1. CALL TO ORDER/PLEDGE OF ALLEGIANCE TO FLAG [6:30 PM]

2. AGENDA ADDITIONS/CHANGES

3. APPROVE AGENDA

4. PUBLIC TO BE HEARD
   a. Comments from Public on Items Not on Agenda

5. PUBLIC HEARING
   a. Public Hearing on Fiscal Year End 2020 Operating Budget [6:35 PM]

6. BUSINESS ITEMS
   a. Adoption of FYE 2020 Operating Budget and Capital Program
   b. Adoption of road, sidewalk and utility infrastructure on Taft Street—Robin Pierce, Jim Jutras, and Rick Jones
   c. Discussion on whether to proceed on a Village mural—Elaine Haney
   d. *Evaluation of personnel—Evan Teich

7. CONSENT ITEMS
   a. Approve street closing for Little League Parade on 5/4/19
   b. Approval of minutes: January 22, 2019
   c. Approve Annual Report Dedication 2018
   d. Check Warrants #17132—01/25/19; #17132—01/31/19

8. READING FILE
   a. Board Member Comments
   b. Village Land Acquisition Fund
   c. Essex Rescue Report 2018
   d. Strengthening Communities for the Future Forum
   e. Local Government Day in the Legislature Event
   f. Upcoming Meeting Schedule

9. EXECUTIVE SESSION
   a. *An executive session is anticipated for evaluation of personnel

10. ADJOURN

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Certification: ___________________ _________________
Date Posted Initials 02/08/2019
VILLAGE OF ESSEX JUNCTION
BOARD OF TRUSTEES
MINUTES OF MEETING
February 12, 2019

TRUSTEES PRESENT: George Tyler (Village President); Andrew Brown, Dan Kerin, Lori Houghton [via telephone], Elaine Haney.

ADMINISTRATION: Evan Teich, Unified Manager; Sarah Macy, Finance Director/Assistant Village Manager [via telephone]; Brad Luck, Rec Director.

OTHERS PRESENT: Annie Cooper, Erna Deutsch, Timothy Miller, Annie Miller, Hannah Tracy, John Wermer, Irene Wrenner, Nick Meyer, Bridget Meyer, Saramichelle and Darryl Stultz, Raj Chawla, Stephen Gregg, Richard Smith.

1. CALL TO ORDER and PLEDGE OF ALLEGIANCE
Village President, George Tyler, called the meeting to order at 6:30 PM and led the assemblage in the Pledge of Allegiance.

2. AGENDA CHANGES/APPROVAL
The Trustees discussed tabling some items on the agenda to focus the meeting on the public hearing and the budget followed by a brief Executive Session on a personnel matter.

3. GUESTS, PRESENTATIONS and PUBLIC HEARINGS
a) Comments from Public on Items not on Agenda
Nick Meyer, Pleasant Street, gave kudos to the Street Department for the work during the recent snow storms.

John Wermer, Sugar Tree Lane, echoed the positive comments on the work of the Street Department.

Irene Wrenner, Thrush Lane, announced the next Vermont Humanities event at Brownell Library on March 6, 2019 to discuss civility.

4. PUBLIC HEARING
a) Public Hearing: Fiscal Year Ending 2020 Operating Budget
The public hearing was opened at 6:35 PM. Evan Teich highlighted that the budget tries to meet the goals of the Trustees and recognizes the following:
- Aligning Village and Town highway budgets
- Hourly salary for paid on-call firefighters at $15/hour
- Paid training for both fire departments
- Co-location of the Rec Department
- Creation of a ‘Building Department’ and compiling data on how budgeting is done for buildings
- Recognizing additional ways to combine services with the town
- Decrease in permit fees due to activity in construction in the community

MINUTES SUBJECT TO CORRECTION BY THE ESSEX JUNCTION BOARD OF TRUSTEES. CHANGES, IF ANY, WILL BE RECORDED IN THE MINUTES OF THE NEXT MEETING OF THE BOARD.
• Capital budget and Rolling Stock budget and receipt of $50,000 from the town
• Increase in financing for capital projects to 15% plus adding $10,000 to the rolling stock contribution to avoid going into the negative for the projects on the list
• Continuing the combined services initiative
  ○ Town government paying a share of the Assistant to the Manager position
  ○ Communications Coordinator working together with Town and Village
  ○ Combining public works functions
  ○ Combining the Finance Department
  ○ Shared Town/Village Clerk
  ○ Shared HR Department
  ○ Shared grant procurement
• Proposed FYE20 budget is $5,164,913 for approval at the Village Annual Meeting in April. This represents a 4.2% increase over last year mainly due to increase in money to be spent on capital improvements. Impact on an average Village home assessed at $280,000 is $26 increase over the previous budget.

COMMENTS
Irene Wrenner mentioned the town paying for IT and finance services for nonconsolidated departments. Evan Teich said in general the Town government covers IT and HR. The Village pays half the salary and benefits of the Municipal Manager and 70% of the Assistant to the Manager and Clerk positions. The Town pays for the other two full time employees in the administration. Village residents pay into the village General Fund. Town government taxes the Village General Fund and the town outside the Village General Fund.

There was lengthy discussion on the Rec Program including the change in rec fees and access for Village residents (i.e. collocating of the rec departments and treating all community members the same). Evan Teich explained both the Village and Town have a rec program fund exclusive of staff. The programs are designed to pay for themselves.

There was comment from the public that equal taxation should occur before merging departments, and that time needs to be taken to figure out governance first. It was noted there is a governance subcommittee with members from the Trustees and Selectboard looking at models for restructuring the governance of the community. Elaine Haney noted the intention was to choose departments to consolidate with the least amount of hurt, least amount of financial impact, and least amount of complications. That has been done and now more sensitive areas are being addressed. The subcommittee is working on governance and a vision, and will offer an opinion, but ultimately the people will decide. The Village and Town would not have moved forward with co-location if it was felt someone would be left out. The truth and reality is in the numbers. The Village and Town have to do some compromising as to consolidation.

Regarding the co-location proposal, suggestion was made from the public that Village residents should have first rights to programs since the Village is paying a majority of the Village rec budget. George Tyler noted access to programs and the associated fees are
policy issues, not budget issues. Evan Teich said the impact is a loss of $7,000. Andrew Brown pointed out the Trustees have not discussed policies for EJRP since the department has come under the Village government.

Evan Teich explained co-location is not merger, but rather parks and rec staff moving to 75 Maple Street (i.e. two entities in one building). The departments are not merged and they serve two different functions. One of the synergies will be a joint brochure outlining the village and town programs. Co-location could lead to merger, but the boards will have to decide when that will occur.

There was a question about the space used by the rec department in the Town. Evan Teich said the space will remain open at present in case the co-location does not work otherwise other Town departments will use the space. George Tyler mentioned the town is paying the Village a $12,000 rental fee for the space at Maple Street Park. Brad Luck clarified the money is from the Town rec program fund and not tax revenue.

There was mention of the co-location being an “olive branch” from the Village to the Town to move forward together. Colocation can be supported if there is to be equal taxation, but extending the same benefits to non-Village taxpayers that are extended to Village taxpayers who pay for EJRP exclusively is not looking out for the wellbeing of the Village taxpayers. Brad Luck, EJRP Director, said the co-location proposal treats all Essex residents as residents at the rec department. Access to the EJRP childcare program is for children who attend village schools. The summer camps allow residents of the town outside the Village to be in the credit score system used for enrollment. Many programs, such as the swim program, have several sessions. The first sessions do fill up early, but people can sign up for later sessions.

There was mention of the incentive to merge if the Town outside the Village is getting access to the EJRP programs at no charge. There was question as to the amount the town pays for the Town rec program versus what the Village pays for the rec program that will serve the Village and Town. Evan Teich said the EJRP administration cost is $657,000. Both the Village and Town use $280,000 as the average assessed house to determine cost impact. The Town rec department in addition to offering programs manages lots of open space and parks. Both rec directors are working to maintain the quality of the programs or make them better and sustainable with a merger. A stellar job is being done.

Andrew Brown was asked to express his concerns for the co-location. Trustee Brown said waiving the non-resident fee is not appropriate. The decrease in revenue ($7,000) should be offset with a like decrease in expenses otherwise the Village is paying for the loss of revenue while townspeople outside the Village use the resource at no cost.

There was mention of the Village being part of the Town, but having to pay for the Village rec department and part of the Town rec department through taxes. There was also mention of the sharing of services and funding mirroring what occurred with the Public Works departments. George Tyler explained the MOU for Public Works was
unique. Public Works was moved into the Town General Fund. The Village and Town should not be operated by MOUs.

There were no further comments.

5. BUSINESS ITEMS
a) Adoption of FYE2020 Operating Budget and Capital Program
The Trustees further discussed consolidating departments to have simplification, save money, and have equity. There was recognition of the continuous hard work on consolidation that is taking place by staff every day along with running the community. Lori Houghton stressed the need to continue to get the word out to the public so citizens stay engaged. Consolidation should be suspended until governance is figured out. There is great faith in the rec directors to do right by the community and pulling the departments together will be a gain for moving forward. Equitable tax sharing regardless of the governance structure is paramount. Clarification is needed on whether charging a co-location fee is legal. Questions on the co-location/consolidation of the rec departments should be answered before proceeding to confirm this is the direction to take. Consolidating essential services like Public Works and Police because costs are shared makes sense. Recreation is not an essential service so there is a choice. Staff is acting on efficiencies and what makes sense. There has been no pressure from the political bodies to co-locate the rec departments.

It was noted the budget can be approved with no impact to the recreation policy. More discussion can take place on rec policies. The tax impact of adding $7,000 back into the FYE20 budget for non-resident rec fees is a reduction of the tax increase from $26 to $24 for a house assessed at $280,000. Elaine Haney stressed it must be made clear that the Trustees are approving the budget, but will have subsequent policy discussion on the differential between the Village and Town. People should know it is fine to approve the budget because there is a solution outside the vote on the budget. Andrew Brown spoke against voting on the budget unless a statement is made that non-resident rec fees will be addressed by internal transfer.

Brad Luck suggested offsetting the $7,000 in revenue with the same expenditure amount for cleaning services for EJRP so there is no change to the proposed budget. Finance Director, Sarah Macy, suggested increasing the EJRP non-resident fee revenue line item by $7,000 (to $20,000) and not changing the expenditure side of the budget. The tax rate would decrease from 3.0% to 2.8% and the impact on a house assessed at $280,000 would be an increase of $24 rather than $26.

MOTION by Andrew Brown, SECOND by Elaine Haney, that the Board of Trustees increase the EJRP non-resident revenues by $7,000 to $20,000 and adopt the FYE2020 Operating Budget and Capital Program as follows:

- General Fund $5,164,913
- Water Fund $4,036,164
- Waste Water Fund $2,074,046
- Sanitation Fund $ 543,654
- Rec Program Fund $1,912,034
- General Fund Capital Reserve $ 42,160
- Rolling Stock $ 33,600
- Water Fund Capital Reserve $ 103,942
- WWTF Capital Reserve $ 77,457
- Sanitation Fund Capital Reserve $ 278,508
- Rec Capital Reserve $ 111,616

VOTING: unanimous (5-0); motion carried.

An individual in the audience asked about rectifying the tax inequity between the Village and Town. Evan Teich assured this will be addressed as part of the merger plan. George Tyler added the goal is to maintain service levels in the Village and Town, distribute costs, and have a positive relationship with town and Village departments. There is now a Unified Manager for the entire community and the Trustees and Selectboard have met more in the last year than the previous 100 years to discuss issues. Elaine Haney noted without the consolidation of departments that has occurred to date there would have been a significant tax increase. Consolidation will take time. The work continues.

b) Adoption of Road, Sidewalk, and Utility Infrastructure on Taft Street Postponed.

c) Discussion on Village Mural Postponed.

d) Evaluation of Personnel To be discussed in Executive Session.

6. CONSENT ITEMS
a) Approve Street Closing for Little League Parade, 5/4/19
b) Approve Minutes: January 22, 2019
c) Approve Annual Report Dedication 2018
d) Check Warrants #17132 – 01/25/19; #17132 – 01/31/19

MOTION by Elaine Haney, SECOND by Dan Kerin, to approve the consent items as presented. VOTING: unanimous (5-0); motion carried.

7. READING FILE
a) Board Member Comments
b) Village Land Acquisition Fund
c) Essex Rescue Report 2018
d) Strengthening Communities for the Future Forum
e) Local Government Day in the Legislature Event
f) Upcoming Meeting Schedule

There was no discussion of the items in the reading file.
8. **EXECUTIVE SESSION**

*Personnel*

MOTION by George Tyler, SECOND by Andrew Brown, pursuant to 1VSA313 to go into Executive Session to discuss evaluation of a public official where premature public knowledge would place the Village of Essex Junction at a substantial disadvantage and to invite the Unified Manager to attend. **VOTING:** unanimous (5-0); motion carried.

Executive Session was convened at 9:17 PM.

MOTION by Elaine Haney, SECOND by Dan Kerin, to adjourn Executive Session. **VOTING:** unanimous (5-0); motion carried.

Executive Session was adjourned at 9:52 PM.

9. **ADJOURNMENT**

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

The meeting was adjourned at 9:53 PM.

RScty: M.E.Riordan