

VILLAGE OF ESSEX JUNCTION
BOARD OF TRUSTEES
Agenda
Monday, October 10, 2016
81 Main Street, Essex Junction, VT 05452
Conference Room
7:00 P.M.

7:00 PM PLEDGE OF ALLEGIANCE

7:05 PM JOINT MEETING WITH ESSEX SELECTBOARD AND
PRUDENTIAL COMMITTEE

WORK SESSION/DISCUSSIONS

Presentation of Recreation Governance Study Committee Data

The RGSC members will review the data they are presenting to the public; the committee and staff will review the governance and public oversight structure of the proposed union municipal recreation district and provide a prospective timeline for implementation if approved by voters.

Recreation Departments Status Report of Transition Work to Date

Recreation Governance Study Committee Date to Dissolve

A sense of the joint elected boards to continue the work of the RGSC until after the December 13 vote.

Transference of EJRP to Village Government if No Vote Occurs

Discussion of Tax Equalization Phase-In Plan

PUBLIC TO BE HEARD

BUSINESS

Language on Warnings

Discuss motion to warn vote on Nov. 7 (Selectboard) and Nov. 8 (Trustees).

ADJOURN

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Certification: _____
Date Posted Initials

**VILLAGE OF ESSEX JUNCTION
BOARD OF TRUSTEES
JOINT MEETING
MINUTES OF MEETING
October 10, 2016**

BOARD OF TRUSTEES: George Tyler (Village President); Dan Kerin, Andrew Brown, Lori Houghton, Elaine Sopchak.

ESSEX SELECTBOARD: Max Levy (Chair); Michael Plageman, Andy Watts, Sue Cook, Irene Wrenner.

PRUDENTIAL COMMITTEE: Michael Smith (Chair); Marla Durham, Candace Morgan, Patrick Murray, Jason DiRosa.

RECREATION GOVERNANCE STUDY COMMITTEE: Michael Smith (Chair), Jason DiRosa, Erika Baldasaro, Kim Mailberger, Betzi Bilodeau, Christine Packard, Lori Houghton, Max Levy. (Theresa Fletcher and Raj Chawla were absent.)

ADMINISTRATION: Pat Scheidel, Municipal Manager; Lauren Morrisseau, Village Finance Director/Assistant Manager; Doug Fisher, Director of Town Administration, Greg Duggan, Essex Planner, Ally Vile, Essex Recreation Director, Brad Luck, EJRP Director, Judy DeNova, EWSD.

OTHERS PRESENT: John Larkin, Bruce Blackman, Robert Bates, Carl Potter, John Sheppard, Paula DeMichele, Paul Austin, Dylan Giambatista, Tim Jerman, Dan Maxon, Bridget Meyer, Sara Stultz.

1. CALL TO ORDER and PLEDGE OF ALLEGIANCE

Village President, George Tyler, called the Board of Trustees meeting to order at 7 PM.

Selectboard Chair, Max Levy, called the Essex Selectboard meeting to order at 7 PM.

Recreation Governance Study Committee (RGSC) and Prudential Committee Chair, Michael Smith, called the RGSC and Prudential Committee meetings to order at 7 PM.

The assemblage recited the Pledge of Allegiance. All were welcomed to the joint meeting of the Trustees, Selectboard, EGSC, and Prudential Committee to hold a work session on the RGSC recommendation for the recreation departments, dissolution of the RGSC, options based on the outcome of the vote on the recommendation for the recreation departments, and discussion of the tax equalization plan.

2. WORK SESSION/DISCUSSION

Pat Scheidel noted the following materials:

- Correspondence from Sue Cook, dated 10/10/16, regarding edits to the district agreement
- Letter from Daryl and Saramichelle Stultz
- Proposed FY18 budget and tax information for ECPR
- Copy of the presentation on ECPR

1. RGSC Presentation

A video was viewed on how the two recreation departments presently operate and a presentation was given on how the study committee was formed and developed the recommendation to establish a union municipal district called “Essex Community Parks & Recreation” (ECPR). Seven different governance models and five options of consolidating were evaluated before making the unanimous selection for a union municipal district under a new roof, a new shared entity. Articles of agreement were drafted which had to be approved by the Vermont Attorney General and which provide the framework for ECPR. The vote on December 13, 2016 is to decide whether or not to enter into the agreement and form ECPR.

Advantages to forming ECPR:

- Independent budget voted by Australian ballot in April of each year concurrent with the school budget vote as has been done with EJRP and was suggested by the study group.
- Unites community recreation.
- Allows both recreation departments and in turn the two communities to come together on equal ground.
- Provides long term stability.
- Another step forward in tax equity in the community.
- Provides increased transparency with all operations of ECPR which is overseen by a five member Board of Directors.

Concerns with forming ECPR:

- Two small departments are combined into one large department.
- Realizing tax equity will result in an increase for town-outside-the-village taxpayers.
- Adds another elected board and government entity to the community.
- Potential additional administrative costs as two departments move to one independent department.

ECPR will be overseen by a five member Board of Directors initially with one Selectboard appointee, one Trustee appointee, one Essex Junction resident, one town-outside-the-village resident, and one at-large resident, all with staggered terms. Subsequent boards will be five elected at large members. The Board of Directors will operate under the state Open Meeting Law. An Executive Director will be hired to oversee operations and appoint an independent Treasurer. There will be an annual independent financial audit. The budget will be approved by Australian ballot vote. The oversight for ECPR includes the voters, five member Board of Directors, Executive Director and possibly a Recreation Advisory Council.

The Transition Team made up of members of both recreation departments, CCSU personnel, and municipal staff have the goal of a seamless transition if the vote passes. The team is researching and getting answers to questions and wants to ensure existing services are maintained or enhanced. The Transition Team is recommending:

- ECPR handling daily receipts, accounts receivables, accounts payable, and HR.
- Essex Town will provide the Treasurer, check signing, accounting and audit, tax collection, and elections.
- A 3rd party provider will handle payroll, IT support, and legal support.

- Lands and buildings will be leased to ECPR for \$1/year and the village and town will retain ownership. ECPR will insure the properties and buildings and name the village and town as “additional insured”.
- ECPR will maintain the spaces and provide capital asset and equipment replacement.
- Parks and recreation supplies and equipment purchased by the recreation departments will transfer to ECPR and be used by recreation staff. ECPR will insure and provide future replacement and maintenance.
- Capital reserves related to parks and recreation will be retained by the town and ECPR can request use of the funds. Requests must be authorized by the Selectboard. Capital reserves for FY18 are estimated at \$213,000.
- The estimated budget assumes growth of 1% in the grand list, the village continuing debt relief payments on the remaining three years of the Maple Street bond, the village proposal to phase out additional tax support for ECPR over five years (five cents reduced by one cent each year) to ease the burden on the town, and the village no longer budgeting for the block party, farmers market, and train hop.
- The estimate of tax impact of ECPR on the average home valued at \$280,000 in 2017 is for a resident in the town-outside-the-village is \$16 (from \$87 to \$103). Village residents will see a tax decrease of \$11 (from \$280 to \$269).
- Decisions need to be made if ECPR is formed on a plan for program access, enhancements or changes, finalization of the budget for the April 2017 vote, and agreements related to village and town recreation assets.
- A “yes” vote from Essex at large and the Village of Essex Junction means ECPR is created, members of the Board of Directors are concurrently elected, and the Transition Team continues to work to merge the two recreation departments.
- A “no” vote from either Essex at large or the Village of Essex Junction means the Prudential Committee needs to decide the next steps for EJRP and if the Prudential Committee takes no action then EJRP transfers to the new Essex-Westford Educational Community Unified Union School District on 7/1/17. The Village Trustees expressed willingness to transfer governance of EJRP to the village government and will seek to enhance maintenance of the program’s entrepreneurial approach. The Trustees and the village would not pursue any further efforts to consolidate recreation departments with the town at this time.

A vote is needed on the matter before year end in order to have time to develop a budget. The Selectboard and Trustees may warn a special election vote on December 13, 2016. Petitions for the ECPR Board of Directors are available 10/7/16 and due to the Town Clerk by 11/7/16. If the vote is warned then the village and town can vote on ECPR and the Board of Directors via absentee ballot starting 11/23/16 or at the polls on 12/13/16. Any budget is hypothetical now. IF ECPR is approved by the voters the ECPR Board of Directors will draft the budget for recreation and the voters will vote on the budget in April 2017. ECPR will be in effect 7/1/17.

Appreciation for the work and effort put forth by the RGSC was expressed by the assemblage.

2. Comments from the boards

Sue Cook, Essex Selectboard, opined the view of the pros and cons is subjective, for example “independent budget” and “potential administrative costs” when the administrative costs are

known. Lori Houghton said the independent budget was viewed as a positive by the committee based on the survey, public participation, and the data at hand. At the time the decision was made the administrative costs were not known. Sue Cook suggested the presentation be updated to be current (i.e. reflect known administrative costs). Elaine Sopchak pointed out EJRP budget is already voted separately by the villagers so the process exists and is well received.

Marla Durham, Prudential Committee, suggested there should be information on the voice vote on the municipal budgets for the village and town being decided by only a small number of voters attending the annual meeting versus the ballot vote on EJRP that has many hundreds of votes.

George Tyler, Village President, said it is understandable the December 13th vote might be confusing, but there is a section of the village for federal and state elections that are considered part of the town (for local elections that section of the village is not considered part of the town) so there would be voters from that section of the village having to go to both places to vote or have a special section for them to vote. Also, there is a timing issue with the absentee votes and if the warning is not heeded then the vote could be contested. The decision for the vote in December was made outside the RGSC which wanted the vote in November.

Irene Wrenner, Essex Selectboard, said the vote could be held in November with a separate voting section and a separate voter checklist and the ballots put in a lockbox, but someone decided this would not be the preferred approach or the preferred date. Brad Luck noted the complication is the local ballot being sent out after the presidential election. Information on the voting issue was known and discussed on June 22, 2016. Irene Wrenner said the issue is only about the board seats themselves otherwise the vote could be held in November for the recreation special tax district, and should be as there are more people at the polls. The matter was not pursued hard enough. Ms. Wrenner said she found out on September 20th that it is not impossible to make it work. Max Levy said no one liked the December 13th vote, but did not want to take the chance of a contested election. Irene Wrenner said in her experience on merger votes the village went strongly one way or another. Ms. Wrenner said she does not think the recreation vote would have been so critical that it would have been contested.

Andy Watts questioned if a Recreation Advisory Council is really needed since there is a five member board. Jason DiRosa said having the advisory council will be a decision of the ECPR Board of Directors. Marla Durham said the Recreation Advisory Council for EJRP has been advantageous to the Prudential Committee because there were other community members who saw things the Prudential Committee did not. The volunteerism for the annual Easter egg hunt is from the Recreation Advisory Council. Dan Kerin added there were young people on the advisory committee who actually participated in the recreation programs which was useful. Lori Houghton stressed there is real value to having youth representatives on the advisory council. Jason DiRosa pointed out the advisory council meets with the Recreation Director, not the Prudential Committee (so it is not a second tier of oversight).

Sue Cook asked when service equity and expansion from the village to be more community centered will be addressed. Lori Houghton stated that was not the charge of the RGSC. George Tyler said it is envisioned the ECPR Board of Directors will do this type of planning. Sue Cook

asked if program expansion, such as the childcare program, will be addressed before the vote. Erika Baldasaro said the intention is to expand the program. Jason DiRosa added the goal is for all programs to be equitable. Programs that are not school specific will have equal access. Patrick Murray stated the Transition Team is focusing on expansion of programs.

Mike Plageman asked if town staff will have input on who will handle what duties within the recreation department. Brad Luck listed the individuals from the recreation departments, town staff, CCSU and village staff who have been discussing the actual operation of ECPR. Mr. Plageman commented the town is doing $\frac{3}{4}$ already in some shape or another.

Andy Watts asked who decided on the change in the term of the agreement for a union municipal district from three years to five years. Max Levy said the community does not have to wait five years to dissolve the district, but it takes more board voting and agreement to do this. After five year the Board of Directors can make the decision. There was suggestion to go to seven years for stability purposes, but it was felt five years is a good number.

Andy Watts asked why the library was dropped from the discussion. Members of the RGSC stated the library was too far outside the scope of work of the study committee. Jason DiRosa noted the framework allows other services, such as the library, to be added in the future. Brad Luck stated Vermont has complex laws surrounding libraries. There has been no legal opinion on whether the library could be included. The senior center and farmers market do not have the same complex laws. Sue Cook commented the library is filling the same kind of roles as recreation, same program constituents. Christine Packard stated there are communities with library as part of recreation. George Tyler commented the Village Trustees often struggle with committees doing this event or that event so having the recreation department handle events would be welcomed.

Marla Durham asked if there were questions from the public on what is meant by “equal ground” listed under the pros for ECPR. Betzi Bilodeau said there was only a question on where the office would be located. Jason DiRosa said “equal ground” means one community for the district and everyone treated the same with no difference in user fees. Ally Vile added EPR will not become EJRP or vice versa, but a new team will be formed using parts from each that work the best.

Michael Plageman asked for an explanation of “program access”. Lori Houghton said program access means user fees will go away. Space issues have to be worked out for programs.

Andy Watts asked if non-user fees will be in a special fund. Brad Luck said non-resident fees currently go into an enhancement fund that is used for scholarships for village residents and enhancements to the park. With ECPR there may be an amount of money for scholarships, but not enhancements which will have to be in the capital or operating budgets.

Irene Wrenner mentioned wording in the agreement that needs clarification (tax equity between the town outside the village) and that there is no #21 in the agreement. Brad Luck said the Agreement contains the final language approved by the Attorney General.

3. Status Report on Transition Work

Covered in the presentation given by the RGSC.

4. RGSC Date to Dissolve

Mike Smith stated the RGSC expected to dissolve after providing the recommendation on the recreation departments, but found the need to remain as a group to pull together information and hold public forums. Budgeting numbers and details on ECPR continue to evolve. RGSC suggests staying intact until after the vote in December.

Marla Durham said the RED Committee had a core group that remained and attended all the public forums to answer questions.

George Tyler spoke in support of keeping the committee as an information source until after the vote. Andy Watts concurred. Mike Plageman said the presentation is changing as more information is available so the group must continue.

Sue Cook asked if there is a way for others to get involved with the committee for diversity of thought. Andy Watts pointed out all meetings are open to the public for comment. Max Levy said RGSC cannot appoint a committee or new members. Lori Houghton said the questions that are being asked by the public necessitate knowledge of being on the committee from the start to answer. All the meetings are open and there have been public forums and input throughout the entire process. Sue Cook agreed there is value in continuity, but said it feels as if there is some exclusion if others are not allowed to join. Max Levy reiterated others cannot join the committee, but can give input. Andrew Brown added there is a defined number of people on the committee and work is still being done by the members. Lori Houghton stated the committee is not changing the decision, but simply providing information on the decision.

Irene Wrenner stated per the statute as to what the committee was held to do. She said the work is now done and the committee should dissolve. If the committee is to continue using town resources then the membership should be opened up to others to be involved. Mike Plageman said someone intimately familiar with the information that went into the decision needs to be in charge in order to answer question. People outside the committee can come to the meetings and give input. Marla Durham pointed out the committee has been taking questions and providing answers. The information is posted on the website. People have access to the information without having to attend the meetings. George Tyler observed people opposed to the recommendation have had ample opportunity to have a voice. Dialogue has been robust and tolerant.

The consensus of both the Selectboard and the Trustees is the RGSC should continue.

5. Transfer of EJRP to Village Government

George Tyler explained if there is a “no” vote on forming ECPR the village government has offered to take EJRP because the unified union school district was not enthusiastic about taking on the recreation department and there is not time to enter into negotiations for another option.

Marla Durham explained the unified union school board does not feel their business is parks and recreation because their mission is to educate students. There would have to be a unification with

Westford recreation if the school district assumed EJRP all while trying to unify the school district. The Prudential Committee also has to figure out the complexities of the Saxon Hill property that is owned by the school district and leased to the town.

There was discussion of the agreement between the village and the Prudential Committee for EJRP and when that dissolves where EJRP will be. George Tyler noted if the independent recreation district (ECPR) is created the Trustees and the Prudential Committee bow out of overseeing EJRP after the agreement is established with the new entity. No matter what the outcome of the vote on ECPR the village and Prudential Committee must make a decision on EJRP. Andy Watts said if there is not an automatic transfer then discussion, negotiation, and signatures are needed.

Sue Cook questioned the statement by the Trustees about not pursuing consolidation of the recreation departments if the vote is “no” on forming ECPR. George Tyler said the issue is not wanting to put the recreation staff and people who depend on the services of the recreation program through one transition after another. Lori Houghton added people who use the childcare service are on edge and want to know there is stability with the program. Sue Cook advised the voters should feel if the recreation option is not supported then the opportunity to benefit from a unified recreation department is not totally off the table. George Tyler assured the Trustees are trying to depoliticize the matter as much as possible. The vote is an opportunity for the town and village to take a big step ahead on consolidation. Sue Cook asked if the recreation issue got reprioritized because of the school vote. George Tyler said reason is because many people depended on the services offered by the recreation program.

6. Tax Equalization Phase-In Plan

George Tyler explained if the vote passes the voters in the town-outside-the-village will have a fairly significant tax increase in one year. The village is proposing a plan to ease that impact using the total revenues people in the village pay toward recreation presently by having the decrease the village taxpayers would see in their taxes to be in five smaller increments rather than one large amount. Details of the tax collection would have to be worked out. The Trustees would support this legislatively.

Jason DiRosa pointed out every village resident is a member of EJRP and also pays for EPR. When the new recreation district (ECPR) is formed all are paying the same, village and town. With the phased-in plan the villagers would be paying more and not receiving an added benefit which does not support the goal of the new recreation district to be equitable with equal access.

Max Levy said the ECPR Board of Directors can make the decision and the Trustees can enable the plan to be invoked.

Marla Durham said in the spirit of cooperation it is hoped people will understand down the road there is savings and benefit for both the village and town.

Lori Houghton said there has been positive feedback from people in the village who understand the need for a gradual change.

Sue Cook said the issue is service equity and tax equity.

Andy Watts asked if the legal questions have been asked. Pat Scheidel said legal counsel has been consulted, but answers have not yet been received. A general consensus on the phase-in plan is needed for budget preparation purposes. A plan is needed prior to the vote so everyone agrees that is part of the budget. Andy Watts said he wants assurance the phasing is legal and implementable. People should not be given the false impression that the phasing will be done.

Elaine Sopchak stated all the consolidation efforts are benefiting village residents because the goal is tax equity. When the consolidation is complete will be the time when all are paying equal taxes for services.

Following further discussion there was agreement the RGSC presentation should include information on the implications of having the phase-in and not having the phase-in, showing numbers in both circumstances. Any other options should also be considered. Pat Scheidel said any additional information will be available at the next public forum.

3. PUBLIC TO BE HEARD

John Sheppard, 55 Greenfield Road, Essex, mentioned the grand list being larger in the town than the village so the town will pay more. Doug Fisher explained the grand list in the village is 10.8 million and the grand list for the town-outside-the-village is 14 million for a total of 24.8 million. The town will pay more.

Paul Austin, Essex, stated “in the spirit of consolidation” suggests being against consolidation if you vote against the recommendation for recreation which is not right. Also, if there is consolidation there should be tax equity, but think carefully about the consequences because if programs have to be expanded taxes will increase.

Robert Bates, Essex (outside the village), said it makes no sense to hold an election in mid-December 12 days before Christmas in the snowiest month of the year. This breeds conspiracy theories and a credibility issue. Perception becomes reality. Holding the election in November was said to be illegal, but now is said to be legal. The information should have been known first. Again, this is a credibility issue. The resolution by the Trustees says in the event of a “no” vote no further efforts to consolidate the recreation departments will be pursued. People are concerned about getting the entire story. The vote seems rushed and should be held at town meeting. Members of the committee have “citizen blinder syndrome” and do not hear or see any other possibilities. Marla Durham noted the unified school district budget was based on assumptions and estimation because there were so many unknowns before the vote. Also, the resolution says further consolidation effort will not be pursued “at this time”, but “may pursue consolidation with other municipalities...” Read that as the Town of Essex.

Saramichelle Stultz, village and town resident, referred to her letter to the Selectboard, noting some of the letter will be published in the *Essex Reporter* as well. Ms. Stultz spoke in support of the union municipal district because there would be more equal representation for both communities, there would be one budget, one elected board, and more inclusiveness. The December vote is right. The time is right. The issue is here. People are talking. The committee

wanted a November vote, but there was too much to do. The vote is not being staged at an odd time to impact voter turnout. There was risk with the November vote and the timing would not have allowed community discussion. The community has been waiting since 2006 to do this so it is not rushed. The momentum is happening now. If the departments had merged in 2006 money, resources, and time would have been saved. Time, money and resources should not be further wasted. The vote in December should move forward. Regarding the phase-in, it is acceptable to pay a portion, but keep in mind the villagers will be paying off the pool bond and sharing the pool with town residents.

Paula DeMichele, town resident who also lived in the village, said people in the village and town are confused as to why the village cannot make recreation a department or merge with the town recreation department. The matter feels rushed. Voting at Christmas time is insane and will have a low turnout. Thoughtful Growth in Action group worked differently by getting out information in the beginning. Ms. DeMichele spoke against the vote in December.

Bridget Meyer, former town resident and now a village resident and land owner in the town, asked how long the RED Committee met before the schools were unified. Marla Durham said the committee met from March to the end of June. The meetings finished on time or early, but committee members put in lots of time on weeknights and weekends outside of meetings. Bridge Meyer asked the amount of the school budget. Judy DeNova said \$56 million. Bridget Meyer pointed out the RGSC began in April and has not rushed the decision. Other states have unified recreation districts that can be researched so the idea is not unknown.

Irene Wrenner asked if there was an incentive from the state to merge the school districts. Judy DeNova said the district qualified for two \$150,000 grants and opportunity for tax incentives to help with the transition (10 cents the first year decreasing by two cents each year thereafter for five years). Irene Wrenner observed the math changes if there are state incentives. Ms. Wrenner said the RED Committee had one option and answered 20 questions. Marla Durham clarified the committee had two options that were complex. An attorney was present at every meeting. Judy DeNova added Act 46 was passed and allowed the creation of the unified union rather than a regional education district. Irene Wrenner observed the RED Committee looked at two options and the RGSC looked at seven options, but spent less than three hours learning about each option before making a decision. Sue Cook pointed out the RED Committee had the benefit of a facilitator. Perhaps it was a disservice not to have a facilitator for the RGSC meetings.

The RGSC meeting adjourned at 9:48 PM. The Prudential Committee relocated to another meeting room.

4. BUSINESS

1. Language on Warnings

Pat Scheidel read the suggested language for the warning on the formation of a union municipal district to be known as Essex Community Parks & Recreation (ECPR). Sue Cook asked if there is any potential to adjust the language because Article 2 (Board of Directors) is confusing and infers that Article 1 is approved. Pat Scheidel will check with legal counsel on the wording. There was mention of the information on the website about the vote and concurrent election of

the board. Lori Houghton suggested the warning be posted on the website as a sample of what to expect at the polls.

MOTION by Elaine Sopchak, SECOND by Lori Houghton, that at the Trustees regular meeting on November 8, 2016 an item shall be placed on the agenda on whether to adopt and sign the warning for a Special Village Meeting on December 13, 2016. VOTING: unanimous (5-0); motion carried.

MOTION by Andy Watts, SECOND by Mike Plageman, that at the Selectboard regular meeting on November 7, 2016 an item shall be placed on the agenda whether to adopt and sign the warning for a Special Town Meeting on December 13, 2016 pending clarification of whether the wording in Article 2 can be modified. VOTING: 4 ayes, one nay (Irene Wrenner); motion carried.

5. ADJOURNMENT

MOTION by Andrew Brown, SECOND by Dan Kerin, to adjourn the Board of Trustees meeting. VOTING: unanimous (5-0); motion carried.

The meeting was adjourned at 10:05 PM.

RScty: M.E.Riordan 