

**TOWN OF NORTHFIELD
BOARD OF SELECTMEN
TOWN BUDGET MEETING #4
Minutes of November 23, 2010**

- I. ROLL CALL.** Chair Gregory Sanders, Selectmen Melvin Adams, Kenneth Goslant, Kenneth Johnson, and Charles Morse (6:24 p.m.). Also present were Town Manager Nanci Allard, Accounting Manager Laurie Baroffio, Acting Clerk Kenneth McCann, Richard Wobby, Chris Bradley, and Kathleen Lott (*Northfield News*).

Chair Sanders called the meeting to order at 6:06 p.m.

- II. PUBLIC PARTICIPATION:** None.

III. BUDGET WORK SESSION

Town General Revenue: At the first Town Budget Meeting (11/15/10), it was the Board's consensus to remove \$2,000 from the "Special Detail-Ambulance" account and \$20,000 from the "Ambulance Fees" account. Selectman Johnson has rethought this and recommends that the anticipated revenue amounts be restored to the original figures. The Board agreed with this.

Kathleen Lott asked why there had been shortfalls in Ambulance Service revenues in recent years. Selectman Adams said it was because residents did not injure themselves as much as anticipated.

Richard Wobby asked why the Board was projecting that revenues will be similar to that in past years during this poor economy. Selectman Adams stated that municipal fee collection usually remain fairly steady and do not fluctuate based upon general economic factors (as compared to discretionary spending). Accounting Manager Baroffio added that some revenue line items are misleading because of recent revisions in the inter-company charges policy. Selectman Adams added that the Selectmen had been conservative regarding past revenue projections, with actual revenues usually exceeding the anticipated amounts. Ms. Baroffio noted that the surplus amount was then used to lower the following year's property tax collection. Mr. Wobby was concerned that departments that see a significant surplus in revenue might be tempted to spend this amount before the end of the fiscal year. Selectman Adams stated that there was sufficient oversight in place (Accounting Office, Manager's Office, Town Selectmen, etc.) to prevent this from happening. This isn't the federal government! Selectman Johnson added that departments were more likely to see spending freezes (which have, in fact, been imposed in recent years over concerns about going over-budget) than spending sprees.

Selectman Morse arrived at this time.

Town General Expenditures:

Selectboard: Selectman Johnson noted that the Board had previously added \$8,000 to the "Legal Services" account, for a new total of \$20,000. Mr. Wobby asked why the 09/10 Actual Amount for this account had been so much higher than projected. Selectman Adams stated that legal expenses that year had been much more than anticipated.

Manager: Selectman Morse asked if the \$5,000 for the "Manager Search/Relocate" had been put into the Capital Improvements Plan (CIP) account. Selectman Johnson stated that it had; this will allow the monies to carry over to the following fiscal year if not used. Selectman Adams agreed that this was preferable, as there is no way of knowing when the next Manager Search will commence.

Town Clerk: There was no discussion.

Board of Civil Authority: Selectman Morse noted that since there won't be any state or federal elections coming up, projected voting expenses have dropped in the budget.

Treasurer: There was no discussion.

Accounting: There was no discussion.

Delinquent Tax Collector: There was no discussion.

Listers: There was no discussion.

Fire Department: Selectman Johnson suggested reducing the projected amount for two-way radios if there wasn't a plan to purchase them next year. Manager Allard will check with Fire Department Chief Peter G. Demasi. *Manager Allard later spoke to Chief Demasi by phone. He stated that the radios would be purchased during the current fiscal year but he would like the proposed amount for next year retained. Selectman Johnson recommended reducing the amount by \$1,000 to \$1,500. This was the Board's consensus.*

Police Department: Selectman Johnson noted that Police Chief Chris Outten had addressed the Board at the last budget meeting (11/17/10) regarding his request for a sixth (6th) full-time police officer. Selectman Johnson does not know where the money would come from to pay for this. Selectman Morse agreed, stating that Chief Outten needed to make a stronger argument for this additional expense. Ms. Baroffio stated that the total cost for this officer would be \$69,000; of this amount, \$50,000 would impact the tax rate, resulting in an approximate two cent (2¢) property tax increase. Selectman Morse stated that if this request is not approved, additional money would have to be moved into the "Overtime" account. Selectman Adams would like Manager Allard to confer with Chief Outten regarding his request; there might be other areas to cut in his department's expenditures to fund this position. At some point, Chris Bradley referred to this position as having been "frozen." Selectman Goslant stated that Chief Outten has been having difficulty finding qualified part-time officers to make up the current work shortfall. Selectman Morse would like Chief Outten's input on how much additional money should be put into the "Overtime" and "Part-time" accounts if the additional officer is not hired.

Mr. Bradley then asked if there would be any budget savings should the "Memorandum of Understanding" with Norwich University be adopted. Selectman Adams stated that since the document was still in draft form, there is no way of knowing for sure. Board members then expressed concerns over Chief Outten's practice of driving a police vehicle to and from his home in Williston. Manager Allard stated that this was standard practice when a police chief lived out of town. Selectman Adams agreed, stating that this matter had been thoroughly discussed during the hiring process earlier this year.

Selectman Morse asked if the rising price of gasoline had been included in the projected budgets. Manager Allard stated that predicting future gas prices is mostly a guessing game; these expenses were overestimated a couple years ago when gas and heating oil prices dropped sharply due to the recession. Selectman Morse agreed that this is hard to predict; he himself believes that gas prices will be around four dollars (\$4.00) per gallon in the next year.

Ambulance: Selectman Morse, who was not present for the earlier discussion of Ambulance projected revenue (see above), still believed that the anticipated revenue amount was too high. Selectman Adams felt that if revenues came in short, expenditures could be reduced during the final quarter of the fiscal year. Mr. Wobby thought that if the number of calls was less than predicted, the "Part-time" expense would be reduced as a result. Ms. Baroffio noted that sixty-five percent (65%) of ambulance calls are billed through Medicare. This means a large number of them will have to be "written off" and this is calculated into the Ambulance Service rates and projected revenue. Selectman Johnson would like to see a reduction in the \$60,000 budgeted for "Part-time" Ambulance personnel. Manager Allard stated that the part-time pay had to be increased (to \$50 per call) in order to get reliable responses. Chair Sanders asked how many ambulance calls there were last year. Ms. Baroffio said that the budget was based upon approximately six hundred (600). Manager Allard added that the sole full-time employee (Ambulance Supervisor James Baraw) covered about twenty-five percent (25%) of these calls. Selectman Adams stated that calls don't always come during Supervisor Baraw's shift and that, as a result, he trains the other emergency medical technicians (EMTs) to respond when he is off-duty. Mr. Bradley asked if it were possible to adjust Supervisor Baraw's work schedule so he could respond to more calls. Selectman Adams said that it was difficult to predict when accidents would occur. Selectman Morse thought that most ambulance calls occurred in the early morning and in the mid-evening. As these peak periods are about twelve (12) hours apart, it would be difficult to schedule one person to take most of the calls. He added that Northfield is getting close to the point when it should explore the possibility of contracting out to another ambulance service, i.e. Barre Town Ambulance. Selectman Adams noted that fire departments around the state also are having difficulty getting volunteers, as more people work out-of-town during the day. He added that contracting out ambulance response would probably result in a twenty (20) minute delay in response time. Selectman Johnson stated that the rising cost of "volunteers" made this something that may need to be addressed in the future.

Public Works: Ms. Baroffio noted that all these expenses had been moved to the Town Highway account.

Cemetery: Selectman Adams asked about the \$2,000 designated for "Tree Removal." Manager Allard stated that this was for work that the Cemetery Supervisor could not do himself due to power lines, etc. Selectman Adams inquired if the separate account for "Falls Cemetery Care" could be folded into the "Cemetery Care Contract."

Library/Historical Society Building: Selectman Goslant still believes that the fuel costs for the building are far too high. Selectman Morse suggested adding money to the CIP account in order to weatherize the building, i.e. improve insulation, etc. He estimated that reduced fuel costs would pay for this cost within four (4) years. Selectman Adams felt that if this work is done, the weatherization should be done by a certified professional rather than by Town's employees. Selectman Goslant repeated that this building costs a fortune to heat.

Grounds/Parks/Facilities: Selectman Adams noted that this was one possible area (along with the library) where the Board could achieve real budget savings by reducing hours of operation. This might mean opening the municipal pool one week later and closing one week earlier. This would be a difficult decision but it might be necessary.

The Board then began a general discussion of the overall budget and what level of tax increase (if any) would be acceptable. Selectman Adams stated that there needs to be some balance between maintaining approximately the same level of services while keeping the tax increase limited. Mr. Wobby added that there is no way of knowing how much the school taxes might increase. He added that the proposed five percent (5%) increase in Northfield Electric Department rates would be an additional burden on residents. Selectman Morse then stated his frustration; he felt the Board should get going and make some decisions. Selectman Adams asked where the budget should be cut. Selectman Morse noted that the major changes were the additional police officer and the increase in Ambulance Service "Part-time" expenses. The Board should consider cutting one (or both) of these or start looking elsewhere.

Manager Allard asked what amount of property tax increase would be acceptable. Chair Sanders felt that a penny and a half (1.5¢) increase was appropriate. Selectman Johnson was reluctant to propose an exact amount but felt it should be under two cents (2¢). Selectman Goslant wanted no tax increase but expected that some services would have to be cut as a result. Selectman Morse would like the current level of services maintained. Mr. Wobby would like no increase in taxation while maintaining about the same level of services. Selectman Adams stated that the increase in fuel costs alone made this impossible. Manager Allard added that the Town will be starting the new fiscal year with less of a surplus. Selectman Adams stated that a three cent (3¢) property tax increase on the combined budget (Town General and Highway) would make him comfortable. However, he did not believe this was possible with the Road Surface Management System (RSMS) program costs in the Highway budget. Manager Allard stated that she has spoken to Public Works Foreman Demasi about stretching out RSMS program costs over fifteen (15) years rather than the ten (10) years originally planned.

Selectman Adams then reviewed the various areas for budget flexibility. For example, this could include not hiring the additional police officer; reducing proposed department expenditures by a small percentage across the board; reduce the hours of operation for the recreation department and library; look at managing employee compensation and benefits; etc. He felt that this could be a starting point for compromise. Selectman Goslant asked how the State of Vermont reduced its employment costs. Selectman Adams said that first executive pay was frozen, then union contracts were reopened for negotiation, and then some compensation reductions were made. He added that this was done in lieu of widespread layoffs. Selectman Morse repeated that he would like to see the same level of services maintained. He anticipates decreases in state assistance as well as great increases in employee benefit costs. Selectman Adams said he was less pessimistic; he felt that local municipalities would not suffer in this bad economy as much as the federal government and state governments. He thought that the Board should look at marginal cuts within the proposed budget rather than eliminating whole departments. In this search for compromise, Selectman Adams saw no rush to complete the budget process even if it extended into next January.

Mr. Wobby asked if Manager Allard could produce a budget that was level funded for a point of comparison. Manager Allard stated that she could produce such a budget but she doubted that the Board would like it. Selectman Adams would prefer recommendations for budget cuts rather than a new budget with line item by line item reductions. Ms. Baroffio asked the Board for more clarification. Selectman Adams referred to this as the "Wobby Plan," which envisioned no tax increases and no decrease in services. Mr. Wobby stated that what he wanted was no tax increase with a minimal impact on the level of services. Manager Allard stated that she could not, in good conscience, recommend any cuts that would endanger public safety. Ms. Baroffio stated that in order to avoid a tax increase, at least \$156,000 would have to be cut out of the proposed Town General budget. Manager Allard said that she would bring the Board a revised budget with some of the expense reductions discussed tonight; if the revised budget resulted in a one or two cent (1-2¢) tax increase, she could live with it. Mr. Wobby repeated his desire for no tax increase; if this meant a decreased level of service for the next fiscal year (as a test case), then so be it. Mr. Bradley agreed with Selectman Adams that, due to increased material costs, some tax increase was inevitable. He felt that the additional police officer was probably not necessary; he added that the proposed MOU might lead to a reduced Northfield Police presence on the Norwich University campus and generate some budget savings. He also felt that there should be some adjustment in the Ambulance part-time costs. Selectman Adams suggested a possible reduction in the \$50 per ambulance call figure.

Next Meeting: The Board will be informed when and where the next Budget Meeting is scheduled.

IV. PUBLIC PARTICIPATION: Non-agenda items. There was none.

V. ADJOURNMENT. Without objection, the Board adjourned at 8:27 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

These minutes are subject to approval at the next regular meeting