

GOVERNANCE SUBCOMMITTEE

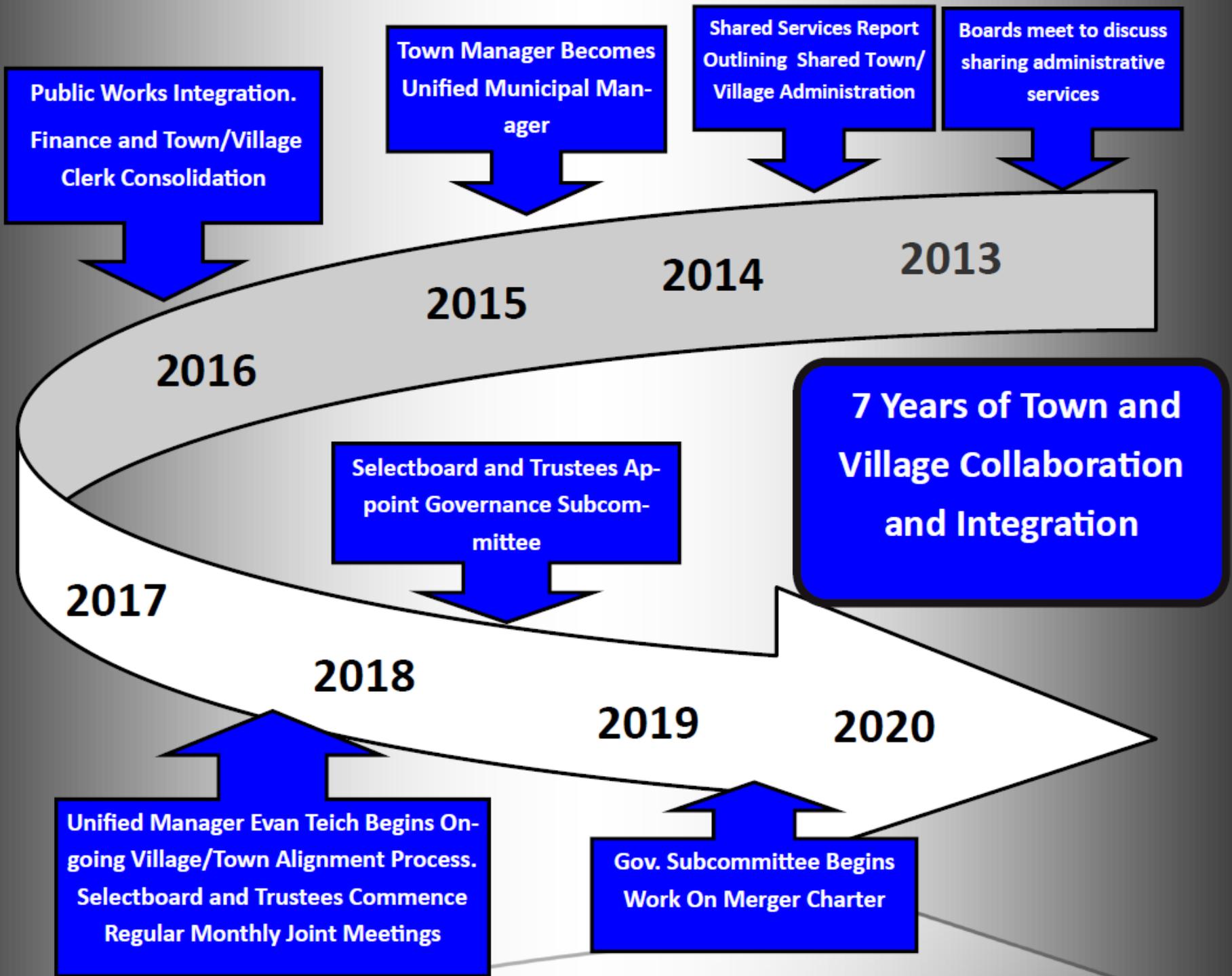
GOVERNANCE RECOMMENDATIONS

George Tyler – Essex Junction Board of Trustees

Max Levy – Essex Town Selectboard

Andy Watts – Essex Town Selectboard

Raj Chawla – Essex Junction Board of Trustees



Governance Subcommittee:

- Reviewed > 12 local governance models
- Ranked models according to 17 criteria including: impacts on public safety, equal representation, economic sustainability, ease of public participation, and tax equity
- Recommended a 'unified charter' model dissolving current Town and Village charters and creating a new Town charter
- Joint Boards (Essex Junction Trustees and Essex Town Selectboard) authorized the Subcommittee to develop a proposal for a unified charter

Key Challenges for Creating Unified Charter:

- Integrate Town & Village operating budgets without unacceptable increase in Town-Outside-The-Village taxes
- Devise a Representative Elected Council Model that balances different Expectations and Political Views (i.e. voting districts vs. at-large elections)

Governance Subcommittee Recommends a Unified Charter that defines

Two Transitional Periods:

FIRST 5 YEARS

- ❑ 7-member elected board with 2 'Town outside the village' seats; 2 'Village' seats; 3 at-large seats. This board will develop a permanent elected board model which could be all district-based, all at-large, or some combination.
- ❑ Reorganize Town and Village departments, building codes, municipal plans, ordinances, policies, etc.

FIRST 12 YEARS

- ❑ Village Pays off its Residual Debt
- ❑ Village and Town tax rates gradually reconciled to mitigate yearly impact on TOV
- ❑ Tax impact on average TOV home between \$18 - \$26 per year.
- ❑ 12-year phase in allows grand list growth and consolidation efficiencies to offset tax impacts on TOV.

Why a 7 Member Board with:

- 2 Town
- 2 Village
- 3 at-large

- Odd # board members avoids deadlock
- Balances wishes of those favoring voting districts vs those favoring at-large
- Addresses concerns that some parts of merged community could be marginalized
- Gives new board first-hand experience with voting district vs at-large voting
- 2 & 2 district component ensures a diversity of perspectives on new board
- 3 at-large component embodies idea that board members represent entire community
- Consistent with KSV senior strategist's analysis and recommendations

Why Not a 7-Member Board with:

- 3 Town
- 3 Village
- 1 at-large

- Explored this concept in Nov 2018 as part of legal research about board structures and even-numbered boards
- Counsel advised there are no state statutes against even # boards, but an odd # is “implied by selectboard statutes” and that an odd # is a “practical requirement.”
- Counsel advised that communities with even # boards typically have a mayor to break ties
- In a 3 & 3 & 1 model, one person must run a community-wide race while all others only campaign in their districts
- This was the impetus for exploring the possibility of a mayor in the KSV survey. A mayor would have some additional responsibilities (board chair and spokesperson) as a reward for running at-large

Why We Made the 2 & 2 & 3 Model Temporary

- We *estimate* that town and village populations are currently close enough to justify *temporary* ‘village’ and ‘town’ districts. But a permanent rep model requires accurate counts and a mechanism for adjusting district boundaries to meet legal requirements for proportionality
- Concerned about ‘institutionalizing’ a permanent Town/Village dynamic on the new board
- Many community members expressed wish for voting districts, but not ‘town’ and ‘village’ districts. There are many districting possibilities. The community and new governing board can explore a range of options during 5-year transition phase.
- Creating voting districts is a complex and politically sensitive challenge. Let’s put some of the Town vs Village tension behind us before taking it on.

Governance Subcommittee Recommends a Phased-In Tax Rate Reconciliation Process

DURING 12-YEAR PHASE-IN PERIOD:

- Village designated as a debt assessment district for paying off Village's residual debt
- Village designated as a tax reconciliation district for integrating Village general fund into Town general fund

Governance Subcommittee Explored Other Mechanisms for Facilitating Merger:

- ❑ Village could be designated as a 'sidewalk district' – taxed separately to pay for Village sidewalk maintenance
- ❑ Village could be designated as a 'capital improvement district' to pay down its current list of capital projects
- ❑ Village center could be designated as a downtown improvement district to continue its present revitalization efforts (Village center is already a state-designated downtown and a 'Vermont Neighborhood' for exemption from Act 250. The Village government also offers tax stabilization for downtown improvements)

Governance Subcommittee Also Recommends:

- ❑ Australian Ballot for municipal budget
- ❑ Annual Meeting in March would be informational. Budget voting would Coincide with Essex-Westford School District vote in April
- ❑ The name of the new community would be 'Essex.' The incorporated Village of Essex Junction would become the unincorporated Village of Essex Junction, just as White River Junction is an unincorporated village in the Town of Hartford
- ❑ Current Water/Sewer rates in the Town and Village wouldn't be affected by merger. Water/Sewer costs, including maintenance and repairs of water and sewer infrastructure, are paid by Water/Sewer bills, not property taxes. The 'new' Essex Town will 'own' the Essex Junction WW plant, one of the safest, most energy efficient, up to date facilities of its kind in Vermont.

Recommendation for a Transitional Elected Board Representation Model in a Merged Essex Junction/Essex Town Municipal Government

Summary: The Subcommittee recommends a hybrid transitional model of seven at-large & designated seats from the current Essex Junction and Essex Town municipalities as follows:

- 2 members from the former Essex Town ‘Outside-the-Village’
- 2 members from the former Village of Essex Junction /‘Town-inside-the-Village’
- 3 members at-large

Length of Terms should be **three years**.

The election cycles should be staggered to provide turnover for either one or two seats every year. This will require an initial adjustment of either curtailing or extending the terms of several board members to establish the turnover cycle.

This model would be **transitional** and would be enacted one year after ratification of the merged charter by the Vermont Legislature. During the intervening year, the Interim Governing Body (comprised of former selectmen and trustees) would oversee the elections of the new board. This model would then remain in place for five years after which, by charter, it would be superseded by an all at-large model unless the community amends the charter in the intervening years to create a different model of representation.

Recommendations for Transitional Taxation Models in a Merged Essex Junction/Essex Town Municipal Government

Summary

- I. The Subcommittee recommends a transitional taxation period of 12 years
- I. The Subcommittee recommends designating the Village as a tax rate reconciliation district for the transitional taxation period of 12 years
- I. The Subcommittee recommends designating the Village as a debt assessment district until its debt is paid in full – 12 years.
- I. The Subcommittee also recommends considering one or more of the following transitional taxation scenarios:
 - Designate the Village as a sidewalk district
 - Designate the Village as a capital improvement district
 - Designate the Village center as a downtown improvement district