

**Middlesex Budget Committee
Special Meeting
Tuesday, November 30, 2021
4:30 PM**

DRAFT Minutes

Guests: Don Welch

Committee Members : Randy Drury, Mark Harris, Theo Kennedy, Bill McManis, Elias Gardner

4:30 Call to Order - Amendments - Welcome Guests

- Amended the agenda to include a discussion of the draft recommendation letter.

4:35 Capital Planning Process

- Meet with Don Welch, Treasurer of East Montpelier to discuss their [Capital Improvement Committee](#).
 - The discussion opened with a summary for Don of where Middlesex is in the process of creating a capital improvement process. The process, intake forms and the initial asset inventory spreadsheet has been drafted. The Capital Spending Plan Committee is meeting with town departments for feedback before seeking feedback from the general public.
 - Randy asked what Don's role as treasurer is in the process for East Montpelier. Don explained that East Montpelier's capital Improvement Committee is one piece of the town's [budget process](#). As Treasurer and a regular employee he maintains the records. East Montpelier's process includes a rating system for
 - Randy asked if the committee makes recommendations on putting money into reserves or bonding. Dan responded that they would have input and the overall objective is to make the impact on the tax rate as smooth as possible using various funding methods.
 - Elias asked if East Montpelier had a Budget Committee and how the entire budget process works. Don responded that there is no Budget Committee. The Town administrator puts a lot of the budget together and the Select Board holds meetings about it.
 - Theo commented that East montpelier purchases properties at tax sale often at low prices and sells it. Don said that in some cases the town had done this to gain access to certain portions of property.
 - Randy asked when money is set aside are they limited to specific line items or do you use it as a flexible pool of funding. Don replied that it is flexible within some reasonable bounds. The intent is to keep all of the lines in the black
 - Randy asked when East Montpelier started the process. Don said since 2013.
 - Theo asked Don to walk through the process of determining when to bond vs use fund balances. Don replied that for a new town garage the studies and

engineering would likely be paid for through the capital reserve fund but construction as a bigger project would likely go to bond.

- Randy asked how often the Capital Improvement Committee meets. Don replied they are setup to meet monthly but there are times we don't meet for a variety of reasons. They don't do much right after town meeting. In June or July they send a letter out to all the boards and committees soliciting ideas for projects people are thinking about and ask them to fill out a project sheet. Around September Don updates the spreadsheets for the next budget year. He recently improved the spreadsheet by adding anything that didn't happen as planned in past year to the current year so it shows up in the executive summary after feedback that the executive summary is primarily what others look to.
- There was general discussion about how simple vs complex to make Middlesex's asset inventory. Randy pointed out that it as a tool for the public to know more about the town's expected future expenses.
- Mark wondered if Middlesex will run into the same challenges Don related of not getting a lot of public involvement. Capital asset planning is hard to distill into something people will take the time to pay attention to. Its incumbent on our committee and the select board to find common language to make it easily understood. First step is getting capital asset replacement on a schedule.
- Theo though having this inventory will appease the people that felt blind sided in the past which will serve at least part of its initial purpose.
- Mark asked Don if East Montpelier raised the tax rate at least initially to build the fund balances. Don replied that at least some of it came from discovering a fund balance that his predecessor was not aware of.
- Mark asked if there had been any negative reaction from taxpayers regarding the tax rate. Don said no that money they put in the capital reserve replaced money in line items for capital assets in the operating budget.
- Elias asked if we know what Middlesex's general fund balance is? The asset inventory draft we were given does not list the general fund. He commented it would be important in terms of understanding the town's overall finances to know how much money is in the general fund.
- Draft recommendations to the select board:
 - Randy said the draft was a great start outlining a process that takes the people out and focuses purely on the positions. Middlesex needs a process that accounts for a base wages and years of experience, The VLCT report does not necessarily take into account years of experience. Middlesex should also look at total compensation, rate of pay is only a piece.
 - Bill commented it will be important to think beyond municipalities to all employers of people with like skills or we will have significant problems getting people.
 - Mark pointed out the positions across towns do not entirely align. Some towns have a road foreman and road crew, others have more levels of positions.

- Theo commented that the Budget Committee needed to make sure we send this in a helpful and constructive way. Also we want to make sure the Budget Committee has a meaningful role in the town.
- Mark added that our objective should be to take some of the weight off the Select Board's shoulders.
- The committee will take the draft up again at our next meeting on December 7th.

6:05 Adjourn