

**CITY OF ESSEX JUNCTION  
CITY COUNCIL  
SPECIAL MEETING – FY27 BUDGET  
DRAFT MINUTES OF MEETING  
December 5, 2025**

**COUNCILORS PRESENT:** Amber Thibeault, President; Marcus Certa, Vice President; Tim Miller, Clerk; Elaine Haney; Brian Shelden.

**ADMINISTRATION:** Regina Mahony, City Manager; Greg Duggan, Town of Essex Manager; Colleen Dwyer, Human Resources Director; Chris Gaboriault, Fire Chief; Michael Giguere, City Planner; Ron Hoague, Essex Chief of Police; Wendy Hysko, Library Director; Ricky Jones, Public Works Superintendent; Karen Lemnah, Assessor; Brad Luck, EJRP Director; Susan McNamara-Hill, Clerk/Treasurer; Chelsea Mandigo, Water Quality Superintendent; Jess Morris, Finance Director; Ashley Snellenberger, Communications & Strategic Initiatives Director; Chris Yuen, Community Development Director.

**OTHER ATTENDEES:** Dottie Bergendahl, Alex Carmical, Jeanne Grant, Karen Hergesheimer, Christine Packard, Sheila Porter, Dennis Thibeault, George Tyler, Resa.

**1. CALL TO ORDER**

City Council President Thibeault called the meeting to order at 8:30 AM.

**2. AGENDA ADDITIONS/CHANGES**

None.

**3. APPROVE AGENDA**

None needed.

**4. PUBLIC TO BE HEARD**

a. Comments from public

Resa asked how the public can provide input for the FY27 budget being reviewed during today's meeting, and City Council President Thibeault replied that members of the public can submit written comment via email to the City Manager and City Councilors and during the public comment portion of City Council meetings where the budget will be discussed over the next several months.

**5. BUSINESS ITEMS**

a. Discussion of the proposed FY27 General Fund and Enterprise Fund Budgets

**Overview, Revenues**

City Manager Mahony began by noting that Fiscal Year (FY) 2027 will be the fourth City budget and will be the second year that a comparison to actuals (FY25) is available. She noted that staff were asked to produce a budget with no greater an increase than 3% and were also asked to produce a second budget with a no greater an increase than 5%. She noted that the initial draft budget in front of the Council today represents a \$500,000 (or 4.2%) increase over FY26's City Budget in the General Fund and a 4.4% increase on the tax levy. She noted that overall, this translates to a \$124 tax increase per year on a \$280,000 home over FY26. She also noted that draft utility budgets have been developed in order to provide a full picture of next year's tax scenario. She said that the total impact from all budgets (General Fund and enterprise budgets) is an approximately \$222 increase over FY26.

City Manager Mahony provided overall comments about General Fund expenses. She noted that while personnel costs account for the largest share of the General Fund budget (about 34%), staff are the City's greatest asset. She noted that this year is the final year of the current association contract, and that staff will see a maximum of a 4.25% merit-based increase. She noted that health insurance costs for FY27 only increased by 2.05% (though they are assuming a conservative 12% increase for CY2027—the latter half of FY27), and that no new positions are being contemplated (though the Assessor's Office will expand from 1.7 FTEs to 2.0 FTEs, to be cost-shared with the Town).

City Manager Mahony spoke briefly about her FY27 top ten Manager considerations for the budget. These included adhering to Council direction as much as possible (a proposed budget increase of between 3-5% over FY26), aligning with Councilor priorities from the Council's Strategic Retreat, building as conservative a budget as possible, recognizing Grand List uncertainty with the current reappraisal activities, acknowledging the volatility of health insurance costs, implementing cost containment efforts where possible, moving expenses out of the General Fund to Enterprise Funds incrementally, estimating preliminary Enterprise Fund impacts for FY27 where possible, acknowledging a potential bond vote to minimize the impact on taxpayers, and implementing a certain level of transfers from operating budgets to capital reserve funds where and if feasible. She also briefly provided an overview on revenues (a 4.7% increase over FY26).

City Manager Mahony briefly summarized the timeline for FY27 budget development and approval. She noted that after this initial presentation, Council budget working sessions are scheduled for the City Council meetings in January, with a community meal and budget presentation on January 31, 2026. She said that after that, continued Council budget sessions and a vote will be held in February, with the budget up for voter consideration at Annual Meeting Day on April 14, 2026.

#### **Fire/Fire Building**

Fire Chief Gaboriault began by noting that this budget represents an increase of 3% over the FY26 budget, and that they worked to adhere to last year's budget as much as possible. He noted additional funding into the salary line item of the budget, given higher call volumes seen during the year.

Councilor Certa noted that some of the increased call volume could be due to repeat callers or frequent flyers from the same address, and wondered if there could be a mechanism to recoup some of the costs due to repeat callers. Chief Gaboriault replied that they could look into potential ordinances to address this, possibly by assessing fees for multiple calls to the same address. He noted that increases to call volume don't seem to be driven by any one cause.

City Manager Mahony then spoke about the Fire Building budget, which shows a 40% increase from FY26 (around \$11,500) for removing walls on the first floor of the Fire Department to employ a more open-concept floor plan. Chief Gaboriault said that this renovation allows for more staff collaboration.

#### **Community Development**

City Manager Mahony began by noting that the Community Development budget for FY27 has increased by 3.1% over FY26. She spoke about the revenue decrease from FY26 to FY27 of around 40%, noting that this is driven by the volatility in development activity and collecting development-related fees from year to year. She said that this revenue assumption is conservative. She also noted that dedicated funding for Taft Street litigation is not included here and that it could cost a total of \$40,000 between FY26 and FY27.

City Council President Thibeault asked about assumptions for revenue due to fines for ordinance violation, and City Manager Mahony noted that this is included in the license and zoning fees revenue line and that there was no potential revenue assumed for this activity for FY27.

City Manager Mahony and Community Development Director Yuen reviewed the Community Development Department's Work Plan with the Council. Councilor Certa asked if vacancies in the Police Department will affect the Community Development Department's ability to update the City's traffic calming policy. Director Yuen replied that the policy itself is almost completed, but that the speed studies could be impacted by capacity limitations at the Police Department.

#### **Economic Development/Public Safety and Services/County-Regional/Economic Development Fund/LOT Fund, Building Maintenance Fund**

City Manager Mahony spoke briefly about the Economic Development budget, noting that it is included as a placeholder (with \$0 revenue and \$0 expenses). She noted that the City successfully had an Economic

Mobility and Opportunity Special Assistant Program position approved, and that this is a grant-funded shared resource with the Chittenden County Regional Planning Commission (CCRPC) and the municipalities of Winooski, South Burlington, and Shelburne. She also noted a shared equity resource at CCRPC for Essex Junction.

City Manager Mahony spoke briefly about the Public Safety and Services budget, which includes costs for Essex Rescue, the Police Department, and the Cemetery Association. She noted that the Essex Rescue budget and Cemetery Association line items are level-funded from FY26 to FY27. She noted a 9.7% increase in Police Department costs, but said that the Police Department's budget will be discussed in more depth later this afternoon.

City Manager Mahony then spoke about the County and Regional Functions budget, which has an overall 1.6% increase. She noted that the CCRPC decrease was due to an error in assigning dues to CCRPC between the Town and City (they had previously been combined), resulting in a decrease in actual costs. She noted that there will be an additional increase to the Green Mountain Transit line item of \$4,000.

City Manager Mahony spoke about the Building Maintenance Fund, which is supported by transfers from the General Fund. She said that this fund is used for maintenance and repairs for the City's buildings.

City Manager Mahony spoke briefly on the Economic Development Fund, noting that the projects currently in the fund include the Amtrak station, the Main Street Park project, and the Crescent Connector project.

City Manager Mahony spoke briefly on the Local Option Tax Fund. She noted that this funding is very dependent on the economy and the receipts generated through sales. She said that though the percentage of the funding that municipalities receive will increase beginning in FY27, some municipalities are projecting overall decreases in this revenue stream (partially driven by decreased revenue from Canadian tourism).

#### **Administrative/Legislative/2 Lincoln Building**

City Manager Mahony noted that the 2 Lincoln Building budget is showing an increase in FY27 of 6.5%, but noted that this budget may fluctuate given that the space was recently renovated and they are still trying to project costs for building heating, utilities, and cleaning services.

City Manager Mahony provided an overview of the Administrative budget, noting its projected increase of 4.1% over FY26, largely due to health insurance election changes for personnel.

City Manager Mahony spoke briefly on the legislative budget, noting a projected 11% decrease due to removing costs associated with the Governance Committee in FY27. Councilor Certa noted that the Governance Committee has been discussing potential changes in stipend amounts for City Councilors, and City Manager Mahony noted that this is included on a list of potential line items that will change between now and when the budget is finalized.

#### **Public Works – Streets**

City Manager Mahony spoke about the Streets budget. She noted that in FY27 there is an increase in the repair and maintenance for vehicle costs due to aging equipment and some shifts in roof insurance costs, but that generally this budget mostly attempts to stay on top of costs associated with vehicles and paving. She also noted that throughout the entirety of the budget there are increases in certain places, anticipating the impacts of the new traffic calming policy.

Councilor Certa asked if this budget assumes full staff capacity, and Public Works Superintendent Jones replied that it does, yes. He also asked if it would be possible to allocate staff time to the Buildings portion of the budget to reflect the expenses of staff, and City Manager Mahony replied that this could be reflected in the budget, but that these costs are all ultimately in the General Fund budget anyway. Councilor Miller asked if paving funds for the westbound portion of Pearl Street was reallocated from elsewhere and whether this

resulted in detrimental impacts to other projects, and Public Works Superintendent Jones replied that this isn't negatively impacting other projects. He noted that state paving budgets were significantly cut and that the Class 1 paving schedule has been pushed out for all roads across the state.

#### **Enterprise Funds – Water/Wastewater/Sanitation/Stormwater**

City Manager Mahony began by noting that the enterprise fund budget estimates are preliminary and will be worked on for a number of months. Finance Director Morris noted that the Water Fund's budget currently shows a projected increase of 3%, but that it is not clear yet how that will translate to water rate impacts for rate payers. City Manager Mahony spoke about the Sanitation Fund budget, noting that the 9.2% rate increase is due to the proposed capital transfer. City Manager Mahony then spoke about the Stormwater Fund budget, noting that this is the second year of the City's stormwater utility and the first year that transfers are proposed for capital savings (resulting in a budget increase from FY26 to FY27 of around 50%). Water Quality Superintendent Mandigo noted that the City has expended the majority of its FY26 budget implementing emergency fixes to stormwater pipe infrastructure and that she has had to decline a number of grants in order to save the City's matching funds for any future emergencies. Councilor Sheldon asked how much of a need there is for current urgent repairs, and Water Quality Superintendent Mandigo replied that approximately \$250,000 would help to catch up on repairs and immediate maintenance for sliplining stormwater pipes. City Manager Mahony then spoke about the Wastewater Fund budget, noting an increase of 3.4% over FY26. Water Quality Superintendent Mandigo noted that the City's land use application for biosolids will cease in two years and that staff are working on designing and developing alternative recycling methods for biosolids.

Councilor Haney recommended that any rate changes that will impact rate payers be communicated aggressively to taxpayers and users.

#### **Capital/Rolling Stock/Transfers and History**

City Manager Mahony walked through the Transfers activity within the budget. She noted a recommendation to level fund the General Fund transfer from FY26 to FY27, a 7% increase for rolling stock transfer, a level funded buildings transfer, a level funded EJRP capital transfer, and an increase in fund balance reserve planning by \$20,000 for anticipated retirements.

City Manager Mahony then spoke about the General Fund Capital Reserve Fund Balance and the Rolling Stock Fund Balance. Finance Director Morris spoke further about the Rolling Stock Fund, noting that the City conducted an inventory of the totality of its rolling stock. She emphasized the importance of directing transfers to this fund, given that the City has a number of trucks that are well past their warranties and are costing the City money in repairs and maintenance. She said the goal would be to replace fleet vehicles within the 8-year warranty time period.

#### **Finance, Debt**

City Manager Mahony noted a projected increase of 7.4% to the Finance budget from FY26 to FY27, largely driven by the increase in group insurance costs. Finance Director Morris noted a reduction in the training and conference expense line item for FY27, but said that she would like to add those costs back in, if possible.

City Manager Mahony then spoke briefly about the Debt portion of the budget, which is where the City's debt is tracked. She noted that the City will be incurring costs for the police facility through FY34 and other capital improvements through FY35.

#### **IT**

Finance Director Morris spoke about the IT budget, noting an increase of 12.7% over FY26. She noted that IT management costs have increased more than budgeted in prior years but is confident that the FY27 numbers accurately represent costs, given that the budget contains actual quotes from the City's IT vendor. She noted that IT and hardware for enterprise fund departments will come out of those funds' budgets, not the General Fund budget.

City Council President Thibeault noted that now that the City has separated from the Town and has had three years of its own IT department and vendor, she would be interested in what comes out of the next RFP process for procuring IT services. City Manager Mahony agreed, saying that exploring the City's options for IT will be a useful exercise. Councilor Certa asked if the City has servers on site or whether its data is stored in the cloud, and City Manager Mahony replied that the City's data is both stored in-house and in the cloud. Councilor Shelden asked for a list of the City's software subscriptions, and City Manager Mahony replied that these include subscriptions for Office 365, Adobe, and password storage software. Councilor Certa asked if the City has explored using free, open-source software (such as Libre instead of Adobe), and City Manager Mahony replied that the City has not.

### **Brownell Library/Brownell Building**

City Manager Mahony began by noting that the FY27 budget for the Library represents a 3.3% increase over the FY26 budget. She noted that this year's budget has two separate lines for digital versus non-digital collections, given that digital collections is such a driver of those costs. Karen Hergesheimer, Brownell Board of Trustees Vice Chair, provided a brief presentation on the Brownell Library's budget. She began by speaking briefly about what has been reduced or changed in the past three budget cycles, including cuts to several line items, cuts to the collections budget, increased inflation of both costs for digital and physical books, and increased costs and demand from the community for digital collections. She noted that though they are presenting a budget with a 3.3% increase, they view it as level-funded because those increases are going toward personnel costs. She talked about the implications of significant budget cuts, which would lead to cuts to programs, services, and supports at the library. She spoke about the HomeCard agreement, which is a reciprocal borrowing agreement and system among 30 libraries within the state. She spoke about the latest strategic planning survey results from the community. Dottie Bergendahl, a Library Trustee, spoke about the continued and compounded increases in the cost of digital items and advised that this be monitored. She also spoke positively about interlibrary loan services. Library Director Hysko explained in more detail about the pricing structure for digital items.

Councilor Certa asked about exploring setting up a subscription service for certain library services or items, given the need for revenue and leveraging ways to offset the library's costs. Director Hysko noted that State statute prohibits placing costs for users on library items and requiring that items be free to access and equitable.

### **Clerk**

City Manager Mahony began by noting that this budget is reduced in expenditure, and that the budget is projected to cover 100% of annual meeting costs assuming that those costs are no longer shared with the school. She said that these costs include election expenses, printing, and postage. City Manager Mahony noted that some years have more or fewer elections than others, so year-to-year budget comparisons for this costing center are somewhat volatile. She said that FY27 will have fewer elections than FY26.

Councilor Shelden asked for more detail on the budget and itemized election costs for FY27. Councilor Certa noted that it has been difficult to find volunteers to work elections and that having to pay them part-time salaries to work the polls would be an extra expense. City Council President Thibeault said it would be helpful to hear an update from the school district about their thinking on holding their budget vote on Town Meeting Day, as that would help to inform the City's conversation about election timing. City Council President Thibeault then asked for an update on the passport site application, and Clerk/Treasurer McNamara-Hill replied that an application has been submitted to the State Department and they are awaiting a response.

### **Essex Junction Recreation & Parks General Fund/Program Funds/Capital**

City Manager Mahony began by noting that the EJRP General Fund budget has decreased, as additional salary and benefit costs have moved from the General Fund budget to the EJRP Program budget. She also noted increases in the Fourth of July expenditure line item and \$20,000 for community events similar to Meet Me On Main. EJRP Director Luck added that the department is planning to field a community survey,

participating business survey, and a downtown business survey related to the Meet Me On Main event to gather feedback. City Manager Mahony then spoke about the EJRP, Parks, and Facilities budget, with a proposed increase of 5.2% over FY26. She then walked through the Park Street School budget and the Maple Street Park and pool budget.

Director Luck then spoke about the EJRP Capital budget and Capital Plan. He said that the Capital Plan and rolling stock for EJRP are both funded by the Penny for Parks tax.

Director Luck and City Manager Mahony then walked through the EJRP Program budget summary. Finance Director Morris noted that she and Director Luck have been working over the past several years to attempt to further allocate costs within all of EJRP's programs (insurance, overhead, etc). She said that this helps give a better picture of actual program costs, which can inform decisions about fees.

Councilor Haney asked about the timeline for Cascade Park and the funding source for that project. Director Luck replied that it is being covered by a Land and Water Conservation Fund (LWCF) federal grant with either a cash or time match. He said that the project is slated to begin in June. Councilor Haney asked for an update on the senior center. Director Luck replied that the City has applied for a grant from the State for \$25,000 and should be receiving a response soon. He also noted that they are currently working on renovating the space to move programming back into it, and intend to have multi-use, versatile programming in the space. He said that they hope to resume programming in the space in February. Councilor Certa asked about program participation numbers, and Director Luck spoke about the programs that have been offered since the senior center temporarily relocated out of 2 Lincoln, noting that they have generally been active and well-attended. City Manager Mahony provided an update on the 2 Lincoln Street renovations, noting that they are currently repairing several items (chimney leaks, boilers), but that they anticipate completion of renovations soon, and will update the Council when it has concluded.

### **Town – Police, Assessing**

City Manager Mahony began by speaking about the City portion of the Assessing budget, which is a shared service with the Town of Essex. She noted that the department is expanding from 1.7 to 2 FTEs and to a 50/50 cost-share with the Town. City Council President Thibeault asked for a status update on the reappraisal, and Assessor Lemnah provided an update on the batches of residential and commercial properties that have undergone review thus far. She outlined the process for setting up informational meetings once properties receive preliminary reappraisal estimates.

Chief Hoague then provided a summary of the proposed FY27 Essex Police Department budget (which is a service that is also shared with the Town of Essex). He noted that they currently have 25 out of 31 police officer positions filled and that all other staff positions are filled. He said that due to stretched capacity, they had decided to pull officers from specialty positions on a temporary basis and reassign them to patrol as of January 1, but that when new recruits are onboarded in the March timeframe, they will revert back to their assignments. He said that in terms of personnel, they decided to cut a parks patrol position, since they have been unable to reliably staff that position. He noted a decrease in legal fees expenditures. He said that the Police Department is continuing its community outreach contract with the Howard Center and that Community Justice Center (CJC) funding is unknown and will depend on how the legislature chooses to fund the program. He said there is also an open question on whether the CJC will completely relocate back to Burlington/Chittenden County. He spoke about increases in line items related to specialized equipment (body cameras and tasers), and reductions in line items related to leases and interest (as a leased vehicle was paid off in July). He spoke about the anticipated purchase of two vehicles in FY27.

Councilor Shelden asked about looking into drafting an ordinance whereby the City can share in the revenue earned from state police-issued speeding tickets incurred on state highways within City limits. Chief Hoague said that an ordinance could be crafted that revenue from fines incurred under Title 7 could come back to the City. Councilor Miller asked for more detail on the purchase of body cameras. Chief Hoague said that the Police Department began issuing body cameras to officers five years ago and that now it is very

commonplace, and the technology helps write reports and is used as supporting information during testimony. He said that they would like to replace those body cameras and in-car cameras. Councilor Haney asked about Essex and Williston sharing dispatcher resources, and Chief Hoague provided further details on the arrangement.

#### GENERAL DISCUSSION:

The Council began by reviewing the City's progress on its prioritization list of action items by department, particularly focusing on new items and the process for adding and reviewing items that have been newly added to the list. City Council President Thibeault suggested adding items for future prioritization related to focusing on revenue and revenue generation for the City, annual review of rate sheets, reviewing engineering and legal contracts, and buildings assessment. City Manager Mahony noted that in terms of revenue, while the City tracks and successfully obtains a number of grants per year, those aren't included in proposed budgets given that they need to be applied for and aren't certain sources of revenue. As an example of creative revenue generation, Councilor Miller noted that the Town of Essex has been able to earn interest on their unassigned fund balance by placing it into short-term low-fee Certificate of Deposit accounts, which in turn they have used to buy down tax rate increases for their residents. Councilors supported exploring a similar activity, especially while interest rates are high. Finance Director Morris said that the City is moving in that direction.

City Manager Mahony then introduced the topic of upcoming community engagement activities. She began by summarizing the community meal event that will occur on January 31, 2026. She noted that the physical location for the event is still pending availability and Council decisions, but suggested the Multipurpose Room at Maple Street Park or the Public Works facility (if there is a bond vote for a new facility). She suggested potentially a community engagement activity or open house format, rather than a formal meeting. City Council President Thibeault suggested setting up a separate time and meeting for an open house style meeting, given that an informational meeting on the budget is important, and that having EJRP host an open house would be appropriate. The Council also discussed hosting the community meal at one of the Essex Junction schools, and Director Snellenberger said she would look into availability.

City Manager Mahony then reviewed the FY27 budget engagement schedule, saying that the City's goal is to provide a variety of engagement options to the public. The Council discussed various options for community engagement events, agreeing to schedule coffee chats and to host a table at the ADL basketball tournament. They discussed the difficulty of holding community engagement events in the winter months. Councilor Haney suggested creating brief, easily digestible video clips of different parts of the budget and posting them to the City's Facebook page.

The following public comments were received:

- Resa asked a clarifying question about call volume at the Fire Department, and City Manager Mahony provided clarification on the timeframes for call volume statistics. Resa also strongly advocated for using Libra as an open-source free suite of software.

#### 6. COUNCILOR COMMENTS AND CITY MANAGER REPORT:

None.

#### 7. ADJOURN

**Councilor Certa made a motion, seconded by Councilor Miller, to adjourn the meeting. The motion passed 4-0 (Councilor Shelden absent for vote).**

Respectfully Submitted,  
Amy Coonradt