

CITY OF ESSEX JUNCTION LOCAL OPTION TAX REVENUE POLICY

Purpose:

To define a process and procedure for allocating revenue from the local option tax ("LOT") fund for the City of Essex Junction to certain expenditures.

Definitions:

Capital projects are defined as a physical improvement on roads, bridges, culverts, sidewalks, multi-modal pathways, and waterlines in alignment with the City's purchasing policy, and is not recurring on an annual basis.

Capital projects **DO NOT** include the following: routine street paving, rolling stock, wastewater, sanitation, and buildings.

Policy:

The general policy is that all revenues received through the imposition of the LOT shall be used for capital projects within the City of Essex Junction **except as specifically approved by the City Council.**

During the annual budgeting process, the City Council shall develop a plan which identifies the specific capital projects the LOT funds will be used for in the upcoming fiscal year. The specific capital projects do not need to be listed on the current Capital Program Review Committee priority projects but must include an annual set-aside of 25% of annual LOT revenue to be applied toward sidewalk improvements/repairs. The prioritization of sidewalk repairs shall be based on the most recent Chittenden County Regional Planning Commission ("CCRPC") sidewalk assessment.

All revenues received by the City of Essex Junction as proceeds of the LOT fund, shall be set aside by the City Finance Director in a dedicated, restricted fund.

The LOT fund is subject to the City of Essex Junction Purchasing Policy.

A report of all revenues and expenditures of the LOT fund shall be prepared by the City Finance Director and included in the monthly financial statements, and annual City report.

The City Council shall review and amend (as applicable) this policy on a semi-annual basis.

Adopted by the City Council on December 20, 2023.