

**BRATTLEBORO SELECTBOARD  
TUESDAY, JANUARY 23, 2018  
SELECTBOARD MEETING ROOM, MUNICIPAL CENTER  
SPECIAL MEETING – 6:15PM  
MINUTES**

Selectboard Members present: Kate O'Connor, Brandie Starr, Tim Wessel, John Allen, and Dave Schoales.

Staff Present: Town Manager Peter Elwell, Assistant Town Manager Patrick Moreland, Library Director Starr LaTronica, Fire Chief Mike Bucossi, and Police Chief Michael Fitzgerald.

Media Present: Chris Mays representing the Brattleboro Reformer and BCTV staff and volunteers

Others Present: Nick Nickerson, Daniel Quipp, Franz Reichsman, and ASL Interpreters.

Chair Kate O'Connor called the meeting to order at 6:15pm. She confirmed the meeting was properly warned.

***PUBLIC PARTICIPATION***

Nick Nickerson asked the Selectboard to think about taking action on school football in light of CTE and brain damage. The Board suggested he discuss this with the BUHS School District.

***UNFINISHED BUSINESS***

FY19 Budget –

- (i) *Use of Fund Balance*
- (ii) *Property Tax Rate*

Town Manger Elwell referred to the January 18, 2018 memo that he prepared that laid out four property tax impact and use of fund balance scenarios. He noted that there is a relationship to consider between and the use of the fund balance and the property tax rate as well as this year's budget and next year's budget. He noted that staff has adjusted the use of the fund balance down by \$35,000 and increased the amount of expected interest earnings by \$35,000 because of the Selectboard's decision several weeks ago to place a large portion of various fund balances into a money market account. The expected earnings from that will exceed \$50,000 across all the town funds (the General Fund portion is expected to be \$35,000 for FY19). Elwell stated that the scenarios show the relationship between the four years and what is predicted to happen to the property tax rate. He noted that he expects that the final impact of this budget on the tax rate that will be assessed will be slightly lower because it assumes no increase in property value.

Elwell stated that based on budget decisions made to date, the use of fund balance would be \$735,000 and the tax rate increase would be \$0.039 cents. This will leave the unassigned fund balance slightly below the 10% guideline that the Selectboard adopted years ago. He advised that adhering to the 10% guideline by using \$700,000 of fund balance would result in a \$0.042 rise in the tax rate. He suggested that going down to 9.8% of the fund balance, especially with \$450,000 from the fund balance being used to purchase a fire truck this year, would not be irresponsible. Elwell recommended that the Selectboard adopt the combination of a property tax rate increase and use of fund balance that reflects work to date. He also presented an option that would allow the Selectboard to use more fund balance to have a lower property tax increase. This option would use \$770,000 fund balance and would reduce the tax rate increase to \$0.036 cents and be at 9.6% of the fund balance guideline. Elwell also presented an option that reflects where the Selectboard was when they first began discussions on the budget. This would use \$800,000 from the fund balance resulting in a \$0.034 rise in tax rate. He noted that since that time, staff has found a less expensive way to purchase a fire aerial ladder truck so he urged them not go that far in using the fund balance because the basis for this initial consideration was the need to use \$500,000 from fund balance into the purchase of the truck. He advised that if this option was used, the fund balance would go down to 9.4%.

Elwell noted that the 2 year impact needs to be considered. He advised that if the Selectboard uses \$735,000 in fund balance, this year's increase is estimated at \$0.039 cents and next year's increase is estimated at \$0.033 cents. If the Selectboard uses \$770,000 in fund balance, the estimate is \$0.036 for the next 2 years. If the Selectboard uses \$800,000 in fund balance, the tax increase will be \$0.034 this year and \$0.038 cents next

year, reversing the impacts.

Elwell laid out the following impacts to people:

- \$0.039 increase – \$39 per \$100,000 of property value (or \$9.75 per quarter per \$100,000 of value). For the median home value of about \$175,000, the annual tax increase will be \$68 (quarterly increases of \$17.)
- \$0.036 increase – \$36 per \$100,000 of property value (or \$9 per quarter per \$100,000 of value). For the median home value of about \$175,000, the annual tax increase will be \$63 (quarterly increases of \$15.75).

Schoales asked if any Selectboard member felt like any of the tax increases were just too high. He said he would like to see the tax increase at \$0.020 but it wouldn't be easy to get there and there would be drawbacks. Wessel said that the large portion of the tax increase is not the add-ons but rather that things get more expensive and they must be paid for or services must be cut. He advised that he has not heard a clamoring in the community for cutting services or staff. He felt that a lot of the increase comes from inflation. Allen agreed with Schoales in that he doesn't want to see a \$0.040 increase but he doesn't see how it can come down much without being drastic. He also stated the fund balance is the tax payer's money and he has never subscribed to the fact that it can't be below 10% guideline. Starr said that she came to the meeting thinking of sticking with the \$0.039 increase because that is what it costs to invest in the items that they have been asked to.

Chair O'Connor asked the Town Manager a clarifying question about the fund balance as property tax relief. Elwell noted the option of using \$735,000 from the fund balance is about putting more into capital and drawing down below the 10% to do that. The options with higher draw down of fund balance reflect increase capital spending and property tax relief. O'Connor noted that with the option of using \$770,000 in fund balance allows the use of only \$35,000 towards providing tax relief. Elwell agreed and feels that it is not irresponsible.

Schoales advised that this budget only has \$15,000 towards the fire truck and does include a new staff position. He stated that these expenses will carry into future years and go into future budgets. Elwell explained that the budget contains more money than the \$15,000 for the fire truck but it will be acquired through the use of fund balance and borrowed funds. He noted that paying back the debt for 10 years is only \$15,000 in the first year, but will be \$60,000 every year after.

Schoales advised that Town School Budget tax rate will be the same for the town district, but with the high school district added in, the rate will go up. Franz Reischman from the Finance Committee noted that the proportion of kids between the town school district and the high school district has changed. He said that a shift in that ratio will make it look like the town school tax has gone up. He advised that there are adjustment factors that come from the State that make the numbers change even though the rate that can be set through budgetary means is the same.

Allen advised that he can go with the staff recommendation or the \$0.036 tax increase option. O'Connor preferred the \$0.036 tax increase option because it is more level over the years, acknowledging that the future numbers are just a forecast. Allen and Starr advised that they would vote for that option. Wessel did not see an advantage to the lower tax rate increase and he prefers the staff recommendation of using 9.8% on the guideline because it acknowledges that there are extra things to pay for and doesn't push things off to the next Selectboard. He noted that the difference between the options result in a median household paying \$10 less. Schoales said he would like to see some extra taken out of the fund balance.

Elwell reminded the Selectboard that the sidewalk plow is not in this budget as it was previously decided to warn it as a separate question. It costs \$140,000 and would result in \$0.0125 if Town Meeting approves it.

O'Connor favored using \$35,000 of the fund balance to help give a little relief. Elwell was asked if the \$50,000 in the money market account was factored into the future year forecasts. He replied that where they could easily extrapolate from decisions that are being made in this year's budget (such as the \$50,000) it has been factored into the forecast years. He also noted that a full update had not been done.

**MOTION BY DAVE SCHOALES TO ADOPT A RISE IN THE TAX INCREASE BY \$0.036 WHICH WOULD EQUAL A 2.93% INCREASE IN PROPERTY TAX RATES. MOTION CARRIED 4-1 (WESSEL OPPOSED).**

**NEW BUSINESS**

Draft Warnings for Town Meeting Election on March 6 and Representative Town Meeting on March 24

Town Manager Elwell noted that this was the product OF work by Town Manager Secretary Jan Anderson and Town Attorney Bob Fisher with review by other Town staff and Lawrin Crispe. It is believed to accurately reflect Selectboard decisions made to date and is properly formed in regards to compliance with state statutes and Town Charter.

O'Connor asked who submitted Article 2, an advisory resolution about energy on the ballot. Elwell responded that there is a statewide organization that is trying to get this on several ballots. The local arm of the organization collected signatures and those have been certified by the Town Clerk to meet the requirements to be on the ballot. O'Connor said that it will be voted on by Australian Ballot on Town Meeting Day.

O'Connor reviewed the Annual Representative Town Meeting articles to be voted on March 24, 2018. She noted that Article 11 contains the biggest capital purchase which is the \$950,000 aerial ladder truck. Fire Chief Bucossi expressed concern that the aerial ladder truck is in the budget and therefore Town Meeting members cannot move anything from a line item. Elwell said that they must vote on it because of the 10 year note. He said that it will discussed on the floor but be voted on by Australian Ballot.

Elwell explained the relationship between Articles 11, 12, 13, and 14. He stated that Article 12 assumes that Australian Ballot vote in Article 11 is a yes and would authorize the use of the fund balance. Article 12, 13 (funds for the skate park) and 14 (remaining use of fund balance for capital projects) address use of General Fund Balance. He noted that the Article 14 will change based on the decision tonight to use \$35,000 in fund balance. He will look at the capital request and adjust the items that are listed so that it is a combination of things that reflect the \$300,000 use of funds for capital items.

O'Connor noted that decision on Article 11 will not be known until after Town Meeting. Elwell explained the following scenarios. If both Article 11 and 12 pass, the truck will be bought. If Article 11 fails and Article 12 passes, the Town would not have the authority to borrow but if the Town received the grant, there would be the authority to use the fund balance and so the Town would go ahead and purchase the truck. If Article 12 fails, the Town would not be able to use fund balance. If Article 11 passes, the Town could still borrow that portion and if the Town got the grant, the borrowed funds could be used as a match for the grant. If both Articles fail, the Town cannot not buy the truck this year.

O'Connor stated Australian Ballot will be used for the School District members, the climate protection resolution, and the bond for the aerial ladder truck. Town Manager Elwell clarified that the bond for the aerial ladder truck will be a separate Australian Ballot will be during the course of the Representative Town Meeting.

O'Connor advised that the final approval of the Warning will be at the next meeting.

**NO MOTION WAS OFFERED.**

There was no further business.

**MOTION BY BRANDIE STARR TO ADJOURN AT 7:13 PM. MOTION CARRIED 5-0.**

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Tim Wessel, Clerk