

TOWN OF NORTHFIELD, VERMONT
BUDGET & FINANCIAL REVIEW SUBCOMMITTEE
Minutes of November 25, 2024

I. ROLL CALL. Subcommittee members K. David Maxwell and John Stevens (Acting). Also present were Town Manager Jeff Schulz and Elroy C. Hill.

The meeting was called to order at 8:05 a.m.

II. PUBLIC PARTICIPATION (Scheduled): None.

III. DISCUSSION

a. Proposed FY 2025/2026 Municipal Budget. Manager Schulz said he, Finance Director Laurie Baroffio, and the department heads have been working hard over the past eight weeks to put together the first draft of the proposed municipal budget for the next fiscal year. After a lot of effort and thought, they have been able to get the initial proposal down an eight percent (8%) increase in the local property tax rate. Earlier versions had the tax increase in the twelve percent (12%) to thirteen percent (13%) increase range. Manager Schulz noted this is only the first draft of the proposed budget before it has been reviewed by the full Select Board. He then turned to the summary page of the municipal operations and maintenance (O&M) budget. Manager Schulz said most department budgets would see some slight increases due to employee cost-of-living compensation increases, higher health insurance costs, and more costly material costs. He did note that the Northfield Police Department (NPD) would see a budget decrease because the municipality will budget for five (5) full-time officers and not six (6) as in recent years. This change reflects the fact that the NPD has been unable to recruit a qualified law enforcement officer to fill that sixth position. Going forward, the NPD personnel budget will cover the Police Chief and five (5) full-time officers.

Manager Schulz then discussed the proposed Northfield Ambulance Service (NAS) budget. He noted that the first NAS budget proposal submitted by NAS Chief Megan McCusker included a \$75,000 increase, mainly due to higher compensation levels. After some discussion, Manager Schulz said the proposed budget increase has been reduced to \$30,810 with some of the proposed wage increases not included in the revised version.

Manager Schulz said the Highway Department budget will have a \$71,290 increase that is mainly due to higher wages, material cost increases, and higher health insurance costs. Committee member Maxwell does not feel that employee compensation is out of control. Manager Schulz agreed it was not but the annual pay rises, which are incorporated in the employee union contracts, are significant factors in the overall budget increases.

Manager Schulz then looked at the revenue side of the budget, which would increase 2.7% in the next fiscal year. This does not yet include higher per capita rate fees for Roxbury and West Berlin to cover the cost of NAS emergency coverage. Any such fee increase still needs to be negotiated. In addition, the annual contribution from Norwich University (NU) is left at the same \$235,000 amount as in the current fiscal year. Manager Schulz concluded by saying there weren't any significant changes in the revenue stream for the next fiscal year.

A discussion of the Town General Capital Improvement Plan (CIP) budget then followed. Manager Schulz said there weren't any major bond payments coming off the books in the next fiscal year. The department that will see the highest increase in its CIP budget will be the Highway Department.

Manager Schulz noted that the building improvements CIP budget for the Brown Public Library/Historical Society Building now has a \$20,000 deficit due to unanticipated spending in order to install handicapped access doors on the lower level (as well as other building improvements). \$25,000 will be added to the next fiscal year budget to cover this shortfall. Manager Schulz felt some additional funding might be needed to upgrade the building's windows. In addition, \$4,000 will be added in order to update the Community Room.

In the Highway Department CIP budget, one major expense is bridge maintenance. Manager Schulz has tried to get updated numbers from the Vermont Agency of Transportation (VTrans) regarding the total cost of the Main Street Bridge Replacement project, which was originally estimated at \$8,500,000. He believes that some project redesigns due to abutment problems, etc. will probably increase this amount. The municipality has already budgeted \$276,630 in the Highway CIP budget for the local match amount for this project but Manager Schulz feels an additional \$60,000 should be added in the next fiscal year. In addition, Manager Schulz will try to postpone repairs on the TH 54 bridge for another fiscal year. The work on TH 93 bridge has already been completed.

The CIP account for retaining walls now has a \$105,302 balance and Manager Schulz would like to add another \$10,000 in the next fiscal year. That will allow work to be done on retaining walls in bad condition located on Elm Street, Pleasant Street, School Street, and Pearl Street. \$57,290 will be added to the Union Brook Road Slope Repair budget to cover the expense of work that was done earlier this year.

The paving budget has a \$43,409 current balance but that amount will be reduced in coming weeks as bills come in for recent work on East Street, Doyon Road, and Dickinson Drive. Manager Schulz would like to add \$190,000 to this account in the next fiscal year to cover the expense of next year's paving projects. The gravel resurfacing budget now has a \$70,245 balance and a portion of that amount that will be used next spring for needed roadwork on Turkey Hill Road. An additional \$190,000 will be added in the next fiscal year to cover the cost of Summer 2025 projects.

In the Capital Equipment Plan (CEP) budgets, Manager Schulz said we have been able to keep those budgets fairly stable despite higher equipment replacement costs. In the Northfield Fire Department (NFD) CEP budget, we have been able to level funds since major equipment purchases are not scheduled for the next couple of fiscal years. According to NFD Chief Peter J. DeMasi, the estimated replacement cost for the aerial truck is \$650,000. Committee member Maxwell thought that seemed rather low and thought it might be good to obtain an updated estimate. Manager Schulz noted the pumper truck replacement accounts are on schedule for when one will be replaced in FY 2028/2029 and the other in FY 2038/2039. Updated cost estimates for these vehicle replacements will be obtained when these replacement dates come closer.

In the NPD CEP budget, the replacement cost of cruiser replacement has been increasing in recent years and is now estimated at \$60,000 each. Manager Schulz noted that based on NPD staffing levels, we are now budgeting for three (3) NPD cruisers. Fortunately, the current NPD fleet is fairly new and in good condition. The NAS CEP budget will be level funded in the next fiscal year. The previous suggestion to maintain and equip a third ambulance unit is no longer being pursued.

In the Pool CEP budget, there is now a \$83,653 balance in the pool filter replacement budget with \$7,500 to be added in the next fiscal year. As the pool filter replacement cost is estimated at between \$80,000 and \$100,000, that amount should cover the cost when the work is done in the next fiscal year.

In the Highway CEP budget, the vehicle replacement accounts are being funded properly and on schedule. It was noted that one of the Western Star dump trucks is scheduled for replacement in the next fiscal year. Committee member Maxwell thought it might be a good idea to replace it with an International truck. He has noted that many Vermont communities use International trucks and it might be worthwhile to pay a little more for a truck that has a good reputation for longer service. Manager Schulz said current trucks rely more on electronics than the old diesel trucks and that is one reason they don't last as long as they did in the past. He certainly will look into the possible purchase of an International truck. Elroy Hill noted that it also might be a good idea to explore the possibility of purchasing a used VTrans truck in order to save money. Committee member Maxwell thought that might be an option worth looking at especially if an extended warranty was included with the purchase. Due to the rapidly increasing prices of heavy equipment, Committee member Maxwell felt it was time to start doing things differently.

Manager Schulz then looked at the Pool CIP budget's Building/Facility Improvements account, which now has a \$12,563 balance. He noted that the next big project here is to update the pool house and he suggested adding \$10,000 to this account in the next fiscal year. Manager Schulz said these funds could be supplemented by state grant funds as there are several outdoor recreation programs with grant opportunities.

Mr. Hill thought it was unfortunate for senior citizens that the annual adjustment for Social Security payments don't keep pace with local property tax increases.

IV. PUBLIC PARTICIPATION (Unscheduled). There was none.

V. ADJOURNMENT. Without objection, the meeting was adjourned at 8:54 a.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

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