Voter Information for the Upcoming Vote on the Merger Plan for the Town of Essex and the Village of Essex Junction

In this booklet you will find the proposed charter and frequently asked questions (FAQs) for your information as a resident of the Town of Essex including the Village of Essex Junction.

There is an Informational Meeting Monday, March 1, 2021 at 7:30 pm. Sign up to receive notifications about upcoming meetings at www.essexvt.org.

Due to the pandemic, the Vermont Legislature has authorized mail-in ballots for Town Meeting 2021. You can also vote in person.

• The polls will be open on Town Meeting Day, Tuesday, March 2nd, from 7 am to 7 pm.
• Village residents should vote at Essex High School.
• Town outside the Village residents should vote at Essex Middle School.

If you didn’t receive a mailed ballot in November, want to check whether you will receive a mailed ballot, or want to register to vote, please contact the Town Clerk’s office at (802) 879-0413.

Please reach out to your elected officials to ask your questions!

<table>
<thead>
<tr>
<th>Town of Essex Selectboard</th>
<th>Village of Essex Junction Trustees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elaine Haney, Chair <a href="mailto:ehaney@essex.org">ehaney@essex.org</a></td>
<td>Andrew Brown, President <a href="mailto:abrown@essexjunction.org">abrown@essexjunction.org</a></td>
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<td>Patrick Murray <a href="mailto:pmurray@essex.org">pmurray@essex.org</a></td>
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<tr>
<td>Vince Franco <a href="mailto:vfranco@essex.org">vfranco@essex.org</a></td>
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<td>Dawn Hill-Fleury <a href="mailto:dhillfleury@essex.org">dhillfleury@essex.org</a></td>
<td>Amber Thibeault <a href="mailto:athibeault@essexjunction.org">athibeault@essexjunction.org</a></td>
</tr>
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Dear Essex Residents,

Over the last seven years the Selectboard and Trustees have worked together to chart a course for the future of our community. As equal partners, we have discussed, researched, and deliberated how best to position the Town of Essex and the Village of Essex Junction for a fiscally and operationally sustainable and strong future. As a conclusion to that work, we believe merging our two municipalities is the best way to achieve a more vibrant, equitable and sustainable community.

Our two communities have come a long way. Since 2014, we have been working together, consolidating services, eliminating duplication, and increasing efficiency. These efforts have already resulted in savings to Essex taxpayers of over $3 million while maintaining the high level of services residents expect. The majority of the Selectboard and Trustees strongly believe that becoming one, unified Essex will continue that success and make our community stronger.

This booklet contains the culmination of our work. With the guidance of input from hundreds of Essex residents throughout the Town and Village—through surveys, focus groups, public meetings, and feedback from scores of individuals—together the boards drafted a new charter for a unified Town of Essex that has an unincorporated Village of Essex Junction within it for the voters to review and vote upon.

We also obtained guidance on the charter from attorneys specializing in municipal law, and statewide authorities including the Vermont Department of Taxes, the House Government Operations Committee of the Vermont Legislature, and its Legislative Council. Our focus all along has been drafting a charter that provides the best opportunity for each of our almost 22,000 residents to be fairly represented and to pay equally for our high quality municipal services.

In November, Village residents voted overwhelmingly in favor of a similar version of the charter for a unified Town of Essex. Over 70% of Town voters living in the Village approved merging the Village and the Town. Now, as required by state law, the entire Town will vote, including our Village residents, on whether to merge our two governments. If this vote is positive the merger plan will go to the State Legislature. All voter-approved charter changes and plans of merger go to the Legislature for review for ratification. The Legislature can unilaterally approve, amend, seek clarifications or agreements, or deny charter changes. Due to the Legislature’s focus on Covid-19 legislation, there may be a delay in addressing our merger plan.

In this booklet you will find the official merger charter, as well as a summary of the charter in less “legalese” language. There is detailed information (including charts and tables) about taxation, a visual timeline, and answers to many frequently asked questions that we have gathered from residents at meetings, in surveys, and online. At the request of residents there is also a list of the many pros and cons of merger for voters to consider. This booklet has been mailed to every household in Essex to ensure that all residents have all the information they need to vote on the merger charter.
Due to the pandemic, the Vermont Legislature has authorized mail-in ballots for Town Meeting 2021. You will receive your ballot in the mail by February 5, 2021. Just like in the November election, please fill it out and return it to the Town Clerk’s office at 81 Main Street by March 1, 2021. You can also vote in person.

- The polls will be open on Town Meeting Day, Tuesday, March 2nd, from 7 am to 7 pm.
- Village residents should vote at Essex High School.
- Town outside the Village residents should vote at Essex Middle School.

If you didn’t receive a mailed ballot in November, want to check whether you will receive a mailed ballot, or want to register to vote, please contact the Town Clerk’s office at (802) 879-0413.

Prior to the vote there will be two public hearings about the merger charter. These meetings will be online on February 1, 2021 and February 16, 2021, both at 6:30 pm. Also, printed copies of this booklet containing the proposed new charter are located outside of the Village Office at 2 Lincoln Street, outside the Town Office at 81 Main Street, and online at [www.EssexVT.org](http://www.EssexVT.org), [www.EssexJunction.org](http://www.EssexJunction.org), and [GreaterEssex2020.org](http://GreaterEssex2020.org).

There will be an informational Town Meeting on Monday, March 1st at 7:30 pm. Because Town voters in November voted to approve the budget via Australian ballot (that is, approving the budget at the polls rather than by voice vote at Town Meeting), the March 1st meeting will not include any voting. It will feature presentations about the FY2022 budget and about merger, with opportunity for public questions, but there will be no voting at the meeting. Voting will happen the next day, March 2nd.

Thank you to every resident who has participated in the merger conversation. Please don’t hesitate to reach out to any Selectboard member or Trustee with your questions.

Elaine Haney
Chair, Town of Essex Selectboard

Andrew Brown
President, Village of Essex Junction Board of Trustees
There have been rumors and assumptions made by residents of both the Village and the Town outside the Village about how merger would affect our community. It is important to respect the differing opinions regarding the pros and cons of the plan of merger.

The truth is that with merger there is give and take and all residents in both the Town and Village will give up some things but also gain some things.

This list of pros and cons puts into perspective the things that aren’t great about merger alongside the things that actually are really good. While residents must make their own decisions about merger, this list will hopefully help everyone understand that merger is not the huge negative some are making it out to be. It’s actually an important step forward for our community towards a future that’s more equitable, affordable, and sustainable.

What is the Village giving up?

Their government. Under merger, the Village Board of Trustees and Village Planning Commission would be dissolved. (The Village’s state Downtown Designation would remain.)

Priority for certain services. Once merged, there would not be any committees that only Village residents get to serve on or services that only Village residents get to use. Village residents would no longer have first pick of EJRP programming and Town outside the Village (TOV) residents would be eligible to become elected board members of the Brownell Library board of trustees.

Their autonomy. The Village budget would no longer exist as something only Village residents could vote on. There would be only a single Town budget covering expenses for the entire Town, including the Village, that all Town residents would vote on. All ballot initiatives, including the budget, would be Town-wide votes. Village residents would no longer vote twice on ballot items.

What is the Village gaining?

Lower taxes, temporarily. Municipal property taxes for the average Village property (with a house valued at $280K) would see an annual, temporary decrease of ~$40 for 12 years. However, there would still be regular annual tax increases based on community need. After 12 years, the merger-related tax reduction would end and only regular annual increases would occur. After 12 years Village residents would pay approximately the same tax rate as TOV residents.

Tax equity. Village residents would pay taxes to only one municipality, not two. Village residents would no longer pay taxes to the Town for services they do not receive or for services they already tax themselves for.

Predictable representation. For the first time ever, Village residents would have their own representatives on the Town Selectboard, elected only by people who live in the Village.

Fewer voting days. Village voters would no longer have to vote multiple times per year. All residents would vote on the budget and elected offices on the same day.
What is the Town outside the Village giving up?

Higher taxes, temporarily. Municipal property taxes for the average TOV resident (with a house valued at $280K) would see an annual, temporary increase of ~$26 for 12 years. This would be on top of regular annual tax increases based on community need. After the 12 years, the merger-related tax increase would end and only regular annual increases would occur. After 12 years TOV residents would be paying approximately the same tax rate as Village residents.

Shared responsibility for all capital projects. After the 12th year of merger, TOV residents will share with Village residents the full cost and responsibility for all capital expenditures Townwide.

What is the Town outside the Village gaining?

Predictable representation. For the first time ever, TOV residents would have their own representatives on the Town Selectboard, elected only by people who live in the TOV district.

Equal access. For the first time, all TOV residents would be able to use all EJRP recreation services and programs without paying extra for them and without waiting for Village residents to sign up first. This includes swimming lessons, camps, and childcare.

More say over spending Townwide. For the first time, TOV residents will have a say on total Town expenditures and services. TOV residents will be able to vote on budget expenditures, projects, and any other ballot questions related to the entire Town, including the Village.

More input into planning and development. TOV residents will have input on development in the entire Town, including the Village downtown.

Better, less expensive childcare. Under merger, the new Town recreation department would provide unified childcare programs throughout the entire community with consistent quality of service, pricing, and registration, and without a waiting list that prioritizes one district over the other.

What is everybody giving up?

Potentially longer wait times for infrastructure projects. TOV and Village infrastructure projects would be merged into a single capital project list, and priority projects would be selected from this prioritized list.

What’s not changing?

Services. Residents will still have plowed roads, police and firefighters, open libraries, clerk services, park maintenance, cleaned culverts, wastewater systems, and all the other amenities we currently enjoy. However, Town staff and the Selectboard will continue to review and adjust services to meet resident needs while maintaining a fiscally responsible budget.

Our identities. The Village of Essex Junction will be known as Essex Junction and the Town of Essex will remain the Town of Essex.
What is everybody gaining?

One government. No more doubles of municipal departments, less confusion, one set of services paid for equally by everyone. One governing body and one community direction.

More transparency. Only one budget and one board means less confusion and more clarity about the municipal budget and policies.

One set of ordinances. Essex Police will not have to enforce two different sets of laws.

Australian ballot budget voting. Everyone will be able to vote on the budget at the polls, instead of having the merged community’s $18M+ budget approved by a small group of people attending Town Meeting.

Informational Town Meeting. Town Meeting will still happen, but the voting will be at the polls the next day or by absentee ballot. So if you can’t make it to Town Meeting, you can still vote.

One land development code. A single, consistent land development code means predictability and stability for businesses—those now located in Essex and those thinking about moving here.

More organized, consistent planning. One Planning Commission and a new Development Review Board will allow for consistent planning Townwide, with all residents able to participate.

One community setting its course together on a host of issues:

• Ensuring racial justice, equity, and safety
• Becoming a welcoming and inclusive community
• Housing that meets the needs of our entire community
• Community and economic development
• Preservation of open space and stewardship of the environment
• First-class recreational facilities
• Building resiliency and sustainability
Town & Village Consolidations

2012
Boards meet to discuss sharing administrative services.

2013
Shared Services Report outlining shared Town & Village administration.

2014
Town Manager becomes Unified Municipal Manager.

2015

2016
Public Works integration
Finance Office consolidation
Town & Village Clerk consolidation

2017

2018
Unified Manager begins ongoing Town/Village alignment process. Boards commence regular monthly joint meetings.

2019
Governance Subcommittee begins work on merger charter.

2020
Village voters approve merger charter in November.

For more info, go to: GreaterEssex2020.org
How did we get here?

Since 2014 the Town and Village have been sharing and consolidating services in an effort to save taxpayer dollars, improve efficiency and eliminate duplication. Between 2014-2019, together we have saved over $2.8 M. Please refer to the timeline on page 8 to see what we have done so far with regards to consolidation.

The minutes of the Selectboard and Trustees joint meeting on June 14, 2018 show that “all members of the boards, at joint meetings on April 25 and May 14, have said they would like the current consolidation efforts to result in end goals of one community/municipality, one legislative body with equal representation, one budget and one tax rate.” At that same meeting the boards unanimously agreed to appoint two members each to a Governance Subcommittee to “research governance issues for consolidation.”

The appointed members of the Subcommittee were and the boards they represented:

- Irene Wrenner, Essex Selectboard
- Max Levy, Essex Selectboard
- Elaine Haney, Essex Junction Trustees
- George Tyler, Essex Junction Trustees

Their key tasks as directed by both boards were to:

1. Develop criteria for researching and assessing different forms of governance for potential reorganization/integration of Town and Village governments.
2. Recommend governance model(s) to the Selectboard and Trustees.

How did you end up choosing merger?

The Subcommittee met multiple times between June 2018 and March 2019. In total the Subcommittee vetted 13 different scenarios and discussed them at length with counsel. The scenarios involved multiple models with various board configurations and charters; overlay districts; forming a city; and separation (more thorough descriptions of the scenarios are available in the minutes from November 14, 2018).

When conducting their research, the Governance Subcommittee agreed to a set of criteria that they used to assess multiple models of governance.

- Better integrated planning
- Better relations
- Better transparency
- Diversify tax base
- Economic and overall sustainability
- Maintain Heart & Soul values
- Maintain public safety
- Makes public participation easier
- Makes voting easier
- Preserve identity
- Eliminate duplication
- Equal representation
- “Eventual” single tax rate
- Improves communication
- Maintain a high level of service
- Speaking with one voice, and having a seat at the table in relevant issues and bodies
- Tax equity
The Subcommittee assessed each potential governance model using the above criteria and determined that three models met the majority of them. The Subcommittee recommended these three possible governance models for further analysis to the full Selectboard and Trustees on April 9, 2019:

1. A unified town charter model
2. A ‘special district’ model
3. A ‘modified status quo’ model

Governance Subcommittee efforts continued, with a change in membership in 2019. The new members and the boards they represented were:

- Andy Watts, Essex Selectboard
- Max Levy, Essex Selectboard
- Raj Chawla, Essex Junction Trustees
- George Tyler, Essex Junction Trustees

Gathering public input

From May 2019 through March 2020 the Governance Subcommittee turned to public outreach. Working with local market research firm KSV, they conducted community surveys and focus groups.

Survey results showed strong support for merger in the Village (Rep. Dist. 8-2) and moderate/negative support in the Town outside the Village (Rep. Districts 8-1 and 8-3). But many Town outside the Village respondents said they might favor merger contingent on 1) more information, and 2) assurance of designated seats for the Town outside the Village on the elected board.

Based on these findings, the Selectboard and Trustees tasked the Governance Subcommittee with developing a merger charter. When developing the draft charter, the Subcommittee changed its recommendation for an all “at-large” elected body to a Town/Village voting district model to address the preference for district representation.

Survey results also showed strong support for a gradual step-up to a single tax rate, with the majority of Town outside the Village residents supporting a 10-12 year timeframe.

Four challenges for merger

Based on the results of the survey the Governance Subcommittee proceeded with developing a draft merger charter. The biggest challenges were to:

1. Integrate $3.5 M of the $5 M Village budget with the $16 M Town budget AND
2. Maintain the high quality of municipal services residents expect and pay for AND
3. Achieve eventual tax equity AND
4. Preserve the identities of the Town and Village.

Currently, the Town of Essex levies taxes on all properties in the Town outside the Village and in the Village of Essex Junction to pay for Town expenditures. Essex Junction levies taxes only on properties in the Village to pay for Village expenditures.
Consolidating the Town’s expenditures and the Village’s expenditures into a single operating budget with a uniform, community-wide tax rate (that is, distributing the cost of Village expenditures throughout the community instead of just in the Village) all at once would result in approximately a \$325 property tax increase on the average home in the Town outside the Village valued at \$280,000. This increase would not be one-time. It would be built into all future Town budgets.

Such a dramatic tax increase on properties in the Town outside the Village could compel the newly consolidated Town/Village elected board to cut costs that could jeopardize the foundational aim of merger to maintain our high quality services and preserve Town and Village identities.

A gradual step-up is necessary and preferred.

Town outside the Village survey respondents indicated they preferred a gradual, 10-12 year step-up to accomplish tax equity. Town staff recommended incrementally adding the cost of Village expenditures to the Town budget over 12 years, which is also how long it will take for the current Village bonded debt to be paid off (by Village taxpayers only). The Selectboard and Trustees agreed that tying the overall taxation step-up period to the Village’s debt payment period would prevent a sudden and dramatic increase to taxes for Town outside the Village residents while allowing the Village to keep paying off its debt on schedule.

There are benefits to the gradual phasing-in of Village costs to the Town general fund over 12 years:

- The annual cost to the average Town outside the Village property owner (valued at \$280K) goes from approximately \$325 all at once to about \$26 per year for 12 years.
- Grand list growth (the value of total taxable properties) will help buffer the financial impact on current property taxpayers. The Town grand list grows annually at an average rate of 1%.
- Consolidation of Town/Village services from 2014-2020 resulted in overall cost savings of approximately \$3 M. Gradual consolidation of services after merger is very likely to provide additional savings by continuing to reduce costs.
- After merger, Town outside the Village residents will have more “say” in how Village services operate. “Town versus Village” perceptions of how services are provided will evolve into an overall sense of ownership and sharing.

Why do we need special taxing districts?

Designating “special districts” in the transition portion of the merger charter (the first 12 years after merger) provides a clear, durable, and legal mechanism for paying down debt and phasing in costs. Special districts can only be modified or eliminated by a charter change, which must be voted on by the community and approved by the Vermont Legislature, which means the Selectboard cannot on its own simply change the number of years. The charter cannot specify dollar amounts to be raised or spent by the elected board. But it gives the board authority to levy a special tax within a district to pay for a specific purpose.
The merger charter includes five special districts:

1. **Debt Repayment District**: This district must be established to limit the repayment of the Village’s bonded debt to only Village residents. This district does not affect the cost of merger.

2. **Tax Reconciliation District**: This district allows the Town to assess different tax rates to the Village in order to phase-in the cost of Village expenditures. This district does not affect the cost of merger.

3. **Sidewalk District**: This district allows the Town to raise taxes from Village residents to pay for the same level of sidewalk maintenance in the Village that Village residents are currently paying for (estimated at $125K/year). This district reduces the cost of merger to Town outside the Village residents slightly.

4. **Capital Improvement District**: This district allows the Town to raise taxes from Village residents to enable some Village capital projects to be funded solely by Village taxpayers (the future Selectboard could add more projects to further reduce cost of merger to Town outside the Village residents.). This district reduces the cost of merger to Town outside the Village residents slightly.

5. **Downtown Improvement District**: This district allows for the Village to maintain its state Downtown Designation and does not affect the cost of merger.

The Sidewalk and Capital Improvement Districts together reduce the cost of merger to Town outside the Village residents by another approximately $1-3 per year below the estimated $26 per year for the average property of $280K.

### What happens after 12 years?

At the end of the 12-year merger transition period, all special districts would cease to exist. The elected board would lose the authority to raise a specific Village-only tax to pay for a Village-only expenditure.

1. **Debt Repayment District**: After 12 years the Village debt would be retired. This district cannot be renewed.

2. **Tax Reconciliation District**: After 12 years the Village budget will have been entirely phased into the Town general fund and the tax rate should be equal for all at this point. There would be no reason to reestablish this district.

3. **Sidewalk District**: The additional cost and additional service for Village sidewalks would come to an end. The elected board and community could seek to continue the district and/or expand the district to include other areas of the Town, which would require a charter amendment and community vote. (Please refer to the FAQ on page 20 about the Sidewalk District for more information.)

4. **Capital Improvement District**: The costs of Village-only projects designated at the beginning of merger would be paid off. Going forward, costs of all capital projects, both Town and Village, would be paid by all taxpayers, as Town capital projects are currently paid.

5. **Downtown Improvement District**: The elected board’s taxing authority for a specific Village downtown improvement fund would end.
Taxation Plan for Merger of the Town of Essex with the Village of Essex Junction

The information below is meant to explain the taxation plan that is included in the plan of merger that would bring the entire Essex community to one tax rate over a period of 12 years.

What is the current tax rate structure?

This chart shows the current tax rate structure with FY2020 rates. It is broken down into the Town Outside the Village (TOV) and the Village, with Town-wide tax rates shown in both columns. The bottom line shows that the TOV residents’ overall tax rate is 0.5396 while the Village’s is higher, at 0.8592.

<table>
<thead>
<tr>
<th>Current Tax Rates &amp; Structure</th>
<th>Town Outside the Village (TOV)</th>
<th>Village</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town General Tax</td>
<td>0.5067</td>
<td>0.5067</td>
</tr>
<tr>
<td>TOV Highway Tax</td>
<td>0.0110</td>
<td>—</td>
</tr>
<tr>
<td>Town Capital Tax</td>
<td>0.0200</td>
<td>0.0200</td>
</tr>
<tr>
<td>Tax Agreements</td>
<td>0.0019</td>
<td>0.0019</td>
</tr>
<tr>
<td>Village General Tax</td>
<td>—</td>
<td>0.3206</td>
</tr>
<tr>
<td>Village Economic Dev. Tax</td>
<td>—</td>
<td>0.0100</td>
</tr>
<tr>
<td>Total</td>
<td><strong>0.5396</strong></td>
<td><strong>0.8592</strong></td>
</tr>
</tbody>
</table>

Merger means that these two different levels of taxation must meet somewhere in the middle. This requires the lower rate to rise as the higher rate falls. To get to one tax rate, through merger the rates in this chart that only appear in one column will be eliminated (the bolded boxes) or distributed across the entire community (the gray box). That includes the TOV Highway Tax, the Village Economic Development Tax, and the Village General Tax.

The following assumptions apply:

1. The first year of the 12-year merger transition starts July 1, 2022 (FY2023), assuming timely approval of the merger plan by the Legislature
2. TOV Highway Tax and the Village Economic Development Tax (the bolded boxes) are both eliminated in year 1.
3. The Village and Town budgets become one budget with multiple funding sources in FY2023.
4. The amount previously raised by the Village General Tax (the gray box) is frozen and integrated incrementally over 12 years into the Town General Fund. This amount is raised annually from the Village-only grand list until it is phased out.

*NOTE: This amount is frozen only for the purposes of this exercise, to isolate the actual costs of merger. Over the course of 12 years there will still be annual increases to the budget due to the increasing cost to run a municipality. Therefore, the increases/decreases shown below are approximate.*
5. Village debt remains with the Village-only grand list until it is paid in FY2035. (12 years aligns with the termination of the Village’s debt payments.)

6. The projected future expenses for debt are actual debt numbers based on current outstanding debt for the Town and Village. These steadily decrease over time and sunset in FY2034 for the Town and in FY2035 for the Village. The Town debt is for the police station bond and the renovation of the Town offices. The Village debt is for road construction and repair.

How much will my taxes change as a result of merger?

In order to show the taxation changes related to merger, the figures below are frozen at FY2020 grand list and budget amounts. Annual growth in both the budgets and the grand list are assumed to be 0% only for the purposes of this exercise. This way the 12-year distribution of the Village General Fund tax revenue can be separated out.

Using FY2020 numbers, in order to eliminate the Village General Tax, a total of $3,242,862 would be absorbed into the Town-wide tax rate incrementally over 12 years. *(This amount does not include Village debt, which will remain with the Village taxpayers until paid off in FY2035.)* The total impact of absorbing that amount into the entire grand list is as follows:

<table>
<thead>
<tr>
<th>Property Value</th>
<th>TOTAL Tax Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Town Outside the Village</td>
</tr>
<tr>
<td>$280K</td>
<td>$329</td>
</tr>
<tr>
<td>$350K</td>
<td>$412</td>
</tr>
<tr>
<td>$500K</td>
<td>$588</td>
</tr>
<tr>
<td>$1M</td>
<td>$1,176</td>
</tr>
</tbody>
</table>

The amounts in the above table show the TOTAL approximate tax increase/decrease of merger. The following table shows those total amounts for different property values in the TOV and the Village spread out over 12 years.

<table>
<thead>
<tr>
<th>Property Value</th>
<th>ANNUAL Tax Increase/(Decrease) OVER 12 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Town Outside the Village</td>
</tr>
<tr>
<td>$280K</td>
<td>$26</td>
</tr>
<tr>
<td>$350K</td>
<td>$33</td>
</tr>
<tr>
<td>$500K</td>
<td>$46</td>
</tr>
<tr>
<td>$1M</td>
<td>$93</td>
</tr>
</tbody>
</table>
Will increases in the Town budget and the grand list change these numbers?

Yes. Remember, the figures above are frozen at FY2020 levels just for the purpose of identifying the changes to taxation caused by merger. The Town budget and the grand list will not remain frozen. Though it’s not possible to know exactly how these numbers will change in the future, we do know what the overall impact of those changes will be. Grand list growth alone would decrease these numbers. Budget growth alone would increase these numbers. It is expected that both the Town budget and the grand list will grow, causing slight changes to these numbers year-to-year.

What else could be done to reduce the tax impacts of merger?

New, non-property tax revenue and reducing expenditures are two ways the taxation changes could be impacted:

• **New revenue could decrease the reliance on the property tax.** New revenue would free up capacity in the existing property tax rate to absorb more of the transition, without increasing taxes.

• **Increasing current non-tax revenues such as fees for services** would result in some additional revenue but would not make a noticeable difference because fees for services are a small part of the revenue budget.

• **Reduce expenditures or keep budget increases to a bare minimum**, outside of certain budget increases that can be expected each year as a result of contractual obligations, the cost of winter road materials, the cost of paving, and the cost of utilities. Increasing efficiency, eliminating duplication, and budgeting responsibly will continue to be goals to reduce overall expenditures.
TOTAL Merger-Related Taxation Changes

What is the TOTAL impact of taking the amount raised by the Village general tax and spreading it over the entire grand list?

<table>
<thead>
<tr>
<th>Property Value</th>
<th>Town Outside the Village</th>
<th>Village</th>
</tr>
</thead>
<tbody>
<tr>
<td>$280k</td>
<td>$329</td>
<td>($487)</td>
</tr>
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ANNUAL Merger-Related Taxation Changes

<table>
<thead>
<tr>
<th>Town Outside the Village</th>
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<tbody>
<tr>
<td>Year 1</td>
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<tr>
<td>-------</td>
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<tr>
<td>$11</td>
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<table>
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<tr>
<th>Village</th>
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<tr>
<td>Year 1</td>
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<td>($20)</td>
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The total change is an increase of approximately $330 for Town Outside the Village and a decrease of approximately $470 for the Village.
These are questions from residents gathered from social media, communications to board members, comments on surveys, and more.

I received a ballot in the mail asking if I approve the Plan of Merger between the Village and the Town. What is it for and what does it mean?

The Town of Essex Selectboard, the governing body of the Town of Essex, is asking Town voters if they want to merge the Town government with the government of the Village of Essex Junction.

All Village residents are citizens of two governments, the Essex Junction government and the Essex Town government. Therefore, Village residents are represented by both the Village Trustees and Town Selectboard, and are taxed by both municipalities. Town residents who do not live within the Village of Essex Junction are represented solely by the Town Selectboard, and pay taxes only to the Town of Essex.

The “Plan of Merger” refers to a municipal charter, a legally binding, founding document. The charter describes how the merged community will be governed and how elections will be held, among other things. If voters approve the Plan of Merger, the Vermont Legislature must then approve the new charter before it can become legally binding.

Village voters already approved the merger charter. Do Town of Essex voters also need to approve the merger charter?

Yes. The Town of Essex Selectboard has approved putting a merger question on the ballot for Town Meeting 2021 and will put it before Town voters, including Village voters, asking them if they wish to merge and form a new government with the Village of Essex Junction.

If approved, the two plans of merger – the Village’s and Town’s – would then be sent to the Vermont Legislature for approval. The two plans would then be consolidated into a single plan and new municipal charter. In Vermont, the Legislature controls municipal charters and can approve, amend, or reject charters independent of the outcome of local voting.

The Village voted on this in November. Why did the Town delay sending our merger ballots until 2021?

The Selectboard needed more time to complete its deliberations on the merger charter and wanted more time to hold public input sessions... In addition, the Selectboard asked the Legislature to clarify its feedback from May of 2020 regarding the voter-backed proposal to change the current Essex Town Charter to create a six-member Selectboard, with three members elected from inside the Village and three from outside the Village. The Selectboard had hoped to receive an answer from the Legislature before finalizing the merger charter. The Legislature has not provided direction on that question yet; it is anticipated they will discuss it in January 2021 when the new legislative session begins.
**Is the Town’s plan of merger different from the Village’s plan of merger?**

Yes. There are several minor differences between the two merger charters, and one major difference: the Selectboard version includes an even-numbered governing board, while the version Village voters approved includes an odd-numbered board. But that doesn’t mean merger can’t happen. The differences between the two versions can be reconciled by the Legislature.

**What happens if Town voters don’t approve merger?**

If Town voters do not approve the merger charter, then the status quo continues, with no changes to taxation for Town outside the Village residents, and with Village residents continuing to pay taxes to both the Village and the Town. The Trustees and Village residents would consider alternative scenarios, including some form of status quo, although the Selectboard would continue to work with the Trustees to equalize the tax disparity between the Village and Town. The citizens of the Village may also decide to explore separation of the Village of Essex Junction from the Town of Essex and consider which services, if any, they wish to continue sharing with the Town.

**If merger does not pass and if separation is considered, would the schools also separate again?**

No. The Essex Westford School District is its own municipality, unrelated to the Town or Village and regulated by the state.

**What’s a brief description of what taxation will look like for merger, separation, and status quo?**

**Merger:** Over a 12-year period, taxes levied on all properties will be equalized. This means that after 12 years an average $280,000 property in the Village will pay the same amount in property taxes as a $280,000 property in the Town outside of the Village. Over the 12-year period, taxes on a $280,000 property in the Village would gradually go down between $30-$40 per year, and taxes on a $280,000 property in the Town outside the Village would go up about $26 per year. Properties worth more than the average would see a larger increase/decrease, and properties worth less would see a smaller increase/decrease. After 12 years, the merger-related increases and decreases would stop.

**Separation:** It is not known what exactly will happen to taxes under separation because there are too many changes to services and decisions to be made in order to know for sure. Some calculations have been made by Town staff but they are very basic and include many assumptions that can all change.

**Here’s what’s known:** The Village grand list is 42% of the total grand list of the Town. If the Village were to become a completely separate municipality, it would keep all its property tax revenue to pay for its own services. This would mean the Town would lose up to 42% of its annual property tax revenue, unless it continues to contract out for services with the (now separated) Village or other municipalities. If the Town lost that much revenue immediately, it would not be able to maintain its current level of services. The Town, after separation by the Village, would face difficult decisions in many areas of service provision.
However, if separated, the Village would not necessarily save 42%. The Village would still need police protection and other essential services, like a clerk and a finance department, for example. The 42% the Village would no longer pay to the Town would have to be spent on getting those services from somewhere else or creating them in Village government. It’s possible the Village would still partner with the Town to maintain some of these services, instead of creating new arrangements. If the Village and Town were to continue partnering on some services, the Town would most likely see an 18-24% increase in taxes. The Village would save the 42% usually given to the Town, but based on additional services it would have to establish, it would ultimately see only a small reduction in taxes.

**Status Quo:** Not changing anything means neither merger nor separation happens, and the Village and Town continue to share services. The Village would still have to pay extra taxes to the Town. Going forward, the Town could work with the Village to find ways to share its tax revenue more equitably in areas it historically has not, like capital spending on road repairs and equipment. The Village and Town could continue to look for ways to equalize taxes over time. This would be similar to merger, but it would be dependent on the Town Selectboard’s direction, which can change. It is also much more complicated and stressful for staff to maintain the status quo. It is less transparent, doesn’t eliminate all duplications, and prevents both communities from moving together towards a shared vision.

**What happens after the 12 years?**

Over the 12-year period as the tax rates equalize, the Selectboard would work to:

1. Address the sidewalk district: During the 12-year transition period the Town would levy a special tax in the Village to help pay for the higher levels of sidewalk plowing and maintenance that it receives. But this special tax would end after 12 years unless the community wishes to continue it or expand it into the Town before it sunsets.
2. Continue debt reconciliation: During the 12-year transition the Village would pay off its residual bonded debt. The last payments would be in the 12th year (FY2035), eliminating the district and ending taxation for that purpose.
3. Maintain the capital district: During the 12-year transition the Village would also be considered a capital improvement district, which would allow the Town government to charge Village residents some additional tax for capital expenditures (infrastructure repair and large equipment, for instance) without impacting taxes in the Town. This will allow the Selectboard to limit some of the financial impact of transferring the Village’s expenditures into the Town general fund budget over that-12 year period.

Towards the end of the 12-year period there will be decisions to be made. The Selectboard could choose to:

1. Taper down the amount levied on the Village over the last few years until the last year is a manageable amount to be absorbed into the entire Town budget in the last year. **Or,**
2. Tax Village residents the full amount for 12 years but address the entire amount being added into the Town budget in the 13th year. **Or,**
3. At the 13th year decide whether the entire remaining amount is needed by reducing the it or eliminating it altogether.
There could be other options to address the 13th year but the important thing to know is that the Selectboard, as that 13th year approaches, will have the ability to take steps to ensure that last year does not have a significant financial impact on residents.

At the end of 12 years all these special districts/tax arrangements would cease and all Village expenditures would be paid for community-wide from the Town general fund.

**Is there a guarantee of a 12-year phase-in? Could the Selectboard shorten that time period or increase the number of years?**

The merger plan includes a 12-year phase-in plan to equalize taxes. This phase-in plan is an official part of the charter, and it would take a charter change approved by the entire community to change the terms of that agreement. That means the Selectboard could not unilaterally extend the 12 years – they would need voter approval. In addition, even if the voters did vote to change the 12-year term, the Legislature must approve any charter change. It is unlikely that the Legislature would approve a charter change that would economically harm a significant part of a municipality.

**What else does merging entail?**

In addition to the taxation plan there are still some departments to be consolidated: community planning, fire, and parks and recreation. All Town and Village employees would become employees of the new Town and many of our operations will be combined. Village and Town ordinances and land development codes and municipal plans will need to be combined.

**Is separation an option right now? What would separation mean for the Essex Police Department and Essex Rescue?**

The Selectboard and Trustees agree that merger is the best option. Therefore neither is pursuing separation. Separation does not provide as many benefits to the community as merger.

Essex Rescue is a standalone nonprofit organization, not a Village or Town department; the Town contributes financially to it on behalf of all residents. The Essex Police Department is 100% funded in the Town budget, which means the cost is levied equally against all Town and Village residential and business properties. If separation occurred, the Town and the newly separated, independent Village would have to negotiate whether the Village would “purchase” police services from the Town or pursue other options like contracting with the Vermont State Police, creating its own police department, or contracting for protective services with a neighboring community.

**What will happen to Town and Village ordinances if we merge?**

The Village Trustees have authority to pass ordinances for Essex Junction. The Town Selectboard has authority to pass ordinances for the area of the Town outside the Village. However, many of the Town and Village ordinances are the same. There are some significant differences; for example, it is illegal to discharge...
a firearm anywhere within the Village; the Town has zones where firearms discharge is legal. As part of the merger process, the ordinances of both the Town and Village would be aligned to ensure that all differences are reconciled.

**Will any positions be cut in order to save tax dollars?**

The Town Selectboard and Village Trustees made a commitment at the outset of merger discussions that there would be no reduction of current service quality due to merger. Because service levels generally are proportionate to staffing levels, this means there are no anticipated staff cuts as a result of merger. However, over time, organizations change, as do their priorities and funding abilities. It is likely that as the two municipalities come together, the Manager will assess service needs and reorganize resources as positions become vacant, or employees retire.

**Why not cut spending to equalize taxes? Why raise taxes on the residents in the Town?**

The Selectboard has decided not to “promise” specific tax cuts but instead has focused first on the efficiencies and elimination of duplication that merger would bring about. If merger is approved by voters, the process of integrating departments and services would include the review of expenditures for additional savings.

**Why does the Village need its own sidewalk district? Can the sidewalk district be expanded to include parts of the Town? What happens to the sidewalk district at the end of the 12 years? Who has more sidewalks, the Village or the Town outside the Village?**

Historically, the Village has had a robust sidewalk plowing plan. Almost every sidewalk in the Village gets plowed after every storm. This is because, up until 2017, the Village did not have busses to take kids to school. The sidewalks needed to be plowed throughout the Village so that all the kids could walk to school. That practice continues to this day because it is the level of service Village residents expect and pay for, and many Village children still walk to school. In addition, the Village puts a high priority on safe and walkable neighborhoods. It’s estimated, the cost of this service in the Village is about $125,000 per year.

The Selectboard and Trustees agreed it was very important to find ways to reduce the tax impact of merger on residents in the Town outside the Village. One way was for Village taxpayers to continue paying the cost of Village sidewalk maintenance, and not have Town outside the Village residents pay for it. The sidewalk district was suggested to allow the merged Town to levy that tax just on residents inside the Village to cover those costs. Village residents are willing to continue paying for sidewalk maintenance to make it easier for Town outside the Village residents to afford merger.

In the charter, the sidewalk district ends after 12 years. At that time, the Selectboard can decide whether to continue the district, expand it to include more neighborhoods, or end it. Expanding the district would involve studying the new areas to include to understand the costs of delivering that service—especially equipment and manpower needs—and setting policy for how the Town would add new areas to the district. The desire to
increase interconnectivity for pedestrians and to reduce the overall cost of plowing are two reasons why the district could be expanded.

Previously voters approved folding the Village’s Public Works budget into the Town’s budget, including sidewalk plowing, and excluding the capital purchase of rolling stock equipment. The Sidewalk District would separate out the cost of this quality of service and charge Village taxpayers an annual tax to cover it. The tax would cover labor (two employees for six months of the year), salt, and equipment maintenance and replacement (two sidewalk plows) for 12 years.

The Town outside the Village has 53.6 miles of concrete or paved sidewalks and paths. Of those, 48.2 miles are plowed. The Village has 39.6 miles of sidewalks.

How do we know merger would actually save money? What has been done already to help the Village and Town save money?

Here is a list of Town services that were previously consolidated or aligned with Village services to provide greater efficiencies in service delivery and cost for the entire community:

- Police
- Senior bus
- Unified Town / Village Manager
- Tax billing and collecting
- Stormwater services
- Finance and administrative services
- Highway (excluding rolling stock)
- Information technology
- Public Works administration and paving
- Clerk / Elections / Records
- Human resources / benefits administration
- Fire departments alignment (pay and training)
- Recreation departments alignment (co-location)

In addition, the Town of Essex shares the wastewater treatment facility with the Village and Williston. The Town pays for the services of Essex Rescue and Green Mountain Transit for all residents. The Town and Village share equipment and human resources wherever possible.

The improved services achieved over the last several years through consolidation resulted in significant savings in taxpayer dollars. Between FY14- FY20 consolidations have saved Essex taxpayers $2.82 million dollars (and counting). This figure is the lowest estimate, based on the most easily quantifiable information. Other, less quantifiable savings have also been achieved through efficiencies and improved practices.

There have been many previous attempts at merger in the past. What’s different about this one is that the Village and Town now have positive proof that consolidating services and increasing collaboration saves taxpayer dollars and improves efficiency. Merging will allow the maximum amount of savings and efficiency to be achieved and put the Town on a financially sustainable path for the future.
How can we be sure that the rural character of the Town will not be lost to all the development that’s happening in the Village?

Right now the Town has its own municipal plan that lays out a vision for how the Town Center and all other areas of the rural Town will (or won’t) develop. The Village has its own municipal plan for how the Village Center will develop. Under merger, these two plans would simply come together into a single document, without changing the goals or plans for either area. The Town has limitations on development due to sewer and water capacity issues, and due to open land commitments. There are no plans to change the rural nature of the Town beyond what has already been approved by voters, and the merger charter does not make any changes to existing municipal plans.

Does IBM leaving the Village have anything to do with the desire to merge?

There is a longstanding misunderstanding about IBM in the community. IBM paid property taxes to the Village and the Town. It also paid a “Machinery & Equipment” subsidy worth millions of dollars annually to both governments. Essex Town and Essex Junction annual reports from the 1980s and 1990s, available at local libraries, show that the Essex Town government routinely received substantially more IBM tax and M&E revenue annually than the Village government. The lingering misunderstanding in the community stems from the M&E compensation that IBM gave to the local Town and Village school districts. IBM, for unclear reasons, gave significantly more M&E revenue to the Village school district than the Town school district. This was a source of understandable resentment. However, when the Vermont Legislature approved Act 60 in 1995, it ended the M&E subsidy for Village schools. In 1999, IBM, the Town, and the Village agreed to phase out the M&E tax over 12 years.

If Village residents voted in November on merger, why do they also get to vote on merger again in March? Shouldn’t Town outside the Village residents get to have their own vote? Why do Village residents get to vote twice on merger?

Village residents are also Town residents. This means that when the entire Town votes on something, it includes Village voters. Since Village residents also live and pay taxes to a second municipality (the Village), they also have to vote as that municipality. Village voters will vote in March because they are Town residents and the March vote will be a full Town of Essex vote. Residents of the Town outside the Village are not their own municipality. They vote as residents of the Town, which includes the Village. If merger passes, the need to hold two different votes would go away. Village residents would not vote twice on anything anymore. All Town residents, including Village residents, would vote only once on all ballot items.

Why do we have to make changes to the Town Charter for merger? Can’t the Village just dissolve its own charter to merge with the Town?

The Selectboard and the Village Trustees agreed to create a new charter for a merged Town of Essex that would include aspects of the current Town and Village charters but also add new aspects—like the 12-year transition period—necessary for the merged community. By dissolving both the Town of Essex and the Village of Essex Junction charters and approving an entirely new charter, both communities would unite under a single governing document, which addresses concerns about one municipality “taking over” the other.
**Why are we voting now? Why can’t we wait on this until COVID is over?**

The Selectboard, the Trustees, and the community have worked on this charter and the merger process for close to three years. Multiple focus groups, two community-wide surveys, and dozens of public meetings with resident input were held. Both boards conducted research, consulted attorneys and experts, and vetted the plan with multiple authorities, including the Town’s full legislative delegation, the Vermont Department of Taxes, Legislative Council, and the House Government Operations Committee. The Selectboard delayed voting on the plan in November 2020 to allow for two more public input sessions and to finish reviewing the plan. Selectboard members’ concerns were continually addressed and adjustments were made to the plan accordingly. While the plan is not perfect, the majority of Selectboard members feel that it is ready for the public to vote on.

It’s important to remember that charters are living documents. The charter can be changed if we find that something doesn’t work, something was left out, or something needs to be added. The majority of the Selectboard feels that the current merger plan and charter is ready to be voted on.

While it is true that the pandemic has caused uncertainty and worry for everyone, the Town and Village both accomplished successful elections in November, safely and securely—with the largest turnout ever, because of mail-in balloting. We expect a similar, smooth process in March.

**Why 12 years? Why can’t we just merge all at once?**

There are three primary reasons the transition period is 12 years long:

1. The majority of Town outside the Village residents who responded to the survey about merger indicated they preferred a 10-12 year transition period.
2. The Selectboard and Trustees wanted to avoid a large, one-time tax increase for Town outside the Village residents.
3. The 12-year period coincides with the end of the Village’s construction bond debt.
**What about 3+3?**

In March 2020 Town voters approved a charter change to increase the Town Selectboard membership from 5 at-large representatives to 6 members, 3 from the Village and 3 from the Town outside the Village.

The approved charter change was then sent to the Vermont Legislature. The House Government Operations Committee did not officially approve the change and opted to wait until the results of an anticipated merger vote came to them.

The Town requested that the Committee make a determination regarding the 3+3 charter change, but the Committee has not responded. It is expected they will discuss it again during the new legislative session.

If the merger vote passes, the new charter will also go to the Legislature, along with the merger plan approved by Village voters in November. The two merger plans and the 3+3 charter change would then likely be considered together.

There is a small number of differences between the Village’s version of the merger charter and the Town’s version, the main one being that the Village version has an odd-numbered board and the Town version contains the 3+3 model. The Legislature is expected to reconcile the differences into a final merger charter.
The actual charter is presented (beginning on page 34) in its final, legal form, section by section in plain text. What is listed below is a “less legalese” explanation.

Preamble

All residents of the Town, including all residents of the Village, together are the residents of the new Town of Essex, and the new Town of Essex has all the rights and responsibilities of a Vermont municipality.

Subchapter 1: Transitional Provisions

This section covers all the initial changes that have to happen between when this merger plan is approved by the Legislature and when the new Selectboard is elected and seated. It will last a year, from state approval of the merger through June 30th of the following year. All the sections in this chapter apply to this transitional period.

§101 Adoption of town and village assets and liabilities

All the buildings, property, equipment, and other assets of the Town and the Village will belong to the new Town of Essex. This includes fire trucks, underground pipes, parks, signs, the wastewater treatment plant, and all other things that the Town and Village purchased or owned before merger. They all will belong to the new Town. This also includes all debts owed to each municipality, for example, unpaid taxes, water bills, and other amounts owed to either the Town or Village.

Any contracts or agreements the Town or Village agreed to before merger will be agreed to by the new Town, EXCEPT FOR the Village’s current bond, which only Village residents will continue to pay (state law requires that only those who approved the debt are subject to its terms). Town outside the Village residents will NOT take on this debt. See §104 for more details on this.

§102 Transition Period

If voters approve merger in March 2021, the charter of the new Town of Essex will take effect after the state Legislature approves it. That is also when the transitional period begins. The transitional period ends on June 30th of the following year. Anything in Subchapter 1 (the transitional provisions) that goes beyond June 30, 2022 has to have a deadline when it must end. Anything that would happen after the transitional period ends would begin July 1, 2022.

§103 Organizational Municipal Meeting

Establishes the date of the first Town Meeting of the new Town. It will be an informational meeting, and voting on the budget and for the new Selectboard members will happen by Australian ballot. The meeting will be warned by the transitional board (more about the transitional board in §105).
§104 Transitional Districts
Instead of equalizing tax rates between the Village and Town all at once, this will happen over a 12-year period. That gradual change, along with the districts below, limits the tax increases that Town outside the Village residents will experience to about $26 per year for 12 years, instead of about $350 all at once. It slows down the tax decreases Village residents will receive to about $30 per year for 12 years, instead of about $400 all at once. The 12-year period would start July 1, 2023 (fiscal year 2023) and end June 30, 2035 (fiscal year 2035).

Debt Assessment District: From July 1, 2021 through fiscal year 2035, the residents of the Village will continue to pay off their construction bond. Town outside the Village residents will NOT pay for this. When the bond is paid off in 2035, that debt will go away entirely.

Tax Reconciliation District: This sets up the Village as a special district so that it can be charged a different tax rate from the Town outside the Village during the transition period. After 12 years (FY2035) both the Village and Town outside the Village will be paying the same tax rate and the district will go away.

Sidewalk District: This means that until the end of FY2035, Village residents will continue to pay for the cost of maintenance, plowing, and repair of Village sidewalks. So for the first 12 years, Town outside the Village residents will not pay for this.

Capital Improvement District: For the first 12 years, until the end of FY2035, Village residents would continue to pay taxes for capital improvements that are on the Village’s existing list of projects.

Downtown Improvement District: The Village’s Comprehensive Plan lays out specific goals and plans for the Village Center. The Downtown Improvement District ensures that plans for this Village area will continue when it becomes part of the new Town. The area is currently designated by the state as a “Designated Downtown.” This section ensures that designation continues after merger.

FYI: The Village Center is a zoned area of the Village that roughly runs from the Champlain Valley Expo on Pearl Street to Rocky’s on Park Street to Maple Street Park to the tracks on Main Street to Whitcomb’s Garage on Lincoln Street.

§105 Interim Governing Body
After the Legislature approves the new charter, the current Selectboard and the current Board of Trustees will join together to form an Interim Governing Body (IGB). This section talks about how the IGB will handle adding new members if someone resigns, what its responsibilities are, and how it will make decisions.

The IGB will work with municipal staff to integrate the Town’s existing ordinances with the Village’s existing ordinances. More on ordinances in Subchapter 6.

§106 Town Selectboard
This section describes the new Town Selectboard, which would be elected in 2022 and replace the Interim Governing Body. In the Town’s version of the charter, the new Selectboard will have six members: three members will live in the Village, and three members will live in the Town outside the Village. The Town outside the Village is Ward 1 and the Village is Ward 2.

This section also sets out the terms of new Selectboard members for the first 3 elections so that they will be staggered. After that initial period, every member will serve 3-year terms. Between 3-5 years after the start of
the new Selectboard, they will appoint a special commission to study the governance system and make recommendations if anything should be changed.

§107 Budget and Municipality Administration
The Town Manager will create and present a budget to the Selectboard.

§108 Village and Town Department Transitional Provisions
Within the first 5 years of merger the Town Manager will integrate the fire departments, community planning departments, parks and recreation departments, and any other necessary services. The Essex Fire Department and Essex Junction Fire Department will retain their chiefs and the Town Manager may at some point appoint one person to serve as chief of both. Library operations will remain unchanged. After merger, TOV residents will be eligible to be elected to the Brownell Library board.

§109 Planning and Development
During the transition period, the land development code and zoning bylaws and municipal plans of both the Village and Town will remain in effect. After the transitional period, the new Town Selectboard will work with the new Town Planning Commission and the Chittenden County Regional Planning Commission (CCRPC) to merge the plans into one town plan, one land development code, and one set of zoning bylaws.

The current Town Selectboard and current Village Trustees will each appoint 3 members of the new Town Planning Commission and 3 members of the new Town Development Review Board. After the new Town Selectboard is elected, it will add a seventh member to each.

§110 Unification and Adoption of Ordinances, Bylaws, and Rules
During the transition period, the IGB will integrate the ordinances of the Town and Village following specific guidance from state statute. The new Town Selectboard will follow specific procedures to make any changes to the ordinances. Specifics about how that would work (including warning at least one public hearing) are in Subchapter 6.

§111 Personnel
The IGB will create a plan of classification and pay for all of the employees of the new Town. At the end of the transitional period, the new Town Selectboard can implement the plan. Existing Town personnel regulations will carry over into the new Town. They can be amended by the new Town Selectboard. Current Village and Town employees will all become employees of the new Town of Essex. Dates of hire and accrued benefits will carry over.

§112 Water and Sewer Districts
During the transitional period the water and sewer systems will be integrated into one district made up of multiple systems. Users of each system will continue to be served by those systems. Costs associated with each system will be paid for by the users of each system. New costs for improvements to the overall system will be paid for by all users. New costs for improvements to a specific system will be paid for by the users of that system. The new Town Selectboard has the authority to change the water and sewer rates as needed.

§113 Finances
The grand lists of the Town and Village will remain in effect upon merger. Taxes owed to the Village or Town at the time of merger will be payable to the new Town. Due dates will not change. The IGB will oversee the existing budgets of the Village and Town during the transitional period.
Debts owed by Village taxpayers at the time of merger will stay with those taxpayers until they are paid off. This applies to the infrastructure bond Village residents approved in 2016, which will be paid off in 2035. Town outside the Village residents will NOT pay this debt.

Any existing legal obligations (like tax stabilization agreements) set up by the Village or the Town will be honored by the new Town.

§114 Terms Extended
Anyone holding office on the current Selectboard and Village Board of Trustees at the time merger is approved by the Legislature will remain in their seats until the new Town Selectboard is elected or until they step down.

This is a repetition of the tax districts laid out in §104.

§116 Repeals
With the approval of the charter by the Legislature, the current charters of the Town of Essex and the Village of Essex Junction will be repealed.

Subchapter 2: Incorporation and Powers of the Town
This section covers the specific powers the new Town will have, like the ability to collect taxes, to run a sewer system, and more. It confirms that the new Town of Essex replaces the current Town of Essex and Village of Essex Junction and that all Vermont laws that apply to municipalities will apply to the new Town of Essex. This section also outlines powers the Town has regarding acquiring property.

§204 Reservation of Powers
The new Town may have other functions or powers that are not limited by or included in this charter.

§205 Form of Government
Establishes that the new Town government will be the selectboard-manager form of government. All powers of the Town will be invested in the elected Selectboard. There will be voting districts (see Subchapter 3).

Subchapter 3: Voting District and Governance Structure
The Village of Essex Junction will be Ward 2. The areas of the Town not within Village boundaries will be Ward 1. The new Town wards will be amendable by ordinance, not charter change. The Selectboard, or the Board of Civil Authority or a specially designated commission of the Selectboard, can recommend changes to ward boundaries and/or to the number of wards. US Census data would be the basis for any such changes.

§302 Powers and Duties of Governing Body
This section sets forth what the Selectboard can and cannot do, and establishes how it will fill vacancies, member compensation, and meeting procedures, among other things.
The new Town Selectboard will have the power to:

- Appoint/remove the Town Manager
- Create/change/abolish offices, commissions, and departments
- Appoint members of boards and commissions
- Provide for an audit by an independent Certified Public Accountant (CPA)
- Investigate the conduct of any municipal employee, elected official, committee, or department and investigate municipal affairs
- Make appointments to committees
- Authorize the purchase and sale of Town property
- Other powers not specified in the charter but that are allowable by Vermont statute

The new Town Selectboard will have 6 members with staggered 3-year terms. Selectboard members will represent the entire Town, not just their wards. If a Selectboard member moves out of their ward while still in office, then they must surrender their seat.

The Selectboard will fill vacancies until the next Town Meeting Day and newly elected Selectboard members will start their terms on the first day of the month after being elected (if elected in March they would start on April 1).

If a Selectboard member resigns, dies, or is unable to serve due to incapacity, the remaining Selectboard members will appoint someone to fill the vacancy until the next Town Meeting Day. Incapacity can include if a member misses at least half of all Selectboard meetings. At the next Town Meeting Day the seat will be up for election for the remainder of the term. If an appointment can’t be made, the Selectboard can hold a special election.

Selectboard members will be paid a minimum of $1,500 per year. There must be a specific line item in the budget for Selectboard pay. Selectboard members cannot be Town employees while they are in office, or for 1 year after leaving office (except for poll worker). A Selectboard member may serve on other boards as a representative of the Town.

Selectboard members may not interfere in the hiring or firing of any Town employee, which is a responsibility of the Town Manager. Selectboard members may not deal directly with Town staff unless they go through the Manager first, as is the norm for the selectboard-manager form of government.

The Selectboard must meet at least once a month. Special Town meetings can be called according to Vermont law. Voting at special Town meetings will be by Australian ballot. This section outlines how the Selectboard will conduct its meetings, keep minutes, follow Open Meeting Law, and use executive session.

**Subchapter 4 Other Elected Offices**

This section talks about the other Town offices that are elected besides the Selectboard: the Brownell Library Trustees. It specifies that the Town Clerk and Town Treasurer are appointed and can be the same person. It also specifies that the Town Moderator will be appointed by the Selectboard to preside over the informational Town Meeting.
Subchapter 5: Town Meetings

This section states that elections and voting on budgets and other ballot items will happen on Town Meeting Day as defined by Vermont law (usually the first Tuesday in March). It requires the Town to follow state law when conducting elections and special meetings. All voting will be by Australian ballot and will be conducted by the Town Clerk and Board of Civil Authority.

Subchapter 6: Ordinances

The new Town will adopt ordinances following procedures laid out in state statute, and also a minimum of one public hearing. The Selectboard can pass the ordinance after the hearing(s), or it can amend the ordinance. If it amends the ordinance, it must warn another public hearing. This procedure would be followed until the ordinance is finally approved. This section also allows for an ordinance to be rescinded by voter petition and allows residents to petition for an ordinance to be enacted.

FYI: Holding one public hearing is a minimum. In the past, controversial topics have had two or more public hearings scheduled. This can be done by a simple majority vote of the Selectboard to warn such a hearing.

Subchapter 7: Town Manager

This section outlines the responsibilities of the Manager. The Selectboard has the authority to hire and remove the Manager. The Manager is responsible to the Selectboard for the administration of the Town, the hiring of all Town employees, the appointment of several offices, the creation of the Town budget, and more. There is a removal process for the Manager and a plan for what to do if the Manager's office becomes vacant.

Subchapter 8: Boards and Commissions

This section defines the new Town's Board of Civil Authority, Board of Abatement of Taxes, Planning Commission, Development Review Board, and Brownell Library Board of Trustees.

Subchapter 9: Administrative Departments

This section focuses on personnel. There must be a personnel director as well as personnel rules and regulations, which the Selectboard must approve. This section also outlines the department of real estate appraisal.

Subchapter 10: Budget Process

This section establishes the new Town's fiscal year and the requirements for what must be contained in the annual budget. It states the Selectboard's responsibility to review and approve the budget and reviews how it will be approved by voters. It also details what the Selectboard can do regarding additional appropriations and transfers of unencumbered appropriation balance and how the tax levy is based on the budget.
Subchapter 11: Taxation

Property tax payments will still be due on March 15th and September 15th, and an 8% penalty will apply for late payments, as is current practice. (The 8% penalty matches the interest rate the state charges the municipality.) This section allows the Town to make tax agreements with residents.

Subchapter 12: Capital Improvements

As is currently the practice, the manager must provide the Selectboard with a five-year capital program as part of the annual budget process.

Subchapter 13: Amendment of Charter and Initiatives

The Town must follow state statute to make amendments to the charter.

Subchapter 14: General

Changes to the charter will not affect ordinances or other bylaws. If one part of the charter is declared invalid, the rest of the charter still remains in effect.