

**RECREATION GOVERNANCE STUDY COMMITTEE  
PUBLIC FORUM  
MINUTES  
ESSEX ELEMENTARY SCHOOL  
ESSEX, VERMONT  
October 13, 2016**

**MEMBERS PRESENT:** Michael Smith (Chair); Jason DiRosa, Kim Maiberger, Max Levy, Betzi Bilodeau, Lori Houghton. Erika Baldasaro  
**MEMBERS ABSENT:** Raj Chawla, Christine Packard, Theresa Fletcher.  
**ADMINISTRATION:** Ally Vile, Essex Parks & Rec; Brad Luck, EJRP.  
**OTHERS PRESENT:** Marc Wennberg, John Sheppard, Irene Wrenner, John Larkin, J. Thomas, Jerry Fox, John Harnish, George Dunbar, Wendy Johnson, Dan Johnson, Kristin Romick, David Foster, Kay Maloney, Matt Vile, Greg Bostock, Annie Cooper.

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**1. CALL TO ORDER and AGENDA**

Michael Smith called the meeting to order at 6:21 PM. Introductions were done. Meeting moderator, Marc Wennberg, was introduced and explained the process to be followed at the meeting. Mr. Wennberg stressed having a respectful gathering to hear information and to have the opportunity to be heard.

**2. PUBLIC FORUM  
*PRESENTATION***

A video was viewed on how the two rec departments presently operate. A presentation was given on how the study committee was formed and developed the recommendation to establish a union municipal district called “Essex Community Parks & Recreation” (ECPR) that combines EJRP and EPR. Seven different governance models were evaluated before making the selection for a union municipal district. Articles of agreement were drafted which had to be approved by the Vermont Attorney General and which provide the framework for ECPR. The vote on December 13, 2016 is to decide whether or not to enter into the agreement and form ECPR.

Advantages to forming ECPR were noted:

- Independent budget voted by Australian ballot in April of each year concurrent with the school budget vote as has been done with EJRP and was suggested by the study group.
- Unites community recreation.
- Allows both rec departments and in turn the two 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.

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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 additional administrative costs as two departments move to one independent department.

The five member Board of Directors for ECPR initially will have one Selectboard appointee, one Trustee appointee, one Essex Junction resident, one town-outside-the-village resident, and one at-large resident. Subsequent boards will be five elected at large members. An Executive Director will be hired to oversee operations and appoint a Treasurer. There will be an annual independent financial audit. The budget will be approved by Australian ballot vote. There is the possibility of a Rec Advisory Council.

The Transition Team made up of members of the rec departments, school district, and municipal staff have the goal of creating a seamless transition if the vote passes. The team has been researching and getting answers and wants to ensure existing services are maintained or enhanced. The Transition Team is recommending:

- ECPR handling daily receipts, accounts receivables, accounts payable, and HR.
- Essex Town will provide the Treasurer, check signing, accounting and audit, tax collection, and 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. ECPR will insure the properties and buildings and name the village and town as “additional insured”.
- ECPR will maintain the spaces and provide capital asset and equipment replacement.
- Parks and rec supplies and equipment purchased by the rec departments will transfer to ECPR and be used by rec staff. ECPR will insure and provide future replacement and maintenance.
- Capital reserves related to parks and rec held by the town will be retained, but the rec district may submit a request for use of the funds. Requests must be authorized by the Selectboard.
- The estimated budget assumes growth of 1% in the grand list, the village assuming debt relief payments on the Maple Street bond, the village proposal to phase out additional tax support for ECPR over five years to ease the burden on the town, and the village no longer budgeting for the block party, farmers market, and train hop.
- The estimate of tax impact of ECPR on a \$280,000 house for a resident in the town-outside-the-village is \$16 (from \$87 to \$103). Village residents will see a tax decrease of \$11 (from \$280 to \$269).
- Decisions need to be made if ECPR is formed on a plan for program access, enhancements or changes, finalization of the budget for the April 2017 vote, and agreements related to village and town rec assets.

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- A “yes” vote from 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 Essex at large or the Village of Essex Junction means the Prudential Committee will work with the Village Trustees to transition EJP to the Village municipality. EPR will stay under the Town municipality.

The complexities of holding a national, state and local election in our community on the same day presented a strong likelihood that the vote would be contested. Thus, the November vote for the local election gave way to a December timeframe. Since a vote is needed before year end to allow all parties to develop budgets for the coming year knowing where recreation will live so Town Selectboard & Village Trustees may warn the special election vote for Dec 13, 2016. Petitions for the ECPR Board of Directors now available and due to the Town Clerk by 11/7/16. If the vote is warned then the village and town can vote on ECPR and the Board of Directors via 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. Why is RGSC still involved now that the recommendation has been presented?
  - Answer: RGSC will continue to disseminate information about the recommendation and will continue to discuss issues.
2. Where has the money gone that was already paid in taxes to the town for rec?
  - Answer: Funding that has been put aside for rec will remain with the town. The new rec district can request funding which must be approved by the Selectboard.
3. Will a bond pay for a new senior center and will that negate the ability to vote out the rec district in five years?
  - Answer: There is nothing in the works except fund raising for the senior center. The employee paid to operate the senior center is through the rec department and will move to the new rec location. If there is a bond for the senior center that would be under the village and the voters would vote on it.
4. Can more insight be given as to the composition and mission of the Essex Governance Committee?
  - Answer: The composition of the EGG membership would have to be researched, but the committee came up with four recommendations and one was consolidating voting. RGSC is creating new voting, but is suggesting to combine it with voting that is already taking place.
5. What does a resident of the town-outside-the-village get out of this?
  - Answer: A robust, combined rec department with more direct oversight and a separate vote on the budget by Australian ballot as well as resident access to all programs. Also, young people participating in the combined rec program makes combining when they get to high school easier.
6. What are the pros and cons of the other possibilities that were explored?

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- Answer: The website (essexrec.org) lists the pros and cons for every option.
7. What are the specific drawbacks to the special tax district?
    - Answer: Each option had pluses and minuses. Combining the departments and having shared services was felt to be the best choice. The union municipal district united rec under one umbrella rather than trying to fit one department into the other and department staff are starting on common ground with one budget that is independent of the municipalities and schools and voted by Australian ballot. The budget is the sole responsibility of the rec department. Both communities are passionate about their rec department so rather than having one feeling like they are giving up their department it was felt best to combine both into one new department.
  8. What can residents do to stop the proposed vote?
    - Answer: The Selectboard at the November 7<sup>th</sup> meeting and the Trustees at the November 8<sup>th</sup> meeting will be discussing whether to warn the vote on December 13, 2016. Input/comment can be given at either meeting.
  9. Why does the Prudential Committee have to go away and not continue to perform the function with EJRP?
    - Answer: The unified school district combined school boards including the Prudential Committee. The charter for the Prudential Committee was to focus on the school district, but in the 1970s EJRP was added to the mission at the request of the Board of Trustees at that time. The services the Prudential Committee received were from CCSU and CCSU is also going away in light of the unified school district so the support that was provided is going away.
  10. Is the childcare provided by the YMCA by the town in the schools licensed?
    - Answer: Yes.
  11. When does the legislature get involved in the process if at all?
    - Answer: On November 7<sup>th</sup> and 8<sup>th</sup> the Selectboard and Trustees will decide respectively on whether to warn the vote. The agreement was approved by the Attorney General. The state legislature will only get involved if the new rec board wants a charter.
  12. Why can't user fees be implemented to keep taxes the same for both?
    - Answer: User fees with EPR give money to the department and pay for the expenses of the program.
  13. Is the licensed childcare provided by EJRP self-funded or supported by tax dollars?
    - Answer: Revenues and expenses for the licensed childcare fall under one budget code for EJRP and employees, supplies, and equipment come out of that so it is not funded by the taxpayers. There are some other services that other childcare programs utilize (i.e. time from the Rec Director and Finance) and these people and functions are paid by other user fees or tax money.
  14. Explain the financial numbers.

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- Answer: The document that was shown at the meeting on October 10, 2016 is the proposed budget at this point in time.
15. What increases or decreases will happen after the first five years?
- Answer: This is not known. It will be up to the new board for the rec district and the voters to decide the budget.
16. Who pays for fireworks now and in the future?
- Answer: EJRP pays for fireworks now. The new rec district will pay if it is created.
17. Is there an example of a rec service that will be enhanced with the new rec district?
- Answer: It is hoped the licensed childcare would become a district program housed in the Essex town schools and the extended after school program, enrichment programs would expand to village school locations creating more options as one community. The two department come together now several times a year in collaborative events that are free or for a small charge to the community. If there is one unit it would be smoother to provide these services.
18. Why is it a bad idea for the Selectboard to have the rec department budget as is done with roads?
- Answer: It is not a bad idea, but having the rec budget by itself means if more money is needed then the voters decide.
19. How much is assumed for increased insurance costs?
- Answer: The insurance currently paid for each rec department was combined. If the new rec district is formed then formal quotes for insurance will be needed.
20. Why not choose to put the two rec departments under one municipality of Essex?
- Answer: The option was reviewed, but not chosen.
21. How much additional administrative costs will be contracted compared to current expenses?
- Answer: IT, payroll, finance, legal, and insurance are estimated at \$127,000 in the FY18 budget. Other services and support in FY17 were \$130,000 (assessment for CCSU, IT, legal, insurance, some maintenance).
22. How can the rec district be covered by VLCT for insurance purposes if not part of the municipality?
- Answer: VLCT is where the town and village get their insurance (PACIF). The town and village pay a membership fee. The union municipal district can be an associate member of VLCT and use PACIF or seek insurance coverage elsewhere through a commercial entity that provides insurance coverage for municipalities.
23. Do Essex Junction residents get a vote as a village resident and a town resident on the question of a special tax district?
- Answer: One ballot will be available to residents of Essex Junction asking whether to enter into a union municipal district known as Essex Community Parks and Recreation (ECPR). Another ballot will be available to all residents of the town which includes village residents with

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- the same question. Each ballot (the one from the village residents and the one from the town residents including residents in the village) will be tallied separately and ECPR will only be formed if both ballots have more “yes” votes than “no” votes.
24. How will the rec district expand programming given limited resources, for example the pool on a hot day?
- Answer: Maple Street pool has a capacity like all the programs. As demand exceeds supply staff tries to find more supply and has expanded many programs. The pool does exceed capacity and people have to wait. Membership holders are allowed into the pool 15 minutes before the general public. Staff would watch and see if there is need to expand the pool area.
25. If the municipality retains the land and buildings what is the need for the bond?
- Answer: RGSC has not discussed this. The new rec board and the voters would decide on the bond.
26. If the rec district is passed how can it be terminated in four years if that is what the people decide?
- Answer: The agreement specifies that prior to five years the rec board needs the Selectboard and Trustees to vote in the affirmative to dissolve the district and prepare a plan of dissolution to present to the voters. After five years the new rec board can decide. After five years a petition with 5% of the voters can be done to ask for a plan of dissolution to go to the voters.
27. Can more be charged for program fees so taxpayers are not taxed for the administrative costs?
- Answer: The rec fee pays for expenses so tax money is not used. Fees are increased every few years, but not to price people out of the program and have them go elsewhere. The communities for the last 45 years have clearly demonstrated support for rec as a community value and have invested in what is valued. With EJRP the people invest \$700,000 and the department generates \$1.5 million in revenues. Percentages as a department far exceed the national average in terms of tax revenue supporting the department and the amount of revenues from user fees that support the programs. The residents want user fees to pay for services, but do provide a baseline so the rec offices can exist.
28. Why wasn't the PU matrix used to present the overall option?
- Answer: There are lots of decision making models out there and the “pro and con” model was chosen.
29. Why is it necessary to go to the extreme to form a separate municipality to accomplish this task?
- Answer: There are many pros with a union municipal district including one department not merging into the other and all are on equal ground. There are many communities with recreation as a separate district. Rec is not something that has to be run out of a municipality.
30. In the early 1970s rec activities were started for the village and town. When and why were the two departments formed?

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- Answer: In 1970 the Board of Trustees hired the first rec director and in 1971 asked the Prudential Committee to take over operations of the rec department. In 1978 the town hired their first rec director. The history of the establishment of the rec departments will be further researched.

There were no further questions or comments. Information will be posted on the website as it becomes available.

### 3. OPPORTUNITY TO BE HEARD

John Larkin, town resident, commented if it is not a bad idea to have the Selectboard balance budgetary priorities then why is it listed as one of the pros to have an independent budget.

A gentleman in the audience who said he is an urban guy stated the place is too small to have two governments and there is no need for three governments.

Kay Maloney, former village resident and now a town resident, thanked the committee for the hard work and time, adding the presentation and information is much more polished with each public forum.

George Dunbar, village resident, said he is leaning toward not accepting the new district because there are two organizations with budgets and the proposal is to set up another separate entity with a budget. Mr. Dunbar said he sees this as a setback.

Annie Cooper, former town resident and now a village resident, said she has worked collaboratively with both departments and as a village resident sees collaboration of the two rec departments as a move toward something more, stronger, better, something more Essex. The level of professionalism in answering all the varied questions is appreciated.

John Harnish, village resident, said there are a total of 16 full time positions involved. Mr. Harnish said in his professional career he worked on mergers and not once had a solution that cost more to put two entities together. Mr. Harnish said he has not been convinced the option for a special tax district is better than going under the municipality where a lot of the costs would go away, the tax savings for the people in Essex Junction would be greater, and there would be less of an increase for residents in the town-outside-the-village by not adding costs that do not make for a nicer rec department.

Wendy Johnson, town employee and village resident, made positive comment on both rec departments and was confident the departments will work together.

A gentleman in the audience expressed appreciation to both rec departments and said he is hearing that the direction being taken is because there is no leadership to merge the two departments. This kind of leadership needs to be found to avoid creating three municipalities.

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There were no further comments. The next public forum is on 10/18/16 at Fleming School beginning at 6:15 PM.

**4. ADJOURNMENT**

With no further business and without objection the meeting was adjourned at 7:44PM.

*RScty: MERiordan*