

**RECREATION GOVERNANCE STUDY COMMITTEE  
JOINT MUNICIPAL SURVEY COMMITTEE  
MINUTES OF MEETING  
ESSEX MIDDLE SCHOOL  
ESSEX, VERMONT  
September 28, 2016**

**MEMBERS PRESENT:** Michael Smith, Raj Chawla, Jason DiRosa, Kim Maiberger, Max Levy, Betzi Bilodeau, Lori Houghton.  
**MEMBERS ABSENT:** Erika Baldasaro, Christine Packard, Theresa Fletcher.  
**ADMINISTRATION:** Ally Vile, Essex Parks & Rec, Brad Luck, EJRP.  
**OTHERS PRESENT:** Marc Wennberg, Kathy Hibbert, Adriane Martin, Brec Norton, Ron Lawrence, Hubert Norton, Irene Wrenner, Silvio Mazzella, Kay Maloney, Betsy Dunn, John Harnish, Doug Fisher, Diane Clemens, Lauren Morrisseau, Stan Bushway, Mary MacEwan, Evan MacEwan, Joe Percy, Lisa Allen Barbara Higgins, Paula Drake, Gabrielle Smith, Amanda Houlier, M. Smith, Paul O'Brian, Francis Raymond, Bruce Post.

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**1. CALL TO ORDER and AGENDA**

Michael Smith called the meeting to order at 6:24 PM. Introductions were done. Meeting moderator, Marc Wennberg, was also introduced.

**2. PUBLIC FORUM**

Marc Wennberg explained the process to be followed at the meeting, acknowledged that those in attendance are present because everyone wants the best for the village and town, and called for a respectful gathering, sharing of information, and opportunity to be heard.

A video was viewed of the mission, operation and budget, and programming for parks and rec in the village and town. A presentation was given on the history of the Recreation Governance Study Committee and the process followed that resulted in the recommendation to the Essex Selectboard and Village Trustees to form a union municipal rec district combining the village and town rec programs. The combined entity was named "Essex Community Parks & Recreation" (ECPR). Seven different governance models were evaluated before making the selection for a union municipal district which was unanimously supported by the study committee. Articles of agreement were drafted as the first step. The articles had to be approved by the Vermont Attorney General and provide the framework for ECPR. The vote by the public on whether to enter into the agreement and form ECPR is December 13, 2016.

Advantages to forming ECPR were noted:

- Independent budget approved by Australian ballot in April of each year concurrent with the school budget vote.
- Unites community recreation.

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

#### MINUTES – September 28, 2016

PAGE 2

- Allows both rec departments and both communities to come together on equal ground.
- Provides long term stability.
- Another step forward in tax equity in the community.
- Provides increased transparency with all operations of ECPR which is overseen by a five member Board of Directors.

Disadvantages to forming ECPR were noted:

- Two small departments are combined into one large department.
- Realizing tax equity will result in an increase for town-outside-the-village taxpayers.
- Adds another elected board and government entity to the community.
- Potential administrative costs as two departments move to one independent department.

The five member Board of Directors for ECPR will have staggered terms. At the start the membership will include one Selectboard appointee, one Trustee appointee, one Essex Junction resident, one town-outside-the-village resident, one at-large resident.

Subsequent boards will be five elected members from the community at large. An Executive Director will be hired by the Board of Directors to oversee operations of ECPR and appoint an independent Treasurer to manage the finances. Open Meeting laws will be followed. Yearly independent audits will be done. There may possibly be a Rec Advisory Council. Budget vote for ECPR will be by Australian ballot.

The Transition Team with members from both rec departments, members of CCSU, members of municipal staff has been working on the goal to create a seamless transition if the vote is passed. The team has been researching information and answering questions. The mission is to ensure existing services are maintained or enhanced. FY18 operations recommended by the Transition Team include:

- ECPR handling daily receipts, accounts receivables, accounts payable, and HR.
- Essex Town will provide services for the Treasurer, check signing, accounting and audit, tax collection, and run elections.
- A 3<sup>rd</sup> party provider will handle payroll, IT support, and legal support.
- Lands and buildings will be leased to ECPR for \$1/year and the village and town will retain ownership of their respective properties. ECPR will insure the property and buildings and name the village and town as “additional insured”.
- ECPR will maintain facilities and parks and provide capital asset and equipment replacement.
- Supplies and equipment purchased by the rec departments will transfer to ECPR and be used for parks and rec purposes by staff and be insured. Future maintenance and replacement is the responsibility of ECPR.
- Capital reserves in FY18 related to parks and rec will be retained by the town and the rec district may request use of the funds for intended purposes. Requests must be authorized by the Selectboard.

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

MINUTES – September 28, 2016

PAGE 3

- The village will assume the debt payment on the Maple Street bond for the final three years of payments.
- There is a proposal that the village phase out additional tax support for ECPR over five years to help relieve the tax burden and the village will no longer budget for the block party, farmers market, and train hop which will be included in the ECPR budget.
- The estimate of tax increase on a \$280,000 house for a resident in the town-outside-the-village is \$23 (from \$87 to \$110) for ECPR. Village residents will see a tax decrease of \$3 (from \$280 to \$277).
- If ECPR is formed then there is need to plan for program access, enhancements or changes, finalizing the budget for the April vote, and continuing work on agreements related to village and town rec assets.
- A “yes” vote from the Town of Essex at large and the Village of Essex Junction means ECPR is created, members of the Board of Directors are concurrently elected, and the Transition Team continues to work to merge the two rec departments.
- A “no” vote from either the Town of Essex at large or the Village of Essex Junction means the Prudential Committee will decide the next steps for EJRP and if the Prudential Committee takes no action then EJRP transfers to the Unified Union School District on 7/1/17. The Unified Union School District said they support recreation and will work to establish a community use policy that continues to prioritize a partnership with rec and parks departments, but governance of EJRP falls outside the scope of work of the school district. The Village Trustees are willing to work with the Prudential Committee to negotiate transfer of governance to the village government and will seek to maintain and enhance all current services, explore finance and governance models that allow EJRP to maintain its current approach to financing and providing services, and will work to keep the budgets separate. The village would not pursue any further efforts to consolidate rec departments with the town at this time.

Next steps include the vote before the year end to allow time to develop the budget for the coming year. The Selectboard and Trustees may warn a special election vote on December 13, 2016. Petitions for positions on the ECPR Board of Directors are available 10/7/16 and due to the Town Clerk by 11/7/16. Members can be elected by absentee ballot starting 11/23/16 or at the polls on 12/13/16. If ECPR is created then the vote on the budget will be in April 2017 with ECPR in effect 7/1/17.

### *QUESTIONS & ANSWERS*

1. Were seven different options ranked? How did they rank below the Union Municipal District? Were the pros and cons assigned weights? Why does there have to be a stand-alone entity and not a department like police or highway?
  - Answer: Seven options were ranked and the public in attendance at committee meetings when the options were reviewed were polled. Information will be posted on the website on the ranking of the options.
2. What is an “inter-local contract”?

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

MINUTES – September 28, 2016

PAGE 4

- Answer: An inter-local contract would have been a way to combine the two rec departments under one of the municipalities. The budget would have been under one of the municipalities. There was concern that there would only be a contract (not a long term solution) between two municipalities and not necessarily a merger of the two departments under one municipality so there was some uncertainty with that. Examples of inter-local contracts are police and the community, EMS and the community. Additional information will be posted on the website.
3. Why are there not three options being voted: merge under Essex municipalities, stay as is, or STD (special tax district)?
    - Answer: The mission of the committee was to provide one recommendation to the Selectboard and Trustees. The committee looked at options and weighed the pros and cons. The warning for the vote and the ballot cannot have three different options by law. The vote on the ballot must be a “yes” or “no” choice.
  4. There is concern about accountability. How will this be better?
    - Answer: The budget will be audited. The budget will be voted by Australian ballot. There will be a five member board with the mission of rec and parks.
  5. What makes this better than a department for parks & rec? Why have an added layer of bureaucracy?
    - Answer: For the Village of Essex Junction there is not an added layer of bureaucracy because the rec department is separate from the municipality and the budget is voted by Australian ballot. The committee discussed and decided that forming ECPR as recommended was the best way to move forward.
  6. What happens if other departments want to do the same thing and there are multiple budgets to be voted?
    - Answer: The committee was tasked with talking about rec in the community and cannot answer for other departments.
  7. How could the existing option, STD, be changed and could it be changed by a petition signed by voters?
    - Answer: The answer will be researched and posted on the website.
  8. When will financial due diligence be available?
    - Answer: The proposed budget will be available after the Board of Directors is elected and forms the budget. The voters will vote on the final budget proposed by the new board.
  9. In five years what will the tax be in the village and town?
    - Answer: The proposed budgets for the town, village, and school districts are not known for the upcoming fiscal year at this point in time. A proposed rec budget for FY18 is being pulled together, but it would be challenging to predict future years. Both departments have managed their budgets responsibly over the past 10 years. EJRP has had a level tax rate for the last 10 years and the voters have seen only a one dollar change in the tax rate for rec since 2007. The first year of the budget shows taxes for a resident of the town-outside-the-village going up \$23 and for village

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

MINUTES – September 28, 2016

PAGE 5

- residents going down by \$3. Any increase in the budget the year after would be equivalent for residents whether in the village or town-outside-the-village.
10. Are the directors and officers of the union municipal district required to complete a conflict of interest statement annually?
    - Answer: The Board of Directors once elected will decide if a conflict of interest statement must be signed. The Selectboard and Trustees both sign ethics statements annually.
  11. Why not pursue continued cooperation with the Selectboard on a “no” vote?
    - Answer: If there is a “no” vote and EJRP is under the village government the village will not pursue merging the rec departments with the town because it was the consensus that there needs to be some stability for the stakeholders (staff of EJRP, working families that rely on the licensed childcare through rec). When the vote comes in the village will view it in the broadest terms and if one community votes “no” then that is how it has to be interpreted.
  12. Does consolidation mean all residents, town and village, have equal access to all rec resources and programs?
    - Answer: At this point most of the programs would be accessible in the same manner as one unified department. There are some logistics to figure out so there is no guarantee in Year 1 (for example, finding additional space for licensed childcare services). The idea is the department would grow into an all access, even access format.
  13. The current budget of the two departments combined is \$3.73 million. What is the total budget?
    - Answer: The financials will be on the website. The numbers are a best prediction, but may change. With the tax information that was in the presentation total expenses for the rec district is \$3,696,000.
  14. The Prudential Committee owns Saxon Hill property and leases to ERP. Will the land revert to the union municipal district?
    - Answer: The Prudential Committee will be discussing property that it owns, such as Saxon Hill and Park Street School, on October 3, 2016.
  15. Will village residents have one vote as village residents and one vote as Essex Town residents and Essex residents have only one vote?
    - Answer: The law is clear on how votes are held. Village residents vote as village residents and vote as town residents. Residents outside the village vote just as town residents. The village resident vote and the town resident vote will be counted separately. Both must be positive to form ECPR.
  16. Assuming merger of the rec departments and establishment of the STD is approved, will the village get one vote as village residents and one vote as town residents on the annual operating budget, capital expenses, bonds, or allowing other municipalities to join the STD while residents outside the village get just one vote?
    - Answer: If the district is approved any operating budgets thereafter are voted by all residents in the town including the village with one vote; everyone gets just one vote.

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

MINUTES – September 28, 2016

PAGE 6

17. At what point do the village and town rec departments equalize?
  - Answer: If equalized means access and programs they equalize on 7/1/17 when ECPR comes into existence. If equalized means a financial footing there is an outstanding bond for Maple Street that the village must pay off so village taxpayers will continue to pay for that. Once the bond is paid off the department will equalize.
18. Request is made that the committee present out year budgets for FY19-FY22 assuming a constant budget and showing the tax impact to residents in and out of the village.
  - Answer: The Selectboard, Trustees, and school boards do not know today what the budgets will be when they go for a vote in April. It is unlikely the out year budgets can be done because there are too many variables.
19. If a “no” vote and the Trustees will not attempt or agree to further unification of the rec programs, what about other town/village programs?
  - Answer: The resolution pertains to the rec departments only.
20. If the union municipal district is approved both Brad Luck and Ally Vile could be out of a job. Do they support the proposal and why?
  - Answer: Ally Vile said she will not voice her opinion because the public is here to become informed voters and decide on their own with their vote. Between the two departments there are over 19,000 people to serve and though there may be some duplicate named positions within the two departments, there is not duplicate staffing. There is plenty to do with combining the full time staff into one department and welcome those who want to come over if the vote is “yes”.
21. What will happen to rec based after school, vacation camps, summer camps if the vote is or is not passed? Will the town have more access to childcare and the village stay the same?
  - Answer: It is an uncertainty right now before the vote. The school has indicated the intent to make rec a priority and help provide services to residents. Without knowing how the departments will be combined or split in nine months there is no decision on how everything will work. EPR hopes to continue to stay within the Essex schools and work with the YMCA on childcare. If the departments combine space will have to be found to sustain the program or grow the program.
22. Was EJRP ever to be a part of the new school district?
  - Answer: The answer will be researched and posted on the website.
23. What if the vote is “yes” to the union municipal district and “no” to the budget?
  - If the budget is voted down, the ECPR Board of Directors reworks the budget and brings it back for another vote.
24. Why did the committee not select successfully sharing under one rec department?
  - Answer: Essex and Essex Junction rec departments are unique. There were challenges of public support in moving one department under another rec department.
25. How will the budget be decided, Australian ballot or voice, and why not in March?

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

MINUTES – September 28, 2016

PAGE 7

- Answer: The budget vote will be by Australian ballot in April in conjunction with the community school budgets and the village budget vote, along the lines of the EGG effort to consolidate as many opportunities for the community coming together at the ballot. The vote is not in March because the only Australian ballot item in March is the town budget vote. The majority of Australian ballot votes are happening in April. Also, having the vote in April gives more time to develop the budget.
26. Will ECPR employ its own HR, IT, legal, and financial services or use the village and town?
- Answer: HR is in-house, IT is provided by staff in-house, and there will be a 3<sup>rd</sup> party provider. A/P, A/R, daily cash receipts will be in-house. General accounting, signing checks, annual audit will be done by the town. Legal will be outsourced as is done in the village and town.
27. There are additional concerns about expenses related to this merger. What is the committee's response to the issue of sensitivity of voters to potential tax increases, both short and long term?
- Answer: The committee is very sensitive to a tax increase for anyone. That concern was expressed to the Selectboard and Trustees. The Trustees agreed there should be a phased-in process and is sensitive to the fact that it will not be easy for anyone.
28. What is the salary range for the ECPR Executive Director?
- Answer: The ECPR Board of Directors will make that decision. The merger vote and the vote on members of the Board of Directors are at the same time after which the Board of Directors will put together the budget for ECPR which will include salaries. That is the process.
29. Will we lose economy of scale (i.e. sharing equipment and mowing) between the rec department and the town maintenance department?
- Answer: The Transition Committee is working on this. ERP does lots of facility maintenance and mowing now. It is not determined at this time if there will be an MOU with the town to work together or be completely separated.

There were no further questions. The public forum ended at 7:31 PM.

### **3. OPPORTUNITY TO BE HEARD**

Stan Bushway, Butternut Court, Essex, noted the special tax district is in force for five years and the communities can withdraw during that time, but it is assumed the communities will continue to merge and after five years be one. If after five years the merger dissolves the STD does ECPR become a department of the new community?

- Answer: The answer will be researched and posted on the website.

Ron Lawrence, town resident, said the concern is setting up another level of governance which complicates, not makes simpler. It is hoped the Trustees can re-evaluate their stance if there is a “no” vote because it does not mean the voters do not approve the move to combine services. Mr. Lawrence applauded the work and the idea of two departments

## RECREATION GOVERNANCE STUDY COMMITTEE

### Joint Municipal Survey Committee

MINUTES – September 28, 2016

PAGE 8

working together, and said he is proud of the resources the town has and likely the village feels the same way. No one wants to see anyone lose anything. Mr. Lawrence reiterated he applauds the move to try to combine resources.

Francis Raymond, town resident, but grew up in the village, said the issue is not about money, it is about creating another tax organization. ECPR should be a town organization or a village organization, not a separate organization. People will be upset at having another tax district and may not vote it through. Essex Junction rec department wants it the way they want it and does not want anyone to control their money. They are worried about their money. They are worried about the Prudential Committee or the Trustees managing them. They want their own.

John Harnish, town resident, said he is all for consolidation, but not as a separate tax district because all he sees is added cost. Mr. Harnish mentioned his background in mergers, acquisitions, and divestitures in his corporate life, and said he was surprised there are not any good numbers and next year's budget will be less than this year's budget when all the people remain. That is not how mergers and acquisitions go. This is not being run as a business and it should be. The committee should be looking out for the taxpayers of the town and village.

Mary MacEwan, Essex, spoke in support of ECPR going through because it will be more efficient to have one department and will not double the cost and will be clearer. Having two communities working together is a wonderful idea.

Bruce Post, Essex, said he would like to know more about the phasing in of the tax shift and how that would be accomplished. Also, if there is going to be a separate municipality that spins off functions to the town then why have a separate municipality. It is ridiculous.

Gabrielle Smith, town and village, disclosed her husband is Chair of the committee, spoke in support of the pros and cons listing and that it seems four of the pros would have been accomplished if the committee recommended consolidation with the town. Two items not addressed might be long term stability and equal ground. Further explanation of these two items is requested.

Brec Norton, Sandhill Road, thanked everyone for their hard work. Mr. Norton said he understands the inequity of the village paying more and that has to be fixed, but it is not clear how building a separate district is cost effective to merging into the town. Taxes are double what they ought to be now so this is not the way to go.

There were no further comments or questions. The committee will post answers to the questions on the website. Future forums will also provide more information.

#### **4. ADJOURNMENT**

With no further business and without objection the meeting was adjourned at 7:53 PM.

*RScty: MERiordan*