

**VILLAGE OF ESSEX JUNCTION**  
**CAPITAL PROGRAM REVIEW COMMITTEE MEETING**  
**TUESDAY, OCTOBER 2, 2018 AT 6:00 PM**  
**LINCOLN HALL MEETING ROOM, 2 LINCOLN STREET**  
**AGENDA**

1. Call to order
2. Agenda changes/additions
3. Public comments
4. Discuss funding options for capital projects
5. Review and approve minutes of previous meeting 9/4/18
6. Adjourn

**VILLAGE OF ESSEX JUNCTION  
CAPITAL PROGRAM REVIEW COMMITTEE MEETING  
MINUTES OF MEETING  
October 2, 2018**

**TRUSTEES PRESENT:** Andrew Brown (Chairman), Kevin Collins, Tim Dall, Amber Thibeault  
**ADMINISTRATION:** Evan Teich, Unified Manager; Lauren Morrissette, Village/Town Finance Director & Assistant Village Manager; Rick Jones, Public Works Superintendent  
**OTHERS PRESENT:** Cathy Ainsworth (Recording Secretary)

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**1. CALL TO ORDER and PLEDGE OF ALLEGIANCE**

Chairman Andrew Brown called the meeting to order at 6 PM

**2. AGENDA CHANGES/ ADDITIONS**

**MOTION by Andrew Brown, SECOND by Amber Thibeault, to approve the agenda, amended to include “Approve the 5 Year Capital Plan” prior to the “Discussion of Funding Options for Capital Projects”. VOTING: unanimous (4-0); motion carried.**

**3. PUBLIC COMMENTS**

None

**4. APPROVE THE 5 YEAR CAPITAL PLAN**

Noting the Village of Essex Junction’s Charter, which states that the Manager shall prepare and submit to the Trustees a five year Capital Plan at least three months prior to the final date for submission of the budget, the committee reviewed the General Fund Capital Reserve Plan spreadsheets provided by Lauren Morrissette. The ranking of projects from FYE20-26 are as follows:

- FY20-21: Lamoille Water Line Replacement (Ranked 70)
- FY22: South Street Drainage (Ranked 86)
- FY23-24: Iroquois Ave. Road and Waterline rebuild (Ranked 72)
- FY25-26: Rosewood Lane Sidewalk/ Roadway Reconstruction (Ranked 62)

Ms. Morrissette pointed out that the South Street project was pushed out to FY22, to provide time for a grant search to cover some of the cost. The committee discussed a list of future projects, outlined on the spreadsheet, which are not yet scheduled but have been ranked. Andrew Brown noted that the cost of this list is over nine million dollars and Ms. Morrissette explained that the list assumes 5% inflation for each year, so if some are scheduled sooner there could be cost savings.

The Committee discussed the General Fund Capital Reserve Funding & Fund Balance chart. Ms. Morrissette pointed out that, if the tax rate remains at 7.5%, the plan would result in a -\$304,109 balance in FY24. This is due, in part, to the Iroquois Project’s high expense. The committee discussed the possibility that this plan could change over time, but that these high ranking projects must remain. Evan Teich noted that constantly changing economic factors affect project costs.

**MOTION by Tim Dall, SECOND by Andrew Brown, to approve the Capital Plan as presented, subject to change based on available funding. VOTING: unanimous (4-0); motion carried.**

##### **5. DISCUSS FUNDING OPTIONS FOR CAPITAL PROJECTS**

Ms. Morrisseau walked the committee through four General Fund transfer strategies that could be considered for Capital Project expenses. She pointed out that the current increase of 7.5% costs a \$280,000 home owner \$6 per year, while a 15% tax would result in \$12 per year in this year:

Transfer rate of increase	FYE24 Ending Fund Balance	FYE26 Ending Fund Balance
7.5% (current rate)	-\$304,109	-\$928,825
10%	-\$154,261	-\$614,405
12.5%	\$ 5,466	-\$267,934
15%	\$175,605	\$113,539

Ms. Morrisseau explained that cost savings considerations included: moving the West Street Intersection, South Street and Lincoln Hall parking lot projects out of the future and into FYE20.

Mr. Brown noted that even with a 15% tax increase to cover the 5 scheduled projects there would still be \$8.5 million unaccounted for to address the ranked, future projects. The committee discussed cost savings measures to consider, including use of in-house staff for some projects, instead of contracting out, and the potential to collaborate with the Town of Essex.

Amber Thibault brought up the need for public discussion and information-sharing at the Annual meeting. Kevin Collins pointed out that the situation needs a long-term solution and the committee discussed the merits of increasing taxes versus proposing a bond.

The committee discussed tax inequities between the Town Outside the Village and the Town In the Village. Mr. Collins recommended that no borrowing take place until after a merger but, if the merger does not come to fruition within the next couple years, he wondered if there could be the formation of two capital districts. Mr. Teich pointed out that the shared governance structure is going well and there will be an attorney review of this soon. He said that splitting shared costs by 70% village and 30% town is becoming acceptable. The committee discussed the merits of possibly sharing the Town Engineer for Village work or hiring a 1FTE employee toward project costs. Tim Dall and Mr. Teich pointed out that self-performed work vs. contracting can save money, result in better wages, and encourage responsible purchasing.

Mr. Teich explained that an Impact Fees Study for the Town and Village, from the Town perspective, is in order. The committee discussed the need to research Local Option taxes including Event and/or Amusement Taxes as well as Rooms and Meals taxes.

Mr. Collins said that a recommendation should take into consideration that sometimes things change and projects can become more urgent based on unpredictable circumstances. He agreed that some increase in the transfer is in order. Mr. Dall requested a suggestion by Mr. Teich. Mr. Teich suggested that the committee consider at least a 15% increase for a couple years with plan to revisit this.

Mr. Brown requested the committee members provide any questions on this subject by Monday 10/8/18, to be answered by Evan in preparation for the next meeting. The committee decided that the next meeting would focus on short term solutions and community outreach. They will present the capital plan to the Trustees at an October meeting, focusing on the 7.5%-15% comparison and pointing out that 15% keeps the plan solvent while also addressing the scheduled projects, but if any unscheduled projects need to be scheduled sooner the transfer may need to increase to more than 15%.

**6. REVIEW AND APPROVE MINUTES OF PREVIOUS MEETING 9/4/18**

Kevin Collins proposed an amendment to the minutes by adding the words “discussion of” after “Kevin Collins suggested a” in the first sentence of the last paragraph, under agenda item 4.

**MOTION by Tim Dall, SECOND by Amber Thibeault, to approve the minutes as amended.**

**VOTING: unanimous (4-0); motion carried.**

**7. ADJOURN**

**MOTION by Andrew Brown, SECOND by Amber Thibeault, to adjourn the meeting.**

**VOTING: unanimous (4-0); motion carried**

The Meeting Adjourned at 7:07 PM

Respectfully Submitted,  
Cathy Ainsworth