

**TOWN OF NORTHFIELD, VERMONT
SELECT BOARD SPECIAL MEETING
Minutes of November 28, 2023**

- I. ROLL CALL.** Select Board Chair K. David Maxwell, Board members Charles Morse, Lydia Petty, Merry Shernock, and John Stevens. Also present were Manager Jeff Schulz, Acting Clerk Kenneth McCann, Finance Director Laurie Baroffio, Gerard LaVarnway, Susan Stillinger, Jeanne Bright, Jason Endres, and Elroy Hill.

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

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

III. DISCUSSION

a. Proposed FY 2024/2025 Town Budget

Chair Maxwell and Board member Morse serve on the Town Budget & Financial Review Subcommittee that met on November 15, 2023, to discuss the preliminary draft budget with Manager Schulz and Finance Director Laurie Baroffio. Based on their input at that meeting, some revisions were made before the current draft was distributed to the full Select Board for review, discussion, and further revision. At that meeting, Chair Maxwell and Board member Morse were informed by Ms. Baroffio that personnel costs (i.e., wages and benefits) represent about two-thirds (66%) of the municipality's operations and maintenance (O&M) budget. Due to provisions in the employee union contracts and increasing health insurance costs, it is expected that these personnel expenses will rise every year. Board member Morse noted the Capital Improvement Plan (CIP) and Capital Equipment Plan (CEP) budgets are set up to plan for future major purchases by setting aside funds in dedicated accounts over several years. This planning (hopefully) will reduce the need for excessive borrowing in order to purchase heavy equipment, etc.

1. Operations Budgets

Manager Schulz said that over the next few budget meetings, individual department heads will be present to discuss their own requests for the next fiscal year budget. Not all of their requests are reflected in the current proposed budget and that may be topics of discussion when they meet with the Select Board members. Should this proposed budget be approved by voters as is, this would result in a 8.8% property tax increase. Manager Schulz noted that he and Ms. Baroffio worked diligently to keep this increase under ten percent (10%) and as a result several department head requests are not incorporated in this draft. He noted that the total budget will increase from \$5,557,350 to \$6,041,670. Prior year surplus funds and American Recovery Plan Act (ARPA) funds were used in this budget to help reduce the taxpayer burden. Manager Schulz noted that the current plan is to use \$100,000 in ARPA funds to address sidewalk problems and an addition \$92,750 will be used to fund the full-time Economic Development Director position. Manager Schulz said the municipality's O&M budget will go up 5.5% and the bulk of this increase is due to the aforementioned higher personnel costs.

He noted that the personnel costs for the Northfield Police Department (NPD), which has its own union contract, will increase between five and six percent (5-6%). Personnel costs for other municipal employees will increase by an average of four percent (4%). Manager Schulz added that health insurance costs have risen by about fourteen percent (14%) this past year and that is a significant factor in rising personnel costs. He noted that the municipality covers eighty percent (80%) of the health insurance premiums and the employees pay for the balance.

As for municipal revenues, Manager Schulz said the major change from the previous year is to increase the projected revenue from Northfield Ambulance Service (NAS) fee collection from \$630,000 to \$723,000. This higher amount is based on a two (2) year average. In addition, the per capita fee charged to West Berlin and Roxbury for NAS coverage will increase from \$32 to \$35. Even with this increase, this amount is lower than other regional ambulance services might charge so the Select Board members might want to consider charging a higher amount. Manager Schulz said the amount the municipality receives from the Norwich University (NU) Agreement will be kept at the same amount as received for the previous fiscal year (\$233,970) It is possible (but not certain) that this figure could be raised through negotiation.

Manager Schulz then went briefly through the O&M expenses of the various municipal departments, highlighting examples when there were significant decreases or increases from the current fiscal year budget. In most departments, the bulk of any increases was due to rising personnel costs. Manager Schulz noted that in the Northfield Fire Department (NFD), the personnel costs will slightly increase due to higher stipends provided for NFD officers. In addition, the NFD O&M budget will see higher equipment and dispatching expenses. The NPD O&M budget will increase by only 1.1% due to staffing shortages, i.e., one full-time officer now on military leave. The NAS personnel expenses budget will increase due to additional pay for part-time employees. The NAS Chief made several requests for additional pay for part-time EMTs, such as on call coverage compensation, a request for paid staff for non-emergency transfers, etc. Some of these requests are incorporated into the proposed budget but others are not. This can be revisited when NAS Chief Meggan McCusker meets with the Select Board members. Manager Schulz added that the NAS has withdrawn its request for a third fully equipped ambulance unit. Manager Schulz noted that the proposed NAS O&M budget does include additional funding to cover the increased costs of dispatching and medical supplies. He added that with the increasing number of emergency callouts and non-emergency transfers, there is an increased need for medical supplies. In many cases, the NAS charges the patient's insurance company for the use of certain drugs, etc. so some of these expenses are ultimately recouped.

In the Town Highway O&M budget, Manager Schulz said there was a real attempt to keep road material expenses down by crushing more material at the Town's pit. He then quickly went through a number of other departments that will see limited or no budget increases. In the Support Services budget, Manager Schulz has slightly decreased the amount budget for legal expenses. However, there is an increased cost this year for membership in the Vermont League of Cities & Towns (VLCT). In the Debt Retirement budget, Manager Schulz noted a loan will be coming off the books in the next year so this budget will decrease.

Regarding CIP budgets, Manager Schulz said most departments will see little or no increases over the current fiscal year. In the Listers CIP budget, there is a current balance of \$194,993 for conducting the townwide reappraisal and \$18,000 will be added to this account in the next fiscal year. Northfield did receive the letter from the Vermont Department of Taxes stating that the local coefficient of dispersion (COD) had reached the threshold number that triggers the need for the townwide reappraisal. Listers Chair Thomas Alsheimer is now drafting the RFP for the reappraisal process, which should go out sometime next month with a January 2024 submission deadline. Manager Schulz noted that the State of Vermont has indicated that it might take over the whole process itself but if this did happen, it would not be until at least 2026. Due to significant building improvements in the Fire Station and Police Station over the past few years, these CIP accounts will not see increases in the next fiscal year. The Ambulance Bay is also now in good shape so there is no increase in this CIP account either. Manager Schulz said there are serious basement problems in the building that houses the Brown Public Library (BPL) and the Northfield Historical Society. \$5,000 in surplus funds have been added to this CIP account to address these problems. In the Grounds/Parks/Facilities CIP budget, surplus funds were used for the walkways at Dog River Park. In the Recreation CIP budget, additional funds have been added for holiday enhancements. The Municipal Pool CIP budget will be supplemented by surplus funds in order to cover the expense of making some bathroom improvements. In the Highway Department CIP budget, prior year surplus and ARPA funds have been used in some of the major accounts, which include bridge maintenance and sidewalks.

Board member Petty noted the Vermont Agency of Transportation (VTrans) has requested that certain bridges on Vermont Routes 12 and 12A be repaired. She asked if VTrans accepted the municipality's timeline for making those repairs. Manager Schulz reached out to VTrans and was told our plans are acceptable. He then noted that the downtown footbridge is in need of repairs so \$55,000 in surplus funds will be allocated to address this. \$100,000 in ARPA funds have been allocated for sidewalk projects. Manager Schulz said the sidewalk inventory will be completed soon and that will assist in creating a priority list of the sidewalks that should be upgraded first.

Board member Petty thought sidewalk issues will be discussed in length when the Highway CIP budget is discussed in the next week or so. This would include Board member Morse's suggestion to use ARPA funds to purchase granite curbing for future sidewalk projects. In the NFD CEP budget, Manager Schulz noted this budget actually went down slightly. Ms. Baroffio noted that the NU Agreement used to stipulate that \$20,000 of the provided funds be allocated for aerial truck replacement; that is no longer the case. Chair Maxwell believes NFD Chief Peter J. DeMasi has requested that \$20,000 in ARPA funds be used to purchase air packs for the department. Manager Schulz said this request is not in the budget as sidewalk projects appear to be higher priorities at this time. Chair Maxwell said the Select Board members can discuss this with Chief DeMasi when he presents his budget later this week.

In the NPD CEP budget, we are still budgeting for four (4) vehicles, which has been questioned by Select Board members in the past (and might be again). Manager Schulz said since NAS has withdrawn its request for a third fully equipped ambulance unit, the new NAS request is to remount the 2016 ambulance unit box onto a new chassis and sell the 2017 unit. The latter has been remounted before and this can't be done a second time. It probably will be at least eighteen (18) months before the 2016 unit can be sent out-of-state for remounting. Board member Petty asked about the resale value of the 2017 unit. Manager Schulz will check on this. In the Highway CEP budget, Manager Schulz said we are not looking to add new vehicles to the fleet at this time. However, due to rising vehicle replacement costs, additional funds will be allocated in the next fiscal year for future purchases.

2. **Future Meeting Schedule.** Manager Schulz said the Community Room has been reserved for 6:00 p.m. budget meetings on Tuesday and Thursday nights through mid-January 2024 (with the exception of the week between Christmas Day and New Year's Day). The next meeting will be on this Thursday night (11/30/23) at which time the Police Department and Fire Department budgets will be discussed with the respective department chiefs. The meetings the following week should include discussions of the proposed budgets for the Ambulance Service and Highway Department.

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

V. ADJOURNMENT. Motion by Board member Morse, seconded by Board member Petty, to adjourn. **Motion passed 5-0-0.**

The Board adjourned at 6:50 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

An audio recording of this meeting is available in the Town Manager's Office.

These minutes were approved at the Select Board regular meeting of December 12, 2023.