Middlesex Budget Committee
Regular Meeting
Tuesday, June 16th, 2026
4:00 PM

Present: Sam Beaudoin, Elias Gardner, Mark Harris, and Matt Rkiouak
Guest: Bill Preis

4:00 Call to Order - Amendments - none offered
4:05 Other Business:

- Approve Agenda - Elias motioned to approve the agenda as-is, and Same seconded. The motion passed, 4-0-1.
- Approve May Meeting Minutes - Elias moved to approve the minutes as written, and Sam seconded. The motion passed, 3-0-2.

Key Outcomes

The committee discussed two priorities: hosting a **July lessons learned meeting** focused on documenting the Budget Committee's role in the budget process, and advancing a more advanced **capital funding strategy** with defined contribution targets and clearer fund structures.

Decisions Made

- **July meeting** (July 21, 4 PM) designated as the **Lessons Learned session**; August off, resume meeting in September.
- **August hiatus** confirmed; next regular meeting September.
- The committee will **document its own understanding of the budget process** as a draft, prior to any select board coordination.
- Lessons learned scope will be limited to the Budget Committee's role — not a town-wide process review.
- Capital funding should be treated as a **baseline budget item**, not an afterthought subject to first-cut reductions.
- **Splitting the current heavy equipment fund** into separate Public Works and Fire Department capital funds was recommended for clarity.

Capital Funding – Key Findings

- **Current capital fund balance** (end of Dec 2024): ~$264K; projected to reach **$450K–$500K** by end of June 2026.

- **GFOA gold standard** = full funding (no borrowing); East Montpelier, Vernon, and Wilson cited as towns achieving this.
- **VLCT recommendation**: towns should have capital reserve and planning processes — no specific funding level prescribed.
- 10-year capital needs estimated at ~**$3M** (excluding inflation); full annual funding would require ~$300K–$400K/year.
- Every **$100K increase** in annual contributions ≈ 4.3% budget increase ≈ ~4 cent increase on our municipal tax rate.
- **State 0% loan program -** this is available when two towns jointly purchase equipment; capped at 75% of purchase price or $150K.

Open Questions

- What percentage of capital expenses should be the **funding target** (e.g., 80%, 100%)? Phased ramp-up over 2–3 years may be needed to smooth out any municipal tax increases.
- Which assets should be **fully funded first** (e.g., dump trucks, fire engines)?
- Should the town adopt **separate budget articles** for different departments/funds at Town Meeting?
- How to handle fund surplus if borrowing becomes more attractive than full cash purchase?

Action Items

- **Mark:** Draft current budget process document and distribute within days as input to lessons learned.
- **Mark:** Begin **Front Porch Forum** promotion for July lessons learned meeting around July 1st.
- **Mark:** Follow up with **Susan** on broadening public outreach for lessons learned and general resident involvement in town decisions.
- **Matt:** Research capital funding contributions as a **% of budget** across 20+ peer towns used for wage/salary benchmarking.

- **Matt:** Model capital needs with **5% annual inflation** and produce funding scenarios (e.g., 40%, 80%, 100%).
- **Committee:** Propose presenting a more robust capital funding plan to the **Select board** before the FY 2028 budget cycle, rather than hosting a separate meeting.

Pending Confirmation

- Whether fund names can be changed without voter re-approval (to be verified with town counsel/Dorinda).
- Whether the **town administrator role** will take over monthly budget report distribution to Budget Committee and select board.
- Coordination with the Select Board on separating the budget by articles (possibly by department) at the 2027 Town Meeting.

Next Meeting

July 21, 4:00 PM — Lessons Learned session (open to public; key invitees: Ken Davis, Dexter Lefebvre, Susan)

A motion to end the meeting was taken by Elias, and Sam seconded. The motion passed, 4-0-1.

The meeting adjourned at 4:45 PM.