

**TOWN OF NORTHFIELD, VERMONT
BOARD OF TOWN SELECTMEN
BUDGET MEETING #8
Minutes of January 10, 2017**

- I. ROLL CALL.** Chair K. David Maxwell, Selectmen Lynn Doney, Nathan Freeman, Matthew Gadbois (5:20 p.m.), and Kenneth W. Goslant. Also present were Town Manager Jeffrey Schulz, Finance Director Laurie Baroffio, and Chris Bradley.

Chair Maxwell called the meeting to order at 5:08 p.m.

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

III. BUDGET WORK SESSION

Manager Schulz would like to begin this meeting with a review of FY 2017/2018 revenue sources. He then would like the Select Board members to review the proposed Inter-Departmental Charges Policy for FY 2017/2018 and afterwards conclude with a general discussion of Town General Expenditures including any suggested changes.

Town General Revenue

At a previous budget meeting, there were suggestions to change a couple of the revenue line items in order to bring in additional funds. For example, the municipality currently charges the towns of Roxbury and Berlin a per capita charge of \$17 per resident for Northfield Ambulance Service (NAS) coverage of Roxbury and West Berlin (Riverton). It was proposed at the earlier meeting that this be raised to \$25 per resident, which would raise this line item from \$16,580 to \$21,270. Chair Maxwell believes the new per capita charge is more in line with what other ambulance services in the area would charge. Manager Schulz has contacted municipal officials in Roxbury and Berlin and there was general agreement that the new amount was reasonable. He added that another NAS charge the Select Board was looking at raising was for special detail coverage, i.e. sporting events, graduations, etc. Manager Schulz contacted NAS Chief Lawton Rutter about this and Chief Rutter did not feel a major increase in the amount now being charged (\$75 per hour) was a good idea since event organizers might be able to find cheaper alternatives. He did not oppose a slight increase. Chair Maxwell noted that the proposed FY 2017/2018 revenue amount for this is \$8,000 so this is not a major revenue source.

Manager Schulz said increasing cemetery fees was another suggestion. He discussed this matter with Cemetery Commissioner Bruce Wright and Mr. Wright will research what other Vermont municipalities charge for burial lots, internments, setting markers, etc. compared to Northfield. This information will be forwarded to the Select Board so it can be determined whether the rates should be raised and how much. Chair Maxwell believes that the amount collected for perpetual care needs to be increased to cover the actual costs of long-term cemetery care. Finance Director Laurie Baroffio noted that half of the amount collected for burial lots goes into a separate bank account to cover this. Selectman Goslant doesn't really care what other communities do since it is clear Northfield doesn't charge enough. He recently learned that Norwich University charges much more for its private cemetery on Dole Hill. Selectman Goslant added that cemetery maintenance costs go up every year and he felt limited funds had caused a backlog of maintenance in our cemeteries. Chair Maxwell feels cemetery fees do need to be revisited including the different amounts charged to residents and non-residents. Additional revenue here also will not impact the budget greatly but could prevent perpetual care costs from getting out of hand in the future as the number of available lots decreases.

Selectman Gadbois arrived at this time.

Another issue that came up previously was the amount that the Town Highway charges the Water Department for use of its backhoe and dump truck. Manager Schulz spoke recently to Utility Superintendent Patrick DeMasi about this and Mr. DeMasi said the amounts now in the proposed FY 2017/2018 budget for backhoe (\$6,900) and dump truck (\$1,000) rental are rough estimates since he cannot predict when waterlines might break or other such emergencies occur. He does keep a log book that records usage hours. He estimates that the Water Department will use the backhoe for 270 hours in FY 2017/2018. Manager Schulz said the FEMA equipment rental rate for backhoes is \$40 per hour so the line item for backhoe rental should be raised to \$10,800. Ms. Baroffio said the Inter-Departmental Charges policy will have to be amended to make this change. Selectman Goslant doesn't feel the FEMA rate is especially relevant and would rather look at what commercial rental companies in the region might charge. He also felt that the Water Department puts a lot of wear and tear on the backhoe while laying down pipe during the summer. Chair Maxwell would like it determined whether or not using the FEMA rate is fair. Also, if the Highway Department doesn't use the backhoe that much, perhaps its ownership and maintenance costs should be transferred to the Water Department. As for the rental of dump truck, this line item also would be increased to about \$3,850. Selectman Goslant feels that the \$35 per hour FEMA rate for dump truck rental also is too low compared to actual costs.

Manager Schulz noted there had been a discussion of how much the municipality charges the School District for its employees removing salt from the Town's storage shed to put down on its parking lots, nearby sidewalks, etc. The Select Board asked that the amount taken should be better tracked. Selectman Doney thought it would be prudent to have someone from the Highway Department on hand when the salt is taken away. Manager Schulz has asked Highway Foreman Trent Tucker to have these removals scheduled ahead of time so they can be observed. Chair Maxwell feels this is a procedural matter.

Inter-Department Charges Policy

Manager Schulz said this policy determines how costs are allocated between different departments based either on percentages or flat charges. This policy, with some minor changes, has been around for some time and prior to municipal merger it focused on allocating costs between Northfield Town and Northfield Village. Now the main focus is in determining what should be charged to the Town General Fund (which is supported by taxpayers) as opposed to the Utilities (which are supported by ratepayers). He then went through the various categories, explaining how the breakdowns between the various departments were determined. For example, the Utility departments pay for most of the postage machine's maintenance costs because of the bulk mailing of utility bills each month. On the other hand, the Town pays for most of the copier maintenance costs because of all the recording the Town Clerk's Office does throughout the year.

Manager Schulz noted his salary now is split 56.5% Town and 43.5% Utilities. Prior to merger, the Municipal Manager's salary had been a split 50-50 split between Town and Village. Without the assistance of the Vermont Public Power Supply Authority (VPPSA) and Northfield Electric Department (NED) Technical Advisor Stephen Fitzhugh, he would be spending much more time on electric matters and the percentages would need to be altered. Likewise, since the NED contracts out its infrastructure maintenance to Green Mountain Power (GMP), the Utility Superintendent's salary is mostly split between the Water Department (54%) and Sewer Department (36%) with NED charged only 10%.

The section "Equipment Rental Fee" will have to be changed due to the proposal to raise the amount charged the Water Department for rental of the backhoe. The "Highway Sewer Fee" is the \$2,500 that the Highway Department pays the Sewer Department each year to deal with the sand/gravel that ends up in the wastewater drains. These funds are put into the Sewer Department's CIP account. This flat charge has not changed in several years and even though some members of the Utility Commissions feel it should be raised, there is not a formal recommendation to do so at this time.

Manager Schulz stated the Utility departments pay a total of \$51,000 into the Town General Fund as an annual PILOT (Payment in lieu of Taxes) payment that covers the amount that they would have to pay in property taxes for the parcels on which its infrastructure, such as the NED substation on King Street, are located. Ms. Baroffio noted this amount has not changed for several years and might need to be revised. Chair Maxwell suggested that the amount could be tied to any tax rate increases. As there is no time to discuss this fully during the present budget sessions, this matter will be revisited later.

Ms. Baroffio said she would make the suggested changes in the FY 2017/2018 Inter-Departmental Charges Policy and prepare it for formal approval at the Select Board's next regular meeting (01/24/17).

Town General Expenditures

Manager Schulz said all the affected department heads already have addressed the Select Board regarding the proposed FY 2017/2018 budget so now the Select Board members need to either approve it as now presented or make additional changes. The Highway Committee met yesterday and decided to recommend that the street sweeper be used until the end of its serviceable life and not replaced. The municipality then would contract out the semi-annual street sweepings to a private company. Chair Maxwell asked how much this would save the municipality. Manager Schulz said that the immediate saving would be the \$11,250 that was going to be put in the Highway Department's Capital Equipment Plan this year to fund the sweeper's eventual replacement. Chair Maxwell asked what was the present value of the street sweeper. Manager Schulz was not sure as it is about fifteen (15) years old. Chair Maxwell suggested that if the sweeper was sold while it was still operational, the funds received could be used to start contracting out the street sweeping as soon as possible. The remaining funds could be put towards the replacement of vital highway equipment. Ms. Baroffio said that if the street sweeper is sold before the end of the next fiscal year, additional funds would need to be put in the Highway Department's operational budget to cover the cost of the contracted sweeping. Selectman Goslant said the Highway Committee never looked into selling the sweeper but will meet again to look into it before the next budget meeting. A recommendation will be made at that time.

The next budget meeting will be held at 6:00 p.m. on Thursday, January 12, 2017 in the Community Room located in the Brown Public Library. The entire FY 2017/2018 budget will be reviewed at that time.

IV. PUBLIC PARTICIPATION (Unscheduled).

a. Chris Bradley: Additional Revenue Sources. Mr. Bradley felt the municipality might be able to bring in additional revenue by raising or attaching surcharges to some of the zoning permit fees. The money brought in also would help cover some Lister expenses for on-site inspections, etc. In addition, the municipality owns some valuable parcels near the Norwich University (NU) campus that NU might be willing to purchase.

V. ADJOURNMENT. Motion by Selectman Doney, seconded by Selectman Freeman, to adjourn. **Motion passed 5-0-0.**

The Board adjourned at 6:50 p.m.

Respectfully submitted,

Jeffrey Schulz

Jeffrey Schulz, Acting Clerk

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

These minutes were approved at the regular Select Board meeting of January 24, 2017.