

Budget Recommendations Advisory Committee  
Wednesday July 26, 2023  
6:30 PM  
Nowak Room, Town Offices  
Draft Minutes

Members Present: Chair Bob Kelly, Christine Soutter, Timothy Gwynne, Anthony Zwaan, Christopher Zigmont, Andrew Elliott, James Darden Rives, Amanda Kelly, and Judy Rowan

Members Absent: Elizabeth Canada, Enna Grazier

Others Present: Russ Dean, Melissa Roy, Corey Stevens, Niko Papkonstantis, and Nancy Belanger

Mr. Kelly called the meeting to order at 6:30 PM

1. Member Introductions
2. Nominations and Elections

**MOTION:** Mr. Zigmont made a motion to nominate Bob Kelly as Chair. Dr. Zwaan seconded. The motion passed 9-0.

**MOTION:** Dr. Zwaan made a motion to nominate Christine Soutter as Vice-Chair. Mr. Zigmont seconded. The motion passed 9-0.

3. General Comments and Goals

Select Board Chair Niko Papakonstantis welcomed new and returning members. Mr. Papakonstantis said this work is critical. They will be vetting the draft budget as presented by the Town Manager and the CIP items and making recommendations to the Select Board.

The reclassification of wages was a goal for the Select Board at the end of last year into this year which was just approved, which you'll see reflected in budget lines. They should consider value when they consider cost. The town hadn't reclassified since 2014 and needs to become more competitive to retain employees. In Public Works, we've had multiple openings, including the Director position for a year. We need to retain and reward the talent that we have. It's less expensive to retain than recruit, train, and lose employees. Mr. Dean said we've had wage increases but we haven't gone out to other communities and adjusted the classifications across the board. Dr. Zwaan said this is for non-union employees.

Mr. Papakonstantis said The CIP is still being finalized, but the Public Safety complex will be back for review. On the Siphons project, we're confident that on August 15th we'll see 60% or more of the vote, but if not you may see it in the budget.

Mr. Kelly said the Board will get a snapshot of the Operations Budget: what has been requested and approved over the last few years, as well as a general overview

further back. We'll also look at the CIP projects over the past several years and going forward. We spend 80-90% of our time talking about the operations budget, and only one meeting about the projects and vehicles, so as we go along the Department Heads will introduce projects so there won't be any surprises. We review every line and every Department to optimize the life of this town at a reasonable cost.

#### 4. Town Manager Report

##### a. FY 2023 Budget and Warrant Articles Recap

Mr. Dean said when putting the budget together, we try to maintain a stable tax rate. We provide many programs through our Town Government. We have a robust budget process where the Committee gets deep into the budget line items. We operate under SB2, where we have an operating budget and if it does not pass we go to a default budget. We've only done the default budget once in the last 18 years, and it was actually higher than the proposed budget. The budgets passed this year at 70%+ approval by the voters. Town values are at 60% assessment ratio, so next year with a revaluation we could see property values increase 30-40% or more. The town share of the tax rate is 23%; it mostly goes to the schools and county. The Capital Improvement Plan shows Capital Projects over 6 years. This goes in front of the Planning Board and the BRC will get copies to review. In FY24, there were a few large projects, such as the Police Station/Fire Substation. That barely did not pass in March; it was only 45 votes short. It needs to be back in front of the voters. The Surface Water Treatment Plant received SRF approval which will give us 20% debt forgiveness on \$2.5M. There's a \$28.4M placeholder in the CIP for the Surfacewater Treatment Plant; that's a couple years out. The DPW facility planning process is going well, we went under contract to do that work. There was a 2023 warrant article at \$50,000. Interest rates are climbing; we went out to bond, and it used to be in the 2% range, now 3%+. The Wage Classification Plan update was a big addition to the budget. Recruitment and retention is a huge issue right now and we needed to address it. The committee let us have \$100,000 last year for that work. We did some other wage adjustments in Public Works, added two steps to their scale which would give them a 5% increase, and those at the top step also got 5%. Police and Fire got \$2,000 retention bonuses, and we're building that into FY24. We're proposing a July 2024 wage increase of 5%.

Mr. Kelly asked when budgets will be available. Mr. Dean said the third week of September, around the 27th.

Dr. Zwaan asked if assessment values are 60%, does it need to be higher? Mr. Dean said it should be between 90 and 110%. It was last done in 2019.

Dr. Zwaan asked if there is an SRF for the Surfacewater Treatment Plant. Mr. Dean said we work with our consultants on projects we could apply with. Mr. Kelly said it's always been in the CIP. When money's available, you have to pay attention.

Dr. Zwaan said of the \$100,000 for reclassification, was that money spent on wages or studies? Mr. Dean said on wages. We used ARPA funds to do the study.

Dr. Zwaan asked if the wage tiers are planned or implemented. Mr. Dean said in Public Works, we adjusted their step plan, moved employees up two steps.

b. Review of FY 2023 Budget Year to Date

Finance Director Corey Stevens presented the YTD through 6/30 for the General fund and Water/Sewer Funds. The theme is we're on track with last year. The \$21,287,000 General Fund had \$9.5M spent, or 45%. Snow and Ice is already overbudget, so we will tap the deficit fund. Contract Services, particularly in DPW, is something we're watching closely. We've leveraged the interest rates in the market and interest income is \$80,000 over our budget for the year only 6 months in. Building permits are \$50,000 over budget for the year. The Water fund is \$4.5M with \$2.36M spent, or 52%. This is 10% higher than last year, since we did our Capital Outlay sooner this year. The Sewer Fund is \$7.432M with \$1.46M spent, or 20%. We have a large debt service payment in December. 20% is about what we had last year at this time. We're anticipating the State Aid grant that we received last year at \$1.08M; we would use that towards the Wastewater Treatment Facility. Borrowing costs have gone up. We finalized our bond agreements for \$9.2M; interest was at 2.5% last year, but this year is 3.6%.

5. Process

Mr. Kelly said he sent out the member list and meeting dates. The BRC will meet again on September 27. We generally meet on Wednesdays at 6:30. In the first meeting, there will be a detailed budget presentation and we will get subcommittees for the next month. In October, we will consider each Department. The Chair of that Subcommittee will present that budget and the Committee will debate. He encouraged members to ask any questions they have throughout the process.

Ms. Soutter asked if there is a way to join remotely if needed. Mr. Dean said yes, we can arrange a Zoom.

Mr. Kelly said there's an all-day meeting for General Government in October, starting at 8:30 AM. He discussed the membership of the subcommittees. Subcommittee meetings are scheduled by the members. They are posted through Pam on the town website, and minutes should be kept. For the CIP component, there's a mid-November final meeting, which is a long night.

Ms. Soutter added that all meetings with town staff should be during the workday.

Mr. Dean said the General Fund average annual increase is 2.97%, which is lean considering inflation. For public tax rates 2020 - 2022, we looked at comparable communities, their net taxable valuation, local tax rate, and levy for the town or city's share of the budget. We need to keep in mind that our top three taxpayers have a not-for-profit component. At 60% of market value, we'll see a jump in the coming year, but

other towns are higher. Mr. Zigmont asked when these towns had their last revaluation. Mr. Dean said they have to stay within five years by law.

Mr. Kelly said the tax is \$13M, but the 2022 General Fund is \$22M. Mr. Stevens said there are other revenue sources beyond taxing residents. Mr. Dean said we use our prior year budget surplus to reduce the tax rate. There are capital reserve funds, a recreation revolving fund, EMS revolving fund, Cable TV Fund. Those are non-appropriated funds, which are not appropriated by Town Meeting.

Ms. Belanger said the Planning Board will discuss the CIP on August 10.

6. Adjournment

Mr. Kelly adjourned the meeting at 7:27 PM.

Respectfully Submitted,  
Joanna Bartell  
Recording Secretary