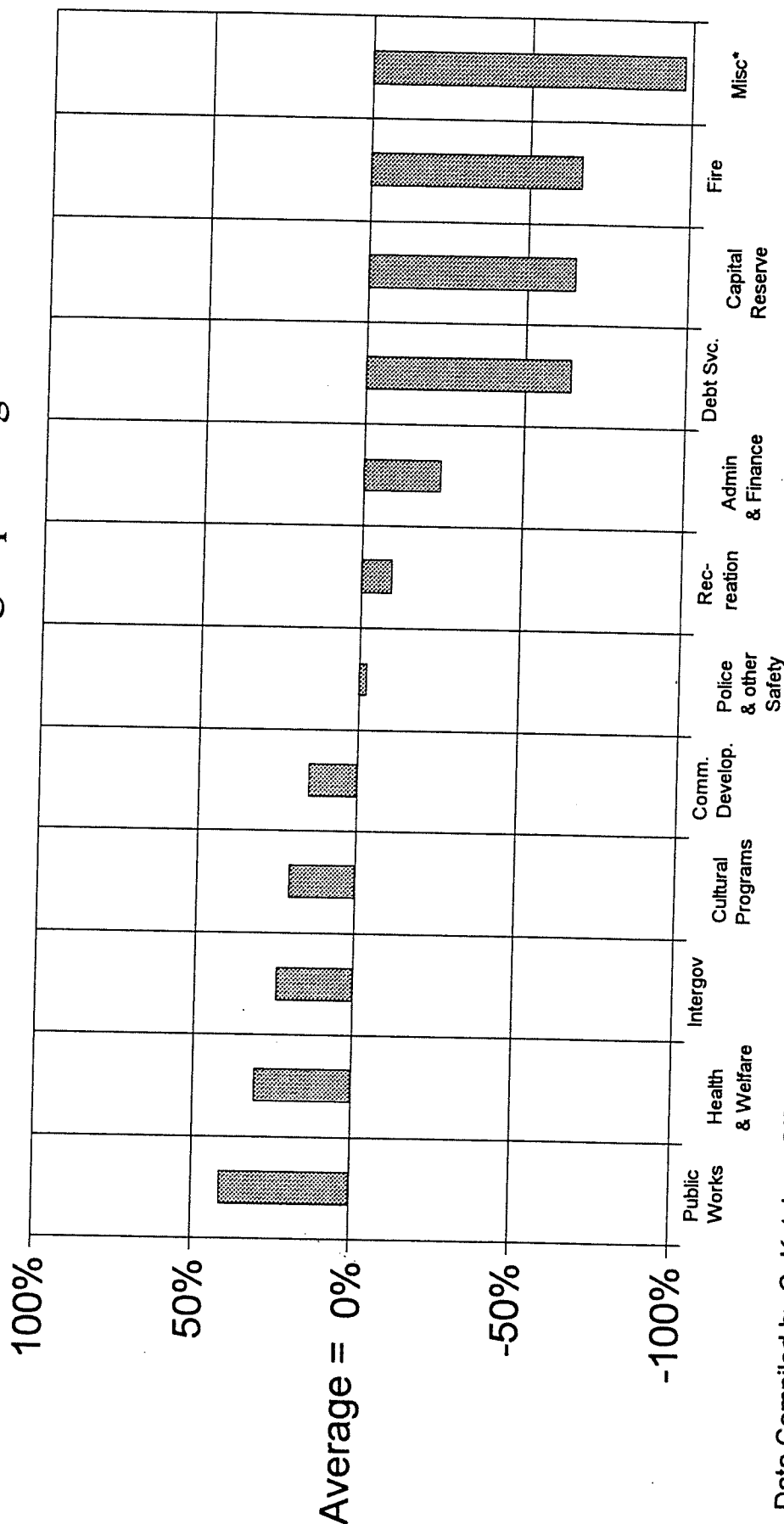
The average per capital figure for intergovernment does not include Essex Junction because, of the costs included in intergovernmental, Essex Junction pays only the MPO.

Debt includes General Fund, Water and Sewer.

The Essex Town \$/CAP costs shown on this page are based on a combined Village and Town population of 16,498.

1996 TOWN OF ESSEX PROGRAMS Shown compared to Chittenden County Average per capita spending (Communities > 5,000)

% over/under Chittenden Co. Average Spending



Data Compiled by C. Ketcham 8/95
* Excluding Burlington

08/04/95

Graph #6

1996 ESSEX PROGRAM BUDGETS SHOWN
COMPARED TO CHITTENDEN COUNTY AVERAGE
PER CAPITA SPENDING (COMMUNITIES > 5,000)

Program	% over or under County Ave.
Public Works	41%
Health & Welfare	31%
Intergovernment	24%
Cultural Programs	21%
Comm. Develop.	15%
Police & Other Safety	-2%
Recreation	-9%
Admin & Finance	-24%
Debt Svc.	-64%
Capital Reserve	-65%
Fire	-66%
Misc*	-98%

BENCHMARK STUDY - SURVEY OF CHITTENDEN COUNTY COMMUNITIES WITH POPULATIONS OVER 5,000 - FY96 BUDGETS

Data Compiled by C. Ketcham 6/95

COMMUNITY	POPULATION	CULTURAL PROGRAMS	\$/cap	COMMUNITY DEVELOPMENT	\$/cap	FIRE	\$/cap	PUBLIC WORKS	\$/cap	ADMIN. AND FINANCE**	\$/cap	HEALTH AND WELFARE	\$/cap
Essex Jct.	8,512	\$345,262	\$40.56	\$172,032	\$20.21	\$175,850	\$20.66	\$562,398	\$66.07	\$317,583	\$37.31		\$0.00
Essex Town	17,615												
	9,103	\$190,653	\$20.94	\$208,691	\$22.93	\$88,531	\$9.73	\$1,326,072	\$145.67	\$973,298	\$55.25	\$83,796	\$4.76
Burlington *	39,295	\$788,170	\$20.06	\$997,610	\$25.39	\$3,473,120	\$88.39	\$1,994,060	\$50.75	\$6,333,860	\$161.19	\$19,410	\$0.49
Shelburne *	6,157	\$98,295	\$15.96	\$86,312	\$14.02	\$59,662	\$9.69	\$563,191	\$91.47	\$569,544	\$92.50	\$24,665	\$4.01
Colchester *	15,531	\$186,789	\$12.03	\$323,336	\$20.82	\$463,075	\$29.82	\$1,088,518	\$70.09	\$708,653	\$45.63	\$51,706	\$3.33
Winooski *	6,586	\$40,846	\$6.20	\$70,174	\$10.66	\$54,335	\$8.25	\$852,109	\$129.38	\$495,732	\$75.27	\$47,763	\$7.25
Williston *	5,378	\$149,862	\$27.87	\$115,568	\$21.49	\$102,597	\$19.08	\$890,749	\$165.63	\$381,995	\$71.03	\$32,625	\$6.07
Co. Burlington	13,210	\$95,872	\$7.26	\$194,021	\$14.69	\$763,816	\$57.82	\$1,557,810	\$117.93	\$1,008,593	\$76.35	\$0	\$0.00
Milton	9,177	\$46,640	\$5.08	\$266,570	\$29.05	\$143,000	\$15.58	\$838,011	\$91.32	\$376,980	\$41.08	\$29,500	\$3.21
AVERAGE			\$17.33		\$19.92		\$28.78		\$103.14		\$72.85		\$3.64
Village as a % over/under													
Chittenden Cty. Avg.			134.1%		1.5%		-28.2%		-35.9%		-48.8%		-100.0%
Town of Essex as% over/under													
Chittenden Cty. Avg.			20.9%		15.1%		-66.2%		41.2%		-24.1%		30.7%
Williston as% over/under													
Chittenden Cty. Avg.			60.8%		7.9%		-33.7%		60.6%		-2.5%		66.7%
Winooski as% over/under													
Chittenden Cty. Avg.			-64.2%		-46.5%		-71.3%		25.4%		3.3%		99.2%

Population figures are from Vt Department of Health 1993 estimates

*Cap for Town of Essex Library, Comm Dev., Fire and Public Works based on Town only population, all other per capita calculations based on Combined Town & Village population of 17,615 as to whether Town Recreation cost should be applied to the same 17,615 population.

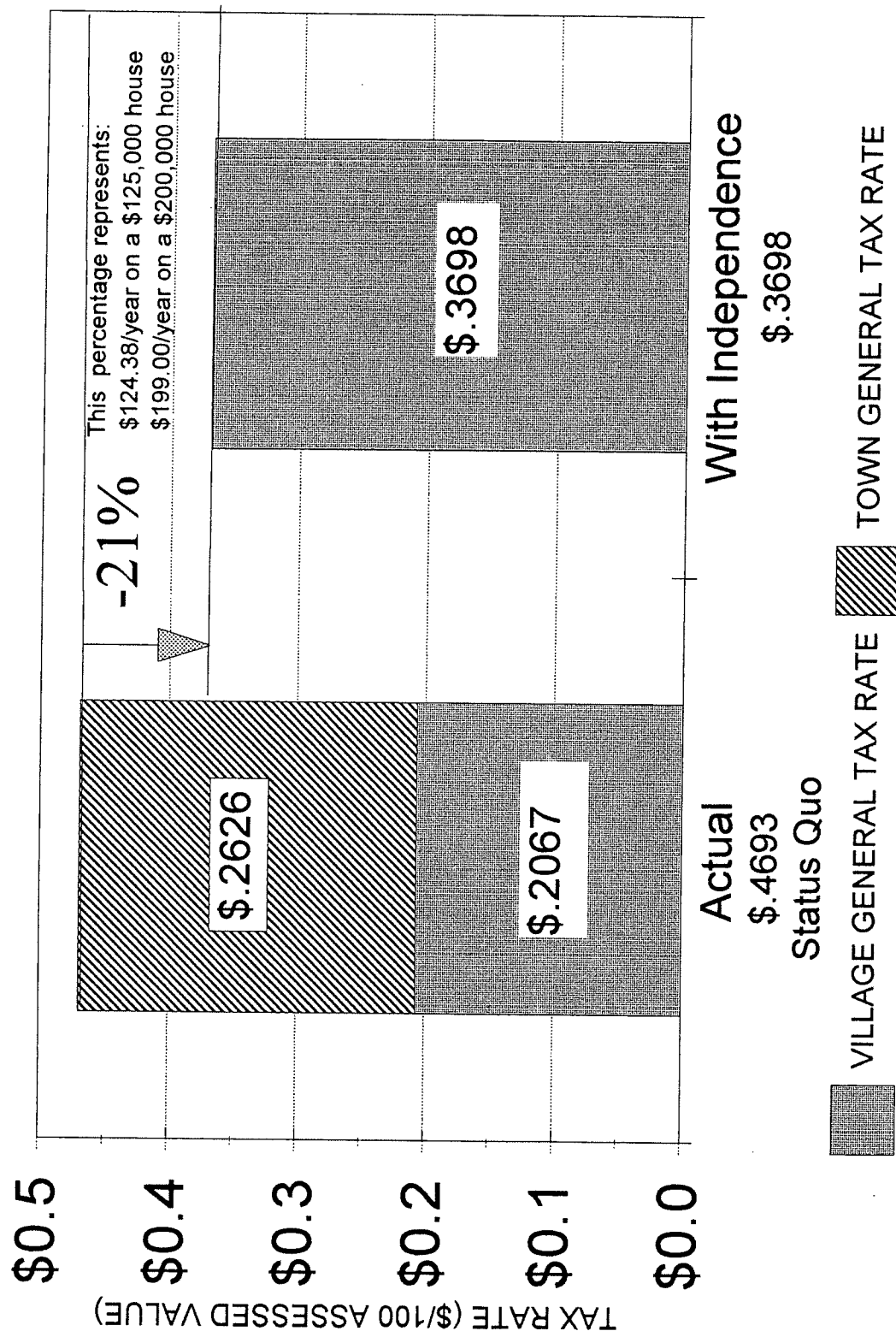
BENCHMARK STUDY - SURVEY OF CHITTENDEN COUNTY COMMUNITIES WITH POPULATIONS OVER 5,000 - FY96 BUDGETS

Data Compiled by C. Ketcham 6/95

COMMUNITY	POPULATION	RECREATION	\$/CAP	INTER. GOV.	\$/CAP MISC	POLICE AND OTHER SAFETY	\$/CAP	CAP RES & SPECIAL ART CAP EXP (ADDED TO BUDGET)	\$/CAP	1996 DEBT SERVICE	\$/CAP	1994 TOTAL DEBT (W&S INCLUDED)	1994 TOTAL DEBT \$/CAP	TOTAL GEN. FUND BUDGET + DEBT SERV.
Essex Jct.	8,512	\$279,491	\$32.83	\$8,500	\$1.00	\$0.01	\$0.00	\$265,000	\$31.13	\$450,111	\$52.88	\$2,765,619	\$324.91	\$2,576,327
Essex Town	17,615	\$353,745	\$20.08	\$318,678	\$18.09	\$0.25	\$104.61	\$169,101	\$9.60	\$205,986	\$11.69	\$2,924,544	\$166.03	\$5,765,597
Burlington *	39,295	\$2,643,470	\$67.27	\$969,860	\$24.68	\$96.93	\$123.30	\$3,997,780	\$101.74	\$1,875,000	\$47.72	\$37,473,370	\$953.64	\$31,746,510
Shelburne *	6,157	\$82,126	\$13.34	\$81,413	\$13.22	\$2.96	\$128.76	\$0	\$0.00	\$139,996	\$22.74	\$1,919,389	\$311.74	\$2,516,206
Colchester *	15,531	\$107,001	\$6.89	\$98,932	\$6.37	\$6.34	\$101.47	\$432,479	\$27.85	\$47,840	\$3.08	\$5,544,000	\$356.96	\$5,182,820
Winooski *	6,586	\$116,586	\$17.70	\$123,320	\$18.72	\$0.00	\$124.61	\$127,430	\$19.35	\$96,900	\$14.71	\$2,997,653	\$455.16	\$2,845,855
Williston *	5,378	\$77,728	\$14.45	\$59,412	\$11.05	\$2.23	\$53.40	\$277,540	\$51.61	\$115,870	\$21.55	\$1,522,879	\$283.17	\$2,503,152
So. Burlington	13,210	\$270,560	\$20.48	\$261,861	\$19.82	\$87.22	\$146.74	\$0	\$0.00	\$1,145,754	\$86.73	\$5,402,996	\$409.01	\$8,388,813
Milton	9,177	\$58,550	\$6.38	\$32,542	\$3.55	\$0.16	\$73.41	\$50,000	\$5.45	\$302,800	\$33.00	\$2,685,144	\$292.59	\$2,819,793
AVERAGE			\$22.16		\$14.56	\$12.40	\$107.04		\$27.41		\$32.68		\$394.80	
Village as a % over/under														
Chittenden Cty. Avg.			48.2%		-93.1%	-99.9%	-100.0%		13.6%		61.8%		-17.7%	
Town of Essex as % over/under														
Chittenden Cty. Avg.			-9.4%		24.2%	-98.0%	-2.3%		-65.0%		-64.2%		-57.9%	
Williston as % over/under														
Chittenden Cty. Avg.			-34.8%		-24.1%	-82.0%	-50.1%		88.3%		-34.1%		-28.3%	
Winooski as % over/under														
Chittenden Cty. Avg.			-20.1%		28.6%	-100.0%	16.4%		-29.4%		-55.0%		15.3%	

TAX RATES PAID BY VILLAGE RESIDENTS

FY 1996 ACTUAL & WITH INDEPENDENCE



Graphs #7

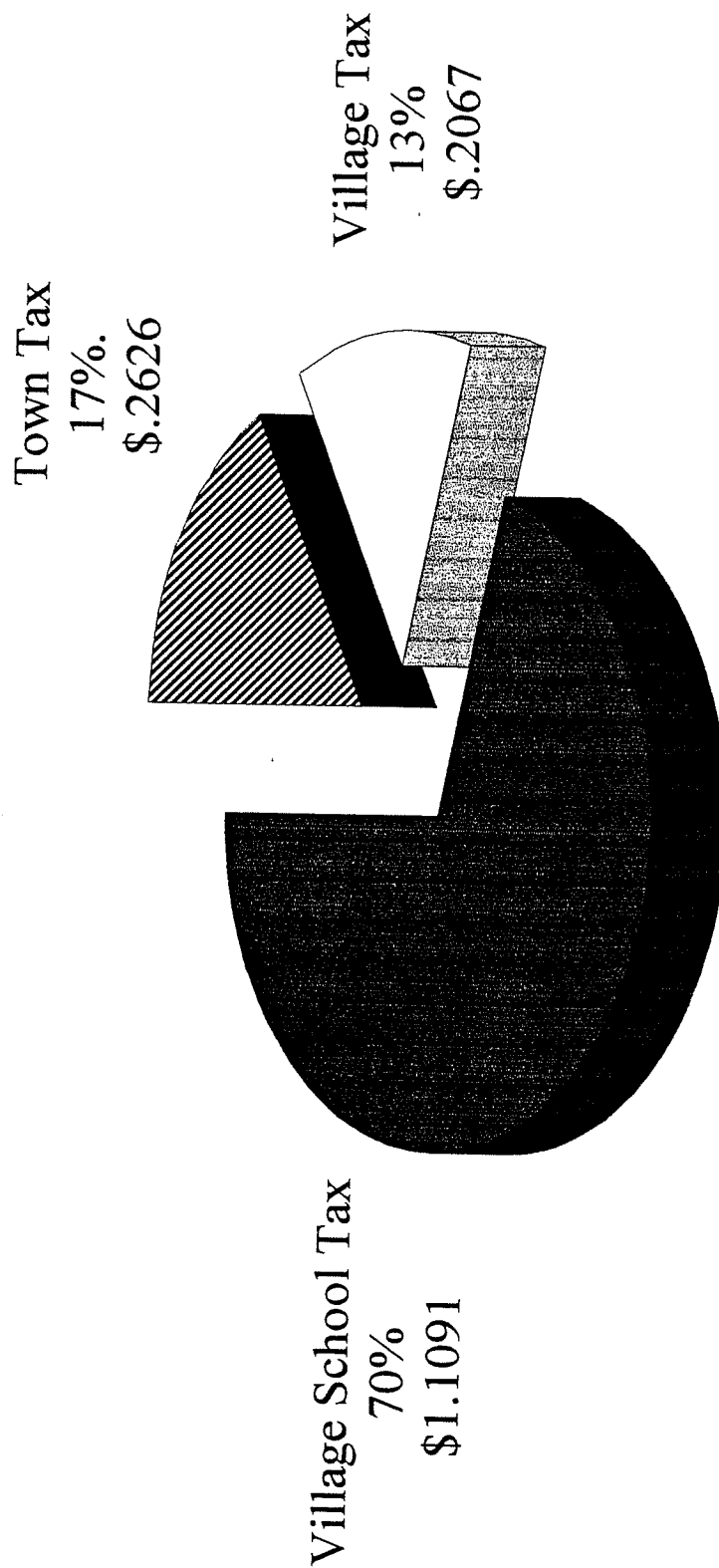
Municipal Tax Rates not including School Tax Paid by Village Residents

	Current Tax Rate	WITH INDEPENDENCE	% change
VILLAGE GENERAL TAX RATE	0.2067	0.3698	79%
TOWN GENERAL TAX RATE	0.2626		-100%
TOTAL	0.4693	0.3698	-21%

Tax Rates Translated into Dollars for \$125,000 home

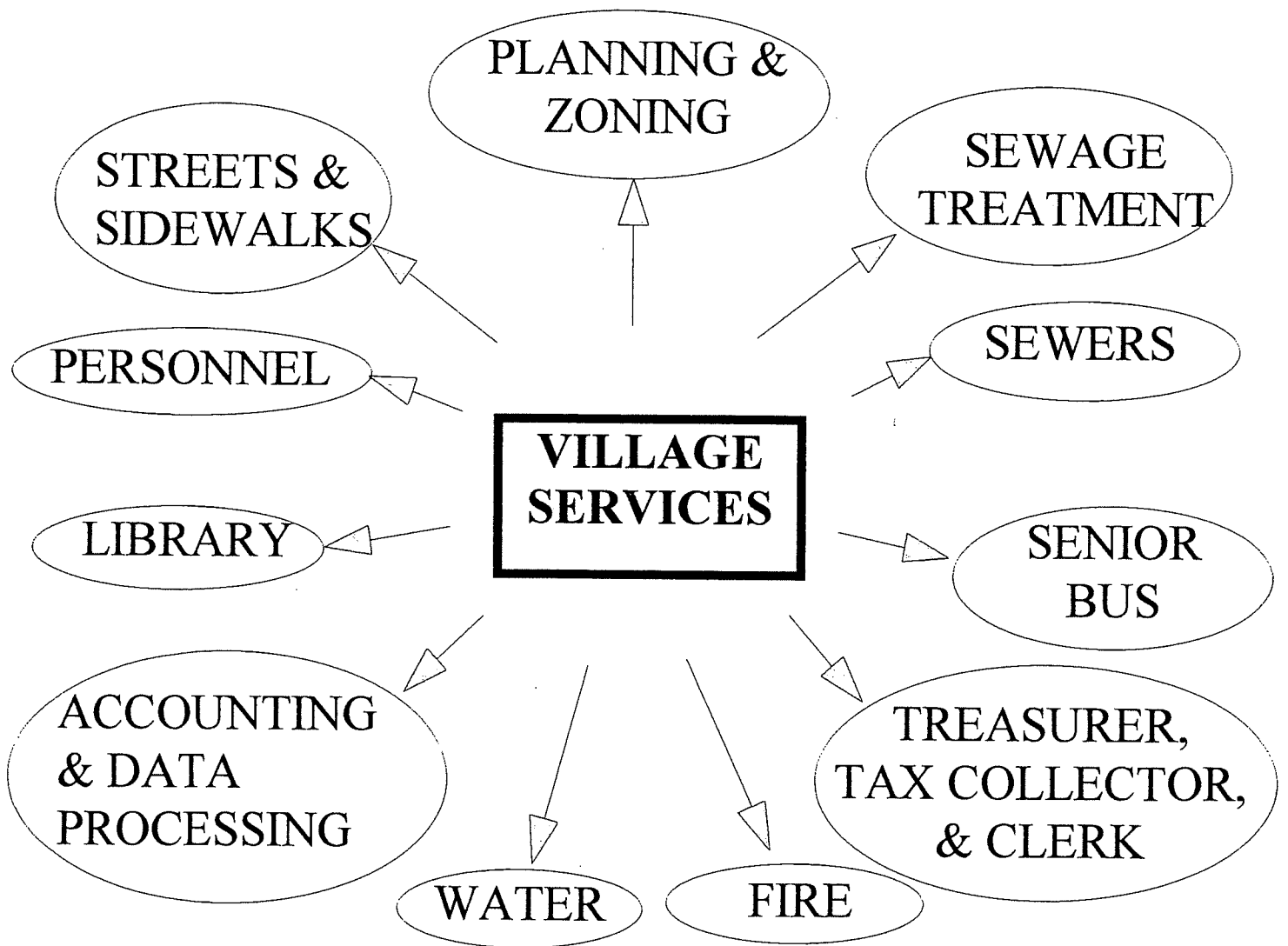
	Current Tax Rate	WITH INDEPENDENCE	% change
VILLAGE TAX BILL	\$258.38	\$462.25	79%
TOWN TAX BILL	\$328.25		-100%
TOTAL	\$586.63	\$462.25	-21%

THIS IS HOW YOUR VILLAGE TAX DOLLARS ARE SPENT!



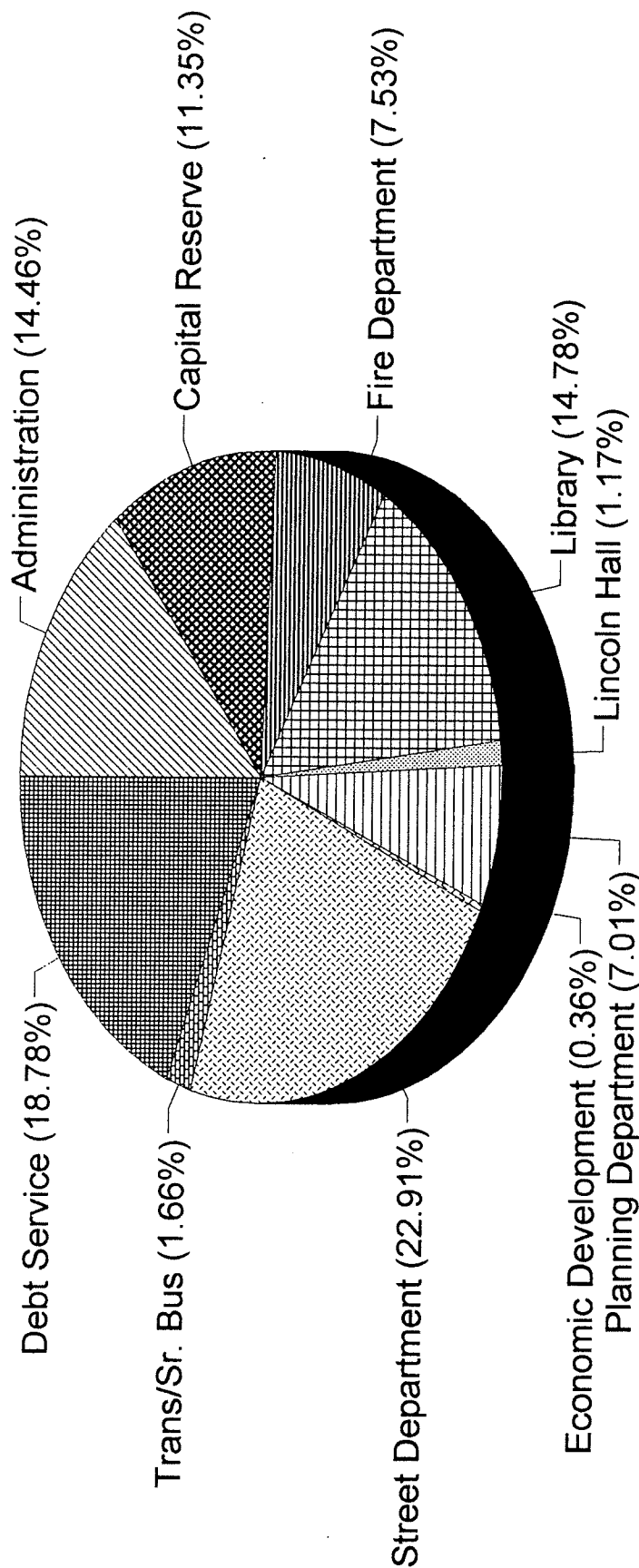
Graph #8

COSTS TO VILLAGE TAXPAYERS 1996		
	Tax Rate	%
Town Tax	0.2626	17%
Village Tax	0.2067	13%
Village School Tax	1.1091	70%
Total	1.5784	100%



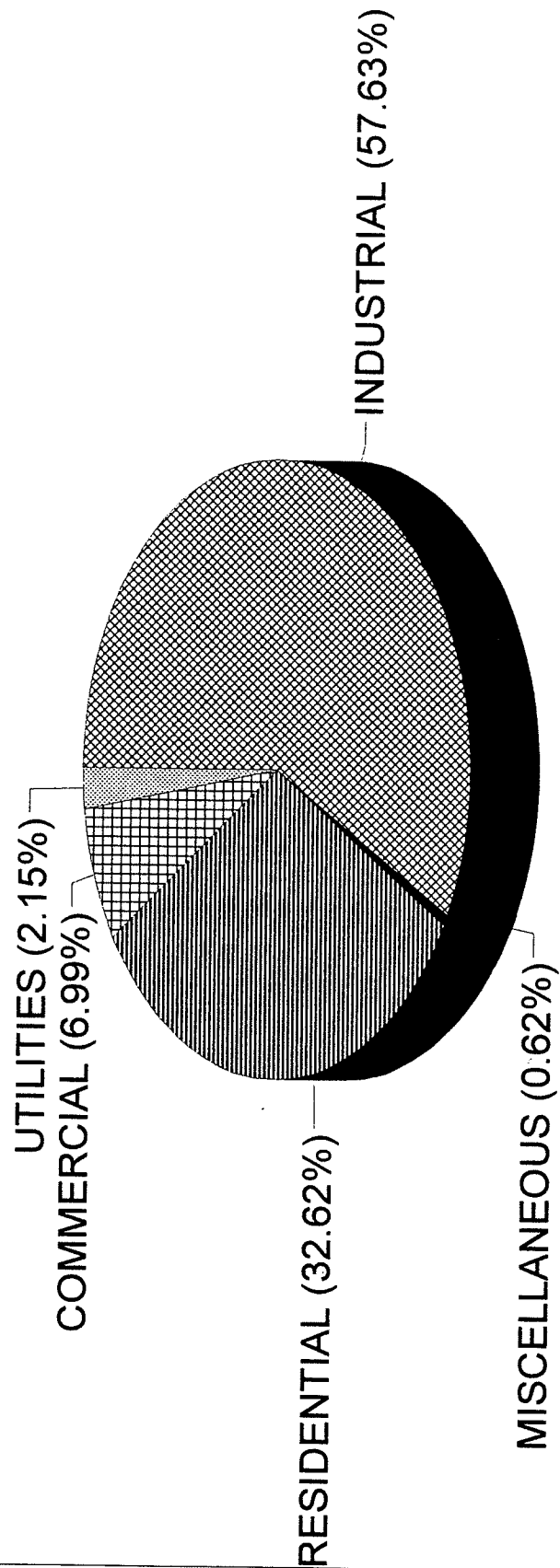
FY 1996 EXPENDITURES FOR VILLAGE GOVERNMENT

\$2,335,659*



*General Fund Budget only

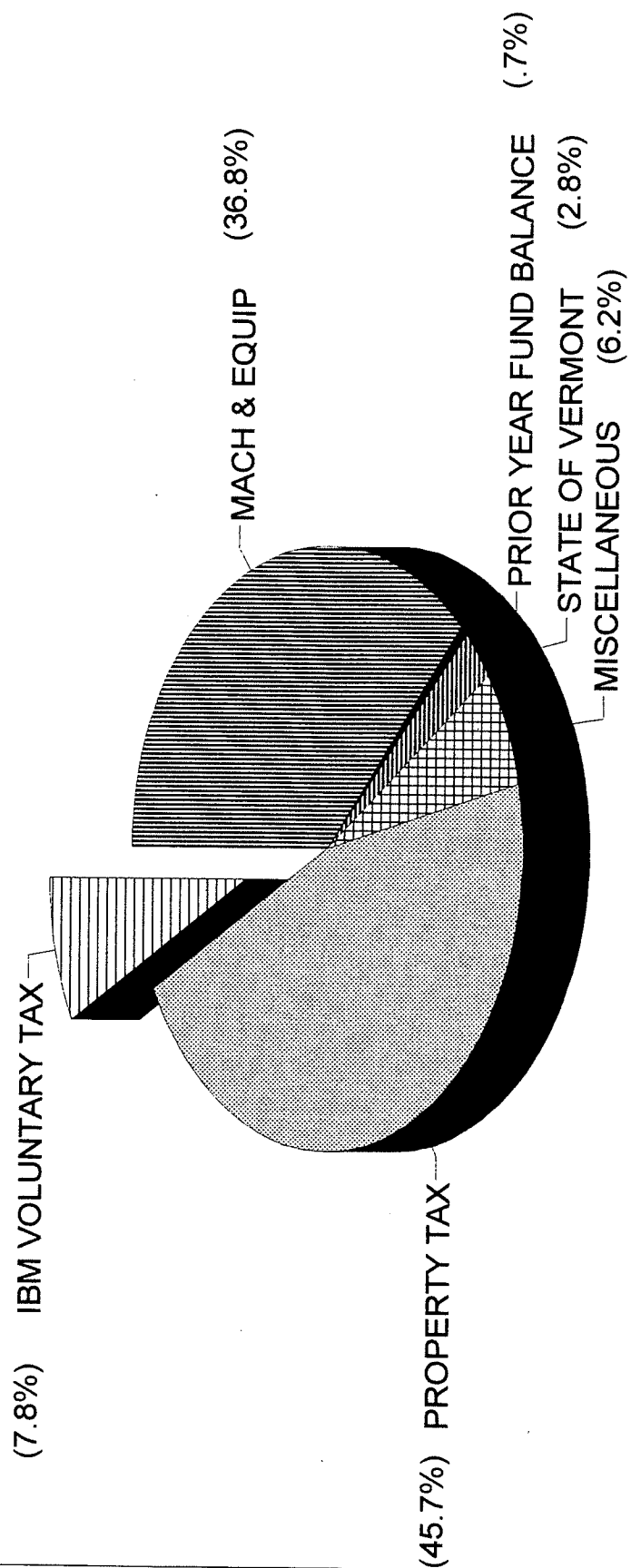
VILLAGE GRAND LIST 1995



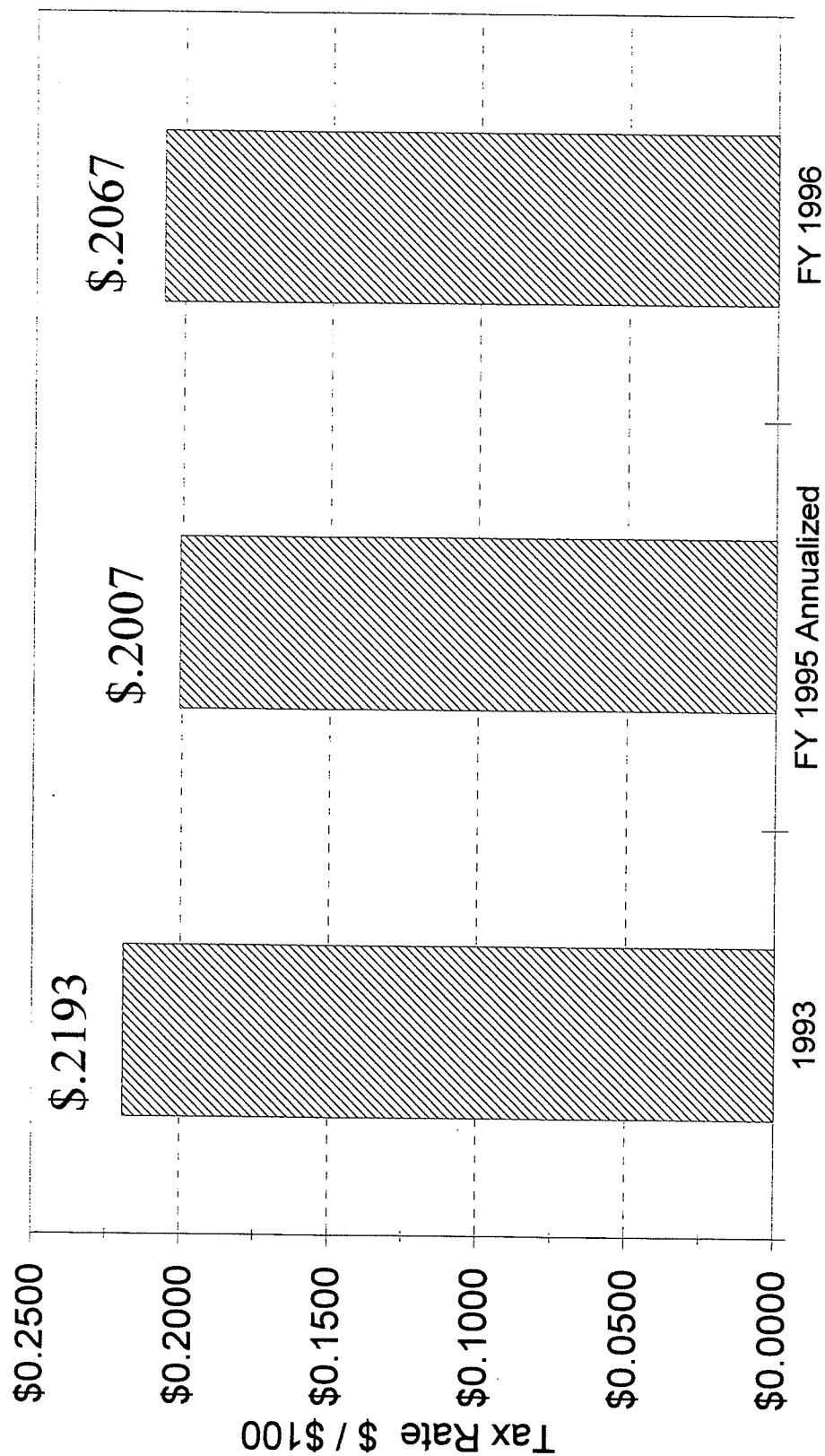
1995-96

VILLAGE GENERAL FUND REVENUES

\$2,335,658

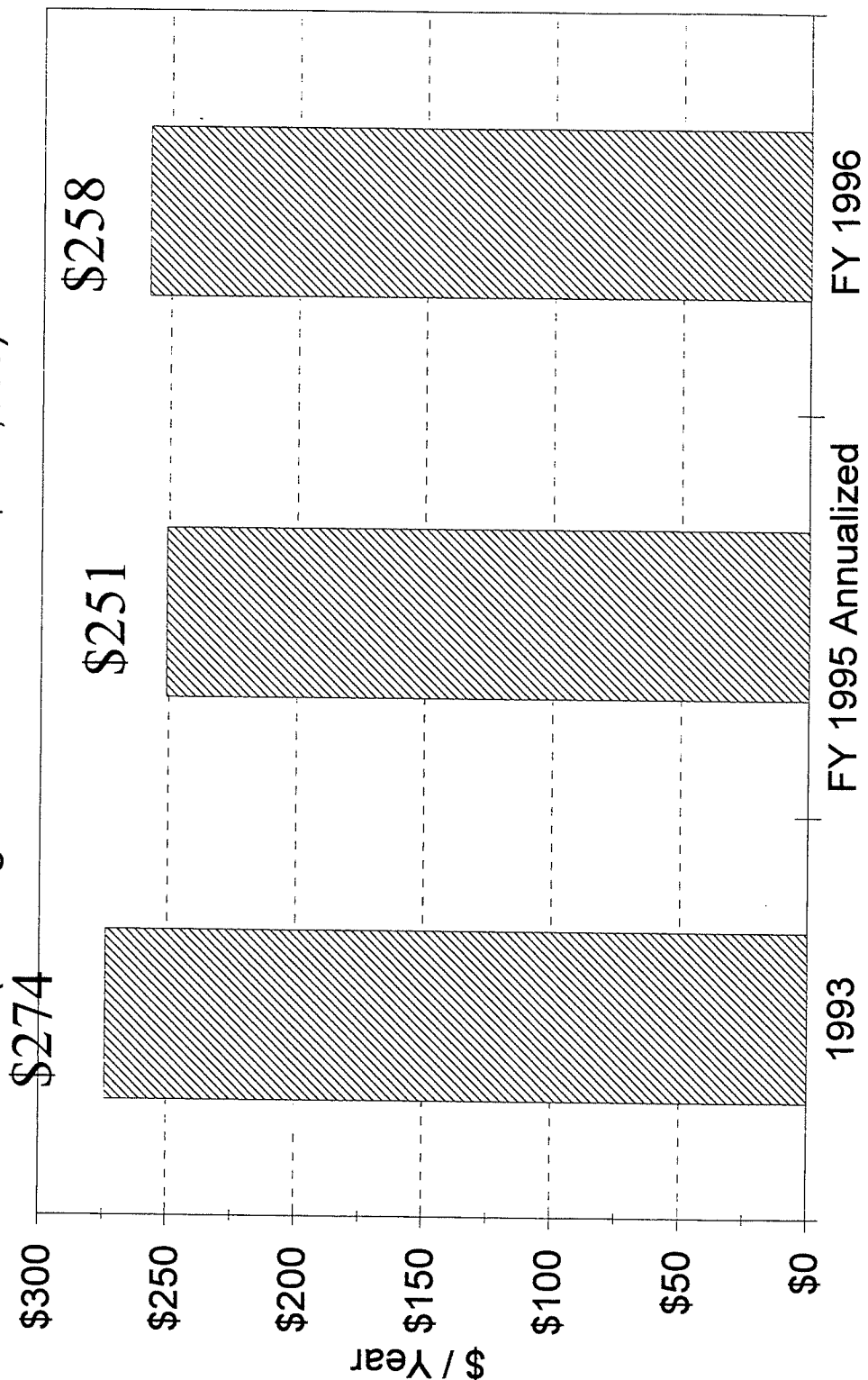


VILLAGE TAX RATES



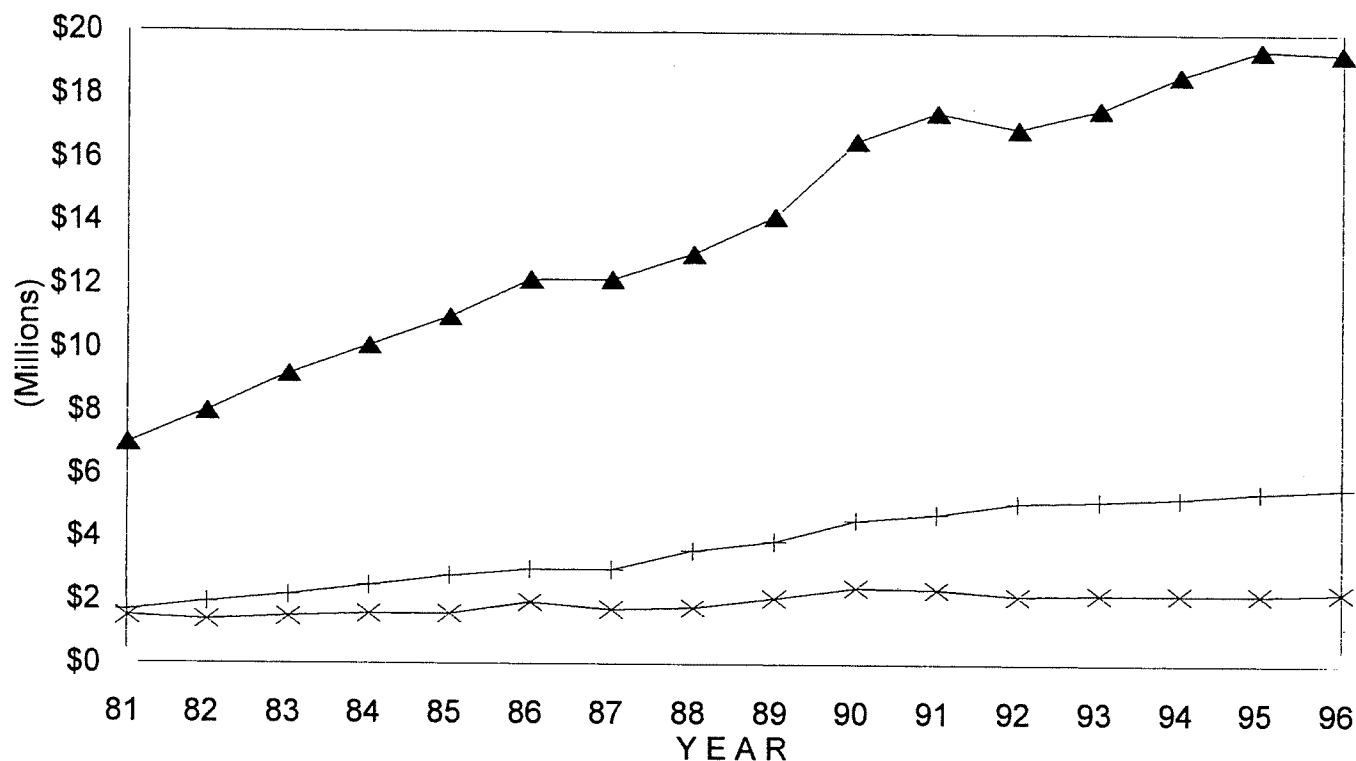
AVERAGE VILLAGE TAX BILL

Includes Budget & Special Articles
(Average House Value = \$125,000)



BUDGET COMPARISON 1981-1996

Town, Village, School



▲ School —+— Town —x— Village

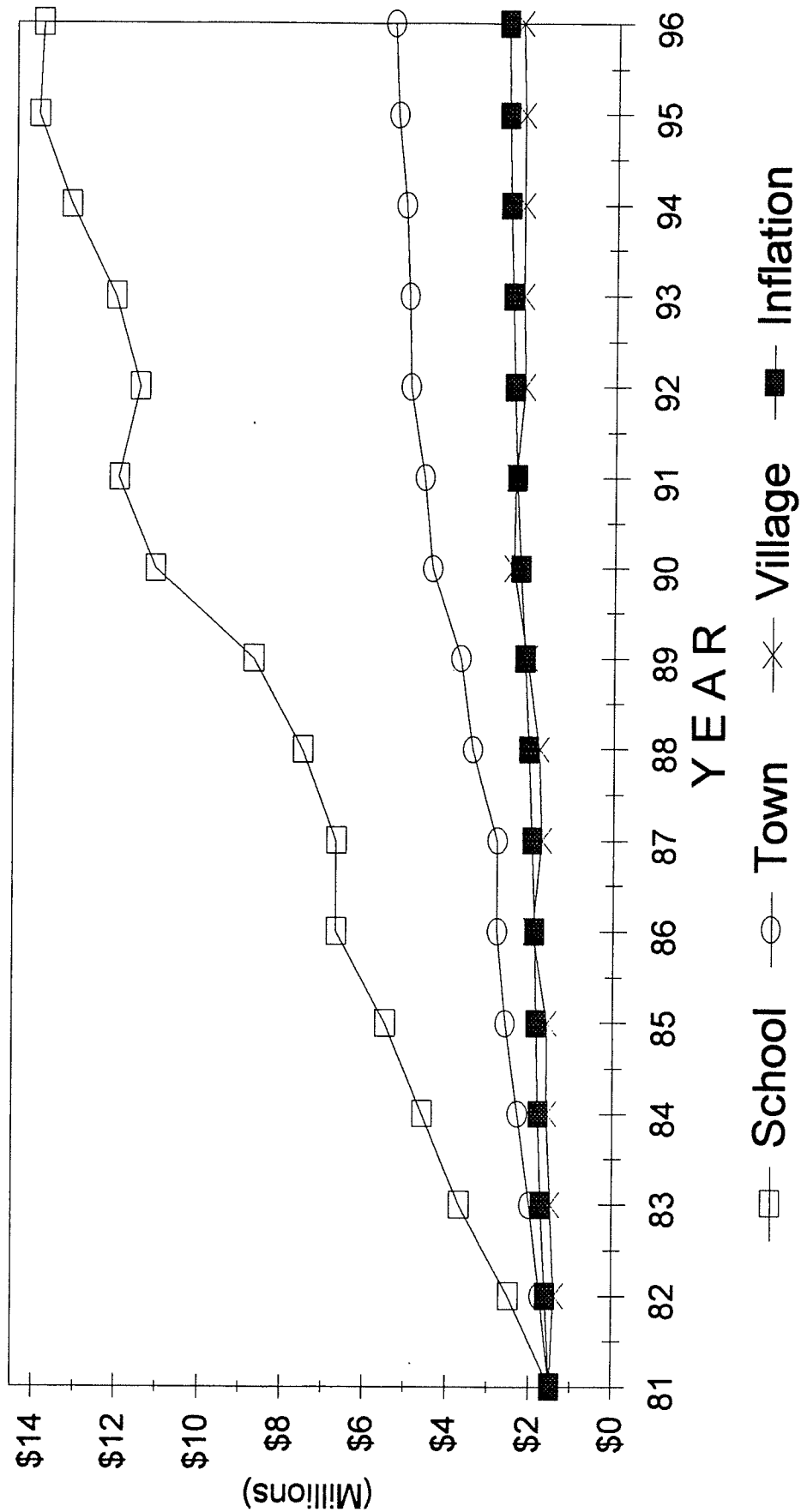
The growth in the Village budget over this 15 year period:

1. has been below the rate of inflation and,
2. has entirely absorbed more than a 21% increase in the Village population.

Source: Charlie Ketcham

Relative* Budget Growth 1981-1996

Town, Village, School



* All three budgets and the inflation line start at the same point for growth comparison purposes.

IS BIGGER, BETTER? IS SMALLER, BETTER?

LAW OF DIMINISHING MARGINAL RETURNS:

Please see Graph #16 on the following page, which illustrates the Law of Diminishing Marginal Returns.

Facilities that require expensive, capital investments, or processes that involve many repetitive tasks, often have very large economies of scale (e.g., manufacturing, banking or water purification). However, local customer service entities often do not have these characteristics and do not have the same economies of scale (e.g., dental office, law office or a retail water service).

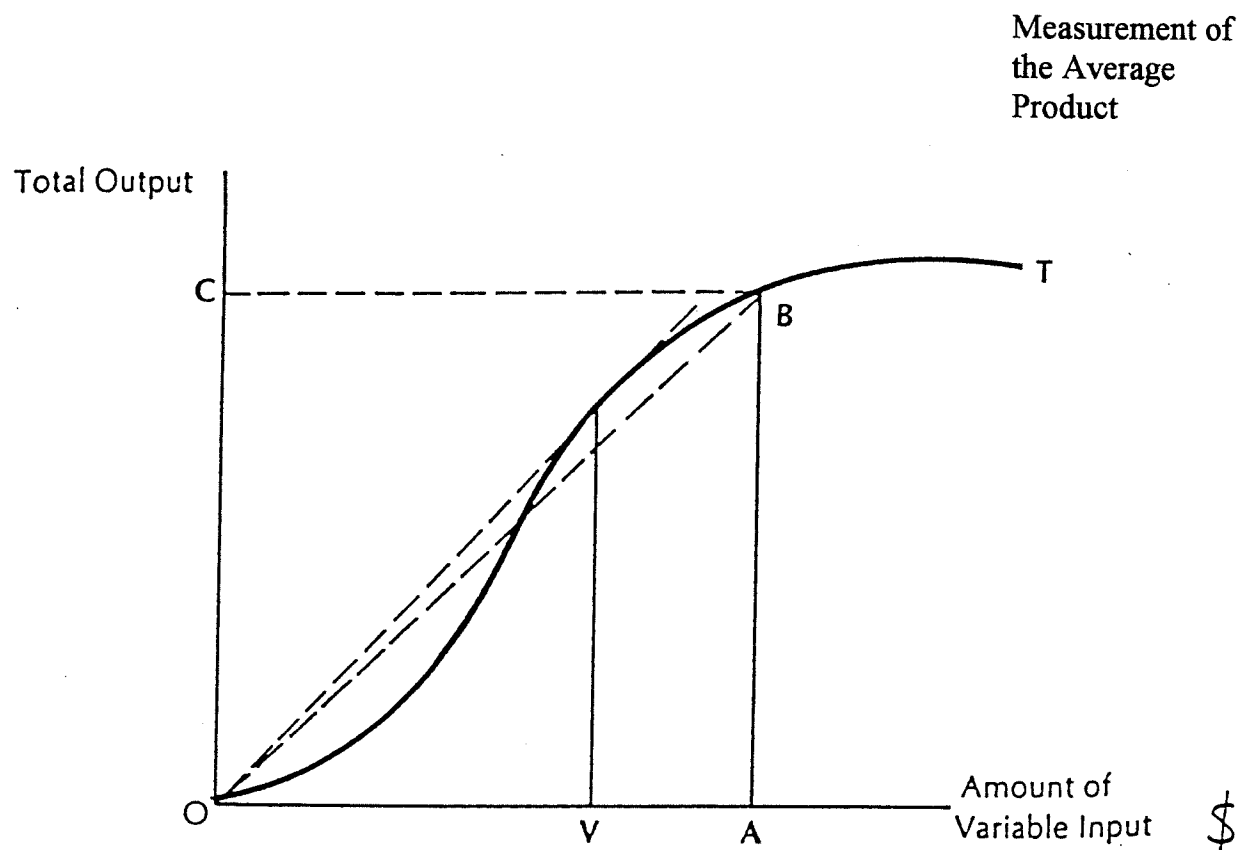
Many large, capital intensive public facilities in Chittenden County have already been regionalized to take advantage of the economies of scale presented by these assets. Examples of these assets are:

1. the CWD water plant (which serves 9 communities)
2. the regional wastewater treatment plant (which the Village of Essex Junction operates for the Village, the Town of Essex, and the Town of Williston)
3. the Chittenden Regional Solid Waste Landfill (which serves 16 communities)
4. the CCTA bus system service (which serves 7 communities).

SIZE OF THE VILLAGE:

Please see Table #1, listing the most populated communities in Vermont. As you can see, the Village of Essex Junction is the twelfth most populated community out of 247 communities in Vermont. We are Vermont's largest Village (see Table #2). Also, in terms of the number of jobs and the number of businesses in a community, the Village ranks in the top sixteen in Vermont. (See Tables #3 and #4.)

THE LAW OF DIMINISHING MARGINAL RETURNS



In Figure 5.4, we assume that the amount of the variable output is varied continuously, the result being that the total product, the average product, and the marginal product curves are continuous.

ECONOMIES OF SCALE

**LARGE CAPITAL INTENSIVE FACILITIES
THAT HAVE BEEN REGIONALIZED:**

- ✓ **WATER PLANT (CWD)**
- ✓ **WWTP (Williston, Essex and Essex
Junction)**
- ✓ **LANDFILL (CRSWD)**
- ✓ **BUS (CCTA)**

**SMALL CUSTOMER SERVICE ENTITIES DO
NOT HAVE THE SAME ECONOMIES OF
SCALE.**

TABLE #1**THE MOST POPULATED COMMUNITIES IN VERMONT**

TOWN/CITY	POPULATION
1. Burlington City	39,127
2. Rutland City	18,230
3. Essex Town/Essex Junction Village	16,498*
4. Bennington Town	16,451
5. Colchester Town	14,731
6. South Burlington City	12,809
7. Brattleboro Town	12,237
8. Springfield Town	9,616
9. Barre City	9,482
10. Hartford Town	9,404
11. Milton Town	8,404
12. Essex Junction	8,396*
13. Montpelier City	8,247
14. Middlebury Town	8,093
15. St. Johnsbury Town	7,604
16. Barre Town	7,411
17. Winooski City	6,649

NOTE: Population from 1990 Census. Does not include CDP's (Census Designated Places with Large Populations).

THERE ARE 247 COMMUNITIES IN VERMONT

(Source: Vermont League of Cities and Towns)

TABLE #2

**VERMONT'S 40 VILLAGES
POPULATION
1990-1992**

ESSEX JUNCTION	8,396*
Bellows Falls	3,313
Swanton	2,360
Morrisville	1,984
Northfield	1,889
Bristol	1,801
Poultney	1,731
Waterbury	1,702
Milton	1,578
North Bennington	1,520
Johnson	1,470
Enosburg	1,350
Lyndonville	1,255
Ludlow	1,123
Woodstock	1,037
Barton	908
Derby Line	855
Orleans	806
North Troy	725
Derby Center	684
Bradford	672
Manchester	561
Saxton River	541
Jeffersonville	462
Hyde Park	457
Stowe	450
Alburg	436
Wells River	424
Newbury	412
Westminster	399
West Burke	353
Cambridge	292
Old Bennington	279
No. Westminster	268
Marshfield	257
Jacksonville	244
Cabot	220
Albany	180
Newfane	164
Perkinsville	148

AVERAGE

*1,093 (including Essex Junction)

TABLE #3**COMMUNITIES IN VERMONT
RANKED ACCORDING TO THE NUMBER OF JOBS**

1.	Burlington	29,750
2.	South Burlington	14,486
3.	Brattleboro	13,108
4.	Rutland City	12,858
5.	Essex (inc. Essex Junction)	12,713
6.	Bennington	9,926
7.	Montpelier	8,486
8.	Essex Junction	8,400 est.
9.	Colchester	6,587
10.	Middlebury	6,219
11.	Manchester	5,483

Source: Dept. of Employment and Training
VT County and Town, 1994, for all communities
except the Village, which is a conservative estimate..

Note: 1994 Department of Health estimate shows Essex Junction's
population at 8,624.

TABLE #4

**COMMUNITIES IN VERMONT
RANKED ACCORDING TO THE NUMBER OF BUSINESSES**

1.	Burlington	1,616
2.	Rutland City	1,031
3.	South Burlington	913
4.	Brattleboro	783
5.	Bennington	648
6.	Montpelier	597
7.	Essex (inc. Essex Junction)	555
8.	Barre City	482
9.	Williston	472
10.	Manchester	458
11.	Colchester	448
12.	Middlebury	438
13.	St. Albans City	434
14.	St. Johnsbury	425
15.	Hartford	404
16.	Essex Junction	373
17.	Stowe	362
18.	Springfield	354
19.	Newport City	302
20.	Shelburne	290
21.	Woodstock	287
22.	Morristown	270
23.	Waterbury and Rockingham	216
24.	Lyndon	192
25.	Berlin	180

Source: Dept. of Employment and Training
VT County and Town, 1994, total covered.

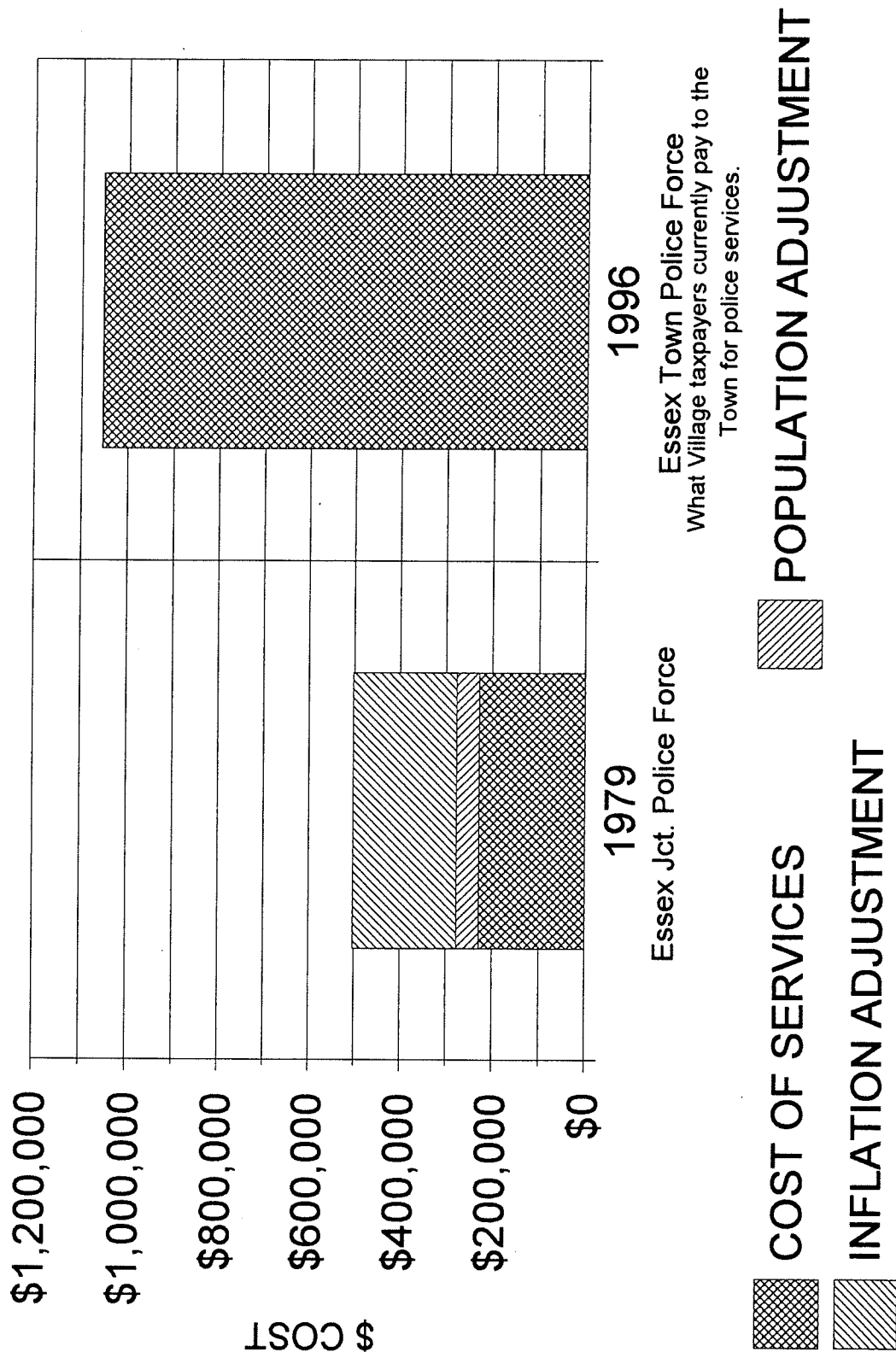
POLICE SERVICES

The following graph (#17) compares the Village police costs before and after the Village police department merged with the Town.

This graph makes adjustments in the Village's police costs for both inflation and population growth that have occurred since merger. As you can see, the police costs for the Village have more than doubled since a merger of the police departments occurred.

1979 was the last full year that the Village operated a police department. Merger occurred in 1980.

COST OF POLICE SERVICES TO THE VILLAGE **BEFORE & AFTER TRANSFER TO TOWN**



Graph #17

COST OF POLICE SERVICES TO THE VILLAGE

	1979	1996
COST OF SERVICES	229,000	1,053,000
POPULATION ADJUSTMENT	48,000	
INFLATION ADJUSTMENT	225,201	

RECEIVED

OCT 18 1991

Village of Essex Junction

Sullivan, Powers & Co.

CERTIFIED PUBLIC ACCOUNTANTS

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
223-2352 / FAX 223-3578

A PROFESSIONAL CORPORATION

James H. Powers, CPA
Fred Duplessis, CPA
Kathy L. Blackburn, CPA
VT Lic. #92-000180

October 3, 1991

Board of Trustees
Village of Essex Junction
2 Lincoln Street
Essex Junction, Vermont 05452

At your request, we performed the procedures enumerated below with respect to the cost reduction study related to savings produced by separation of the Village and Town dated March 31, 1990. These procedures, as specified by the Board of Trustees, were performed solely to assist the Board in evaluating the cost reduction study. This report is not to be used for any other purpose.

Procedures:

- We have interviewed Village personnel to determine the source of the data and the methodology used to make comparisons.
- We have reviewed and evaluated the accuracy of the data used.
- We have evaluated the propriety of the data used.
- We have evaluated the methodology of the comparisons made.
- We have overviewed the proposal in an attempt to determine if there are any costs that the Village may have overlooked.

Our findings are presented in the accompanying schedule.

X Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion or other form of assurance on the accompanying schedule.

Had we performed additional procedures or had we audited the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report relates only to the matters specified above and does not extend to the financial statements of the Village of Essex Junction, taken as a whole.

Sullivan, Powers & Company
SULLIVAN, POWERS & CO.
Certified Public Accountants

October 3, 1991
Montpelier, Vermont

VILLAGE OF ESSEX JUNCTION
SCHEDULE OF FINDINGS - COST REDUCTION STUDY

The Village prepared a cost reduction study on the savings produced by separation of the Village and Town dated March 13, 1990 which is attached to this report. The savings and amounts used are based on 1990 dollars.

The approach that the Village used was to compare the amount of property taxes the Village taxpayers pay to the Town to the cost of replacing all the services provided by the Town.

Based on the report, the services that the Town provides the Village are elections, real estate appraisal, clerk's office, police, cemeteries, public health and grants, economic development and intergovernmental expenses (county tax, CCTA, etc).

We have compared the Town and Village reports to determine which services would have to be replaced. We have also discussed this with the Village Manager. Based upon our comparison and discussions, it appears that the listed services in the report are the services that would have to be replaced.

To determine the cost of replacing these services, the Village calculated 60% of the amount budgeted for fiscal year 1989-90 based on the relative grand list values for elections, real estate appraisal, clerk's office, cemeteries, public health and grants and economic development. We traced and agreed these budgets to the 1990 Town report. We also recalculated the amounts determined at 60% and found no differences.

We are not sure that allocating these costs based on the relative grand list value is a fair method. We would have looked at population which is approximately 50%, however, the difference between these two percentages would only be approximately \$30,000. Utilizing the grand list method actually produces a more conservative savings.

To determine the intergovernmental expense, the Village contacted the various entities that would bill them and had them recalculate what the bill would be, based on the particular factor (i.e. population, grand list or miles). These amounts appear reasonable. The Village did neglect to bring the correct total forward from the annual replacement page to the computation of savings page. This would reduce the savings by \$14,754.

For the Police Department, the major service that would have to be replaced, the Village estimated what it would cost to staff their own department with thirteen officers, four dispatchers and two clerk/secretaries. They then compared this with the budgets of other communities of similar size to determine the reasonableness of their estimate.

VILLAGE OF ESSEX JUNCTION
SCHEDULE OF FINDINGS - COST REDUCTION STUDY

Based upon our review of their estimates and a comparison to the report "A Profile of Municipal Police Departments in Vermont" published by the Vermont Criminal Justice Center in cooperation with the The Chiefs of Police Association of Vermont dated November 1989, the estimate appears reasonable if not on the high side. The average budgets for the five communities ranging from 7,500 - 10,000 population for 1990 was \$678,094. The average number of full-time officers for communities with populations between 6,000 - 10,000 was 1.6 per 1,000 population. This would indicate that the Village would need approximately 13 1/2 full time officers. The Village also has one of the smallest areas (4.6 square miles) to cover which may also indicate that the estimate could be high.

The Village then estimated what the start up costs would be to initiate these services. This was determined to be approximately \$700,000 using generally the most expensive option available. This amount appears reasonable based on our review. This total was then amortized over 10 years at 8.5% interest which would produce a first year cost of approximately \$130,000. Subsequent years payments would be less than the first year. The Village used \$140,000 in their computation of savings.

Based upon our review and analysis of the data and methodology utilized by the Village, we concur there would be a savings to the Village taxpayers of approximately one million dollars. This is based on a comparison of the amount paid by the Village taxpayers to the Town with the cost of replacing these services in 1990.

x

ESSEX LEAGUE OF WOMEN VOTERS
ESSEX JUNCTION, VERMONT 05452

September 29, 1978

Mr. Gerald M. Malloy, Accountant
Village of Essex Junction
Essex Junction, Vermont 05452

Dear Mr. Malloy,

Thank you for your letter of September 25th. I hope to clear up some misunderstandings.

The League of Women Voters of Essex is studying taxation in the Village and Town. As part of the larger study of taxation, this local tax committee included a proposed budget for a separate Village government and a possible one for a merged Village and Town government. Since these two issues are being discussed in the community, these budgets were relevant to a thorough study. All this material was presented at League meetings on September 13th which were open to the public.

The information you provided to the committee was very helpful and was one of their primary sources for their presentation of the estimated separation budget. We appreciate your cooperation in making these figures available.

The merger budget as presented was only an educated guess. The committee used the budget figures as published in the Village and Town Reports as the basis for this budget. Certainly, there are many valid questions. At our meetings the committee explained why they had chosen the particular police and public works estimates but knew that the exact numbers are open to question.

Our League committee gave the Suburban List some tax information the editors wanted. I must admit that I was probably as surprised as anyone when I read the headline, "League Sees Savings With Merger". This was not the thrust of our meetings or even that of the article following. All our and your figures agree that at present the separation of Village and Town governments would result in a greater tax savings for the Village taxpayer than would merger. *

The League of Women Voters of Essex has no position on the separation of Village and Town government and will not have one in the near future. We take positions and support issues only after study and we have not studied this issue. As an organization we have been very careful not to show any preference in the separation question. However, some of our members who are not on the Board of Directors have been vocal. Certainly, as citizens they have this right.

We are very concerned that we keep our reputation of fairness. We do try to look at all sides of an issue and reach conclusions.

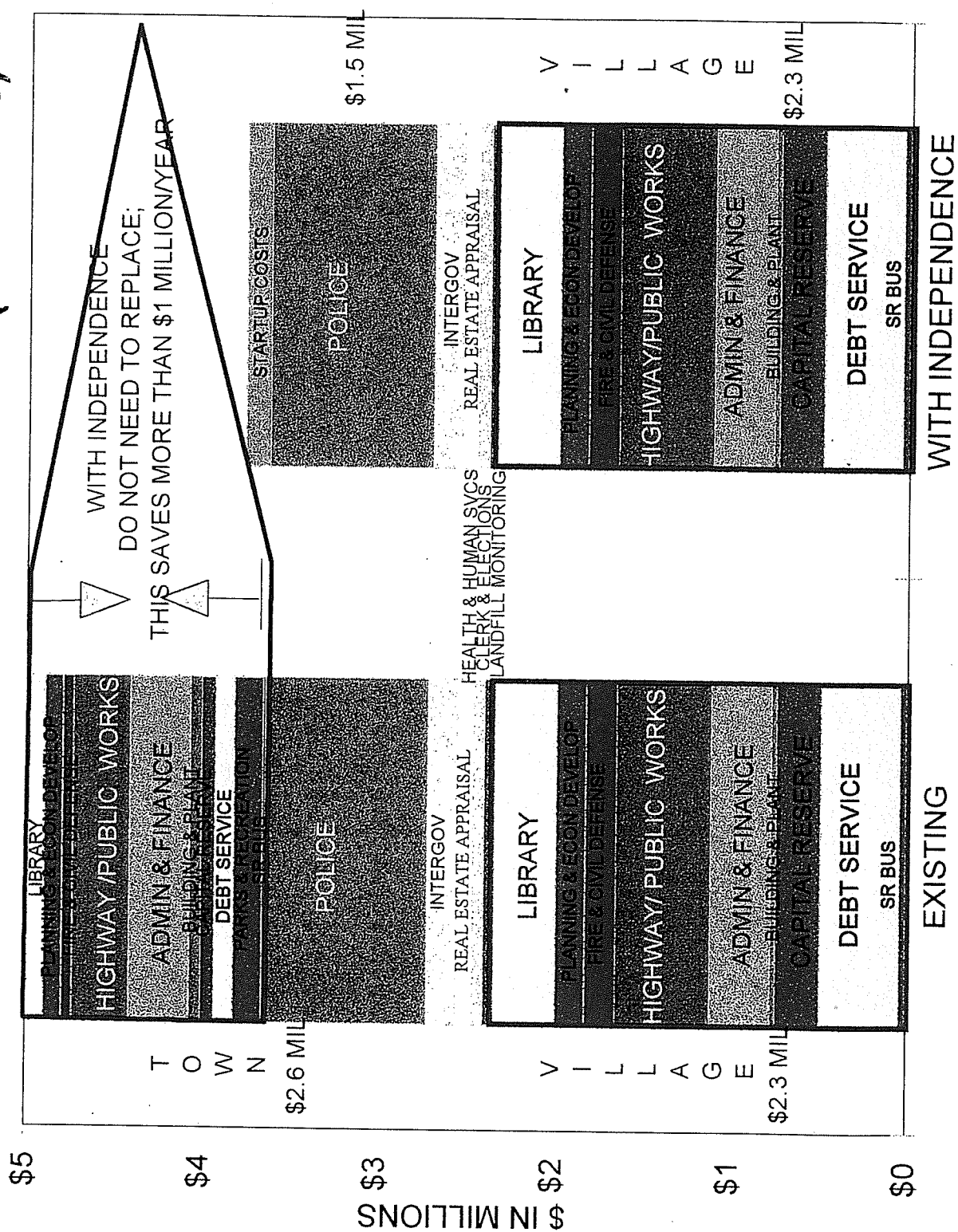
Sincerely,

Mary Beth Dorsey

Mary Beth Dorsey
President

cc: Marge Gaskins
Stells Bukanc

1995 VILLAGE MUNICIPAL COSTS (GRAPH 1)



UPDATE OF THE 1990 COST REDUCTION STUDY
SAVINGS PRODUCED BY INDEPENDENCE OF THE VILLAGE FROM THE TOWN

The Village paid to the Town of Essex approximately 60% of the Town tax levy (or \$2.6 million) in FY 95. If the Village became independent of the Town, our new costs to replace the Town's services would be approximately \$1.5 million, or approximately \$1 million a year less than what we now pay to the Town. These costs are listed below:

				Computation of savings
Amount paid by Village taxpayers to the Town of Essex in FY95 (Refer to Graph #1)				\$2,630,000
New services that the Village would need to pay for if the Village became independent of the Town	Town Budget FY95	60% of Town's Budget paid by Village	Maximum (FY 96) amt. the Village would need to provide the same service	
Police	\$1,819,815	\$1,091,189	\$1,000,000	
Clerk & elections	125,171	75,103	70,000	
Real estate appraisals	180,601	108,360	80,000	
Health, human services & cemeteries	86,796	52,078	50,000	
Intergovernmental (County tax, CCTA, CRPC)	318,678	191,207	171,000	
GBIC	<u>5,000</u>	<u>3,000</u>	<u>3,000</u>	
SUB-TOTAL + start-up costs	\$2,536,061	\$1,520,937	\$1,374,000 <u>143,310</u>	
Total amount the Village would need to provide the above services if the Village became independent.				\$1,517,310
TOTAL ANNUAL SAVINGS FOR THE VILLAGE TAXPAYERS RESULTING FROM INDEPENDENCE				\$1,112,690

All existing Village services (street, library, fire, etc.) would continue without change. Village Water and Sewer (WWTP) services would continue to be provided and paid for under the existing system, without change. Landfill costs are paid to the Chittenden Regional Solid Waste District. The Village is a member community.

ANNUAL REPLACEMENT COSTS

- **POLICE:** \$1,000,000
 OPTIONS:
 - 1. Contract for these services*
 - 2. Hire staff: fourteen officers
 four dispatchers
 two clerk/secretaries

- **CLERK AND ELECTIONS:** \$ 70,000
 OPTIONS:
 - 1. Contract for these services*
 - 2. Hire staff (two people)

- **REAL ESTATE APPRAISALS:** \$ 80,000
 OPTIONS:
 - 1. Contract for these services*
 - 2. Hire staff (two people)

- **HEALTH, HUMAN SERVICES, CEMETERIES
AND GRANTS (optional) GIVEN TO NON-PROFIT
GROUPS:** \$ 50,000
 OPTIONS:
 - 1. Contract for these services*
 - 2. Hire staff: health officer (part-time)
 animal control/shelter officer

- **INTERGOVERNMENTAL (COUNTY TAX, CCTA, CRPC):**

County tax	\$ 53,000	
CCTA	\$ 90,000	
Winooski Valley Park District (optional)	\$ 19,000	
Chittenden County Regional Planning	\$ 9,000	
Metropolitan Planning Organization (presently included in the Administration Budget)	\$ <u>0</u>	
		\$ 171,000

- **GBIC (OPTIONAL):** \$ 3,000

*The contract option includes contracts with other municipalities, the state or private contractors.

NOTE: If we use the "hire staff" option, I do not believe that many full-time Town employees would lose their jobs because the Village could hire those employees that the Town would no longer need.

MAXIMUM START-UP COSTS

BUILDING AND FURNISHINGS:

OPTIONS:

1. Rent
2. Purchase
3. Use space in Lincoln Hall

Option 3: The costs to renovate space in Lincoln Hall are listed below and are taken from the ESPACE plan dated 9-23-93:

- New construction; entry vestibule and lobby; 750 ft. x \$50/sq. ft. = \$ 37,500
- New elevator with two stops = \$ 40,000
- New fire enclosure wall type stairs = \$ 15,000
- Total renovation of second floor including building spaces for Village offices and police offices 5,141 sq. ft. x \$70/s.f. = \$360,000
(Not all leases for existing tenants would be renewed.)
- Furnishings for offices and common areas including signage = \$200,000

SUB-TOTAL

\$653,000

POLICE (if contract option is not used):

- uniforms, radios, revolvers, misc. \$ 80,000
- cars with radios (4) \$ 80,000
- dispatch, radio \$ 30,000
- miscellaneous equipment: photo equipment, recorders, files, desks, chairs, telephones, lockers, radar, etc.
(included above in the \$653,000) \$ 0

SUB-TOTAL

\$190,000

OFFICE EQUIPMENT FOR CLERK AND AND ASSESSOR: (if contract option is not used);

\$ included in the above \$653,000

\$ 0

OPTIONS:

1. Office could be located in Lincoln Hall
(as all tenants have only one year leases).

GRAND TOTAL OF START-UP COSTS

(if no contract options are used)

\$ 843,000

PAYMENT OPTIONS

1. One-time payment (could be paid from the first year's savings). \$843,000
2. Bonds or notes over ten years. (Maximum payment for the first year would be \$143,310. Subsequent payments would decline each year.) Refer to the following ten year debt schedule of start-up costs.

START-UP COSTS

Bond for \$843,000 over ten years at 7%.

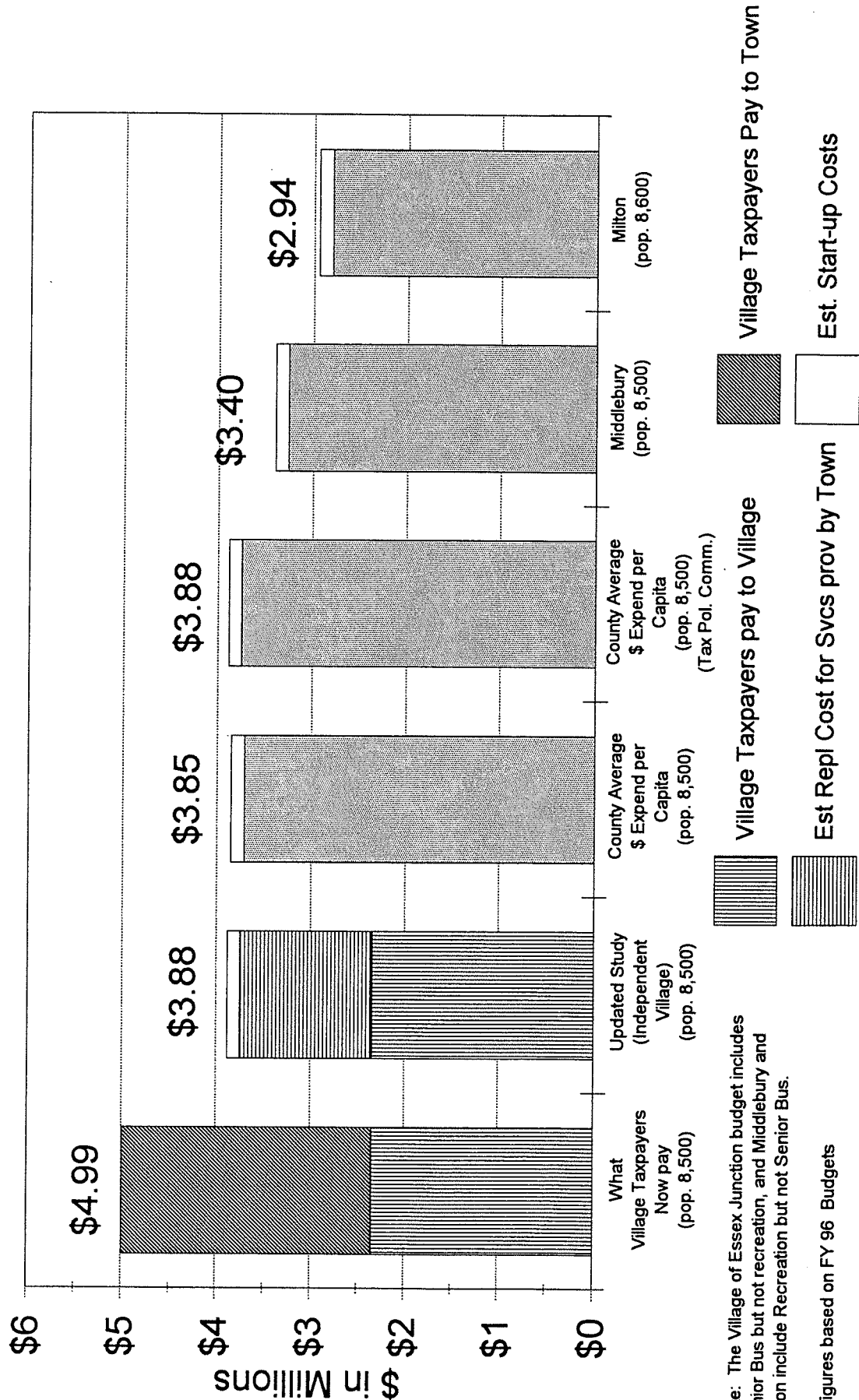
<u>YR.</u>	<u>OUTSTANDING DEBT</u>	<u>PRINCIPAL PAYMENT +</u>	<u>INTEREST PAYMENT +</u>	<u>TOTAL DEBT PAYMENT</u>
1	\$843,000	\$ 84,300	\$ 59,010	\$ 143,310
2	\$758,700	\$ 84,300	\$ 53,109	\$ 137,409
3	\$674,400	\$ 84,300	\$ 47,208	\$ 131,508
4	\$590,100	\$ 84,300	\$ 41,307	\$ 125,607
5	\$505,800	\$ 84,300	\$ 35,406	\$ 119,706
6	\$421,500	\$ 84,300	\$ 29,505	\$ 113,805
7	\$337,200	\$ 84,300	\$ 23,604	\$ 107,904
8	\$252,900	\$ 84,300	\$ 17,703	\$ 102,003
9	\$168,600	\$ 84,300	\$ 11,802	\$ 96,102
10	\$ 84,300	\$ 84,300	\$ 5,901	\$ 90,201
	TOTAL	\$843,000	\$324,555	\$1,167,555

Cost Reduction Study of Hypothetical Village X of 8,500
Using Per Capita Expenditure Data for Chittenden County
Compiled by W. Dugan

SERVICES	AVE \$/CAP COUNTY	ANNUAL COST
Elections	\$1.00	\$8,500
R.E. Appraisal	\$7.00	\$59,500
Clerk's Office	\$6.00	\$51,000
Police	\$113.00	\$960,500
Cemeteries	\$1.00	\$8,500
Public Health	\$3.00	\$25,500
Grants & Culture	\$1.00	\$8,500
Econ.Dev. (GBIC & Chamber)	\$1.00	\$8,500
Inter.Gov.	\$16.00	\$136,000
(County tax, CCTA, CCRPC)		
Building & Plant	\$9.82	\$83,470
Library	\$18.41	\$156,485
Planning	\$19.68	\$167,280
Fire	\$30.74	\$261,290
Street	\$98.79	\$839,715
Admin	\$44.78	\$380,630
Capital Reserve & Spec Articles	\$34.00	\$289,000
Debt	\$31.00	\$263,500
		<u>\$3,707,870</u>
PLUS MAX. START-UP COSTS		<u>\$143,310</u>
TOTAL BUDGET \$ NEEDED BY VILLAGE X		\$3,851,180

VIL BUDGET (IN FY 96)	\$2,335,658
VIL PAYMENT TO TOWN (FY 96)	<u>\$2,652,618</u>
TOTAL PRESENT COST	<u>\$4,988,276</u>
SAVINGS IF VILLAGE X IS INDEPENDENT FROM TOWN	<u>\$1,137,096</u>

COST OF MUNICIPAL SERVICES FOR COMMUNITIES WITH POPULATIONS 8,000 - 8,500 (GENERAL FUND BUDGET)



Cost Reduction Study of Hypothetical Village X of 8,500
Using Per Capita Expenditure Data for Chittenden County
Prepared for Tax Policy Committee

SERVICES	AVE \$/CAP COUNTY	ANNUAL COST
Cultural Programs	\$17.33	\$147,305
Community Development	\$19.92	\$169,320
Fire	\$28.78	\$244,630
Public Works	\$103.14	\$876,690
Admin & Finance	\$72.85	\$619,225
Health & Welfare	\$3.64	\$30,940
Intergovernment	\$14.56	\$123,760
Misc	\$12.40	\$105,400
Police & Other Safety	\$107.04	\$909,840
Debt Service	\$32.68	\$277,780
Capital Reserve & Special Articles	\$27.41	\$232,985
		<u>\$3,737,875</u>
PLUS MAX. START-UP COSTS		<u>\$143,310</u>
TOTAL BUDGET \$ NEEDED BY VILLAGE X		\$3,881,185
VIL BUDGET (IN FY 96)		\$2,335,658
VIL PAYMENT TO TOWN (FY 96)		<u>\$2,652,618</u>
TOTAL PRESENT COST		<u>\$4,988,276</u>
SAVINGS IF VILLAGE X IS INDEPENDENT FROM TOWN		<u>\$1,107,091</u>
 TOTAL PRESENT COST		 \$4,988,276
TOTAL BUDGET NEEDED BY VILLAGE X		<u>\$3,881,185</u>
		<u>\$1,107,091</u>

Towns make ends meet with COP on the beat

Police program cuts communities' costs

By Laura Decher
Free Press Staff Writer

JERICHO — Most people want to feel protected against crime at home, but the costs of establishing a full-time police department are prohibitive for most small towns.

That was before the Vermont State Police Contract Outpost Patrol program — called COP for short — was born.

For a fee, town residents can hire a fully equipped member of the state's largest police force to watch over them.

Even though many towns are interested in the program, some people say they should not have to pay extra for more protection by Vermont State Police.

State police say COP officers are being offered to towns at cost — \$47,000 per year in a three-year contract. That covers an officer for 40 hours a week, equipment, operating expenses, insurance and liability, personnel management and job supervision. State police will provide a replacement when the

assigned trooper goes on vacation, is sick or has to be in court rather than on patrol. When the town's trooper is not on duty, state police will dispatch an officer for emergency calls as it currently does.

The town can set the trooper's schedule to cover problem times, and must provide an office or desk.

State police director Robert A. Horton is calling COP a pilot program. The state budget includes money for state police to bring four towns into the program. Horton said he expects the Legislature to give the program full approval and more money next year.

Horton said towns are reacting positively to COP. During the past 10 years, the effectiveness of the state police force has declined because of diminishing funding, he said. At one time, 45 troopers are on duty throughout the state.

Poultney is the only town enrolled in the program. It started receiving partial COP services in July and will get a full-time trooper in November when the next

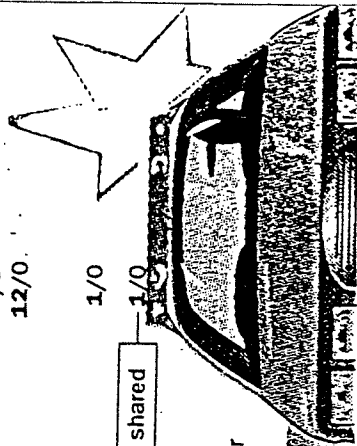
A hometown COP

Three towns in Chittenden County are looking into the Vermont State Police COP program — police protection from one trooper, at a cost of \$47,000 per year in a three-year contract. Alternatives include a full-time police department or hiring a sheriff's deputy. Here are the cost and staffing comparisons:

With police departments		
Town	Population	Staff
Essex	17,000	(full/part time) 36/7
Shelburne	6,000	8/11
Colchester	14,731	27/8
Richmond	3,729	3/8
Milton	8,700	12/0
With proposed state police program		
Town	Population	Cost per resident
Essex	17,000	\$96
Shelburne	6,000	\$76.65
Colchester	14,731	\$66.76
Richmond	3,729	\$44.44
Milton	8,700	\$41.57
With proposed state police program		
Town	Population	Cost per resident
Charlottesville	3,148	\$14.93
Underhill	2,799	\$8.40
Jericho	6,707	\$3.50

Chittenden County Sheriff's Department

One deputy and vehicle 40 hours a week per year in a three-year contract: \$42,500



Source: Vermont State Police, towns

class graduates from the Vermont State Police Academy. Richford is set to join the program in November when its trooper becomes available.

In Chittenden County, Charlotte, Jericho and Underhill are looking into the program to provide them with increased police protection.

CHRIS WILLIS, Free Press

Underhill and Jericho are talking about sharing a trooper. Horton and Lt. William Northrup, commander of the state police barracks in Colchester, met with selectmen from the two communities last week to introduce COP.

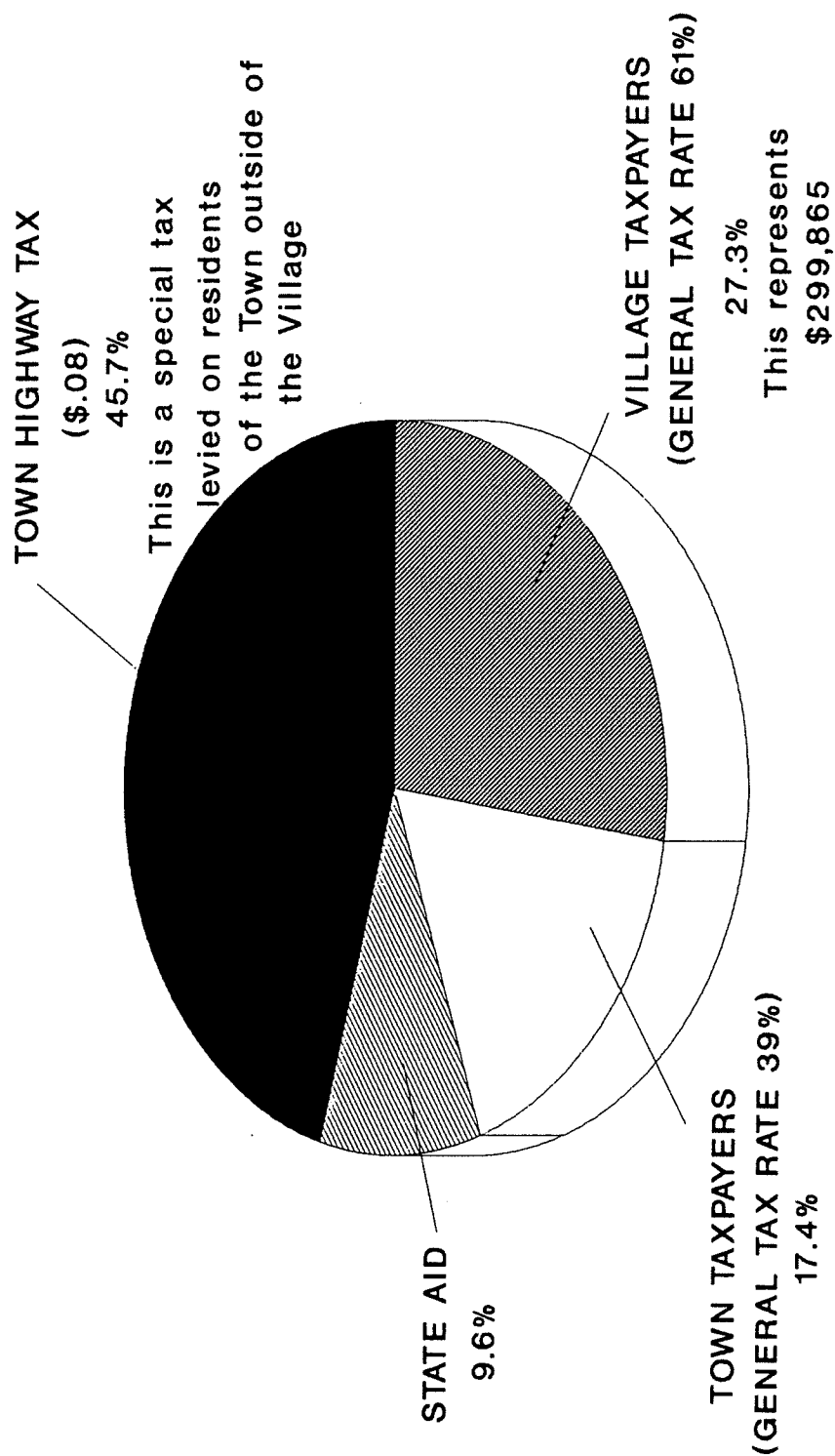
See COP, 3B

FREE PRESS 9-22-91

COMING MONDAY: ESSEX POLICE PATROL ON HORSEBACK

TOWN OF ESSEX HIGHWAY FUNDING

1995-96
\$1,098,762



VILLAGE OF ESSEX JUNCTION

2 Lincoln Street, Essex Junction, Vermont 05452-3685

Telephone (802) 878-6944

FAX 878-6946

September 20, 1994

Mr. Marty Myers, Chair
Town of Essex Selectboard
81 Main Street
Essex Junction, Vermont 05452

Re: Highway Tax

Dear Marty:

At present the Town of Essex Highway Tax pays for approximately half of the cost of operating the Town highways outside the Village.

Our Board requests that your Board discuss having this tax increased in future years to cover all of the costs of the Town highways, less the State highway aid that the Town receives. The Trustees believe that the present situation is not fair to the residents of the Village. The Town and Village highways are recognized as separate and distinct by the State of Vermont, and each accordingly receives state highway aid for its mileage.

We request that your Board discuss this matter, and let us know of your position as soon as possible.

We would be happy to meet with you to discuss this further, if you think that would be helpful.

Sincerely,



George A. Dunbar, Sr.
President

✓cc: Trustees 9/23/94
6/13/95

NOTE: The Town has not responded in writing to this letter.

taxes\highway.94

RECOMMENDATIONS OF THE 1990 COST REDUCTION STUDY

- * Recommend that no petitions regarding this subject begin for at least one year (i.e. that we not go forward this separation at this time).
- * Present this information to the taxpayers (via public meetings, TV, print, etc.).
- ✓ * Hire an independent consultant to evaluate this proposal.
- * Obtain Village representatives (either elected or appointed by the Trustees) to the CWD, etc. to represent the Village's interests and to better control rates, costs, etc. (This would likely require a change in the CWD charter.)
- * Encourage a free and democratic debate of this issue and of all the alternatives.
- * Request that the Town reduce our costs (e.g. increase the Town Highway Tax to cover more or all of the town's street costs, cut costs, etc.).
- * Form a joint Cost Reduction/Quality Committee with the Town and the Essex Junction School District to identify and share cost reduction/quality improvement ideas.
- ✓ * Request that the Town improve the enforcement of our ordinances.
- * Negotiate a service contract with the Town for police services and ordinance enforcement. This contract could include definitions of acceptable levels of service for:
 - * enforcing speed and traffic ordinances daily
 - * enforcing weight limits
 - * providing the Village with an accident map annually
 - * other services.

✓ = done

ADDITIONAL ADVANTAGES OF INDEPENDENCE

INDEPENDENCE	SUBJECT	PRESENT OR STATUS QUO
<p>100% focus on Essex Junction (4.6 sq. miles) under the direct control of the Village Manager.</p> <p>A reduction in total area covered most certainly would bring a concentration of effective and responsive police services.</p>	<i>POLICE SERVICE</i>	<p>Services to Essex Junction are diluted with emphasis on Town ordinances. Despite the cost to Village taxpayers, there is no direct administrative input into the operation of the police department. Essentially, the Village is purchasing a protective service but with little say as to how it is rendered to our community.</p>
<p>100% focus on Essex Junction's urban profile. Under the direct control of the Village Manager.</p>	<i>TAX ASSESSOR</i>	<p>Both the Village and the Town are currently served by the Town Office at 81 Main Street.</p>
<p>One-stop shopping at Lincoln Hall.</p>	<i>VITAL STATISTICS</i>	<p>Both the Village and the Town are currently served by the Town Office at 81 Main Street.</p>
<p>Direct representation for the Village.</p>	<i>CHAMPLAIN WATER DISTRICT</i>	<p>Indirect representation for the Village.</p>
<p>Direct representation for the Village. Essex Junction would not be dependent on the Town to continue bus service for the Village.</p>	<i>CCTA</i>	<p>Indirect representation for the Village.</p>
<p>Independence would instill mutual respect and cooperation.</p>	<i>VILLAGE/TOWN RELATIONS</i>	<p>Conflicting viewpoints and differing needs foster misunderstanding.</p>

INDEPENDENCE	SUBJECT	PRESENT OR STATUS QUO
100% focus on Essex Junction, its goals, special needs and future.	<i>FOCUS OF REPRESENTATIVES</i>	Often diffused. Difficult to serve two communities with conflicting needs.
Unique! Essex Junction is the largest Village in Vermont. With independence, the Village would be the 11th largest community in Vermont. The Village has successfully served its residents for 103 years.	<i>ESSEX JUNCTION IDENTITY</i>	Essex Junction is too often ignored and overlooked in publications and media. "One community" focus (Essex) bypasses Essex Junction as a vital entity.
<p>Independence will allow the Village to control local affairs, to enhance its sense of community pride, and to determine its future with a focus on issues of importance to Village residents.</p> <p>Taxes paid by Essex Junction residents will support Village needs, goals and interests.</p> <p>Village residents will no longer be torn between supporting Town issues versus Village issues.</p>	<i>ESSEX JUNCTION AS A COMMUNITY</i>	<p>During the last 103 years the Village has developed as a self-sufficient, desirable community.</p> <p>Experience indicates that further erosion of Village assets may occur if Essex Junction does not become independent.</p>

**OTHER FACTORS
(PERCEIVED DISADVANTAGES)
RELATIVE TO INDEPENDENCE**

During the Ad Hoc study, the Committee discovered long-standing issues that have not been fully addressed. The following is an attempt to clarify these points.

1. **SOME SERVICES PROVIDED BY THE TOWN WOULD HAVE TO BE REPLACED:** This statement is correct. The Village would have to replace some services currently provided by the Town (i.e. police, tax assessor, vital statistics). Based on the Cost Reduction Study update, the Village can replace these services and sustain them at a savings to the Village taxpayers. The total cost for establishing these services in 1996 is \$1,518,000. (The annual, or base, cost is \$1,374,000 and a one-time startup cost is \$143,310 .) The 1996 cost to sustain these services on an annual basis is \$1,374,000. (See the Cost Reduction Study Update, Graph #1, for further explanation.)
2. **LAND DEFICIENCY:** "Special interest groups" define the Village as land-locked. This statement is misleading because the Village still has large residential tracts of land to sustain its residential growth needs well into the next century. In addition, the Village has vacant or under-utilized industrial and commercial tracts in and around the Village core. Essex Junction is a self-sufficient, total community encompassing a wide variety of personal and commercial services, including medical services, pharmacies, religious centers, recreation, and all manner of retail and automotive establishments. The critical assets of a community are its people and its businesses. Essex Junction has an abundance of both of these assets.
3. **POLICE SERVICES:** Options include:
 - a. **Establish a Village Police Department:** This option should be less costly because of the smaller area to be covered (4.6 square miles as opposed to the current Town coverage of 36 square miles). This option would also provide direct Village control and a department totally committed and trained to enforce Village ordinances. The cost estimate is \$1,000,000 annually. (Please refer to the Cost Reduction Study Update.)
 - b. **Establish a contract with the Vermont State Police:** The cost would be \$50,000 per officer per year, which includes all expenses (i.e. patrol cars, equipment, salaries including benefits).
 - c. **Establish service with the Essex Police through a contract arrangement:** A contractual arrangement under such a relationship would stipulate that the Village would have a greater voice in the activities of the police within the Village, and would specify the level of service to be delivered..

4. **FUTURE ECONOMIC DEVELOPMENT:** When one views the Village in an objective manner, one can reasonably conclude that 80% of available space is developed. This is not a detriment. It must be understood that the Village of Essex Junction is an urban, self-sustaining community. The emphasis for the future should focus on enhancing its uniqueness. The Village contains numerous parcels that have excellent redevelopment potential. In addition, the Village is in the enviable position of possessing excellent infrastructure for future development and redevelopment.

5. **THE WINOOSKI EXPERIENCE:** The demographics vary so widely that comparing Essex Junction to Winooski is based on a misleading premise. Winooski is one square mile in area, while Essex Junction is 4.6 square miles. The population of Winooski is 6,750 as opposed to 8,396 in the Village.

The circumstances under which Winooski became an independent community in 1922 are not at all similar to those conditions that exist today in Essex Junction. The Village is a stable, economically strong and desirable family community with quality municipal services and reasonable costs. Essex Junction has the basic resources which are essential for independence.

6. **ESSEX JUNCTION IS A ONE-INDUSTRY COMMUNITY:** IBM is a major asset for the Village, Town and the region. The Village, however, has many well-established businesses providing numerous jobs and tax revenues. The Town and the region are also extremely dependent on IBM. Based on the revenues and the employment which IBM provides, and the number of residential units developed as a result of IBM, should IBM decide to leave the Village, most towns in Chittenden County and many in the State would experience a financial hardship. Other properties in the Village have excellent redevelopment potential based on the available infrastructure and services in the Village.

7. **REPRESENTATION IN TOWN AFFAIRS:** The Village is part of the Town, and historically has had limited political involvement in Town affairs, choosing instead to attend to Village affairs. The Village has operated virtually as an independent community for 103 years, yet is not "totally" independent.

8. **LIMITED COMMERCIAL OPPORTUNITIES:** Essex Junction is an urban community with well established residential neighborhoods and commercial enterprises. A stable population has provided a predictable market to which friendly, well planned commercial development has responded.

Essex Junction reflects a favorable balance of residential and commercial acreage. Significant additions to either component will subtract from the other; more homes, mean fewer businesses, or vice versa. Does Essex Junction want major alterations in this critical balance?

9. **INEQUITABLE TAXATION:** Many of the expanding functions and public expenditures of the Town of Essex will be financed by its General Fund. Thus, Village residents will be taxed to pay for additional services to support expanded growth outside the Village without experiencing an increased level of service.

A significant example of an existing unfair situation is the practice of the Town to pay for some of its street expenditures through the General Fund Budget. (Both Essex Junction and Essex Town also receive Vermont state highway aid.)

Village taxpayers pay for approximately 27% of the Town highway expense appearing in the Town's General fund in addition to paying completely for all Village street expenditures. This inequity has been going on for quite some time; however, repeated requests to the Town for redress have not produced a satisfactory response.

10. **REDUCED "CLOUT" IN REGIONAL AFFAIRS:** Currently, the Village has limited influence on regional affairs because Essex Junction does not have its own representative in key organizations (CCTA, CWD). Independence would strengthen the Village's influence through the appointment of its own representatives.

11. **FORFEITURE OF OPTION TO JOIN THE TOWN:** There would be no reason for the Village to rejoin the Town after independence.

12. **DUPLICATION OF SERVICES:** Duplication of services is often mentioned in conjunction with independence or merger. The following services are being provided by both the Village and the Town: library, planning and economic development, fire and civil defense, public works, administration and finance, building and plant, capital reserve, debt service, parks and recreation, and the senior bus. Village taxpayers pay for these services to the Town, without direct benefit to the Village. With merger or "status quo" the Village taxpayers would continue this financial support to the Town.

If the Village became independent of the Town, there wouldn't be any duplication of services.

13. **FINANCIAL RAMIFICATIONS:** As an independent community, the residents of Essex Junction would be in complete control of tax expenditures. The Village always has and continues to provide high quality municipal services at a tax rate that is one of the most reasonable in the county.

Essex Junction is a stable, developed Village with an established infrastructure and an excellent residential and commercial/industrial tax base. The quality of services currently provided by Essex Junction would diminish if the Village is absorbed by the Town.

14. **COMPLETION OF THE CIRCUMFERENTIAL HIGHWAY:** The traffic patterns in the Village would change with the completion of the circumferential highway. The Village is seeing some thru-traffic now that the highway is not complete. With completion, the Village would expect to see an increase in "destination traffic." This would certainly be the case if a civic center is built at the fairgrounds.
15. **THE CHAMPLAIN VALLEY EXPOSITION (FAIRGROUNDS):** Frank McDaniel, the Village Planner from 1989-1994, stated in the Community Development Committee Report and Recommendations of February 11, 1994 that "The Village of Essex Junction should take a leadership role in the promotion, funding and development of a Civic Center Complex at the Champlain Valley Exposition. There is currently no major proposal in the State which has the potential to generate the activity and income that would be generated by the Civic Center. Conservatively, ten to twenty million dollars of new revenue could be generated by this facility. The potential benefit to Village business is tremendous and will lead not only to the retention of existing business but to the development of expanded business plans."

"Public costs for a facility of this nature are minimal as compared to other development. In addition, the possibility of generating additional tax revenue sources will assist in the stabilization and diversification of the tax base. The Village must take an active and aggressive role to assist with the implementation of these plans. The alternative is to allow the construction of similar facilities elsewhere in the county to the detriment of the Village."

The Champlain Valley Exposition has been an integral part of the Village of Essex Junction since 1922. The Exposition is a most appropriate activity which Village authorities ought to consider supporting, particularly the development of a civic center. The CVE activities have widespread appeal, attracting visitors from many states and Canada.

Recent meetings between CVE management and Village of Essex Junction Trustees have, in large measure, resulted in a mutual understanding and agreement as to the value of a continued CVE presence in the Village. Both entities acknowledge that the expanded role of the CVE will be more positively accepted if some form of "payment in lieu of taxes" is made to the community.

With careful planning and sound judgement by Exposition management, in cooperation with Village authorities, a civic center can be developed to a level which will engender pride and loyalty on the part of all residents in our community. There may be some dissenters from this optimistic view; but if the entire project is soundly planned, any objection can be adequately addressed. Essex Junction cannot afford to ignore this splendid opportunity to develop the potential of a major Village asset, the CVE.

16. **STATE PROPERTY TAX REFORM:** No one knows, at this time, what action, if any, will take place in Montpelier. Essex Junction's interests will be best served by the strong local control that independence will provide.

"STATUS QUO" - A MISLEADING CONCEPT

As a matter of importance to the Village of Essex Junction residents, this study was undertaken to investigate the issue of "status quo" and its effects on the Village. Because current interest in Essex Junction appears to have originated about the time of IBM's arrival, the past 35 years will be analyzed as to the overall health and welfare of the Village.

POPULATION PROFILE			
ESSEX JUNCTION		ESSEX TOWN (not including the Village of Essex Junction)	
1960 (census)	5,304	1960 (census)	1,739
1995 (estimate)	8,624	1995 (estimate)	8,984

ANNUAL GENERAL FUND BUDGET			
ESSEX JUNCTION Population: 5,304		ESSEX TOWN Population: Town 1,739 + Village 5,304 = 7,043	
1960 Budgeted: \$151,177		1960 Budgeted: \$124,293*	
		*Includes payments from Village taxpayers.	

ANNUAL GENERAL FUND BUDGET			
ESSEX JUNCTION Population 8,624		ESSEX TOWN Population Town 8,984 + Village 8,624 = 17,608	
FY96 Budgeted: \$2,335,658		FY96 Budgeted: \$5,596,496*	
		*Includes payments from Village taxpayers.	

A glance at the population and FY96 budgets vividly demonstrates the profound growth in the Town of Essex (outside the Village).

CHAMPLAIN WATER DISTRICT (CWD): In September, 1966, Essex Junction, along with the towns of Williston and South Burlington created a water district. The decision to form a water district was made for two reasons: (1) the anticipation of an increase in demand for water use, and (2) the district opined that it would be cost effective to provide water to Essex Town only if Essex Junction agreed to buy water from the district. The Town of Essex requested the Village to join the water district in order for the Town to be able to tap into the water service.

Thus, although the Village had a viable water supply, the Village decided to be a good neighbor and join the district, and also because the Village anticipated that in the future it would need to upgrade its water system. In November of 1966, the district was named the Champlain Water District.

In June of 1967, the towns of Shelburne, Essex and Charlotte were accepted into the District. In May of 1969, the Town of Colchester joined the District and Winooski joined in January of 1973. By 1974, the Champlain Water District was in full operation. Essex Junction's original water system was not actively supplying water, and the Indian Brook and Saxon Hill properties no longer had a real estate tax exemption from the Town. The Trustees thus decided that it was fiscally unwise to keep these properties solely as a possible backup for IBM's future needs. Indian Brook and Saxon Hill were disposed of in the next two or three years. In ten years, we had neither our own water system nor representation/ownership in its "replacement."

CHITTENDEN COUNTY TRANSPORTATION AUTHORITY (CCTA): Essex Junction has no representation on CCTA. The Village has many residents that depend daily on CCTA, and under the existing arrangement, it is difficult to properly represent Village interests. The interests of the Town of Essex with regard to CCTA clearly are different than those of Essex Junction. The 1995 action by the Town to curtail CCTA bus service without prior consultation with Village officials indicates that bus service for Essex Junction would best be served if the Village had its own representative on the CCTA.

HIGH SCHOOL: In the 1960s, citizens of Essex Junction recognized the need to build a new high school. The Village approached the Town and asked if the Town wished to be partners in this effort. The Town refused. The Village taxpayers accepted the challenge and solely funded the Essex Junction Educational Center, which opened in 1970.

POLICE: From 1949 to 1980, Essex Junction had its own police force. The Village Manager, acting for the Trustees, saw to it that the police provided efficient coverage for the 4.6 square mile area of Essex Junction.

Today, because the Village pays a substantial portion of the Town's general fund, the Village taxpayer also underwrites part of the expenses for police service for Town residents outside of the Village.

SUMMARY:

In addition to these situations, there are efforts underway to infuse the "one community of Essex" mode of thinking in Essex Junction. At first glance, this seems to be an innocuous move - that is, until one realizes that "one community" means the continued erosion of the Village of Essex Junction.

For the past thirty-five years, the Village has responded to the requests and needs of the Town. This has not always been in the best interest of the Village.

From a financial standpoint, it is clear from the data included in the 1995 Updated Cost Reduction Study that independence would be very advantageous to Village residents. Additional benefits of

independence would be a strong Village identity, preservation of a proud Village history, direct representation in the region, a focus on the needs of the people of the Village and local control of the future course of the Village.

One would expect that residents of the Town, on the other hand, would promote merger of the two communities, which would appear to benefit Town residents. Hence, the differences that exist between the two communities.

The issue of independence versus merger has been discussed for many years with "status quo" - the path of least resistance, the result. The path of least resistance will not protect the future of the Village of Essex Junction.

The time has come for Village residents to decide what the future of the Village of Essex Junction should be in the 21st Century. The Ad Hoc Committee feels that Village residents should have the opportunity to study the facts presented in this Report and to then determine if the interests of the Village will be best served through independence.

FUTURE

Essex Junction, in its 103 years of existence, has grown and established itself as a viable, self-sustaining community that provides exemplary services to its citizens. This has occurred to a large measure because of the Village's citizens:

- ▶ foresight,
- ▶ sense of community,
- ▶ willingness to accept personal responsibility for their future,
- ▶ willingness to accept any problems resulting from development, along with the material and monetary benefits, and
- ▶ continuous interest and involvement with local affairs.

Over the years, especially the past 35 years, numerous changes have occurred. (Refer to Table of Significant Developments in Essex Junction.)

The citizens of Essex Junction have responded to these changes in a positive, responsible manner to properly provide for the community. Essex Junction has accepted the "ownership" and "solution" of these problems, and has not looked to outsiders to "pick up the bill." Over the same period, of course, problems have arisen elsewhere in the area. Of major concern to Essex Junction is the growth of the Town of Essex outside of the Village. Under the present form of government, the citizens of Essex Junction will pay increasing amounts each year into the Town of Essex to finance growth that is not in the Village.

There is an immediate savings in excess of **one million dollars** a year to be realized by the Village if Essex Junction becomes independent from the Town of Essex. Of more importance, Village independence would guarantee that the character, property values, education, and interests at the local, regional and state levels of this community would be best served.

Over the past 35 to 40 years, in addition to the specific items listed in this Report, there has been increasing pressure from outside forces for the Village to abandon all we have, and thus let "Essex Junction" be absorbed in the rush to "big government" and the "one community" concept.

Village independence will at long last allow each community, the Village and the Town, to enhance its own identity, to meet its own challenges and to thrive in its own way. Only then will these two governments and communities be able to cooperate from a position of mutual cooperation and friendly enterprise.

NOW is the time for Essex Junction to safeguard its future by becoming an independent community.

AD HOC COMMITTEE RECOMMENDATIONS

1. **That the Board of Trustees** immediately review this Report and schedule any necessary follow-up sessions with the Ad Hoc Committee as to the Report's clarity and content.
2. **That the Board of Trustees**, by May 14, 1996, endorse and attest to the accuracy of this Report.
3. **That the Board of Trustees** then initiate the public review process by scheduling a series of public information meetings on different nights (during the months of May and June) to inform Village citizens of the contents of this Report and to solicit suggestions, concerns, comments and input.
4. **That the Board of Trustees** publicize the dates of these hearings in the Village News and Views, as well as the Essex Reporter, the Burlington Free Press, other area newspapers, local radio and television stations (including Channel 17) and via any other method which would inform the residents of Essex Junction of this important issue.
5. **That the Board of Trustees**, following an extensive public educational effort, authorize and schedule an election of the Village of Essex Junction voters on November 5, 1996 to address the question:

**"Should the Village of Essex Junction become an
independent community in the State of Vermont?"**

Yes _____ No _____

CONCLUSION

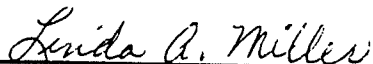
The Ad Hoc Committee volunteers its services to the Board of Trustees in support of the implementation of the recommendations, and in any other matters deemed to be in the best interests of Essex Junction.

The Ad Hoc Committee wishes to thank the Board of Trustees for the opportunity to study the feasibility of Essex Junction as an independent community. The past fourteen months have been eye-opening and educational as we researched the history, assets, accomplishments, finances, current life and exciting opportunities for the future of this Village. We have made a huge investment of time and energy in this mission on behalf of the Board of Trustees and our fellow citizens in Essex Junction. In the past, many citizens have labored for the greater good of Essex Junction. We feel honored to have made a contribution.

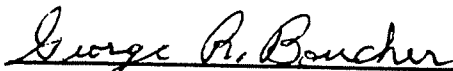
The information contained in this Report presents a strong case for the pursuit of Village independence. The Report demonstrates that *"status quo" - the path of least resistance, is an illusion*, and fosters the ongoing weakening of Village strength and the erosion of Village funds and assets. The FACTS speak for themselves. Benchmark studies and other data support the information presented in this Report, which clearly demonstrates that, as an independent community, **Village taxpayers will save over one million dollars a year!**

The Committee believes that Essex Junction is a well-established community which provides a desirable environment for its residents, and that the future of Essex Junction will be guaranteed by its becoming an independent community in Vermont. **There is only one Essex Junction!**

THE AD HOC COMMITTEE



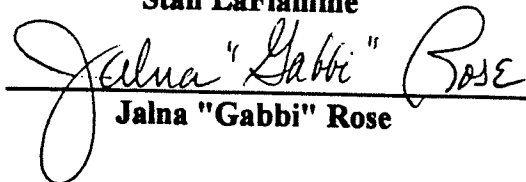
Linda A. Miller, Chair



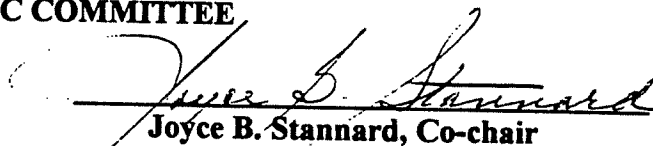
George Boucher



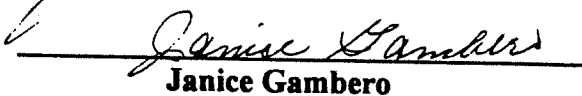
Stan LaFlamme



Jalna "Gabbi" Rose



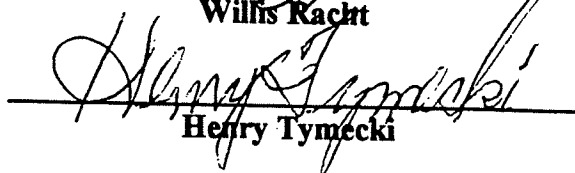
Joyce B. Stannard, Co-chair



Janice Gambero



Willis Kacht



Henry Tymecki