

**RECREATION GOVERNANCE STUDY COMMITTEE
JOINT MUNICIPAL SURVEY COMMITTEE
MINUTES OF MEETING
FLEMING ELEMENTARY SCHOOL
ESSEX JUNCTION, VERMONT
October 18, 2016**

MEMBERS PRESENT: Michael Smith (Chair); Jason DiRosa, Kim Maiberger, Max Levy, Raj Chawla, Lori Houghton, Erika Baldasaro
MEMBERS ABSENT: Betzi Bilodeau, Christine Packard, Theresa Fletcher.
ADMINISTRATION: Ally Vile, Essex Parks & Rec; Brad Luck, EJRP.
OTHERS PRESENT: Marc Wennberg, Judy Dow, Darryl Koch, Paula Rose, Deb Carlin, Adam Sollace, Samantha Quinn, Damon Clark, Dawn McGinnis, Mitch Lefevre, Casey Carmolli, Amy Lefevre, Darcy Brouillette, Kay Maloney, Allison Wermer.

1. CALL TO ORDER and AGENDA

Michael Smith called the meeting to order at 6:16 PM. Introductions were done. Meeting moderator, Marc Wennberg, was introduced.

2. PUBLIC FORUM

Marc Wennberg explained the process to be followed at the meeting and stressed having a respectful gathering to hear information and to have the opportunity to be heard.

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.

Disadvantages to forming ECPR were noted:

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- 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 3rd 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 EJRP 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. Who will retain ownership of the parks with the merger?
 - Answer: Each municipality will lease their parks to the new district for \$1 per year. The village will retain ownership of the village parks and the town will retain ownership of the town parks.
2. Are there any examples of how a service will be enhanced?
 - Answer: The licensed childcare that happens with ECPR as a whole and enrichment programs in the town added to village schools are examples. As well co-sponsored community events would be done as one.
3. Are the additional administrative costs made public?
 - Answer: For services such as IT, payroll, finance, and legal the numbers are not yet public. It is hoped to have a line item budget posted soon. The numbers will be \$24,000 for IT, \$12,000 for payroll, \$50,000 for finance, and \$15,000 for legal for a total of \$101,000.
4. Where are the answers to questions from the first meeting?
 - Answer: www.essexrec.org and hardcopies are available at each meeting.
5. Will the current Rec Director become the Executive Director?
 - Answer: Not necessarily. The new board voted on in December with the new rec district will conduct a search and hire the Executive Director.
6. What was the rate of growth of the grand list in the most recent year known?
 - Answer: For the town the estimate is 1% growth though typically growth has been greater (1.5%). For budget purposes 1% is used. The village follows the same budgeting process.
7. Is information available that describes why the five consolidation options were rejected?
 - Answer: The website (essexrec.org) in the FAQ section has information on the options.

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8. Is it true that when people vote on the proposal the village resident vote counts as two to every one vote outside the village?
 - Answer: There are two ballots for the December 13th vote, one available only to residents of the Village of Essex Junction and one for all residents of the town including the village. Each ballot question is tallied separately and ECPR is formed only if both ballots have more “yes” votes than “no” votes.
9. How much is the facilitator costing and how is that cost being paid?
 - Answer: Total cost for all the forums is \$2,275 and the Essex Junction School District is covering the cost.
10. When will the decision to hold the vote take place?
 - Answer: Essex Selectboard will discuss warning the vote on December 13th at their meeting on November 7, 2016 and the Trustees will formalize their decision to put the vote on the ballot for December 13th at their November 8, 2016 meeting.
11. List some of the programs in the village that contribute to the \$192 increase over the town and will these be maintained?
 - Answer: The \$192 is the amount the average household pays in property taxes to support EJRP. The budget sheet shows total amount of tax dollars currently to support EJRP at \$743,000. Property tax money is taxed off the grand list. The grand list in the village (\$11 million) is smaller than the grand list in the town (\$25.5 million) which means a larger tax base to generate tax money. Total amount of taxes is almost identical between the two rec departments, but they are taxed from two different grand lists.
12. What is the biggest downside to keeping the status quo?
 - Answer: There is no status quo for EJRP because the department has to go somewhere due to the formation of the unified union school district. If the vote is approved to form a union municipal rec district then that will move forward. If the vote is “no” then the Prudential Committee decides what to do and may engage the Trustees in deciding the future of EJRP.
13. Who is on the Rec Governance Committee?
 - Answer: Ten members with two from the Prudential Committee, one from the Board of Trustees, one from the Selectboard, and six members from the community (three from the village and three from the town-outside-the-village).
14. Explain why the town-inside-the-village has a tax increase of \$1 in FY17 compared to \$167 in FY18.
 - Answer: Payment of the last three years on the bond will transfer over to be paid by the village and no longer by EJRP because EJRP will not exist. Also, the Trustees publicly acknowledged to phase the tax implications of the formation of the rec district. In Year 1 that is five cents on the dollar. The village would collect the taxes to give to the rec district. Taxes for the rec district (\$96) are the same for residents in the town-inside-the-village or outside-the-village. Taxation for those in the town-outside-the-village goes up slowly about \$12/year and down for residents inside-the-village by \$11 to \$43 per year once the bond is paid off.

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15. Why wasn't there consolidation into one entity under town government?
 - Answer: The pros and cons list is on the website. Consolidating under one town government would have identified one rec department over the other. Also, EPR is not familiar with offering childcare services so that would be a difficult transition, and the budget is contained within the town operating budget and not as a separate article and is passed via voice vote by a much smaller portion of the population voting on the budget as compared to Australian ballot. In addition, village residents fought to have EJRP under the school district and not the local municipality so there is lack of community support for going under the town government.
16. Is it still an option to merge the two departments and have it administered under the Town of Essex?
 - Answer: If there is a "no" vote by one of the communities or the vote is not even warned then the decision falls on the Prudential Committee. The Trustees have agreed to take on the rec department and keep it as a separate, independent budget from the municipal budget, and try to keep it as an Australian ballot measure. If the vote fails the Trustees would not seek further consolidation efforts because this is a stressful process and lots of people rely on childcare and the after school programs so the Trustees want to ensure they have stability and staff has stability. The decision needs to work the first time
17. What should motivate town taxpayers to support a merger when it will cost an increase in taxes?
 - Answer: A big part of the merger for residents of the town-outside-the-village is program access and no longer paying nonresident fees.
18. Since this is a merger why aren't the administrative costs going down instead of increasing?
 - Answer: Currently EJRP is assessed by the school district for the services received. The amount paid for IT, payroll, finance, and legal in FY17 was \$99,500. The amount to be paid in FY18 with the consolidated budget is \$101,000. The money has been paid historically for the services, but won't be paid to the school district any longer (the money will be paid to other entities that have been identified to provide the services).
19. Will the parks be retained?
 - Answer: The Transition Team talked about the town retaining town parks and the village retaining village parks, but both municipalities leasing the parks to the new district to use for \$1 per year.
20. Will there be jobs lost with the merger?
 - Answer: The new board for the rec district will make the decision on staffing. There is no intention of anyone losing their job. There may be job titles that are similar, but the work needs to be done and there is no intention for that to happen with fewer people than there are today.
21. There is concern the Y program will be lost with the merger.
 - Answer: After school licensed childcare in the village is provided by EJRP. The same childcare is provided by the YMCA in the town schools. At this point the unified union school district has indicated that they will at

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least continue the program into next school year, but it is not certain how the Superintendent or the school board will address this in the future. From discussions that have been held it would make sense with one school district serving all that there be one after school provider so there is one place to call and one place to pay the bill and one place to work with for the extended day and enrichment programs. It is reinvesting back into the community. There has been no discussion as yet with the union school board and the YMCA. Regarding equity, the program pricing for the town after school YMCA program five days a week is \$478 more than those in the village who go to the childcare program five days a week.

22. The village is paying for the train hop and farmers market. What is covered in the town?
 - Answer: Today the train hop, farmers market, and block party are in the village budget paid by Essex Junction residents, not town residents. The Trustees have discussed whether the municipality should or should not be responsible for these community events. If the rec district board agrees then the budget for those three events would be moved to the new rec district so the cost is shared by all and the rec district would facilitate the events. EPR budget includes \$7,500 for the Memorial Day Parade. This also would fall under the same community events bracket.
23. Essex Town school district contributes revenue for after school and summer programs, but where is that shown in the rec budget?
 - Answer: EPR has an agreement for a secondary priority with Essex Town school district in using the facilities. EPR does not pay a facilities fee to use the space during the week, but does pay for weekend use. All the programs are self-sustaining from program money that is collected. Both rec departments have the agreement with the two school districts. There is nothing wrong with the Y program. There just has not been discussion with the unified union school board on the transition, but interest has been indicated in that opportunity. Finances related to the school budget are not shown in the budget numbers. The parks and rec budget and municipal services are shown.
24. Will the school budget go down since rec costs are moving?
 - Answer: It is confusing because the rec district in the junction falls under the auspices of the school district. The budget is separate and taxed on the municipal property tax. School finances work differently. There are rebates and income sensitivity guidelines and other things that do not apply to rec taxes in the village. The rec taxes are like municipal taxes and based on the assessed value of property. There are no rebates, pre-bates, or income sensitivity. The school will lose some of the revenue paid by EJRP to the school district (some direct costs that will go away and some indirect costs that will still exist). The schools are also discussing unifying next year so there is a whole lot going on. The school district will lose the revenue stream from EJRP because they are no longer providing the services.

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25. How will the town assist the tax loss for low incomes when budgets are no longer covered under school budgets so there are no longer the tax rebates?
- Answer: Pre-bates and income sensitivity comes off school taxes. Many people take advantage of that. Rec dollars, after school dollars, summer camp dollars do not factor into that. For a licensed childcare provider like EJRP and the Y there is childcare resource money that families can apply for which are completely separate from school property taxes, rebates, pre-bates. A pre-bate should one be received for property taxes related to schools should not be impacted, but there is no support from the district budgets of EJRP or EPR. The answer will be further researched and clarified and then posted on the website.
26. What is the compelling answer to the downside for keeping the status quo?
- Answer: The status quo of EJRP under the school is not a possibility because the Prudential Committee will not be in existence as of July 2017 and that is the governing body for EJRP.
27. What is the largest expense line in the EJRP budget today?
- Answer: Salaries and wages.
28. Why are people against the proposal and where is the opposition coming from when it seems like a win-win situation?
- Answer: Those who oppose the proposal need to be asked. RGSC feels the proposal is good and that is why the recommendation was made.
29. The list of questions submitted to the Selectboard in a document dated 9/6/16 will be addressed and the answers posted on the website.

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

3. OPPORTUNITY TO BE HEARD

Amy Lefevre, village resident, thanked the committee for the work that has been done. Ms. Lefevre noted she has children in the rec programs and knows Brad Luck and Ally Vile well and thinks consolidating makes sense. Ms. Lefevre said she is glad to hear there are no job losses and excited to hear programs will be continued and enhanced.

Darryl Koch, resident of the town-outside-the-village, spoke in support of both rec departments and is looking forward to the enhancements that will occur with the merger of the two groups. Mr. Koch said it will be a “tough sell” for residents of the town-outside-the-village seeing their assessment for parks and rec almost doubling so everyone is urged to “sell” the enhancements.

There were no further comments. The next public forum is on 11/16/16.

4. ADJOURNMENT

With no further business and without objection the meeting was adjourned at 7:30PM.