

**TOWN OF NORTHFIELD, VERMONT**  
**BUDGET & FINANCIAL REVIEW SUBCOMMITTEE**  
**Minutes of November 15, 2023**

- I. ROLL CALL.** Committee members K. David Maxwell and Charles Morse. Also present were Town Manager Jeff Schulz, Finance Director Laurie Baroffio, Mary Nadon Scott, and Elroy Hill.

The meeting was called to order at 4:00 p.m.

- II. PUBLIC PARTICIPATION (Scheduled):** None.

**III. DISCUSSION**

**a. Proposed FY 2024/2025 Municipal Budget.**

Before the budget discussion, Committee member Morse noted the Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000. He asked if the municipality maintained several bank accounts to stay under that threshold. Manager Schulz said that the municipality purchases additional insurance to protect the totality of its bank deposits.

Manager Schulz said he worked with Finance Director Baroffio and the various department heads to develop the current draft budget. If approved as is, this would result in a 9.6% increase in the amount to be raised by property taxes. This may appear to be a sizable increase but the original amount based on the budget requests from the department heads were considerably higher. Manager Schulz said he and Ms. Baroffio worked their very best to keep the property tax increase below ten percent (10%). He added that the most significant single factor for this was an increase in personnel costs. For non-police employees, the wage increase will be between 3.5% and 4.5% and this is based on the union employee contract and COLA increases. Northfield Police Department (NPD) wages, as a result of the most recent union contract, will increase between 5.0% and 6.0%. Another important factor for the increase in personnel expenses is that health insurance costs will be 14% higher than the previous fiscal year. The municipality covers eighty percent (80%) of these costs and the employees the balance. Manager Schulz noted that there have been no significant personnel changes recently and no new staff will be added in the next fiscal year. There will be stipend increases for the officers of the Northfield Fire Department (NFD) so that department's personnel expenses will slightly increase. The NPD personnel budget is rather stable. There is one full-time officer vacancy and another full-time officer remains on military leave. In addition, a more experienced officer retired and probably will be replaced by a less experienced one at a lower starting salary. Committee member Maxwell asked how the vacancies will affect the NPD overtime budget. Manager Schulz said there would be increased expenditures in this particular budget. He added the municipality has advertised for full-time and part-time officers but hasn't been able to recruit qualified candidates. He noted that some Vermont communities have offered \$15,000 sign up bonuses for qualified police officers. Manager Schulz said the Northfield Ambulance Service (NAS) operations budget will increase by about 23%. This is lower than the original request for a 38% increase in spending. This initial request included set pay for weekend coverage and paid staff for a non-emergency transfer crew.

Committee member Maxwell asked how Northfield's spending on its ambulance services compares to that in other Vermont communities. Manager Schulz said it is difficult to make direct comparisons since many communities are moving towards more professional ambulance services staffed by full-time employees. The NAS still has only one full-time employee (NAS Chief) and the other NAS employees are part-timers without benefits. Committee member Maxwell asked if the hourly wage for part-time employees was in the range of what other ambulance services pay. Manager Schulz confirmed this was the case. Committee member Morse said the municipality may need to follow the example of other towns and make the transition towards additional full-time NAS employees at some time. Committee member Maxwell asked about the number of fully equipped NAS units that this proposed budget reflects. Manager Schulz said just two (2) at this time. This will be seen in the NAS Capital Equipment Plan (CEP) budget.

In the Highway Department budget, Manager Schulz said there are no significant changes or increases. The budget will increase 3.7% but this is mainly due to higher personnel costs for the reasons indicated above. There was a significant effort to keep road material costs down by making additional use of the material stockpiled at the Town pit. Manager Schulz said there were no other real changes in the other operations and maintenance (O&M) budgets other than a slight increase for the Brown Public Library/Northfield Historical Building. He added that the legal services budget (\$24,000) will be about the same as for the previous year. Much of this expense is related to the annual delinquent tax sale and some of this is recouped through parcel purchases. Committee member Maxwell thought that this amount might be too low. This can be discussed again during the upcoming budget meetings with the full Select Board. In the Economic Development budget, Manager Schulz said the plan is to still use American Rescue Plan Act (ARPA) funds to cover the expense of the full-time Economic Development Director (EDD) position. Committee member Morse thought it might be a good idea to start phasing out the use of these funds for that purpose and start budgeting for this like other positions. Manager Schulz noted that EDD Tom Davis has had considerable success in bringing in grant funds for the municipality. Committee member Maxwell said he also is working with potential investors on projects that could increase the Grand List, which is a much desired development. Committee member Morse would like to start lowering the amount of ARPA funds used for this position so there won't be "sticker shock" when they are no longer available for this purpose.

Regarding the Capital Improvement Plan (CIP) budgets, Manager Schulz said there are no great increases in most departments. He noted that significant work has been done over the past few years to improve municipal facilities so there is no need to commit major funds towards this. One exception is the Brown Public Library/Northfield Historical Building CIP budget, which will require funds to address problems with the building's basement. There appears to be substantial mold and other problems that require some attention. In the Grounds/Parks/Facilities CIP budget, funds will be set aside to repair walkways at the Dog River Park. The Pool CIP budget will see some increase in the pool painting/repair line item. There also needs to be some bathhouse and bathroom improvements at the municipal pool. In the Highway CIP budget, the Bridges budget will see an increase in order to make sure that the local match amount for the Main Street Bridge Replacement Project will be funded. The total cost of this project is about \$7,000,000 so the five percent (5%) local match would be about \$350,000. There also are some smaller bridges along Vermont Routes 12 and 12A that the Vermont Agency of Transportation (VTrans) has flagged as requiring some rehabilitation.

The Jerry Bridge, which is located near Lovers Lane, also requires some major rehabilitation. In the Sidewalks CIP budget, Manager Schulz said the plan is to put \$100,000 in ARPA funds into this account. As residents have repeatedly stated, the need is definitely there. We have had some success with major sidewalk work on South Main Street, East Street, etc. but a lot still needs to be done. Committee member Maxwell said that we definitely have been moving in the right direction. Committee member Morse thought it might save money in the long run to use ARPA funds to purchase granite curbing for future sidewalk projects. This also might hasten the process when engaging with potential sidewalk contractors. Committee member Maxwell thought that approach might sound good in theory but may not be practical. Manager Schulz noted that most sidewalk contractors prefer to purchase their own project materials. Committee member Morse thought it might be possible to work with smaller contractors who would be willing to do the work if the municipality could put the heavier materials on site. Committee member Maxwell is looking forward to the completion of the local sidewalk inventory. This should be completed and reviewed fully before any sidewalk projects are put out to bid. Manager Schulz said the same amounts as in recent years will be budgeted for road paving and for the gravel resurfacing of the backroads.

Regarding the CEP budgets, Manager Schulz said there would not be any significant changes for the NFD. Funds will be put into the CEP budgets for scheduled equipment replacements but there are no plans for major purchases within the next couple of fiscal years. In the NPD CEP budget, funds also will be allocated for scheduled vehicle replacement.

There has been a request from NAS to sell the 2017 ambulance unit as it has already been remounted once and this cannot be done a second time. The Highway CEP budget doesn't anticipate the purchase of new equipment at this time but funds will be set aside for future vehicle replacements. Manager Schulz noted that some funds will be adjusted amongst the various accounts. The cost of replacing the one ton plows, which is planned for FY 2025-2026, has increased significantly. Committee member Maxwell said the cost of all new vehicles, including basic automobiles, has gone up considerably over the past couple of years.

Committee member Maxwell had asked earlier in the meeting about what percentage of the O&M budgets reflected personnel costs. Ms. Baroffio now reported this was about sixty-six percent (66%). Committee member Maxwell felt residents should be informed of this fact. He added that in many industries, the basic wage has doubled over the past five (5) years.

Manager Schulz then looked into projected Town General Revenue for the next fiscal year. The only big change here is that the amount of NAS projected revenue has been increased from \$630,000 to \$723,000. This higher figure is based on increased NAS calls for service and non-emergency transfers over the past few years. The municipality also bills West Berlin and Roxbury a \$32 per capita charge for NAS coverage. This amount will increase to \$35 in the next fiscal year, which should bring in \$30,820 in revenue. Committee member Maxwell noted that Williamstown is considering disbanding its ambulance service and contracting with Barre Town EMS for a \$72 per capita charge. Manager Schulz noted we used to charge only \$15 not that long ago. Committee member Maxwell asked if the \$35 per capita charge was sufficiently high. Manager Schulz thought it was. He added that you have to be careful not to raise it too high or the affected municipalities might start considering less expensive alternatives. Committee member Maxwell felt the \$35 was too low; this can be discussed again at a later time. Manager Schulz noted that NAS also bills patients when it makes callouts to West Berlin and Roxbury.

Manager Schulz said the Norwich University (NU) agreement amount is set at \$233,970, which is the same amount as the current fiscal year. Committee member Maxwell said the municipality might be able to negotiate a higher amount but for budgetary reasons it is good to err on the side of caution.

Committee member Maxwell said the 9.6% proposed tax increase seems rather high and he asked where there might be possibilities for further budget savings. Manager Schulz suggested that some CIP expenses, such as road paving, could be trimmed a bit. As the municipality departments currently are understaffed, reductions in personnel expenses really are not an option. Ms. Baroffio said it might be possible to identify additional revenue sources for the municipality. She also thought weeding out some of the older and underused municipal vehicles might result in considerable savings in maintenance costs, as some make frequent visits to the repair shop. Chair Maxwell thought it might be time to have the long-needed public conversation about local law enforcement, i.e., does Northfield really need a 24/7 police department or should we rely more on state police for overnight coverage in order to cut costs. Committee member Morse thinks that in order to make substantial reductions in the proposed budget, there would need to be equally significant reductions in the services the municipality provides to the general public. It has been this way for the past twenty (20) years. Committee member Maxwell said during the early 2000's recession there were cuts in the Highway CIP budget and this resulted in noticeable deficiencies in our roads, sidewalks, etc. Ms. Baroffio noted that although there are a number of bridge projects in the near future, significant amounts of the engineering and construction costs are covered by state and/or federal grant funds. Committee member Maxwell asked if ARPA funds could be used for some of these upcoming bridge projects. Manager Schulz said that could be done for some of the one-time improvements but not in terms of long-term planning. Committee member Maxwell said we seem to be being hit by a lot of bridge projects all at once. Perhaps using ARPA funds for this purpose should be discussed by the full Select Board during the upcoming budget meetings. He felt this was a crisis period that required extreme measures.

Ms. Baroffio said that prior year surplus funds have been used in the past to try to lower property tax rates. She thought it might be a good idea to set more money away each year in the Bridges CIP account, i.e., \$50,000 per year, in order to be better prepared when VTrans requests urgent bridge repairs. Committee member Maxwell said the municipality relies on VTrans to inspect local bridges for safety concerns but they do change maximum weight limits without much notice, as was done with the Slaughterhouse Covered Bridge a couple of years ago. Committee member Morse thought it might be good to further break down the Bridges CIP account to better indicate which bridges are planned for rehabilitation/replacement. Ms. Baroffio said that was not a problem since funds could be transferred within the Bridges CIP account depending on the urgency of the bridge repair work. Committee member Maxwell believes the Select Board is doing a better job of providing funding for CIP accounts than in the past. Ms. Baroffio agreed with that statement. There also has been a real improvement in funding CEP accounts for scheduled vehicle replacements. She noted that with major equipment purchases, the normal practice is to budget half of the purchase price and borrow funds for the balance. Ms. Baroffio asked if it were possible to privatize some of the bridges on one- and two-house roads, thus sparing the municipality of the cost of their maintenance. Committee member Maxwell thought that would be an even more difficult process than privatizing the roads themselves has been. He would favor using ARPA funds if necessary.

Ms. Baroffio felt that one reason municipal budgets keep rising is that Northfield residents have come to expect greater amounts of municipal services than in the past. For example, residents on the backroads used to expect that road conditions would become difficult certain times of the year and accepted it. Now, many residents expect their dirt roads to be maintained just as well as the paved roads and travelable at any time. Ms. Baroffio believes using ARPA funds for local match amounts for grant applications would be much more publicly acceptable than putting them directly into the budget.

Committee member Maxwell asked about the proposed schedule for the upcoming full Select Board budget meetings. Manager Schulz that would be based on individual Select Board member availability. The Community Room has been reserved for this purpose for the remaining Tuesday and Thursday nights before Christmas. Additional meetings can be scheduled for early January 2024 if needed. Committee member Morse thought that using ARPA funds as has been suggested tonight might not be too popular with certain Select Board members.

**IV. PUBLIC PARTICIPATION (Unscheduled).**

- a. Elroy Hill: FY 2024/2025 Budget Comments.** Elroy Hill felt the current Select Board members now have the responsibility for making up for past mistakes when previous Select Board members focused too much on level-funded budgets and deferred maintenance of municipal equipment in order to keep tax rates artificially low.

**V. ADJOURNMENT.** Without objection, the meeting was adjourned at 5:35 p.m.

Respectfully submitted,

*Kenneth L. McCann*

Kenneth L. McCann, Acting Clerk