

**TOWN OF NORTHFIELD, VERMONT
SELECT BOARD SPECIAL MEETING
Minutes of January 17, 2023**

- I. ROLL CALL.** Select Board Chair K. David Maxwell, Board members Julie H. Goodrich, Charles Morse, Lydia Petty, and John Stevens. Also present were Manager Jeff Schulz, Laurie Baroffio (Finance Director), Carolyn Stevens, Gerard LaVarnway, and Elroy Hill.

Chair Maxwell called the meeting to order at 7:00 p.m.

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

III. DISCUSSION

a. Proposed FY 2023/2024 Town Budget

- 1. Budget Recap.** Chair Maxwell noted as the Select Board members have completed their review of all the proposed municipal budgets for the various departments, this meeting would be a recap of previous discussions and the budget revisions made through Board consensus. Board members Morse and Goodrich comprise the Budget & Financial Review Subcommittee and they conducted a review of the proposed budget revisions to date. This includes the change made at the last budget meeting (01/10/23) when it was decided to return the expected lifespan of certain Highway Department vehicles to seven (7) years instead of the eight (8) years proposed by management. After reconsideration, the subcommittee members now recommend returning the expected lifespans of the ¾-ton pickup truck, the dump truck, and the salt truck back to eight (8) years. The two (2) one-ton plow trucks will stay at seven (7) years. This action will reduce the Highway Department Capital Equipment Plan (CEP) budget by \$18,290. Another subcommittee recommendation is to use \$30,000 in American Rescue Plan Act (ARPA) funds to cover the sidewalk budget and \$2,000 for guardrails. This would reduce the Highway Department Capital Improvement Plan (CIP) budget by \$32,000. Since these would essentially be one-time purchases, it was felt this would be an appropriate uses of ARPA funds. This would create total savings of \$50,290 in the Highway CIP and CEP budgets. Prior to these revisions, the estimated tax rate increase was 10.30% but with these changes it would be lowered to 9.20%. Board member Morse believes this was more palatable. Board member Goodrich said she did not realize the impact on the FY 2023-2024 of reducing the aforementioned vehicle lifespans by a single year. She added Board member Morse provide a good summary of the subcommittee’s recommendations. Chair Maxwell said he requested from Manager Schulz a list of ARPA funds that have already been expended/committed. This worksheet was distributed to the Select Board members for tonight’s meeting.

Manager Schulz said revised budget pages also have been distributed to the Select Board members that reflect decisions made by consensus at previous budget meetings as well as changes made based on new information received since the initial budget was drafted over a month ago. The most significant changes include providing health insurance coverage for the new Northfield Ambulance Service (NAS) Chief (still to be hired). The previous NAS Chief had his healthcare insurance from another source so he took a buyout from the municipality.

Other changes include increases in the hourly pay for NAS EMTs and increases in dispatching expenses for NAS and the Northfield Police Department (NPD). Chair Maxwell asked why dispatching expenses have changed since the initial draft budget. Manager Schulz noted Capital West Vice-President Joe Aldsworth addressed the Select Board members last year (09/27/22) and reported that due to an upcoming significant upgrade to its communication system, Capital West would be asking Northfield to contribute about \$3,500 each year for the next ten (10) years to help pay for project expenses that will not be covered by grant funds. This request was recently confirmed and has been added to the proposed FY 2023-2024 budget. This expense is in addition to the regular quarterly dispatching charges.

Manager Schulz said personnel expenses in the Highway Department budget will rise slightly as the employees' union contract provides for wage increases based on the Northeast US Cost-of-Living-Adjustment (COLA) as well as step increases for eligible employees. The COLA rate was a little higher than originally expected. In addition, health insurance coverage was added for a new employee to be hired in the near future. The previous employee had taken a buyout. Other Highway Department budget revisions included an additional \$20,000 in the CIP budget for gravel road resurfacing and the aforementioned adjustments in the projected replacement schedule for certain vehicles. The NPD personnel expenses budget also was revised slightly upwards based on the latest compensation figures in the NPD union contract now being negotiated. Another change was projected revenue increases for the Planning/Zoning Department based on the updated zoning permits fees the Select Board members approved at the last regular meeting (01/10/23).

As for the projected use of ARPA funds in the current and next fiscal year budgets, Manager Schulz said \$20,000 will be set aside for NPD dispatching expenses in the current fiscal year. The Vermont State Police has been providing this as a free service but have indicated this will end in the near future. If this change does not occur before the end of the current fiscal year (07/01/23), these funds will remain unspent. In addition, a total of \$92,500 in ARPA funds will be used in the current fiscal year to cover salary and other expenses in the Economic Development Department. An additional \$148,000 will be used in the current fiscal year budgets of the Northfield Water and Sewer departments in order to limit rate increases. As has been approved by the Select Board members, \$90,000 in ARPA funds have been allocated to CVFiber to help fund its broadband expansion project in the more rural areas of Central Vermont. About \$1,000 was spent on printed materials, online surveys, etc. by the ARPA Funds Outreach Committee (Merry Shernock, Chair) in its efforts to obtain local feedback regarding how Northfield's ARPA funds should be best spent. In the proposed FY 2023-2034 budget, \$25,000 in ARPA funds will be allocated for NPD dispatching expenses, \$26,000 for stormwater mitigation projects, and \$86,660 for the Economic Development Department budget. Board member Petty was grateful for this ARPA fund summary. She felt it would be useful if this information was posted on the municipal website and kept updated as additional ARPA funds are expended/committed.

Regarding the recommendation from the Budget & Financial Review Subcommittee to use \$30,000 in ARPA funds for the Highway CIP sidewalk budget, it was her understanding that should ARPA funds be used for this purpose, it would be to supplement, not replace, what had already been budgeted. Chair Maxwell noted that this use of ARPA funds is designed to shift expenses in the next fiscal year budget and allow for a reduction in the proposed tax rate. Board member Petty noted that the local feedback gathered by Ms. Shernock's committee did show that Northfield residents thought sidewalk rehabilitation and expansion should be a major focus of ARPA fund spending. She would like to see more money allocated for the sidewalks in the next fiscal year. Manager Schulz noted that use of ARPA funds for sidewalk work is an appropriate usage, especially if it can be tied to improved ADA compliance. As was stated at a previous budget meeting, it costs about \$130 per foot for new sidewalk and granite curbing. Given this great expense, Chair Maxwell felt the larger question is what will be the future sidewalk projects, how much they will cost, and how they will be funded. For that, he felt a sidewalk inventory was needed that would serve the same purpose as the RSMS program for backroad conditions, etc.

Chair Maxwell is in total favor of sidewalk upgrades and expansion. Perhaps a public conversation could be started at this year's Town Meeting to gauge if there is any interest in seeking bond funds for future sidewalk projects. Board member Goodrich believes due to the local feedback received, there is little doubt that at least some of the ARPA funds will be used for sidewalk projects. Board member Petty believes there also was a discussion of using ARPA funds as local match funds in order to secure additional grant funds for sidewalk projects. Board member Stevens noted the \$30,000 now allocated for sidewalks in the next fiscal year would only produce between 150 and 200 feet of new sidewalk. Chair Maxwell noted Prospect Street's sidewalks are in bad condition. There also have been concerns expressed about North Main Street sidewalk between the Common Café and the Main Street Bridge.

Board member Stevens did not see the \$3,000 budget increase for Brown Public Library (BPL) operations in the updated budget pages. Finance Director Baroffio said this request had been included in the original draft budget so it would not appear in the budget revisions. Board member Stevens said he did like the idea of keeping the estimated tax increase under ten percent (10%) and thus endorses the subcommittee's recommendations. He doesn't see any other places for budget cuts at this time.

Chair Maxwell asked if the \$6,680 increase in the proposed NAS budget for part-time EMTs was due to the previously agreed upon \$2.00 per hour increase in EMT compensation. Ms. Baroffio said it was. There also is a \$2,660 increase in the "Run Pay" budget and a \$310 increase in the NAS training line item related to this change. Chair Maxwell noted the line item for NAS "Malpractice Insurance" has been increased from \$3,900 to \$6,340 in the revised budget. Ms. Baroffio said this was not related to any past incidents but rather is based on updated rates for the liability insurance the municipality receives through the Vermont League of Cities & Towns (VLCT).

Board member Stevens asked what happened to the state reimbursement funds the municipality received for the COVID-10 testing sites the NAS operated during the pandemic. Ms. Baroffio said it was treated as revenue and used as surplus funds for budgeting purposes. It is noted in the budget pages that the municipality received \$182,280 of these funds in FY 2021/2022 and \$172,410 in FY 2021/2022. Ms. Baroffio clarified that these were the gross revenues amounts and did not translate directly to surplus funds since the cost of operating these testing locations had to be deducted. She added she does not differentiate between these and other surplus funds when allocating them to certain budgets. Manager Schulz confirmed some of these surplus funds were used in the NAS CIP and CEP budgets but there was no direct correlation. Chair Maxwell noted surplus funds were used to hasten the purchase of PowerLoad stretchers and other NAS capital expenses so these COVID-19 testing revenues, perhaps the bulk of them, were used to fund NAS budgets. It was noted that since the local testing program has ended, there will be no similar surplus funds for the next fiscal year budget.

Chair Maxwell asked what would be the next step at this point. Manager Schulz said there needs to be Board consensus to accept the budget revisions in the budget pages distributed for this meeting (based on previous meeting conversations) as well as those changes proposed this evening by the Budget & Financial Review Subcommittee. Once this is done, Ms. Baroffio can prepare a finalized budget for Select Board formal approval and to be presented to voters on Town Meeting Day. Motion by Board member Goodrich, seconded by Board member Morse, to accept all the budget changes to date and approve the proposed FY 2023-2024 budget as presented by management. This action will result in an estimated property tax increase of 9.20%. (Ms. Baroffio noted the final amount of the tax increase cannot be determined until the 2023 Grand List is filed, etc.) **Motion passed 5-0-0.**

Now that the budget process has been completed, Chair Maxwell wanted to thank all those who put great effort into the process. He especially thanked the Budget & Financial Review Subcommittee for their work. Board member Morse stated Board member Goodrich put together their worksheet with the recommendations provided tonight and he thanked her for that. Chair Maxwell also thanked Elroy Hill, who again this year was present for every one of these budget meetings and was able to provide some very useful advice on occasion. He also thanked those who attended some if not all of these meetings remotely, especially Carolyn Stevens and Gerard LaVarnway.

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

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

The Board adjourned at 7:33 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

These minutes were changed and approved at the Select Board regular meeting of January 24, 2023.