

12. GOVERNMENT AND FINANCE

12.1 Functions and Organization of Government

The authority for Essex's government is found in a combination of Vermont statute and separate charters for the Town of Essex and the Village of Essex Junction. The Town of Essex includes the Village of Essex Junction, and Village residents are also Town of Essex residents. Late in the nineteenth century, it became apparent that residents of the Village needed more services than the rest of the Town was willing to support. Thus, in 1893, after petitioning the Legislature, Essex Junction was granted a separate municipal Village Charter, yet the Village remained a part of the Town.

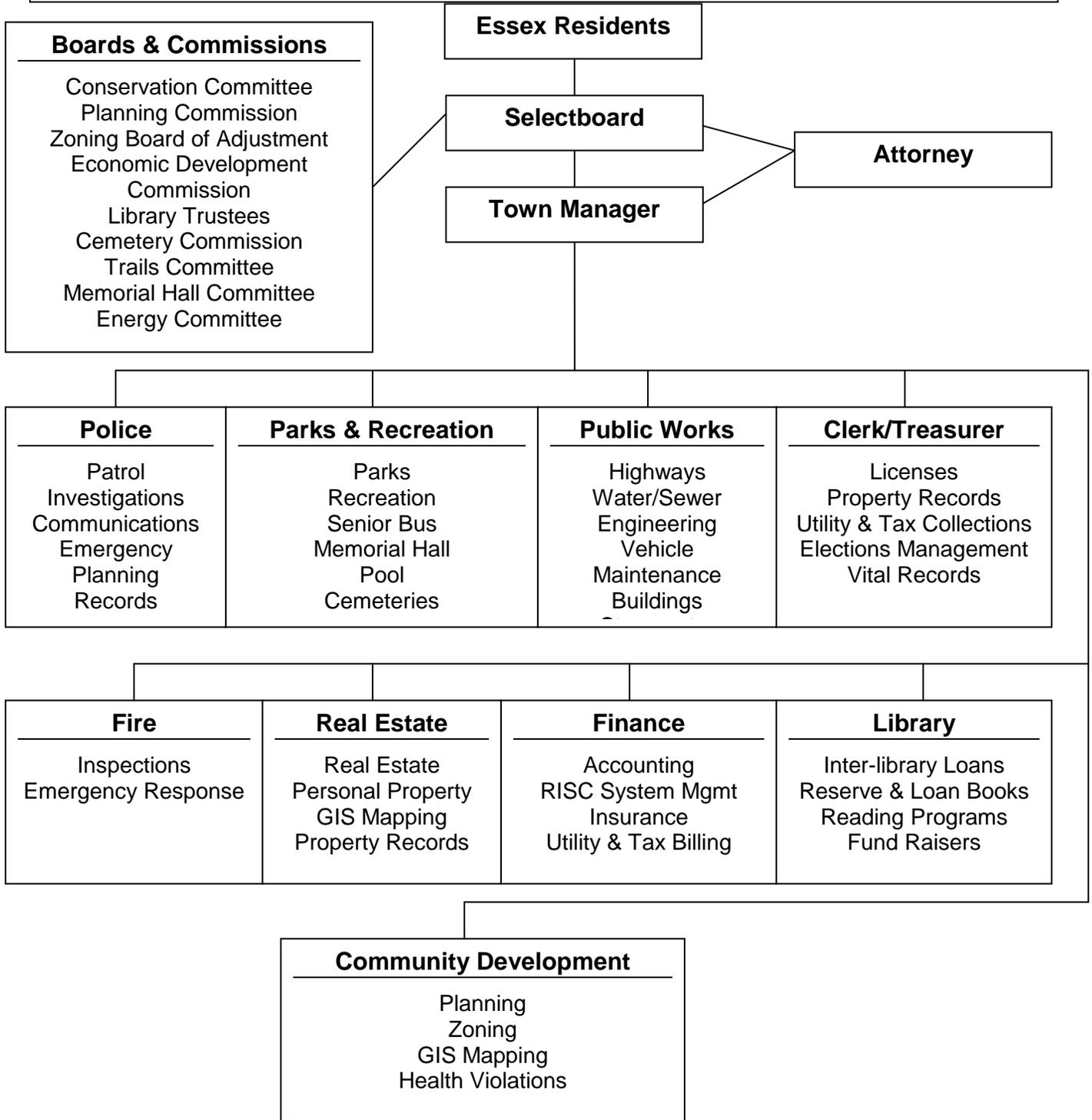
The Village Charter established the boundaries of the Village and also described the Village officers and their duties. The areas of responsibility include streets, municipal services such as water and sewer, and the keeping of the law, order and safety. The Village government has the responsibility for taxing Village residents for Village services.

Village government serves and is responsible only to the residents of Essex Junction. The Village is served by a Village President and a board of four Trustees whose duties are similar to those of the Selectboard in the Town. The terms of these offices were recently changed to three years. Village functions are administered by the Village Manager, who is appointed by the Trustees, and who works within the framework of the Village Charter.

The original charter of 1763 for the Town of Essex was completely redrawn in 1971 and accepted by the voters at a special Town Meeting. The charter grants the Selectboard powers such as the provision of police and fire protection, acquisition of land, adoption and enforcement of ordinances and dog control. The Town of Essex is also responsible for functions related to records, listing (real estate assessment), tax collection, planning, issuing of licenses (liquor, dog, hunting, fishing, marriage, etc.), public health and welfare and monitoring of the landfill. Outside the Village of Essex Junction, the Town is also responsible for water and sewer utilities, fire protection, regulation of elections, zoning enforcement and maintenance of Town roads.

Five people are elected to the Selectboard for staggered three-year terms, and they appoint a Town Manager, a salaried official responsible for the daily administration of Town affairs. The Manager does not initiate policy, but advises the Selectboard and is accountable to them for decisions. There are several committees and boards appointed by the Selectboard. Figure 12-1 is an organizational chart of the Town's government.

Figure 12-1 TOWN ORGANIZATIONAL CHART



The Police, Parks & Recreation, Finance, Town Clerk, and Real Estate Appraisal Departments, in addition to the Library and Cemeteries, serve the residents of both the Village and the Town outside the Village. The Fire, Community Development, and Public Works Departments primarily serve residents of the Town outside the Village.

There are differences in organization, structure and responsibilities among the Town of Essex, the Town outside the Village, and the Village of Essex Junction that are easiest to show with a diagram. Figure 12-2 summarizes the major differences.

FIGURE 12-2
Organization, Structure And Responsibilities Of The Jurisdictions Of The Town Of Essex, the Town Outside The Village, And The Village Of Essex Junction

	Town of Essex Outside the Village	Town of Essex including the Village	Village of Essex Junction
<u>Governing Body:</u>	Selectboard May be Town or Village Residents		Trustees Must be Village Residents only
<u>Responsibilities and Services:</u>	Municipal Services Streets Water Sewer Fire Protection Tax Collection	Records Listing Property Assessment Licenses Police Protection Recreation Library (Essex Free) Cemetery Tax Collections	Municipal Services Streets Water Sewer Fire Protection Tax Collection Library (Brownell)
<u>Regulatory Authority:</u>	Town Plan Zoning Regulations Subdivision Regulations Ordinances		Village Plan Zoning Regulations Subdivision Regulations Ordinances
<u>Voter Participation:</u>	Essex Town School District Meeting (April)	Annual Town Meeting (March) Essex Community Union School District Meeting (April)	Annual Village Meeting (April) Essex Junction School District Meeting (April)

Over the past decades there have been numerous proposals and votes on reorganizing the Town and the Village. These proposals have included merger and complete separation. Most recently, in April of 2005, both Town and Village residents approved a non-binding proposal to establish a commission to draft a charter for the merger of the two municipal entities. That commission completed its work and Town and Village residents approved the merger of the two entities. By petition, a second vote took place and the proposal failed.

12.2 Regional Government

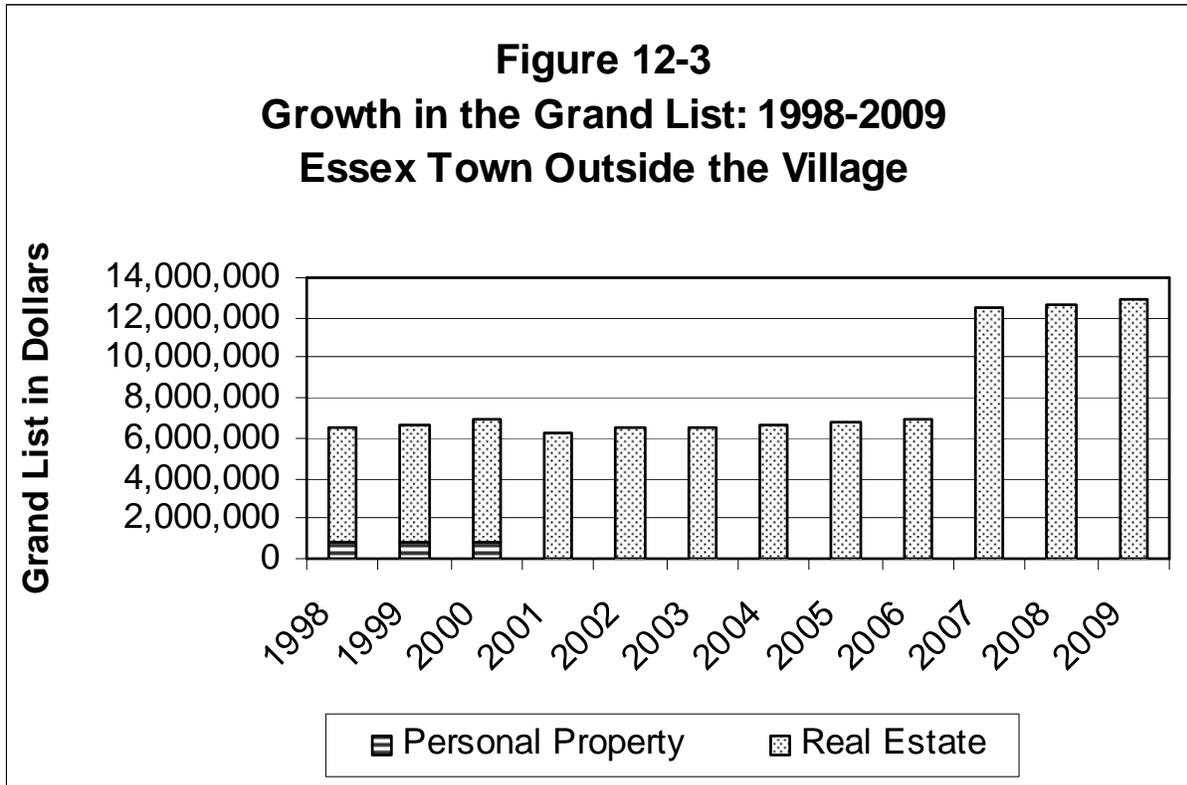
The Town of Essex actively participates in or provides funding for a number of regional governmental entities including:

- Chittenden County Regional Planning Commission (CCRPC)
- Chittenden County Metropolitan Planning Organization (CCMPO)
- Chittenden County Transportation Authority (CCTA)
- Winooski Valley Park District (WVPD)
- Champlain Water District (CWD)
- Chittenden Solid Waste District (CSWD)
- Chittenden County Court System
- Greater Burlington Industrial Corporation (GBIC)
- Lake Champlain Regional Chamber of Commerce (LCRCC)

12.3 Fiscal Conditions

The Town's fiscal situation is best examined by considering its revenue resources and its expenditure patterns. For the most part, non-school revenues are generated by local property taxes levied against real and personal property within the Town. While the Town does receive taxes from properties located in the Village, the bulk of this analysis will focus on value of property located outside the Village. The grand list represents 1/100th of the value of property in the Town and is the value against which taxes are assessed. The grand list grows in two ways. First, as growth occurs, the value of new development is added to the grand list. Second, as property values increase, appreciation causes the grand list to grow, but this occurs only when adjustments via a reassessment are made. In between reassessments, growth in the grand list reflects only new development.

Figure 12-3 shows the trend of growth in the Town's grand list from 1998 to 2009. The total grand list grew in a relatively linear manner, except for an adjustment made in 2000 and in 2007 when a reassessment took place. It is likely that the linear growth pattern will continue into the future.



Source: Essex Grand List

Table 12-1 presents detailed grand list data, including the breakdown of the total grand list by category. Figure 12-4 shows how these categories have changed over the past eight years. The “other real estate” heading includes vacation, utilities, farms, and miscellaneous categories.

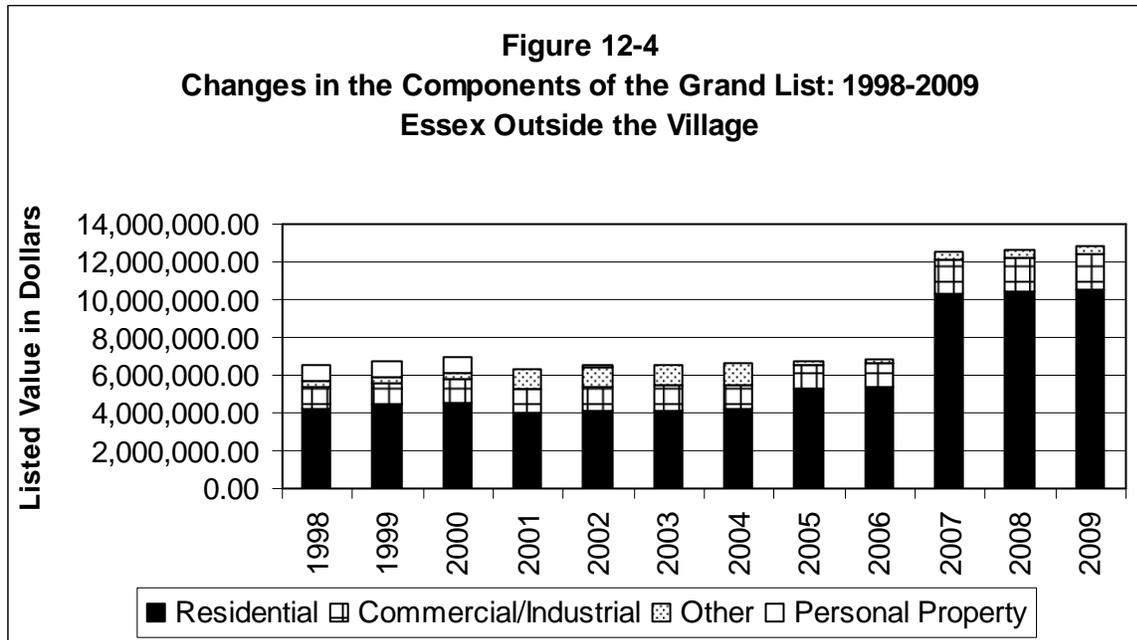
**Table 12-1
DETAILED GRAND LIST DATA, 1998 – 2009
ESSEX TOWN OUTSIDE OF THE VILLAGE**

Land Use Category	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Residential I												
Number of Parcels	2736	2825	2886	2193	2208	2216	2226	3150	3235	3256	3266	3273
Listed Value (dollars)	\$3,486,380	\$3,686,417	\$3,828,520	\$3,232,195	\$3,285,483	\$3,313,767	\$3,339,360	\$4,404,723	\$4,537,145	\$8,702,922	\$8,780,329	\$8,859,944
Percent of Total Real Estate	53.53%	54.87%	55.40%	51.17%	50.70%	50.53%	50.26%	49.96%	65.27%	65.81%	69.38%	68.85%
Residential II												
Number of Parcels	371	372	380	386	383	385	397	398	401	400	400	401
Listed Value (dollars)	\$713,874	\$689,533	\$718,225	\$740,954	\$743,274	\$748,738	\$788,223	\$796,319	\$809,774	\$1,559,767	\$1,568,406	\$1,580,719
Percent of Total Real Estate	10.96%	10.26%	10.39%	11.73%	11.47%	11.42%	11.86%	11.76%	11.75%	12.46%	12.39%	12.28%
Mobile Homes U												
Number of Parcels	19	20	20	20	20	19	19	19	19	18	18	18
Listed Value (dollars)	\$5,136	\$5,312	\$5,360	\$5,736	\$5,748	\$5,684	\$5,712	\$5,712	\$5,839	\$5,651	\$5,451	\$5,487
Percent of Total Real Estate	0.08%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.08%	0.08%	0.05%	0.04%	0.04%
Mobile Homes L												
Number of Parcels	30	29	27	27	27	27	28	27	26	24	23	22
Listed Value (dollars)	\$25,823	\$24,567	\$23,178	\$22,636	\$22,550	\$23,090	\$23,996	\$23,607	\$23,098	\$40,555	\$38,687	\$34,687
Percent of Total Real Estate	0.40%	0.37%	0.34%	0.36%	0.35%	0.35%	0.36%	0.35%	0.34%	0.32%	0.31%	0.27%
Vacation												
Number of Parcels	6	4	1	1	1	1	1	0	0	0	0	0
Listed Value (dollars)	\$7,273	\$3,966	\$907	\$907	\$907	\$907	\$907	\$0	\$0	\$0	\$0	\$0
Percent of Total Real Estate	0.11%	0.06%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial												
Number of Parcels	172	173	176	176	177	178	183	172	175	175	179	183
Listed Value (dollars)	\$792,246	\$873,829	\$914,576	\$942,805	\$974,915	\$979,377	\$1,006,678	\$924,995	\$921,076	\$1,529,581	\$1,541,460	\$1,634,470
Percent of Total Real Estate	12.16%	13%	13.13%	14.93%	15.05%	14.94%	15.15%	13.66%	13.36%	12.22%	12.18%	12.70%

**Table 12-1
DETAILED GRAND LIST DATA, 1998 – 2009
ESSEX TOWN OUTSIDE OF THE VILLAGE**

Land Use Category	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Industrial Plants												
Number of Parcels	15	15	15	14	14	14	14	14	17	16	16	16
Listed Value (dollars)	\$309,484	\$322,236	\$323,286	\$347,989	\$349,463	\$349,533	\$349,533	\$349,533	\$351,781	\$275,328	\$278,707	\$280,589
Percent of Total Real Estate	4.75%	4.80%	4.68%	5.51%	5.39%	5.33%	5.26%	5.16%	5.10%	2.20%	2.20%	2.18%
Utilities												
Number of Parcels	6	8	7	6	5	5	5	5	6	6	6	6
Listed Value (dollars)	\$72,043	\$73,489	\$82,030	\$76,862	\$76,551	\$73,453	\$65,705	\$65,529	\$64,427	\$106,022	\$116,011	\$122,061
Percent of Total Real Estate	1.11%	1.10%	1.18%	1.22%	1.18%	1.12%	0.99%	0.97%	0.93%	0.85%	0.92%	0.95%
Farms												
Number of Parcels	8	7	7	7	7	7	6	6	6	6	6	6
Listed Value (dollars)	\$18,792	\$16,478	\$16,475	\$16,442	\$16,103	\$14,992	\$14,476	\$10,602	\$10,987	\$18,850	\$20,598	\$20,604
Percent of Total Real Estate	0.29%	0.25%	0.24%	0.26%	0.25%	0.23%	0.22%	0.16%	0.16%	0.15%	0.16%	0.16%
Government Land												
Number of Parcels	124	123	120	na	na	na						
Listed Value (dollars)	0	0	0	na	na	na						
Percent of Total Real Estate	0.00%	0.00%	0.00%	na	na	na						
Miscellaneous, Other												
Number of Parcels	318	284	255	1005	1026	1057	1085	301	281	208	278	286
Listed Value (dollars)	\$220,018	\$197,606	\$200,953	\$922,042	\$988,502	\$1,031,134	\$1,049,342	\$188,187	\$170,394	\$277,307	\$305,732	\$329,680
Percent of Total Real Estate	3.38%	2.94%	2.91%	14.60%	15.25%	15.72%	15.79%	2.78%	2.47%	2.22%	2.42%	2.57%
Total Parcels	3857	3860	3894	3835	3868	3909	3964	4092	4166	4181	4192	4211
Real Estate	\$5,651,069	\$5,893,433	\$6,113,510	\$6,308,568	\$6,463,496	\$6,540,675	\$6,643,880	\$6,769,206	\$6,894,520	\$12,515,983	\$12,655,381	\$12,868,333
Personal Property	\$861,035	\$824,989	\$793,332	\$7,845	\$16,488	\$16,776	\$16,776	na	na	na	na	na
Total Grand List	\$6,512,104	\$6,718,422	\$6,906,842	\$6,316,413	\$6,479,984	\$6,557,451	\$6,660,656	\$6,769,207	\$6,894,520	\$12,515,983	\$12,655,381	\$12,868,333

Source: Form 411



Source: Essex Grand List

Prior to 2000, the residential component of the grand list had shown steady growth while the other components had held relatively constant. After 2000, there was a distinct drop in the total grand list, including a drop in residential, the elimination of personal property, and a jump in the “other” category. From that point forward, the grand list has grown by 1.78 percent per year. The residential category accounted for the major part of that growth, followed by the “other” category until 2004, where “commercial/industrial” growth accounted for a larger part of the growth. The decline in the personal property category reflects the Selectboard’s 1995 decision to phase out business personal property tax over a five-year period. After 2000, the only listed personal property belongs to the largest company in the Town, IBM. That company agreed with the Town to enter into a 10-year tax stabilization agreement. Representatives of the Town, the Village and IBM continue to meet to discuss tax policy beyond the ten-year agreement.

The other half of the local revenue equation is the tax rate. Prior to 1994, the tax rate in Essex Town was made up of three components: the Town School tax rate, the Town General tax rate and the Town Highway tax rate. In 1994 voters approved an annual one-cent capital tax, and the General tax rate was split into Town Operating and Town Capital tax rates. With the passage of Act 60 in 1998, the Town School tax rate was replaced by the State Education and Local Education tax rates. Beginning in 2004, the state and local education tax rates were replaced with a combined tax rate, but one that differentiates between homesteads and other property. Over the past few years, these tax rates have changed as shown in Table 12-2.

Table 12-2 COMPONENTS OF THE TAX RATE, 1999-2009 TOWN OF ESSEX OUTSIDE THE VILLAGE											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Town General	---	---	0.384	0.367	0.384	0.412	0.444	0.5097	0.2965	0.2989	0.3066
Town Operating	0.312	0.327	---	---	---	---	---	---	---	---	---
Town Capital	0.010	0.010	0.010		0.010	0.010	0.010	0.0200	0.0200	0.0200	0.0200
Town Highway	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Town School	---	---	---	---	---	---	---	---	---	---	---
Local Agreement Rate	---	---	---	---	---	---	0.0047	0.0048	0.0037	0.0023	0.0009
State Education											
Residential	---	---	---	---	---	2.0669	2.2599	2.3817	1.3365	1.3571	1.3550
Non Residential	1.116	1.120	1.346	1.249	1.346	2.0441	2.1531	2.2904	1.3066	1.3292	1.3732
Local Education	0.659	0.848	1.146	1.127	1.146	---	---	---	---	---	---
Total Residential	---	---	---	---	---	2.5689	2.7986	2.9962	1.7367	1.7583	1.7583
Total Non Residential	2.177	2.385	2.966	2.833	2.966	2.5461	2.6918	2.9049	1.7068	1.7304	1.7807

Source: Town of Essex Annual Reports

Trends in revenues, by source, and expenditures, by general service category, for the years 1999 through 2009 are shown in Tables 12-3 and 12-4 respectively. Table 12-5 summarizes the Town's recent capital expenditures.

**Table 12-3
GENERAL FUND REVENUES, 1999/2000 THROUGH 2008/2009
ESSEX TOWN OUTSIDE THE VILLAGE**

	Fiscal Year									
Revenues	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Property Taxes	5,276,556	5,545,509	5,822,851	4,931,757	5,213,177	5,688,721	6,265,625	7,180,495	7,525,684	7,796,304
Licenses and Permits	35,948	42,818	44,081	37,145	47,132	51,246	39,170	46,729	58,020	49,113
Intergovernmental	334,904	314,556	250,455	274,326	204,870	323,836	247,935	214,438	211,716	493,292
Charges for Services	227,691	338,868	507,441	1,656,511	1,525,494	1,359,055	1,258,078	1,147,074	1,701,231	1,072,047
Fines	118,616	112,042	82,784	81,019	95,978	79,095	84,993	127,004	109,773	122,361
Miscellaneous	112,642	107,019	147,241	115,885	57,047	157,036	129,570	175,723	206,581	70,328
Total Revenues	6,106,357	6,251,641	6,610,015	6,984,412	7,413,384	7,658,989	8,025,371	8,891,464	8,770,814	9,534,614

Source: Town of Essex Annual Reports

**Table 12-4
GENERAL FUND EXPENDITURES, 1999/2000 THROUGH 2008/2009
ESSEX TOWN OUTSIDE THE VILLAGE**

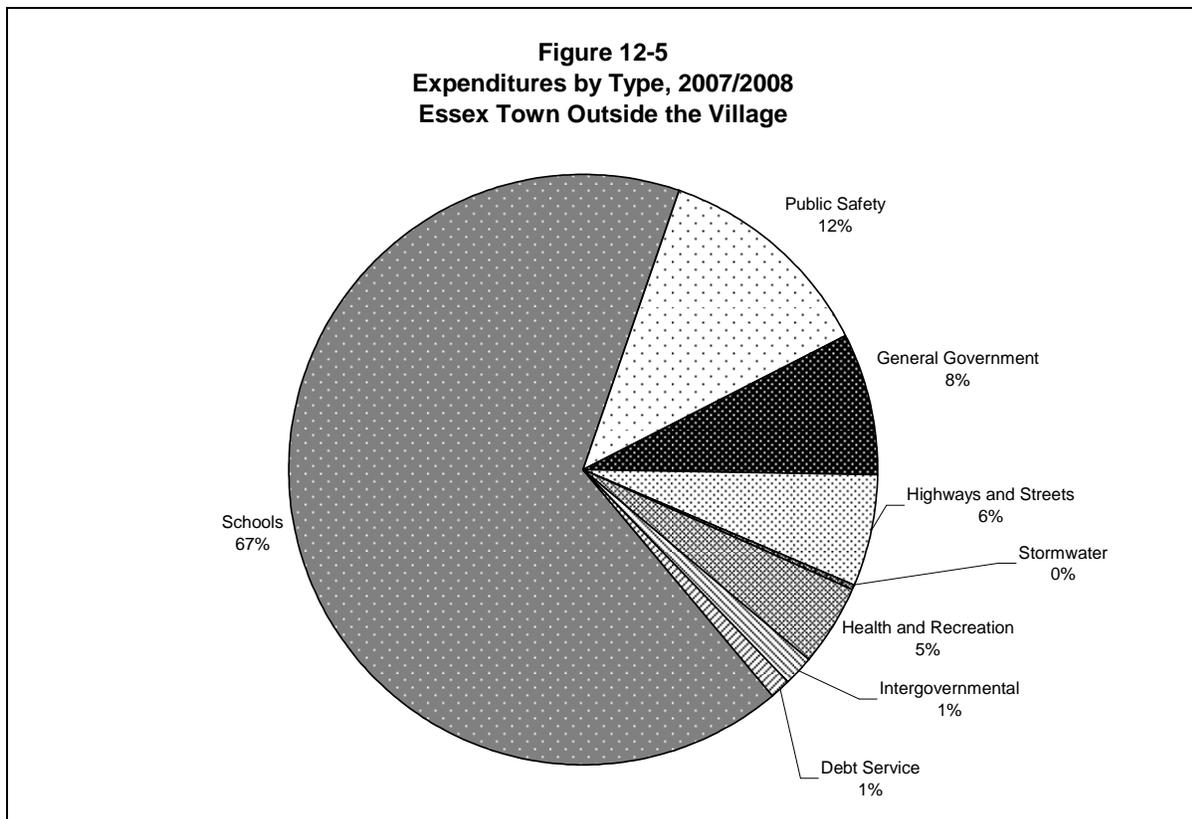
	Fiscal Year									
Expenditures	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/2008	2008/0209
Public Safety	2,147,689	2,352,038	2,365,551	2,490,950	2,618,832	2,806,969	2,988,227	3,115,656	3,157,115	3,290,377
General Government	1,332,204	1,325,522	1,433,227	1,532,824	1,661,326	1,777,184	1,786,110	1,933,259	2,202,193	2,058,213
Highways and Streets	1,246,779	1,303,427	1,290,191	1,413,088	1,410,742	1,549,896	1,491,603	1,627,222	1,591,479	1,621,447
Stormwater	---	---	---	---	126,973	107,785	238,194	125,669	93,096	549,878
Health and Recreation	670,388	698,727	872,113	908,176	983,677	987,979	1,075,788	1,144,232	1,188,433	1,292,260
Intergovernmental	349,359	342,195	363,635	360,225	351,459	351,459	339,058	363,427	387,839	398,204
Debt Service	184,815	218,624	274,949	263,212	260,375	258,534	256,432	204,230	325,659	324,235
Total Expenditures	5,931,234	6,251,641	6,610,015	6,984,412	7,413,384	7,827,414	8,199,781	8,534,003	8,770,814	9,534,614

Source: Town of Essex Annual Reports

**Table 12-5
ESSEX TOWN CAPITAL EXPENDITURES, 2001-2002 THROUGH 2009-2010**

Capital Expenditures	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Transit Improvements									40,000
Susie Wilson Road/VT Rte. 15 Intersection									93,200
Susie Wilson//David Drive Traffic Lights	162,725							455,000	32,379
Sewers	20,000			15,000	22,000	20,000	74,075	580,000	600,000
Waterlines	60,000			5,000	8,000	60,000	171,130	580,000	580,000
Cemetery Columbarium	52,395					52,395	38,500		
Lamell Ave				25,000					
Fire truck							400,000		
Building Improvements	450,000	50,000	106,000	158,000	71,600	50,000	140,000	115,000	153,000
Park Development	97,365	35,160	169,365	32,000	32,000	129,000	235,160	75,175	50,680
Road Reconstruction	175,000	135,500	60,000	110,000	128,000	142,200	124,921	228,000	4000,000
Kellogg Road/David Drive Signals	215,000			20,000		215,000			
Butlers Corners			586,500	586,342					
Heavy Vehicles		92,000	129,456	68,600	277,296	130,992	148,866	178,197	124,586
Park & Ride Lots							38,500	40,000	75,000
Paths & Walks		30,000	102,000	359,000	858,300	578,611	123,000	234,000	130,000
Reappraisal					292,300	162,725			
Old Stage Reconstruction			132,000	10,000					
Stormwater Management Plan									187,000
Economic Development									50,000
Total Expenditures	624,000	348,865	1,285,321	1,668,942	1,397,196	1,540,923	1,865,702	2,455,372	2,560,845

Source: Town of Essex Annual Reports



Source: Town of Essex Annual Reports

Tables 12-2 through 12-5 primarily relate to municipal revenues and expenditures. However, as shown in Figure 12-5, the greatest percentage of local expenditures is related to school costs. The passage of Act 60 in 1998 has dramatically changed financing methods for school expenditures. Prior to that time, many communities encouraged commercial and industrial growth. After Act 60, a town keeps its commercial and industrial tax base for municipal costs; but that portion of the tax base is shared with the entire state to pay for state-wide educational costs. Growth in a community's commercial and industrial tax base will now benefit the state as a whole but it will have a much smaller financial benefit for the community. With school costs representing a high percentage of overall municipal expenditures, the new funding formula greatly reduces a community's incentive to seek commercial and industrial growth.

The Town of Essex has a number of policies in effect that will influence the type and amount of future development, and the ability to generate local revenues. The Town has established tax contracts with the owners of farm land and open land which establish a reduced property tax burden in exchange for holding the land back from development. This policy is intended to preserve some of the open features of the Town's landscape and to encourage the continuation of farming in the Town.

The Town also has a sewer allocation policy which has established the boundaries of the sewer service area (the "core") and the amount of sewer capacity that can be allocated to residential and nonresidential uses. This policy has the effect of encouraging development within the sewer service areas (to the extent that sewer allocations can be obtained). The Town also has a residential phasing policy that establishes the rate of development that can occur in any one year.

The Town has enacted impact fees on new development to cover some or all of the capital costs of new public facilities needed to serve the new development. Funds generated by impact fees must be used for the designated capital expenditures within a specified period of time. This will reduce the burden of funding new capital facilities, which falls on the remainder of the grand list.

Finally, the Town has established enterprise funds for providing sewer and water facilities. These funds are designed to cover both capital and operating costs through user fees by charging only the users of these services. The enterprise fund operations derive no revenue from the general tax base.

It is assumed that these policies will be continued into the foreseeable future.

12.4 Goals, Objectives and Strategies

Goal 12.1: Maintain an effective balance between municipal administrative services, elected and appointed officials, and Essex's residents, businesses and visitors.

Strategy 12.1.1: Carry out day-to-day administrative tasks with attention to the provision of good customer service for the Town's residents, businesses and visitors.

Strategy 12.1.2: Conduct sound coordination and communication between and among departments, boards and committees.

Strategy 12.1.3: Collaborate with the Village and surrounding communities, regional entities and the state concerning issues of mutual interest and policy.

Strategy 12.1.4: Continue working with the Vermont League of Cities & Towns to further the Town's vision, goals and objectives.

Goal 12.2: Use technology, when practicable, to save money, time and energy, as well as to improve the flow of communication.

Strategy 12.2.1: Study and consider implementing "e-Government" digital/computer techniques (e.g., enabling the on-line payment of property taxes and dog licenses, and research of land records).