

Brattleboro Representative Town Meeting Finance Committee  
Minutes, January 4, 2018  
Tyler Conference Room, Brattleboro Memorial Hospital

Committee members present: Franz Reichsman, Abbe Sweeney, Scott Smyth, Avery Schwenk, Ralph Meima. Also present: Town Manager Peter Elwell

The meeting was called to order at 5:31 p.m. The agenda was reviewed, with no additions.

### **Budget process reviews**

#### ***Municipal budget and Municipal Building, with Town Manager Peter Elwell***

Mr. Elwell discussed a number of issues relating to the FY 2019 budget. The select board is now in the final phase of determining its budget recommendations to be submitted to town meeting.

- The administration believes the proposed HR position is needed to support administration, answer questions, and avoid liability situations. Implicit bias training also is planned for all town staff.
- Equipment issue: Adding a 2<sup>nd</sup> sidewalk snowplow. The town used to plow 18 miles of sidewalks with three plows, which has been decreased to 14 miles with one plow. Breakdowns of the one plow tend to occur at inopportune times, with no back-up. Citizens have brought the purchase of a second plow to the board as a request at a cost \$140K. The existing sidewalk plow was bought in 2011 and is scheduled to be in service until at least 2022.
- As part of the Utilities budget (which is not addressed at Town Meeting, but instead in the spring by the selectboard), most of the labor to run the second sidewalk plow will be added. As proposed by the administration, \$10,000 will be in the general fund budget. (The Utilities position will also be part of the town's ongoing plan to replace old water meters with new ones.)
- Another piece of unfinished business is the purchase of an aerial ladder truck for the fire department. Rather than repair the existing one at a cost of \$65-\$100K, a used truck was acquired from Sharon MA. In the interim, we borrowed one from Putney. A new truck costing close to \$1 million will be needed. The question of whether to proceed in FY19, and if so, how to fund it, is still undecided. Another fire truck will also very soon be a candidate for replacement, which somewhat complicates the funding question.
- General thought: The town has been run in a very frugal way, but we have chronically underspent on the capital side. During the coming year a real and sustainable capital plan will be developed.
- Social equity issues: a jobs program idea emerged from conversations about panhandling and safety downtown. There was a difficult discussion at several select board meetings, resulting in possible approaches to creating a day work program for the community. While progress has been made in defining the likely parameters of such a program, there may not be enough time to

create a finished version for the FY19 budget. If so, then it would be explored more thoroughly for the following budget year.

- Lighting downtown: Our current LED streetlights (which saves \$140K per year in electricity expense) produce less light, and it is more focused, leaving dark areas. Various proposals have surfaced to improve the situation. It is not clear whether a specific solution can be identified in time to be included in this budget.
- Use of fund balances: As has been discussed on numerous occasions, the administration believes excess fund balance (above the 10% reserve amount specified by the select board's guideline) should be used to fund non-recurring budget items. Falling back on fund balance to fill holes in the operating budget leads to a pattern of spikes and dips in the tax rate, and a lack of funds for a sustainable capital plan.
- Structural changes in benefit plans generated large surpluses and fund balances in recent years but these should not be regarded as recurring, and we won't be able to rely on this in the future.
- The 3.42-cent tax increase proposed in November has become 3.92 cents with items added to the budget since then. Depending on actions taken over the next two weeks, we will end up at just about 4 cents, which represents about a 3.2% tax increase. For a \$175,000 home, the average tax payer would face about a \$70 increase for the year.

Mr. Elwell also addressed the town's and the state's joint plan for state offices leasing space in the Municipal Building. Progress is good in negotiations with the state, but the timing of an agreement remains uncertain. There may need to be a special town meeting to approve an agreement if negotiations are not completed in time for town meeting in March.

One further aspect of the municipal budget is the Human Services Review Committee's recommendation to increase spending from \$120K to \$146K for this year. Other than their final recommendation, we do not have information about their deliberations, which makes it difficult to form an opinion about their proposal. Franz will contact the Human Services Review Committee to see if a representative can meet with us at some point .

### ***School District budgets***

Franz: The revenue calculations for the school districts are complex, with crucial components coming from the state. Two of these are the numbers of Equalized Students in the schools and the Property Dollar Equivalent Yield which is a reflection of how much money the state is willing to put into education funding. The latter number comes from the state Tax Commissioner, and decreased from \$10,076 last year to \$9,842 this year. This number goes into the denominator of the calculation of the tax rate, so if it falls, the tax rate rises. A third number is the Common Level of Appraisal, which is applied as a correction to assessed property values in the Grand List, and this year also has the effect of raising the tax rate in comparison with last year's value.

For FY19, the Equalized Student numbers for the high school have fallen considerably, by nearly 200 students. Some of this was anticipated from the departure of Vernon from

the district, and is offset by the tuition Vernon will pay for its students to attend BUHS. However, much of the remainder could not be anticipated and was not known until after the budget proposal had been approved by the BUHS finance committee. This decrease was the result of the legislature's removal of the hold harmless provision that had previously protected schools from abrupt changes in student numbers.

Because of this unexpected change causing an unanticipated spike in the tax rate, the BUHS finance committee met again today and examined a modified budget proposal from the administration, with program cuts and an increase in the use of general fund balance. Further changes will be made before the full BUHS board meets on Monday. It is expected to adopt a proposed budget at that meeting. Among the program cuts suggested are eliminating Latin, eliminating a proposed FTE in technology services, and either deferment of a badly needed new utility shed or using additional capital fund balance to pay for it.

### ***Review work flow and meeting dates.***

Franz: Town School Budget analysis – draft report 2 weeks from today

Ralph: attempt to draft summary/analysis of BUHS budget – draft report 2 weeks from today

The municipal budget proposal will be finalized by the selectboard in either two or three weeks and will be reviewed thereafter.

Next meeting: January 18, 2018 at 5:30 p.m.

### ***Minutes***

Minutes of the December 7 meeting were approved.

### ***Adjournment.***

The meeting was adjourned at 7:24 p.m.