



VILLAGE OF ESSEX JUNCTION TRUSTEES
TOWN OF ESSEX SELECTBOARD
Subcommittee on Governance
Special Meeting Agenda

81 Main Street
Essex Junction, VT 05452
Thurs., Jan. 16 2020
7:00 PM

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The Governance Subcommittee consists of two members of the Essex Junction Board of Trustees and two members of the Essex Selectboard. The members will not discuss or take action on any issue outside of the scope of the subcommittee and shall not act as the Town Selectboard or Village Board of Trustees at the meeting.

1. **CALL TO ORDER** [7:00 PM]
2. **AGENDA ADDITIONS/CHANGES**
3. **APPROVE AGENDA**
4. **PUBLIC TO BE HEARD**
5. **BUSINESS ITEMS**
 - a. Consider Finalizing Transitional Taxation Proposal and Transitional Village Tax District(s) Language for review by Selectboard and Trustees prior to Discussion with Legislators
 - b. Consider Finalizing Transitional Representation Proposal Language for review by Selectboard and Trustees prior to Discussion with Legislators
 - c. Consider Preparing Draft Transition Plan Language for Attorney Review prior to Discussion with Legislators
 - d. Approve minutes: December 19, 2019
6. **ADJOURN**

Members of the public are encouraged to speak during the Public to Be Heard agenda item, during a Public Hearing, or, when recognized by the Chair or President, during consideration of a specific agenda item. The public will not be permitted to participate when a motion is being discussed except when specifically requested by the Chair or President. This agenda is available in alternative formats upon request. Meetings, like all programs and activities of the Village of Essex Junction and the Town of Essex, are accessible to people with disabilities. For information on accessibility or this agenda, call the Unified Manager's office at 878-1341.

Certification: _____01/14/2020_____ _____Ann Janda_____

Memorandum

To: Governance Subcommittee; Evan Teich, Unified Manager

CC: Greg Duggan, Deputy Manager; Sarah Macy, Assistant Manager and Finance Director

From: Ann Janda, Project Manager

Re: Consider Finalizing Transitional Taxation Proposal and Transitional Village Tax District(s) Language for review by Selectboard and Trustees prior to Discussion with Legislators

Date: January 16, 2020

Issue

The issue is finalizing the recommendation for transitional 12-year phase-in to get to one tax rate and transitional special Village tax district(s) in a merged Essex Junction/Essex Town municipal government.

Discussion

At its December 19 meeting, the Governance Subcommittee agreed to recommend to the joint boards a transitional period of 12 years to get to one tax rate and to designate the Village as a special debt assessment district for the same time period so that only the municipality that voted for debt will pay for that debt. Initial discussions by Attorney Dan Richardson with the Tax Department indicate that there are no structural issues with these concepts.

The Subcommittee also discussed some additional transitional special tax districts in the Village. The discussions included a special sidewalk district; a special capital improvement district; and/or a special downtown improvement district.

The next step is to approve or amend the following recommendation language to include in the January 21st joint meeting agenda. After review by the joint boards, the Governance Subcommittee will discuss the proposed transitional taxation models with the appropriate state legislators to gain their feedback.

Recommendation

Staff recommends that Governance Subcommittee members approve or amend the recommendation language following this memo.

Essex Junction Trustees/Essex Town Selectboard Subcommittee on Governance

Recommendations for Transitional Taxation Models in a Merged Essex Junction/Essex Town Municipal Government

1/5/20

Important Foreword: The analyses and recommendations for transitional taxation in this report are based on the assumption that current service delivery levels in Essex Junction and Essex Town would be maintained in a merged community. In plain terms, this means that the numbers used to calculate and predict tax rates, tax phase-ins and so forth in a merged community were derived by adding together the current Town and Village general funds, reserve funds, and other operational funds in totality. This was the assumption under which the governance subcommittee came to its initial recommendation of three governance models, presented to the joint boards in 2018; it was the assumption under which the governance subcommittee assisted KSV in the formulation of the 2019 community surveys and focus groups; it is the assumption under which staff calculated funding and revenue data in their assistance to the Subcommittee; and it was an operational assumption of the 'Strategic Advance' event in 2019.

Although we can reasonably anticipate that merger will present opportunities for cost efficiencies and savings, the joint boards did not assign the Subcommittee nor Town/Village administrative staff the task of identifying such savings.

Summary

- I. The Subcommittee recommends designating the Village as a debt assessment district.
- II. The Subcommittee also recommends adopting *one or more* of the following transitional taxation schemes:
 - Designate the Village as a tax rate reconciliation district
 - Designate the Village as a sidewalk district
 - Designate the Village as a capital improvement district
 - Designate the Village center as a downtown improvement district
- III. The Subcommittee recommends a transitional period of 12 years
- IV. Subcommittee members and Atty Dan Richardson will confer with state legislative and tax department authorities to assess legality and acceptability of these proposals.

Narrative

Village as a Debt Assessment District – By statute, the Village’s current bonded debt of \$2.16 million which was incurred by Village property owners must ‘remain’ with those properties for the balance of the payoff period unless an alternative agreement is specifically spelled out and approved in the new charter. The debt is scheduled to be paid in full in 2035. The Transitional Charter would therefore designate the entire former Village of Essex Junction as a Debt Assessment District which would justify a higher tax rate than the rest of the newly merged community specifically for the purpose of paying down this bonded debt. In concurrence with staff, the Subcommittee recommends a 12-year term for the district to align with the debt pay-down. The Village’s residual unassigned fund balance after merger would be retained and used to pay off the final (13th) year of the debt, based on the assumption that the merger charter is ratified by the Legislature in 2022.

Village as a Tax Rate Reconciliation District - To buffer the impact on Town Outside the Village property owners of merging the Village general fund with the Town general fund (*which would increase municipal property taxes on a T.O.V. home valued at \$280K by approximately \$330 if done in one year*) the Subcommittee recommends a transitional provision by which the tax rate differential between the Village and Town is phased-in over a period of 12 years at a rate that would increase taxes on a \$280K T.O.V. home by approximately \$26 per year. The Transitional Charter would therefore designate the entire former Village of Essex Junction as a Tax Rate Reconciliation District which would justify a higher tax rate than the rest of the newly merged community specifically for the purpose of gradually reconciling the two tax rates. Note that the transitional 12-year phase-in period aligns with the transitional 12-year Debt Assessment District. A more substantive explanation of the tax phase-in plan, calculated and developed by Sarah Macy, Finance Director, is outlined in the appendix of this report.

The extended phase-in period also helps address the concern stated by some T.O.V. respondents in the KSV quantitative survey that merger would require them to pay taxes for Village expenditures for which they had no opportunity to vote. The phase-in period would give T.O.V. citizens ample opportunity to learn about Village municipal operations and participate in the development of their budgets.

Village as a Sidewalk District – Nearly all Village residential and commercial properties are serviced by an interconnected sidewalk grid which is actively maintained year-round. Village sidewalks are the foundation of the Village’s identity as a ‘walkable’ community and an essential feature of its community development strategy and municipal plan. Many TOV residential developments and commercial areas also have sidewalks that are maintained by the Town government, but many do not. Over the course of coming decades, the Town may

extend/expand the 'outside the village' sidewalk network but for the immediate future the Village's comprehensive sidewalk grid is a municipally-provided benefit available to Village residents but not immediately available to Town outside the Village residents. According to Atty Dan Richardson, who is advising the Subcommittee, the Village's sidewalk network could qualify the Village as a special service district for the purpose of raising additional revenue only from the residents who specifically benefit from it.

Designating the Village as a 'sidewalk district' for the 12-year transitional period would provide a mechanism for further reducing the tax impact on T.O. V. residents for reconciling the Town and Village general funds. During the transitional period the total amount of Village expenditures to be transferred to the new Town general fund could be reduced by approximately \$120K annually (*the approximate current cost of Village sidewalk maintenance/service*). Although this would only reduce the tax impact on T.O.V. properties by a few dollars, it would provide assurance to Village residents that an essential village service they depend on will not be compromised by merger; it would also signal to T.O.V. residents that merger will not require them to pay for a service that doesn't immediately benefit them.

Village as a Capital Improvement District – The Town and Village both have an extensive list of capital improvement projects each calling for expenditure of millions of dollars over the next decade. A major challenge for merger will be integrating these two lists to prioritize expenditures coming from one capital fund (presently, the Village pays for its own capital projects and contributes approximately 42% of the cost of Town projects). To 1) help defray the political and technical complexities of immediately integrating the two lists, and 2) provide Village residents assurance that important infrastructure repairs will not be delayed by merger, and 3) further reduce the tax impact of merger on T.O.V. taxpayers, the Subcommittee has explored the idea of designating the Village as a Capital Improvement District for the 12-year transitional period (or five (5) years to close out the five year capital plan). During the transitional period the total amount of Village expenditures to be transferred to the new Town general fund could be reduced by approximately \$400K annually (the approximate current cost of Village general fund transfers to its capital funds) with the money to be specifically used to pay down the Village's capital project list.

New capital projects in the Town-within-the-village that arise post-merger would be added to the newly-merged Town's capital project list to be prioritized and funded from a common capital budget.

Atty Richardson cautioned that the Legislature might be less accepting of this idea for designation of a special district (than for the sidewalk district described above) and we would be challenged to show how residents of one part of the community are receiving some general benefit that residents in another part of the community are not receiving.

Village Center as a Downtown Improvement District – The Village presently designates approximately \$120K in revenue it raises from property taxes each year to an economic development fund which is specifically intended to pay for improvements in the Village center zone ('downtown') ranging from purchase of private properties to street-scape and landscape improvements to bike-walk improvements to funding community activities in the Village core. This specific extra-funding mechanism ('penny-on-the-tax-rate') is scheduled to sunset in the next fiscal year. The Subcommittee has explored the possibility of continuing this fund by designating the Village as a 'downtown improvement' district. Upon discussion with Atty Richardson it was determined that special downtown improvement districts in other communities (ex. Bennington), which raise revenue specifically for improvements in historic downtowns, raise revenue only from properties within their downtowns and not from the community at large. In the course of the discussion it was noted that the Essex Junction downtown is a state-designated downtown ('village center'), a state-designated Vermont neighborhood (exempt from Act 250 review), and a tax-stabilization district as designated by the Essex Junction government. Designating it as a special downtown for the 12-year transitional period could help further mitigate the impacts of reconciling the current Town and Village tax rates (as described previously for the other special district designations) but with the caveat that the additional revenues would probably need to come entirely from properties within the Village Center Zone. (George Tyler's note: This could be levied exclusively on village-center commercial properties. Within the overall framework of merger all Village commercial properties will see a gradual tax reduction. Those in the Village center would see less of reduction.)

Conferring with Vermont Legislature and Dept of Taxes – Atty Richardson and representatives of the Subcommittee intend to meet with appropriate members of the State Legislature and Dept of Taxes to review and discuss the overall financial challenges posed by the Essex Junction and Essex Town merger and our formative strategies for addressing those challenges, as outlined in this report. We recommend that the joint boards refrain from formally approving any specific transitional tax model(s) until these conversations with state authorities have occurred. We anticipate these conversations will occur in late January/early February.

Public Engagement – After our meeting(s) with State authorities, which might prompt revisions to our transitional tax model recommendations, the Subcommittee recommends that the joint boards consider presenting the various finalized transitional tax models for public engagement at the 2020 Town and Village annual meetings in March and April.

Memorandum

To: Governance Subcommittee; Evan Teich, Unified Manager

CC: Greg Duggan, Deputy Manager; Sarah Macy, Assistant Manager and Finance Director

From: Ann Janda, Project Manager

Re: Consider Finalizing Transitional Representation Proposal Language for review by Selectboard and Trustees prior to Discussion with Legislators

Date: January 16, 2020

Issue

The issue is finalizing a recommendation for a transitional elected board representation model in a merged Essex Junction/Essex Town municipal government.

Discussion

At its December 19 meeting, the Governance Subcommittee agreed to recommend to the joint boards a transitional representation model detailed in the next two pages. Staff researched with the Secretary of State and the districting expert at the City of Burlington whether using the Village and Town outside the Village as the district's boundary line will meet legal proportionality requirements. The Secretary of State said he expects the legislature to use the most recent Census estimates as a starting point. The City of Burlington districting expert said the 2010 Census data provides the best substantiation for any legal challenge. Staff found that in using either the 2010 Census data or the most recent Census estimates the proportionality requirement of staying under 10% deviation from ideal will easily be met. See calculation below.

2010 Census data: Village 9271 + Town outside the Village 10316 = 19,587 Source:
<https://www.census.gov/quickfacts/fact/table/essexjunctionvillagevermont/PST045219>

Ideal district population: Number of people that should be in each voting district for exactly equal representation. This number is calculated by dividing the total town population by the total number of legislators, and then summed by the number of legislators in each district.

$$(19587 / 4 = 4897) * 2 = 9794$$

% Deviation from Ideal:

$$\text{Village: } 9794 - 9271 = 523. (523 / 9794) * 100 = 5.3\%$$

$$\text{Town: } 9794 - 10316 = -522 (522 / 9794) * 100 = 5.3\%$$

The next step is to approve or amend the following recommendation language to include in the January 21st joint meeting agenda. After review by the joint boards, the Governance Subcommittee will discuss the proposed representation model with the appropriate state legislators to gain their feedback.

Recommendation

Staff recommends that Governance Subcommittee members approve or amend the recommendation language following this memo.

Essex Junction Trustees/Essex Town Selectboard Subcommittee on Governance

Recommendation for a Transitional Elected Board Representation Model in a Merged Essex Junction/Essex Town Municipal Government

1/16/20

Summary: The Subcommittee recommends a hybrid transitional model of seven at-large & designated seats from the current Essex Junction and Essex Town municipalities as follows:

- 2 members from the former Essex Town 'Outside-the-Village' district
- 2 members from the former Essex Junction 'Town-inside-the-Village' district
- 3 members at-large

Length of Terms should be **three years**.

The election cycles should be staggered to provide turnover for either one or two seats every year. This will require an initial adjustment of either curtailing or extending the terms of several board members to establish the turnover cycle.

This model would be **transitional** and would be enacted one year (or two years) after ratification of the merged charter by the Vermont Legislature. During the intervening year (or two), the Interim Governing Body (comprised of former selectmen and trustees) would oversee the elections of the new board. This model would then remain in place for **seven years** after which, by charter, it would be superseded by an all at-large model unless the community amends the charter in the intervening years to create a different model of representation.

Narrative:

This model conforms to state statutes and, because the TIV and TOV populations are approximately the same, meets legal requirements for proportionality when designating separate representative districts within a single municipality. *(See appendices for further explanations of Essex Town-Essex Junction populations and proportionality.)*

This model must be temporary unless there is also a chartered provision for readjusting the number of representative seats based on proportionality as populations in the former Village and Town change. If it appears there is a desire for more or different districts, a districting committee could be formed to research and propose a district model for consideration well in advance of the end of the seven-year period.

This model represents a compromise on two levels: The results of the KSV surveys indicated that respondents were about equally divided in favoring at-large elections vs voting districts. The KSV analysis recommended a compromise hybrid model of at-large & districts. The Governance Subcommittee was divided. One member favored at-large elections; one member

avored voting districts; one member preferred at-large but was sensitive to the political and emotional arguments for districts; one member favored a hybrid at-large & districts model similar to the KSV proposal.

These are some of the arguments the Subcommittee considered that informed our decision:

In favor of Voting Districts:

- Gives assurance to community members that the particular interests and concerns in their part of the community won't be marginalized in a merged government.
- Encourages more people to run for office if they know they won't be competing in a community-wide race
- Ensures that the elected board will be comprised of people from different parts of the community which can diversify and enlighten the perspective of the entire board.

In favor of At-Large Voting:

- Embodies the idea that elected officials must faithfully represent the entire community
- Obviates the need to periodically readjust voting districts/wards to meet statutory requirements for proportionality.
- Continues the longstanding tradition of the Essex Town Selectboard of all at-large representation (only Village residents can run for Trustees). An analysis of 20 years of Selectboard membership reveals no evidence that Town Outside-the-Village residents have a more difficult time being elected than Village residents.

State and Legislative Approval: Attorney Dan Richardson believes the Subcommittee's proposal will be acceptable to the Vermont Legislature. However, representatives of the Subcommittee and Mr. Richardson will meet with appropriate representatives of the Vermont government and legislature in late January or early February to confirm this opinion. We recommend that the joint boards refrain from formally incorporating this model into the transitional charter for the merger until these conversations take place.

Ann Janda

From: Senning, Will <Will.Senning@vermont.gov>
Sent: Monday, December 23, 2019 3:25 PM
To: Ann Janda; Senning, Will
Cc: Jay Appleton; Daniel Richardson; Gregory Duggan
Subject: RE: Data source to determine proportionality of two potential voting districts

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST

Hi Ann,

What is acceptable data on which to base redistricting calculations is not my area of expertise, nor within my authority to dictate one way or another. Having said that, it is my understanding that the legislature will use whatever is the most current update of official census data as their starting point. If this is the most recent estimated update from the US census, I don't think there is a much better source.

Regards,
Will

Will Senning
Director of Elections and Campaign Finance
Vermont Secretary of State's Office
128 State Street
Montpelier, VT 05633-1101
(802) 828 – 0175
will.senning@vermont.gov

PLEASE NOTE THAT MY EMAIL ADDRESS HAS CHANGED. My new address is will.senning@vermont.gov

From: Ann Janda <ajanda@essexvt.onmicrosoft.com>
Sent: Friday, December 20, 2019 8:19 AM
To: Senning, Will <will.senning@sec.state.vt.us>
Cc: Jay Appleton <JAppleton@burlingtonvt.gov>; Daniel Richardson <drichardson@tgrvt.com>; Gregory Duggan <gduggan@ESSEX.ORG>
Subject: Data source to determine proportionality of two potential voting districts

EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.

Hello Will,

Elected officials are discussing the idea of proposing two voting districts as part of a merger proposal. Ideally the lines would be exactly where the Village of Essex Jct. is now and where the rest of the town is now. Last night we asked our attorney that, given we will need to draw up proposed voting district lines about a year and a half before the new Census numbers come out, what data source should we use to calculate proportional districts that fall within 10% or less of "Overall Plan Deviation" (Jay Appleton says this is what the courts use to evaluate redistricting plans)? Our attorney said to ask the Secretary of State's Office what source to use. Is this source acceptable?

<https://www.census.gov/quickfacts/fact/table/essexjunctionvillagevermont/PST045218#>? According to this data, it appears the two districts would easily fall within less than 10% deviation.

I have cc'd our attorney as well and Jay Appleton from Burlington in case they can assist.

We very much appreciate your attention to this matter.

Happy Holidays!

Ann

Ann Janda

Project Manager

Town of Essex / Village of Essex Junction

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Ann Janda

Subject: FW: Data source to determine proportionality of two potential voting districts

From: Jay Appleton <JAppleton@burlingtonvt.gov>
Sent: Friday, December 20, 2019 1:53 PM
To: Ann Janda <ajanda@essexvt.onmicrosoft.com>
Subject: RE: Data source to determine proportionality of two potential voting districts

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST

I talked with a City Planner about where residential development was occurring in Essex, and he said that contrary to my opinion, there has been a good deal of dense new Development in the Village. The village has 1100 less people than the town. That means that the village's population can increase quite a bit before the 10% threshold is exceeded, thus triggering redistricting. Good news and good luck!

From: Jay Appleton <JAppleton@burlingtonvt.gov>
Sent: Friday, December 20, 2019 11:40 AM
To: Ann Janda <ajanda@essexvt.onmicrosoft.com>
Subject: RE: Data source to determine proportionality of two potential voting districts

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Total Population: $9271 + 10316 = 19,587$

Ideal district population: Number of people that should be in each voting district for exactly equal representation. This number is calculated by dividing the total town population by the total number of legislators, and then summed by the number of legislators in each district.

$(19587 / 4 = 4897) * 2 = 9794$

% Deviation from Ideal:

Village: $9794 - 9271 = 523$. $(523 / 9794) * 100 = 5.3\%$

Town: $9794 - 10316 = -522$ $(522 / 9794) * 100 = 5.3\%$

We have a winner! A town and village district plan will work. – Jay

From: Ann Janda [<mailto:ajanda@essexvt.onmicrosoft.com>]
Sent: Friday, December 20, 2019 11:14 AM
To: Jay Appleton <JAppleton@burlingtonvt.gov>
Subject: RE: Data source to determine proportionality of two potential voting districts

2010 Census data:

Village = 9,271

Town outside the Village = 10,316

Here is the proposal:

7 member board

Village	Town outside the Village	At Large
2 Reps	2 Reps	3 Reps

From: Jay Appleton <JAppleton@burlingtonvt.gov>
Sent: Friday, December 20, 2019 11:10 AM
To: Ann Janda <ajanda@essexvt.onmicrosoft.com>
Subject: RE: Data source to determine proportionality of two potential voting districts

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST

What is the population of the Village and Town?

From: Jay Appleton <JAppleton@burlingtonvt.gov>
Sent: Friday, December 20, 2019 10:38 AM
To: Ann Janda <ajanda@essexvt.onmicrosoft.com>; Senning, Will <will.senning@sec.state.vt.us>
Cc: Daniel Richardson <drichardson@tgrvt.com>; Gregory Duggan <gduggan@ESSEX.ORG>
Subject: RE: Data source to determine proportionality of two potential voting districts

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST

Ann, If the populations of the Village and Town are approximately equal, then their boundaries could be used to define 2 voting districts. If not, then another boundary will be needed.

You will have to use the latest US Census data (2010) to do this. Any other source will essentially have to be as rigorously derived as that of the Census. The City of Burlington considered this when it last redistricted in 2012-2013. But the effort and cost it would take to reproduce the Census precluded it.

Does the merger require definition and adoption of voting districts? If yes, then you'll have to go through districting using the 2010 Census data, or defer the merger until the 2020 Census data are released.

Plan on districting (defining the voting districts) being a painful, drawn-out process. You will have to get the selectboard and trustees to agree on a districting plan. Then the voters would have to approve as part of the merger.

Taking a cursory look at the 2010 Census Block data, there are enough blocks to provide flexibility in grouping them. The Town has larger blocks (blocks are usually defined by roads), and the Village has smaller blocks. So it is probable that the Village will have to be divided between the two districts to achieve approximately equal representation.

The 2020 Census Districting data package will be released by April 1, 2021 (required by law). How population will differ from 2010 depends on how much residential development occurred since April 1, 2010, and where. Since the Village is largely built out, the new development is in the Town.

Therefore if you district using 2010 data, the village will end up proportionately more representation than the Town because post 2010 residential development is unaccounted for.

If possible, it might be better to divide and conquer, and merge as one voting district. Then when the 2020 Census data are released in 2021, redistrict into 2 districts.

Jay Appleton
Sr Programmer/Analyst
City E911 Coordinator
City of Burlington, Vermont USA

The views expressed here are my own, and do not represent any opinion of the City of Burlington.

Please note that this communication and any response to it will be maintained as a public record and may be subject to disclosure under the Vermont Public Records Act.

From: Ann Janda [<mailto:ajanda@essexvt.onmicrosoft.com>]
Sent: Friday, December 20, 2019 8:19 AM
To: Senning, Will <will.senning@sec.state.vt.us>
Cc: Jay Appleton <JAppleton@burlingtonvt.gov>; Daniel Richardson <drichardson@tgrvt.com>; Gregory Duggan <gduggan@ESSEX.ORG>
Subject: Data source to determine proportionality of two potential voting districts

Hello Will,

Elected officials are discussing the idea of proposing two voting districts as part of a merger proposal. Ideally the lines would be exactly where the Village of Essex Jct. is now and where the rest of the town is now. Last night we asked our attorney that, given we will need to draw up proposed voting district lines about a year and a half before the new Census numbers come out, what data source should we use to calculate proportional districts that fall within 10% or less of "Overall Plan Deviation" (Jay Appleton says this is what the courts use to evaluate redistricting plans)? Our attorney said to ask the Secretary of State's Office what source to use. Is this source acceptable? <https://www.census.gov/quickfacts/fact/table/essexjunctionvillagevermont/PST045218#>? According to this data, it appears the two districts would easily fall within less than 10% deviation.

I have cc'd our attorney as well and Jay Appleton from Burlington in case they can assist.

We very much appreciate your attention to this matter.

Happy Holidays!
Ann

Ann Janda
Project Manager
Town of Essex / Village of Essex Junction

QuickFacts

Essex town, Chittenden County, Vermont; Essex Junction village, Vermont

QuickFacts provides statistics for all states and counties, and for cities and towns with a *population of 5,000 or more*.

Table

All Topics	Essex town, Chittenden County, Vermont	Essex Junction village, Vermont
Population estimates, July 1, 2019, (V2019)	NA	NA
PEOPLE		
Population		
Population estimates, July 1, 2019, (V2019)	NA	NA
Population estimates, July 1, 2018, (V2018)	21,911	10,929
Population estimates base, April 1, 2010, (V2019)	NA	NA
Population estimates base, April 1, 2010, (V2018)	19,593	9,273
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	NA	NA
Population, percent change - April 1, 2010 (estimates base) to July 1, 2018, (V2018)	11.8%	17.9%
Population, Census, April 1, 2010	19,587	9,271
Age and Sex		
Persons under 5 years, percent	▲ 4.7%	▲ 4.7%
Persons under 18 years, percent	▲ 21.7%	▲ 21.0%
Persons 65 years and over, percent	▲ 14.6%	▲ 13.4%
Female persons, percent	▲ 51.8%	▲ 51.8%
Race and Hispanic Origin		
White alone, percent	▲ 89.5%	▲ 86.7%
Black or African American alone, percent (a)	▲ 2.4%	▲ 2.4%
American Indian and Alaska Native alone, percent (a)	▲ 0.1%	▲ 0.0%
Asian alone, percent (a)	▲ 5.3%	▲ 8.2%
Native Hawaiian and Other Pacific Islander alone, percent (a)	▲ 0.0%	▲ 0.0%
Two or More Races, percent	▲ 2.0%	▲ 2.1%
Hispanic or Latino, percent (b)	▲ 2.8%	▲ 2.5%
White alone, not Hispanic or Latino, percent	▲ 87.5%	▲ 85.2%
Population Characteristics		
Veterans, 2014-2018	1,175	581
Foreign born persons, percent, 2014-2018	10.6%	13.1%
Housing		
Housing units, July 1, 2018, (V2018)	X	X
Owner-occupied housing unit rate, 2014-2018	70.3%	65.8%
Median value of owner-occupied housing units, 2014-2018	\$287,000	\$283,400
Median selected monthly owner costs -with a mortgage, 2014-2018	\$1,877	\$1,807
Median selected monthly owner costs -without a mortgage, 2014-2018	\$789	\$775
Median gross rent, 2014-2018	\$1,198	\$1,275
Building permits, 2018	X	X
Families & Living Arrangements		
Households, 2014-2018	8,753	4,264
Persons per household, 2014-2018	2.42	2.43
Living in same house 1 year ago, percent of persons age 1 year+, 2014-2018	86.6%	84.1%
Language other than English spoken at home, percent of persons age 5 years+, 2014-2018	12.1%	14.2%
Computer and Internet Use		
Households with a computer, percent, 2014-2018	94.6%	95.9%
Households with a broadband Internet subscription, percent, 2014-2018	89.5%	88.2%
Education		
High school graduate or higher, percent of persons age 25 years+, 2014-2018	95.0%	95.5%
Bachelor's degree or higher, percent of persons age 25 years+, 2014-2018	51.3%	47.5%
Health		
With a disability, under age 65 years, percent, 2014-2018	6.3%	4.8%
	▲ 4.5%	▲ 4.3%

Persons without health insurance, under age 65 years, percent

Economy

In civilian labor force, total, percent of population age 16 years+, 2014-2018	74.9%	78.1%
In civilian labor force, female, percent of population age 16 years+, 2014-2018	71.4%	74.5%
Total accommodation and food services sales, 2012 (\$1,000) (c)	D	18,841
Total health care and social assistance receipts/revenue, 2012 (\$1,000) (c)	22,745	D
Total manufacturers shipments, 2012 (\$1,000) (c)	205,406	D
Total merchant wholesaler sales, 2012 (\$1,000) (c)	162,993	D
Total retail sales, 2012 (\$1,000) (c)	161,905	131,392
Total retail sales per capita, 2012 (c)	\$8,072	\$13,834

Transportation

Mean travel time to work (minutes), workers age 16 years+, 2014-2018	20.7	19.9
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Income & Poverty

Median household income (in 2018 dollars), 2014-2018	\$80,562	\$75,439
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$40,464	\$39,101
Persons in poverty, percent	▲ 6.7%	▲ 6.2%

 **BUSINESSES**

Businesses

Total employer establishments, 2017	X	X
Total employment, 2017	X	X
Total annual payroll, 2017 (\$1,000)	X	X
Total employment, percent change, 2016-2017	X	X
Total nonemployer establishments, 2017	X	X
All firms, 2012	1,191	1,024
Men-owned firms, 2012	486	621
Women-owned firms, 2012	500	344
Minority-owned firms, 2012	45	64
Nonminority-owned firms, 2012	1,103	913
Veteran-owned firms, 2012	71	157
Nonveteran-owned firms, 2012	1,064	819

 **GEOGRAPHY**

Geography

Population per square mile, 2010	504.5	2,030.9
Land area in square miles, 2010	38.82	4.57
FIPS Code	5000724175	5024400

About datasets used in this table

Value Notes

▲ Estimates are not comparable to other geographic levels due to methodology differences that may exist between different data sources.

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info ⓘ icon row in TABLE view to learn about sampling error.

The vintage year (e.g., V2019) refers to the final year of the series (2010 thru 2019). *Different vintage years of estimates are not comparable.*

Fact Notes

- (a) Includes persons reporting only one race
- (b) Hispanics may be of any race, so also are included in applicable race categories
- (c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

Value Flags

- Either no or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest or upper open ended distribution.
- D Suppressed to avoid disclosure of confidential information
- F Fewer than 25 firms
- FN Footnote on this item in place of data
- N Data for this geographic area cannot be displayed because the number of sample cases is too small.
- NA Not available
- S Suppressed; does not meet publication standards
- X Not applicable
- Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income : Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

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Memorandum

To: Governance Subcommittee; Evan Teich, Unified Manager

CC: Greg Duggan, Deputy Manager; Sarah Macy, Assistant Manager and Finance Director

From: Ann Janda, Project Manager

Re: Consider Preparing Draft Transition Plan Language for Attorney Review prior to Discussion with Legislators

Date: January 16, 2020

Issue

The issue is to consider preparing a draft Transition Plan, Subchapter 1 of a draft charter of a merged Essex Junction/Essex Town municipal government, for Attorney Review prior to discussion with Legislators.

Discussion

At its December 19 meeting, Dan Richardson advised and the Governance Subcommittee agreed that developing transition provision language was the next step in drafting a charter for a merged municipality.

The next step is to approve or amend the following draft language to include in the January 21st joint meeting agenda. After review by the joint boards, the Governance Subcommittee will discuss the proposed transitional language with the appropriate state legislators to gain their feedback.

Recommendation

Staff recommends that Governance Subcommittee members approve or amend the draft transition provisions language following this memo.

Outline of Merged Entity Charter

Subchapter 1: Transitional Provisions

§ 101 Adoption of town and village assets and liabilities

This first provisions should demarcate the new entity as the successor entity to the village and the town as such all assets, contracts, liabilities, rights, and obligation held by the former entities shall transition to the new entity. This should dovetail and mirror Section 201 below.

(a) All assets and obligations formerly owned or held by the Town and Village shall become the assets and obligations of the [name of municipality] upon the effective date of the charter. This shall include all real property, easements, rights and interests in land, buildings and other improvements; vehicles, equipment, and other personal property; assessed but uncollected taxes, rents and charges, together with lien rights and enforcement powers; moneys, rights of action in legal or administrative proceedings; insurance policies; documents and records; debts, claims, bonded indebtedness; without any further act, deed, or instrument being necessary.

(b) All contracts, agreements, trusts, and other binding written documents affecting the Town or Village shall remain in effect on the effective date of the charter, and the [Name of Municipality] shall assume all the responsibilities formerly belonging to the Town and Village.

§ 102. Transition Period

This provision should define the length of the transition period, if the period will extend to all or certain municipal functions, when the transition will begin, and when its provisions will sunset. (George: Need some clarification on this. Some aspects of reorganization may take longer than a year. For example, integration of ordinances, building codes, muni plans. May also want to have some staff/departmental reorg occur through retirement, etc. Can we define what is required legally for the establishment of a new government and what can be tactfully finessed for a few years? I believe we should allow for at least three years to organize/reorganize the committees, commissions, and ordinances. **Question for Dan Richardson:** Can you recommend language that allows us to have some discretion about which departments will be immediately consolidated within the first year of the merger while others may take a few or more years?)

The transition period shall begin not later than July 1, following the approval of the charter by the Legislature, and end on June 30, 20___. At the end of the transition period, the charter will become effective and the City or Town shall be fully established and organized.

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Commented [AJ1]: Raj: Length?

§ 103. Organizational Municipal Meeting

Depending on whether the new entity follows a town meeting format or an Australian ballot format of annual meetings, this provision should lay out what will happen at the first meeting of the new entity, who will be elected, who will lead the meeting, and what items (such as a budget) will be voted. (George: This may require some legwork prior to finalizing and warning the new charter for a vote. For example, the EWSD annual meeting and budget vote is in April, probably to align with the state budget. If we're seeking to have same-day voting for all local budgets, we will need to confer with EWSD and may need to sync our dates with theirs.)

The first annual City or Town meeting shall occur in the March preceding the July 1 effective date of the charter. Time and holding of the meeting shall be pursuant to section ___ of the City or Town charter. The first annual City or Town meeting shall be jointly warned by the Village Trustees and Town Selectboard. The election of a moderator shall be the first order of business followed by adoption of a budget as prepared under § 105b.

Agreed.

§ 104. Transitional Districts

These would create districts for the purpose of taxes, services, and other issues within the new municipality that would eventually disappear, but that would assist the transition. (George: I recommend leaving this blank until we have met with representatives of the VT legislature and tax dept.)

Two Temporary Tax Districts?

Two Temporary Voting Districts?

Special Debt Assessment District?

Special Village Capital/Sidewalk District? Temporary?

§ 105. Interim Governing Body

This provision should lay out how the new municipality will be governed between adoption of the new charter and the first organizational meeting. There are a variety of options. This body could be the duly elected Trustees and Selectboard; a representative hybrid of the two; or a body created by each of the Trustees and Selectboards composed of new members. This body should have certain powers and duties to oversee the new municipality and to oversee the transition.

(a) All members of the Town Selectboard and of the Village Trustees shall comprise an Interim Governing Body. (George: Having the two full boards involved would be my preference.) Notwithstanding, any individual who simultaneously serves as a Trustee and Selectperson shall not be eligible for appointment to the Interim Governing Body. In such an event, the Interim Governing Body shall consist of an equal number of trustees and selectpersons. In no event shall the Interim Governing Body consist of less than three trustees and three selectpersons appointed by the respective legislative bodies. The

Commented [AJ2]: Raj: This seems to indicate that the budget will be voted on at Town Meeting, as it is now. I believe we agreed to propose having the annual meeting be advisory in nature with all articles voted on via Australian ballot. Or am I reading this wrong?

Interim Governing Body shall address the details and issues relating to the transition from a town and village to the new City or Town. The Interim Governing Body with the assistance of the Unified Manager shall develop recommendations for whatever proposals or policies are needed to ensure a smooth transition. The City or Town council may implement such proposals once the charter becomes effective.

(b) The Interim Governing Body will also, with the assistance of the Unified Manager and staff, propose and warn in the manner pursuant to this charter, the first annual budget of the [name of municipality] for consideration and adoption by the voters at the first annual [name of municipality] meeting held pursuant to § 103. The Interim Governing Body shall present the budget.

Commented [AJ3]: Raj: Again, see my note above re; adoption of budget at annual meeting vs. Aus. Ballot.

§ 106. Budget and Municipality Administration

George: I would recommend laying out how the first year's budget and any capital or larger issues will be addressed during the transition from a governance stand-point. I would recommend utilizing the manager to assist in this process (George: Agreed – but this will also be informed by any special district impacts on budgeting.)

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"Upon ratification of the merger by ~~by~~ the state, the Unified Manager will be instructed to present a unified budget for the community for the next fiscal year that addresses proper service levels, contractual obligations, capital projects, and that reflects any changes related to the merger."

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§ 107. Village and Town Boards and department Transitional Provisions

This section should have provisions for zoning and planning, recreation, library, and any other service that has not already been merged but that will either during or after the transition.

(a) ~~TRANSFER OF VILLAGE FIRE DEPARTMENT~~ Notwithstanding provisions in the Village Charter or elsewhere, the operations of the Essex Junction Fire Department and all associated expenses except debt will be transferred over to the [name of municipality] as of (date). The land, buildings, and other assets will remain under the ownership of the Village of Essex Junction until the effective date of the charter. ~~As of the effective date of the transfer of operations, the Fire Chief for the merged department shall be appointed by the Town Manager.~~ (George NOTE: Unless a single chief is required by law, I would strongly recommend maintaining two chiefs. Integration of two volunteer fire departments with long, independent histories and separate loyalties will be a challenging and delicate task. I emphasize 'volunteer' because we should not assume we can move them around as we would with other staff. I would also recommend that we specifically state that the present arrangement of a maintaining two operational units – one in the Village and one in the Town – shall be continued, and that the manager has the discretionary authority to appoint a chief

Commented [AJ4]: Raj: Would we not need a section detailing the transfer of the Town fire department? We aren't simply dissolving the village charter we are dissolving both and creating a new entity.

for each operational unit or a chief for both units. I believe this a crucial concern. We must be able to assure all residents that first responder efficacy will not be compromised for the sake of merger. Also, we must take every necessary step to maintain our two **volunteer** departments and avoid the catastrophic expense associated with a full-time paid department. Question for Dan Richardson: Is it required by state statute to only have one fire chief? Is it reasonable and acceptable to have two? Please note that we presently have two fire chiefs – Village’s & Town’s – reporting to one manager and this arrangement has been in effect for 6 years.)

George: Possible Language: The [name of municipality] shall continue to operate the former Essex Junction Fire Department and Essex Town Fire Department, and each department shall have a chief appointed by the manager. At the manager’s discretion, one person may be appointed chief for both departments.

Alternative Possible Language if we feel we need to be more specific: Upon successful merger, in keeping with the historical significance, the Essex Junction Fire department shall continue to exist as a fire company (division) of the merged entity along with the existing Town Fire Department. As part of the transitional period, the Elected Board shall review options for integrating the two departments, their operations, equipment, structures, and organizational makeup for the betterment of serving the entire community. It is the desire to have the predominant level of service to remain “paid on Call” with appointed senior officers, including the Chief(s) made by the Manager.

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(b) TRANSFER OF VILLAGE RECREATION AND PARKS DEPARTMENT

Notwithstanding provisions in the Village Charter or elsewhere, the operations of the Essex Junction Recreation and Parks Department and all associated expenses except debt will be transferred over to the [name of municipality] as of (date). The land, buildings, and other assets will remain under the ownership of the Village of Essex Junction until the effective date of the charter. As of the effective date of the transfer of operations, the Recreation Director for the merged department shall be appointed by the Town Manager.

Commented [AJ5]: Raj: Do we want language protecting the position of the current recreation managers, both town and village? I think we need to discuss the fate of municipal employees and how to manage that during the transition and beyond. That applies to fire, rec, etc.

(c) TRANSFER OF VILLAGE COMMUNITY DEVELOPMENT PLANNING AND ZONING DEPARTMENT *Notwithstanding provisions in the Village Charter or elsewhere, the operations of the Essex Junction Community Development Planning and Zoning Department and all associated expenses except debt will be transferred over to the [name of municipality] as of (date). As of the effective date of the transfer of operations, the Planning Director for the merged department shall be appointed by the Town Manager.* **(George: As discussed in item 105(a) above, this is a major concern. Planning is subordinate to community development in the Village. The village vs town difference in priority for planning is rooted in the different challenges**

Commented [AJ6]: Raj: Is the appointment by Town manager the norm? Why not the transitional board to appoint these positions? I’m not sure I’m comfortable with that and would like to discuss.

posed by redevelopment and infill development in the Village core according to the existing Village municipal plan VS. new development in a suburban-rural community concerned primarily with development of open, undeveloped space. Additionally, the TGIA process called for one planning commission and two DRBs. It was never decided how implementing this would impact Village and Town staff. Neither board has formally agreed to adopt the TGIA recommendations; we only agreed to accept the report. I would like to see the two planning commissions review the TGIA process and make their own recommendations for an integrated Town/Village development-planning office. For example, could we have one 'planner' and two development directors for the Village DRB and Town DRB? I would also like them to review and make recommendations about integration of municipal plans, codes, zoning regs, etc. It might also be good to have the CCRPC involved in this effort. Additionally, we need to address how the Village center will continue to be a state designated downtown and Vermont Neighborhood and whether/how to- continue tax abatement for Village center development.?

Possible proposed language: Upon a successful merger, the designated zones, codes, and associated planning/development regulations of the former Village "district" shall continue to have a designated design review board (drb) and its plan commission shall remain in effect for the three year transitional period or until such time as necessary to complete the work of integrating new integrated land development codes, a unified Town/Village Plan and "designated downtown and Vermont Neighborhood designations. The Essex Junction Planning Commission and Essex Town Planning Commission shall continue to operate independently until a plan for integrating them is approved and executed.

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§ 108. Unification and Adoption of Ordinances, bylaws, and rules

This provision should provide (1) for adoption of existing ordinances and bylaws; (2) the repeal of such ordinances or bylaws that conflict; and (3) a temporary grant of power to the transitional body to oversee these ordinances and to make changes as may become necessary during the transition.

On the effective date of this charter, all ordinances, and bylaws of the Town of Essex and the Village of Essex Junction shall become ordinances and bylaws of the City or Town. The City council or Town selectboard shall be fully authorized to amend or repeal any ordinance according to the provisions of subchapter__ of the charter. Whenever a power is granted by any such ordinance, or bylaw to an officer or officers of the Town of Essex or the Village of Essex Junction, such power is conferred upon the appropriate officer or officers of the [name of municipality].

§ 109. Personnel

~~(e)~~ This provision should cover all town and village employees during transitional period for issues of employment, compensation, and benefits. (George: Do we need to specifically mention dissolution of the Town Employees Union and/or Village Association and/or integration of the two? Prior to formalizing the charter language I would like to see some process by which the benefits of one versus the other are objectively compared. Question for Dan: We have avoided the entire issue of integrating the Town employee's union and the Village employee's association because we have been told that management can get into legal trouble by suggesting that one or the other dissolve OR that members of one should consider the benefits and advantages of the other. Could you please briefly enlighten us about management's legal rights to discuss this issue?)

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(a) *The Interim Governing Body established in § 105 shall develop a pay and classification plan and make recommendations to meet the Town's needs. The City council or Town selectboard may implement such proposals once the charter becomes effective.*

(b) *The Town of Essex personnel regulations in effect as of 6/30/___ shall carry over and control as of July 1, 20__ until amended by the [name of municipality] council or selectboard.*

Commented [AJ7]: Raj: Again, it would be nice to discuss a process / plan for employees. This will be a topic of concern for the community and is for me. I'd like our employees to have a complete understanding of the process and the impact on their future employment. When do current labor contracts expire and how do those dates jibe with our timeline?

(c) *Employees of the Town of Essex and the Village of Essex Junction shall become employees of the [name of municipality]. The dates of hire with the Town of Essex and the Village of Essex Junction will be used as the dates of hire for purposes related to benefits with the [name of municipality] and all accrued benefits shall carry over.*

Commented [AJ8]: Raj: Has this been decided? What is the impact on Village employees? Is that the current HR model i.e. Town benefits assigned to village employees and if not, why this assumption?

(d) *Upon the effective date of the charter, employees of the Village as of June 30, 20__ shall have the option to remain in the retirement program they are enrolled in as of June 30, 20__ or to join the Vermont Municipal Employees Retirement System*

~~(e)~~ *All new employees hired after the effective date of the charter will be considered Town Employees and are subject to the Town Employee Manual and/or their respective labor agreement.*

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~~(e)~~(f) *All labor contracts in effect at the time of the effective date of the merger shall remain in effect until their expiration. Union/Association employees shall, as a matter of law, have the right to form a bargaining unit subject to the laws of the state of Vermont and bargain a successor agreement.*

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This provision should lay out any transitional provisions to unite the town and village water and sewer districts, including any necessary provisions for their management and eventual integration. (George: The current Village and Town water/sewer systems have very different rate structures and their physical infrastructures are serviced by their respective highway/public works departments. We haven't needed to designate them as separate 'districts' because they are presently owned and operated by two separate corporate entities. I therefore suggest we formally designate them in the charter as separate water/sewer districts. This is another important conversation we need to have at the board/staff level before finalizing the Charter language. Question for Dan: Can you please suggest language for stating that the two existing water/sewer systems shall be separate water and sewer districts in the new community?)

Do we need this section? (Yes!)

Commented [AJ9]: Raj: Again, this looks to me like a discussion we need to have sooner than later.

§ 111. Finances

Declaring all grand lists to remain in effect from the town and village and that any taxes due under the old entities will be payable to the new municipality. That the new entity will manage the existing budget of the old entities with the assistance of the existing selectboard and board of trustees. Transition provisions for assets and property, bonds, and obligations.

(a) The existing real property tax system of the town shall become the system of the [name of municipality]. Upon the effective date of the charter, all grand lists will remain in effect and any remaining taxes due to the Village and Town will be payable to the [name of municipality]. The [name of municipality] will manage the existing budget of the Village and Town with oversight by the Interim Governing Body.

[Special Debt Assessment District under § 104?]

All Tax and indebtedness incurred by the Village tax payers at the time of merger are to remain with these properties until final payment of said obligations are made in full.

All legal obligations made by the Village Board, including tax stabilization agreements and any agreements to purchase real property are to be considered obligations of the new governmental entity.

§ 112. Terms Extended

Extending the governing officers' terms for the length of the transitional period (if necessary).

The Selectboard and Trustee terms set to expire in 20__ shall be extended without further action necessary, until June 30, 20__.

Commented [AJ10]: Raj: This seems appropriate.

§ 113. Municipal Government Seat

As necessary provisions stating where the new municipality will conduct meetings and any provisions for town buildings affected by the merger that must be addressed prior to the new municipal government taking office. (George: I don't think this is necessary. I'm assuming 81 Main will continue to function as the main site of administrative operations, but 2 Lincoln will still be a municipally-owned building with a meeting room and offices. I'm concerned that specifically naming 81 Main as 'the' seat of government might limit the flexibility to also use 2 Lincoln for government meetings if 81 Main isn't available and for other government purposes. It also implies that if the government outgrows both buildings it would need voters to approve a charter change before moving into a new building. I don't see this in either of the existing charters so I'm not sure why it's needed. Question for Dan: Is it necessary for us to specifically designate a municipal government seat? Note that there is no such designation in either charter at present.)

Should the voters of the Town of Essex and the Village of Essex Junction, and the Vermont General Assembly approve the proposed [name of municipality] charter and plan of merger, the Transition Committee will prepare a detailed plan with cost estimates for the renovation of _____ to serve as the administrative seat of government along with any other facility improvements that may be necessary to meet the needs of the merged community. (George: Not necessary)

§ 114. Transitional Tax Districts and Transitional Tax Provisions.

Create tax districts and set up timelines for their existence. Should follow the transitional districts created in Section 103.

(George: Will need to leave this blank for now until we confer with VT leg and tax department.)

Two Temporary Tax Districts?

Special Debt Assessment District?

§ 115. Repeals

(a) 24 App. V.S.A. chapters 117 (Town of Essex Charter) and 221 (Village of Essex Junction Charter) are repealed.

Commented [AJ11]: Raj: We'll be discussion staffing at Lincoln Hall on Tuesday and I'd like to have the topic of what happens with physical plant assets and offices on an agenda for the gov sub and joint boards.

**VILLAGE OF ESSEX JUNCTION TRUSTEES
TOWN OF ESSEX SELECTBOARD
SUBCOMMITTEE ON GOVERNANCE - SPECIAL MEETING
December 19, 2019**

SUBCOMMITTEE MEMBERS: George Tyler, Chair; Raj Chawla; Max Levy; Andy Watts.

ADMINISTRATION: Evan Teich, Unified Manager; Ann Janda, Project Manager; Greg Duggan, Deputy Manager; Dan Richardson, Special Counsel to Town and Village.

OTHERS PRESENT: Tim Jerman, Hubert Norton, Ken Signorello, Margaret Smith, Irene Wrenner.

1. CALL TO ORDER

George Tyler called the meeting of the Village of Essex Junction Trustees and Town of Essex Selectboard Subcommittee on Governance (hereafter referred to as “Subcommittee on Governance”) to order at 7:03pm.

2. AGENDA ADDITIONS/CHANGES

Greg Duggan requested adding an item to the reading file, which was a petition that was received from residents of the Town to have an article added to the Annual Town Meeting ballot to change the makeup of the Selectboard.

3. AGENDA APPROVAL

ANDY WATTS made a motion, and MAX LEVY seconded, that the Subcommittee on Governance approve the agenda as amended. Motion passed 3-0 (Raj Chawla was not present for this vote).

4. PUBLIC TO BE HEARD

Irene Wrenner suggested changes to the minutes of the December 12, 2019 Subcommittee on Governance meeting, which are captured in agenda item 5e below.

5. BUSINESS ITEMS

a. Discuss taxation with attorney Dan Richardson

Mr. Tyler introduced this item, stating that this Subcommittee and staff have been exploring options for the phase-in of Village debt should a merger occur between the Village and Town. He explained that staff are exploring tying a tax equalization phase-in period with the Village debt schedule, which will be paid off in 13 years. He added that a longer phase-in period would have less of an impact on tax rates year to year throughout the phase-in.

Dan Richardson stated that a general rule of municipalities prohibits boards from tying the hands of future boards for prolonged periods of time, but added that this does occur sometimes through bonding or through five-year town plans. He added that the board would not be voting on the charter changes that would accompany the merger, but the legislature would. He further added that he has not seen a precedent for a 12-year merger situation before in Vermont, but has not found affirmative or negative cases from other states’ mergers. Mr. Richardson then suggested

47 that to pursue options further, this Subcommittee and staff should begin introducing their
48 proposal to both the House Committee on Government Operations to explain rationale for
49 proposal and hear any initial objections, and to the Department of Taxes to ensure no
50 unanticipated consequences of a merger and tax phase-in.

51
52 Mr. Tyler replied that there is a local precedent for a tax phase-down strategy, explaining that
53 IBM had previously paid property, business, and machinery taxes to the Village and Town, but
54 that with the outlawing of machinery taxes through Act 60, there was an incremental phase-down
55 period of that tax over 12 years. Mr. Richardson replied that this is a good analogy and
56 framework, showing that some sort of precedent exists. He added that he has not found any
57 provisions in Vermont law that prohibits the above-outlined proposals, and that charters do allow
58 the potential for being creative.

59
60 Mr. Tyler then walked through proposed strategies for minimizing the impact of tax rate
61 reconciliation, either through creation of a special service district (such as for sidewalks), a
62 special tax to fund the pre-merger Village capital projects, or a downtown service district (the
63 Village has a state-designated downtown district).

64
65 Mr. Richardson stated that a sidewalk district would be reasonable, since it would be tying the
66 tax to a specific benefit seen by a specific group or area of residents. He added that this direct
67 connection is less clear with capital improvement projects, and urged that any creation of a
68 capital improvement tax district would need to outline specifically how capital improvement
69 projects are benefitting the residents in those municipalities. He finally noted that leveraging a
70 downtown district designation would give the least amount of flexibility, in that it would only tax
71 a very small group of residents, and that may be difficult to prove that a proposed change or
72 project will only benefit the residents of that district.

73
74 Ann Janda added context for the capital improvement district option, stating that the Town and
75 Village have separate capital plans, and that there could be issues if those plans are combined
76 immediately after a merger and suddenly a new governing body would have to reprioritize the
77 list in its entirety. She added that if there was a special tax district to segment the Village capital
78 plan, it would give the merged community time to figure out how to approach projects as one
79 community. Mr. Richardson noted that this would be characterized as a transitional provision in
80 the new charter. Mr. Richardson finally strongly recommended that any proposals be fleshed out
81 and described as much as possible, to be successfully presented to the legislature and Department
82 of Taxes.

83
84 **b. Discuss representation with attorney Dan Richardson**

85 Ms. Janda began discussing this topic by stating that the group's proposal for representation
86 would be for a seven-member board in a merged entity with two representatives from the
87 Village, two from the Town, and three at-large representatives. She added that the subcommittee
88 has some uncertainty about whether to use state districts, existing districts, or to designate a
89 district as the former Village district. She added that new census data won't be available until
90 2021, but that they would like to do this in a way that ensures that the merged entity wouldn't
91 have to redistrict right away when that data becomes available.

92

**SUBCOMMITTEE ON GOVERNANCE
(DRAFT)**

December 19, 2019

93 Mr. Richardson replied that the sole rule about dividing districts is to ensure that they are even,
94 and that municipalities generally prefer keeping districts relatively stable. He stated that drawing
95 districts based on former, known districts is an acceptable approach, and that two representatives
96 each from the Town and Village and three at-large representatives is also acceptable. He also
97 added that, given the contentious nature of this issue, a sunset provision could be added to
98 whatever proposal is brought forth for consideration that after sunset. This could state something
99 like the proposed structure would sunset after 7 years and have all representatives be at-large, or
100 could put provisions in charter that would sunset the proposed structure but obligate the board to
101 put to a vote how the representational structure would look going forward.
102

103 Raj Chawla asked what would happen if there were a charter change request vote in March and
104 then another one in November, and how potentially conflicting ballot questions could be dealt
105 with. Mr. Richardson replied that if conflicting governance changes are passed at large in March
106 and then in November, the legislature would select one and reject the other. They also may
107 question why the same group of voters voted one way and then another in the same year.
108

109 **c. Discuss charter drafting with attorney Dan Richardson**

110 Mr. Richardson walked through the outline of the draft charter. He stated that it began with the
111 existing Town and Village charters, which he then grouped into potential sections. He listed each
112 subchapter, and noted that additional subchapters could be added in the case of a special
113 sidewalk district or designated downtown district.
114

115 Ms. Janda asked whether adding boards and commissions to the charter would bind the
116 community to always have those specific board and commissions. Mr. Richardson replied
117 affirmatively and added that generally, boards and commissions that are given money or power
118 by the municipality need to be included in the charter.
119

120 Ms. Janda asked the subcommittee about process and timeline for next steps. She suggested
121 having a working draft of the charter in late January with enough detail to be able to present at
122 the Annual Town Meeting (in March), to help anticipate and answer any questions that may arise
123 at the meeting. Mr. Tyler suggested focusing on the essential sections in the coming months,
124 including transitional provisions and special district language. He also proposed that the
125 subcommittee will provide the initial draft to Mr. Richardson for his review. He suggested that
126 each subcommittee member review the framework of the draft charter and the existing Town and
127 Village charters, in order to prepare to discuss elements in mid-to-late January.
128

129 Mr. Richardson stated that he will reach out to the Department of Taxes for an initial discussion
130 to introduce contemplated changes related to taxation plans.
131
132

133 **d. Schedule January-February meetings**

134 Additional meetings of this Subcommittee are scheduled for January 16, 2020 at 7:00pm and
135 January 23, 2020 at 7:00pm.
136
137

138 **e. Approval of minutes**

**SUBCOMMITTEE ON GOVERNANCE
(DRAFT)**

December 19, 2019

139 *December 12, 2019:*

140 **GEORGE TYLER made a motion, and MAX LEVY seconded, to approve the**
141 **Subcommittee on Governance meeting minutes from December 12, 2019 with the following**
142 **modifications:**

- 143 • **Line 11: add Margaret Smith to “OTHERS PRESENT”**
- 144 • **Line 51: insert “potential” before “appearance of conflict of interest”**
- 145 • **Line 65: replace “around” with “an average of”**
- 146 • **Line 66: replace “compared” with “comparing”**
- 147 • **Line 97: insert “Mr. Watts returned to the room for this portion of the discussion.”**

148

149 **Motion passed 4-0.**

150

151 Ken Signorello asked about milestones and timeline for any petition-generated charter changes.
152 Mr. Tyler replied that the proposal would need to be proposed to the town clerk, warned by the
153 town clerk, would be voted on by the community, and then would be put forward at the
154 legislative session in 2021.

155

156 **6. ADJOURN:**

157

158 **MAX LEVY made a motion, and RAJ CHAWLA seconded, to adjourn the meeting.**

159 **Motion passed 4-0. The meeting adjourned at 9:00pm.**

160

161 Respectfully Submitted,
162 Amy Coonradt
163 Recording Secretary

164

165

166 Approved this _____ day of _____, 2019

167

168 (see minutes of this day for corrections, if any)

GOVERNANCE
SUBCOMMITTEE

Agenda Addition to 5c

1/16/20

Suggested Introductory paragraph for Town of Essex Charter
(Adapted from Town of Hartford, Vermont Charter)

The inhabitants of the town of Essex, including the historical, unincorporated village of Essex Junction, are a corporate and political body under the name of "town of Essex" (herein called "the town"). As such, inhabitants enjoy all rights, immunities, powers, and privileges and are subject to all the duties and liabilities now appertaining to or incumbent upon them as a municipal corporation.