

**VILLAGE OF NORTHFIELD
BOARD OF TRUSTEES
BUDGET MEETING #2
Minutes of March 31, 2010**

- I. ROLL CALL.** Chair Samantha Baraw, Trustees Colin Bright, Libby Hambleton, Doug Lawson, and Thomas McCarney (6:10 p.m.). Also present were Village Manager Nanci Allard, Accounting Manager Laurie Baroffio, Superintendent of Public Works William Lyon, Water & Sewer Department Foreman Patrick Demasi (6:20 p.m.), and Acting Clerk Kenneth McCann.

Chair Baraw called the budget meeting to order at 6:05 p.m.

- II. PUBLIC PARTICIPATION:** None.

II. BUDGET WORK SESSION

The purpose of the meeting was to continue the review of the Village General budgets for Fiscal Year 2010-2011. The previous meeting focused upon the Electric and Water Department Capital Improvement Plan (CIP) accounts. The Board now turned to a review of the Sewer Department CIP account.

Sewer Department CIP Budget. Superintendent Lyon then went through the various Sewer Department CIP items. Many of these were shared expenses with the Water Department and had been described at the previous meeting. He noted that the "Lab Improvements" account was for to replace failed equipment at the Wastewater Treatment Facility (WWTF) and to purchase other equipment to meet new State requirements. As regards the "Manholes" account, he stated that many current manholes were of 1930s vintage. However, he felt that the "System-Wide Evaluation" (discussed below) should be completed prior to any whole scale replacement project. The "Interceptor/Inspect-clean" account, he stated, was for the inspection of the large main that started in Northfield Center (near Norwich University) and moved northward. This pipe is too large for the Water and Sewer Department to inspect itself (especially with the river crossing) so an outside contractor had to be hired.

It was noted that the "System Improvements" account now includes funds previously set aside for Wellfield Protection Design. Superintendent Lyon felt that this was vitally important; the Village needed to protect its water source. He noted that our contracted hydrogeologist, Jeff Hoffer, has been reviewing septic systems and other possible contaminant risks in the area. Trustee Lawson felt that the Planning Commission (or some other local body) should be addressing the additional construction in this area and how it affects Wellfield protection. Trustee McCarney still would like to see guardrails along Vermont Route 12A so that the risk of a truck or tanker spill would be lessened. Superintendent Lyon stated that this is a State Highway and the State does not see this as a priority and will not pay for this to be done. If the Village would like to pay for it (and do the work) itself, it would first have to put in some clean fill along the steeper sections of the road. He had noted in a previous "Manager's Report" that some free topsoil might be available from a project completed at the Berlin Airport. The Village would need to supply its own vehicle and labor to pick it up. Trustee Lawson asked Superintendent Lyon to look into this; he would not want to put this off for another year if it were possible (and affordable) to do this now. Superintendent Lyon will look into this and bring figures back.

A discussion then followed of the next proposed phase of the Water Project ("West Phase"). Manager Allard stated that the System-wide evaluation of the existing system should be completed before there is any consideration of expanding southward. Foreman Demasi agreed with this. Superintendent Lyon then explained the process by indicating how Dubois & King conducted the previous evaluation of the system. At the completion of the survey, Dubois & King had provided recommendations for prioritization, cost estimates, etc. Trustee McCarney noted that there would be \$65,000 in the "System-wide Evaluation" account as of July 1, 2010; he thought that the Village should get started on this by getting some estimates, developing an RFP, and going out to bid. Trustee Bright envisions obtaining a spreadsheet similar to what was developed for the highway system through the RSMS Program.

At the previous meeting, there had been some discussion of surveying Village land, especially its utility distribution properties. Superintendent Lyon stated that he had already spoken to Rob Townsend (American Consulting Engineers & Surveyors) about estimates for the Village Forest; he believes that the Wellfield and the Village Common also should be surveyed at this time. Trustee Lawson felt that it was very important to know exactly what the Village owns for taxation purposes.

Superintendent Lyon left the meeting at this time (7:00 p.m.)

Having completed its review of the CIP accounts, the Board then turned to operating budgets.

Water Department Budget. The review began with a discussion of the projected revenues for the next fiscal year. Manager Allard stated that the estimated "Sales" amount is \$794,860. This figure was generated by Utility Assistant Doug Reed and is based upon recent billing history. Trustee McCarney asked why there was no revenue listed under "Sprinkler Charge;" the estimated amount for the next fiscal year is \$4,500. Manager Allard stated that, given how low this figure is, she preferred to treat this as "found money." Trustee McCarney felt strongly that this revenue should be listed; Manager Allard agreed to do this.

A general discussion of surplus funds and how they are used then followed. Trustee McCarney did not like the practice of maintaining surpluses in the utility accounts to pay current expenses. He felt that this indicated that there has been annual over budgeting and that rates should be adjusted to avoid the accumulation of these surplus funds. He believes that the projected budget should be based upon the actual expenses for the coming year. Trustee Lawson noted that this might mean annual rate adjustments; would this be acceptable? Trustee McCarney said that it would. Also, if there are some one-time expenses that are really needed, he stated that the surplus funds should be used on them and thus eliminated. Trustee Lawson stated that surplus funds provide a certain amount of "cushion" in case of hard times. Manager Allard stated that there has been an attempt to keep about two (2) months of operating expenses on hand to pay bills on time, etc. She added that it was not a bad idea to build up a surplus given the expensive projects that the Village was contemplating in the near future.

Concerns then were expressed about whether the Water & Sewer Department, with its four (4) employees (including Foreman Demasi), might be falling behind on some matters due to a lack of manpower. This situation (if it exists) might worsen as Foreman Demasi takes on additional supervisory responsibilities. It was suggested that some of this surplus money could be used to hire some additional help. Foreman Demasi stated that this problem did not exist as he and his employees had moved forward on various projects in recent years. Manager Allard asked that Foreman Demasi should be granted the opportunity to grow into his expanded role.

Trustee McCarney stated that he would "back off" on this surplus issue (for now); he still felt, however, that some priorities should be funded while we have the money to do so. Manager Allard stated that Superintendent Lyon would move forward on obtaining cost estimates for the system-wide survey. Trustee Bright would like to fully fund the construction of the new three-bay garage at the WWTF this year and get it done (so that the Water Department can move out of the Municipal Building). Foreman Demasi believes that the structure could be constructed during the next fiscal year; it would be sited just outside the WWTF gate. Other surplus funds would be used to increase the amount devoted to hydrant replacement in FY 2010/2011 (from \$2,500 to \$10,000).

The Board then turned to the Water Department's operational expenses. Trustee McCarney noted the large increase in the "Technical" account. Accounting Manager Baroffio explained that, under the new inter-company charges policy, this account now includes the expenses for the meter reader and the clerical employees. Manager Allard added that there also was some money in this account for Zoning Administrator Braun, as she has been assisting the utility department with the mapping project.

Trustee McCarney again raised the issue of who pays when the Water and Sewer employees plow the roads. He does not feel the ratepayers should be charged for this expense. Accounting Manager Baroffio stated that when these employees do this plowing during overtime hours, it is already charged to the Highway Department. There has not been tracking of their plowing during regular hours; however, the timesheets could be revised so that these hours can be tracked and henceforth charged to the Highway Department. Manager Allard and Foreman Demasi concurred with this. Trustee McCarney was grateful that there would be accurate accounting of this expense in the future.

Trustee Bright asked if there was enough money devoted to the "Legal Services" account to cover any possible litigation with the Town over the taxation of utility lines. Trustee McCarney stated that if there were any legal expenses, they could be recouped by charging a new fee to non-Village utility customers. Based on the property tax now being charged to the Village, this new fee was estimated at about \$3.50 per month. Trustee Lawson suggested that affected customers could be warned a couple months in advance (on their utility bills) that the fee was going to be instituted; if they had any questions (or complaints), they would be advised to contact the Town Selectmen.

Trustee McCarney asked about the increase in the expenditure for "Professional Services" (from \$4,000 to \$10,000). Manager Allard stated that this increase was put in place in case Foreman Demasi required some outside assistance in the beginning with his expanded duties.

IV. PUBLIC PARTICIPATION: Non-agenda items. None.

V. ADJOURNMENT. Without objection, the budget meeting adjourned at 8:00 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

These minutes are subject to approval at the next regular meeting.