

TOWN OF NORTHFIELD, VERMONT
SELECT BOARD SPECIAL MEETING
Minutes of January 4, 2024

- 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, Laurie Baroffio (Finance Director), 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

- 1. Town Budget Recap.** Chair Maxwell noted the Select Board members received a summary of changes to the initial proposed budget and how those changes will affect the local tax rate. With all the budget revisions to date, the estimated tax increase is 12.6%. Chair Maxwell said the Select Board members were supposed to receive additional information relevant to the Northfield Ambulance Service (NAS) proposed budget. Manager Schulz said he did make that request to NAS Chief Meggan McCusker a few weeks ago but has not received it yet. He has let her know that providing this information is a priority. Board member Shernock really would like the information requested because she still has questions about the NAS budget in regard to personnel expenses, etc. Board member Morse said he had his own questions regarding the per capita rate that would be charged Roxbury and West Berlin for NAS coverage. Specifically, he would like to know how many emergency callouts are made to Roxbury each year. Board member Shernock also wanted to know the "burden rate" on the NAS fleet due to additional call volume, etc. Chair Maxwell said one bit of information he wanted from Manager Schulz was an update on which local bridges might be in need of rehabilitation/replacement in the near future. The municipality recently was informed by the Vermont Agency of Transportation (VTrans) that two (2) bridges on Vermont Route 12 South must be either repaired or replaced as soon as possible. He asked if Manager Schulz has had a chance to look into this yet. Manager Schulz said he had not as he just returned from his holiday vacation earlier this afternoon. Chair Maxwell felt this was very important information going forward as the Select Board members need to set funds aside for any upcoming bridge projects. Currently, \$220,000 has been budgeted to replace Jerry Bridge alone. A few years ago, we had been under the assumption (based on the latest VTrans bridge report) that the Slaughterhouse Road Covered Bridge was in good shape but VTrans then reduced its maximum weight limit without much notice. The municipality then had to spend unbudgeted funds to bring the bridge back to its previous maximum weight limit. A similar situation occurred more recently with the covered bridges on Cox Brook Road. Chair Maxwell said it seems that the biennial VTrans bridge inspections are not as accurate as they should be. Manager Schulz said the municipality is reliant on the information in those reports. The alternative would be for the municipality to hire its own engineer to inspect all the local bridges. Chair Maxwell thought that might be the correct course of action. The Select Board members cannot let themselves be surprised by VTrans demands that a certain bridge must be provided expensive repairs as soon as possible when all the previous indications were that the bridge was in relatively good shape.

Chair Maxwell noted that Board member Stevens had suggested alternative, less expensive options for replacing bridges on less travelled roads. Board member Stevens confirmed that one option was to use a repurposed flatbed railroad car to replace a relatively short bridge. His other suggestion was to install a "Bailey Bridge," which is a prefabricated bridge structure. Chair Maxwell asked if Manager Schulz has looked into those suggestions. Manager Schulz said he did contact VTrans about the repurposed railway car and was informed that this would not meet their specifications. Manager Schulz now is checking on whether VTrans would permit the installation of a Bailey Bridge. He noted that these bridges usually are only employed on a temporary basis before a more traditional bridge is installed.

Board member Morse noted the property tax increase is now estimated at 12.6%. He asked how much of the proposed budget would need to be reduced to get this back under 10%. Finance Director Laurie Baroffio said a \$100,000 budget reduction would accomplish this. Board member Petty said that at a previous budget meeting, there had been a suggestion of using American Rescue Plan Act (ARPA) funds to pay for needed repairs to the footbridge. The work is estimated to cost \$60,000. Board member Shernock would support this use of ARPA funds as this footbridge is often used as a school route by local youth and also by residents of the nearby senior housing. Board member Petty said she looked for other budget items where ARPA funds could be used. Chair Maxwell felt that would be appropriate use for one-time infrastructure upgrades but not for Capital Improvement Plan (CIP) items that are ongoing matters that should be budgeted over several years. He added that the current plan is to use \$55,000 in prior year surplus funds for the footbridge repair project. Ms. Baroffio said using ARPA funds for this purpose would free up those surplus funds to be used for another budgeting purpose.

Regarding the per capita fee charged Roxbury and West Berlin, Board member Shernock said the now planned increase from \$32 to \$35 is less than 10%. She would like more information about this as it now seems to her that the amount charged is well below the actual value of NAS coverage to these communities. This is especially the case when considering what Barre Town Ambulance charges for providing coverage to neighboring towns. Chair Maxwell said the Select Board members need to know how much additional NAS revenue could be provided should the per capita charge be raised to a more appropriate figure. He personally feels that the amount now charged Roxbury and West Berlin is "woefully low."

As for other sources of municipal revenue, Board member Shernock would like more information about how much the municipality charges for various permits, etc. Board member Shernock also feels the amount the utility departments pay the municipality in PILOT (i.e., Payment in Lieu of Taxes) funds for the parcels they own should be adjusted as it has been the same for about a decade. Manager Schulz said he and Ms. Baroffio earlier discussed the PILOT amount and whether it should be increased. He has notified the Utility Commissioners that there will be a proposal to increase the amount charged. Board member Shernock thought that would be fair since ARPA funds have been used to stabilize the water and sewer rates over the past couple of years. Chair Maxwell felt this discussion should take place since ten (10) years is a long time at the same amount. Ms. Baroffio noted that increasing the PILOT amount would result in water and sewer rate increases. Chair Maxwell said our utility rates are very favorable compared to those charged by other regional utility companies so that should not be a big problem.

Ms. Baroffio said the amount of PILOT payments was developed during the Town-Village merger process. If there is to be an adjustment, there should be an agreement between the Select Board members and the elected Utility Commissioners. At the time, it was thought it would be very beneficial to have a local public utility in order to keep user rates down. At the same time, it also was felt that local taxpayers shouldn't be punished by subsidizing the utility departments. For example, if the parcels in question were owned by Green Mountain Power (GMP) rather than our own utility departments, they would be subject to property taxes.

Board member Shernock asked if neighboring communities were charged a per capita rate for Northfield Fire Department (NFD) protection. Manager Schulz said for fire protection, there is a Mutual Aid system through which regional fire departments combine their resources when there is a conflagration that is beyond the ability of the local fire department. It was noted that Roxbury and West Berlin do have their own fire departments. Board member Morse noted that when one fire department is occupied with a local fire, another fire department will provide backup coverage in case there is another emergency situation. Chair Maxwell said that with the ever increasing cost of new fire equipment, there probably will need to be a serious discussion someday of forming a regional fire protection service that would allow communities to pool their resources to purchase up-to-date equipment.

Returning to the PILOT payments discussion, Board member Stevens asked for the breakdown of the amounts paid by the utility departments. Ms. Baroffio said the electric department pays about \$30,000, the water department \$6,000, and the sewer department \$15,000. Motion by Board member Morse, seconded by Board member Stevens, to increase the PILOT payments annually based on the rate of inflation. Ms. Baroffio said one option was to use the Northeast Region Consumer Price Index, which is adjusted annually. After some discussion, this was decided management would choose the most appropriate measure of inflation. Ms. Baroffio said that at some point, it might be necessary to hire an assessor to determine the taxable values of these properties before adding inflation increases. Chair Maxwell said the Select Board members should have that information. Board member Morse said if the motion passes, the PILOT receipts revenue line item would have to be increased from the current \$51,000 amount. **Motion passed 5-0-0.** Board members Morse and Stevens are the appointed members of the Utility Commissions and they will inform the elected commissioners of this action. As for the appraisal of the utility properties, Ms. Baroffio noted there would be a townwide reappraisal in a couple of years. The utility properties could be added to this process or done separately at an earlier date.

Board member Stevens said the Select Board members really need to reduce the property tax rate increase based on the proposed budget. As indicated earlier, that rate is now estimated at 12.6%. It was noted that one option was to make use of ARPA funds for certain one-time projects, such as using \$55,000 in ARPA funds to repair the footbridge. Chair Maxwell would also like to use \$220,000 in ARPA funds to replace the Jerry Bridge. He noted there still were unresolved questions about whether this project could be done in a less expensive manner. Manager Schulz will get in writing the views of VTrans regarding whether installing a repurposed railway car or a Bailey Bridge were permissible at this location.

Chair Maxwell believes the Select Board members should make every effort to bring the estimated property tax rate increase down between 8% and 9%. Board member Petty suggested other one-time projects for which ARPA funds could be used. For example, \$10,000 in ARPA funds could be used to address mold and other problems in the Northfield Historical Society (NHS) basement. Another option for ARPA funds was the planned repairs to the municipal pool.

At a previous meeting, Ms. Baroffio suggested increasing the amounts to be allocated in the NFD Capital Equipment Plan (CEP) budget for the future replacement of the 2007 pumper truck and the 2017 pumper truck in order to reflect higher replacement costs. Should the Select Board members decide to borrow more than half the purchase costs for these vehicle, it might be possible to go back to the original allocation amounts, which would reduce the NFD CEP budget by \$44,000. Manager Schulz said that might be a wise course of action as we cannot know the actual replacement costs at the time of purchase or what interest rates will be then. He then suggested using prior year surplus funds were used for various capital projects, such as the Rabbit Hollow Bridge project (\$15,000), the purchase of NFD vehicle-installed radios (\$12,500), and the aforementioned NHS basement. That would bring down the amount of remaining surplus funds to \$100,000 in the General Fund account and \$96,000 in the Highway Department account. That probably is as low as we should go for these balances so ARPA funds should be used after that. Manager Schulz said taking this action would bring the estimated property tax increase down to 9.9%. If \$55,000 in ARPA funds are used to fix the footbridge, that probably would bring the tax increase below 9%.

Board member Petty asked Ms. Baroffio how she felt about using ARPA funds as compared to prior year surplus funds. Ms. Baroffio said some level of surplus funds needed to be maintained in order to avoid a possible budget deficit situation. However, she is comfortable with the amounts Manager Schulz suggested earlier. Ms. Baroffio felt that ARPA funds should only be used for one-time projects and not for ongoing expenses. Board member Petty would prefer some middle ground in the amounts to be set aside for the future purchases of NFD pumper trucks. As for the replacement of the Jerry Bridge, Board member Petty would like the less expensive options explored but doubts that VTrans will accept them. Board member Shernock thought increasing the NAS per capita fee could bring in additional revenue. Ms. Baroffio noted the total amount now being collected is about \$30,000 so this should not be seen as a major revenue source. Board member Petty thought even small revenue increases can help in the long run. Board member Shernock then asked about the possibility of increasing certain fees that the municipality charges for various services. Chair Maxwell noted the current zoning fees were adjusted last year so that probably is not a possibility. Ms. Baroffio noted that some of the fees that the Town Clerk's Office charges are set by state law.

Chair Maxwell would like a five-year plan for major capital projects so that any unanticipated problems can be addressed in a timely manner. He added that the municipality in recent years has had to spend unbudgeted funds in order to fix unexpected bridge problems. Chair Maxwell felt the municipality may be relying too heavily on the bridge inspection reports that VTrans provides, as they have proven to be not entirely accurate in some cases.

Chair Maxwell felt the Select Board members have nearly completed the budget process for this year but there still remain some unresolved issues. This includes NAS staffing proposals, the proper NAS per capita charge, whether there are less expensive alternatives for replacing the Jerry Bridge, etc. He would like these matters clarified so that informed decisions can be made.

Board member Shernock said the municipality could save some money by not printing so many copies of the Town Report. Manager Schulz said the amount of reports printed has been steadily decreased in recent years in order to reduce the numbers left over after Town Meeting Day. He thought it might be possible to reduce this year's amount by another ten percent (10%). It was noted that the reports used to be delivered to residents' doorsteps. Since this practice ended in favor of having copies made available at various locations, the amount printed dropped significantly. Board member Morse noted that the report is also available online, which is how many residents access it.

Board member Petty said it seems to her that the Select Board consensus is to use prior year surplus funds and/or ARPA funds in order to lower the property tax rate rather than cutting budget expenditures. Board member Morse would favor letting management determine how much prior year surplus funds should be kept in reserve and then using ARPA funds for appropriate one-time projects. He felt we should create a sustainable budget for those projects that would need to be funded over several years. Chair Maxwell said the Select Board members now have a significant list of possible ARPA-funded projects but only three (3) or four (4) major expense projects that will make the cut. Board member Morse said the Select Board members should have some solid plans for the use of ARPA funds that can be explained to the public on Town Meeting Day. Chair Maxwell said we do have a number of viable requests for ARPA funds but he also favors using ARPA funds for one-time capital expenses.

Chair Maxwell said the next budget meeting is scheduled for Thursday, January 11, 2004 at 6:00 p.m. If all the previously requested information is available at that time, it should be possible to finalize the proposed budget at that time. Chair Maxwell suggested that it might be a good idea to reach out to the Paine Mountain School District and perhaps have one of its board members attend that meeting. That way, the Select Board members might get a better idea about what the local school tax increase might be rather than rely on the rampant speculation now seen in social media, etc.

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

V. EXECUTIVE SESSION. Motion by Board member Morse, seconded by Board member Stevens, to go into executive session, in accordance with 1 VSA 313 (a)(1)], in order to discuss a personnel matter with Manager Schulz not present. **Motion passed 5-0-0.**

The Board went into executive session at 7:35 p.m.

Motion by Board member Morse, seconded by Board member Stevens, to come out of executive session. **Motion passed 5-0-0.**

The Board came out of executive session at 8:20 p.m. No action was taken.

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

The Board adjourned at 8:21 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 January 23, 2024.