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**CITY OF ESSEX JUNCTION
CITY COUNCIL
REGULAR MEETING
MINUTES OF MEETING
February 12, 2025**

COUNCILORS PRESENT: Raj Chawla, President; Amber Thibeault; Vice President; Tim Miller, Clerk;
Marcus Certa, Elaine Haney.

ADMINISTRATION: Regina Mahony, City Manager; Chelsea Mandigo, Water Quality
Superintendent; Jess Morris, Finance Director.

OTHERS PRESENT: Bethany Clark, Brian Shelden, Harlan Smith, Dennis Thibeault, Resa.

1. **CALL TO ORDER**

City Council President Chawla called the meeting to order at 6:30 P.M.

2. **AGENDA ADDITIONS/CHANGES**

None.

3. **APPROVE AGENDA**

None needed.

4. **PUBLIC TO BE HEARD**

Resa raised concerns that Social Security checks may not be clearing from the federal government, flagging this for the Council's awareness.

5. **PUBLIC HEARING**

a. Public Hearing on FY26 Proposed General Fund Operating and Capital Budgets
City Council President Chawla opened the public hearing.

City Manager Mahony began by noting that this is not the final budget that will be on ballots in April, but that the City is presenting this proposed budget at a time when input from the public can still be incorporated. She said that the final budget to be on the ballot will be approved by the City Council at its February 26, 2025 meeting.

She outlined the key items of note for the FY26 budget. She said that the proposed FY26 General Fund budget as drafted is a \$400,000 (or 3%) increase over the FY25 budget, which results in a 2.5% increase on the tax rate (with a tax impact of a \$69 increase on a \$280,000 home). She also spoke about preliminary utility bill changes for FY26, noting a \$99.86 (14.7%) increase in water utility rates and the creation of a stormwater utility with estimated charges per ERUs of \$84.75 per year. She provided an overview of the proposed FY26 General Fund revenue, breaking it down into source (residential/business property taxes, misc. revenues, and GlobalFoundries property taxes). She then provided an overview of the proposed FY26 General Fund expenditures, noting that 30% of expenditures are for public safety (police, fire, rescue), with general government operations and public works making up the next two largest categories by spend. She spoke briefly about other General Fund highlights and provided top-line expenditures numbers for all other departments. She spoke about the local option tax, which has an estimated annual revenue of \$900,000, and the planned spending associated with this revenue (rebranding, new City banners and signs, a portion dedicated to sidewalk maintenance, and to fund capital projects within the capital plan). She spoke about the economic development fund, which has an estimated annual revenue of \$112,000, and the planned spending associated with this revenue (Main Street Park project, Crescent Connector project completion, and Amtrak project grant match). She then provided a summary of capital projects scheduled within the capital plan over the next five years (FY26-FY30). She also noted the first year of departmental work plans for FY26, which will be used to help inform future years' budgets, and spoke about key highlights from each work plan. She

55 noted another public hearing at the Brownell Library on February 22 prior to the Council's vote to approve
56 the budget for the ballot on February 26. She noted that Annual Meeting Day will be on April 8, 2025.

57
58 The following public comments were received:

- 59 • Harlan Smith asked several clarifying questions about capital fund transfers.

60
61 City Council President Chawla closed the public hearing.

62
63 **6. BUSINESS ITEMS**

64 a. Discussion and Consideration of the FY26 General Fund Budget and Capital Program Budgets

65 City Manager Mahony spoke briefly about the changes in the budget from the Council's discussion on
66 January 20, 2025, but quickly turned to a more substantive discussion about the creation of a stormwater
67 utility. She noted that staff will bring all parts of the stormwater utility back to the Council for its consideration
68 on February 26, 2025. She said that staff are still recommending moving forward with this as a utility, because
69 it looks at real impact from a property-based impervious surface standpoint rather than looking at the value
70 of the property (which is how taxes are determined), and because the utility would include all properties
71 contributing to the City's stormwater system. She said that the current proposal is to end General Fund
72 funding of the stormwater budget in FY25 and move completely to the utility in FY26, the budget for which
73 would be \$448,000. She also noted that GlobalFoundries is no longer exempt from the utility in the current
74 proposal. She said that based on feedback from the public, they are also exploring phasing this utility in and
75 only collecting funds for the portion of the program that doesn't include capital transfers.

76
77 Councilor Haney asked about the inclusion of GlobalFoundries into the utility. Water Quality Superintendent
78 Mandigo replied that the shift of this program out of the General Fund and into a stormwater utility is part of
79 a broader, more equitable system that ensures all properties contribute fairly to the maintenance and
80 enhancement of the stormwater infrastructure. She noted that further research and legal review found that
81 there are no exemptions from stormwater utility except for agriculture. City Manager Mahony noted that they
82 have tried to ensure that there are no exemptions at the beginning of this program, but will make a credit
83 system available to ratepayers.

84
85 Councilor Certa said he would like to be consistent in the treatment of transfers to the unassigned fund
86 balance and capital fund. City Manager Mahony said that they would essentially not cover \$125,000 for
87 capital for stormwater in 2026, but would be waiting a year to build the capital funds needed for stormwater
88 improvement projects, thus requiring less of a contribution to the stormwater utility from rate payers for the
89 first year. She said that with a phased-in approach, GlobalFoundries (for example) would be looking at a
90 \$78,000 payment for FY26, compared to a \$108,000 payment if the total stormwater program amount was
91 included in the FY26 budget. Councilors expressed support for keeping the stormwater utility as an enterprise
92 fund at this juncture, but will discuss this further at their February 26, 2025 meeting.

93
94 City Manager Mahony then spoke about other items included in the FY26 budget. She spoke about an
95 increase in the county tax. She spoke about the 2 Lincoln St renovation project, saying that they will likely
96 need to use a large percentage of the local option tax revenue fund's balance for covering some of the
97 project's cost. She also noted that the TOD Connect the Junction project is funded through a Raise grant
98 through CCRPC, which is on pause, and said that they could fill the \$35,000 gap in that funding through
99 some of the balance within the Economic Development Fund. She also noted that if they are not able to get
100 a municipal planning grant to cover some of the costs for Comprehensive Plan updates, they could also look
101 to the Economic Development Fund to support that work. She further asked whether the Council would like
102 to bring the allocation for rebranding back up to \$40,000 or leave it at \$27,500. She also noted that Essex
103 Rotary has requested financial support from the City to help support their food insecurity program, but that
104 given the City's lack of a social services funding program to help guide funding decisions, she would
105 recommend not including this ask in the budget. Councilors agreed to add the increased county tax costs
106 into the FY26 budget, but said they will wait until the February 26, 2025 meeting to discuss the other items.

107

The following public comments were received:

- Harlan Smith asked what percentage the unassigned fund balance would be with the proposed transfer of \$110,000, and Finance Director Morris replied that the transfer would bring the unassigned fund balance up to about 8%. Mr. Smith asked if municipal properties would need to pay stormwater fees, and Finance Director Morris replied that yes, there will be fees going from the General Fund to the Stormwater Fund.

b. Discussion and Consideration of the Necessity Resolution for the West St., River St. and Maple St. Pump Station Retrofit Bond Vote and Clean Water State Revolving Fund Application

Water Quality Superintendent Mandigo said this item relates to adding a bond vote onto the ballot for Annual Meeting to fund three critical pump station retrofit projects. She said that they are asking for a bond because the sanitation capital fund has been underfunded for some time and there isn't enough funding to meet the need of retrofitting the stations. She spoke briefly about each pump station, noting that all three of them are beyond their life expectancy. She noted that the current bond ask is for \$3.8 million (\$2.5 million for West Street and \$1.3 million for Maple Street and River Street). She noted that there would be cost sharing with the Town of Essex for the West Street station, and that the Town would pay for 70% of the costs and the City would pay for 30% of the costs. She said that the City is applying to the Clean Water State Revolving Loan Fund.

Councilor Haney made a motion, seconded by City Council President Chawla, that the Council adopt a resolution that the public interest or necessity demands the retrofit of three pump stations in the City located on West St, Maple St, and River St. and that the \$3.8 million will be too great to be paid out of the ordinary annual income and revenue, and a proposition of incurring a bonded debt to pay for public improvements will be submitted to the qualified voters of the City at Annual City Election on April 8, 2025. The motion passed 5-0.

Councilor Haney made a motion, seconded by Councilor Certa, that the City Council authorize the City Manager to resubmit the priority list application to the Clean Water State Revolving Fund State Fiscal Year 2026 for final design and construction of the retrofit projects of three pump stations-West St, Maple St, and River St. The motion passed 5-0.

c. Discussion of Initial Draft of the Informational Hearing and Annual Meeting Warning and Ballot Questions
City Manager Mahony said that this item relates to the warning, which is for the informational hearing that will be held on March 25, 2025, and the annual meeting on April 8, 2025. She said the articles will include the budget, the bond vote for the pump stations, a City Council seat, a CWD Commissioner for a three-year term, and a Library Trustee for a five-year term.

d. *Discussion and Consideration of an Executive Session to discuss a Contract

Councilor Certa made a motion, seconded by City Council President Chawla, that the City Council make the specific finding that premature disclosure of the contractual matters would place the city at a substantial disadvantage, and that the City Council enter into executive session to discuss a contract, pursuant to 1 V.S.A. § 313(a)(1)(A) to include the City Council, City Manager and Mark Brislin. The motion passed 5-0.

e. **Discussion and Consideration of an Executive Session to discuss Personnel

Councilor Certa made a motion, seconded by City Council President Chawla, that the City Council enter into executive session to discuss a personnel evaluation, pursuant to 1 V.S.A. § 313(a)(3) to include the City Council. The motion passed 5-0.

f. ***Discussion and Consideration of an Executive Session to discuss Attorney Client Communication

161 **Councilor Certa made a motion, seconded by City Council President Chawla, that the City Council**
162 **make the specific finding that premature disclosure of the confidential attorney-client**
163 **communications would place the city at a substantial disadvantage, and that the City Council enter**
164 **into executive session to discuss confidential attorney-client communications, pursuant to 1 V.S.A.**
165 **§ 313(a)(1)(F) to include the City Council and City Manager. The motion passed 5-0.**
166

167 g. Deliberative Session to Consider Dog Bite Order Extension for T. Flores and I. Williams
168 City Council President Chawla said that this will be discussed after the third executive session, and will not
169 include Councilor Thibeault.

170
171 Councilor Thibeault left the meeting at 9:45 P.M.

172
173 **Councilor Haney made a motion, seconded by Councilor Miller, to exit executive session. The motion**
174 **passed 4-0 at 9:54 P.M.**
175

176 **7. CONSENT ITEMS**

- 177 a. Approve Meeting Minutes: January 22, 2025 and January 25, 2025
178 b. Approve Revised Recreation Advisory Committee Purpose Statement
179 c. Approve Banner Application for Burlington Gem and Mineral Club
180 d. Approve Document PVR-4155, "Certificate – No Appeal or Suit Pending" for the 2024 Grand List
181

182 **Councilor Haney made a motion, seconded by Councilor Certa, to approve the consent agenda as**
183 **presented. The motion passed 5-0.**
184

185 **8. COUNCILOR COMMENTS & CITY MANAGER REPORT:** City Manager Mahony noted that postcards
186 will be sent out to residents so that they can request mailed ballots, and that ballots will not be
187 automatically universally mailed this year. She said that residents can call or email the Clerk's Office to
188 request a mailed ballot, as well. She also noted that City Council meetings will stay at a meeting format
189 rather than a webinar format. City Council President Chawla recommended reviewing each of the
190 department head videos, as they are very informative. He also thanked Public Works for their snow
191 removal work this winter.

192
193 **9. READING FILE**

- 194 a. Check Warrant #24067 – 1/24/2025 and #24068 – 2/7/2025
195 b. Regional Boards and Committees Minutes Memo
196 c. January Financial Reports
197 d. Department Head Budget Videos Memo
198 e. Planning Commission Minutes 1/14/2025
199 f. Police Community Advisory Board Minutes 1/21/2025
200 g. Tree Advisory Committee Minutes 1/23/2025
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202 **10. EXECUTIVE SESSION**

- 203 a. *An Executive Session may be needed to discuss a Contract
204 b. ** An Executive Session may be needed to discuss Personnel
205 c. ***An Executive Session may be needed to discuss Attorney Client Communication
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207 **11. ADJOURN**
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209 **City Council President Chawla made a motion, seconded by Councilor Haney, to adjourn the meeting.**
210 **The motion passed 4-0 at 9:55 P.M.**
211

212 Respectfully Submitted,
213 Amy Coonradt