

8/10 Trustee Work Session on Essex Junction Independence

On August 10, the Trustees held a work session on Essex Junction Independence. The following is what was discussed.

The Trustees reviewed a list of intergovernmental relationships and committees for the city.

The Trustees discussed what community educational materials they would like to go out to residents and the timing of such. There was consensus to mail something to all residents right around the time that ballots will be mailed in early October. The Trustees want to put together something with a cohesive message and easy to understand graphics, that is brief and has important facts so people can make an informed decision. The Trustees would like more detailed information available on the website if people want to learn more or dig deeper.

The Trustees reviewed a letter to the Vermont Agency of Commerce and Community Development requesting that the Village Center and Neighborhood Development Area Designations remain in place with the formation of the city. The Trustees also expressed an interest in discussing Downtown Designation at some point in the near future.

Three charter updates were reviewed and approved.

The Trustees reviewed a draft letter to go to six communities/law enforcement agencies, inquiring if they would be willing to have a conversation with the Trustees if negotiations are unsuccessful with the Town of Essex to continue police services with Essex Police for the future city. The letter was approved and is being sent out. The Trustees are not formally exploring creating a city police department at this time.

The Trustees would like to pursue having a Village vote in April on a local option tax. This is unrelated to independence.

The Trustees discussed retail cannabis and had some questions about the logistics of the Village vs. Town opting-in or out of allowing retail cannabis within the municipality, and how that may change with the formation of the city. More discussion is needed on this topic, as well as information from the state. Whether or not there is a vote in the Village or Town on retail cannabis and the outcome are unrelated to independence.

The Trustees reviewed a thorough list of FAQ's from Our Village, Our Voices. The Trustees expressed their appreciation for the group's effort to inform citizens. The FAQ's can be found here:

<https://www.ourvillageourvoices.org/the-facts>.

For more information, please visit: <https://www.essexjunction.org/independence>

If you have feedback on the work session, you are encouraged to share your thoughts here:

<https://forms.gle/YQ9Y5qqSVYm8VTvB9>.

If you missed the work session, but would like to watch it, you can find it here (starting at minute 13:25 and ending at 1:16:51): https://youtu.be/FVkb6_eQJ1k?t=805.

The next work session will take place as the first item on the agenda at the August 24 Trustees meeting, which starts at 6:30p.m. at 2 Lincoln Street. The meeting agenda and link will be posted a few days before the meeting here: <https://www.essexjunction.org/boards/board-of-trustees>. The Trustees have a joint meeting with the Selectboard on August 23, starting at 6:30p.m. at 81 Main Street.

July 27 Work Session Feedback on Essex Junction Independence

This survey will be available from 7/28 through 8/10.

This survey is for Village of Essex Junction residents and must include your e-mail, name, and address. Incomplete responses will not be given consideration.

Please note: this information will be used to inform the work and discussions of the Trustees. We will not be directly responding to any comments or questions posted below. If you have specific matters you would like a response to, you should e-mail the Trustees directly (<https://www.essexjunction.org/boards/board-of-trustees>).

Please be aware that the information provided below will be made public, except for your email and address.

Email *

.....

Your Name *

Harlan Smith

.....

Your Address *

.....

On a scale of 0-10 (0=Very bad, 10=Excellent), how well do you think the process for creating an independent Essex Junction is going?

	0	1	2	3	4	5	6	7	8	9	10	
Very Bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Excellent

What did you hear that you are excited about?

Nothing in particular, just happy we are still moving forward

Did you hear anything that you are concerned about?

Plan "B" for police services. No one mentioned developing our own department. I know this seems like a large task but, I feel we are bonded for the building, we have been paying for years for all the equipment and the town very likely would reduce the size of the department without the Village. We should seriously be looking at running two departments out of the building with the intent that this would change as years goes on. I'm not sure what our offer has been in the agreement we are seeking with the town but we should consider paying more than the town for the current force. Last thing I would consider and would like to see numbers on would be to cover the whole cost of the department, make it the city's police force and have the town seek another service or decide for themselves if they would like to contribute to the city's police force for their needs.

Do you have any comments, feedback, or suggestions?

The talk about the local option tax, or any other wish list adds should not be part of this process. I firmly believe the tax would be beneficial if planned for properly. We are not there and adding it or any other items we don't currently have or do would make me vote against the independence proposal.

Do you have any questions?

Have we looked into whether or not creating the city of essex junction will cost the state money? Changing postal codes, 911 service changes, etc. If so, this could be a reason for them to vote against this unless we are making it easy for them by possibly covering some of those costs.

This form was created inside of Essex Junction Recreation & Parks.

Google Forms

Intergovernmental and Health & Human Services

Intergovernmental Organizations	Village budget FY22	Town budget FY22	Estimated City budget FY22	Notes:
Essex Rescue	\$ 1,500	\$ 76,300	\$ 37,387	\$3.87 per capita; expect this request to increase in coming years
Essex Junction Cemetery Association	\$ -	\$ 5,000	\$ 5,000	
Lake Champlain Regional Chamber of Commerce (LCRCC)	\$ 850	\$ 1,070	\$ 950	Based on number of FTE's
Greater Burlington Industrial Corporation (GBIC)	\$ 500	\$ 7,000	\$ 3,150	\$7500 from Village and Town total
Chittenden County Regional Planning Commission (CCRPC)	\$ 6,400	\$ 24,486	\$ 12,972	Based on equalized education grand list
Green Mountain Transit (GMT)	\$ -	\$ 290,392	\$ 223,496	Need to vote to have a seat and be a member; based on routes and SSTA historical ridership
County Tax	\$ -	\$ 125,835	\$ 52,851	Based on grand list
Winooski Valley Park District (WVPD)	\$ -	\$ 61,530	\$ 25,843	Need to vote to have a seat and be a member; based on equalized education grand list
Human Service Grants	\$ -	\$ 159,261	?	Town does 1% of budget; City could consider
Vermont League of Cities and Towns (VLCT)	\$ 950	\$ 25,544	\$ 14,625	Change from Associate Member to Full Member; \$1060 plus \$1.25 per capita

Will continue to have a seat:

CCTV Rep
Chittenden Solid Waste District (CSWD)
Chittenden County Regional Planning Commission (CCRPC)
Chittenden County Metropolitan Planning Organization (CCMPO)
Champlain Water District (CWD)

Do not currently have a Village seat:

Green Mountain Transit (GMT)
Winooski Valley Park District (WVPD)

City Committees and Commissions

Will have by Charter

- Board of Abatement of Taxes
- Board of Civil Authority
- Brownell Library Trustees
- City Council
- Development Review Board
- Planning Commission

Current Village Committees to become City Committees

- Bike/Walk Advisory Committee
- Capital Program Review Committee
- Joint Stormwater Coordinating Committee (with Town of Essex)
- Ordinance Appeals Board
- Tree Advisory Committee
- Tri Town Sewer Committee (with Town of Essex and Williston)

Potential New City Committees for Future Consideration

- Arts Committee
- Climate & Energy Committee
- Committee on Racial Equity & Inclusion
- Downtown District Committee
- Economic Development Commission
- Housing Commission
- Police Advisory Committee (with Town of Essex)
- Recreation & Parks Advisory Board

James Justus

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):

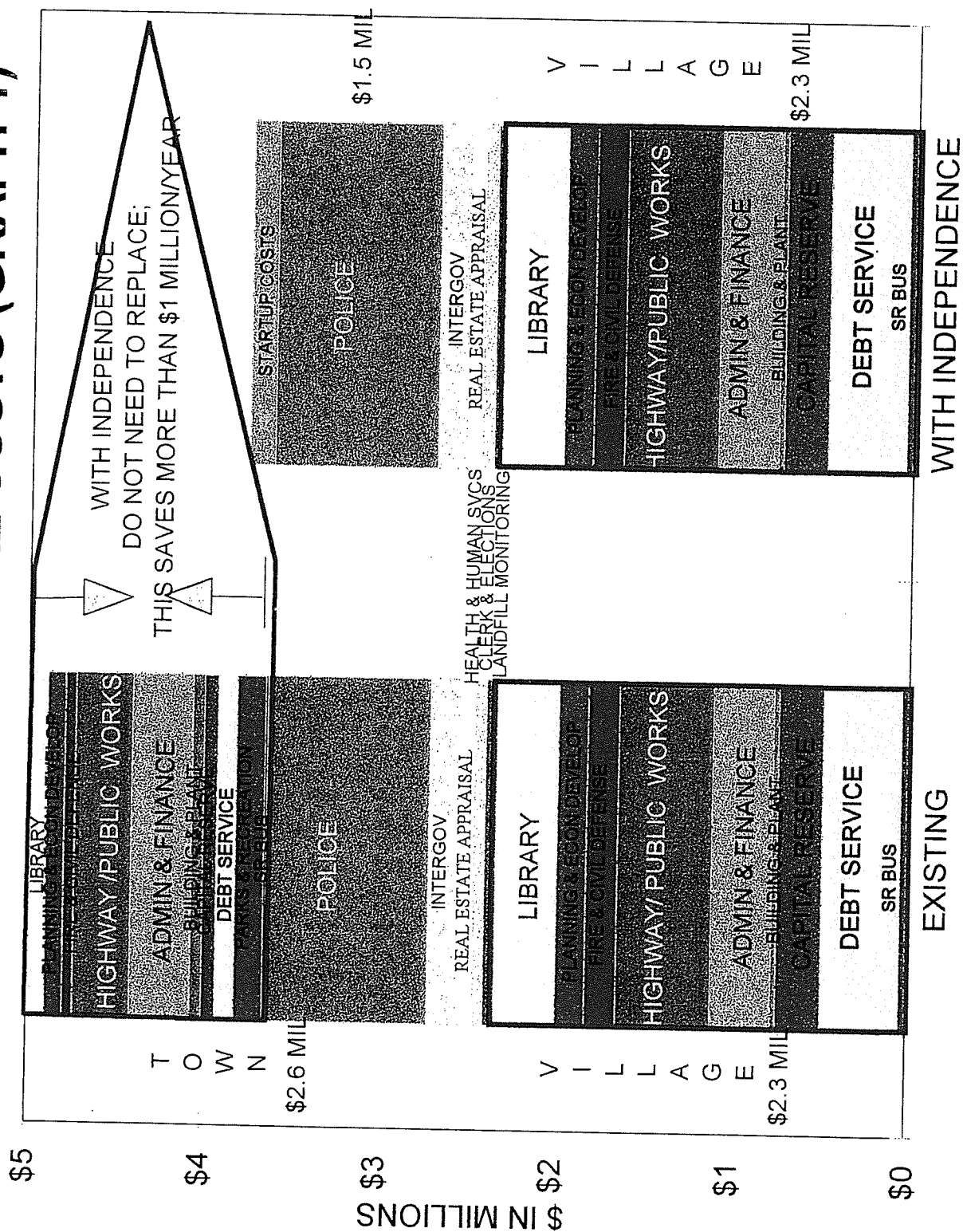
Please see Graph #3 which compares the water and sewer rates of the nine largest communities in Chittenden County. As you can see, the Village has the lowest water/sewer rates in the County. Our water and sewer system is already independent and would be unaffected by the creation of an independent Village.

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.

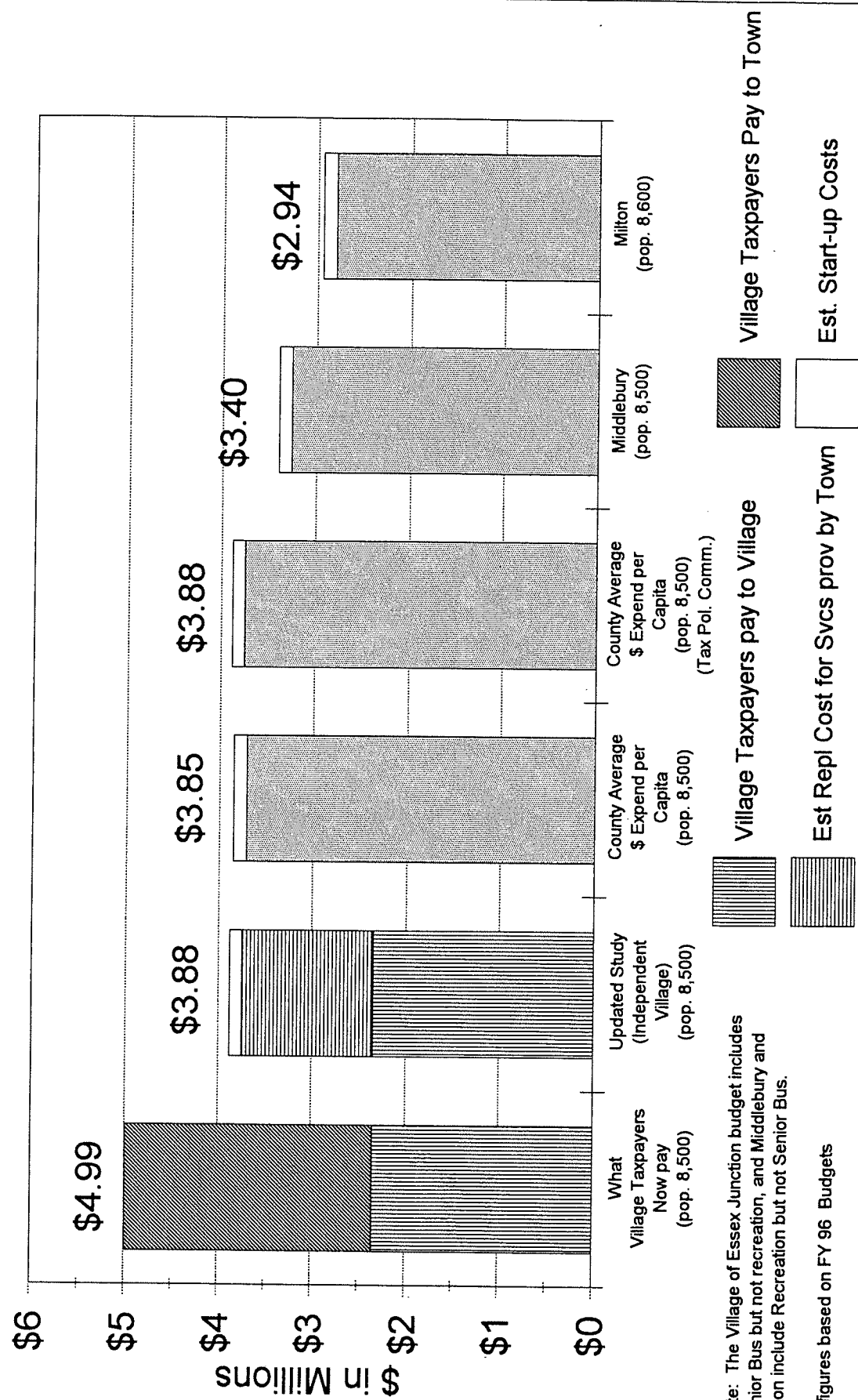
1995 VILLAGE MUNICIPAL COSTS (GRAPH 1)



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	
	Startup Costs		143,310
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)

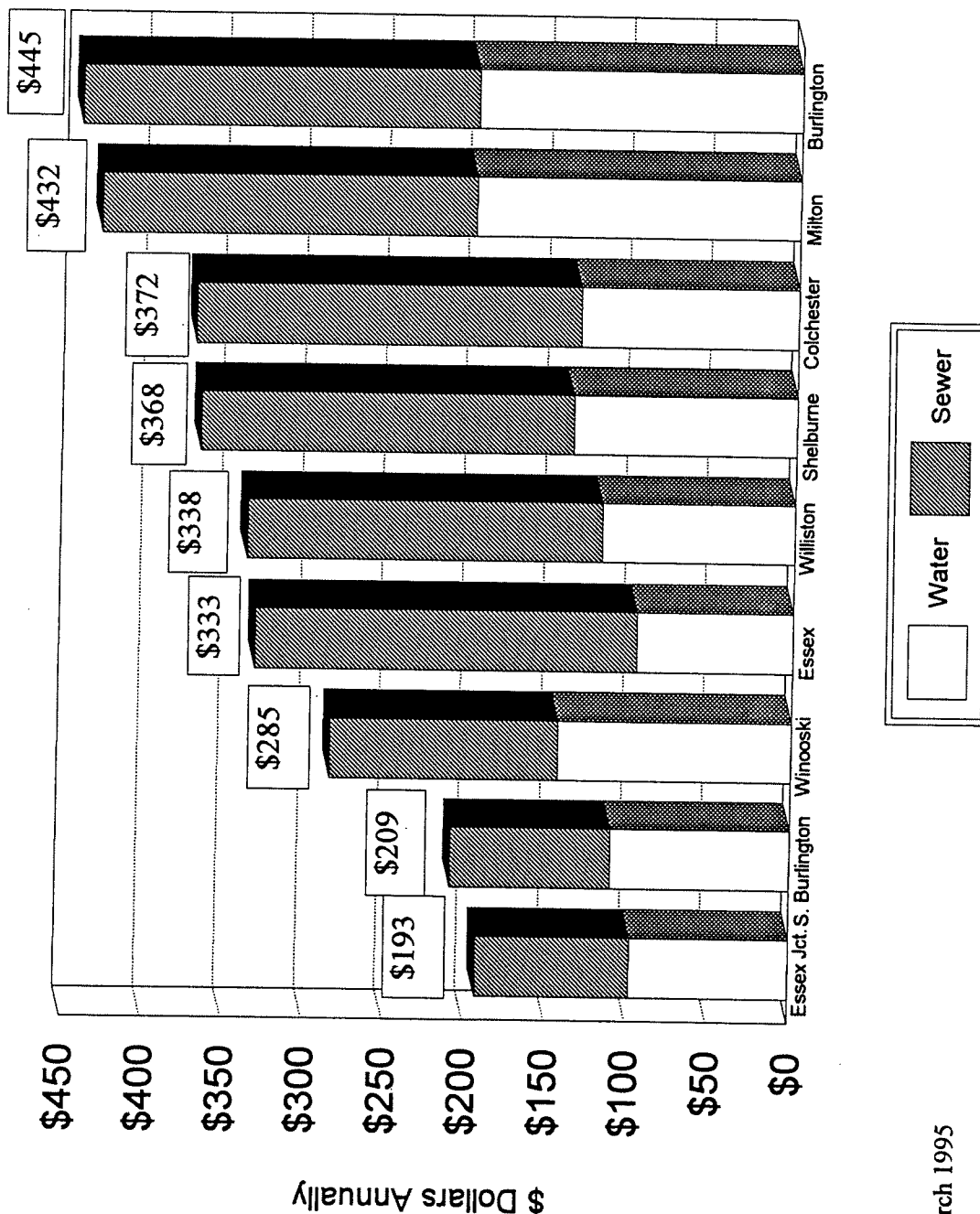


GRAPH #2

	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



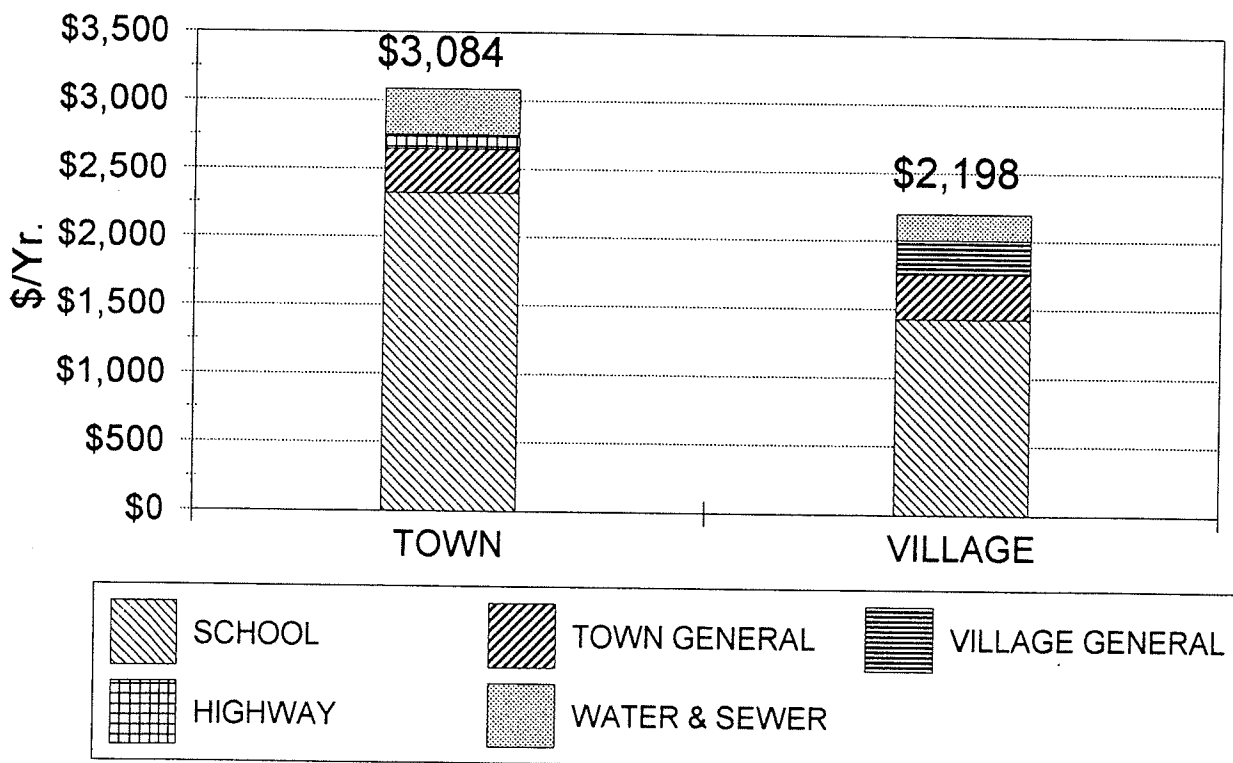
Survey taken March 1995

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

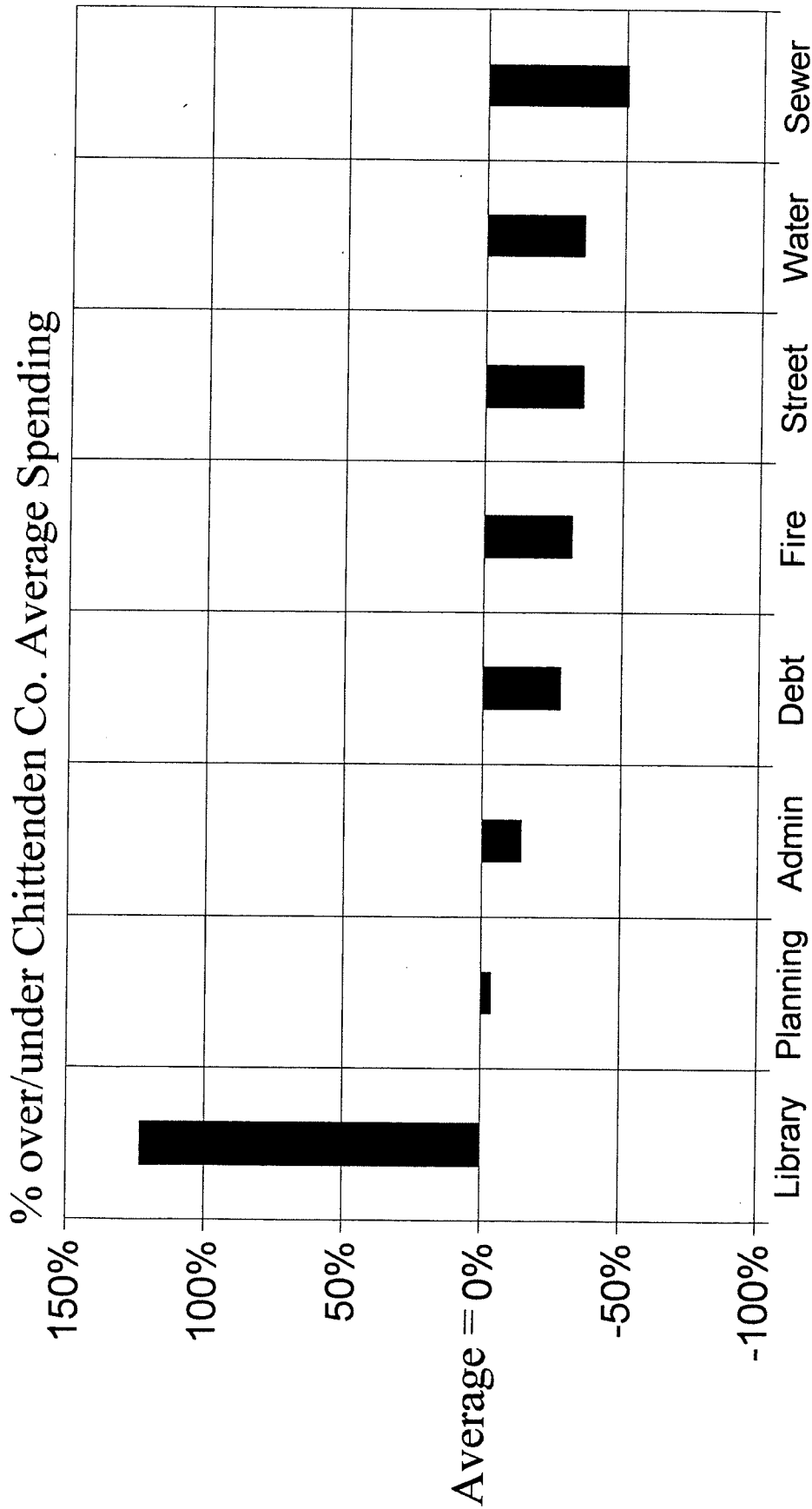
	Combined tax rate	Taxes on a \$125,000 house	Water/Sewer for average usage **	Combined taxes and Water/Sewer
TOWN	\$2.20*	\$2,750	\$333	\$3,083
VILLAGE	\$1.604	\$2,005	\$193	\$2,198
\$ difference	\$0.596	\$745	\$140	\$885
% difference	37%	37%	72%	\$40%

* 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	\$/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	\$3	\$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	\$16	\$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	\$4	\$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	\$9	\$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	\$10	\$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	\$32	\$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	\$9	\$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	\$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	\$6	\$265	\$232
AVERAGE			\$18.41		\$20.68		\$30.74			0.14804	\$18,882		\$48.18		\$9.82	\$144	\$193
Village as a % over/under Chittenden County Average		123.4%			-3.5%		-31.9%			-32.1%	-5.0%		-20.2%		-66.8%	-35.5%	-50.8%
Town as a % over/under Chittenden County Average		27.2%			24.6%		-55.3%			-17.6%	-11.2%		71.0%		63.8%	-33.4%	22.7%

* 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		\$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.

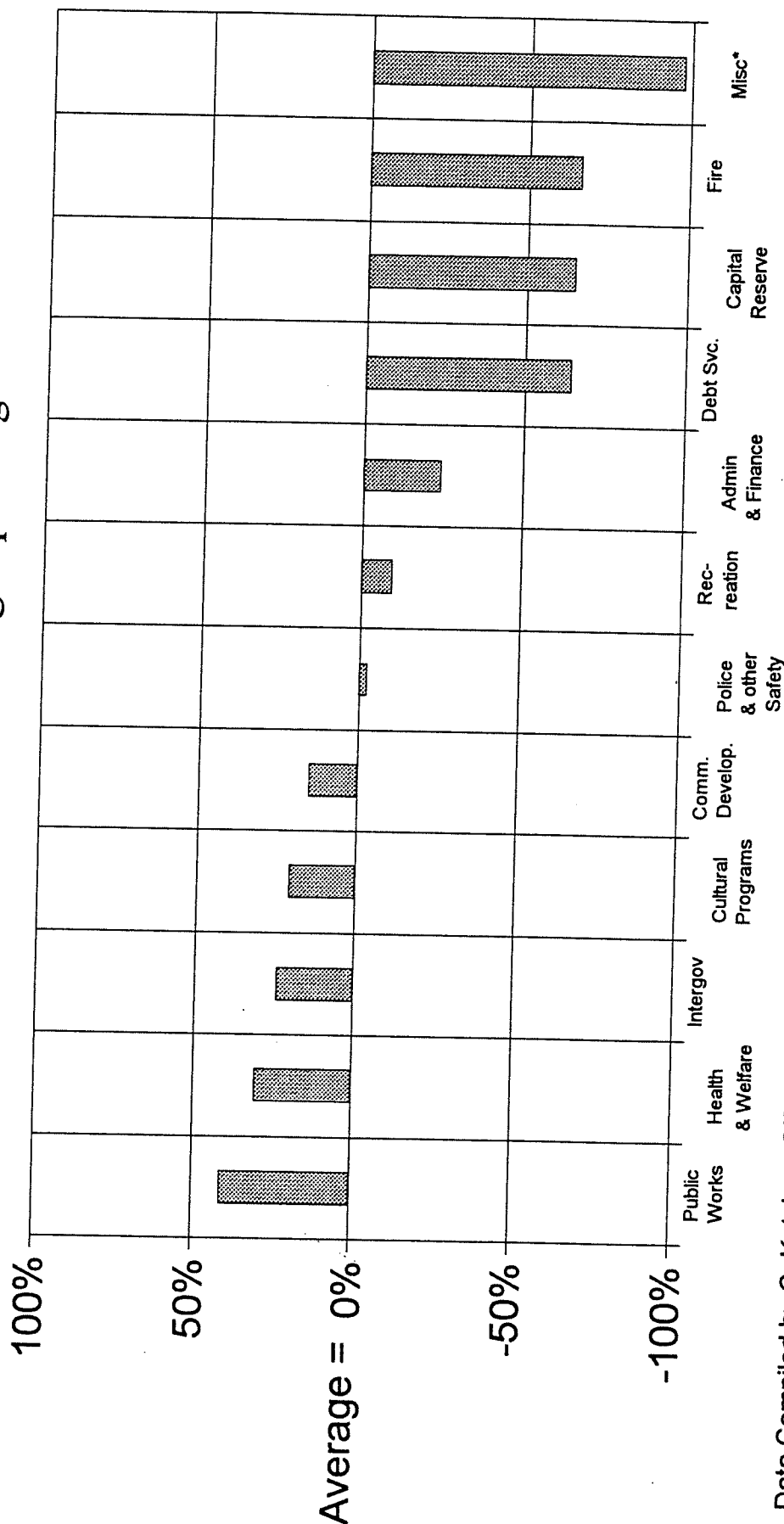
The average per capital figure for intergovernment does not include Essex Junction because, of the costs included in intergovernmental, Essex Junction pays only the MPO.

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.

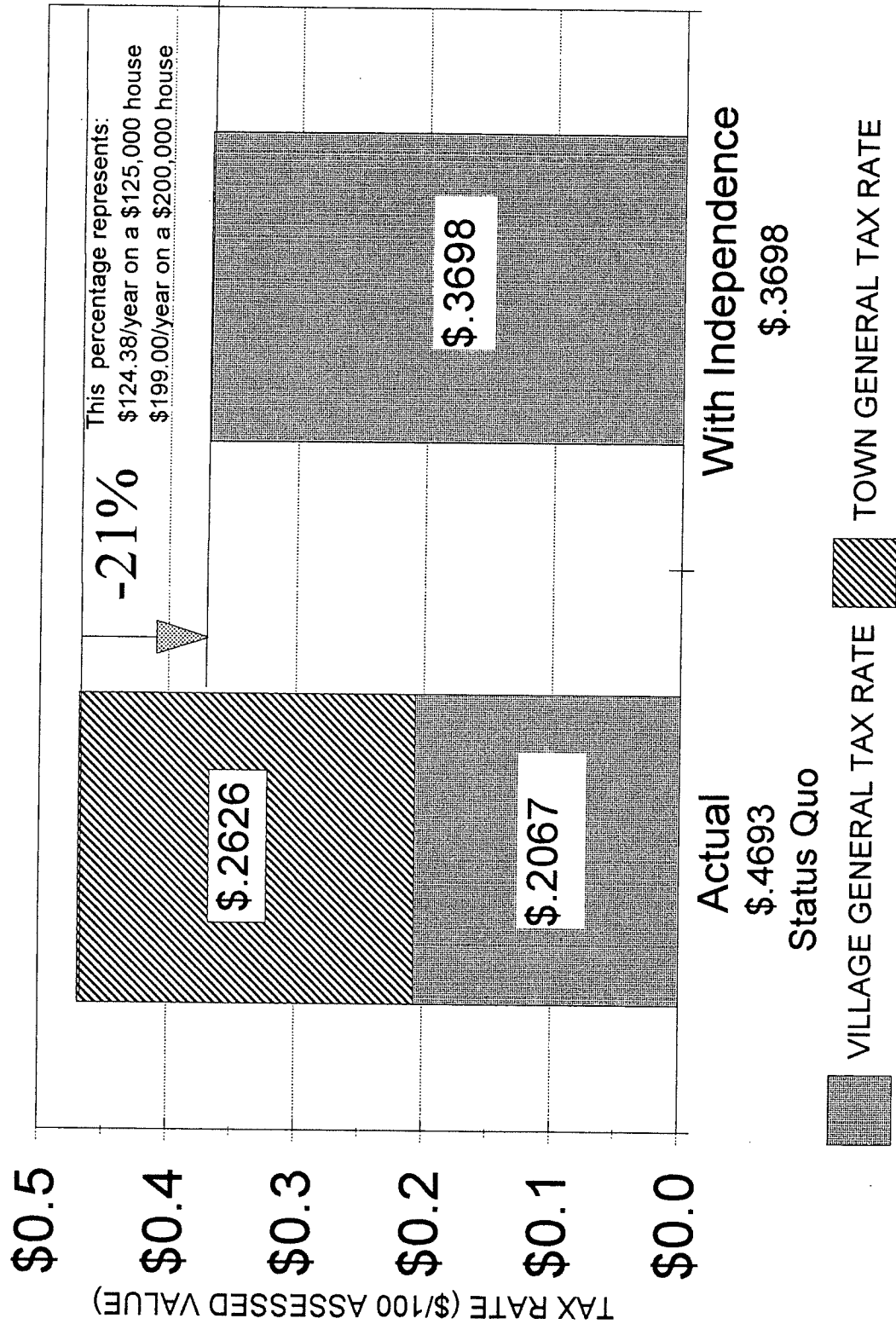
BENCHMARK STUDY - SURVEY OF CHITTENDEN COUNTY COMMUNITIES WITH POPULATIONS OVER 5,000 - FY96 BUDGETS

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	\$1,842,671	\$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	\$4,845,120	\$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	\$792,752	\$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	\$1,575,977	\$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	\$820,660	\$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	\$287,206	\$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	\$1,938,386	\$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	\$673,700	\$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

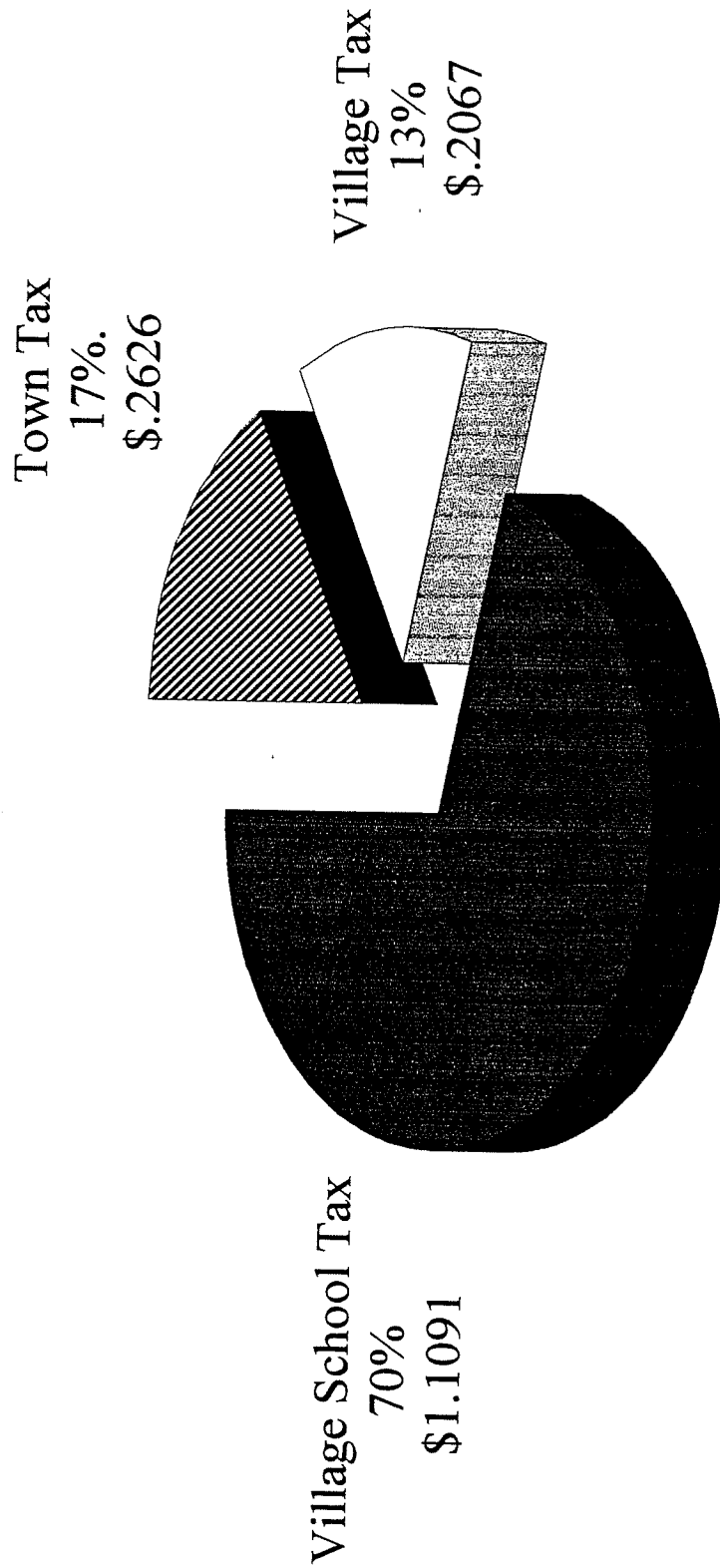
Municipal Tax Rates not including School Tax Paid by Village Residents

	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

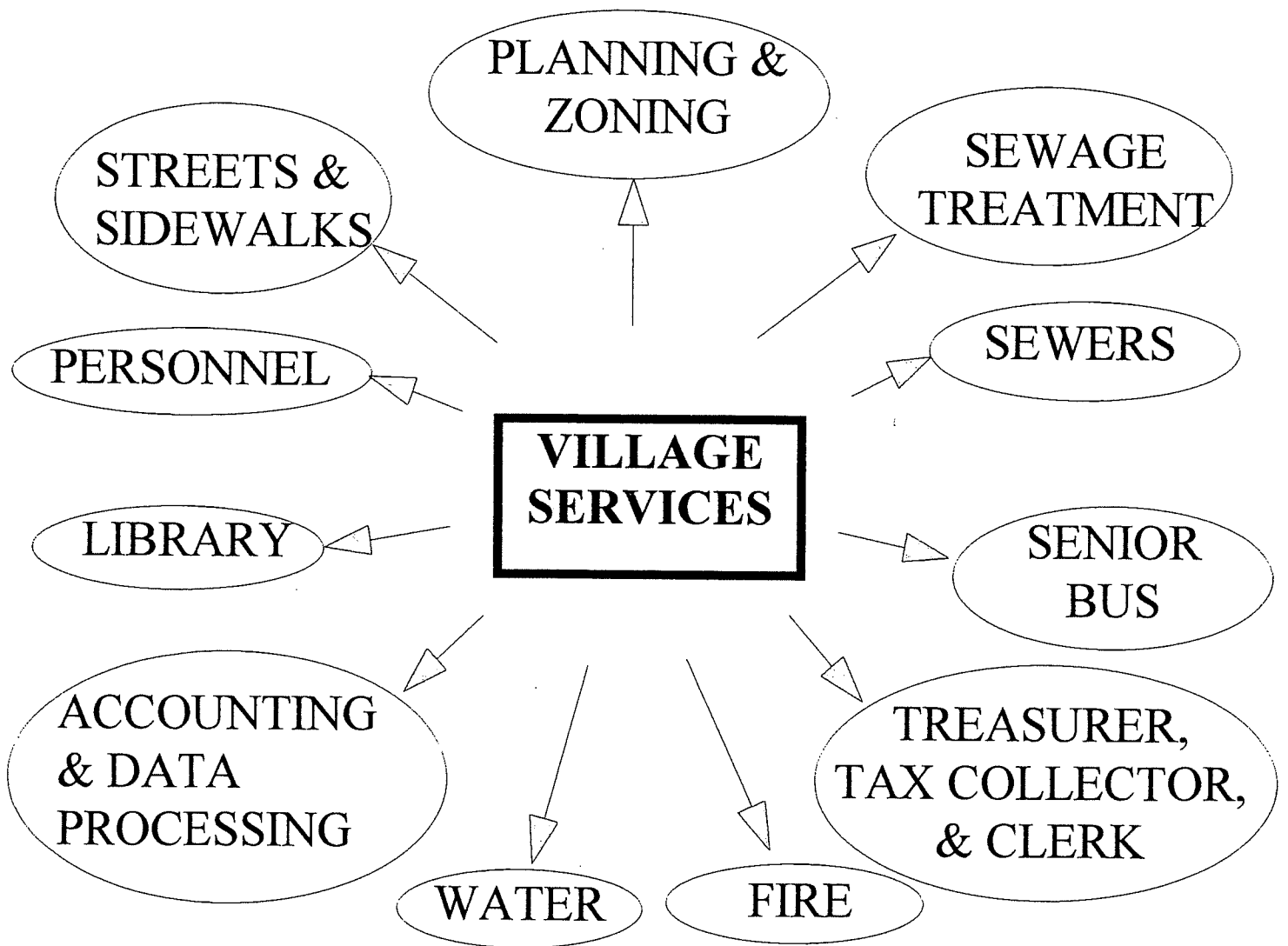
	Current Tax Rate	WITH INDEPENDENCE	% change
VILLAGE TAX BILL	\$258.38	\$462.25	79%
TOWN TAX BILL	\$328.25		-100%
TOTAL	\$586.63	\$462.25	-21%

THIS IS HOW YOUR VILLAGE TAX DOLLARS ARE SPENT!



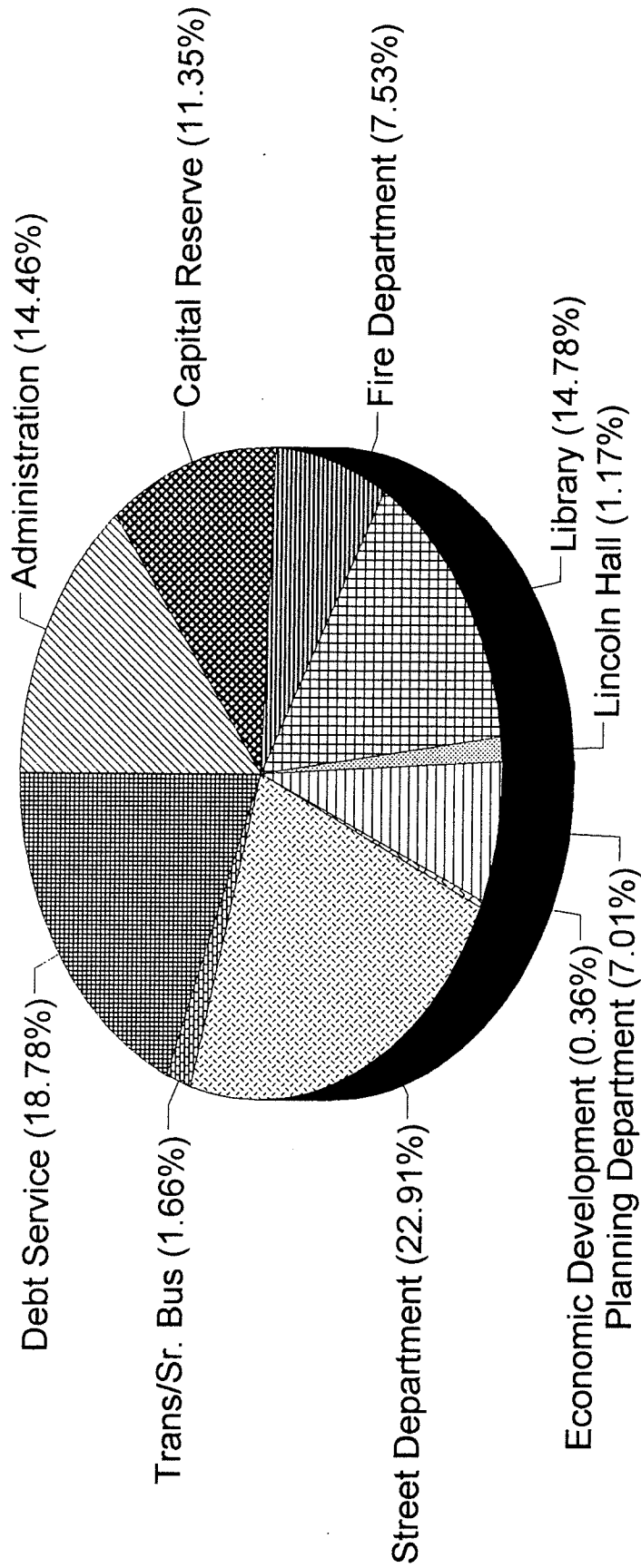
Graph #8

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%



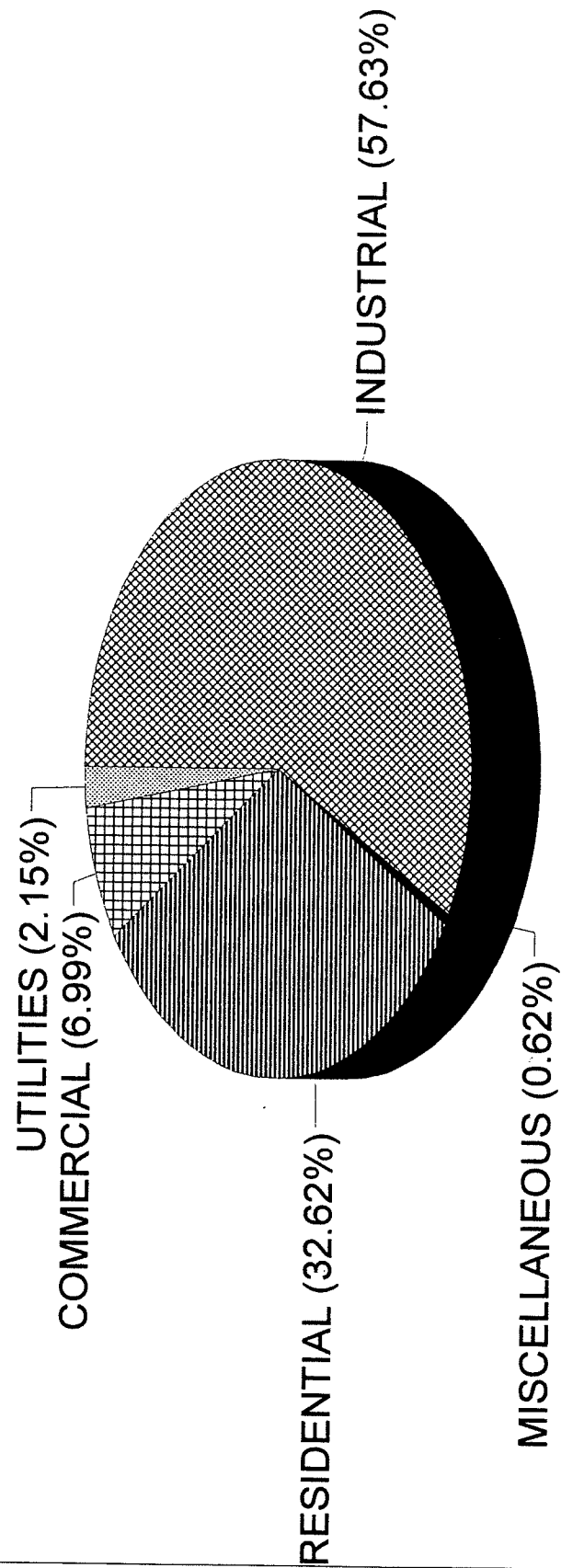
FY 1996 EXPENDITURES FOR VILLAGE GOVERNMENT

\$2,335,659*



*General Fund Budget only

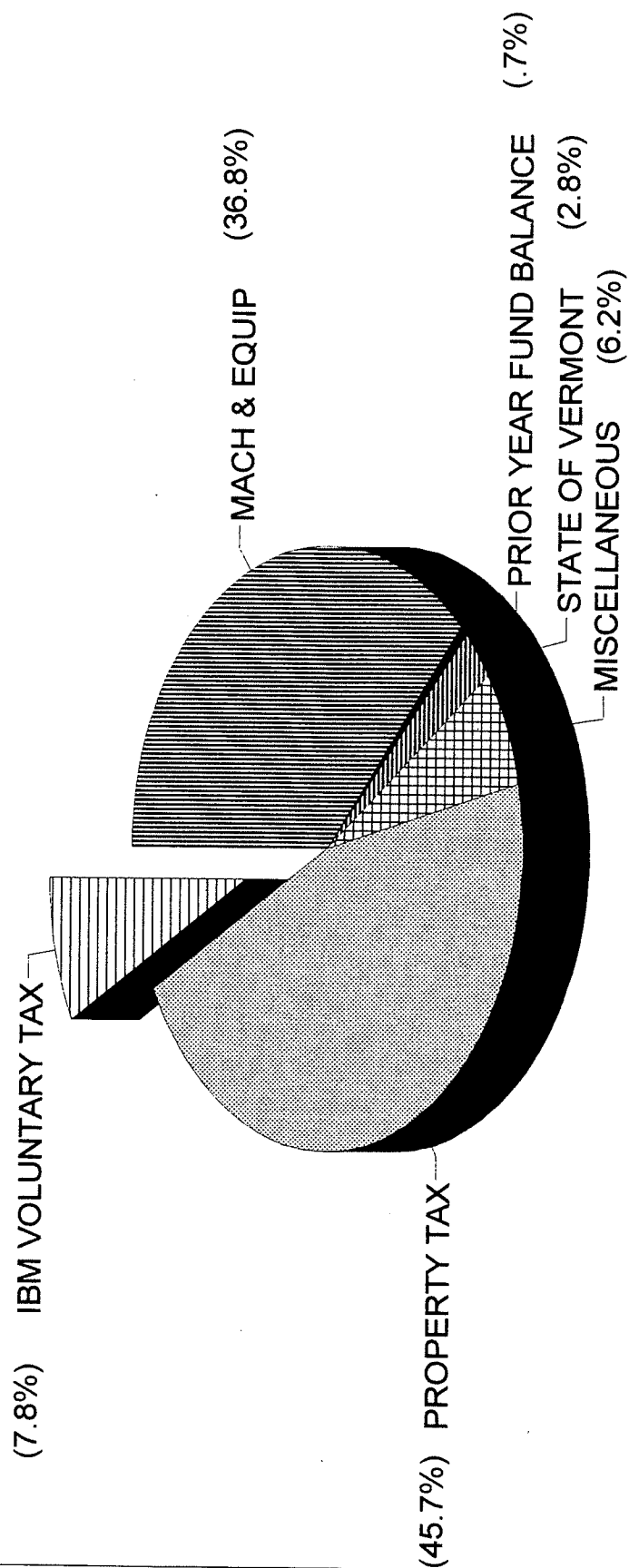
VILLAGE GRAND LIST 1995



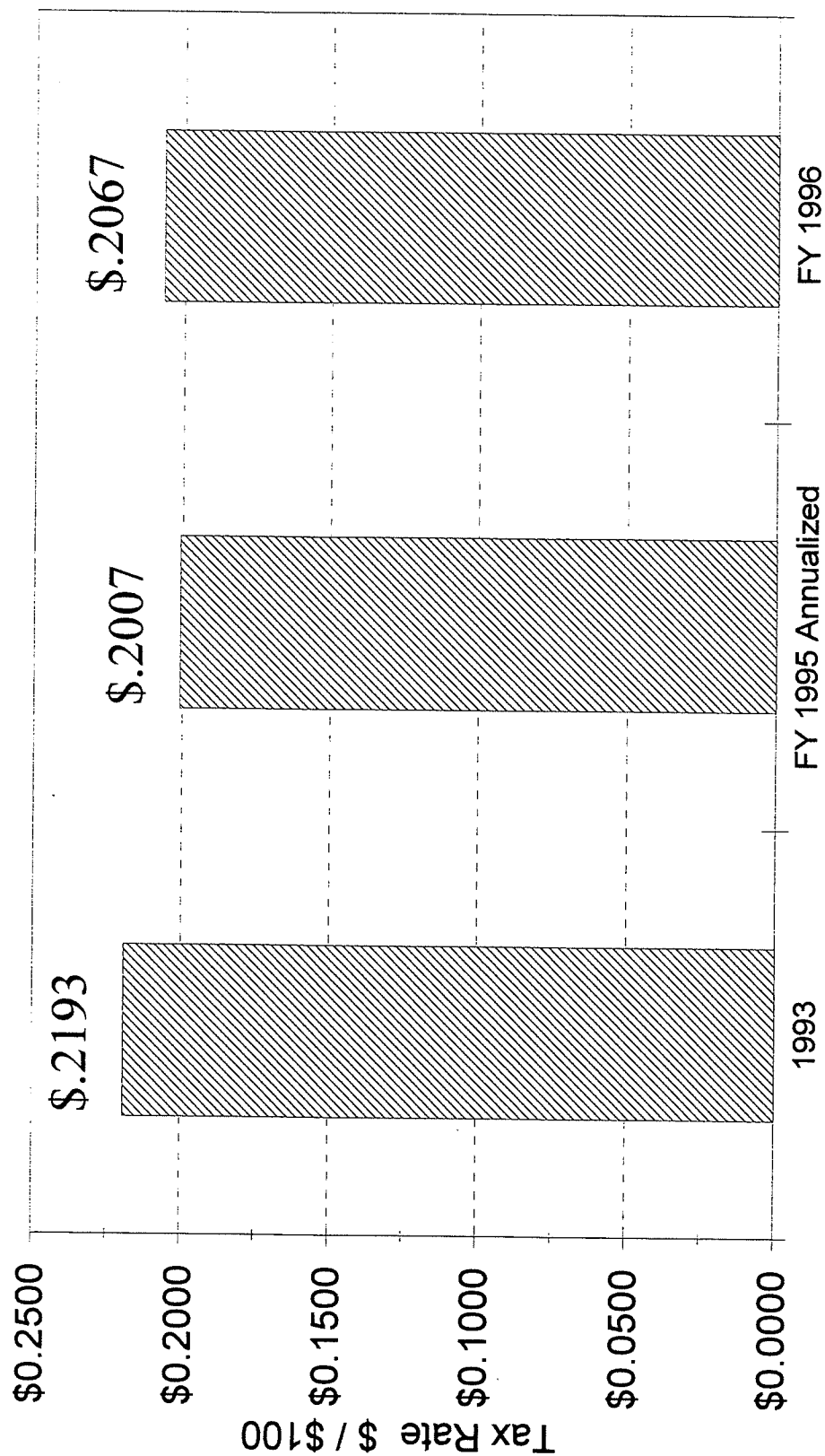
1995-96

VILLAGE GENERAL FUND REVENUES

\$2,335,658

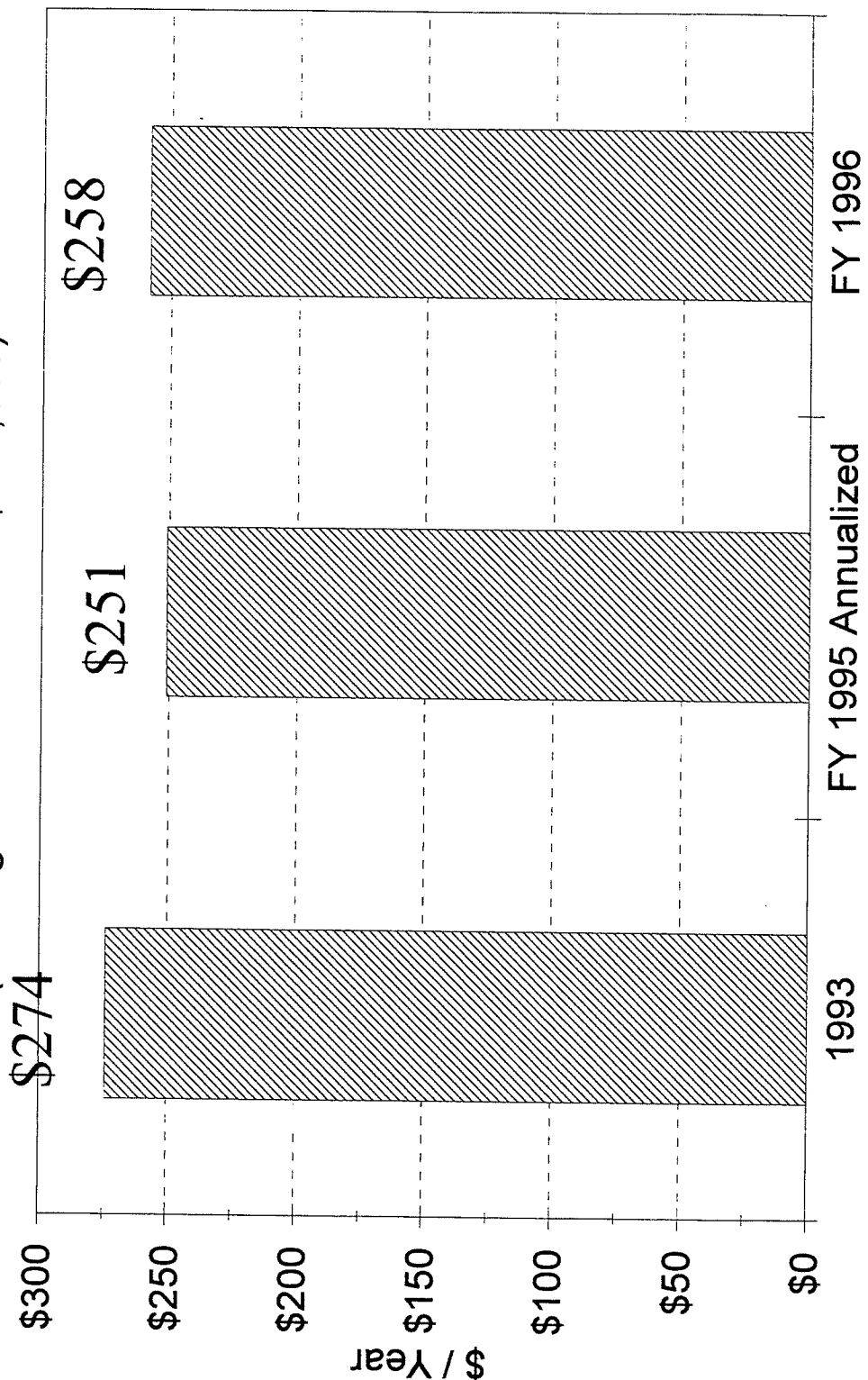


VILLAGE TAX RATES



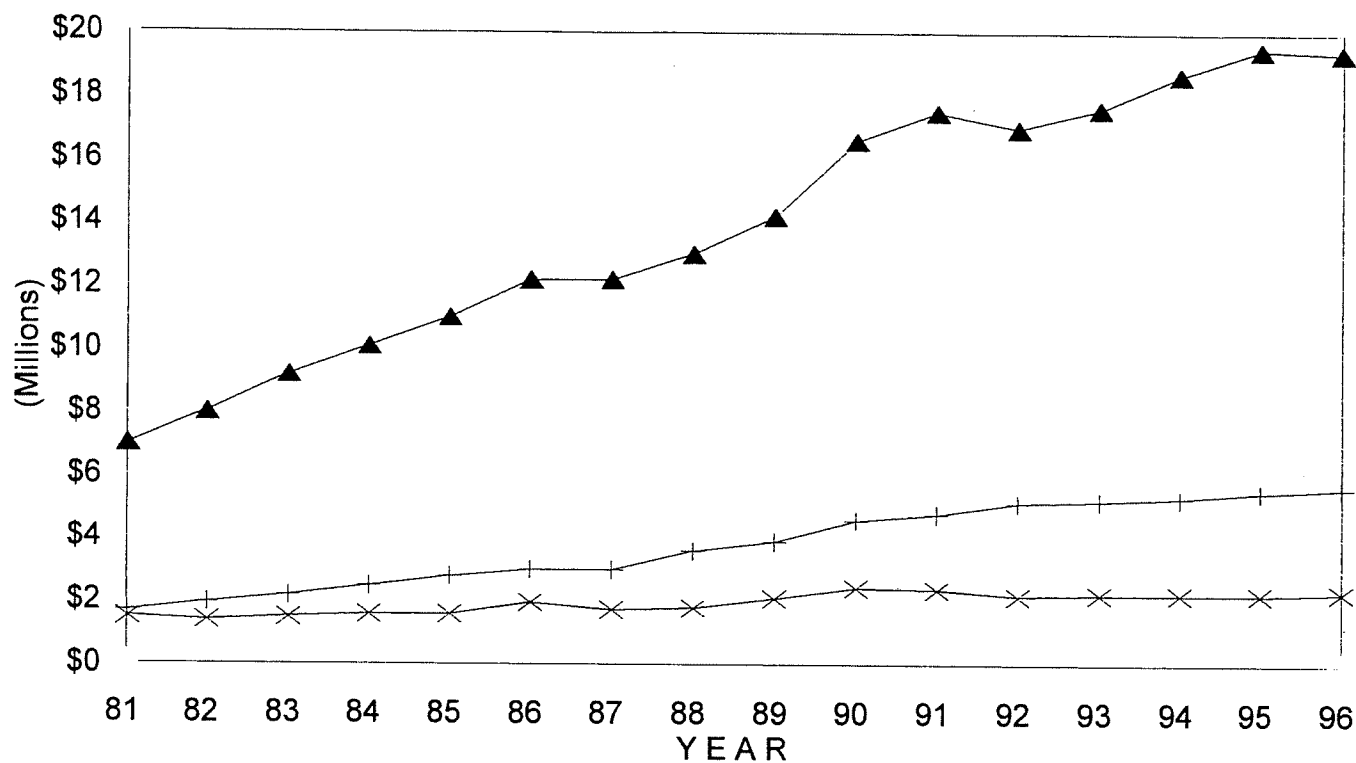
AVERAGE VILLAGE TAX BILL

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



BUDGET COMPARISON 1981-1996

Town, Village, School



▲ School + Town x Village

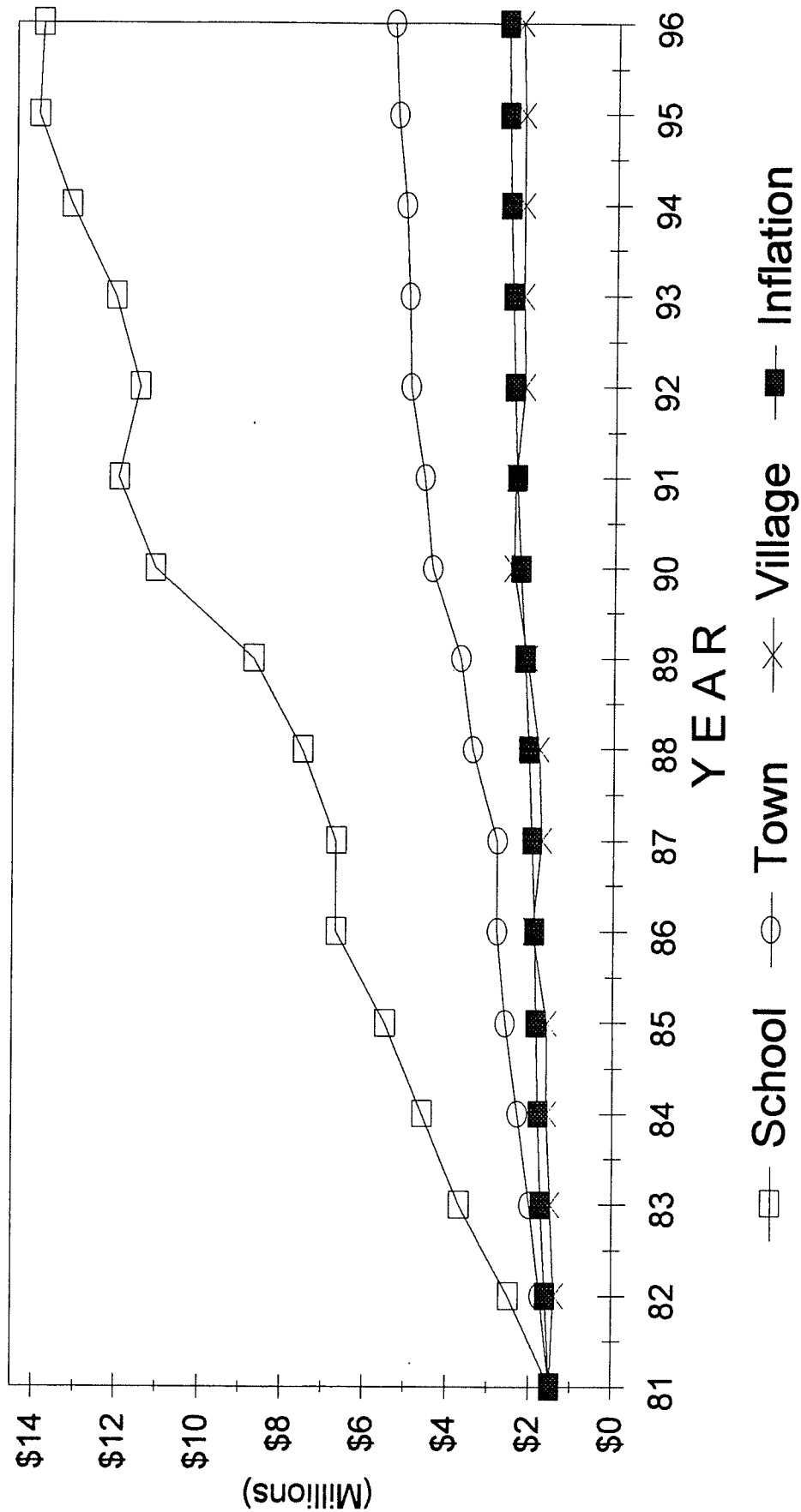
The growth in the Village budget over this 15 year period:

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).

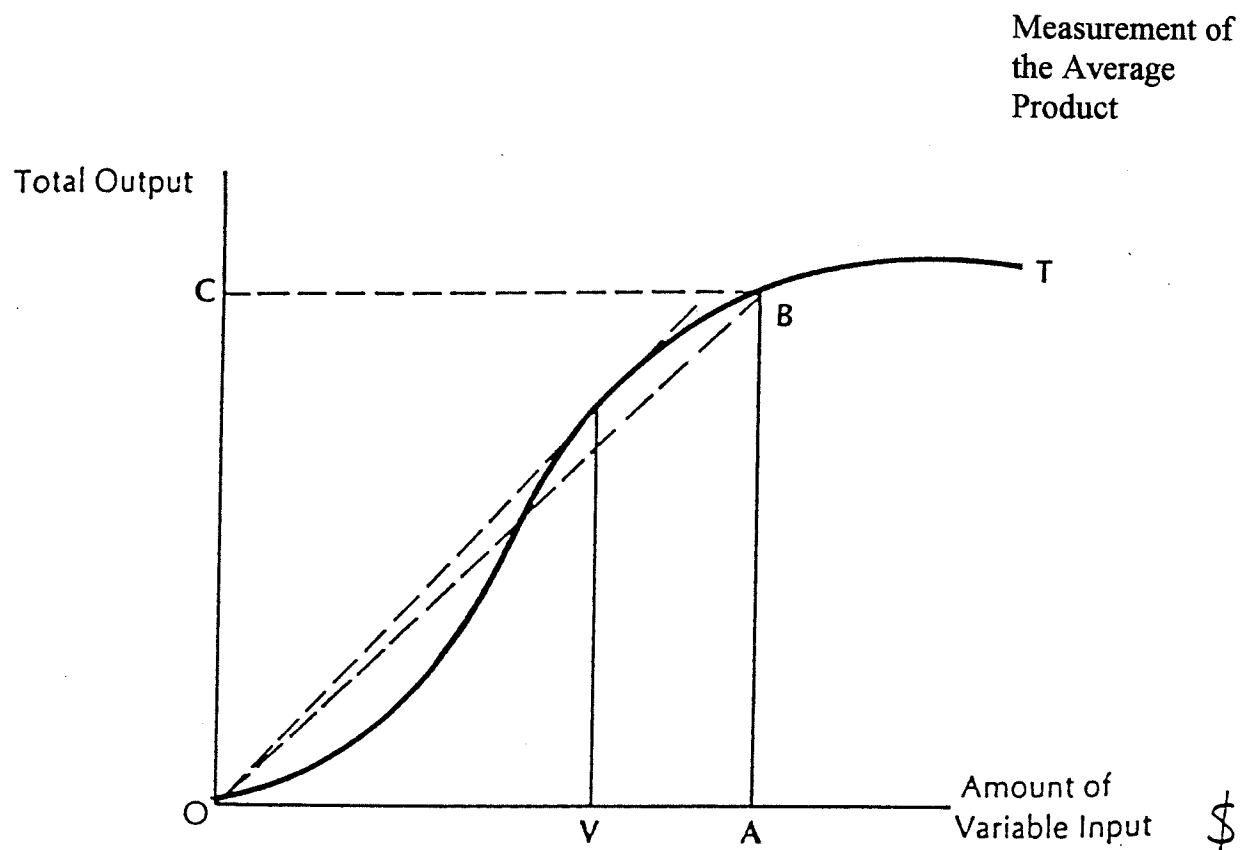
Many large, capital intensive public facilities in Chittenden County have already been regionalized to take advantage of the economies of scale presented by these assets. Examples of these assets are:

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.

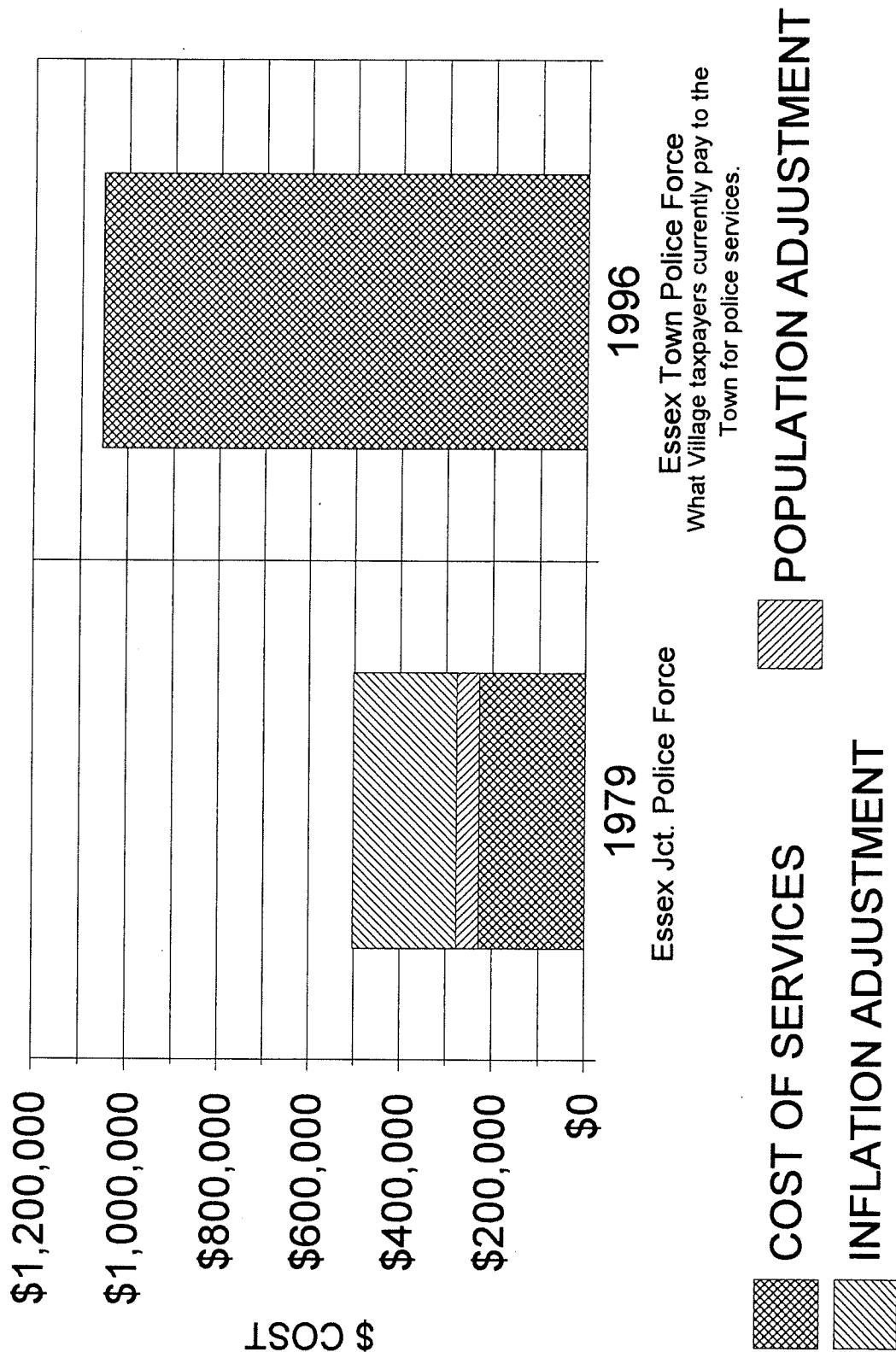
POLICE SERVICES

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.

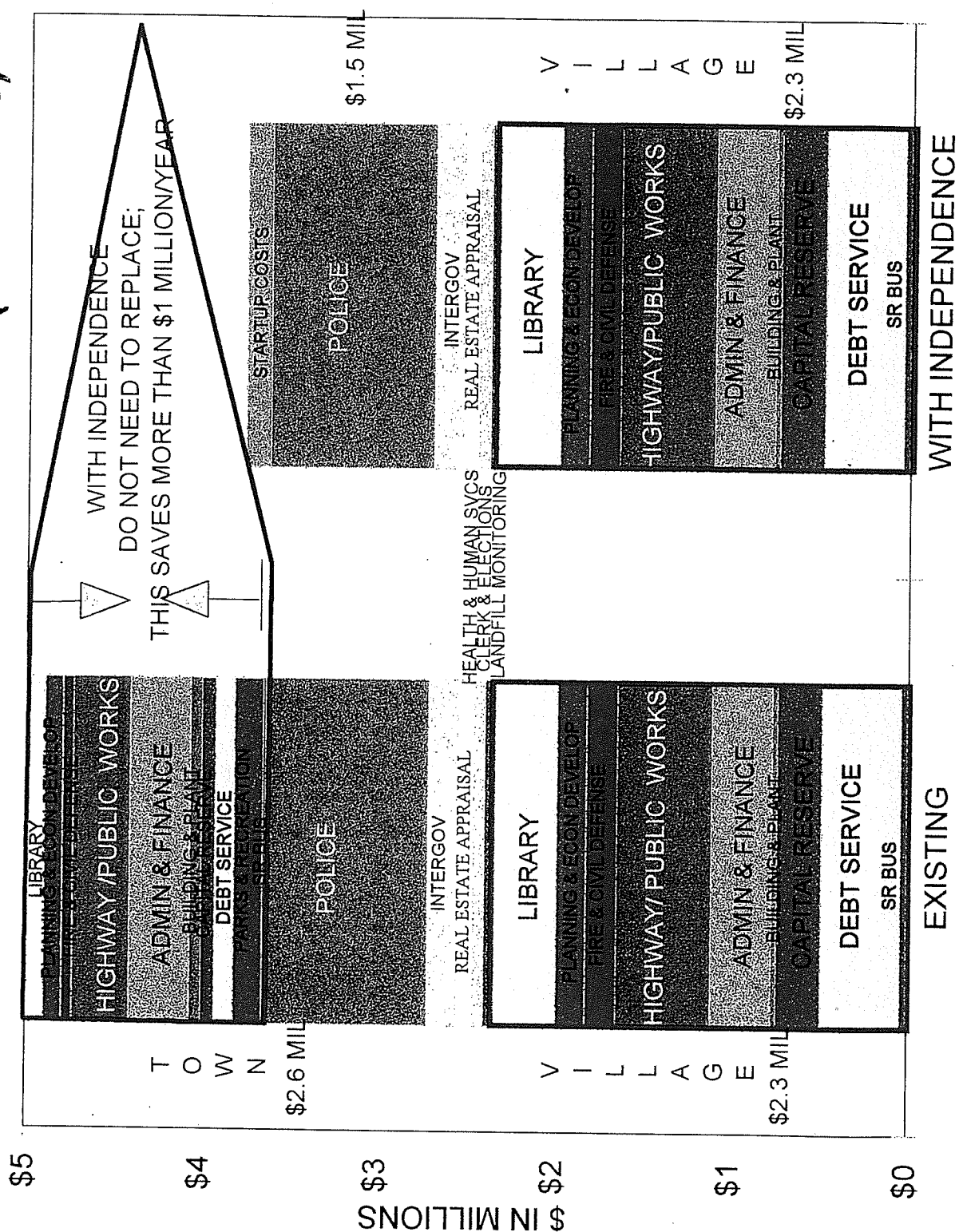
Sincerely,

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%.

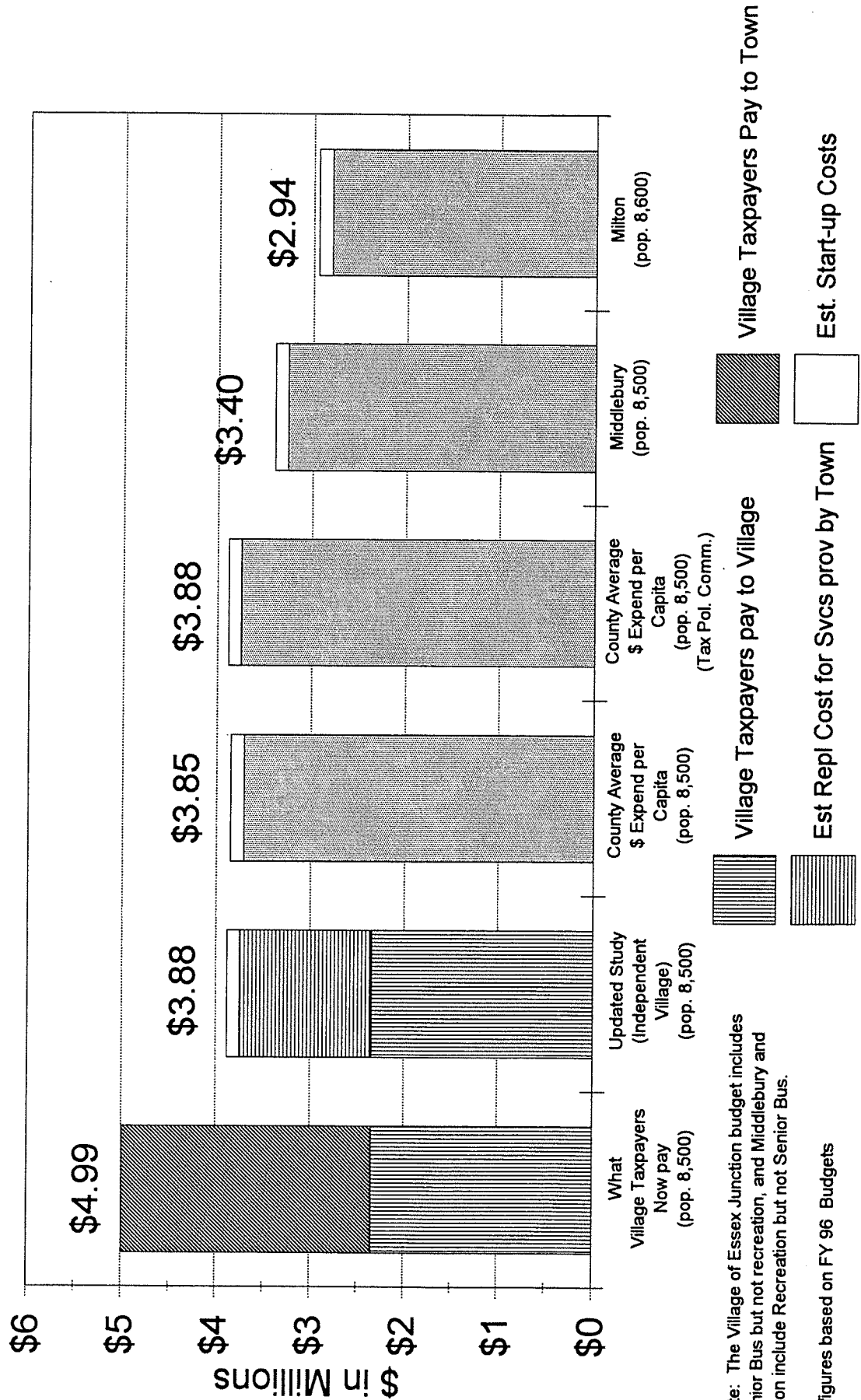
<u>YR.</u>	<u>OUTSTANDING DEBT</u>	<u>PRINCIPAL PAYMENT +</u>	<u>INTEREST PAYMENT +</u>	<u>TOTAL DEBT PAYMENT</u>
1	\$843,000	\$ 84,300	\$ 59,010	\$ 143,310
2	\$758,700	\$ 84,300	\$ 53,109	\$ 137,409
3	\$674,400	\$ 84,300	\$ 47,208	\$ 131,508
4	\$590,100	\$ 84,300	\$ 41,307	\$ 125,607
5	\$505,800	\$ 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

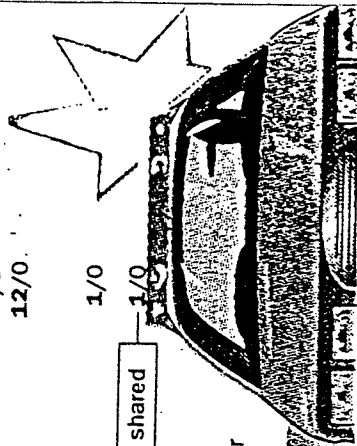
A hometown COP

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.

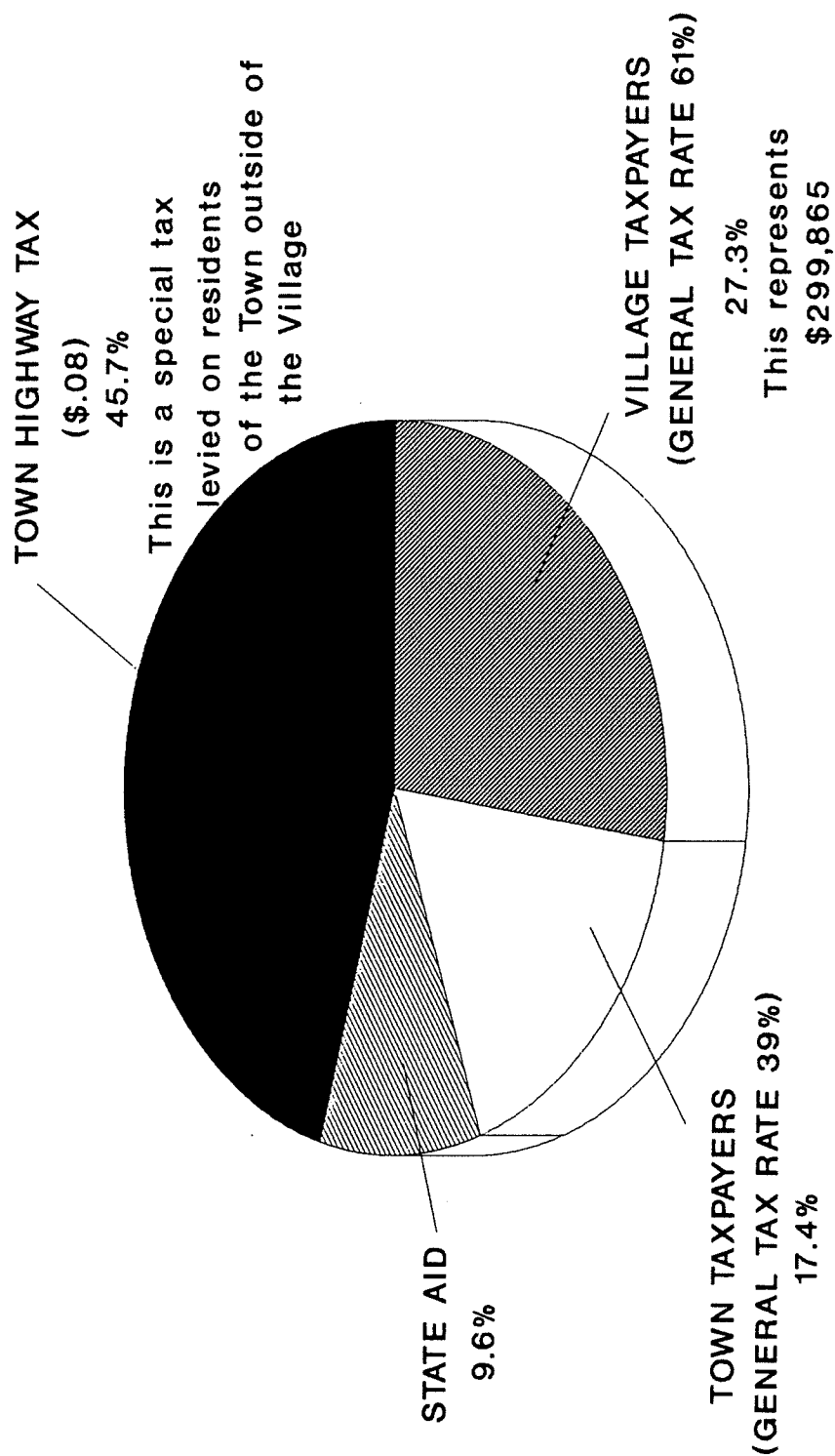
See COP, 3B

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

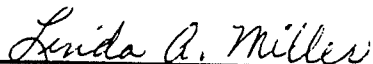
The Ad Hoc Committee volunteers its services to the Board of Trustees in support of the implementation of the recommendations, and in any other matters deemed to be in the best interests of Essex Junction.

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.

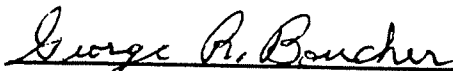
The information contained in this Report presents a strong case for the pursuit of Village independence. The Report demonstrates that *"status quo" - the path of least resistance, is an illusion*, and fosters the ongoing weakening of Village strength and the erosion of Village funds and assets. The FACTS 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



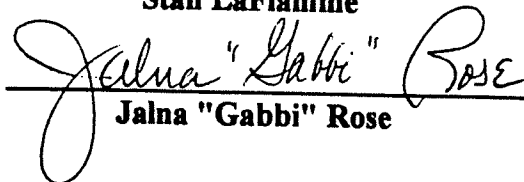
Linda A. Miller, Chair



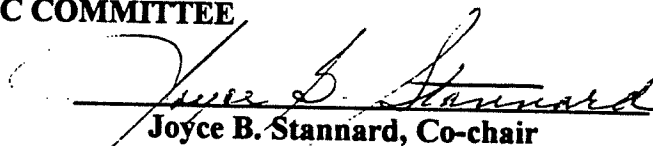
George Boucher



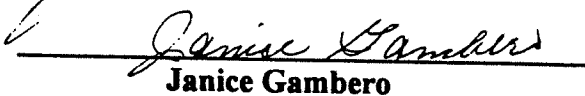
Stan LaFlamme



Jalna "Gabbi" Rose



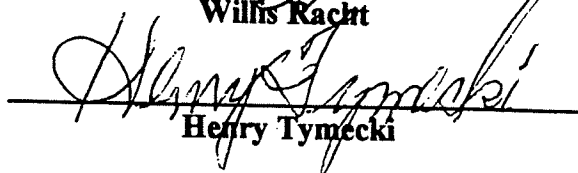
Joyce B. Stannard, Co-chair



Janice Gambero



Willis Kacht



Henry Tymecki



For more info, go to: GreaterEssex2020.org

GREATER ESSEX

DATES TO REMEMBER & CONTACT INFORMATION

Voter Information for the Upcoming Vote on the Merger Plan for the Town of Essex and the Village of Essex Junction

In this booklet you will find the proposed charter and frequently asked questions (FAQs) for your information as a resident of the Town of Essex including the Village of Essex Junction.

There is an Informational Meeting Monday, March 1, 2021 at 7:30 pm. Sign up to receive notifications about upcoming meetings at www.essexvt.org.

Due to the pandemic, the Vermont Legislature has authorized mail-in ballots for Town Meeting 2021. You can also vote in person.

- **The polls will be open on Town Meeting Day, Tuesday, March 2nd, from 7 am to 7 pm.**
- Village residents should vote at Essex High School.
- Town outside the Village residents should vote at Essex Middle School.

If you didn't receive a mailed ballot in November, want to check whether you will receive a mailed ballot, or want to register to vote, please contact the Town Clerk's office at (802) 879-0413.

Please reach out to your elected officials to ask your questions!

Town of Essex Selectboard	Village of Essex Junction Trustees
Elaine Haney, Chair ehaney@essex.org	Andrew Brown, President abrown@essexjunction.org
Patrick Murray pmurray@essex.org	George Tyler gtyler@essexjunction.org
Vince Franco vfranco@essex.org	Dan Kerin dkerin@essexjunction.org
Andy Watts awatts@essex.org	Raj Chawla rchawla@essexjunction.org
Dawn Hill-Fleury dhillfleury@essex.org	Amber Thibeault athibeault@essexjunction.org



For more info, go to: GreaterEssex2020.org

GREATER ESSEX

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For more info, go to: GreaterEssex2020.org

GREATER ESSEX

LETTER FROM THE CHAIR OF THE TOWN OF ESSEX SELECTBOARD & PRESIDENT OF THE VILLAGE OF ESSEX JUNCTION BOARD OF TRUSTEES

Dear Essex Residents,

Over the last seven years the Selectboard and Trustees have worked together to chart a course for the future of our community. As equal partners, we have discussed, researched, and deliberated how best to position the Town of Essex and the Village of Essex Junction for a fiscally and operationally sustainable and strong future. As a conclusion to that work, we believe merging our two municipalities is the best way to achieve a more vibrant, equitable and sustainable community.

Our two communities have come a long way. Since 2014, we have been working together, consolidating services, eliminating duplication, and increasing efficiency. These efforts have already resulted in savings to Essex taxpayers of over \$3 million while maintaining the high level of services residents expect. The majority of the Selectboard and Trustees strongly believe that becoming one, unified Essex will continue that success and make our community stronger.

This booklet contains the culmination of our work. With the guidance of input from hundreds of Essex residents throughout the Town and Village—through surveys, focus groups, public meetings, and feedback from scores of individuals—together the boards drafted a new charter for a unified Town of Essex that has an unincorporated Village of Essex Junction within it for the voters to review and vote upon.

We also obtained guidance on the charter from attorneys specializing in municipal law, and statewide authorities including the Vermont Department of Taxes, the House Government Operations Committee of the Vermont Legislature, and its Legislative Council. Our focus all along has been drafting a charter that provides the best opportunity for each of our almost 22,000 residents to be fairly represented and to pay equally for our high quality municipal services.

In November, Village residents voted overwhelmingly in favor of a similar version of the charter for a unified Town of Essex. Over 70% of Town voters living in the Village approved merging the Village and the Town. Now, as required by state law, the entire Town will vote, including our Village residents, on whether to merge our two governments. If this vote is positive the merger plan will go to the State Legislature. All voter-approved charter changes and plans of merger go to the Legislature for review for ratification. The Legislature can unilaterally approve, amend, seek clarifications or agreements, or deny charter changes. Due to the Legislature's focus on Covid-19 legislation, there may be a delay in addressing our merger plan.

In this booklet you will find the official merger charter, as well as a summary of the charter in less "legalese" language. There is detailed information (including charts and tables) about taxation, a visual timeline, and answers to many frequently asked questions that we have gathered from residents at meetings, in surveys, and online. At the request of residents there is also a list of the many pros and cons of merger for voters to consider. This booklet has been mailed to every household in Essex to ensure that all residents have all the information they need to vote on the merger charter.



GREATER ESSEX

For more info, go to: GreaterEssex2020.org

LETTER FROM THE CHAIR OF THE TOWN OF ESSEX SELECTBOARD & PRESIDENT OF THE VILLAGE OF ESSEX JUNCTION BOARD OF TRUSTEES

Due to the pandemic, the Vermont Legislature has authorized mail-in ballots for Town Meeting 2021. You will receive your ballot in the mail by February 5 2021. **Just like in the November election, please fill it out and return it to the Town Clerk's office at 81 Main Street by March 1, 2021.** You can also vote in person.

- **The polls will be open on Town Meeting Day, Tuesday, March 2nd, from 7 am to 7 pm.**
- Village residents should vote at Essex High School.
- Town outside the Village residents should vote at Essex Middle School.

If you didn't receive a mailed ballot in November, want to check whether you will receive a mailed ballot, or want to register to vote, please contact the Town Clerk's office at (802) 879-0413.

Prior to the vote there will be two public hearings about the merger charter. These meetings will be online on February 1, 2021 and February 16, 2021, both at 6:30 pm. Also, printed copies of this booklet containing the proposed new charter are located outside of the Village Office at 2 Lincoln Street, outside the Town Office at 81 Main Street, and online at www.EssexVT.org, www.EssexJunction.org, and GreaterEssex2020.org.

There will be an informational Town Meeting on Monday, March 1st at 7:30 pm. Because Town voters in November voted to approve the budget via Australian ballot (that is, approving the budget at the polls rather than by voice vote at Town Meeting), the March 1st meeting will not include any voting. It will feature presentations about the FY2022 budget and about merger, with opportunity for public questions, but there will be no voting at the meeting. **Voting will happen the next day, March 2nd.**

Thank you to every resident who has participated in the merger conversation. Please don't hesitate to reach out to any Selectboard member or Trustee with your questions.

Elaine Haney

Elaine Haney
Chair, Town of Essex Selectboard

Andrew Brown

Andrew Brown
President, Village of Essex Junction
Board of Trustees



For more info, go to: GreaterEssex2020.org

GREATER ESSEX

PROS & CONS OF MERGER

There have been rumors and assumptions made by residents of both the Village and the Town outside the Village about how merger would affect our community. It is important to respect the differing opinions regarding the pros and cons of the plan of merger.

The truth is that with merger there is give and take and all residents in both the Town and Village will give up some things but also gain some things.

This list of pros and cons puts into perspective the things that aren't great about merger alongside the things that actually are really good. While residents must make their own decisions about merger, this list will hopefully help everyone understand that merger is not the huge negative some are making it out to be. It's actually an important step forward for our community towards a future that's more equitable, affordable, and sustainable.

What is the Village giving up?

Their government. Under merger, the Village Board of Trustees and Village Planning Commission would be dissolved. (The Village's state Downtown Designation would remain.)

Priority for certain services. Once merged, there would not be any committees that only Village residents get to serve on or services that only Village residents get to use. Village residents would no longer have first pick of EJRP programming and Town outside the Village (TOV) residents would be eligible to become elected board members of the Brownell Library board of trustees.

Their autonomy. The Village budget would no longer exist as something only Village residents could vote on. There would be only a single Town budget covering expenses for the entire Town, including the Village, that all Town residents would vote on. All ballot initiatives, including the budget, would be Town-wide votes. Village residents would no longer vote twice on ballot items.

What is the Village gaining?

Lower taxes, temporarily. Municipal property taxes for the average Village property (with a house valued at \$280K) would see an annual, temporary decrease of ~\$40 for 12 years. However, there would still be regular annual tax increases based on community need. After 12 years, the merger-related tax reduction would end and only regular annual increases would occur. After 12 years Village residents would pay approximately the same tax rate as TOV residents.

Tax equity. Village residents would pay taxes to only one municipality, not two. Village residents would no longer pay taxes to the Town for services they do not receive or for services they already tax themselves for.

Predictable representation. For the first time ever, Village residents would have their own representatives on the Town Selectboard, elected only by people who live in the Village.

Fewer voting days. Village voters would no longer have to vote multiple times per year. All residents would vote on the budget and elected offices on the same day.



What is the Town outside the Village giving up?

Higher taxes, temporarily. Municipal property taxes for the average TOV resident (with a house valued at \$280K) would see an annual, temporary increase of ~\$26 for 12 years. This would be on top of regular annual tax increases based on community need. After the 12 years, the merger-related tax increase would end and only regular annual increases would occur. After 12 years TOV residents would be paying approximately the same tax rate as Village residents.

Shared responsibility for all capital projects. After the 12th year of merger, TOV residents will share with Village residents the full cost and responsibility for all capital expenditures Townwide.

What is the Town outside the Village gaining?

Predictable representation. For the first time ever, TOV residents would have their own representatives on the Town Selectboard, elected only by people who live in the TOV district.

Equal access. For the first time, all TOV residents would be able to use all EJRP recreation services and programs without paying extra for them and without waiting for Village residents to sign up first. This includes swimming lessons, camps, and childcare.

More say over spending Townwide. For the first time, TOV residents will have a say on total Town expenditures and services. TOV residents will be able to vote on budget expenditures, projects, and any other ballot questions related to the entire Town, including the Village.

More input into planning and development. TOV residents will have input on development in the entire Town, including the Village downtown.

Better, less expensive childcare. Under merger, the new Town recreation department would provide unified childcare programs throughout the entire community with consistent quality of service, pricing, and registration, and without a waiting list that prioritizes one district over the other.

What is everybody giving up?

Potentially longer wait times for infrastructure projects. TOV and Village infrastructure projects would be merged into a single capital project list, and priority projects would be selected from this prioritized list.

What's not changing?

Services. Residents will still have plowed roads, police and firefighters, open libraries, clerk services, park maintenance, cleaned culverts, wastewater systems, and all the other amenities we currently enjoy. However, Town staff and the Selectboard will continue to review and adjust services to meet resident needs while maintaining a fiscally responsible budget.

Our identities. The Village of Essex Junction will be known as Essex Junction and the Town of Essex will remain the Town of Essex.



What is everybody gaining?

One government. No more doubles of municipal departments, less confusion, one set of services paid for equally by everyone. One governing body and one community direction.

More transparency. Only one budget and one board means less confusion and more clarity about the municipal budget and policies.

One set of ordinances. Essex Police will not have to enforce two different sets of laws.

Australian ballot budget voting. Everyone will be able to vote on the budget at the polls, instead of having the merged community's \$18M+ budget approved by a small group of people attending Town Meeting.

Informational Town Meeting. Town Meeting will still happen, but the voting will be at the polls the next day or by absentee ballot. So if you can't make it to Town Meeting, you can still vote.

One land development code. A single, consistent land development code means predictability and stability for businesses—those now located in Essex and those thinking about moving here.

More organized, consistent planning. One Planning Commission and a new Development Review Board will allow for consistent planning Townwide, with all residents able to participate.

One community setting its course together on a host of issues:

- Ensuring racial justice, equity, and safety
- Becoming a welcoming and inclusive community
- Housing that meets the needs of our entire community
- Community and economic development
- Preservation of open space and stewardship of the environment
- First-class recreational facilities
- Building resiliency and sustainability



Town & Village Consolidations





For more info, go to: GreaterEssex2020.org

GREATER ESSEX

HISTORY, TAXATION & DISTRICTS

How did we get here?

Since 2014 the Town and Village have been sharing and consolidating services in an effort to save taxpayer dollars, improve efficiency and eliminate duplication. Between 2014-2019, together we have saved over \$2.8 M. Please refer to the timeline on page 8 to see what we have done so far with regards to consolidation.

The minutes of the Selectboard and Trustees joint meeting on June 14, 2018 show that *“all members of the boards, at joint meetings on April 25 and May 14, have said they would like the current consolidation efforts to result in end goals of one community/municipality, one legislative body with equal representation, one budget and one tax rate.”* At that same meeting the boards unanimously agreed to appoint two members each to a Governance Subcommittee to “research governance issues for consolidation.”

The appointed members of the Subcommittee were and the boards they represented:

- Irene Wrenner, Essex Selectboard
- Max Levy, Essex Selectboard
- Elaine Haney, Essex Junction Trustees
- George Tyler, Essex Junction Trustees

Their key tasks as directed by both boards were to:

1. Develop criteria for researching and assessing different forms of governance for potential reorganization/integration of Town and Village governments.
2. Recommend governance model(s) to the Selectboard and Trustees.

How did you end up choosing merger?

The Subcommittee met multiple times between June 2018 and March 2019. In total the Subcommittee vetted 13 different scenarios and discussed them at length with counsel. The scenarios involved multiple models with various board configurations and charters; overlay districts; forming a city; and separation (more thorough descriptions of the scenarios are available in the [minutes from November 14, 2018](#)).

When conducting their research, the Governance Subcommittee agreed to a set of criteria that they used to assess multiple models of governance.

- | | |
|---------------------------------------|---|
| • Better integrated planning | • Eliminate duplication |
| • Better relations | • Equal representation |
| • Better transparency | • “Eventual” single tax rate |
| • Diversify tax base | • Improves communication |
| • Economic and overall sustainability | • Maintain a high level of service |
| • Maintain Heart & Soul values | • Speaking with one voice, and having a seat at the table in relevant issues and bodies |
| • Maintain public safety | • Tax equity |
| • Makes public participation easier | |
| • Makes voting easier | |
| • Preserve identity | |



GREATER ESSEX

For more info, go to: GreaterEssex2020.org

HISTORY, TAXATION & DISTRICTS

The Subcommittee assessed each potential governance model using the above criteria and determined that three models met the majority of them. The Subcommittee recommended these three possible governance models for further analysis to the full Selectboard and Trustees on April 9, 2019:

1. A unified town charter model
2. A 'special district' model
3. A 'modified status quo' model

Governance Subcommittee efforts continued, with a change in membership in 2019. The new members and the boards they represented were:

- Andy Watts, Essex Selectboard
- Max Levy, Essex Selectboard
- Raj Chawla, Essex Junction Trustees
- George Tyler, Essex Junction Trustees

Gathering public input

From May 2019 through March 2020 the Governance Subcommittee turned to public outreach. Working with local market research firm KSV, they conducted community surveys and focus groups.

Survey results showed strong support for merger in the Village (Rep. Dist. 8-2) and moderate/negative support in the Town outside the Village (Rep. Districts 8-1 and 8-3). But many Town outside the Village respondents said they might favor merger contingent on 1) more information, and 2) assurance of designated seats for the Town outside the Village on the elected board.

Based on these findings, the Selectboard and Trustees tasked the Governance Subcommittee with developing a merger charter. When developing the draft charter, the Subcommittee changed its recommendation for an all "at-large" elected body to a Town/Village voting district model to address the preference for district representation.

Survey results also showed strong support for a gradual step-up to a single tax rate, with the majority of Town outside the Village residents supporting a 10-12 year timeframe.

Four challenges for merger

Based on the results of the survey the Governance Subcommittee proceeded with developing a draft merger charter. The biggest challenges were to:

1. Integrate \$3.5 M of the \$5 M Village budget with the \$16 M Town budget **AND**
2. Maintain the high quality of municipal services residents expect and pay for **AND**
3. Achieve eventual tax equity **AND**
4. Preserve the identities of the Town and Village.

Currently, the Town of Essex levies taxes on all properties in the Town outside the Village and in the Village of Essex Junction to pay for Town expenditures. Essex Junction levies taxes only on properties in the Village to pay for Village expenditures.



Consolidating the Town's expenditures and the Village's expenditures into a single operating budget with a uniform, community-wide tax rate (that is, distributing the cost of Village expenditures throughout the community instead of just in the Village) all at once would result in approximately a **\$325 property tax increase on the average home in the Town outside the Village valued at \$280,000**. This increase would not be one-time. It would be built into all future Town budgets.

Such a dramatic tax increase on properties in the Town outside the Village could compel the newly consolidated Town/Village elected board to cut costs that could jeopardize the foundational aim of merger to maintain our high quality services and preserve Town and Village identities.

A gradual step-up is necessary and preferred.

Town outside the Village survey respondents indicated they preferred a gradual, 10-12 year step-up to accomplish tax equity. Town staff recommended incrementally adding the cost of Village expenditures to the Town budget over 12 years, which is also how long it will take for the current Village bonded debt to be paid off (by Village taxpayers only). The Selectboard and Trustees agreed that tying the overall taxation step-up period to the Village's debt payment period would prevent a sudden and dramatic increase to taxes for Town outside the Village residents while allowing the Village to keep paying off its debt on schedule.

There are benefits to the gradual phasing-in of Village costs to the Town general fund over 12 years:

- The annual cost to the average Town outside the Village property owner (valued at \$280K) goes from approximately \$325 all at once to about \$26 per year for 12 years.
- Grand list growth (the value of total taxable properties) will help buffer the financial impact on current property taxpayers. The Town grand list grows annually at an average rate of 1%.
- Consolidation of Town/Village services from 2014-2020 resulted in overall cost savings of approximately \$3 M. Gradual consolidation of services after merger is very likely to provide additional savings by continuing to reduce costs.
- After merger, Town outside the Village residents will have more "say" in how Village services operate. "Town versus Village" perceptions of how services are provided will evolve into an overall sense of ownership and sharing.

Why do we need special taxing districts?

Designating "special districts" in the transition portion of the merger charter (the first 12 years after merger) provides a clear, durable, and legal mechanism for paying down debt and phasing in costs. Special districts can only be modified or eliminated by a charter change, which must be voted on by the community and approved by the Vermont Legislature, which means the Selectboard cannot on its own simply change the number of years. The charter cannot specify dollar amounts to be raised or spent by the elected board. But it gives the board authority to levy a special tax within a district to pay for a specific purpose.



GREATER ESSEX

For more info, go to: GreaterEssex2020.org

HISTORY, TAXATION & DISTRICTS

The merger charter includes five special districts:

1. **Debt Repayment District:** This district must be established to limit the repayment of the Village's bonded debt to only Village residents. This district does not affect the cost of merger.
2. **Tax Reconciliation District:** This district allows the Town to assess different tax rates to the Village in order to phase-in the cost of Village expenditures. This district does not affect the cost of merger.
3. **Sidewalk District:** This district allows the Town to raise taxes from Village residents to pay for the same level of sidewalk maintenance in the Village that Village residents are currently paying for (estimated at \$125K/year). This district reduces the cost of merger to Town outside the Village residents slightly.
4. **Capital Improvement District:** This district allows the Town to raise taxes from Village residents to enable some Village capital projects to be funded solely by Village taxpayers (the future Selectboard could add more projects to further reduce cost of merger to Town outside the Village residents.). This district reduces the cost of merger to Town outside the Village residents slightly.
5. **Downtown Improvement District:** This district allows for the Village to maintain its state Downtown Designation and does not affect the cost of merger.

The Sidewalk and Capital Improvement Districts together reduce the cost of merger to Town outside the Village residents by another approximately \$1-3 per year below the estimated \$26 per year for the average property of \$280K.

What happens after 12 years?

At the end of the 12-year merger transition period, all special districts would cease to exist. The elected board would lose the authority to raise a specific Village-only tax to pay for a Village-only expenditure.

1. **Debt Repayment District:** After 12 years the Village debt would be retired. This district cannot be renewed.
2. **Tax Reconciliation District:** After 12 years the Village budget will have been entirely phased into the Town general fund and the tax rate should be equal for all at this point. There would be no reason to reestablish this district.
3. **Sidewalk District:** The additional cost and additional service for Village sidewalks would come to an end. The elected board and community could seek to continue the district and/or expand the district to include other areas of the Town, which would require a charter amendment and community vote. (Please refer to the FAQ on page 20 about the Sidewalk District for more information.)
4. **Capital Improvement District:** The costs of Village-only projects designated at the beginning of merger would be paid off. Going forward, costs of all capital projects, both Town and Village, would be paid by all taxpayers, as Town capital projects are currently paid.
5. **Downtown Improvement District:** The elected board's taxing authority for a specific Village downtown improvement fund would end.



For more info, go to: GreaterEssex2020.org

GREATER ESSEX

TAXATION PLAN EXPLAINED

Taxation Plan for Merger of the Town of Essex with the Village of Essex Junction

The information below is meant to explain the taxation plan that is included in the plan of merger that would bring the entire Essex community to one tax rate over a period of 12 years.

What is the current tax rate structure?

This chart shows the current tax rate structure with FY2020 rates. It is broken down into the Town Outside the Village (TOV) and the Village, with Town-wide tax rates shown in both columns. The bottom line shows that the TOV residents' overall tax rate is 0.5396 while the Village's is higher, at 0.8592.

Current Tax Rates & Structure	Town Outside the Village (TOV)	Village
Town General Tax	0.5067	0.5067
TOV Highway Tax	0.0110	—
Town Capital Tax	0.0200	0.0200
Tax Agreements	0.0019	0.0019
Village General Tax	—	0.3206
Village Economic Dev. Tax	—	0.0100
Total	0.5396	0.8592

Merger means that these two different levels of taxation must meet somewhere in the middle. This requires the lower rate to rise as the higher rate falls. To get to one tax rate, through merger the rates in this chart that only appear in one column will be eliminated (the bolded boxes) or distributed across the entire community (the gray box). That includes the TOV Highway Tax, the Village Economic Development Tax, and the Village General Tax.

The following assumptions apply:

1. The first year of the 12-year merger transition starts July 1, 2022 (FY2023), assuming timely approval of the merger plan by the Legislature
2. TOV Highway Tax and the Village Economic Development Tax (the bolded boxes) are both eliminated in year 1.
3. The Village and Town budgets become one budget with multiple funding sources in FY2023.
4. The amount previously raised by the Village General Tax (the gray box) is frozen and integrated incrementally over 12 years into the Town General Fund. This amount is raised annually from the Village-only grand list until it is phased out.

NOTE: This amount is frozen only for the purposes of this exercise, to isolate the actual costs of merger. Over the course of 12 years there will still be annual increases to the budget due to the increasing cost to run a municipality. Therefore, the increases/decreases shown below are approximate.



5. Village debt remains with the Village-only grand list until it is paid in FY2035. (12 years aligns with the termination of the Village's debt payments.)
6. The projected future expenses for debt are actual debt numbers based on current outstanding debt for the Town and Village. These steadily decrease over time and sunset in FY2034 for the Town and in FY2035 for the Village. The Town debt is for the police station bond and the renovation of the Town offices. The Village debt is for road construction and repair.

How much will my taxes change as a result of merger?

In order to show the taxation changes related to merger, the figures below are frozen at FY2020 grand list and budget amounts. Annual growth in both the budgets and the grand list are assumed to be 0% only for the purposes of this exercise. This way the 12-year distribution of the Village General Fund tax revenue can be separated out.

Using FY2020 numbers, in order to eliminate the Village General Tax, a total of \$3,242,862 would be absorbed into the Town-wide tax rate incrementally over 12 years. *(This amount does not include Village debt, which will remain with the Village taxpayers until paid off in FY2035.)* The total impact of absorbing that amount into the entire grand list is as follows:

Property Value	TOTAL Tax Increase/(Decrease)	
	Town Outside the Village	Village
\$280K	\$329	(\$487)
\$350K	\$412	(\$609)
\$500K	\$588	(\$871)
\$1M	\$1,176	(\$1,741)

The amounts in the above table show the TOTAL approximate tax increase/decrease of merger. The following table shows those total amounts for different property values in the TOV and the Village spread out over 12 years.

Property Value	ANNUAL Tax Increase/(Decrease) OVER 12 YEARS	
	Town Outside the Village	Village
\$280K	\$26	(\$43)
\$350K	\$33	(\$54)
\$500K	\$46	(\$77)
\$1M	\$93	(\$154)



Will increases in the Town budget and the grand list change these numbers?

Yes. Remember, the figures above are frozen at FY2020 levels just for the purpose of identifying the changes to taxation caused by merger. The Town budget and the grand list will not remain frozen. Though it's not possible to know exactly how these numbers will change in the future, we do know what the overall impact of those changes will be. Grand list growth alone would decrease these numbers. Budget growth alone would increase these numbers. It is expected that both the Town budget and the grand list will grow, causing slight changes to these numbers year-to-year.

What else could be done to reduce the tax impacts of merger?

New, non-property tax revenue and reducing expenditures are two ways the taxation changes could be impacted:

- **New revenue could decrease the reliance on the property tax.** New revenue would free up capacity in the existing property tax rate to absorb more of the transition, without increasing taxes.
- **Increasing current non-tax revenues such as fees for services** would result in some additional revenue but would not make a noticeable difference because fees for services are a small part of the revenue budget.
- **Reduce expenditures or keep budget increases to a bare minimum**, outside of certain budget increases that can be expected each year as a result of contractual obligations, the cost of winter road materials, the cost of paving, and the cost of utilities. Increasing efficiency, eliminating duplication, and budgeting responsibly will continue to be goals to reduce overall expenditures.



For more info, go to: GreaterEssex2020.org

GREATER ESSEX

TAXATION CHANGE TABLES

TOTAL Merger-Related Taxation Changes

What is the TOTAL impact of taking the amount raised by the Village general tax and spreading it over the entire grand list?

Property Value	Town Outside the Village	Village
\$280k	\$329	(\$487)
\$350k	\$412	(\$609)
\$500k	\$588	(\$871)
\$1M	\$1,176	(\$1,741)

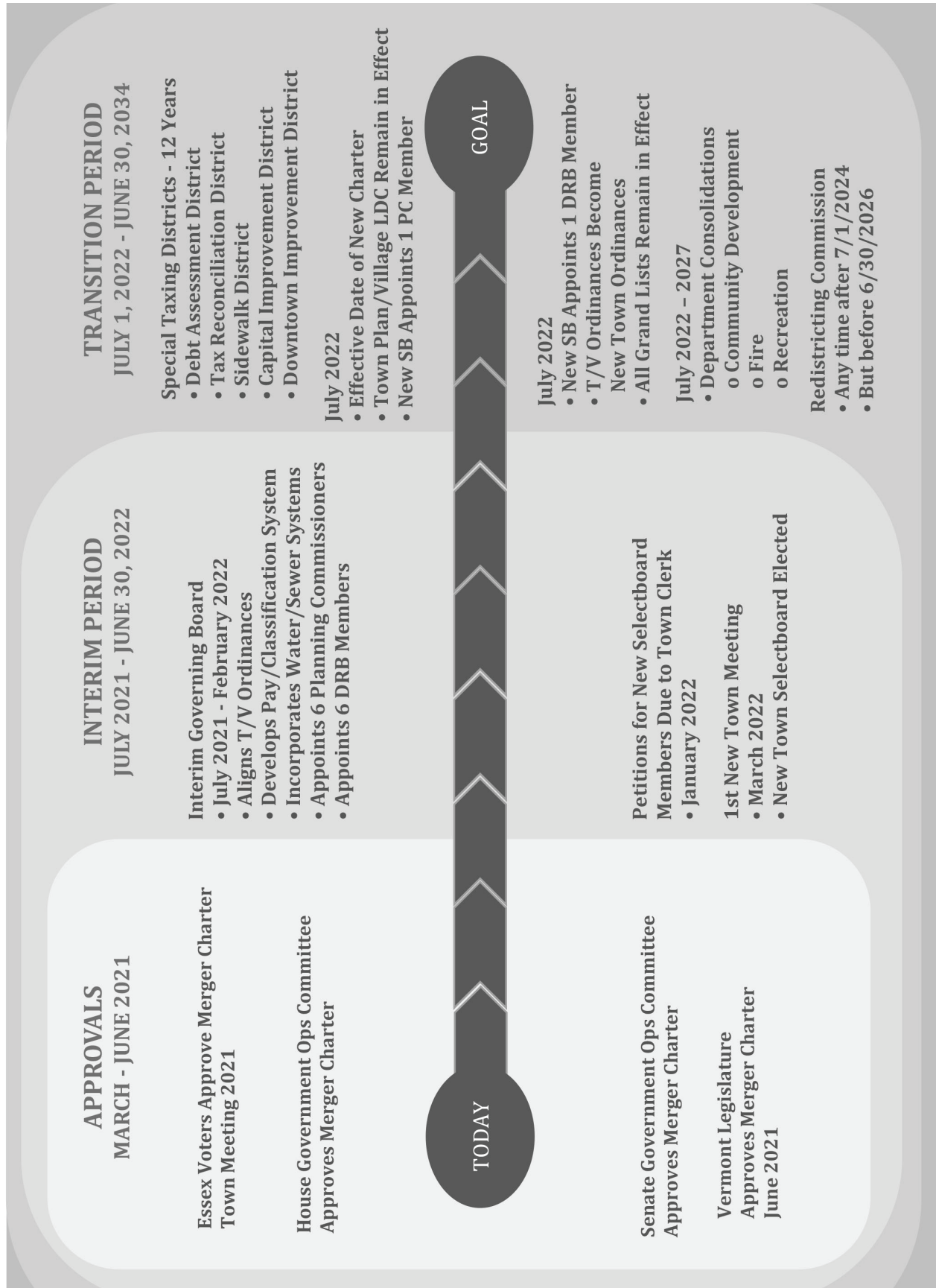
ANNUAL Merger-Related Taxation Changes

Town Outside the Village													
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Ave. over 13 years
\$11	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$24	\$52	\$25
Village													
(\$20)	(\$35)	(\$34)	(\$34)	(\$34)	(\$34)	(\$34)	(\$35)	(\$34)	(\$35)	(\$35)	(\$34)	(\$73)	(\$36)

The total change is an increase of approximately \$330 for Town Outside the Village and a decrease of approximately \$470 for the Village.



MERGER TIMELINE





For more info, go to: GreaterEssex2020.org

GREATER ESSEX

FREQUENTLY ASKED QUESTIONS (FAQs)

These are questions from residents gathered from social media, communications to board members, comments on surveys, and more.

I received a ballot in the mail asking if I approve the Plan of Merger between the Village and the Town. What is it for and what does it mean?

The Town of Essex Selectboard, the governing body of the Town of Essex, is asking Town voters if they want to merge the Town government with the government of the Village of Essex Junction.

All Village residents are citizens of two governments, the Essex Junction government and the Essex Town government. Therefore, Village residents are represented by both the Village Trustees and Town Selectboard, and are taxed by both municipalities. Town residents who do not live within the Village of Essex Junction are represented solely by the Town Selectboard, and pay taxes only to the Town of Essex.

The “Plan of Merger” refers to a municipal charter, a legally binding, founding document. The charter describes how the merged community will be governed and how elections will be held, among other things. If voters approve the Plan of Merger, the Vermont Legislature must then approve the new charter before it can become legally binding.

Village voters already approved the merger charter. Do Town of Essex voters also need to approve the merger charter?

Yes. The Town of Essex Selectboard has approved putting a merger question on the ballot for Town Meeting 2021 and will put it before Town voters, including Village voters, asking them if they wish to merge and form a new government with the Village of Essex Junction.

If approved, the two plans of merger – the Village’s and Town’s – would then be sent to the Vermont Legislature for approval. The two plans would then be consolidated into a single plan and new municipal charter. In Vermont, the Legislature controls municipal charters and can approve, amend, or reject charters independent of the outcome of local voting.

The Village voted on this in November. Why did the Town delay sending our merger ballots until 2021?

The Selectboard needed more time to complete its deliberations on the merger charter and wanted more time to hold public input sessions.. In addition, the Selectboard asked the Legislature to clarify its feedback from May of 2020 regarding the voter-backed proposal to change the current Essex Town Charter to create a six-member Selectboard, with three members elected from inside the Village and three from outside the Village. The Selectboard had hoped to receive an answer from the Legislature before finalizing the merger charter. The Legislature has not provided direction on that question yet; it is anticipated they will discuss it in January 2021 when the new legislative session begins.



GREATER ESSEX

For more info, go to: GreaterEssex2020.org

FREQUENTLY ASKED QUESTIONS (FAQs)

Is the Town's plan of merger different from the Village's plan of merger?

Yes. There are several minor differences between the two merger charters, and one major difference: the Selectboard version includes an even-numbered governing board, while the version Village voters approved includes an odd-numbered board. But that doesn't mean merger can't happen. The differences between the two versions can be reconciled by the Legislature.

What happens if Town voters don't approve merger?

If Town voters do not approve the merger charter, then the status quo continues, with no changes to taxation for Town outside the Village residents, and with Village residents continuing to pay taxes to both the Village and the Town. The Trustees and Village residents would consider alternative scenarios, including some form of status quo, although the Selectboard would continue to work with the Trustees to equalize the tax disparity between the Village and Town. The citizens of the Village may also decide to explore separation of the Village of Essex Junction from the Town of Essex and consider which services, if any, they wish to continue sharing with the Town.

If merger does not pass and if separation is considered, would the schools also separate again?

No. The Essex Westford School District is its own municipality, unrelated to the Town or Village and regulated by the state.

What's a brief description of what taxation will look like for merger, separation, and status quo?

Merger: Over a 12-year period, taxes levied on all properties will be equalized. This means that after 12 years an average \$280,000 property in the Village will pay the same amount in property taxes as a \$280,000 property in the Town outside of the Village. Over the 12-year period, taxes on a \$280,000 property in the Village would gradually go down between \$30-\$40 per year, and taxes on a \$280,000 property in the Town outside the Village would go up about \$26 per year. Properties worth more than the average would see a larger increase/decrease, and properties worth less would see a smaller increase/decrease. After 12 years, the merger-related increases and decreases would stop.

Separation: It is not known what exactly will happen to taxes under separation because there are too many changes to services and decisions to be made in order to know for sure. Some calculations have been made by Town staff but they are very basic and include many assumptions that can all change.

Here's what's known: The Village grand list is 42% of the total grand list of the Town. If the Village were to become a completely separate municipality, it would keep all its property tax revenue to pay for its own services. This would mean the Town would lose up to 42% of its annual property tax revenue, unless it continues to contract out for services with the (now separated) Village or other municipalities. If the Town lost that much revenue immediately, it would not be able to maintain its current level of services. The Town, after separation by the Village, would face difficult decisions in many areas of service provision.



FREQUENTLY ASKED QUESTIONS (FAQs)

However, if separated, the Village would not necessarily save 42%. The Village would still need police protection and other essential services, like a clerk and a finance department, for example. The 42% the Village would no longer pay to the Town would have to be spent on getting those services from somewhere else or creating them in Village government. It's possible the Village would still partner with the Town to maintain some of these services, instead of creating new arrangements. If the Village and Town were to continue partnering on some services, the Town would most likely see an 18-24% increase in taxes. The Village would save the 42% usually given to the Town, but based on additional services it would have to establish, it would ultimately see only a small reduction in taxes.

Status Quo: Not changing anything means neither merger nor separation happens, and the Village and Town continue to share services. The Village would still have to pay extra taxes to the Town. Going forward, the Town could work with the Village to find ways to share its tax revenue more equitably in areas it historically has not, like capital spending on road repairs and equipment. The Village and Town could continue to look for ways to equalize taxes over time. This would be similar to merger, but it would be dependent on the Town Selectboard's direction, which can change. It is also much more complicated and stressful for staff to maintain the status quo. It is less transparent, doesn't eliminate all duplications, and prevents both communities from moving together towards a shared vision.

What happens after the 12 years?

Over the 12-year period as the tax rates equalize, the Selectboard would work to:

1. Address the sidewalk district: During the 12-year transition period the Town would levy a special tax in the Village to help pay for the higher levels of sidewalk plowing and maintenance that it receives. But this special tax would end after 12 years unless the community wishes to continue it or expand it into the Town before it sunsets.
2. Continue debt reconciliation: During the 12-year transition the Village would pay off its residual bonded debt. The last payments would be in the 12th year (FY2035), eliminating the district and ending taxation for that purpose.
3. Maintain the capital district: During the 12-year transition the Village would also be considered a capital improvement district, which would allow the Town government to charge Village residents some additional tax for capital expenditures (infrastructure repair and large equipment, for instance) without impacting taxes in the Town. This will allow the Selectboard to limit some of the financial impact of transferring the Village's expenditures into the Town general fund budget over that-12 year period.

Towards the end of the 12-year period there will be decisions to be made. The Selectboard could choose to:

1. Taper down the amount levied on the Village over the last few years until the last year is a manageable amount to be absorbed into the entire Town budget in the last year. **Or,**
2. Tax Village residents the full amount for 12 years but address the entire amount being added into the Town budget in the 13th year. **Or,**
3. At the 13th year decide whether the entire remaining amount is needed by reducing the it or eliminating it altogether.



GREATER ESSEX

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FREQUENTLY ASKED QUESTIONS (FAQs)

There could be other options to address the 13th year but the important thing to know is that the Selectboard, as that 13th year approaches, will have the ability to take steps to ensure that last year does not have a significant financial impact on residents.

At the end of 12 years all these special districts/tax arrangements would cease and all Village expenditures would be paid for community-wide from the Town general fund.

Is there a guarantee of a 12-year phase-in? Could the Selectboard shorten that time period or increase the number of years?

The merger plan includes a 12-year phase-in plan to equalize taxes. This phase-in plan is an official part of the charter, and it would take a charter change approved by the entire community to change the terms of that agreement. That means the Selectboard could not unilaterally extend the 12 years – they would need voter approval. In addition, even if the voters did vote to change the 12-year term, the Legislature must approve any charter change. It is unlikely that the Legislature would approve a charter change that would economically harm a significant part of a municipality.

What else does merging entail?

In addition to the taxation plan there are still some departments to be consolidated: community planning, fire, and parks and recreation. All Town and Village employees would become employees of the new Town and many of our operations will be combined. Village and Town ordinances and land development codes and municipal plans will need to be combined.

Is separation an option right now? What would separation mean for the Essex Police Department and Essex Rescue?

The Selectboard and Trustees agree that merger is the best option. Therefore neither is pursuing separation. Separation does not provide as many benefits to the community as merger.

Essex Rescue is a standalone nonprofit organization, not a Village or Town department; the Town contributes financially to it on behalf of all residents. The Essex Police Department is 100% funded in the Town budget, which means the cost is levied equally against all Town and Village residential and business properties. If separation occurred, the Town and the newly separated, independent Village would have to negotiate whether the Village would “purchase” police services from the Town or pursue other options like contracting with the Vermont State Police, creating its own police department, or contracting for protective services with a neighboring community.

What will happen to Town and Village ordinances if we merge?

The Village Trustees have authority to pass ordinances for Essex Junction. The Town Selectboard has authority to pass ordinances for the area of the Town outside the Village. However, many of the Town and Village ordinances are the same. There are some significant differences; for example, it is illegal to discharge



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a firearm anywhere within the Village; the Town has zones where firearms discharge is legal. As part of the merger process, the ordinances of both the Town and Village would be aligned to ensure that all differences are reconciled.

Will any positions be cut in order to save tax dollars?

The Town Selectboard and Village Trustees made a commitment at the outset of merger discussions that there would be no reduction of current service quality due to merger. Because service levels generally are proportionate to staffing levels, this means there are no anticipated staff cuts as a result of merger. However, over time, organizations change, as do their priorities and funding abilities. It is likely that as the two municipalities come together, the Manager will assess service needs and reorganize resources as positions become vacant, or employees retire.

Why not cut spending to equalize taxes? Why raise taxes on the residents in the Town?

The Selectboard has decided not to “promise” specific tax cuts but instead has focused first on the efficiencies and elimination of duplication that merger would bring about. If merger is approved by voters, the process of integrating departments and services would include the review of expenditures for additional savings.

Why does the Village need its own sidewalk district? Can the sidewalk district be expanded to include parts of the Town? What happens to the sidewalk district at the end of the 12 years? Who has more sidewalks, the Village or the Town outside the Village?

Historically, the Village has had a robust sidewalk plowing plan. Almost every sidewalk in the Village gets plowed after every storm. This is because, up until 2017, the Village did not have busses to take kids to school. The sidewalks needed to be plowed throughout the Village so that all the kids could walk to school. That practice continues to this day because it is the level of service Village residents expect and pay for, and many Village children still walk to school. In addition, the Village puts a high priority on safe and walkable neighborhoods. It’s estimated, the cost of this service in the Village is about \$125,000 per year.

The Selectboard and Trustees agreed it was very important to find ways to reduce the tax impact of merger on residents in the Town outside the Village. One way was for Village taxpayers to continue paying the cost of Village sidewalk maintenance, and not have Town outside the Village residents pay for it. The sidewalk district was suggested to allow the merged Town to levy that tax just on residents inside the Village to cover those costs. Village residents are willing to continue paying for sidewalk maintenance to make it easier for Town outside the Village residents to afford merger.

In the charter, the sidewalk district ends after 12 years. At that time, the Selectboard can decide whether to continue the district, expand it to include more neighborhoods, or end it. Expanding the district would involve studying the new areas to include to understand the costs of delivering that service—especially equipment and manpower needs—and setting policy for how the Town would add new areas to the district. The desire to



FREQUENTLY ASKED QUESTIONS (FAQs)

increase interconnectivity for pedestrians and to reduce the overall cost of plowing are two reasons why the district could be expanded.

Previously voters approved folding the Village's Public Works budget into the Town's budget, including sidewalk plowing, and excluding the capital purchase of rolling stock equipment. The Sidewalk District would separate out the cost of this quality of service and charge Village taxpayers an annual tax to cover it. The tax would cover labor (two employees for six months of the year), salt, and equipment maintenance and replacement (two sidewalk plows) for 12 years.

The Town outside the Village has 53.6 miles of concrete or paved sidewalks and paths. Of those, 48.2 miles are plowed. The Village has 39.6 miles of sidewalks.

How do we know merger would actually save money? What has been done already to help the Village and Town save money?

Here is a list of Town services that were previously consolidated or aligned with Village services to provide greater efficiencies in service delivery and cost for the entire community:

- Police
- Senior bus
- Unified Town / Village Manager
- Tax billing and collecting
- Stormwater services
- Finance and administrative services
- Highway (excluding rolling stock)
- Information technology
- Public Works administration and paving
- Clerk / Elections / Records
- Human resources / benefits administration
- Fire departments alignment (pay and training)
- Recreation departments alignment (co-location)

In addition, the Town of Essex shares the wastewater treatment facility with the Village and Williston. The Town pays for the services of Essex Rescue and Green Mountain Transit for all residents. The Town and Village share equipment and human resources wherever possible.

The improved services achieved over the last several years through consolidation resulted in significant savings in taxpayer dollars. Between FY14- FY20 consolidations have saved Essex taxpayers \$2.82 million dollars (and counting). This figure is the lowest estimate, based on the most easily quantifiable information. Other, less quantifiable savings have also been achieved through efficiencies and improved practices.

There have been many previous attempts at merger in the past. What's different about this one is that the Village and Town now have positive proof that consolidating services and increasing collaboration saves taxpayer dollars and improves efficiency. Merging will allow the maximum amount of savings and efficiency to be achieved and put the Town on a financially sustainable path for the future.



GREATER ESSEX

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FREQUENTLY ASKED QUESTIONS (FAQs)

How can we be sure that the rural character of the Town will not be lost to all the development that's happening in the Village?

Right now the Town has its own municipal plan that lays out a vision for how the Town Center and all other areas of the rural Town will (or won't) develop. The Village has its own municipal plan for how the Village Center will develop. Under merger, these two plans would simply come together into a single document, without changing the goals or plans for either area. The Town has limitations on development due to sewer and water capacity issues, and due to open land commitments. There are no plans to change the rural nature of the Town beyond what has already been approved by voters, and the merger charter does not make any changes to existing municipal plans.

Does IBM leaving the Village have anything to do with the desire to merge?

There is a longstanding misunderstanding about IBM in the community. IBM paid property taxes to the Village and the Town. It also paid a "Machinery & Equipment" subsidy worth millions of dollars annually to both governments. Essex Town and Essex Junction annual reports from the 1980s and 1990s, available at local libraries, show that the Essex Town government routinely received substantially more IBM tax and M&E revenue annually than the Village government. The lingering misunderstanding in the community stems from the M&E compensation that IBM gave to the local Town and Village school districts. IBM, for unclear reasons, gave significantly more M&E revenue to the Village school district than the Town school district. This was a source of understandable resentment. However, when the Vermont Legislature approved Act 60 in 1995, it ended the M&E subsidy for Village schools. In 1999, IBM, the Town, and the Village agreed to phase out the M&E tax over 12 years.

If Village residents voted in November on merger, why do they also get to vote on merger again in March? Shouldn't Town outside the Village residents get to have their own vote? Why do Village residents get to vote twice on merger?

Village residents are also Town residents. This means that when the entire Town votes on something, it includes Village voters. Since Village residents also live and pay taxes to a second municipality (the Village), they also have to vote as that municipality. Village voters will vote in March because they are Town residents and the March vote will be a full Town of Essex vote. Residents of the Town outside the Village are not their own municipality. They vote as residents of the Town, which includes the Village. If merger passes, the need to hold two different votes would go away. Village residents would not vote twice on anything anymore. All Town residents, including Village residents, would vote only once on all ballot items.

Why do we have to make changes to the Town Charter for merger? Can't the Village just dissolve its own charter to merge with the Town?

The Selectboard and the Village Trustees agreed to create a new charter for a merged Town of Essex that would include aspects of the current Town and Village charters but also add new aspects—like the 12-year transition period—necessary for the merged community. By dissolving both the Town of Essex and the Village of Essex Junction charters and approving an entirely new charter, both communities would unite under a single governing document, which addresses concerns about one municipality "taking over" the other.



Why are we voting now? Why can't we wait on this until COVID is over?

The Selectboard, the Trustees, and the community have worked on this charter and the merger process for close to three years. Multiple focus groups, two community-wide surveys, and dozens of public meetings with resident input were held. Both boards conducted research, consulted attorneys and experts, and vetted the plan with multiple authorities, including the Town's full legislative delegation, the Vermont Department of Taxes, Legislative Council, and the House Government Operations Committee. The Selectboard delayed voting on the plan in November 2020 to allow for two more public input sessions and to finish reviewing the plan. Selectboard members' concerns were continually addressed and adjustments were made to the plan accordingly. While the plan is not perfect, the majority of Selectboard members feel that it is ready for the public to vote on.

It's important to remember that charters are living documents. The charter can be changed if we find that something doesn't work, something was left out, or something needs to be added. The majority of the Selectboard feels that the current merger plan and charter is ready to be voted on.

While it is true that the pandemic has caused uncertainty and worry for everyone, the Town and Village both accomplished successful elections in November, safely and securely—with the largest turnout ever, because of mail-in balloting. We expect a similar, smooth process in March.

Why 12 years? Why can't we just merge all at once?

There are three primary reasons the transition period is 12 years long:

1. The majority of Town outside the Village residents who responded to the survey about merger indicated they preferred a 10-12 year transition period.
2. The Selectboard and Trustees wanted to avoid a large, one-time tax increase for Town outside the Village residents.
3. The 12-year period coincides with the end of the Village's construction bond debt.



GREATER ESSEX

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FREQUENTLY ASKED QUESTIONS (FAQs)

What about 3+3?

In March 2020 Town voters approved a charter change to increase the Town Selectboard membership from 5 at-large representatives to 6 members, 3 from the Village and 3 from the Town outside the Village.

The approved charter change was then sent to the Vermont Legislature. The House Government Operations Committee did not officially approve the change and opted to wait until the results of an anticipated merger vote came to them.

The Town requested that the Committee make a determination regarding the 3+3 charter change, but the Committee has not responded. It is expected they will discuss it again during the new legislative session.

If the merger vote passes, the new charter will also go to the Legislature, along with the merger plan approved by Village voters in November. The two merger plans and the 3+3 charter change would then likely be considered together.

There is a small number of differences between the Village's version of the merger charter and the Town's version, the main one being that the Village version has an odd-numbered board and the Town version contains the 3+3 model. The Legislature is expected to reconcile the differences into a final merger charter.



For more info, go to: GreaterEssex2020.org

GREATER ESSEX

CHARTER SUMMARY

The actual charter is presented (beginning on page 34) in its final, legal form, section by section in plain text. What is listed below is a “less legalese” explanation.

Preamble

All residents of the Town, including all residents of the Village, together are the residents of the new Town of Essex, and the new Town of Essex has all the rights and responsibilities of a Vermont municipality.

Subchapter 1: Transitional Provisions

This section covers all the initial changes that have to happen between when this merger plan is approved by the Legislature and when the new Selectboard is elected and seated. It will last a year, from state approval of the merger through June 30th of the following year. All the sections in this chapter apply to this transitional period.

§101 Adoption of town and village assets and liabilities

All the buildings, property, equipment, and other assets of the Town and the Village will belong to the new Town of Essex. This includes fire trucks, underground pipes, parks, signs, the wastewater treatment plant, and all other things that the Town and Village purchased or owned before merger. They all will belong to the new Town. This also includes all debts owed to each municipality, for example, unpaid taxes, water bills, and other amounts owed to either the Town or Village.

Any contracts or agreements the Town or Village agreed to before merger will be agreed to by the new Town, EXCEPT FOR the Village’s current bond, which only Village residents will continue to pay (state law requires that only those who approved the debt are subject to its terms). Town outside the Village residents will NOT take on this debt. See §104 for more details on this.

§102 Transition Period

If voters approve merger in March 2021, the charter of the new Town of Essex will take effect after the state Legislature approves it. That is also when the transitional period begins. The transitional period ends on June 30th of the following year. Anything in Subchapter 1 (the transitional provisions) that goes beyond June 30, 2022 has to have a deadline when it must end. Anything that would happen after the transitional period ends would begin July 1, 2022.

§103 Organizational Municipal Meeting

Establishes the date of the first Town Meeting of the new Town. It will be an informational meeting, and voting on the budget and for the new Selectboard members will happen by Australian ballot. The meeting will be warned by the transitional board (more about the transitional board in §105).



CHARTER SUMMARY

§104 Transitional Districts

Instead of equalizing tax rates between the Village and Town all at once, this will happen over a 12-year period. That gradual change, along with the districts below, limits the tax increases that Town outside the Village residents will experience to about \$26 per year for 12 years, instead of about \$350 all at once. It slows down the tax decreases Village residents will receive to about \$30 per year for 12 years, instead of about \$400 all at once. The 12-year period would start July 1, 2023 (fiscal year 2023) and end June 30, 2035 (fiscal year 2035).

Debt Assessment District: From July 1, 2021 through fiscal year 2035, the residents of the Village will continue to pay off their construction bond. Town outside the Village residents will NOT pay for this. When the bond is paid off in 2035, that debt will go away entirely.

Tax Reconciliation District: This sets up the Village as a special district so that it can be charged a different tax rate from the Town outside the Village during the transition period. After 12 years (FY2035) both the Village and Town outside the Village will be paying the same tax rate and the district will go away.

Sidewalk District: This means that until the end of FY2035, Village residents will continue to pay for the cost of maintenance, plowing, and repair of Village sidewalks. So for the first 12 years, Town outside the Village residents will not pay for this.

Capital Improvement District: For the first 12 years, until the end of FY2035, Village residents would continue to pay taxes for capital improvements that are on the Village's existing list of projects.

Downtown Improvement District: The Village's Comprehensive Plan lays out specific goals and plans for the Village Center. The Downtown Improvement District ensures that plans for this Village area will continue when it becomes part of the new Town. The area is currently designated by the state as a "Designated Downtown." This section ensures that designation continues after merger.

FYI: The Village Center is a zoned area of the Village that roughly runs from the Champlain Valley Expo on Pearl Street to Rocky's on Park Street to Maple Street Park to the tracks on Main Street to Whitcomb's Garage on Lincoln Street.

§105 Interim Governing Body

After the Legislature approves the new charter, the current Selectboard and the current Board of Trustees will join together to form an Interim Governing Body (IGB). This section talks about how the IGB will handle adding new members if someone resigns, what its responsibilities are, and how it will make decisions.

The IGB will work with municipal staff to integrate the Town's existing ordinances with the Village's existing ordinances. More on ordinances in Subchapter 6.

§106 Town Selectboard

This section describes the new Town Selectboard, which would be elected in 2022 and replace the Interim Governing Body. In the Town's version of the charter, the new Selectboard will have six members: three members will live in the Village, and three members will live in the Town outside the Village. The Town outside the Village is Ward 1 and the Village is Ward 2.

This section also sets out the terms of new Selectboard members for the first 3 elections so that they will be staggered. After that initial period, every member will serve 3-year terms. Between 3-5 years after the start of



CHARTER SUMMARY

the new Selectboard, they will appoint a special commission to study the governance system and make recommendations if anything should be changed.

§107 Budget and Municipality Administration

The Town Manager will create and present a budget to the Selectboard.

§108 Village and Town Department Transitional Provisions

Within the first 5 years of merger the Town Manager will integrate the fire departments, community planning departments, parks and recreation departments, and any other necessary services. The Essex Fire Department and Essex Junction Fire Department will retain their chiefs and the Town Manager may at some point appoint one person to serve as chief of both. Library operations will remain unchanged. After merger, TOV residents will be eligible to be elected to the Brownell Library board.

§109 Planning and Development

During the transition period, the land development code and zoning bylaws and municipal plans of both the Village and Town will remain in effect. After the transitional period, the new Town Selectboard will work with the new Town Planning Commission and the Chittenden County Regional Planning Commission (CCRPC) to merge the plans into one town plan, one land development code, and one set of zoning bylaws.

The current Town Selectboard and current Village Trustees will each appoint 3 members of the new Town Planning Commission and 3 members of the new Town Development Review Board. After the new Town Selectboard is elected, it will add a seventh member to each.

§110 Unification and Adoption of Ordinances, Bylaws, and Rules

During the transition period, the IGB will integrate the ordinances of the Town and Village following specific guidance from state statute. The new Town Selectboard will follow specific procedures to make any changes to the ordinances. Specifics about how that would work (including warning at least one public hearing) are in Subchapter 6.

§111 Personnel

The IGB will create a plan of classification and pay for all of the employees of the new Town. At the end of the transitional period, the new Town Selectboard can implement the plan. Existing Town personnel regulations will carry over into the new Town. They can be amended by the new Town Selectboard. Current Village and Town employees will all become employees of the new Town of Essex. Dates of hire and accrued benefits will carry over.

§112 Water and Sewer Districts

During the transitional period the water and sewer systems will be integrated into one district made up of multiple systems. Users of each system will continue to be served by those systems. Costs associated with each system will be paid for by the users of each system. New costs for improvements to the overall system will be paid for by all users. New costs for improvements to a specific system will be paid for by the users of that system. The new Town Selectboard has the authority to change the water and sewer rates as needed.

§113 Finances

The grand lists of the Town and Village will remain in effect upon merger. Taxes owed to the Village or Town at the time of merger will be payable to the new Town. Due dates will not change. The IGB will oversee the existing budgets of the Village and Town during the transitional period.



CHARTER SUMMARY

Debts owed by Village taxpayers at the time of merger will stay with those taxpayers until they are paid off. This applies to the infrastructure bond Village residents approved in 2016, which will be paid off in 2035. Town outside the Village residents will NOT pay this debt.

Any existing legal obligations (like tax stabilization agreements) set up by the Village or the Town will be honored by the new Town.

§114 Terms Extended

Anyone holding office on the current Selectboard and Village Board of Trustees at the time merger is approved by the Legislature will remain in their seats until the new Town Selectboard is elected or until they step down.

§115 Transitional Tax Districts and Transitional Tax Provisions

This is a repetition of the tax districts laid out in §104.

§116 Repeals

With the approval of the charter by the Legislature, the current charters of the Town of Essex and the Village of Essex Junction will be repealed.

Subchapter 2: Incorporation and Powers of the Town

This section covers the specific powers the new Town will have, like the ability to collect taxes, to run a sewer system, and more. It confirms that the new Town of Essex replaces the current Town of Essex and Village of Essex Junction and that all Vermont laws that apply to municipalities will apply to the new Town of Essex. This section also outlines powers the Town has regarding acquiring property.

§204 Reservation of Powers

The new Town may have other functions or powers that are not limited by or included in this charter.

§205 Form of Government

Establishes that the new Town government will be the selectboard-manager form of government. All powers of the Town will be invested in the elected Selectboard. There will be voting districts (see Subchapter 3).

Subchapter 3: Voting District and Governance Structure

The Village of Essex Junction will be Ward 2. The areas of the Town not within Village boundaries will be Ward 1. The new Town wards will be amendable by ordinance, not charter change. The Selectboard, or the Board of Civil Authority or a specially designated commission of the Selectboard, can recommend changes to ward boundaries and/or to the number of wards. US Census data would be the basis for any such changes.

§302 Powers and Duties of Governing Body

This section sets forth what the Selectboard can and cannot do, and establishes how it will fill vacancies, member compensation, and meeting procedures, among other things.



CHARTER SUMMARY

The new Town Selectboard will have the power to:

- Appoint/remove the Town Manager
- Create/change/abolish offices, commissions, and departments
- Appoint members of boards and commissions
- Provide for an audit by an independent Certified Public Accountant (CPA)
- Investigate the conduct of any municipal employee, elected official, committee, or department and investigate municipal affairs
- Make appointments to committees
- Authorize the purchase and sale of Town property
- Other powers not specified in the charter but that are allowable by Vermont statute

The new Town Selectboard will have 6 members with staggered 3-year terms. Selectboard members will represent the entire Town, not just their wards. If a Selectboard member moves out of their ward while still in office, then they must surrender their seat.

The Selectboard will fill vacancies until the next Town Meeting Day and newly elected Selectboard members will start their terms on the first day of the month after being elected (if elected in March they would start on April 1).

If a Selectboard member resigns, dies, or is unable to serve due to incapacity, the remaining Selectboard members will appoint someone to fill the vacancy until the next Town Meeting Day. Incapacity can include if a member misses at least half of all Selectboard meetings. At the next Town Meeting Day the seat will be up for election for the remainder of the term. If an appointment can't be made, the Selectboard can hold a special election.

Selectboard members will be paid a minimum of \$1,500 per year. There must be a specific line item in the budget for Selectboard pay. Selectboard members cannot be Town employees while they are in office, or for 1 year after leaving office (except for poll worker). A Selectboard member may serve on other boards as a representative of the Town.

Selectboard members may not interfere in the hiring or firing of any Town employee, which is a responsibility of the Town Manager. Selectboard members may not deal directly with Town staff unless they go through the Manager first, as is the norm for the selectboard-manager form of government.

The Selectboard must meet at least once a month. Special Town meetings can be called according to Vermont law. Voting at special Town meetings will be by Australian ballot. This section outlines how the Selectboard will conduct its meetings, keep minutes, follow Open Meeting Law, and use executive session.

Subchapter 4 Other Elected Offices

This section talks about the other Town offices that are elected besides the Selectboard: the Brownell Library Trustees. It specifies that the Town Clerk and Town Treasurer are appointed and can be the same person. It also specifies that the Town Moderator will be appointed by the Selectboard to preside over the informational Town Meeting.



Subchapter 5: Town Meetings

This section states that elections and voting on budgets and other ballot items will happen on Town Meeting Day as defined by Vermont law (usually the first Tuesday in March). It requires the Town to follow state law when conducting elections and special meetings. All voting will be by Australian ballot and will be conducted by the Town Clerk and Board of Civil Authority.

Subchapter 6: Ordinances

The new Town will adopt ordinances following procedures laid out in state statute, and also a minimum of one public hearing. The Selectboard can pass the ordinance after the hearing(s), or it can amend the ordinance. If it amends the ordinance, it must warn another public hearing. This procedure would be followed until the ordinance is finally approved. This section also allows for an ordinance to be rescinded by voter petition and allows residents to petition for an ordinance to be enacted.

FYI: Holding one public hearing is a minimum. In the past, controversial topics have had two or more public hearings scheduled. This can be done by a simple majority vote of the Selectboard to warn such a hearing.

Subchapter 7: Town Manager

This section outlines the responsibilities of the Manager. The Selectboard has the authority to hire and remove the Manager. The Manager is responsible to the Selectboard for the administration of the Town, the hiring of all Town employees, the appointment of several offices, the creation of the Town budget, and more. There is a removal process for the Manager and a plan for what to do if the Manager's office becomes vacant.

Subchapter 8: Boards and Commissions

This section defines the new Town's Board of Civil Authority, Board of Abatement of Taxes, Planning Commission, Development Review Board, and Brownell Library Board of Trustees.

Subchapter 9: Administrative Departments

This section focuses on personnel. There must be a personnel director as well as personnel rules and regulations, which the Selectboard must approve. This section also outlines the department of real estate appraisal.

Subchapter 10: Budget Process

This section establishes the new Town's fiscal year and the requirements for what must be contained in the annual budget. It states the Selectboard's responsibility to review and approve the budget and reviews how it will be approved by voters. It also details what the Selectboard can do regarding additional appropriations and transfers of unencumbered appropriation balance and how the tax levy is based on the budget.



Subchapter 11: Taxation

Property tax payments will still be due on March 15th and September 15th, and an 8% penalty will apply for late payments, as is current practice. (The 8% penalty matches the interest rate the state charges the municipality.) This section allows the Town to make tax agreements with residents.

Subchapter 12: Capital Improvements

As is currently the practice, the manager must provide the Selectboard with a five-year capital program as part of the annual budget process.

Subchapter 13: Amendment of Charter and Initiatives

The Town must follow state statute to make amendments to the charter.

Subchapter 14: General

Changes to the charter will not affect ordinances or other bylaws. If one part of the charter is declared invalid, the rest of the charter still remains in effect.

Program Overview

Village center designation supports the revitalization efforts of small and medium-sized historic centers. The designation brings financial incentives, training, and technical assistance needed to attract new business and vitality to Vermont's smaller communities. Once designated, the community may apply for the neighborhood development area designation to bring additional benefits to build new housing within walking distance of village centers.

Enhanced outreach efforts have led to an increase in designated village centers by over 100% (98 to 204) in the last six years, and have nearly doubled the number of downtown and village center tax credit applications. In 2020, tax credits will support several projects in small but important economic centers. This includes rehabilitation of the historic Bridgewater Village School into a community and childcare center; code improvements to the Craftsbury General Store, the Sheldon Store in Rupert, and the East Calais General Store; facade improvements to Hearth and Home Country Store in Island Pond; and rehabilitation of an iconic train station in Poultney for a local business.

Website: <http://accd.vermont.gov/community-development/designation-programs/village-centers>

By the Numbers [2016-2020]

204

designated village centers

46

tax credit projects

\$3 M

awarded in tax credits

117

municipal planning
grants awarded

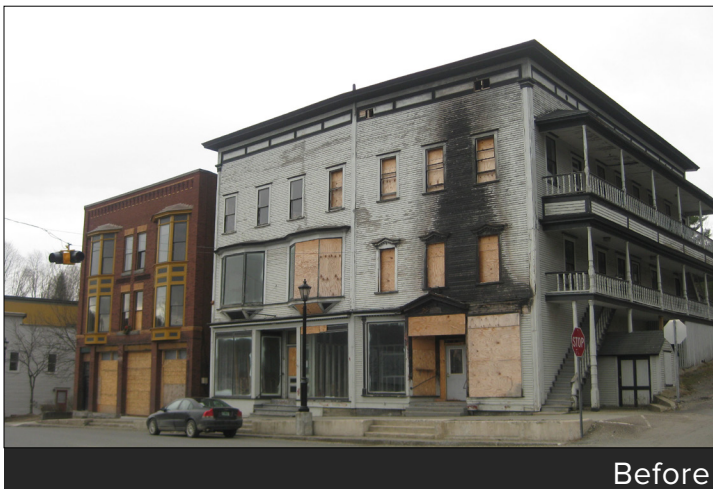
\$1.5 M

in municipal planning
grants awarded

\$15 M

in private
investment

Hardwick - Designation Sparks Revival



Thanks to village center designation and the efforts of local property and business owners, downtown Hardwick has been transformed. Since 2005, six properties in the village center received downtown and village center tax credits, sparking local investment and bringing new vitality to the commercial district. Approximately \$625,000 in state tax credits leveraged over \$7.5 million in private investment to date, making projects financially feasible and jumpstarting new businesses, creating jobs, and developing quality housing in the village center. The public investment to improve these buildings increased the local Grand List values and resulted in increased property tax revenue. Hardwick's success is a model for small communities across the state.

For more information, please contact:

Richard Amore: richard.amore@vermont.gov

802.585.0061

Return on Public Investment

An analysis of property values using local grand list data shows how public investment to improve buildings in designated village centers has increased property tax revenue. This investment not only revitalizes communities, it provides a permanent increase in tax revenue to support the education fund, creates jobs and housing.

Hancock General Store, Hancock

Total Project Cost: \$145,000; Tax Credits Awarded: \$19,850

Hancock's General Store operated for over 100 years before closing in 2013. A major community hub in this small village, the loss of this business was devastating to residents. That's when new owners, locals from Hancock, stepped in to buy the building and revive this important community resource. The project required major investments to upgrade the building to meet code requirements and also included façade improvements. The store re-opened in 2016.



Berkshire Bank Building, Manchester

Total Project Cost: \$1,579,810; Tax Credits Awarded: \$112,500

The Berkshire Bank building was constructed in 1896 and is a prominent historic anchor of Manchester's village corridor. The building was vacant for four years before its new owners decided to invest in improvements. Redevelopment of the building for mixed-use included major code upgrades and the installation of an elevator. The project created four housing units on the upper floors and added 3 commercial retail tenants on the ground floor.



Return on Public Investment

An analysis of property values using local grand list data shows how public investment to improve buildings in designated village centers has increased property tax revenue. This investment not only revitalizes communities, it provides a permanent increase in tax revenue to support the education fund, creates jobs and housing.

31 Main Street, Johnson

Total Project Cost: \$325,000; Tax Credits Awarded: \$50,000

Butternut Mountain Farm's retail store has been a mainstay of Johnson's downtown for almost 30 years, selling local maple products, maple sugaring supplies and equipment, and other Vermont products. Located in two neighboring buildings, a former garage and the "old town fire house," the owners decided to make a major investment in the property to improve its accessibility, energy efficiency and curb appeal. This included major structural work as well as upgrades to building systems, installation of new accessible bathrooms and façade improvements to ensure the continued viability of this anchor business.



Next Stage Arts, Putney

Total Project Cost: \$1,498,665; Tax Credits Awarded: \$150,011

A former Greek Revival church constructed in 1841, the Putney Historical Society transformed this historic building into a performing arts center and community gathering space, Next Stage Arts. The rehabilitation was extensive and included several phases. Work completed includes major repairs to the building's exterior, asbestos abatement, installation of an elevator, new kitchen and bathrooms, and conversion of the former sanctuary into a theater space. The project was supported by multiple funding sources, including two rounds of downtown and village center tax credits awarded in 2012 and 2015.



Program Overview

This designation program increases housing options by reducing the time and cost of state permitting in areas within easy walking distance of commercial centers — whether converting a wing of a house into an apartment or developing an entirely new neighborhood. Municipalities or developers may use this designation to encourage the creation of new homes in development-ready locations near shops and services and to reduce pressure to develop on farm and forest land. Municipalities with an existing designated downtown or village center, with adopted plans and regulations that support housing and compact development can qualify for neighborhood development area designation.

Website: <http://accd.vermont.gov/community-development/designation-programs/neighborhood-development-areas>

Municipalities with NDA Designation

Brattleboro, Burlington, Essex Junction, Manchester, South Burlington, Westford, and Winooski

By the Numbers [2016-2020]

7

designated NDAs

7

months average time
saved in state permitting

\$50,000

average saved in
state permit fees

Burlington - Designation Lowers Housing Costs



Bright Street Co-op (proposed)



Bright Street Co-op (2017)

Burlington's housing action plan recognizes the contribution of the neighborhood development area designation in lowering the cost of building well-designed, mixed-income housing, compatible with Burlington's existing character. Among recent projects was the Champlain Housing Trust's Bright Street Coop, a 42-unit mixed income, infill housing project on 1.35 acres of land in Burlington's Old North End. Located within Burlington's designated neighborhood development area, the project qualified for the Act 250 Priority Housing Project exemption - saving over \$50,000 in associated costs and an estimated three months of permitting time (out of an approximately \$6.5 million budget). Additionally, the project saved another \$3,000 in wastewater connection fees and reduced the risk of added costs from a permit appeal. Burlington's neighborhood development area designation continues to help the region address its acute housing shortage by lowering the cost of building new mixed-income development in and around the designated downtown.

For more information, please contact:

Jacob Hemmerick: jacob.hemmerick@vermont.gov

802.828.5249

Designated Neighborhood Development Areas

Program Benefits

State designation of neighborhood development areas (NDAs) provides incentives for housing developers and municipalities to help increase the creation of new homes within walking distance of shops, jobs, services, and schools. Once designated the following benefits will be available within an NDA. (See [NDA Application Guide](#) for information on obtaining designation.)

Benefits for NDA Housing Developers

State Permitting

- Qualified mixed income housing projects are exempt from review. See [Priority Housing Project flow chart](#) to learn more on projects that qualify
- Act 250 projects not qualifying for the exemption receive a 50% discount on application fees
- Act 250 offsite mitigation fees are reduced for projects impacting primary agricultural soils in NDA's associated with a designated downtown, and that are subject to Act 250 review.
- If subject to Act 250, projects within an NDA (and other designated areas) are within an “existing settlement” and not required to provide additional analysis under Act 250 Criterion 9(L) that addresses scattered development.
- Agency of Natural Resources fees for wastewater review are capped at \$50.00 for projects that have received sewer allocation from an approved municipal system.

Tax Benefits

- Exemption from the land gains tax for housing units that are sold.

Municipal Regulation

- Local conditional use decisions that determine the “character of the area” criteria is met, cannot be appealed to the Environmental Court if the project is within an NDA.

Benefits for Municipalities

- Priority consideration is available for various grants and incentives supporting projects within an NDA including:
 - Municipal Planning Grants (ACCD)
 - Vermont Community Development Program (CDBG) Grants (ACCD)
 - Better Connections (VTrans/ACCD)
 - Brownfield Revitalization (ANR/ACCD)
 - State affordable housing funds
- Training and technical assistance from ACCD on obtaining benefits.



For more information, please contact:

Jacob Hemmerick: jacob.hemmerick@vermont.gov

802.828.5249

Program Benefits

The downtown designation program supports local revitalization efforts across the state by providing technical assistance and state funding to help designated municipalities build strong communities. Once designated, the community will be eligible for the following benefits:

Downtown and Village Center Tax Credits

10% Historic Tax Credits

- Available as an add-on to approved Federal Historic Tax Credit projects.
- Eligible costs include interior and exterior improvements, code compliance, plumbing and electrical upgrades.

25% Historic Tax Credits

- Eligible facade work up to \$25,000.

50% Code Improvement Tax Credits

- Available for up to \$50,000 each for sprinkler systems; up to \$75,000 for elevators; and \$12,000 for lifts.
- Eligible code work includes ADA modifications, electrical, fire safety, or plumbing up to \$50,000.

Downtown Transportation Fund

- Eligible to receive loans, loan guarantees, or grants up to \$100,000 for capital transportation and related capital improvement projects.
- Grants may not exceed 50% of a project's cost.

Priority Consideration for State Grants

- Priority consideration for various ACCD, VTrans and ANR grants and incentives including, ACCD's Municipal Planning Grants, State Historic Preservation grants, Vermont Community Development Program (VCDP) grants, VTrans Bike/Ped and Transportation Alternatives grants, Northern Border Regional Commission Grants, ANR Water and Wastewater subsidies and loans, and various other state grants and resources.

Traffic Calming and Signage Options

- Authority to post speed limits of less than 25 mph to help calm traffic and make the downtown a more pedestrian-friendly environment.
- May erect and post informational signs to help guide visitors to downtown and to significant historical, educational, recreational or cultural landmarks.

Priority Consideration by State Building And General Services (BGS)

- Priority site consideration by the State Building and General Services (BGS) when leasing or constructing buildings.

Special Assessment Districts

- May create a special assessment district (also known as business improvement district) to raise funds for both operating costs and capital expenses to support specific projects in the designated downtown.

Act 250

- No permit fees and special downtown process with reduced criteria.
- Qualified mixed use-housing projects are exempt from review.

Neighborhood Development Area (NDA) Eligibility

- Communities may also designate Neighborhood Development Areas within 1/2 mile from the designated downtown. Qualified projects are:
 - Exempt from Act 250 regulations for [Priority Housing Projects](#) and projects not qualifying for the exemption receive a 50% discount on application fees.
 - Exemption from the land gains tax for housing units sold.
 - Eligible for reduced state permit fees.

For more information, please contact:

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Website: <http://accd.vermont.gov/community-development/designation-programs/downtowns>



Downtown Designation Program

Application Guidelines



Department of Housing
and Community Development
Community Planning + Revitalization
October 2019

 **VERMONT**
AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT



Overview

Downtown designation recognizes and encourages local efforts to revitalize Vermont's traditional downtowns. Downtown revitalization is an ongoing process to improve a community's vitality and livability. Downtown designation is only one tool for revitalization and its focus is on supporting commercial activity in Vermont's downtowns.

These guidelines provide instructions for communities preparing new applications for Downtown designation. The statutory definition of Downtowns is:

"Downtown" means the traditional central business district of a community that has served as the focus of socio-economic interaction in the community, characterized by a cohesive core of commercial and mixed use buildings, some of which may contain mixed use spaces, often interspersed with civic, religious, residential, and industrial buildings and public spaces, typically arranged along a main street and intersecting side streets that are within walking distance for residents who live within and surrounding the core and that are served by public infrastructure such as sidewalks and public transit. Downtowns are typically larger in scale than village centers and are characterized by a development pattern that is consistent with smart growth principles.

24 V.S.A. §2791(3)

1

Contact DHCD to discuss the program and application process.

2

Schedule a pre-application meeting with DHCD in your downtown.

3

Build support for the designation by reaching out to local merchants, the chamber of commerce, regional planning commission, regional development corporation, municipal governing bodies (Selectboard, Planning Commission, etc.) and other allies needed to create the downtown organization.

4

Begin the written application. The regional planning commission can offer assistance.

5

Complete the application using the checklist to ensure all required materials are included ([see page 6-7](#)).

6

Submit application by email by the first Monday of the month.

7

DHCD will call or email the local contact to discuss the application review process.

8

Present the application to the Downtown Board the fourth Monday of the month.



Overview

To ensure a common understanding of the application requirements prior to submission, all applicants must schedule a pre-application meeting with the Department of Housing and Community Development (DHCD) to discuss the program requirements and the proposed district boundary. Applications are made by the municipality. The Vermont Downtown Board only reviews complete applications which must include all items listed on the application checklist (pages 6-7). Applications are due the first Monday of each month and the Downtown Board typically meets on the fourth Monday of each month to review and consider applications.

A community must be designated before the Board will consider any applications for benefits, including tax credits and state grants. A downtown is designated for eight years by the Downtown Board. An interim review of the designation is required every four years. DHCD will send a reminder memo outlining the review process and to schedule a meeting with the community 3 months prior to the review date. The community will provide an update to the Downtown Board at the four year mark. After the initial eight years, the municipality must renew the designation and update the Downtown Board on its progress and demonstrate that it continues to meet all of the program requirements.

Submission Requirements

Municipalities must submit one electronic copy of the application and all supporting documents. If the file is too large to email – applications may be submitted on a CD or uploaded to a file sharing service such as Dropbox. All maps and photos must be in color.

Board Meeting Presentation

The applicant is required to make a 10 minute presentation to the Downtown Board describing why the municipality is applying for downtown designation and how it will help them achieve their goals.

- **Overview** – explain why the municipality is applying for designation and provide a brief overview of recent revitalization efforts in downtown.
- **Future Plans** – brief overview of goals and implementation strategy for the next five years.
- **Challenges** – overview of key challenges facing the community and/or organization.
- **Assistance** – list the training and outreach needed that would help your community achieve its goals (e.g. strategic planning, board development, fundraising, etc.).

Training and Reporting Requirements

Designated downtown organizations are required to submit or participate in the following, demonstrating continued commitment to their designated downtown:

- Submit annual reinvestment statistics to DHCD.
- Regularly attend network meetings and annual conference.
- Submit annual work plan with a description of goals and objectives.
- Submit annual budget showing sources of income and expenditures.
- Attend Board, Executive Director and/or Program Coordinator and new manager trainings.
- Participate in program assessments.
- Assist with downtown designation four year review.
- Assist with the downtown renewal application every eight years.

Application materials must be submitted to:

Division for Community Planning and Revitalization
Department of Housing and Community Development (DHCD)
One National Life Drive, 6th Floor
Montpelier, VT 05620

Vermont Downtown Designation Program

Gary Holloway Phone: 802.522.2444 email: gary.holloway@vermont.gov

Applications are due on the first Monday of the month by 4:30 p.m. in electronic format.

The downtown designation program supports local revitalization efforts across the state by providing technical assistance and state funding to help designated municipalities build strong communities. Once designated, the community will be eligible for the following benefits:

Downtown and Village Center Tax Credits

10% Historic Tax Credits

- Available as an add-on to approved Federal Historic Tax Credit projects.
- Eligible costs include interior and exterior improvements, code compliance, plumbing and electrical upgrades.

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- Priority site consideration by the State Building and General Services (BGS) when leasing or constructing buildings.

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- May create a special assessment district (also known as business improvement district) to raise funds for both operating costs and capital expenses to support specific projects in the designated downtown.

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- No permit fees and special downtown process with reduced criteria.
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Neighborhood Development Area (NDA) Eligibility

- Communities may also designate Neighborhood Development Areas within 1/2 mile from the designated downtown. Qualified projects are:
 - Exempt from Act 250 regulations for [Priority Housing Projects](#) and projects not qualifying for the exemption receive a 50% discount on application fees.
 - Exemption from the land gains tax for housing units sold.
 - Eligible for reduced state permit fees.

1. Cover Letter, including:

- ☐ Name of the municipality.
- ☐ Name, address, daytime phone number and email address of the primary contact person for the application.
- ☐ Brief narrative of why you are seeking downtown designation and a description of previous and current revitalization activities.
- ☐ A list of documents included in the application.

2. Authorization and Notification

- ☐ Minutes, municipal resolution or signatures of the legislative body showing that the downtown designation application has been authorized by the municipality.
- ☐ Letters notifying the regional planning commission and regional development corporation of the application.
- ☐ Copy of a published notice to apply for designation in a local newspaper of general circulation within the municipality.

3. Confirmed Planning Process

- ☐ Letter from the regional planning commission, stating that the municipality's planning process is "confirmed" under 24 V.S.A. §4350.

4. The municipality must meet at least one of the following to demonstrate its planning commitment:

- ☐ Adoption of a design control district, in accordance with 24 V.S.A. §4414(1)(E);
- ☐ Adoption of a local historic district, in accordance with 24 V.S.A. §4414(1)(F) (please note that this is not the same as a National Register district);
- ☐ Adoption of regulations that adequately regulate the physical form and scale of development that the State Board determines substantially meet the historic preservation requirements in subdivision 24 V.S.A. §4414(1)(E) and (F);
- ☐ Creation of a development review board authorized to undertake local Act 250 reviews, in accordance with 24 V.S.A. §4420.

Has the community modified its zoning bylaws that demonstrate its planning commitment since the last renewal? [Yes / No](#)

Please describe how the bylaws continue to protect and enhance the historic character of the downtown and attach relevant sections of the zoning bylaws.

5. Community Reinvestment Agreement

- ☐ Provide a community reinvestment agreement that has been signed by authorized representatives of municipal government, board members of the downtown organization, business and property owners within the district, community groups and residents demonstrating a commitment to the downtown revitalization efforts. The agreement must demonstrate that a broad range of downtown interests are committed and willing to participate in downtown revitalization efforts. The agreement should include and clearly describe the designated boundary, capital improvement plan, funding and resources, organizational structure and the strategic plan.

6. Municipal Capital Budget and Program

- ☐ A capital budget and program showing a clear plan for providing public infrastructure within the downtown, including:
 - ☐ Drinking water
 - ☐ Public space
 - ☐ Wastewater
 - ☐ Lighting
 - ☐ Storm water
 - ☐ Transportation, including public transit, parking and pedestrian amenities
- ☐ Evidence that the plan has been formally adopted by the legislative body of the municipality and board of directors of the downtown organization.

7. Downtown Organization

- ☐ Five-year strategic plan with a description of goals/objectives, strategy for implementation and timeline for completion.
- ☐ An organizational structure meeting the requirements as outlined on page 8.

8. Water and Wastewater Compliance and Reserve Commitment

- ☐ Water and wastewater requirements are met as outlined on page 9.

9. Funding and Resources

- ☐ Evidence of the municipality's financial commitment demonstrated by a commitment by the municipality to implement at least one of the following:
 - ☐ A special assessment district created to provide funding to the downtown district.
 - ☐ Authority to enter into a tax stabilization agreement for the purposes of economic development in a downtown district.
 - ☐ Other multiple-year financial commitments among the parties subject to the approval of the Downtown Board.
- ☐ Proposed downtown organization budget with funding sources (see sample budget on page 10).
- ☐ Plans to pursue long term, sustainable funding strategies (e.g. business improvement district, local option tax, etc.).

10. Downtown Designation Boundary Map

- ☐ A color map must be included, delineating the boundary of the designated downtown district, clearly showing the buildings and properties that are within the district. Your Regional Planning Commission can help. See the map requirements on page 12 for complete details.
- ☐ Color pictures of key areas, boundaries and any areas where there may be questions about the consistency within the definition of downtown.
- ☐ The downtown district must contain or be a part of a historic district that is listed or eligible for listing in the National Register of Historic Places (please note that this is not the same as a local historic district created through zoning bylaw). It is not necessary for the downtown district and the National Register district to have identical boundaries.

11. Other Required Information

- ☐ Zoning District Map and corresponding bylaw language should be included. Zoning boundaries and bylaws help explain the community's development and uses within the Downtown.
- ☐ National or State Register Historic District Boundaries should be included, but if not available, are not required.



An organizational structure is necessary to sustain a comprehensive and long-term downtown revitalization effort. Either a downtown development nonprofit corporation or a municipally-created commission must be designated by the municipality as the organization responsible for implementing the reinvestment agreement. The primary responsibility of the organization should be the revitalization of the downtown district.

- ☐ Description of current organization structure (501(c) (3) non-profit organization, municipal commission, downtown improvement district/tax assessment district, etc.).
- ☐ Copy of bylaws, articles of incorporation, mission statement and other relevant documents demonstrating the organizations primary commitment to downtown revitalization.
- ☐ Description of roles and responsibilities of board members, officers, executive director and/or program coordinator, committees should be clearly defined in the bylaws.
- ☐ Current list of board members and their affiliations.
- ☐ Five-year strategic plan with a description of goals/objectives, strategy for implementation and timeline for completion.



Municipal Water and Wastewater Requirements

- 1. Compliance** – The application must include evidence that any private or public sewage system and any private or public water supply system serving the proposed downtown district, is in compliance with state requirements. (Please note that you will need responses from two different Divisions within the Agency of Natural Resources (ANR) to demonstrate compliance, and should allow at least several weeks for them to conduct this review.)

Please complete and obtain ANR approval for the attached forms.

- ☐ Drinking water system compliance – Appendix A, [page 13](#).
- ☐ Wastewater system compliance – Appendix B, [page 14-15](#).

- 2. Reserve Commitment** – Provide evidence that the municipality has dedicated a portion of any unallocated reserves for both the wastewater and drinking water systems, adequate to accommodate future growth in the Downtown.
 - ☐ The municipality must show they have reviewed the anticipated growth for the Downtown, and base the allocation of reserves on that estimate.
 - ☐ The dedication of reserves must be made by formal action by the legislative body of the municipality. Evidence of these dedications must be included in the application for designation.

If the Downtown does not currently have water and sewage systems, the municipality must provide evidence of its commitment to construct such systems within 10 years, in compliance with state regulations.



Sample First Year Operating Budget

Income	Cash		
Downtown Improvement District	25,000		
Fundraising	8,500		
Sponsorships	11,000		
Membership Contributions	4,000		
Municipal Contributions	10,000		
Grants and Gifts	1,000		
Miscellaneous	550		
Total Income	60,050		
Personnel	Cash	In-Kind	Total
Executive Director (gross salary)	25,000		25,000
Benefits	1,200		1,200
Payroll Taxes	1,400		1,400
Clerical, Bookkeeping	450	300	750
Filing Fees, etc.	1,000		1,000
Total Personnel	29,050	300	29,350
Office			
Rent	3,200	2,600	5,800
Utilities	800		800
Telephone	900		900
Internet/Wireless	900		900
Office Supplies	600	250	850
Postage	650		650
Insurance	1,000		1,000
Equipment/Repair	500	1,500	2,000
Dues and Subscriptions	500		500
Total Office	9,050	4,350	1,340
Other			
Photography	200	150	350
Printing	1,000	1,000	2,000
Local Meetings	600		600
Workshops, Trainings and Travel	1,000	200	1,200
Public Relations	900		900
Advertising and Promotion	1,200	1,400	2,600
Technical Assistance	750		750
Committee Expenses	1,700	4,000	5,700
Incentives Program (façade improvements)	10,000	1,000	11,000
Miscellaneous	500		500
Total Other	17,850	7,750	25,600
Total Operating Expenses	55,950	12,400	68,350
Total Income	60,500		
Ending Cash Balance	4,100		

The boundary should be drawn around the center or core of the downtown including its traditional anchor points such as the post office, commercial buildings, town hall, churches and other public buildings that typically comprise the center of a downtown. The center core of the downtown will often be different and smaller than the downtown (municipal) boundary.

Note: The downtown district must contain or be a part of a historic district that is listed or eligible for listing in the National Register of Historic Places (please note that this is not the same as a local historic district created through zoning bylaw). It is not necessary for the downtown district and the National Register district to have identical boundaries.

The boundary should follow the property lines. However, where a building that should be included in the downtown sits on a large parcel of land, the boundary should be drawn to exclude the excess open land by using a setback from the center of the road, or other means that make clear what land and which buildings are within the boundary. Large parcels of undeveloped land cannot be included in the downtown district. Your regional planning commission can help you with the application and mapping requirements.

The following list of common characteristics of downtowns is provided to further define a downtown for the purposes of designation. They are supplemental to the statutory definition, and intended to help communities draw appropriate boundaries. Contact Gary Holloway at (802) 522.2444 or at gary.holloway@vermont.gov to guide and assist you in creating the boundary around your downtown.

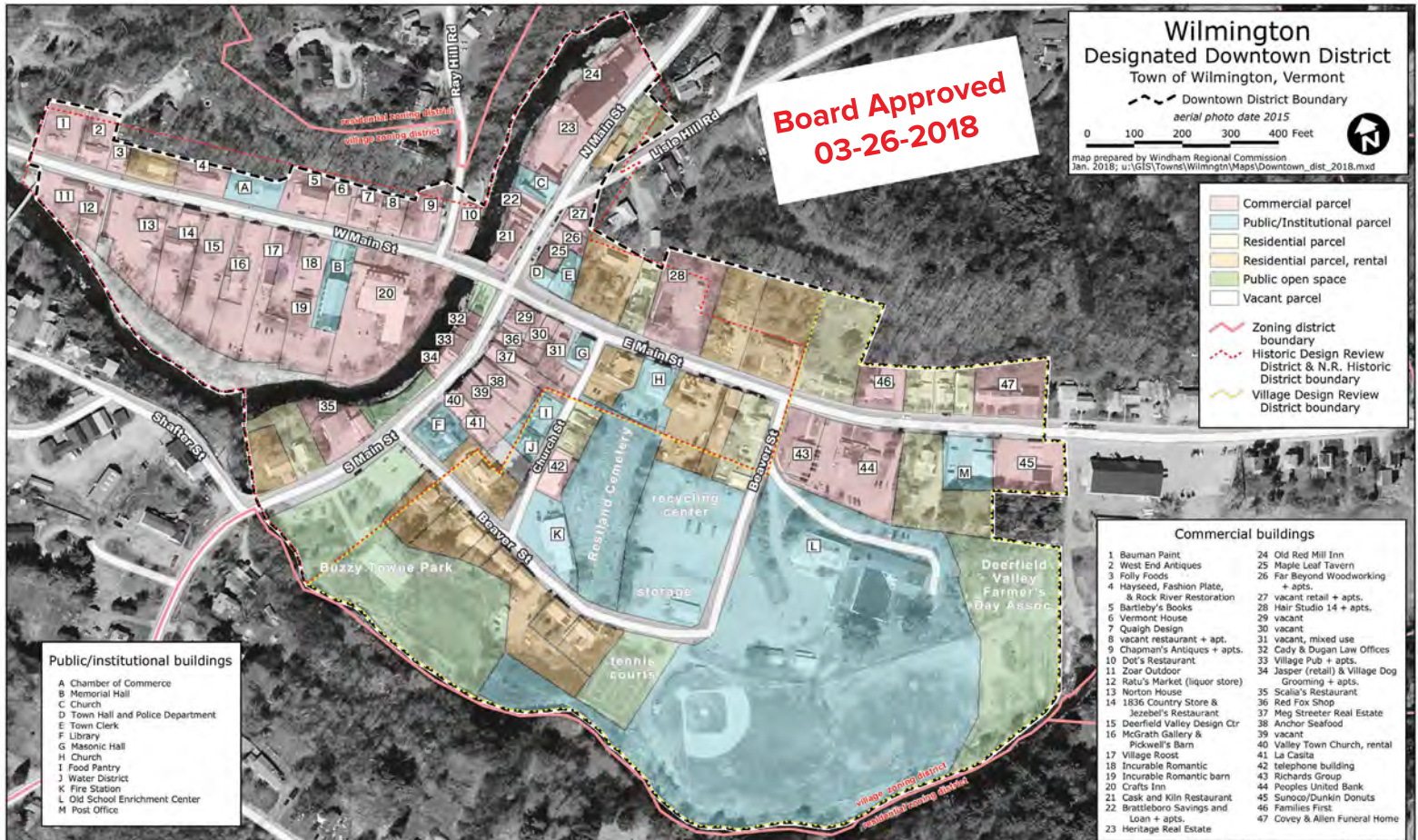
- A traditional center of socio-economic activity.
- Mixed use of buildings including retail, restaurants, government services, churches, entertainment, cultural activities, professional services and residential and office space.
- Development densities should be uninterrupted, although there may be some public space, like a park or green, within a downtown. Development density is consistently more compact than development outside the downtown.
- Pedestrian-oriented, rather than auto-oriented with building facades generally set close to the sidewalk.
- Commercial (and industrial, if it exists) activities should be within and part of the traditional development pattern not on the outskirts.
- Historic Multi-story buildings with primarily retail on first floor and mixed use upper floors.



Map Requirements

- ☐ A color map must be included, delineating the boundary of the designated downtown district, clearly showing the buildings and properties that are within the district. In most cases, an orthophoto should be used as the base map, with the information below superimposed over it:
 - ☐ Streets identified by name.
 - ☐ Significant buildings and all businesses indicated by number with a separate key identifying each number and name of the building/business – see example map.
 - ☐ Land/building use identified clearly with colors and symbols that will very clearly indicate the various land usages – see example map.
 - ☐ Photograph locations identified and keyed on the map.
 - ☐ North arrow, scale and current date.
 - ☐ Property lines should be shown, but if not available, are not required.
 - ☐ Zoning District Map (with corresponding bylaw language) should be included on the map or a separate map. Zoning boundaries and bylaws help explain the community's development and uses within the Downtown.
 - ☐ National or State Register Historic District Boundaries should be included on the map or separate map, but if not available, are not required.

Sample Map



Vermont Drinking Water and Groundwater Protection Division
Downtown Designation Program
Checklist for Compliance Review of Community Water System

WSID #: _____

Public Water System (PWS) Permit to Operate Last Issued: _____

Capacity (Technical)

1. What is the authorized capacity for the PWS? _____gpd
[e.g., permitted rate(s) for the supply source(s) in gallons per minutes (gpm) multiplied by 1440 minutes/day equals the authored maximum daily capacity of supply sources in gallons per day (gpd). This is the permitted maximum daily withdrawal volume for the supply source(s) in gallons per day (gpd).]
2. What was the annual maximum water production rate (monthly high) provided by the water system for the previous 12 months? (Provide date range and monthly data.) _____gpd
3. What are the total unconnected water commitments/allocations for the water system? _____gpd
4. What is the uncommitted reserve capacity for the PWS?
Add together items 2 and 3 above, and subtract from item 1 _____gpd
5. What are the gallons of capacity planned for the designated area? _____gpd

Implementation Schedule

6. Does the operating permit contain an improvement schedule? _____ Yes _____ No
7. Is the PWS completing improvements in accordance with the permit schedule? _____ Yes _____ No
8. If not in compliance with the improvements schedule, what is the cause and length of the delay (provide detailed attachment as necessary)?

Owner or owner's authorized representative responsible for approving allocation of water to connections and maintaining technical capacity records for the PWS.

Name: _____ **Date:** _____

Title: _____ **Phone:** _____

E-mail: _____

The completed form must be submitted to the Agency of Natural Resources (ANR) at the address below. A complete designation application must include both a copy of the submitted form and written notice of approval from ANR.

Pat Smart, Operations Section Supervisor
pat.smart@vermont.gov or (802) 461-5661
Drinking Water and Groundwater Protection Division
Department of Environmental Conservation
One National Life Drive – Main 2
Montpelier, VT 05620-3522

Vermont Watershed Management Division
Downtown Designation Program
Checklist for Compliance Review by Community Wastewater System

Discharge Permit

Number: _____ Issued: _____ Expires: _____

Sludge and Septage Facility Certification or Approved Sludge Management Plan:

Number: _____ Issued: _____ Expires (certifications only): _____

Capacity

1. What is the design of your wastewater treatment facility? _____gpd
2. What was the annual average discharge flow from your facility for the previous 12 months of record? _____gpd
_____through_____.
3. What is the total of unconnected commitments/allocations to your facility? _____gpd
4. What is the uncommitted reserve hydraulic capacity of your facility? _____gpd
design flow – (commitments + annual average flow) = uncommitted reserve hydraulic capacity _____gpd
5. Gallons of capacity planned for designated area? _____gpd

Owner or owner's authorized representative responsible for approving allocation of wastewater to connections and maintaining technical capacity records for the wastewater system.

Name: _____ Date: _____

Title: _____ Phone: _____

E-mail: _____

Implementation Schedule

Are you required by an order issued under section 1272 of Chapter 47 or through permit conditions to implement facility modifications to reduce pollutants in your discharge? _____ Yes _____ No

If you are not in compliance with the schedule dates in that order, please explain the cause and length of the delay.

Are you required by an order issued under section 1272 of Chapter 47 or through permit conditions to eliminate combined sewer overflows? _____ Yes _____ No

If you are not in compliance with the schedule dates in that order, please explain the cause and length of the delay.

Vermont Watershed Management Division
Downtown Designation Program
Checklist for Compliance Review by Community Wastewater System
[continued]

Effluent Quality

Were limits for any of the following parameters exceeded during the past 12 months? If violations occurred, please discuss the cause and duration, remedial steps taken during the event and corrective action taken to prevent recurrence.

Biochemical Oxygen Demand (BOD): _____

Total Suspended Solids (TSS): _____

Phosphorus: _____

Ultimate Oxygen Demand (UOD): _____

Settleable Solids: _____

E. coli Bacteria: _____

Total Residual Chlorine: _____

Other: _____

Municipality

Authorized Representative

Date

Title

The completed form must be submitted to the Agency of Natural Resources (ANR) at the address below. A complete designation application must include both a copy of the submitted form and written notice of approval from ANR.

Ernie Kelley, Program Manager
Ernie.Kelley@vermont.gov or (802) 490-6187
Watershed Management Division
Department of Environmental Conservation
One National Life Drive – Main 2
Montpelier, VT 05620-3522

Growth Center Designation Program

Application Guidelines



**Department of Housing
and Community Development**
Community Planning + Revitalization
July 2017



AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT



Overview

Growth Center designation recognizes municipalities that have or are planning for walkable, mixed-use development adjacent to a [designated downtown, village center or new town center](#). Designation aligns local planning initiatives with state policies and funding to implement Vermont's [smart growth principles](#).

Applications are made by a municipality and reviewed and considered by the [Vermont Downtown Board](#). Awarded designations remain in place for 20 years and are reviewed by the Board [every five years](#), when the municipality updates the Board on its progress and demonstrates that it continues to meet the program requirements.

What is a Growth Center?

While local and regional plans may define areas for growth, a state designated growth center involves a rigorous process to ensure the designation meets state requirements.

Vermont law defines a state designated growth center as an area of land that:

- is within or adjoining a downtown, village center, or new town center designated [by the state]; and
- has clearly defined boundaries that can accommodate a majority of commercial, residential, and industrial growth anticipated by the municipality or municipalities over a 20-year period.

Development and redevelopment within any growth center shall support Vermont's traditional land use pattern of compact centers separated by rural lands and shall meet the [designation] requirements.

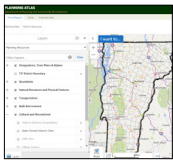
[24 V.S.A. § 2793c \(a\)\(1\)](#)

Growth Center Designation Program Benefits

The Vermont growth center designation program supports local planning and economic development efforts across the state by providing technical assistance and state funding to help designated municipalities build strong communities. The following incentives are available for projects within a state designated growth center:

- Helps meet the location criteria for tax increment finance district.
- Qualified “mixed income” or “mixed use” projects are exempt from Act 250 regulations.
- Reduced Act 250 mitigation fees required for loss of primary agricultural soils.
- Eligible to seek preliminary findings for Act 250 review.
- Priority Consideration For State Grants, including:
ACCD’s Municipal Planning Grants, Vermont Agency of Transportation grants, Vermont Agency of Natural Resources grants and funding from Vermont’s Community Development Program (CDBG).

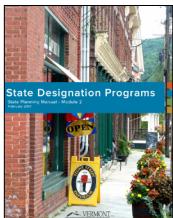
Designation Information



Maps and data on all existing state designated areas

Vermont Planning Atlas

<http://maps.vermont.gov/ACCD/PlanningAtlas/index.html?viewer=PlanningAtlas>



Overview of state designation programs

Planning Manual Module 2

<http://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/DHCD-Planning-Manual-Module2.pdf>



A municipality may apply for growth center designation if it has:

1. A state designated downtown, village center or new town center associated with the growth center.
2. A duly adopted and regionally approved municipal plan that describes the proposed growth center.
3. Regionally Confirmed Planning Process.
Local planning process is “confirmed” under 24 V.S.A. §4350 by the regional commission. Confirmation means that the adopted municipal land use plan and planning process, have been reviewed and approved by the regional commission.
4. 20-year growth projections with targets to determine the land area needed to accommodate the anticipated housing and employment ([see Application Analysis 1 for instructions](#)).
5. Policies and regulations that ensure new development results in a walkable growth center ([see Application Analysis 4 for checklists](#)).
6. Policies and regulations that minimize impacts on important natural resources and cultural resources ([see Application Analysis 6 for details](#)).
7. Bylaws with permitted residential densities within the growth center that are at least four single-family detached dwelling units per acre, or if the existing density is higher, allowing new housing to be built at the existing or higher density.
8. A concept plan depicting proposed changes including the general location and character of any new or improved streets, buildings, and public spaces within the growth center.
9. A capital budget and program that addresses the infrastructure necessary to support growth center development.
10. Public facilities that are planned to accommodate the 20-year growth targets ([see Application Analysis 5 for details](#)).
11. Policies on the extension of water and wastewater lines that include a defined service area and allocation plan to support the growth center.
12. A public transit system serving the growth center.

Municipalities should consider seeking designation once these items are in place or are in progress.



1

Complete the eligibility checklist ([page 4](#)) to determine if the municipality is growth center ready.

2

Contact DHCD [staff](#) and set up a pre-application meeting to discuss the program and application process.

3

Submit a preliminary application for staff review of eligibility and interagency review of the proposed boundary. We strongly recommend you contact your RPC to assist you.

4

Schedule a local stakeholders meeting with DHCD in your town.

5

Review pre-application memo from DHCD, prepare the full application and submit a draft application for DHCD review.

6

Submit the application to the Vermont Downtown Board for consideration.

7

Attend the Vermont Downtown Board meeting and a designation decision will be issued.



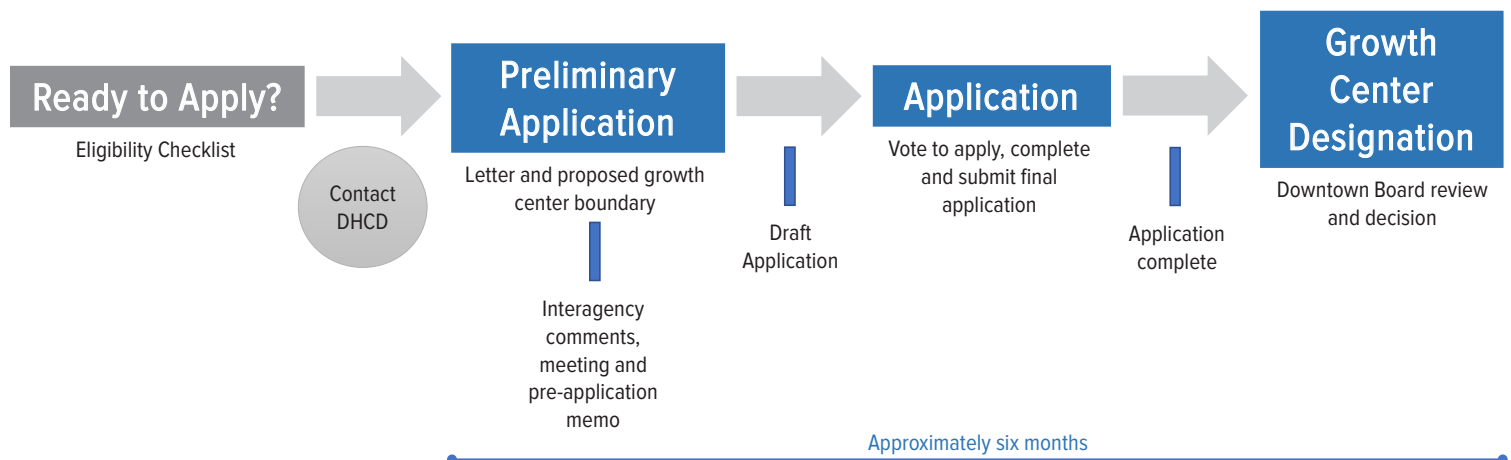
After determining readiness to apply by completing the Eligibility Checklist on [page 2](#) and contacting DHCD staff, the formal growth center application process begins with submission of a Preliminary Application to DHCD consisting of:

- A letter explaining the municipality's interest in growth center designation, signed by the municipal executive officer (selectboard chair, town manager, etc.).
- A draft map showing the proposed growth center boundary.
- A list and links to the existing municipal planning and implementation policies (municipal plan, bylaws, etc.) that guide development within the proposed growth center study area and preserve the rural character of the surrounding area.
- A brief explanation of any planning and implementation policies the municipality plans to enact prior to submitting a full application for growth center designation.

Next, DHCD will solicit comments on the preliminary application from state agencies and regional planning commissions, evaluate the application for compliance with the growth center requirements and identify potential issues related to the application, the municipal plan and implementation tools. DHCD will summarize the interagency comments in a draft pre-application memo and if necessary, make recommendations to address any items that do not meet designation requirements, either through adjustment of the proposed growth center boundaries or revised municipal policies.

DHCD will then schedule an onsite meeting with the applicant and regional planning commission to learn more about the proposed growth center, share the results of the review and answer questions. Other stakeholders are welcome to participate if appropriate. After the meeting, DHCD will issue the finalized pre-application memo.

Growth Center Application Process



Once the Preliminary Application process is completed and DHCD issues the pre-application memo, applicants may proceed with the full growth center application. Municipalities applying for designation must respond to all questions in the application and include all the items required on the [growth center application form](#). The municipality should seek assistance from its regional planning commission on the application including technical support for preparing 20-year growth projections, mapping and the required analyses to determine the growth center boundary. [Municipal Planning Grant](#) priority points are available for this work.

[Link to
Growth Center Designation
Application Form](#)

Draft Application Review

To ensure all items are adequately addressed, submit a draft application three months before the date the municipality aims to bring the application before the Downtown Board. DHCD will issue written comments on the draft application within two weeks of receiving the draft.

Before submitting the final application to the Downtown Board, the municipal legislative body must vote to apply for growth center designation according to the procedure established under [24 V.S.A. §1972 and §1973](#) (procedures for adopting municipal ordinances and rules).

Completeness Review

Once the final application is received, DHCD will review the application for technical and substantive completeness based on the application requirements and the municipality's responses to the items identified in the pre-application memo and the draft application review. If the application is incomplete, DHCD will list the missing items in a memo to the municipality within 30 days of receiving the final application.

Once complete, the application will be forwarded to the Downtown Board and posted online along with a staff report and a draft decision. The Board has 90 days to issue a decision after DHCD receives a complete application.

Notice of Growth Center Application

DHCD will issue notice in the same manner required for a proposed municipal plan, emailing the adjoining municipalities and other parties listed under [24 V.S.A. 4384\(e\)](#) as well as each adjacent regional planning commission.

Board Decision

After providing an opportunity for the public to comment, the Board will vote on whether to award growth center designation and will issue a written decision on whether the growth center application meets all the application requirements.

Application materials must be submitted to:

Vermont Growth Center Designation Program
Division for Community Planning and Revitalization
Department of Housing and Community Development (DHCD)
One National Life Drive, 6th Floor
Montpelier, VT 05620

Applications are due on the first Monday of the month by 4:30 p.m. in paper and electronic format.

Vermont Growth Center Designation Program

Faith Ingulsrud Phone: 802-828-5228 email: faith.ingulsrud@vermont.gov
Annina Seiler Phone: 802-828-1948 email: annina.seiler@vermont.gov

Police Services Inquiry

To Be Sent To:

- Chittenden County Sheriff's Office
- Colchester
- South Burlington
- Vermont State Police
- Williston
- Winooski

The Village of Essex Junction Trustees have embarked on an initiative to create the independent city of Essex Junction. They are planning to have Village voters consider the new city charter on November 2, 2021. The charter would then go to the legislature and if taken up and passed, the city could form as soon as July 1, 2023.

As you are probably aware, the Essex Police Department currently provides law enforcement throughout the Town of Essex, which includes the Village of Essex Junction. The Village Trustees would like for this continue happen when the city of Essex Junction is formed. The Trustees have reached out to the Town of Essex Selectboard on this matter and are awaiting a response.

Given the lack of response to date and indication that the Selectboard may not be able to respond in a timely manner, the Trustees are working to develop alternate plans, in the event that negotiations with the Town do not work out.

At this time, the Trustees are simply asking if you would be open to a conversation about providing police services to the city of Essex Junction if the Town of Essex does not?

Here is some of the information to consider:

- The Village of Essex Junction is 4.6 square miles, with a population of approximately 11,000, and a grand list of \$11M.
- The city would be seeking full law enforcement coverage – 24 hours a day, 365 days a year.
- Coverage should include dispatch, patrol, investigations, and animal control.
- The Village has its own fire department.
- The Village utilizes Essex Rescue for emergency medical care.
- In FY22, the Village is contributing \$2.1M for police services (as listed above).
- Police services for the city could begin as early as July 1, 2024.



COVID-19: RESOURCES FOR TAXPAYERS

Understanding Local Option Tax

What is Local Option Tax?

Local option tax is a way for municipalities in Vermont to raise additional revenue. A municipality may vote to levy the following 1% local option taxes in addition to state business taxes:

Local Option Sales Tax

6% sales tax + 1% = 7% total tax

Local Option Meals Tax

9% meals tax + 1% = 10% total tax

Local Option Alcoholic Beverages Tax

10% alcohol tax + 1% = 11% total tax

Agency of Administration

Department of Taxes

MENU

Please note: Local option tax does not apply to the sale or rental of motor vehicles which are subject to the motor vehicle purchase and use tax.

Calculating and Remitting Local Option Tax

Local option tax is calculated as 1% of the taxable (net) sales for each town.

A transaction is subject to local option tax if it is subject to the Vermont sales, meals, rooms, or alcoholic beverage tax. Local option tax is “destination-based.” In other words, the tax is collected based on the location where the buyer takes possession of the item or where it is delivered.

All vendors, including out of state vendors, authorized to collect taxes in Vermont are required to collect and remit to the Vermont Department of Taxes all applicable local option taxes for sales that occur in participating municipalities. No additional registration with the Department is necessary.

Although local option tax is levied by the municipality, the Department collects and administers the tax. Vendors who collect this tax file and remit it to the Department along with their state taxes, online or by paper form.

- [Form SU-451, Sales and Use Tax Return](#)
- [Form MR-441, Meals and Rooms Tax Return](#)

Be sure to charge, collect, and remit local option tax for applicable purchases in the municipality where the buyer is consuming or taking possession of the item or where the item is being delivered.

Find out which [municipalities levy Local Option Tax](#) or [lookup towns by zip code](#). You can also look up sales tax rates for more than 15,000 taxing jurisdictions across the U.S. for free at [Avalara](#).

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[Business Entity Income Tax](#)



COVID-19: RESOURCES FOR TAXPAYERS

Participating Municipalities

Local Option Sales Tax

The following municipalities have a 1% local option sales tax:

Municipality	Effective Date
Brandon	Oct. 2016
Brattleboro	July 2019
Burlington	July 2006
Colchester	Oct. 2015
Dover	July 2007
Killington	Oct. 2008 (Rescinded as of 7/1/2018)
Manchester	April 1999
Middlebury	Oct. 2008
Rutland Town	April 2009
St. Albans City	Oct. 2020
St. Albans Town	July 2014
South Burlington	Oct. 2007
Stratton	July 2004

Municipality	Effective Date
Williston	July 2003
Wilmington	July 2012
Winhall	July 2010
Winooski	July 2019

Find towns with local option tax [listed by zip code](#) or look up sales tax rates for more than 15,000 taxing jurisdictions across the U.S. at [Avalara](#) for free.

Local Option Meals and Rooms Tax, & Alcoholic Beverages Tax

The following municipalities have a 1% local option meals, alcoholic beverages, and rooms tax:

Municipality	Effective Date
Brandon	Oct. 2016
Brattleboro	April 2007
City of Barre	Oct. 2018
Colchester	Oct. 2015
Dover	July 2007
Hartford ¹	Oct. 2017
Killington	Oct. 2008
Manchester	April 2008
Middlebury	Oct. 2008
Montpelier	Oct. 2016
Rutland Town	April 2009
St. Albans City	Oct. 2020

Municipality	Effective Date
St. Albans Town	July 2014
South Burlington	Oct. 2007
Stowe	July 2006
Stratton	July 2004
Williston	July 2003
Wilmington	July 2012
Winhall	July 2010
Winooski	July 2019
Woodstock	July 2015

¹The Town of Hartford includes Quechee, White River Junction, West Hartford, and Wilder

Local Option Rooms Tax

The following municipality has a 1% local option rooms tax:

Municipality	Effective Date
Elmore	July 2021 (Effective beginning 7/1/2021)

Please note: The City of Burlington and the City of Rutland administer and collect their own local meals, entertainment, lodging, or alcoholic beverage taxes. If you have a business in Burlington or Rutland City, please contact the appropriate city for information on how to pay and remit the tax.

Contact the City of Burlington:

(802) 865-7000

Contact the City of Rutland:

(802) 773-1800

Local Option Taxes

Shall the town vote to assess a one percent (1%) tax on [insert any one, two, or all three of the following: 1) "sales;" 2) "meals and alcoholic beverages;" and/or "rooms"] pursuant to 24 V.S.A. § 138(b)?

Note: Only the selectboard, by majority vote, has the authority to place this article on the town meeting warning. A local option tax may only be adopted by a municipality in which "the education property tax rate in 1997 was less than \$1.10 per \$100.00 of equalized education property value; or the equalized grand list value of personal property, business machinery, inventory, and equipment is at least ten percent of the equalized education grand list as reported in the 1998 Annual Report of the Division of Property Valuation and Review; or the combined education tax rate of the municipality will increase by 20 percent or more in fiscal year 1999 or in fiscal year 2000 over the rate of the combined education property tax in the previous fiscal year." 24 V.S.A. § 138(a)(3). Military Personnel penalty and interest exemption*

Shall the town vote to exempt the payment of any penalty, fee, or interest relative to the failure to make timely payment of taxes upon the principal residences of individuals who have been VLCT Model Policy December 2020 12 called to full-time active duty by the President of the United States as a result of a military conflict in an area designated a combat zone by the President of the United States, for the time such member is on active duty and for 180 days thereafter, provided that said individuals provide a copy of their military orders or other appropriate documentation to the municipal clerk, pursuant to 32 V.S.A. § 4609?

Retail Cannabis (S.54, Act 164)

(Adds 7 V.S.A. chapters 31, 33, 35, 37, 207; repeals 7 V.S.A. §§ 841 – 843; amends 32 V.S.A. § 3102(d)(3); amends 32 V.S.A. § 9701(31); adds 32 V.S.A. § 9741(53); adds 32 V.S.A. § 9706(mm); amends 32 V.S.A. § 9202(10); adds 32 V.S.A. § 9201(n); amends 32 V.S.A. § 5811; adds 20 V.S.A. § 2358(f); amends 23 V.S.A. § 2100; amends 23 V.S.A. §§ 1201 – 1204; amends 6 V.S.A. §567; amends 18 V.S.A. §§ 43030, 4230a; creates session law)

With the passage of S.54, Vermont became the eleventh state in the United States to permit the retail sale of cannabis. The bill, which was allowed to become law on October 7 without the governor's signature, is a 108-page piece of legislation that outlines how Vermont will implement a retail cannabis marketplace. Following are those aspects of the legislation that impact our towns, cities and villages.

Consumption of cannabis in public places. The current prohibition against consuming cannabis in public places remains.

Cannabis Control Board. The new Cannabis Control Board consists of seven members: three from the Executive Branch, two members from the House of Representatives and two members from the Senate, meaning there is no municipal representation. The board is responsible for safely and equitably implementing and administering the laws enabling access to cannabis by adults in Vermont. The board will promulgate rules to implement S.54; administer the state licensure programs for cannabis establishments, including compliance and enforcement; administer the state medical cannabis program; and submit an annual budget to the governor. It will also appoint a full-time executive director who must be an attorney with experience in legislative or regulatory matters. The executive director will assist the board and supervise and administer the operation and implementation of S.54.

Cannabis Control Board Advisory Committee. S.54 creates an advisory board that has no set job description but appears to be a resource for the Cannabis Control Board. The advisory board comprises a wide variety of members from various backgrounds and interest groups. The state treasurer is responsible for appointing “one member with an expertise in municipal issues.” This individual is the only voice for municipal government within the Cannabis Control Board structure and his or her role is purely advisory, which provides no guarantee that the concerns of municipalities will be adequately addressed.

State administration of local fees. The State Cannabis Control Board will set state and local license fees, which will be adopted by the legislature. Municipalities that host a cannabis establishment will receive a fee paid to the state by applicants when an applicant applies for a yearly license. When the Cannabis Control Board establishes local fees, its recommendations “shall be accompanied by information justifying the recommended rate.” Local fees are designed “to help defray the costs incurred by municipalities in which cannabis establishments are located.” Given the disparate municipal needs across the state, it is unclear how the board will quantify costs incurred by municipalities to determine local license fees.

As far as VLCT can ascertain, S.54 is the first time the state has assumed the responsibility of collecting local license fees, distributing those fees back to municipalities, and then charging municipalities for this “service.” Municipalities generally set, collect, and administer their own license fees, and when the state *does* administer a local license fee – such as a local liquor license – it does not bill the municipalities. Municipalities will not know what the local license fees will be or what the state will charge for its “service” until the board presents the fees to the legislature by, no fooling, April 1, 2021.

Local licensing and regulatory authority. Municipalities that host cannabis establishments may create a local cannabis control commission. This commission (for example, a selectboard or city council) must administer the rules furnished to them by the Cannabis Control Board. No additional local standards will be allowed beyond signage and nuisance ordinances and very specific zoning provisions of 24 V.S.A. § 4414. It should be noted that local governments may already regulate signage, nuisances, and 24 V.S.A. § 4414. Therefore this provision is meaningless and adds no new authority to towns. Rather, it restricts the local regulatory authority a town may use that currently exists under state and local laws. Local governments are forbidden from adopting local ordinances to regulate the time, place, and manner of cannabis operations as part of local licenses and permits. These licenses will be perfunctory, and cannabis control commissions are designed to be the “rubber-stamping” approval entity of local licenses from municipalities.

Prohibiting municipalities from regulating cannabis establishments via municipal ordinance is a departure from the authority municipalities were given to regulate medical cannabis dispensaries pursuant to 18 V.S.A. § 4471l. Municipalities will have to wait for the Cannabis Control Board to present the rules for cannabis establishments to the legislature by next April. These rules – which would address licensing criteria, land use and environmental laws and advertising regulations at the state and local level – will affect current zoning bylaws. How will those locally adopted bylaws be affected by state regulations? What

adjustments to zoning bylaws will municipalities need to consider to align with state cannabis regulations and community needs, adherence to the town plans, and local economic development goals?

Voter approval of cannabis operations. Local voters will only have a little say about whether to allow a retail establishment in their communities. To allow retail sales in their community, they must opt in, however they have no voice in whether growers, manufacturers, laboratories, or processors are allowed. Some communities that currently have medical cannabis dispensaries will also be able to vote on integrated licenses in addition to retail establishments. An integrated license allows a licensee to engage in cultivation, wholesale, manufacturing, retail, and testing and are only available to applicants that hold a dispensary registration. Only five integrated licenses are permitted in the state and each one is for a registered dispensary already established here.

Local voters must vote by Australian ballot at an annual or special meeting to permit the operation of a retail establishment. This provision of S.54 took effect upon passage, and municipalities may now hold local votes if they wish. Municipalities that vote to allow retail operations or permit integrated licenses may rescind that vote at a subsequent annual or special meeting, but all licensed cannabis retailers or integrated licenses that are operating at the time of the subsequent vote will be grandfathered in.

Taxing authority. S.54 does not provide any cannabis-specific taxing authority to municipalities. The state will keep and control all tax revenue which includes a stand-alone 14-percent cannabis excise tax and the six-percent sales and use tax. No tax revenue will go to municipalities except for the 16 towns and cities that have a one-percent local sales tax. Those municipalities will receive tax revenue *if* they host retail establishments and the customary 70/30 split of local option tax revenues applies. A municipality may vote to enact a local option sales tax on all sales in the municipality – and may want to if it is hosting retail cannabis establishments and has constituents who shop online. Online shopping local option sales tax is applied in the community in which the item is delivered. Of course, once the voters adopt a local option sales tax, that option needs to be approved first by the House Ways and Means Committee, followed by then the entire legislature.

The timeline for fully implementing the retail market is ambitious, as shown in the [Government Operations Committee Conference Report from September 15](#).

Australian Ballot for Municipal Meetings in 2021 (S.354, Act 162)

(creates session law)

The legislature passed S.354 to allow for Australian ballot voting for all any or all municipal meetings in 2021 by vote of a legislative body. The legislation allows municipalities that normally vote from the floor on Town Meeting Day to instead use the Australian ballot during the COVID-19 public health emergency. Under current law, only a vote of a municipality's voters may allow the switch to an Australian ballot system. S.354 will temporarily allow the legislative body to make that decision. Municipalities whose meeting locations don't allow for social distancing may find the switch to an Australian ballot system helpful during the ongoing pandemic. Although the legislation mainly addresses next year's town meeting, it allows all annual or special meetings to be conducted via Australian ballot for all of 2021.

S.354 also lifts the requirement that a person needs to collect voter signatures to have his or her name placed on a ballot as a candidate for a local election held at a 2021 municipal meeting.

The legislation took effect when the governor signed it on October 5.



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TODAY'S POLITICS NEWS SPONSORED BY:

POLITICS

Burlington, Brattleboro, Montpelier and other municipalities approve pot shops

By **Xander Landen**

Mar 2 2021

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A “yes” sign reflects in the window of Brattleboro’s Vermont Hempicurean, which is supporting local cannabis sales. Photo by Kevin O’Connor/VTDigger

Updated March 3, 2021, at 11:28 a.m.

Voters in Burlington, Brattleboro, Montpelier, Winooski and at least 15 other Vermont municipalities voted Tuesday to approve retail marijuana sales on Town Meeting Day.

Bennington, Middlebury, Vergennes, Randolph, Waterbury, Berlin, Danby, Danville, Salisbury, Brownington, Waitsfield, Brandon, Pawlet, Barton, Sutton, Burke Duxbury, Strafford and Windsor also voted to allow local cannabis businesses, clearing the way for marijuana shops to open up as soon as October 2022.

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- [Six of eight Northeast Kingdom towns approve retail pot shops](#)

Voters in at least 27 Vermont towns and cities were asked on Town Meeting Day whether they want to permit local cannabis sales. Legislation to establish a legal marketplace for marijuana became law last fall — two years after the state legalized limited possession and cultivation of the drug.

A handful of towns rejected the ballot item. Lyndon, Newport and Richmond said no to marijuana sales within their borders on Tuesday.

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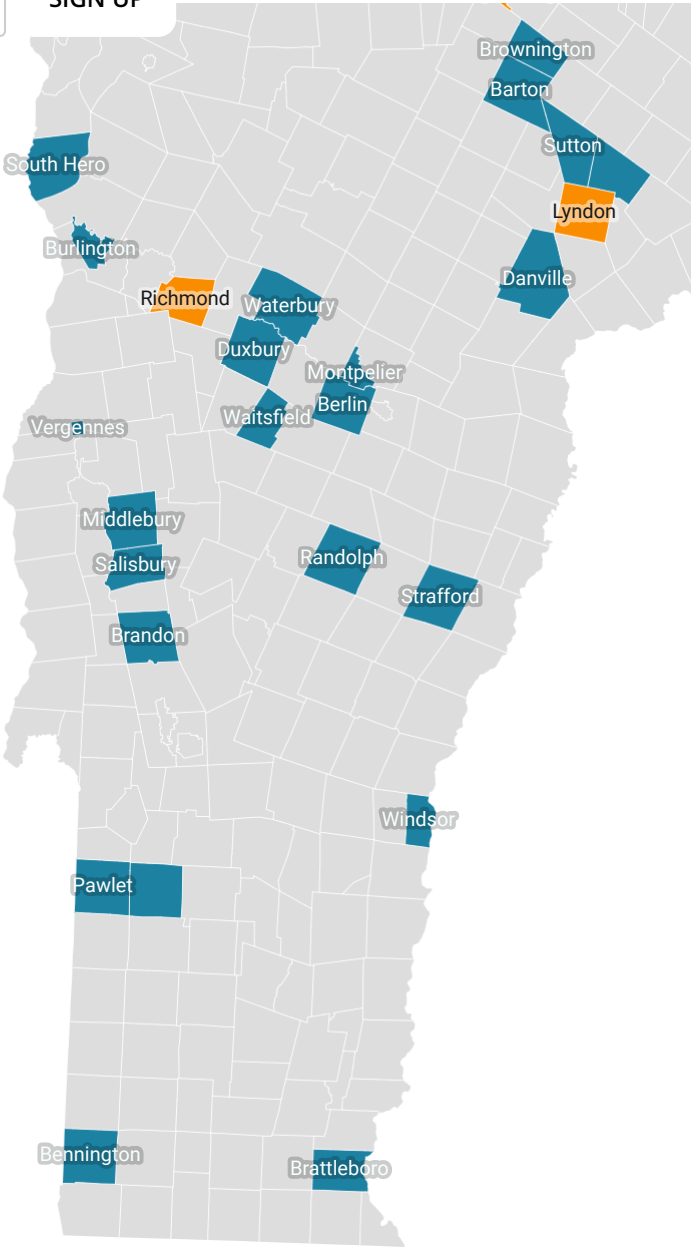
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Under state statute, cannabis retailers and growers can only set up shop if voters grant approval at the local level.

Dave Silberman, Addison County’s high bailiff and an attorney who lobbied for statewide marijuana legalization, praised the town’s vote Tuesday evening. Middlebury voters approved the ballot item 951-564.

“Townspople understand that cannabis is already being sold illegally in Middlebury today, and voiced their clear preference that those sales be brought out of the shadows and conducted in a manner that draws both

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ate “should be interesting.”

“I don’t know how to gauge the reaction throughout Vermont and it’ll be interesting to see,” Scott said.

Under the law, locally approved Vermont pot shops could open as early as October 2022. Existing medical dispensaries can get licenses to offer retail sales to the public in May 2022.

Marijuana will be taxed at a combined 20% rate — a 14% excise tax plus a 6% sales tax. Last year, Vermont’s Joint Fiscal Office [estimated](#) that marijuana sales could bring nearly \$20 million in annual state revenue after three years.

However, it’s possible the rollout of Vermont’s marijuana market will be delayed.

The governor is weeks [behind schedule](#) in appointing the Cannabis Control Board, the body that will regulate the nascent marijuana industry. Board members were supposed to be confirmed by the Vermont Senate by Jan. 15 and were slated to make recommendations to the Legislature in April on several matters, including the annual budget, environmental and land use requirements for cannabis establishments, and proposed cannabis fees.

Rep. Sarah Copeland Hanzas, D-Bradford, chair of the House Government Operations Committee, has said if the board can’t deliver recommendations before the Legislature adjourns in May, the rollout could be pushed back eight to 12 months.

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VLCT Recommended Town Meeting Language

Opt-in (allow) cannabis retailers or integrated licensee establishments

If the town wants to authorize all legal methods of the sale of cannabis to the public, it should vote on the following:

Shall the town authorize cannabis retailers and integrated licensees in town pursuant to 7 V.S.A. § 863?

OR If the town only wants to authorize only “cannabis retailers” or “integrated licensees” or vote on them separately for any reason, it should use one or both of the following:

Shall the town authorize cannabis retailers in town pursuant to 7 V.S.A. § 863?

Shall the town authorize integrated licensees in town pursuant to 7 V.S.A. § 863?

Note: Towns may vote by Australian ballot to allow “cannabis retailers,” “integrated licensees,” or both to operate within the town. “Cannabis retailer” means a person licensed by the state Board to sell cannabis and cannabis products to adults 21 years of age and older for off-site consumption. “Integrated licensee” means a person licensed by the state Cannabis Control Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with state law.



Essex Junction Independence Frequently Asked Questions

Questions about forming a city

Is there a precedent for what the Village is trying to do? Can a village even legally separate from a town?

Yes - to both questions.

There are 9 cities in Vermont, most of which were formerly incorporated villages. In the last century, 3 cities were approved by the Legislature. Newport separated from the Town of Newport in 1918. Winooski separated from the Town of Colchester in 1922. South Burlington initially became a town in 1864, when the Village of Burlington separated from the Town of Burlington; the Village of Burlington became a city, and the Town of South Burlington was born. South Burlington became a city in 1974. You can read more about this at the Secretary of State's [website](#).

Why do we have to become a city? Why can't we remain the Village of Essex Junction? Could we become a town?

In Vermont, villages do not exist outside of towns. If a village separates from its parent town, it becomes a city. In Vermont, there is no other option but to become a city if we vote to separate from the Town of Essex.

Here is a [list](#) of all the current and former villages in Vermont. Many villages became unincorporated (or "dissolved") and were absorbed into their parent towns. The villages that separated became cities.

Does the Village of Essex Junction government have the expertise and resources to become a city?

Yes. The Village has been operating as a full service, self-governing, and self-sustaining municipality since 1893.

Right now, the Essex Junction government owns and operates all the public works utilities, service equipment, water and sewer lines, and pumping stations within the Village. It owns and maintains all the streets, sidewalks, bridges, parks, walking paths, and other public infrastructure within the Village.

If it's not from us, it's not official.





Essex Junction Independence Frequently Asked Questions

The Essex Junction government presently has full authority over its own ordinances, building and zoning regulations, municipal planning, community and economic development, engineering and legal services, and capital expenditures. It has its own seat on the governing boards of the regional planning commission, solid waste district, and water district. It procures its own bonds and interfaces directly with state and federal agencies. It owns and operates the administrative offices at Lincoln Hall, the Essex Junction Fire Department, the Essex Junction Wastewater Treatment Plant, the Brownell Library, Essex Junction Recreation and Parks, and the Senior Center. The Essex Junction community elects its own representatives to the Vermont Legislature.

The only major service the Town of Essex provides within the Village of Essex Junction is the Essex Police Department, which is why the Trustees and the Town Selectboard have tentatively agreed to negotiate a contract for continuing Town police service within Essex Junction after separation.

The only hurdles for becoming a city are (1) voter approval and (2) legislative approval at the state level and its related political challenges (see the question about what happens after we vote on the charter). There are no financial, operational, or technical barriers preventing Essex Junction's transition from village to city.

If we became a city, how would we compare with other Vermont cities?

The City of Essex Junction would have about 11,000 people living within 4 square miles, with a total estimated budget of about \$9.5 million. It would be Vermont's fourth largest city by population after Burlington, Rutland, and South Burlington.

By comparison, the City of Barre has about 8,500 people within 4 square miles with an FY22 budget of \$12.8 million. The City of Montpelier has about 7,300 people in 10 square miles with an FY22 budget of \$14.4 million. The City of St. Albans has about 6,900 people in 2 square miles with an FY22 budget of \$9 million. The City of Winooski has about 7,300 people in 1.5 square miles with an FY22 budget of \$8 million.



Essex Junction Independence Frequently Asked Questions

The Village's present budget is \$5.6 million. If the new city budget is \$9.5 million, won't that require a large tax increase for Essex Junction taxpayers?

No. The money Essex Junction property owners save by no longer paying taxes to the Town of Essex will offset the cost of a new city budget and may even result in a net tax savings.

Essex Junction property owners will pay \$3.7 million in taxes this year to support the Village's \$5.6 million budget, and they will pay \$6.1 million to the Town of Essex to help pay the Town's \$15.9 million budget. Exact numbers can't be known at this time but the total \$9.8 million paid out by Essex Junction taxpayers for municipal services this year exceeds the estimates of the new City of Essex Junction budget. It's important to note that the Village and the Town, like most municipal governments, acquire revenue from a variety of sources other than property taxes, such as grants and fees. The new City of Essex Junction will probably not require \$9.5 million in property taxes to fund a \$9.5 million budget.

Questions about the charter and the process of separation

When do we vote on separation? Is it in person at the polls or will we vote by mail?

The vote will be Tuesday, November 2nd, 2021 at Essex High School. Currently municipalities may not use mail-in ballots for special elections, only general elections like Town Meeting. The Trustees are exploring whether the separation vote can be held by mail-in ballot. However, because Vermont allows absentee ballots to be cast with no reason required, voters can cast their absentee ballots via mail in the weeks leading up to the vote, following the regular procedures for absentee voting.

What happens after we vote on the charter?

All municipal charters must be approved by the Vermont Legislature and the Governor. A passing vote by Village residents will kick off a [state-level process](#) that has many steps.

Here is a summary of the steps that will follow a positive vote by the Village:

1. The voter-approved charter is submitted by Essex Junction's state representatives to the House Government Operations Committee (HGO).



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2. HGO will take testimony on the charter, consider/debate it, and decide whether to approve or reject it. They can also make changes to the charter itself. The charter will also be vetted by Legislative Council (the attorneys who serve the Legislature) and they will provide commentary and flag any issues.
3. If HGO approves the charter, it then goes to Senate Government Operations (SGO).
4. SGO can take testimony on the charter, consider/debate it, and decide whether to approve or reject it. They can also make changes to the charter itself.
5. Because separation would impact the taxation of both municipalities, the charter will most likely also go before the House Ways & Means Committee and Senate Finance Committee. These are the two legislative committees responsible for taxation. They would also have the ability to make changes to the charter or reject it.
6. If SGO makes changes to the charter, it must go back to HGO again for their approval.
7. After both HGO and SGO have approved the charter, it then goes to the full House for approval.
8. If the House approves the charter, then it goes to the full Senate for approval.
9. If both the House and Senate approve the charter, then it goes to the Governor for approval. The Governor can veto the charter.
10. If the Governor approves the charter, then it goes into effect and the City of Essex Junction would be created according to the charter's terms.

The charter can be revised by any of the state legislative bodies that touch it. It can be rejected by a committee and sent back to the Trustees for any number of reasons. Delays could prevent it from being considered for a few weeks or months, a year, or even until the next legislative session. Even if it clears both the House and the Senate, the charter could be vetoed by the Governor.

The reason the Legislature and the Governor have so much influence in this process is because Vermont is a "[Dillon's Rule](#)" state. This means that all Vermont municipalities are instruments of the state and cannot make certain decisions on their own without legislative approval.

Citizen advocacy by those in favor of separation at the local and state level is likely to be an important factor in its success or failure. The Town Selectboard may oppose separation and seek to prevent Essex Junction from becoming a city that would no longer pay taxes to the Town. The Legislature may give the Selectboard an opportunity to testify and explain any



Essex Junction Independence Frequently Asked Questions

opposition or objections they have. The Selectboard could also initiate legal challenges to separation on their own or be petitioned to do so by Town citizens.

Village residents are able to reach out to legislators and committees to share their support of the charter's passage. There will be opportunities to testify in support of the charter. High turnout at legislative meetings and frequent communication with the Legislature will have impact.

However, there are also citizens in the Village and the rest of the Town of Essex who do not want to separate. They have the same opportunities for advocacy that people who want the charter to pass have. The Town Selectboard and the Vermont Legislature will be lobbied heavily by people who do not want the Village to separate.

A charter change initiative for transitioning from village to city has many hurdles to overcome. Residents should not feel assured of success if the November vote passes. That is simply the first step in the next part of the process. However, this is an opportunity for Village residents to

strongly advocate for our community's future and come together in large numbers to achieve success by positively and clearly telling the Legislature that they want the charter to pass.

Does the Town have to also vote on separation? Can the Town stop us from separating?

The November 2021 vote will be for Village of Essex Junction residents only.

As mentioned above, the Town Selectboard and citizens advocating against separation could potentially influence the legislative process against passing the charter.

There is precedent in Vermont that a village can vote by itself to separate from its parent town. There are other instances when a village and a town both voted and separation was defeated. You can learn more about this at the Secretary of State's [website](#).

I have been hearing about breaking us up into voting districts--is that part of separation? What happens to our Trustee and Selectboard representation post-separation?

If the Village separates from the Town, the Town Selectboard would no longer represent the Village in any way. The City of Essex Junction would have a city council. The councilors would be elected at-large.



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After separation the Town Selectboard would represent only the residents of the Town, within the new borders that would be established by the separation of the Village. Former residents of the Village within the Town would now solely be residents of the City of Essex Junction. They would no longer be Town residents and would no longer be allowed to serve on the Selectboard.

The Village Trustees recently decided that the new city council would be elected at-large. This means that all city councilors would be elected by all residents of the City of Essex Junction, and all city councilors would represent the entire City. This is how Village Trustees are currently elected. There would be no voting wards. However, at any time in the future the City Council could decide to create voting wards.

Questions about municipal services

Would I still be able to use the Essex Free Library if we separate?

Yes. Like all Vermont public libraries, anyone can go to the Essex Free Library as well as the Brownell Library. As for borrowing books, both libraries are members of the Chittenden County homecard system, which allows library card holders at 27 different libraries to borrow books from each other's libraries. Here is a [list of all the libraries in the homecard system](#).

Will we be able to have the same access to Indian Brook we have now? What about Saxon Hill and other Town parks?

Currently all Town [parks](#) except Indian Brook Park have open access. Anyone can use them, regardless of where they live. This is also true of all Village parks.

Indian Brook Park [currently sells season passes](#) that are only available for Town residents. New in 2021, non-Town residents can purchase day passes, which would provide future City of Essex Junction residents access to the park. However, given our history and the financial support of the park by Village residents, the Village Trustees and Town Selectboard will be discussing how to handle access to Indian Brook Park by Village residents after separation, as well as parks and recreation services in general. We will update this answer once there is a decision regarding this topic.



Essex Junction Independence Frequently Asked Questions

What will happen to the Senior Center and the Senior Van? Will there be changes?

Currently the Village and Town provide senior services jointly. The [Senior Center](#) is housed in the Village Offices at 2 Lincoln Street. The Town provides the [Senior Van](#) service. The Village and Town share the cost of Senior Center staff. Keep in mind that Village taxpayers pay for 42% of the cost of this service. Town residents have a lower membership fee than non-residents.

The Village Trustees and Town Selectboard will be discussing how to handle senior services after separation. We will update this answer once there is a decision regarding this topic.

What's the plan for the police?

Currently, there is general agreement between the Village Trustees and Town Selectboard that after separation both municipalities will share the services of the [Essex Police Department](#) so that there is no change in how residents are served. The police department has stated they

recognize and appreciate their commitment to the Village and are committed to serving both the Village and the Town.

Both boards will be discussing how to handle the cost of police services after separation. We will update this answer once there is a decision regarding this topic.

What new services would the Village have to start offering that the Town usually provides?

There are a few administrative services that the Town provides for the Village that the Village would have to take on after separation.

New services that the Village currently does not provide for itself include offering animal licenses, marriage licenses, and the office of Health Officer. In addition, the new governing board of the City of Essex Junction would also serve as its own Liquor Control Board to grant liquor licenses and would adjudicate dog bite cases.

Village taxpayers currently pay for the services of the Town assessor. The Village Trustees are currently discussing with the Town Selectboard whether to continue sharing that service after separation, or to hire or contract out the services of an assessor.



Essex Junction Independence Frequently Asked Questions

What will happen to the Wastewater Treatment Facility after separation? Will separation affect my sewer or water bill?

Separation will not affect water or sewer bills.

Essex Junction purchases its water from the Champlain Water District, which it resells directly to Village residents and businesses. This will continue after separation. Essex Junction owns and operates the community wastewater/ sewage treatment facility and will continue to do so after separation. The Town of Essex and Town of Williston purchase water treatment service from the Essex Junction facility and will continue to do so after separation. Separation will not affect their rates.

Questions about the school district and school taxes

Will separation affect the school district? Would the school district also have to separate?

Separation will not affect the school district or school operations, and the school district would not have to separate. Essex Junction schools are part of the Essex Westford School District, which functions as an entirely separate municipal operation from the Essex Junction, Town of Essex, and Town of Westford governments.

Questions about municipal taxes

Would I still have to pay taxes to the Town? Would we go back to getting 2 different tax bills?

Village residents will still have to pay some taxes to the Town on a temporary basis in order to fulfill obligations. If the Village separates, residents would receive only one tax bill that would include municipal and education taxes.

Village residents voted to approve the building of the Essex Police Department facility and will have to continue paying off that bond along with Town outside the Village residents. That bond will be paid off in 2033 and then Village residents would no longer have to pay it.



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If the Village Trustees and the Town Selectboard agree to share some services after separation--like police services--then there would be a financial agreement between the two municipalities and Village residents would pay for their share of those services.

If the Village separates, residents would receive only one tax bill that would include municipal and education taxes, but only for the new City. Any taxes still owed to the Town would be included in your City taxes.

Is it true that Essex Junction depends on Global Foundries for tax revenue and that an independent City of Essex Junction would suffer if Global Foundries closed?

No. Essex Junction and the Town of Essex no longer rely heavily on Global Foundries (formerly IBM) for tax revenue.

Prior to 2012, IBM's assessed property tax value was significantly reduced and its tax subsidy to the Village and Town was phased out. Global Foundries currently comprises about 8% of Essex Junction's Grand List (total taxable property), but if the plant were to be sold or cease operations, the industrial park would retain most of its assessed value and the owner would still be required to pay Essex Junction property taxes.



Essex Junction Independence Frequently Asked Questions for Businesses

What will happen to my business property taxes if Essex Junction becomes a city?

They will decrease slightly or remain about the same. No large increases are expected.

Right now, the commercial property tax rate in Essex Junction is significantly higher than in the Town of Essex outside of Essex Junction. This is because owners of commercial properties in Essex Junction currently pay taxes to the Essex Junction government *and* the Town of Essex government. After separation, Village businesses will pay taxes only to the Essex Junction government. The Town of Essex will stop taxing properties in Essex Junction.

The new Essex Junction city government will need to increase some expenditures to replace administrative and clerical services once provided by the Town of Essex. But this increase will be offset by the overall tax decrease from no longer paying taxes to the Town. The exact difference between increase and decrease can't be calculated at this time, but the net effect is projected to be a tax savings for Village commercial property owners.

I don't own a building but I rent space. What will happen to my rent?

No changes are expected. Changing Essex Junction's legal status from an incorporated village to an incorporated city will have no direct impact on commercial or residential rents.

Can I expect the same level of fire and police services?

Yes. The Essex Junction Fire Department will continue operating as usual, and the current mutual aid agreement with the Town of Essex Fire Department will remain in place. Currently the Town of Essex pays the full cost of Essex Rescue services for the entire Town including the Village. The new city would have to pay for those services on its own.

The Essex Junction Trustees and Town of Essex Selectboard have agreed to negotiate a contract to continue providing Essex Police services inside Essex Junction. Both sides are motivated to reach an agreement because of the considerable cost savings from a shared police department and because the Town of Essex police facility is located in Essex Junction.



Essex Junction Independence Frequently Asked Questions

Will I have to pay more for water/sewer?

No. Essex Junction's water/sewer services are financed and regulated separately from other municipal services such as fire, police, and street maintenance. Water/sewer bills are based on wholesale water charges from the Champlain Water District and the operating costs of the Essex Junction water treatment plant. None of this will be affected by changing Essex Junction's legal status from village to city.

Will separation change parking regulations? Is the Village going to add parking meters anywhere?

No and maybe. Essex Junction already has full legal authority over parking regulations within the Village's boundaries. Separation won't change this. The Essex Junction Trustees and staff could install parking meters in the Village downtown right now to prevent illegal long-term parking and free up more space. So far they have chosen not to do so but may reconsider the question if parking conditions worsen.

What will happen in terms of economic development if separation happens? How would separation affect Village Center growth?

Separation would channel more local resources into economic development and downtown revitalization.

Commercial property owners in Essex Junction currently support the Essex Junction community development office *and* the Town of Essex community development office. The two offices sometimes collaborate on overlapping areas of interest, but each is mainly concerned with promoting business growth in the areas within the jurisdiction of their respective governments. For Essex Junction, this means anywhere within the boundaries of the Village, with a primary focus on the Village downtown, the Pearl Street/Champlain Valley Expo corridor, and the Global Foundries Technology Park. For the Town of Essex, this means anywhere in the Town outside the Village, with a primary focus on the Susie Wilson Road corridor, the New Town Center at Lang Farm, and Saxon Hill.



Essex Junction Independence Frequently Asked Questions

With their tax dollars, Essex Junction commercial property owners also help pay for Essex Junction and Town of Essex capital infrastructure (streets, sidewalks, bridges, stormwater utilities, etc.) that provide the base for business development. However, commercial property owners in the Town of Essex outside Essex Junction only support the community development efforts of the Town outside of the Village, and only support capital infrastructure costs of the Town outside of the Village. They do not support community development or infrastructure improvement in the Village. Both the Essex Junction and Town of Essex governments offer tax incentives for commercial property improvements in the form of tax stabilization. This would not change with separation.

The unequal tax burden Village commercial property taxpayers bear and the unequal allocation of resources has the effect of prioritizing business growth in the Town at the expense of the Village. It is one of the main reasons the Essex Junction Trustees pursued merger to change the status quo relationship of the Village and Town, and is now one of the key reasons they support changing Essex Junction's legal status from village to city.

If Essex Junction becomes a city, commercial property owners in Essex Junction would no longer pay taxes to the Town of Essex. Municipal property taxes collected within Essex Junction would be directed entirely to supporting Essex Junction city services, business development, infrastructure improvement, and downtown revitalization.

I'm concerned that if we separate, Essex Junction will end up like Winooski, with no more space to develop, resulting in a shrinking revenue base. How would the Village deal with that?

Open, undeveloped space isn't necessary for growing a revenue base. Also, Winooski's financial situation is due to its bonded debt and not to its lack of open space.

If open space translated directly to economic growth, most towns across northern New England and New York would be wealthy, and not competing with each other for investment. Businesses seek to locate near population centers, where they can tap into the labor supply and have access to utilities and transportation.

Most Vermont cities and towns today are more concerned with preserving their open space than with developing it for commercial use. Most try to concentrate industrial growth in



Essex Junction Independence Frequently Asked Questions

designated areas—industrial zones—that have already been partially developed, have immediate access to utilities and transportation, concentrate growth away from areas designated as open space, and limit the impacts of development on areas of open space. The Global Foundries Technology Park in Essex Junction is considered Vermont’s premier industrial park, with excellent access to transportation and utilities, including the state’s only water treatment plant licensed for industrial use, and with many acres of available open space to accommodate growth for decades to come. It is set apart from the Village Center and its zoning prevents its expansion.

Essex Junction is one of the state’s leaders in revitalizing its historic downtown, with a focus on high quality, multi-story, mixed use (commercial and residential) buildings providing affordable living space for Chittenden County’s younger workforce. It has achieved these improvements and attracted investors without resorting to bonds or incurring substantial debt.

Since 2000, Essex Junction has gradually shifted its reliance away from IBM (now Global Foundries) to residential and other commercial properties, with a strategy of providing high quality cultural, educational, and recreational facilities, local walkability and connectivity, well maintained infrastructure, and other “quality of life” amenities that people are willing to support with their local tax dollars. Essex Junction is one of a handful of Vermont communities that has seen a steady increase in population of school-age children at a time when others are experiencing declining school populations.

The Essex Junction municipal government has among the highest and most stable tax bases relative to other Vermont communities of its size and, based on recent and past performance, it should see steady, sustainable growth for many years to come.

Will the Crescent Connector still happen if we separate?

Yes. The Crescent Connector—a new road slated for the Village Center that will allow traffic to bypass Five Corners—is an entirely local transportation improvement project supported by the Chittenden County Regional Planning Commission and funded by the Vermont Agency of Transportation. The Town of Essex has no involvement with the project and separation will not affect it.

Is a local option tax part of separation?



Essex Junction Independence Frequently Asked Questions

No. The State allows local communities to levy local sales taxes on goods and services to raise revenue to fund their municipal expenditures. The elected boards of Essex Junction and the Town of Essex have had ongoing discussions about jointly adopting a local option tax and sharing the revenue. Discussions could continue and an agreement could be reached regardless of Essex Junction's separation effort. But there is no direct link between separation and a local option tax.

Would I still have to go to the Town of Essex to get my liquor license if we separate? What if I want to sell cannabis products?

The new City of Essex Junction will take over the responsibility of approving liquor licenses for businesses within the city. State regulations about cannabis products aren't clear at present, but any local municipal oversight of cannabis sales would come under the jurisdiction of the Essex Junction city government.

Would we still use the Town for health inspections or code violations?

The Town of Essex' Health Officer (a statutorily required, appointed position) currently provides health and safety inspections in Essex Junction. This is one of the administrative services it provides in return for the tax revenue it collects from Essex Junction. This position might be one of the services the two governments share as a cost-savings/efficiency measure, after separation. If not, the Essex Junction government would have full authority to appoint its own Health Officer to perform health and safety inspections.

If separation happens, would the approval process for building a new building or adding on to a building change? Will permit requirements change and/or permit fees increase?

No and no. Essex Junction currently has full jurisdiction over all aspects of construction permitting and approval within the Village, including fee structures, building and development codes, and zoning regulations. The Town of Essex has no jurisdiction over any aspect of building, construction, zoning, fees, or permits within the Village boundaries. Separation would not change this, nor would separation require any kind of reorganizing or restructuring of Essex Junction's building/permitting/zoning regulations.



Essex Junction Independence Frequently Asked Questions

What will happen to Village land records if we separate? Would I still have to go to the Town Office for Village land records?

Land records relating to transactions prior to separation would remain in the Town of Essex vault. Land records relating to transactions occurring after separation would be stored in the Essex Junction vault at Lincoln Hall.

Will there be any changes regarding the Chittenden Solid Waste District that would affect my business' use of the Essex dump?

No. Chittenden County residents and businesses may use any CSWD facility.

How will separation impact capital projects like road and water line repairs?

No. Essex Junction currently handles all its own capital spending and this won't change with separation.

Essex Junction funds and manages all of its own capital projects. Essex Junction businesses contribute to these capital expenditures with their property tax dollars. The Town of Essex also taxes Essex Junction businesses to help pay for its capital projects located outside of Essex Junction. However, the Town of Essex provides no financial support for Essex Junction's capital projects.

After separation, the Town of Essex will no longer be allowed to levy taxes inside Essex Junction, and Essex Junction businesses will no longer be taxed by the Town to help pay for capital expenditures outside of Essex Junction. For this reason, Essex Junction businesses could see an overall reduction in their municipal property tax bill after separation.

Would the Village continue to levy an economic development tax (what is referred to as the "penny tax")? If so, what would be done with it to benefit Village businesses?

The Village currently uses the approximately \$120,000 raised by the economic development tax each year to help fund thoughtful growth and sustainable development in the Village Center.



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Some recent investments include a small parcel at Five Corners which will become a pocket park/greenspace, and free public parking space for 30 vehicles. Essex Junction voters recently approved a 3-year extension of the tax, which will probably extend through the transition from village to city. The tax will sunset after 3 years unless it's re-approved by the voters.

Will the sidewalks in front of my business continue to be plowed?

Yes. The Essex Junction Public Works Department and all of its operating policies and schedules have always been under the jurisdiction of the Essex Junction government and Village Trustees. Transitioning from village to city will not change this.

Would there be any changes to the Green Mountain Transit bus routes or overall service we get from GMT?

No changes are anticipated with separation. Instead of contributing to GMT operations indirectly through its tax payment to the Town of Essex, Essex Junction would contribute to GMT directly. This would not change local GMT service. However, GMT continuously reviews and revises its bus routes to optimize its customer service, so bus routes can always change regardless of Essex Junction's status as a city or village.

If we separate, would the Village maintain its state Village Center Designation and Neighborhood Area Designation? As a developer/business, would I still be able to access the benefits of these programs?

This is unknown. Trustees and Village staff will be meeting with the state's Agency of Commerce & Community Development to learn how separation might affect those designations. This answer will be updated when more is learned.