

**RECREATION GOVERNANCE STUDY COMMITTEE
MINUTES OF MEETING
August 4, 2016**

MEMBERS PRESENT: Raj Chawla, Jason DiRosa, Kim Maiberger, Erika Baldasaro, Max Levy, Betzi Bilodeau.

MEMBERS ABSENT: Michael Smith, Christine Packard, Lori Houghton, Theresa Fletcher.

ADMINISTRATION: Ally Vile, Essex Parks & Rec, Brad Luck, EJRP.

OTHERS PRESENT: Andy Watts, Adam Sollace, Diane Clemens, Marla Durham, Randy Forguites, M. Smith, Betsy Dunn, Bruce Post, Elaine Sopchak, Kirsten Domas, Mike Plageman, John Sheppard, Chuck & Helen Vile, Caitlin & Scott Fay, Alan Fay, Dennis Bergeron, Corey Wood, Liz Subin, Bridget Meyer, Lorraine Berry, Judy Dow, Liza Cross, Dawn Hill Fleur, Barbara Higgins, Ruth D'Angelo, Olivia Ploof, John Larkin, Lou Ann Pioli, Shannon Yandow, Dylan Giambatista, Ramona Sheppard, Joe Gonillo, Rose Bergeron, Irene Wrenner, Rob Zane, Christina McLaughlin, Annie Cooper, Wendy Johnson, Randy Port.

1. CALL TO ORDER and AGENDA

Raj Chawla called the meeting to order at 6:35 PM and explained the procedure to be followed at the meeting. There were no changes to the agenda.

2. PUBLIC TO BE HEARD

Barbara Higgins, 7 Cindy Lane, read a statement requesting the committee ask the Essex Selectboard to delay warning a vote on the union municipal (rec) district until March 2017 so there is more time for everyone to understand what a union municipal district is and the implications. There is a two year window to deal with the issue. The questions and suggestions raised regarding checks and balances bear further consideration and study.

3. APPROVAL OF MINUTES

July 21, 2016

MOTION by Max Levy, SECOND by Erika Baldasaro, to approve the minutes of July 21, 2016 with the addition of the following:

“The discussion on removing the section on indebtedness and bonding was brief. Attorney Andrew Bolduc pointed out it was a lengthy section, but is covered by statute and does not have to be in the agreement.”

VOTING: unanimous (6-0); motion carried.

4. PRESENTATION: Essex Community Parks & Recreation Agreement

Betzi Bilodeau and Erika Baldasaro gave a presentation that explained how the option of a union municipal rec district was chosen by the study committee and the agreement that was drafted which covers budget, tax rate, audit of finances, borrowing money, capital

reserve, amending the agreement, developing a charter, addition or withdraw of a municipality from the district, and dissolving the district. Assurance was given that all questions from the public will be reviewed and all information will be published and posted for the community to view. The rec district will be its own, independent municipality with a five member elected governing board and an annual budget approved by the voters. Open meeting laws will be followed. Consolidating the village and town recreation departments into a union municipal rec district will eliminate redundancies, has potential for cost savings, will allow for “one stop” shopping for services, provides long term stability, and brings in additional initiatives. The agreement is the first step. The community will vote on whether or not to enter into the agreement drafted by the rec governance study committee. The new name for the rec district is “Essex Community Parks & Recreation”.

The timeline, important dates for voting, and next steps were reviewed. It was noted having the communities vote in December on whether to join the rec district allows enough time to compile the information on transition of operations and develop the budget. Each community must vote in the affirmative majority to join.

5. FEEDBACK ON AGREEMENT

The following comments were made (some individuals spoke more than once during the meeting and replies to comments are shown in brackets [] following the comment):

- Dennis Bergeron, 20 Alder Brook Road, stated in 2006 the town and village attempted to merge and the voters say no because taxes would go up. Now with consolidation the voters are being “nickel and dimed” and taxes have gone up. The town has a great rec department with four people and handles more on less of a budget. The village has 12 people in their rec department. Merging together is not fair because taxes for the town go up and taxes go down for the village. People in the village can vote for the village and town so the town should be able to do the same if there is going to be a district. Dennis Bergeron also pointed out IBM received a tax break. The fairgrounds could be taxed to provide revenue. Town residents pay out of pocket to use rec facilities in Essex Junction. [Max Levy explained any time two different departments consolidate the tax on residents outside the village go up because the village has been supplementing the town by paying taxes to the town since the village is part of the town. Consolidating the departments is a move toward tax equity. People living in the town outside the village do not supplement the village rec department. Attorney Andrew Bolduc explained village members vote twice because according to the Secretary of State’s Office it is an equity issue. Village members also are members of the town so to not have a contested election there must be two votes. Betzi Bilodeau said village residents pay parks and rec fees for both rec departments. Residents of the town outside the village do not pay for EJRP. Jason DiRosa said the staffing for the village versus town rec departments is due to the types of services offered. Essex Junction offers licensed childcare, for example, which the town does not offer. Work needs to be done to see where there is overlap.]

- Corey Wood, Fairview, thanked the committee for the work, time and effort. According to parents in the village the rec program is a major part of why they live in the village. Residents get a bargain for the facilities and programs. Lots of communication is needed so people can engage and get out the vote.
- John Larkin, Saxon Hollow Drive, questioned the option of a special district which may be in line with recent consolidation measures, but these measures did not require special districts. Only the schools required a special district. The wisdom of forming a special district is questioned given information about its dangers. [Raj Chawla said the committee did investigate the matter and believes the agreement addresses the major concerns around special tax districts (i.e. budget, audit, voter approval, oversight). The intent is to come together so everyone is on equal footing and no one has a monstrous tax increase. Max Levy added the committee tried to be as forward looking as possible, looking 10 to 20 years down the road with the district so there would not be multiple transitions. The voters can decide to move the senior center or the library into the district if wanted. There is direct access to the budget by the public and voting the budget is in one place so more people can participate.]
- Judy Dow, Old Stage Road, recalled years of paying fees for her children to participate in rec activities in the junction. Also, the junction gave up the precious jewel of Indian Brook because of a fee to repair the dam. The townspeople paid to repair the dam. Ms. Dow asked what happens to the 18 town parks and facilities and the three parks in the village when starting on “equal footing” and if the town will charge the village for use of the 18 town parks. The assets should be resolved before the vote on the district is held. [Ally Vile said discussion has just started on the transfer of assets. No decision has been made. Both recreation department directors (Ally Vile and Brad Luck) will be part of the discussion of assets, finances, and IT. There is a line item in the capital budget for repair of the Indian Brook dam. The money could remain in the capital budget and the new rec district could start a capital improvement fund. “Equal footing” means two departments coming together as the same team and possibly in the same physical space, but Essex Parks & Rec will not become EJRP. There will be agreements on how the properties are used and maintained. Answers to questions will be published to help inform people.]
- Betsy Dunn, Cindy Lane, said it is bothersome for the municipality to have a new district that can levy taxes and ask for a new building down the line. It may be best to do a charter change for all of Essex to merge (village and town). Also, having October as the time for petitions to run for the district board does not allow full understanding of the complexity of the district. Everything is moving too fast. There is not enough time or consideration of the public. The committee needs to be thoughtful about the money because people are not getting raises, but the offices in town are getting increases so the taxpayers are falling behind in their income versus what they are paying in taxes. There is a large amount of money involved. Not many people attend the meetings so they are not informed. People do not know this is happening even though the committee has done its best to inform them. [Max Levy stated the voters will vote the budget that is presented by the board, either up or down.]

- Randy Port, town resident and former village resident for 30 years, said as a village resident he paid town and village taxes, but as a town resident he does not pay village taxes. EJRP is part of the school system and was a special vote each year. If nothing is done then the Prudential Committee (five members) decide what happens to EJRP. The rec district process is out in the open and gets the public involved. [Max Levy pointed out merger of the communities if this happened would not include EJRP because the rec department is part of the Prudential Committee.]
- John Sheppard, Greenfield Road, said a good job was done on the option chosen, but it appears the other options were ignored. The minutes of February 16, 2016, line 33 refers to the deadline for the decision which perhaps could be by budget time in the fall. There does not appear to be any option evaluation, just the one presented. Per the memo from Brad Luck, dated February 10, 2016, the process followed by the appointed committee was to review options, but this does not seem to be the case. At the Essex Selectboard meeting one member said there are other communities in the state that combined rec departments, but none of these communities were contacted for information. There are a number of similar districts formed in the state, but none have taxing authority yet the new municipality (rec district) has taxing authority. [Raj Chawla pointed out the town including the village is a member of the municipal districts of CCTA, CSWD, Winooski Valley Park District, and all have taxing authority. The rec study committee spent a majority of time considering multiple options. At the June 22, 2016 meeting at ADL School the options were presented to the Prudential Committee, Selectboard, Board of Trustees, the new union school board, and the public. All the meetings are well publicized.]
- Marla Durham, West Hillcrest, stated the EWECCC UUSD (new union school district) was an 8 to 1 vote to support the rec district. Ms. Durham said she was the “nay” vote because she felt the school district did not do a strong enough statement supporting the committee. The individual recreation directors should explain the difference in the number of FTEs because the village rec program does different programs and has childcare with a portion toward school taxes which saves people money. Consolidating the two programs gives the town schools a benefit. It is the right time to consider consolidation because the ramifications of merger and tax differences is significant. For the school district merger the taxes were flat and a savings will be realized. The village annual meeting is a voice vote on the budget. Sometimes there are only 30 people attending the meeting and deciding the budget. Sometimes people cut the budget. With the rec district budget voted by Australian ballot more people will be voting the budget which will not be a line item in the municipal budget with the risk of being cut because money is needed for streets first. Ms. Durham recalled 20 years ago when her son went to programs with town and junction kids and had to pay a different price for service. Ms. Durham said she would like to know more about the properties and how that will work before voting. Also, the legal documents are confusing and would be easier to understand by the public if every day language were used. The committee is complimented on the work that was done. The options were discussed and the public was allowed to comment. No one comes to

- the school board meetings to provide feedback like the rec study committee has received.
- Annie Cooper, Franklin Street and former town resident, stated the passion for recreation has helped the children, families, single people, the elderly and that is why people live in Essex Junction in Chittenden County. The more people get involved the better. The committee is going in the right direction and is thanked for their work.
 - Bruce Post, Cindy Lane, took offense to the Village President's comments that implied acting like a grown up. Mr. Post asked if there will be a tax increase or a phase in of an increase, and whether the Selectboard can amend the agreement. It was surprising to hear the library can come under the new district. Also, the school district budget is different from the municipal budget. Act 46 provided incentive money for school consolidation, not municipal consolidation. With all these efficiencies, costs and taxes keep rising which seems counter intuitive. [Max Levy said the committee is writing the agreement on governance and can put in stipulations. The Selectboard could decide not to fund the town portion of the special vote. The agreement was presented to the Selectboard and feedback is being collected. On August 10, 2016 the committee will review the comments and determine where changes in the agreement are needed.]
 - Ramona Sheppard, Greenfield Road, said she found a power point on the options that were turned down due to funding for other municipal needs and that is appalling. Of the list of examples of union municipal districts (Winooski Valley Park District, Lake Iroquois District, and others) none are taxing districts, but are line items in the town budget so there is not another layer of bureaucracy. There are no examples of taxing districts in the state. There is concern about the assets of the town (land, buildings, vans, swimming pool) being conveyed to the new rec district. These assets will have to be given away otherwise if they are sold the people will pay for them again. Max Levy should recuse himself due to a conflict of interest.
 - Joe Gonillo, Briar Lane, said he worked for the village and town rec departments and they are both great. If they are consolidated it will be a powerful rec department. People did not think the unified school district would happen and it did. The same will work out for the rec district.
 - Margaret Smith, Alder Lane, asked about the population served by the village rec department and by the town rec department compared to the total population and the taxes paid by the villagers compared to the equivalent use in the town. The committee is pushing too fast with step one. Regarding daycare being available to town residents, it is not clear daycare will be equally available to all. [Raj Chawla said the town assets are also assets of village residents because village residents are members of the town, too. The difference between the rec department budgets will be researched. The tax contribution is about the same and the population served is about the same. Brad Luck added the rec tax in FY17 on an average house valued at \$280,000 is \$81/year in the village for Essex Parks & Rec plus \$190 for EJRP. The rec tax on the same average house in the town is \$81/year. Regarding childcare, the intention is as much as possible to offer an equal program in the village and town. It is hoped to expand the preschool and after

- school program in the town at the resident rate and equal access. It is hoped to bring quality, affordable childcare to the town. The town offers an extended school day program which the village would have access to as well. Max Levy calculated the average tax on a house in the town valued at \$280,000 is approximately \$1,300 municipal. The rest is school tax. The village has additional taxes (village and town) so the amount would be higher.]
- Diane Clemens, Williams Street, said she is a member of the unified school board and invited everyone to attend the meetings to discuss the March meeting versus the December meeting for the vote on the rec district and having the school district take over recreation. A Venn diagram is needed to show taxes paid by the village and town to better understand what people pay. With the rec district the amount of money raised will be the same, but will be divided differently because the village will not be paying twice as is the case now. All village and town residents will only pay once. Diane Clemens urged everyone to get the communications piece down because being informed is everyone's responsibility.
 - John Sheppard, Greenfield Road, stated the rec district is a great idea, but like a new law it needs to be promulgated so people know about it and can make an informed decision. More time is needed to spread the word and let people comment. Regarding the draft proposal and officers, executive director, treasurer, the duties are all on one and that is not wise financial management against fraud. [Betzi Bilodeau said the committee discussed how much authority the director will have to do the job without coming back to the board for authorization. There will be further discussion of this. Raj Chawla added the committee is looking at the current paradigm for both departments.]
 - Bridget Meyer, Pleasant Street and former town resident, stated consolidation of the school districts with monumental budgets followed the same timeline as consolidation of the rec departments so the committee should be allowed to decide how to consolidate. Unified districts are common throughout the United States. There are 80 in California alone so these can be researched as examples. The essential question to answer is whether the communities want to consolidate the rec departments into a district and if so what are the conditions. This information should be conveyed to the committee so recommendations can be developed. If consolidation of the two departments is not wanted then that should also be communicated to the committee.
 - Judy Dow, Old Stage Road, asked about the charter steps and what happens if the agreement is not accepted by the voters. Ms. Dow asked if there is documentation showing that special districts really work. [Max Levy explained if the voters say no to the agreement then the rec department is in the hands of the Prudential Committee. The charter is not written yet. The agreement goes to the Attorney General. Charter changes go to the legislature. Attorney Bolduc further explained the agreement is under statute and approved by the Attorney General's Office. Once complete the new district is formed and the charter option as outlined by statute can be pursued. There is a separate adoption process for the charter change. If the legislature says no to the charter change then the agreement holds. Regarding documentation on special districts, there is CCTA, CSWD and others

- as examples. The agreement does address the issues. EJRP website has all the documentation produced by the study committee.]
- Betsy Dunn, Cindy Lane, commented there is no constraint on taxes because the district writes the rules and has overwhelming power. Ms. Dunn said she would like to see the rec departments joined without having a dramatic amount of power to levy taxes. With the rec district there is another set of people getting salaries and two directors may be needed because there is a larger program. It feels like there is more upper management. It does not make sense to have three votes. Having two votes now is confusing and exhausting, and not the way to get people involved. [Raj Chawla said the committee was cognizant of the taxation issue. The check on taxation is the voters of the village and town who can give feedback on the budget and vote it up or down. Jason DiRosa added the elected officials on the rec district board are like the Selectboard or Board of Trustees who vote to pass the budget onto the voters for approval. Having the votes gives the public specific say on the rec budget as opposed to the budget being a line item in the municipal budget.]
 - Bridget Meyer, Pleasant Street, asked the last tax increase for the village and town rec departments, noting the directors are both responsible people who run responsible departments while providing excellent services. The village has oversight by the school. The town has oversight by the Selectboard. Both have oversight by the Municipal Manager. There will still be oversight with the rec district. [Ally Vile said any increase in the town rec budget has been small. Salary and benefits increase slightly each year. In 2007 & 2008 enterprise funds were formed so programs pay for themselves. Brad Luck said since 2006 the tax rate has been level for the village rec department.]
 - Irene Wrenner, Thrush Lane and member of the Essex Selectboard, noted the RED committee had a charge to consolidate the schools into one district, but spent four months on one option, not considering four or five or 10 options in four months as the rec study committee did. The rec district is adding a layer of government so it is not a good comparison to RED. Ms. Wrenner suggested bringing in people who worked on the past merger movement to understand why the vote went the way it did. The people say a tax increase, the name of the town change, and the location of town hall change. Residents in the town outside the village will see a tax increase and lose the rec department. People in the village will see a tax decrease with the rec department staying as is so the hurdle is not as big for the village as the town. What is presented in November must be equally appealing to the people in the village and the town. Regarding other options being dismissed too quickly, the committee is urged to take the time and compare the options side-by-side to improve the success rate for the rec district. People will not be so defensive and will see new angles. Regarding the Selectboard appointing the committee to make the decision on the option, the Selectboard approved doing the study and gave away the power as a selectboard. Per the minutes, George Tyler made a motion to set up the rec governance study committee which was corrected to “joint survey committee”. Further research of the statutes revealed how the power of the selectboard was given away to the committee, but this was not pointed out when the study committee was presented.

Ms. Wrenner said she had no idea of this when the idea was presented and relied on and trusted staff and the other board members. [Marla Durham noted the school boards all discussed options and decided to look at a unified school district. Diane Clemens added there were 20 questions to answer on merging and the answers were sent into the state. Brad Luck said seven options were reviewed by the rec study committee. The committee never had to hold public hearings or bring the decision back to the local boards because they were empowered by statute to form an agreement on the rec district and submit that to the Attorney General for approval. The steps that were followed included forming the committee, evaluating options, writing the agreement which will be sent to the Attorney General for evaluation, finalizing the agreement and preparing for the vote. Between now and November the committee will work out the operational details. In November there will be the agreement and operational details so voters can make an informed decision. Ally Vile took offense to the dig about location. Max Levy pointed out the Selectboard, Board of Trustees, and Prudential Committee had opportunity to comment all through the process. Regarding power being taken away, the unified municipal district option just puts more work on the committee to come up with an agreement. The Selectboard and Board of Trustees will decide if the agreement goes to the voters for a vote and then the voters will decide if the agreement is approved.]

- Judy Dow, Old Stage Road, asked if the agreement will be passed next week and the committee will not hear the concerns of the people. [Ally Vile said the committee is passing the agreement to move to the next step. The voters will decide at the polls whether to accept the agreement or not. Max Levy added at the next meeting (August 10th) the committee will discuss the agreement and consider all the comments.]
- Ramona Sheppard, Greenfield Road, questioned if the Open Meeting Law was followed and the public properly informed. Per the February 16, 2016 minutes the Selectboard thought a committee was being formed to evaluate options and provide a recommendation to the three boards (Selectboard, Trustees, school board). The intent was to form a committee to make recommendations, not do what the committee has done (i.e. choose an option and draft an agreement). The agreement may be illegal.
- Annie Cooper said the high level of respect shown by the committee during all the comments is impressive. All voters will have an opportunity to vote on the rec district in the end.

Max Levy reiterated the August 10, 2016 meeting will cover input on the agreement. Beyond that questions will be answered over time. The intent is to give enough time for people to be informed when they vote. An answer to whether the agreement is legal will be available by the August 10th meeting.

6. ADJOURNMENT

With no further business and without objection the meeting was adjourned at 9:04 PM.