

**VILLAGE OF NORTHFIELD
BOARD OF TRUSTEES
BUDGET MEETING #3
Minutes of April 1, 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, and Acting Clerk Kenneth McCann.

Chair Baraw called the budget meeting to order at 6:00 p.m.

- II. PUBLIC PARTICIPATION:** None.

II. BUDGET WORK SESSION

The purpose of the meeting was to complete the review of the proposed Village budgets for Fiscal Year 2010-2011. Previous meetings focused upon the Electric, Water, and Sewer Department Capital Improvement Plan (CIP) accounts as well as the operating budget for the Water Department. The Board now turned to a review of other operating and CIP budgets.

Electric Department. Manager Allard reminded the Board that while the Northfield Electric Department (NED) operated on a fiscal year budget, the Public Service Board's budget was based on the calendar year. She added that, due to rising power purchase costs, there was a probable electric rate case in the near future. Manager Allard stated that we do not have much control over the NED budget as there are too many outside factors.

Village General. Manager Allard stated because of the use of PILOT (Payment in Lieu of Taxes) funds, tax revenue will not be raised to fund Village General expenditures. She added that \$23,870 in PILOT funds would be set aside under Management Support in the "Vacation/Sick Liability" account in order to compensate Superintendent of Public Works William Lyon on his retirement. This money would be a lump payment for accrued vacation time, sick leave, etc.

Village General CIP Account. Manager Allard stated that money was being set aside for a new phone system for the time when the current system needs to be updated. Other money is being set aside for building maintenance, facility repairs, etc. The previous fiscal year had money set aside specifically for "Energy Improvements" but not this one. She stated that The McKernon Group completed the energy audit of the Municipal Building and will present their conclusions and recommendations at the next regular meeting (04/13/10). Manager Allard noted that most of the heat loss was going straight through the ceiling (not through the windows).

Village General Revenue. Trustee Lawson asked how the "Gen. Gov't. Administration" funds were obtained. Accounting Manager Baroffio referred him to the Inter-Company Charges Policy (Item A. under "Village Only Items." She added that a new addition to this fund was the \$10,000 charge to the Water Department for the use of the Municipal Building basement.

Village General. Trustee McCarney asked why the amount proposed for heating the Municipal Building was so high (\$8,700). He noted that in the last completed fiscal year, the actual amount was \$6004.66. Accounting Manager Baroffio added that the amount spent (to date) for the current fiscal year is just under \$4800. Trustee Hambleton noted that there had been two mild winters in a row. Trustee McCarney would like the amount reduced to \$7000. The Board agreed to this, although Trustee Lawson warned about "going crazy" since no one can predict what fuel will cost in the next year or two.

Trustee McCarney then asked what happens to the money generated by the Water Department's rent to use the Municipal Building basement. Accounting Manager Baroffio stated that it went into the building improvements fund. If the Board preferred, the account could be renamed to denote the source of funding.

There followed a discussion of PILOT money, i.e. how is the amount determined, how is it allocated, etc? Accounting Manager Baroffio stated that since there is no separate Village property tax rate, the PILOT fund amount is set at a flat rate of \$33,000. Then there were some questions about funding the aforementioned lump sum payment to Superintendent Lyon upon his retirement, how this could be affected by the timing of his decision terminate his employment, etc. Trustee McCarney would prefer that this money be divided amongst the various sources of Superintendent Lyon's compensation rather than stuck in one separate account. Accounting Manager Baroffio said that this amount could be divided amongst the already existing "Accrued Payroll Expense" accounts for the various departments. This allocation will be done.

In the future, Trustee McCarney would like an overview of how Green Mountain Power (GMP) charges NED for contracted work, how these expenses are allocated to different accounts (including insurance claims), etc.

Trustee Lawson would like a policy developed that would put limits on when and how the NED would pay for work at a private location (even if some level of safety hazard is determined). He does not think that this should be the decision of one person alone.

Chair Baraw asked if the Board would receive revised budget sheets that would reflect the recommended changes. Accounting Manager Baroffio said that the updates would be in the next Board packets.

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

V. ADJOURNMENT. Without objection, the budget meeting adjourned at 7:00 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

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