

Selectboard present: Doug Bailey, Heather Nelson, Ralph Ethier, Brian Coolidge, Tim Guiles
Others: Seth Hopkins, Bill Moore, Susan Benedict, Dorothea Langevin, Barbara White, Tom White, Steven Jupiter, Mat Clouser, Patricia Welch, Jeff Haylon, Lisa Alderman, Barry Varian, Billy Bullock, Janet Coolidge, Bill Dick, Tracy Wyman, Claire Astone, Diana Williams, Jack Schneider, Ben Wimett, Bill Claessens, Karen Farwell, Karen Rhodes, Brent Buehler, Jim Emerson, Chris Conlin, Ray Marcoux, Patrick Snow, Cecil Reniche-Smith, Vicki Disorda, Scott Scribner, Barbara Scribner, Neil Silins. By Zoom: Sue Gage, Bruce Jenson, Eve Beglarian, Jesse Therrien.

1 The meeting was called to order at 6:45PM by Chair Doug Bailey. The posted agenda was amended to remove item 4 approval of minutes and substitute a new item 4 public comment and participation. The **amended agenda** was moved by Heather Nelson, seconded by Tim Guiles, and **VOTED 5 - 0**.

2 On motion by Heather Nelson, seconded by Ralph Ethier, and **VOTED 5 - 0**, the board and town manager entered **executive session** regarding the appointment or employment or evaluation of a public officer or employee per 1 VSA § 313(3)(a)(3) at 6:48PM.

3 The board returned to public session at 7PM. **No action resulted from the executive session.** Chair Doug Bailey shared some quotes from a recent "60 Minutes" interview with Rep. Hakeem Jeffries regarding the necessity in government of finding common ground, ensuring safety and security, and improving infrastructure. Bailey stated that these are the same kinds of goals we have here at the local level in Brandon.

4 Tracy Wyman stated that while he had proposed adding the \$300,000 in paving to the budget, he had also proposed \$150,000 in cuts that were not acted upon. There was no further public comment at this time.

5 Chair Doug Bailey called upon town manager Seth Hopkins to introduce the budget revision under consideration at this meeting. The town manager's remarks are attached to these minutes.

Board discussion of the budget's second revision ("FY25C") followed, with consideration of the advisability of an paving appropriation article, a step-down use of a smaller amount from the reserve fund, and resulted in a motion by Heather Nelson, seconded by Tim Guiles, to request an **appropriation article for \$85,000 to be raised by taxes for road paving**. Further discussion including the public followed, with more than a dozen questions and answers covering infrastructure, recreation, technology, winter operations, grants, planning, process, and whole-community values. The question on asking for the appropriation article for paving was called and **VOTED 3 in favor** (Guiles, Nelson, Bailey) and **2 opposed** (Ethier, Coolidge).

The **FY25 budget**, with \$3,328,882 in spending (down 0.52% from FY24) and \$2,804,212 in the amount to be raised by taxes (up 2.45% from FY24) was then moved by Tim Guiles, seconded by Ralph Ethier, and **VOTED 5 - 0**.

6 The **warning and ballot**, with meeting at 7PM on Monday, May 20 at the Town Hall and voting 7AM - 7PM on Tuesday, May 21 at the Legion, was moved by Tim Guiles, seconded by Heather Nelson, and **VOTED 5 - 0**.

7 On motion by Brian Coolidge, seconded by Ralph Ethier, and **VOTED 5 - 0**, the board, without the town manager, entered **executive session** regarding the appointment or employment or evaluation of a public officer or employee per 1 VSA § 313(3)(a)(3) at 9:04PM. The board returned to public session at 9:12PM. On motion by Tim Guiles, seconded by Heather Nelson, and **VOTED 5 - 0**, the board voted to **approve a cost of living adjustment** for the town manager as called for in the employment agreement, and to **authorize his participation** in the 2024-2026 cohort of the Vermont certified public manager program if he is accepted.

8 On motion by Brian Coolidge, seconded by Heather Nelson and **VOTED 5 - 0**, the board **adjourned** at 9:12PM.

Respectfully submitted,



Seth M Hopkins, town manager

TO Selectboard
RE FY25 Budget - two scenarios
DATE 2 May 2024

In an effort to support the selectboard's consideration of a revised FY25 budget proposal, I have exported the information from NEMRC into a spreadsheet. This will allow the board to work with line items and understand in real-time the projected impacts of specific decisions.

The spreadsheet I am providing for your evaluation includes, in addition to the greyed-out and struck-through columns detailing the two failed FY25 budget proposals, a green column ("FY25C") which is my careful exploration of the form a 0% budget proposal could take. In this scenario:

- a The FY25 to be raised by taxes (TBRBT) is exactly the FY24 TBRBT
- b The FY25 spending is held to FY24 spending, minus 0.52%
- c $\frac{2}{3}$ of the approximately \$100,000 surplus from the Arnold District paving project is

REQUIRED to balance the budget, and $\frac{1}{3}$ of this surplus can be returned to the General Fund

The data.bls.gov inflation calculator result of 5% in the period from crafting the FY24 budget in December 2022 to March 2024 is disregarded and has to be absorbed by the budget by making cuts.

The most significant actions taken are in the Notes column: remove all paving from the budget (as in FY24), remove all police vehicle replacement from the budget (as in FY24), and reduce the Highway Crew from 4 to 3 by not filling a newly-vacant position.

As has been observed: An extremely tight budget forecast will not accommodate any unforeseen grant opportunities, expenses, projects, or increases in prices of materials, equipment, utilities, or labor. An excessively tight budget runs the risk of incurring a deficit. Deficits are not a transparent way to use taxpayer funds. They require, in effect, after-the-fact use of fund balance.

As has also been observed: The Town's fund balance has been called upon by previous budgets in an intentional way, to lessen the taxation. The Town should endeavor to bolster its fund balance rather than allow it to erode. The fund balance at the moment is trending toward the low-limit of the selectboard's fund balance policy. This momentum ought to be stopped and reversed back toward a healthier cash position. Using fund balance (or Arnold District surplus) this year to "get to zero" means we would be starting the FY26 budget workshop in the same position we started the FY25 workshop: being behind where we were before we spend the first dollar. I do not recommend this to the board as the most sound approach to managing the Town's finances.

A substantially cut budget which maintains FY24 spending levels in FY25 (a "level-funded budget" or "level-spending budget" which is not the same thing as a "level-service budget") could and in my view would better be obtained by proposing an increase of 2½% to the amount to be raised by taxes. Adding 2½% to the FY24 amount to be raised by taxes would generate \$2,805,691 for FY25. Together with the forecast non-property tax revenue of \$524,670, the Town's total FY25 forecast revenue would be \$3,330,361, which balances the budget without using either fund balance or surplus from the Arnold District project, and allows the surplus to be returned in full to fund balance.

Respectfully submitted,



To the Brandon Selectboard, Town Manager and Assistant Town Manager:

I am unable to attend your special meeting Monday evening and so write to express my views on the budget impasse. I am in favor of responsible budgeting that maintains town services and avoids creating additional “deferred maintenance” situations in the future. I do not think that the town should be “penny wise and pound foolish,” nor do I think that our local elected and appointed officials should surrender to the demands of the most vocal and most angry constituents.

I supported the original and first revised budgets, not because I want taxes to go up, but because I recognized that (1) over a number of years, the budget has only increased a small amount, which is a testament to good management over time—despite national inflationary pressures; and (2) having a separate appropriation item for paving hid the true amount of the budget *in past years*, and so pulling this back in to the main town budget made sense from an accountability standpoint (thought it would result in what *appeared to be* a large, one-time increase). It is unfortunate that this issue seems to be missed in the debate.

It is hard to argue with folks in tight financial circumstances, but looking around, it seems that *some* of the most vocal and angry members of the community do not fit that category. It unfortunately needs to be stated outright that *some* members of the community have personal quarrels against particular town officials and are using the budget issue to further their agendas. This is regrettable. For some others, there is a general feeling of frustration and anger about the state of the nation and of the world, which may be understandable. The town government is an easy target, but it is not the right target.

For those who really are on tight budgets, your arguments should not be directed to the town, but to the general state of the economy, the state legislature and the national governments that set policy which local governments cannot control. The town is not immune from general inflationary pressures, and when it chooses to do anything, it must buy at inflated prices and it must follow state and national regulations—e.g., road standards, accessibility, clean water, personnel, even accounting.

For those who frame the current budget debate as being about “economic justice,” I think you are misguided. It is not economic justice to cut government services that often benefit most those with the least financial resources. When local governments start cutting services, it is the poorest among us who suffer first. And, while it is true that the town portion of the property tax is essentially regressive, it is state policy—not the town’s—that makes it so. If you want to work for economic justice, do something at the state and national level to work to alleviate the conditions that contribute to economic distress and disparity.

I think that people complain to town governments because it is the one place where you can have a direct impact. And it is the one place where we exercise direct democracy over an issue that matters—the budget. But, we must exercise that vote responsibly. The irony is that people complain that local officials “don’t listen” to them when, actually, it is local officials who listen the most. Let’s appreciate that, and let’s let our local officials do their job. And then take your complaints to Montpelier and Washington.

So, yes, go over the budget with a fine-tooth comb and eliminate any redundancies and inefficiencies and anything that can be cut or trimmed *without* cutting services. Do no harm. And thank you for your service to the town and people of Brandon.

Respectfully submitted,

Mitch Pearl