Town of Essex Selectboard
Draft Regular Meeting Minutes
Monday, December 15, 2025

A video recording of the meeting is available on the Town of Essex YouTube Channel at https://www.youtube.com/@essexvt. Timestamps subject to change without notice.
Direct link - https://www.youtube.com/watch?v=1UCM1HAb6eE

Selectboard Members:
At Meeting: Tracey Delphia – Chair, Kendall Chamberlin – Vice Chair, Ethan Lawrence, Andy Watts
Absent: Shannon Jackson - Clerk

Administration and Staff: Greg Duggan – Essex Town Manager, Karen Adams – Deputy Town Manager, Annie Costandi – Water Quality Director, Madison Duffy – Assistant Finance Director, Aaron Martin – Public Works Director, Harlan Smith - Assistant Director Parks, Trails, and Open Spaces

Others Present: At Meeting –Walter Adams, Chip Crawford, David Crawford, Paul Davis, Maria Godleski, Carrie Macfarlane, Ken Signorello, Ally Vile, Reed Von Gal, Giles Willey, Irene Wrenner
On Zoom – Jeff Air, Caroline Ashley, Patricia Crocker, Wendy Duncan, Elizabeth Dunn, Gina Halpin Barrett, Anne Miller, Tim Miller, Margaret Smith, Cheryl Van Epps, Lorraine Zaloom, Sharon Zukowski

1. **Call to Order**
    a. Tracey Delphia called the Essex Selectboard meeting to order at 6:30 p.m.
2. **Agenda Changes/Additions 00:15 in video**
    a. Shannon Jackson asked Agenda Item 6.j. to be moved to the reading file.
3. **Approval of Agenda 00:48 in video**
    a. Changes to agenda: Item 6.j. to be moved to the reading file.
    b. Ethan Lawrence made a motion to strike item 6.j from the agenda. No second. Motion failed.
    c. Andy Watts made a motion seconded by Ethan Lawrence to move agenda item 6.j. to item 7.h. in the reading file. Motion passed 4-0.
4. **Public To Be Heard 2:05 in video**
    a. Lorraine Zaloom offered positive comments thanking those responsible for holiday lighting in town parks and at the four corners, and shared favorable feedback from a recent Economic Development Commission meeting regarding the farmers market and increased town pool subscriptions. She also raised concerns about public understanding of Development Review Board procedures, citing confusion at a December 4 meeting regarding hearing status and opportunities for public response, and requested clearer explanations of DRB processes and certificate of occupancy procedures, particularly in relation to recent approvals where fire department issues remained outstanding. She suggested providing a public primer on these topics and reiterated interest in exploring regionalized inspection services to reduce pressure on town staff.
5. **Consent Items 5:29 in video**
    a. Approve minutes: December 5, 2025
    b. Approve check warrants: #_18309- 12/5/25
    c. Consider final approval of updated Computer Use and Artificial Intelligence Policy
    d. Andy Watts made a motion seconded by Ethan Lawrence to approve the consent agenda. Motion passed 4-0.

6. Business Items 5:50 in video

a. *Interview and possible appointment of a volunteer to serve on the Conservation & Trails Committee - Wendy Duncan

Agenda item 6.a, **5:50 in video**, consisted of an interview of Wendy Duncan for a volunteer appointment to the Conservation and Trails Committee. Wendy Duncan described her frequent use of local trails, informal stewardship such as clearing debris and reporting issues, and her interest in improving trail signage, access clarity, and public understanding of where trail use is permitted. Board members asked about her familiarity with the committee, views on public service, and areas she would like to address, and the Conservation and Trails Committee chair clarified that the committee's work focuses primarily on planning and coordination rather than routine trail maintenance, with separate volunteer efforts being developed for hands-on work. No decision or vote was taken during this item, and the board indicated that a motion could be made later in open session or following executive discussion, with the applicant to be notified of the outcome.

b. *Interview and possible appointment of a volunteer to serve on the Conservation & Trails Committee - Carrie Macfarlane

Agenda item 6.b, **12:45 in video**, consisted of an interview of Carrie Macfarlane for a volunteer appointment to the Conservation and Trails Committee. Carrie Macfarlane explained that she recently moved to Essex and is seeking community connection and involvement, described prior community service in Addison County including service on a planning commission and as a founding member of the Walk and Bike Council of Addison County, and expressed interest in trail visibility, access, and public awareness. Board members asked about her familiarity with the committee, prior accomplishments, views on public service, potential for similar walking or biking initiatives in Essex, and how she handles disagreement or conflict, to which she emphasized listening, asking questions, finding common ground, and pausing when needed. She also asked about committee priorities and the availability of the committee work plan, prompting discussion about committee structure and member-driven projects. No decision or vote was taken during this item, and the board indicated that an appointment could be made later in open session or following executive discussion, with staff to notify the applicant of the outcome.

c. Discussion with Tree Farm Management Group re: Annual Report

Agenda item 6.c, **22:14 in video**, consisted of a discussion with the Tree Farm Management Group regarding its annual report. Representatives of the Tree Farm Board presented a financial and operational summary, reporting approximately $262,000 in income, $221,000 in expenses, and net revenue of just over $40,000, along with a 7 percent increase in user hours and a rate increase to $74 per hour. The board reviewed facility usage across six sports, described improvements including regular road and parking lot grading, removal of long-standing fencing, field repairs and reseeding, replacement and maintenance of goals and nets, expanded field sponsorships, and the introduction of a leased robotic field-lining system that improved quality and reduced costs. Discussion also covered weather-related field challenges, ongoing collaboration with contractors and educational partners, and plans for 2026 including continued field rehabilitation, parking lot improvements, and reinvestment of revenues into maintenance. Board members asked questions regarding budgeting assumptions, revenue projections tied to a large upcoming tournament, and subcontracting arrangements for grading and fill work. No formal action or vote was taken, and the board thanked the Tree Farm Management Group for the report and ongoing collaboration.

d. Discussion about Conservation Reserve Fund Survey

Agenda item 6.d, **35:52 in video**, consisted of a discussion regarding the Conservation Reserve Fund survey presented by Paul Davis of the Conservation and Trails Committee. The committee reported that the survey, which is required periodically and was overdue, received 129 responses through paper distribution at town meetings and online promotion, and was designed to align more closely with the priorities outlined in the Conservation Reserve Fund policy. Results showed strong support for most priorities, with the lowest level of support at 66 percent for historical features and higher support for other policy areas, and included hypothetical interest in donating to the fund despite limited historical use or direct donations. Based on these results, the committee concluded that the fund may be underutilized due to lack of public awareness and expressed interest in pursuing educational outreach to explain the fund's purpose, availability, and use. Board discussion addressed the relatively low response rate, question design, interpretation of results, and methods for increasing participation in future surveys, including expanded communication channels and potential incentives. Public comments included suggestions related to incentives and distribution methods. No decision or vote was taken, and the board thanked the committee for its work and encouraged continued discussion on improving survey engagement.

e. Consider approval of Wastewater Pump Station Operations Contract

Agenda item 6.e, **47:33 in video**, concerned consideration and approval of a three-year wastewater pump station supervision and operations contract with Champlain Associates and included discussion of sole sourcing and contract terms. Staff presented background on the prior two-year agreement begun in September 2023 to monitor and operate 17 sanitary sewer pump stations, noted the contract had expired and that a new contract was needed to continue services, and explained staffing limitations and hiring challenges as a key reason for maintaining contracted support, including daily monitoring through the SCADA system, anomaly detection, preventative maintenance, and on-call response. The proposed contract expanded scope to 18 pump stations due to a new station off Pinecrest Drive and added one metering manhole to measure sanitary sewer flow from the 40th and Allen, Gothier, Susie Wilson corridor into the village system, with staff recommending waiving the purchasing policy threshold and proceeding as a sole source due to limited viable Vermont vendors and response-time requirements. Board discussion included cost considerations, budgeting, and examples of value provided by Champlain Associates, including response to significant pump clogging events and reduced callouts through targeted repairs. Public comment raised concerns about a 30-day termination clause and potentially conflicting renewal language, prompting board discussion about whether to execute the contract and then pursue an amendment to adjust termination notice and clarify language.

Andy Watts made a motion seconded by Kendall Chamberlain that the Selectboard wave the bid process and authorize the purchase from the sole source and approve the pump station supervision and operations three-year contract with Champlain and Associates for the town's 18 sanitary sewer pump stations and direct the tow manager to execute the contract. Motion passed 4-0.

f. Discussion and potential adoption of an updated Fund Balance Policy

Business item 6.f, **1:05:46 in video**, involved discussion and potential adoption of an updated Fund Balance Policy, focused primarily on whether to require a public hearing before fund balance assignments and on confusion over definitions and authority for assigned versus committed funds. Staff explained the proposed change as adding a sentence to require a public hearing for fund balance assignments, noting difficulty in carving out "carryover" items from that requirement, and board discussion raised concerns that a hearing requirement could be onerous for routine carryovers while also debating whether the select board can reassign funds except where restricted or non-spendable, with multiple members stating uncertainty and suggesting legal clarification. Public comment included Betsy Dunn stating the categories presented were assigned, unassigned, restricted, and non-spendable and that “committed” was being used inconsistently, Walter Adams arguing excess funds should provide tax relief and criticizing use of surplus for capital and Main Street-related spending, Lorraine raising concerns about lack of legal expertise and urging either a vote or return of amounts over 15%, and Ken Signell arguing that excess funds should be placed into the next budget for voters to approve rather than allocated by the select board. After discussion, Ethan suggested tabling for more information including legal interpretation, but no formal motion was made and the chair stated that with no motion on the floor there was no action, and the existing fund balance policy remained in effect.

g. Discussion of draft fiscal year 2025 fund balance assignments and potential action to warn public hearing

Agenda item 6.g, **2:05:00 in video**, consisted of discussion of the draft fiscal year 2025 fund balance assignments and whether any action was needed to warn a public hearing. Staff reviewed the audited fund balance categories, explaining that non-spendable and restricted funds such as prepaid expenses, inventory, reappraisal funds, and opioid funds are not discretionary, while unassigned fund balance is subject to the town’s 15 percent policy threshold, calculated at approximately $2.45 million based on the fiscal year 2026 operating budget, with a total general fund balance of just over $6 million leaving approximately $2.28 million available for board consideration. Previously assigned items were summarized, including economic development, planning, accrued retirement benefits, records preservation, conservation reserve, landfill fund replenishment, health and wellness, and transfers to capital that were approved in prior years but scheduled to occur in fiscal year 2026. New proposed assignments totaling approximately $681,000 were reviewed, including items already reflected in the fiscal year 2027 operating budget, potential stipends related to reappraisal, capital and infrastructure needs, park improvements, technology and permitting software, housing and economic development initiatives, facility upgrades, audio improvements for public meetings, beautification concepts, dispatch console replacement, stormwater feasibility study, ARPA interest allocation, and a library grant offset, with detailed discussion among board members including Ethan, Andy, Kendall, Tracy, Dan, Craig, and Karen regarding discretion, transparency, future public input, and the distinction between one-time fund balance use and ongoing budget impacts. Questions were raised about capital transfers, long-term commitments such as fire apparatus planning, clarity around housing and economic development funding purposes, and the importance of ensuring that fund balance used to offset operating expenses does not become permanently embedded in future budgets. Public comment questioned why some items were not incorporated directly into the operating budget, and staff responded that timing, uncertainty of execution, and coordination across operating, capital, and audit processes drove the proposed structure. No action was taken under this agenda item, and the board closed discussion without warning a public hearing.

h. Discussion of draft fiscal year 2027-2031 Capital Budget Program

Business item 6.g, **2:05:00 and concluding at 2:50:16 in video**, covered discussion of draft FY25 fund balance assignments and whether any action was needed to warn a public hearing, with staff presenting an overview of the FY25 general fund balance, including non-spendable and restricted amounts, the 15% unassigned threshold tied to the FY26 operating budget, and approximately $2.28 million available for board consideration. Staff reviewed previously assigned amounts, proposed new assignments totaling $681,000, and provided detailed explanations of each item, including Indian Brook Dam engineering and repairs, automated gate installation at Indian Brook Park, traffic signal improvements, planning and zoning software consolidation, housing trust fund research and seed funding, economic development grant program funding, Memorial Hall and Powell Museum improvements, audio and accessibility upgrades for public meetings, beautification projects, Fort Ethan Allen water tower acceleration, dispatch console replacement, stormwater utility feasibility study, Upper Main Street technical support, ARPA interest allocation, and a library ADA-related grant offset. Board discussion focused on clarity around assigned versus restricted funds, treatment of Upper Main Street-related items, use of ARPA interest, governance and oversight of proposed housing and economic development funds, capital transfer sufficiency, and concerns about transparency and whether certain items should return as standalone agenda items with public input. Public comment questioned why proposed items were not incorporated directly into the budget and offset with fund balance, while staff explained timing, uncertainty of execution, and fiscal year alignment as reasons. With no change to the fund balance policy adopted earlier in the meeting, no action was taken to warn a public hearing, and the item concluded as discussion only.

i. Work session on fiscal year 2027 Operating Budget

In item 6.h, the board discussed the draft FY2027–FY2031 Capital Budget Program. Staff explained that although it is called a five-year capital plan, the board is only being asked to adopt the next annual year’s capital budget, and the following four years are meant as a preview of planned projects and replacement schedules. They highlighted that this version is more complete and detailed than prior years, with clearer assumptions and longer-range visibility.

Staff described several structural changes to the plan. Trails were removed from the “sidewalks and paths” group and moved under Parks, on the rationale that trails are operationally a parks function, the town now has a trails coordinator dedicated to that work, and Parks is a more appropriate category for impact fee eligibility. Bridges were added as a replacement category because the town is responsible for three bridges, and while only minor repairs have been needed in recent years, staff believes the town should begin setting money aside now to be ready for larger bridge costs if they arise. They also said the buildings category is significantly more detailed because the buildings manager conducted an inventory of every town facility and identified maintenance, safety, and efficiency needs. Public works and fire replacement schedules stayed in place, and staff built out a parks maintenance equipment replacement program using a similar structure, including a standard escalation assumption and typical useful-life timing.

Upper Main Street and the municipal complex appeared as a key element in the plan. Staff said the work plan assumes the town continues advancing the municipal complex effort and described cost assumptions spread across multiple years, including early utility and right-of-way design. They explained the logic behind packaging right-of-way design alongside a building concept: they want to reduce the risk of designing or building a road “without a function” if the project stalls, so the preferred approach is to develop plans that show how roadway and building(s) work together, even if they are not necessarily funded at the same time.

There was a specific exchange about the salt shed. Staff stated it is shown as fully funded in the plan and does not need additional money from a fund balance assignment. Construction is planned for FY27, while FY26 work is focused on finalizing design and confirming permitting needs. They clarified that funds would be available starting July 1 of the fiscal year, but actual construction could still be scheduled based on the construction season and the project timeline.

Funding mechanics were also discussed. Staff reviewed the revenue side of the capital plan, describing the capital tax as a major funding source and noting additional revenue assumptions such as cost-sharing and grants. Ethan questioned how the Upper Main Street utility design work was being counted against revenue and raised the point that the grant is reimbursement-based. Staff responded that reimbursement can be requested as costs are incurred, and they expect to invoice periodically and at fiscal year-end, rather than spending the entire amount upfront and getting reimbursed only at the end.

Kendall raised a concern about using water and sewer capital resources for Upper Main-related work, asking whether there is a plan to replenish those funds afterward. Staff replied that there is no plan at this time to go beyond the five-cent capital tax or to restart operating-to-capital transfers and suggested that water and sewer budgeting would be discussed later in the budget season. Board members reacted positively to the expanded plan overall. Andy specifically expressed excitement that the “five-year plan actually has five years in it” this time, noting that prior plans often lacked meaningful detail beyond the near term, and said the new version is more transparent because it documents what previously lived in people’s heads.

During public comment, Ken asked staff to explain why they prefer funding capital through the capital tax rather than general fund transfers, arguing that transfers can be adjusted precisely to match projected needs beyond five years. Staff pushed back on the idea that the capital tax is inherently imprecise, noting it tracks the grand list and is updated annually like other budget assumptions. They also emphasized that separating operating expenses from capital spending improves clarity and keeps budgeting cleaner, while acknowledging that returning to operating transfers would be an option if the board ever wanted to reconsider it.

j. ~~Continued discussion about placing Local Option Tax question(s) on the March 2026 Town Meeting ballot.~~ Moved to Reading File.

k. Continued discussion and potential action on 80-90 Upper Main Street (new municipal complex) grant match
Agenda item 6.k, **3:21:47 and concluding at 3:51:28 in video**, began with staff outlining the 80–90 Upper Main Street (new municipal complex) grant match situation, including that the grant agreement was dated March 1, 2025, that a notice to proceed was required within one year, and that a one-time one-year extension could be requested, with staff recommending requesting the notice to proceed to keep options open while continuing discussion of a ballot item; the Selectboard then voted 4–0 to direct the Town Manager to

request an extension from the potential grantor and to continue discussions about seeking advisory voter input via a ballot item regarding the 80–90 Upper Main Street project.

The discussion then shifted to what a March 26 Town Meeting ballot question could legally look like (yes/no, single question, no preamble), with staff proposing two advisory questions: one focused on continuing progress using non property-tax funding sources and requiring future voter input before construction, and a second broader “temperature check” advising whether to continue advancing the adopted master plan under the same no-construction-without-future-input condition; board discussion raised concerns that the broader question was too vague and could be read as allowing unlimited planning expenditures without clear voter understanding, with suggestions including adding a not-to-exceed amount, using plainer language like “planning efforts,” and clarifying what “master plan” implies, while Kendall expressed support for asking both questions and Ethan asked whether a “no” vote would be honored (with the response that it would end the effort).

Public comment included Irene Rener recommending more specific, plain-language framing around particular buildings rather than “master plan,” Ken Signorello recommending either striking “local option tax” or qualifying it as contingent on approval and emphasizing that voters need more concrete scope or dollars to give informed advice, and Cheryl Van Epps concurring with Irene Wrenner and Ken; no final ballot language was adopted in this segment, and the chair indicated it would return on a future agenda.

The meeting then moved into the Town Manager performance evaluation process, with Greg summarizing that the evaluation is required by contract, runs roughly March through February, aims to be completed by end of March, and includes minor edits and aligned rating definitions; during public discussion, Ann asked why the Town Manager evaluation uses staff-like rating definitions, and the response clarified that while the Town Manager role is executive and the questions differ from staff evaluations, the rating scale is aligned to support merit-based raises consistent with other staff.

Andy Watts made a motion seconded by Kendall Chamberlain that the Selectboard approve the evaluation standards for the town manager and direct staff to begin the evaluation process for the manager. Motion passed 4-0.

l. Discussion about a March 2026 Town Meeting ballot item related to the 80-90 Upper Main Street (new municipal complex) project.

Continued discussion and potential action on 80-90 Upper Main Street (new municipal complex) grant match Discussion returned to the proposed new municipal complex at 80–90 Upper Main Street, focusing specifically on the state grant match requirements and timing. Staff explained that the grant agreement, dated March 1, 2025, provides up to $500,000 in funding with a required $1 million municipal match, and that the Town has one year from the agreement date to request a Notice to Proceed, with the option for a single one-year extension if needed. Staff outlined available paths forward, including proceeding with the grant as written and submitting a Notice to Proceed, requesting the allowable extension to preserve flexibility, and continuing discussion of a possible ballot item and further public outreach, noting these options are not mutually exclusive. Staff recommended requesting the Notice to Proceed in order to keep all options open while additional conversations and public engagement continue. Kendall stated support for the staff recommendation. With no further board discussion and no public comment offered either online or in the room, the item was returned to the board for continuation at a future meeting.

m. * Discussion of Town Manager performance evaluation process
   summary pending
n. * Discussion about the appointment or employment or evaluation of a public officer or employee
   summary pending
o. ** Discussion about pending or probable civil litigation or a prosecution, to which the public body is or may be a party
   summary pending

7. <u>Reading File 3:52:08</u>

a. Board member comments
b. Upcoming meeting schedule
c. LDS Church Stormwater Project Update
d. Donations and Fundraising Policy update
e. Petition to set the number of Development Review Board members to five
f. Essex Business Bulletin & Brochure
g. Essex News - December newsletter
h. Continued discussion about placing Local Option Tax question(s) on the March 2026 Town Meeting ballot.

8. <u>Executive Session</u>

a. * An executive session may be requested to discuss the appointment or employment or evaluation of a public officer or employee
   Andy Watts seconded by Kendall Chamberlain made a motion that the Selectboard enter into executive session to discuss the appointment or employment or evaluation of a public officer or employee in accordance with 1 VSA section 313A3 to include the town manager and the deputy manager. Motion passed 4-0.
b. **** An executive discussion is anticipated to discuss pending or probable civil litigation or a prosecution, to which the public body is or may be a party
   Tracey Delphia made a motion seconded by Andy Watts the Selectboard make the specific finding that general public knowledge of pending or probable civil litigation or a prosecution to which the public body is or may be a party would place the town at a substantial disadvantage. Motion passed 4-0.
   Tracey Delphia made a motion seconded by Andy Watts that the Selectboard enter into executive session to discuss pending or probable civil litigation or a prosecution to which the public body is or may be a party pursuant to one VSA section 313 A1E to include the town manager and deputy town manager. Motion passed 4-0.
c. Andy Watts made a motion seconded by Kendall Chamberlain to extend the Executive Session past 11 to 11:15. Motion passed 4-0.
d. Andy Watts made a motion seconded by Tracey Delphia to exit Executive Session at 11:04. Motion passed 4-0.
e. Andy Watts made a motion seconded by Ethan Lawrence that the Selectboard appoint Carrie Macfarlane to serve on the conservation and trails committee. Motion passed 4-0.

9. <u>Adjourn</u>

a. **Andy Watts seconded by Ethan Lawrence made a motion to adjourn the meeting. Motion passed 4-0.**

Respectfully Submitted,
Kariella Tabone
Secretary

Approved this _______ day of ______________ , 2025
(see minutes of this day for corrections, if any)

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Signed by Name, Title