

**TOWN OF NORTHFIELD, VERMONT  
SELECT BOARD SPECIAL MEETING  
Minutes of December 13, 2022**

- 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), Tom Davis (Economic Development Director), Carolyn Stevens, Erin Hicks-Tibbles, 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 2023/2024 Town Budget.** Manager Schulz said the first draft of the proposed budget was distributed to the Select Board members with their regular meeting packets last Friday (12/09/22). He noted the Community Room has been reserved for future budget meetings this month on the nights of December 15, December 20, December 22, and December 27, 2022 (prior to a regular meeting). The room also has been reserved for budget meetings next month on January 5, January 10 (prior to a regular meeting), and January 12, 2023. Chair Maxwell felt that since the Budget & Financial Review Subcommittee (Board members Goodrich and Morse) have already looked over the proposed budget and made their own suggestions already, it probably won't be necessary to hold that many budget meetings. Board member Morse confirmed the subcommittee did meet to discuss the proposed budget. For his part, he did not see any glaring concerns in what had been proposed. His main concern was whether the various department heads did have proper input when their budgets were drafted but it was confirmed that was the case. Board member Morse did suggest that about \$69,000 in American Rescue Plan Act (ARPA) funds could be used to supplement some capital project expenses in order to lower the amount of revenue to be raised by property taxes. If these ARPA funds were used in this way, Board member Morse said the currently proposed tax increase could be lowered from 8.2% to 6.5%. Board member Goodrich mentioned Manager Schulz has suggested extending the anticipated lifespan of certain municipal vehicles by a year or two in order to reduce spending in the next fiscal year budget. Board member Morse had asked for the total amount that the municipality provides the Vermont League of Cities & Towns (VLCT) each year for insurance coverage, training sessions, etc. This expense is spread over a number of department line items. Finance Director Laurie Baroffio researched this and found the total amount in the last completed fiscal year was \$257,739. Manager Schulz then provided a quick overview of the proposed budget.

- 1. FY 2023-2024 Budget Overview.** Manager Schulz stated that this year's budget process will be more challenging than in recent years mainly due to increased personnel and material costs. He has researched this and found other Vermont municipalities will be similarly affected with an average of about eleven percent (11%) in operating expense increases. There also would not be the large prior year surpluses, many related to the COVID-19 pandemic, as were available over the past couple years. Manager Schulz said he and Ms. Baroffio worked very hard to draft a budget that would maintain the current level of municipal operations while trying to lessen the impact of such increased personnel and material costs on local taxpayers. On the revenue side, the proposed budget has an 8.2% increase (\$278,350) in the amount to be raised by property taxes. The budget proposes the use of \$115,000 in ARPA funds that would mainly cover the cost of the new full-time Economic Development Director position, overages in local infrastructure projects, etc. Prior year surplus funds in the amount of \$109,700 will be used in the budget, which will leave \$236,000 in reserve funds.

In the operations and maintenance (O&M) budget, there will be an overall increase of six percent (6%), which is mainly due to higher personal and health insurance costs. The NPD budget will see a ten percent (10%) increase mainly due to salary rises. The budget increase in the Highway Department will be limited to one percent (1%) due to proposed reductions in road material usage (i.e. salt, crushed stone, etc.) These reductions are based on recent year actual expenses.

In the proposed Capital Improvement Plan (CIP) and Capital Equipment Plan (CEP) budgets, there will be a sizable decrease in spending. This is somewhat misleading as in the current fiscal year, surplus funds were used for a number of one-time payments into capital expense budgets. The spending on these budgets in the next fiscal year will be more typical of the amounts set aside in recent fiscal years. Manager Schulz said there were no new major capital purchases planned for the next fiscal year. \$225,000 will be set aside for road paving and another \$30,000 for sidewalks. There will be a \$14,000 increase in municipal debt that is largely due to the recent purchase of a new loader for the Highway Department. Chair Maxwell asked if the Select Board members had any questions.

Board member Morse said there should be a decision by the Select Board members whether they would like a line-item by line-item discussion of the proposed budget during the upcoming meetings. He feels this is not necessary as management has provided a solid budget that has only a few possible areas of contention. Chair Maxwell believes the Select Board has tried to move away from such detailed budget discussions and instead focused on those line items with significant increases (or decreases). He believes this has worked well and made this a considerably less time-consuming process. Chair Maxwell would like the Select Board members to carefully review the proposed budgets and be prepared at the upcoming meetings to ask specific questions and/or make suggestions regarding possible cost savings. The meeting agendas should specify which departmental budgets will be reviewed that night so that the Select Board members can fully prepare beforehand. Chair Maxwell believes with this approach, only four (4) budget meetings should be necessary. He also doesn't believe department heads need to be present at these meetings unless Select Board members have specific questions that only they can answer. Chair Maxwell has seen in the past marathon budget meetings of four (4) hours plus and doesn't feel that is the best approach to this process. He also believes that helping prepare the municipal budget for voter approval is a Select Board member's most important function. He noted that these will be public meetings warned in advance and members of the public are strongly encouraged to attend and provide their input. Unfortunately, with the exception of Northfield Falls resident Elroy Hill, public attendance at these budget meetings is sporadic at best. Board member Petty believes this is unfortunate as this is the best time for individual residents to have early and significant impact on the budgets that will be presented for approval on Town Meeting Day. It also is a learning opportunity for local taxpayers to find out how their money is being spent.

2. **Future Budget Meeting Schedule.** Board member Goodrich believes management has presented a good budget and also thinks a detailed examination is not necessary. She also doesn't see the need for department heads to attend the budget meetings unless they are informed beforehand that there are specific questions for them. Board member Morse believes the department heads also should attend if they have made a budget request to management that is not present in the current draft budget. Board member Goodrich agreed with this. Chair Maxwell believes that if the Select Board members are fully prepared for these budget meetings, they should not last any longer than ninety (90) minutes.

This time limit was acceptable to the other Select Board members. After some additional discussion, it was decided that the remaining three (3) budget meetings would be held on the following Tuesday nights: December 20, 2022, December 27, 2022, and January 10, 2023. The meetings will start at 6:00 p.m. and held here in the Community Room. Chair Maxwell suggested an additional meeting or two could be added in mid-January 2023 if some budget concerns still remain unresolved.

Board member Goodrich asked if any department heads had specific requests that were not incorporated into the budget now under consideration. Manager Schulz said the only significant one not included was Northfield Ambulance Chief Lawton Rutter's request for a second full-time employee for his department. Chief Rutter has made this request in previous years. In addition, Highway Foreman Trent Tucker did request funds to replace his department's backhoe. A CEP account will be started for this purpose and funds allocated but this purchase probably will not occur as soon as Mr. Tucker would prefer. Mr. Tucker also suggested adding a separate line item for emergency road repairs. However, it was the conclusion of Manager Schulz and Ms. Baroffio that the current line item for road maintenance was sufficient and there was no need to split it into two (2) separate line items. Chair Maxwell asked about the timeline for backhoe replacement. Manager Schulz said a replacement probably would be purchased in three (3) years. The amount of funding to be allocated depends on whether a new or used one is bought. Chair Maxwell asked how old was the current backhoe. He was informed it has been in service for about twenty (20) years. Mr. Hill agrees with the importance of funding a replacement backhoe as this is a necessary piece of equipment.

Chair Maxwell noted there are a few municipal departments that until fairly recently had total annual budgets in the \$500,000 to \$600,000 range. Some are now approaching or have reached million-dollar budget status and this is a disturbing trajectory. He felt some difficult decisions might have to be made to prevent budget creep in other departments. Chair Maxwell then asked if Ms. Baroffio had any comments regarding the proposed budget meeting schedule and proposed process. She said it would be a very good thing to have only four (4) budget meetings this year.

**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 6:37 p.m.

Respectfully submitted,

*Kenneth L. McCann*

Kenneth L. McCann, Acting Clerk

These minutes were approved at the Select Board regular meeting of December 27, 2022.