1. CALL TO ORDER [7:45 PM]

2. AGENDA ADDITIONS/CHANGES

3. APPROVE AGENDA

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

5. BUSINESS ITEMS
   a. Discussion of potential merger of Town of Essex and Village of Essex Junction with the delegation of Essex area State Senators and State Representatives
   b. Review and consider approval of draft Essex Merger Vote 2020 FAQ for use at upcoming public meetings and events
   c. *Evaluation of a public employee

6. CONSENT ITEMS
   a. Approve minutes: January 21, 2020 – (Selectboard and Trustees approval)

7. READING FILE
   a. Board Member Comments

8. EXECUTIVE SESSION
   a. An executive session is anticipated to discuss the evaluation of a public employee

9. 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: 01/31/2020

[Signature]
Dear Chittenden County Senators, Town of Essex Representatives, and Village of Essex Junction Representatives,

Our scheduled meeting for Monday, February 3rd at Essex High School is right around the corner and we are very much looking forward to hosting you.

We will be starting our meeting around 6:45 with a very brief capital budget hearing, followed by a second public hearing for a charter change that I expect will run from 7-7:45. We will shift to our discussion with all of you by 8 pm.

I am attaching two documents: proposals for our draft merger plan regarding taxation and representation. Our boards have begun discussing these proposals only recently—they will both likely change a bit in the coming months. If you are able to review them before our meeting that’s great, but we will also provide a brief overview of both at the start of our conversation. In the event you are planning to come early and want to take in the public hearing, here is a link to FAQs about the petition.

We are hoping to hear from you about your level of support for our efforts towards a potential merger, but more importantly we would like to know if you have any concerns about our proposed plans or path. Are there regional concerns you want to make sure we are addressing? Are there legislative issues you need us to take into account? We want to assure both all of you and our residents that we are performing our due diligence.

Thank you again for your time and we look forward to seeing you. Feel free to text me at (802) 324-2546 if your plans change at the last minute.

Best,

Elaine
Dear Chittenden County Senators, Town of Essex Representatives, and Village of Essex Junction Representatives,

On behalf of the Town of Essex Selectboard, I would like to invite you to attend our Monday, February 3rd joint meeting with the Board of Trustees of the Village of Essex Junction.

As you know, the Town and Village are deep in the process of preparing for a merger vote which is scheduled for November 3, 2020. We have spent the last 18 months researching our options and engaging in public outreach. We are now beginning to draft a merger plan for voters to consider.

We would welcome the chance to meet with all of you to update you on our efforts. In addition, we wish to offer you the opportunity to share your questions and thoughts about our merger work.

Our meeting on February 3rd will be at Essex High School and will begin at 7 p.m. and will start with a public hearing on a voter-backed petition. We anticipate that hearing to end around 8 p.m. Your visit to our meeting will be the first thing on the agenda after the hearing.

Thank you very much in advance for your willingness to attend our meeting and discuss this significant initiative with us. We look forward to the honor of hosting you.

Best,

Elaine Haney

Elaine Haney (she / her)
Chair, Town of Essex Selectboard
ehaney@essex.org
Memorandum

To: Town of Essex Selectboard and Village of Essex Junction Trustees; Evan Teich, Unified Manager
CC: Greg Duggan, Deputy Manager; Sarah Macy, Assistant Manager and Finance Director

From: Ann Janda, Project Manager

Re: Discuss and possibly approve conceptual merger language about representation for discussion with state legislators

Date: January 21, 2020

Issue

The issue is approving language for the concept of a transitional elected board representation model in a merged Essex Junction/Essex Town municipal government for the purpose of discussions with state legislators and legislative counsel.

Discussion

At its January 16 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:

Village: 9794 – 9271 = 523. ( 523 / 9794 ) * 100 = 5.3%

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

The next step is for the joint boards to authorize the Governance Subcommittee to discuss the proposed representation model with the appropriate state legislators to gain their feedback.

Recommendation

Staff recommends that joint board members approve or amend the recommendation language following this memo for the purpose of discussions with legislators to ensure that these concepts will be acceptable if/when they are submitted to the legislature for approval.
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 five or 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
favored 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.
Memorandum
To: Town of Essex Selectboard and Village of Essex Junction Trustees; Evan Teich, Unified Manager
CC: Greg Duggan, Deputy Manager; Sarah Macy, Assistant Manager and Finance Director
From: Ann Janda, Project Manager
Re: Discuss and possibly approve conceptual merger language about taxation for discussion with state legislators
Date: January 21, 2020

Issue
The issue is approving language for the concept of a 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 for the purpose of discussions with state legislators and legislative counsel.

Discussion
At its January 16 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 for the joint boards to authorize the Governance Subcommittee to use the following language in discussions with the appropriate state legislators to gain their feedback.

Recommendation
Staff recommends that joint board members approve or amend the recommendation language following this memo for the purpose of discussions with legislators to ensure that these concepts will be acceptable if/when they are submitted to the legislature for approval.
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: Town of Essex Selectboard; Village of Essex Junction Trustees; Evan Teich, Unified Manager
CC: Greg Duggan, Deputy Manager; Sarah Macy, Assistant Manager and Finance Director
From: Ann Janda, Project Manager
Re: Review Draft FAQ and Consider Approving for Use at Upcoming Public Meetings

Date: February 3, 2020

Issue
The issue is developing an Essex Merger Vote 2020 FAQ handout for the upcoming annual meetings and other public outreach meetings.

Discussion
The attached draft FAQ handout includes condensed versions of previously approved FAQ answers currently on www.greateressex2020.org with some added some language suggested by the Governance Subcommittee for your consideration.

Recommendation
Staff recommends that joint board members review the following draft FAQ and consider approving for use at the upcoming annual meetings, other public outreach meetings, and to update www.greateressex2020.org.
Essex Merger Vote FAQs
VOTE NOVEMBER 3, 2020
For more information go to: www.greateressex2020.org

Why merge?
The Village Board of Trustees and Town Selectboard believe we will be stronger together as one united community. We can work as one to plan for the future, attract and retain a vibrant business community, protect our natural resources, restore and enhance our infrastructure, improve our services, overcome challenges we face, and establish ourselves as Vermont’s premier livable community.

Aren’t we already merged?
The current governance structure we have now is two separate municipalities with separate charters, sharing some municipal services under contract. The Village of Essex Junction is an incorporated municipality within the municipality of the Town of Essex.

Starting in 2013, in an effort to improve services across the entire Essex community, some municipal services were consolidated. These consolidations have reduced the amount of taxes the municipalities need to raise – a combined savings of more than $2.8 million (see page 2 for breakdown of savings).

Why are we doing this now?
Each year that passes increases the cost of merging. Although consolidation efforts lowered the cost since the 2006/2007 vote, as long as Village taxes continue to increase, the tax impact of merger on residents outside the Village grows.

To continue consolidation efforts, the Town of Essex Selectboard and the Village of Essex Junction Board of Trustees have met jointly for the past few years and much research has been done by a joint Governance Subcommittee on possible governance structures of a merged municipality. Public input was also gathered via resident surveys and focus groups.

Why is the Village tax rate higher than the Town’s?
The Village is part of the Town so it has the same tax rate for paying taxes to the Town to support the Town’s municipal services. Added to that is the Village tax rate which pays for municipal services provided by the Village government. Town residents outside the Village don’t pay taxes to the Village government.

Why do the Town and Village share some services but not others?
Over a hundred years ago the State allowed the village area of Essex Town to incorporate itself as a separate taxing and governing authority within the Town. The village, now known as Essex Junction, was becoming densely populated and needed municipal services that the Town didn’t provide. The State still considered the Village to be part of the Town. As the rest of the Town grew and developed the Village was required to help pay for municipal services outside the Village as well as paying for its own municipal services within the Village. Over the years the Town and Village governments have integrated some Village municipal departments into the Town so that the cost is distributed throughout the community. But some Village municipal services – Brownell Library, capital repair costs, community development, fire department, and recreation – remain separate. Village residents support those services in the Village and also help support Essex Town’s library, capital repair costs, community development, fire department, and recreation. Merging the Town and Village governments would dissolve the Village government and integrate those remaining services under a single town government.
How has consolidation of some services saved money?

**FY2014 - FY2019: $2.13 Million**

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**Total Savings = $2.13M**

**FY2020: $0.69 Million**

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**Total Savings = $0.69M**

How would a merger affect development?

Merging the Town and Village governments wouldn’t change their comprehensive plans, but, over time, it would merge them into a single document. If merger happens, the long-term evolution of the newly unified Town-Village comprehensive plan would be under the control of a single planning commission, development office, and elected board. Changes and updates would reflect the coordinated strategic vision of the entire community.

How would merger affect my property taxes?

Residents of the Town outside the Village currently pay municipal taxes only to the Town. Residents of the Village currently pay municipal taxes to both the Village and Town.

- A $280,000 home in the Town outside the Village pays a total of $1,510.88 in municipal taxes.
- A $280,000 home in the Village pays a total of $2,405.76 in municipal taxes.

The Town and Village coming together means the two different levels of taxation meet somewhere between the two. The tax impact of merger would be spread over 12 years to lower the annual impact for residents of the Town outside the Village that could cost the average Town property owner between $20 and $30 a year over that time period. Please note:

- Actual numbers depend on assessed value.
- Education tax rates would not be impacted by merger.
- Only users of municipal water and sewer pay for these services. Residents in parts of Essex that do not have municipal water or sewer service do not pay for those services or infrastructure.
- A temporary “Village Debt Assessment District” would be established and sunset once all Village debt is paid in full by Village residents.

version 1- February, 2020
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**Description:** Location: Town Residential

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Town of Essex

TAX BILL

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<td></td>
<td>01/27/2020</td>
<td>2019</td>
</tr>
</tbody>
</table>

Description:
Location: Village Residential

OWNER

Town of Essex
TAX YEAR 2019

<table>
<thead>
<tr>
<th>1ST PAYMENT DUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/16/2019</td>
</tr>
</tbody>
</table>

OWNER NAME

PARCEL ID

AMOUNT DUE 3356.78

AMOUNT PAID

All Town and Village taxes are now included on this bill when applicable.

Town of Essex
TAX YEAR 2019

<table>
<thead>
<tr>
<th>2ND PAYMENT DUE</th>
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</thead>
<tbody>
<tr>
<td>03/16/2020</td>
</tr>
</tbody>
</table>

OWNER NAME

PARCEL ID

AMOUNT DUE 3356.78

AMOUNT PAID

All Town and Village taxes are now included on this bill when applicable.

TAX SUMMARY

MUNICIPAL TAXES

<table>
<thead>
<tr>
<th>TAX RATE NAME</th>
<th>TAX RATE</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town General</td>
<td>0.5067</td>
<td>1,418.76</td>
</tr>
<tr>
<td>Town Capital</td>
<td>0.0200</td>
<td>56.00</td>
</tr>
<tr>
<td>Tax Agreements</td>
<td>0.0019</td>
<td>5.32</td>
</tr>
<tr>
<td>Village General</td>
<td>0.3206</td>
<td>897.68</td>
</tr>
<tr>
<td>Village Economic Dev</td>
<td>0.0100</td>
<td>28.00</td>
</tr>
</tbody>
</table>

HOMESTEAD TAXES

<table>
<thead>
<tr>
<th>TAX RATE NAME</th>
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<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOMESTEAD EDUCATION</td>
<td>1.5385</td>
<td>4,307.80</td>
</tr>
</tbody>
</table>

GRAND LIST VALUES 2,800.00

TOTAL TAXABLE VALUE 280,000

REAL 280,000

HOMESTEAD 280,000

ASSESSED VALUE

TAX RATE NAME TAX RATE x GRAND LIST = TAXES

EDUCATION TAXES

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</tr>
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HOMESTEAD EDUCATION 1.5385 x2,800.00 = 4,307.80

MUNICIPAL + EDUCATION 6,713.56

MUNICIPAL TAXES

| TOTAL MUNICIPAL TAX | 2,405.76 |
| MUNICIPAL STATE PAYMENT | 3,356.78 |
| MUNICIPAL NET TAX DUE | 2,405.76 |

EDUCATION NET TAX DUE 4,307.80

TAX payments

<table>
<thead>
<tr>
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<th>AMOUNT</th>
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<td>3,356.78</td>
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</table>

TOTAL EDUCATION TAX 4,307.80

EDUCATION STATE PAYMENT 4,307.80

EDUCATION NET TAX DUE 4,307.80

HOMESTEAD EDUCATION 4,307.80

MUNICIPAL NET TAX DUE 2,405.76

TAX SUMMARY

MUNICIPAL + EDUCATION 6,713.56

TOTAL TAX 6,713.56

TOTAL STATE PAYMENT 0.00

TOTAL NET TAX DUE 6,713.56

DETACH THE STUBS BELOW AND RETURN WITH YOUR PAYMENT

All Town and Village taxes are now included on this bill when applicable.

This is the only bill you will receive. Please forward to new owner if property is sold.
Memorandum
To: Board of Trustees; Selectboard; Evan Teich, Unified Manager
From: Greg Duggan, Deputy Manager
Re: Executive session for evaluation of public employee
Date: January 31, 2020

Issue
The issue is whether the Trustees and Selectboard will enter into executive session to discuss the evaluation of the Unified Manager.

Discussion
In order to have a complete and thorough discussion, it would appear that an executive session may be necessary. The evaluation of public employees can be a protected discussion.

Cost
N/A

Recommendation
If the Trustees/Selectboard wish to enter executive session, the following motion is recommended:

“I move that the Trustees/Selectboard enter into executive session to discuss the evaluation of a public employee in accordance with 1 V.S.A. Section 313(a)(3) and to include the Selectboard/Trustees.”
1. **CALL TO ORDER**

   Elaine Haney called the Essex Selectboard back to order from recess, and Andrew Brown called the Village of Essex Junction Trustees to order, to enter into the Special Joint Meeting of the Village of Essex Junction Trustees and the Town of Essex Selectboard at 7:41 PM.

2. **AGENDA ADDITIONS/ CHANGES**

   Mr. Duggan provided a Comparative Taxation Plan document for reference in item 5B.

3. **AGENDA APPROVAL**

   MAX LEVY made a motion, seconded by PATRICK MURRAY, that the Selectboard approve adding the Comparative Taxation Plan to item 5b on the agenda. The motion passed 5-0.

   DAN KERIN made a motion, and RAJ CHAWLA seconded, that the Trustees approve the agenda as amended. The motion passed 5-0.

4. **PUBLIC TO BE HEARD**

   a. **Comments from Public on Items Not on Agenda**
   
   There were no comments from the public at this time.

5. **BUSINESS ITEMS**

   a. **Discuss and possibly approve conceptual merger language about representation for discussion with state legislators**

   Mr. Tyler, chair of the Governance Subcommittee, introduced the committee’s recommendation for a merger transition model, and asked whether the board members would approve it for discussion with state legislators. He reminded them that that the Selectboard and Trustees would need to determine next steps for the recommendation, as they move forward with the process, because the Governance Committee does not have final voting authority. Mr. Tyler explained that the committee recommended a governance model that is a hybrid of seven representatives, including at-large and designated seats from the current Essex Junction and Essex Town municipalities, with terms of three years and staggered election cycles. He said the committee recommends that this transitional representation phase last 5 years, during which time work would include integration of ordinances, offices, codes and staff, while the governing body determines a final representation model. He pointed out that the representation structure would include 2 members from the former Essex Town
'outside the Village' district; 2 members from the former Essex Junction ‘Town-inside-the-Village’ district; and 3 members at-large. Mr. Tyler explained that this model is a compromise between various factors including the KSV analysis, the values of at-large and voting districts, state statutes, and population numbers that may change after the Census. He read the committee’s arguments for voting districts and the at-large arguments. He explained that the next steps will include completing a new Essex Charter draft and meeting with Attorney Dan Richardson, then Legislators.

The Selectboard and Trustees all agreed with the idea of compromise at the core of the recommended hybrid model but also weighed in on their preferred representation models. They all stressed the importance of the temporary nature of this transitional model and that this new board’s work will be to move toward a final representation model that considers accurate population counts and the best interests of the community. The board members discussed the role accurate census numbers would play in districting and the role population size may play on considering at-large models. Mr. Brown pointed out that a separate merger vote for “at large” representation had been voted down in the past. The board members talked about how different models may represent different interests. Ms. Cooper explained that her values of inclusivity could be well reflected in an at-large model. Mr. Murray, and Mr. Watts discussed their experiences of community perceptions of board member bias, based on where they live or how they represent issues. They both stated a strong commitment to considering all sides of situations and see their roles as representing everyone fairly, equally and at-large. Mr. Chawla, Mr. Murray, Ms. Thibeault, and Mr. Brown discussed not preferring a permanent hybrid model, but being willing to accept this as a transition, and talked about the way this model is not directly informed by some of the KSV survey. Mr. Chawla suggested that when the transitional governing body begins to define a more permanent redistricting or at-large voting and representation model, an independent commission may be of value.

Mr. Tyler discussed the charter timeline and the role of the Vermont Legislature in the merger process. He talked about the expected time lag between an Essex community vote and the State of Vermont’s vote in the legislature. He said both of these votes are needed to approve the merger but, during the time between these votes, the current representative model would remain as the governing body. Mr. Tyler pointed out that if a competing voter proposal from Article 5 at Town meeting is voted in, they risk the possibility that the legislature will reject it along with the Governance Subcommittee’s recommendation.

Ms. Haney opened the floor to community comments.

Ms. Davis pointed out the quantified result of a KSV survey question on page 7, about preferred representation models, where 62.44% of Village and Town residents who participated in the survey preferred a District Ward model. She shared her opinion that, based on this information, the model chosen should be a District Ward model. She said, from her point of view, the interim model chosen by the boards is not a compromise because she believes it only reflects Village interests.

Ms. Wrenner countered an idea mentioned by a board member that districting models are not preferable for population sizes smaller than 40,000. She believes that Montpelier’s 3-district model contradicts this because the population size is smaller than Essex.
Ms. Smith shared her perspective that the proposed model does not change the Town and Village dynamic of unequal representation. She talked about how she sees unequal representation contributing to unequal services between the Town and Village.

Ms. Haney discussed a chart about Selectboard membership between 1989-2019 to show representation fluctuations of people who live in the Village and the Town outside the Village. She talked about the importance of trusting the people who are elected to serve on the Selectboard, no matter where they are from, because they take an oath to represent everyone. Ms. Wrenner talked about her perception that implicit bias may play a role in decision making, even when Selectboard members think they are representing everyone. Mr. Murray noted that he has not found a vote on record, made by the Selectboard, that split along district lines between the Selectboard members who reside in the Village and the Selectboard members who reside in the Town outside the Village.

b. Discuss and possibly approve conceptual merger language about taxation for discussion with state legislators

Mr. Tyler introduced the Governance Subcommittee’s taxation plan for the conceptual merger and asked whether the board members would approve it for discussion with state legislators. He clarified that the plan is based on careful budget calculations, KSV survey data, legal assumptions and insights from the Strategic Advance meeting. He said it carefully merges and plans out taxation over 12 years with the goal of lightening the tax burden, by easing it in over time, while not losing major services. He summarized the proposed four point plan of the recommendation and asked that the boards adopt one or more taxation schemes, under point II, to address Village debt and planned capital projects. These taxation schemes could include designating the Village as a tax rate reconciliation district; a sidewalk district; a capital improvement district and/or the Village center as a downtown improvement district. In each of these areas the Village would continue to invest in their own capital projects and pay on debt the Village has incurred.

The board members discussed the proposal. Mr. Levy, Mr. Chawla; Mr. Brown and Ms. Haney expressed concerns with the idea of a Sidewalk District. They talked about complications that may arise with this based on how to determine sidewalk district boundaries; plans of the Town outside the Village to install new sidewalks; current challenges with snow clearing of sidewalks; and maintaining standards of current sidewalk maintenance services. Mr. Murray and Ms. Haney discussed the mechanics of the entire taxation plan, noting that it carefully considers concerns by residents from the Town outside the Village about tax increases under a merger plan. They clarified that the first year of this plan, there would be a combined vote for one budget with two separate tax rates, which would change over 12 years until they are equal tax rates. Mr. Watts requested that the subcommittee ask the attorney about how the five year village capital plan would be affected by a 12 year taxation plan and to ask him about how to ensure that tax stabilization agreements do not expire as an effect of a merger. Ms. Cooper wondered what types of efficiencies would transpire based on finance only crafting one budget instead of two. Ms. Macy shared that having a streamlined budgeting season process would allow for more creative financial planning. Mr. Watts and Mr. Teich
discussed how the water and sewer rates and capital would continue to be their own districts, not paid for by general funds but, instead, by water and sewer rates.

Ms. Haney opened the floor to community comments. Ms. Smith, Mr. Signorello and Ms. Wrenner asked for clarification of the Comparative Taxation Plan chart, provided by staff for the taxation discussion, which illustrates the adjustment of tax rates over twelve years. Ms. Macy explained that the total change in taxes would be a $330 increase in the Town outside the Village and a $470 decrease in the Village in order to achieve equality. She clarified that these rate changes would be alleviated by spreading them out over 12 years; each year would be an additional rate change, combined cumulatively with the previous rate changes. The community members requested a chart that better illustrates the cumulative effect of the tax changes for each year of the 12 year plan.

Ms. Haney reminded the board members that they will be discussing the plan with the entire state legislative body. She asked them to forward any further questions about the proposed representation or taxation plans to Mr. Tyler so they can be vetted by Attorney Richardson and help inform the legislative visit discussions. Mr. Brown pointed out that, as per Vermont statute, the Legislature must pass the new charter, with all new governance and taxation changes, before Essex can make the changes, even if it passes with the voters. Ms. Haney agreed that the legislative body must be in partnership with Essex in this process.

ELAINE HANEY made a motion, seconded by PATRICK MURRAY, that the Selectboard approve that the Governance Subcommittee visit the legislature to discuss the plans for taxation and representation as presented. The motion passed 5-0.

ANDREW BROWN made a motion, seconded by DAN KERIN, that the Trustees approve that the Governance Subcommittee visit the legislature to discuss the plans for taxation and representation as presented. The motion passed 5-0.

Mr. Tyler stepped away from his seat.

6. CONSENT AGENDA

a. Approve minutes: January 14, 2020 – Joint Meeting

MAX LEVY made a motion, seconded by ANNIE COOPER, that the Selectboard the minutes of the last Joint meeting, of January 14, 2020 with Selectboard comments:

- Mr. Watts clarified that even though he did not attend the meeting it is Selectboard policy that he still may vote

The motion passed 5-0.

DAN KERIN made a motion, seconded by RAJ CHAWLA, to that the Trustees approve the minutes from the last meeting. The motion passed 4-0. (Mr. Tyler returned to his seat, just after the vote)

7. READING FILE

a. Board Member Comments

- There were no board member comments at this time.
b. Town and Village Christmas Tree Pick-up

8. EXECUTIVE SESSION
   a. *An executive session is not anticipated
      An executive session did not take place.

9. ADJOURN
   DAN KERIN made a motion, seconded by RAJ CHAWLA, for the Trustees to adjourn the meeting. The motion passed 5-0 at 9:37 PM.
   Ms. Haney recessed the meeting to enter back into the meeting of the Village of Essex Junction Trustees at 9:37 PM.

Respectfully Submitted,
Cathy Ainsworth
Recording Secretary