

**TOWN OF NORTHFIELD, VERMONT
SELECT BOARD SPECIAL MEETING
Minutes of January 23, 2025**

- I. ROLL CALL.** Select Board Chair K. David Maxwell (absent), Acting Chair John Stevens, Board members Charles Morse, Lydia Petty, and Merry Shernock. Also present were Manager Jeff Schulz, Laurie Baroffio (Finance Director), Penny Day, and Elroy C. Hill.

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

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

III. DISCUSSION

a. Proposed FY 2025/2026 Town Budget

- 1. Town Budget Recap.** Manager Schulz said the recent revisions to the proposed budget will result in an estimated tax rate increase of seven percent (7%). He then reviewed the major changes made to the budget by Select Board consensus since the first budget draft was provided to them on November 27, 2024. In the revenue side of the budget, Manager Schulz said the anticipated amount to be realized from Town Clerk fees was reduced from \$35,000 to \$30,000 based on recent actual amounts. Also, as the Select Board members approved a suggestion to provide free swimming lessons for Northfield residents this summer, the revenue line for swim lessons has been reduced from \$2,900 to \$500. In addition, anticipated income interest has been increased from \$30,000 to \$40,000 based on past actuals. The income interest for Capital Improvement Plan (CIP) banked accounts also has been increased from \$35,000 to \$40,000. In the operations and maintenance (O&M) budgets, the line item for Northfield Fire Department (NFD) equipment recertification has been increased from \$8,000 to \$10,000. In addition, the Northfield Police Department (NPD) personnel budget will increase from \$88,990 to \$121,440 to provide full funding for five (5) full-time officers. That increase will be partially offset from \$10,550 in budget savings with two (2) NPD full-time officers charging their health/dental coverage plans. In the Cemetery budget, the tree removal line item will increase from \$1,500 to \$5,500. This will allow for additional problem trees to be removed from the public cemeteries this coming summer. In the CIP budgets, \$5,000 will be added to the Brown Public Library (BPL) roof replacement account. In addition, \$5,000 will be removed from the Water Street Footbridge account and \$6,000 will be put into a new account for the Water Street Footbridge. In the Capital Equipment Plan (CEP) budgets, it had been Select Board consensus to budget in future for three (3) rather than four (4) NPD patrol vehicles. The \$39,900 that had been budgeted for the replacement of that fourth vehicle will be redistributed amongst the three (3) remaining patrol vehicle replacement accounts and to fund the purchase of two (2) new speed warning roadside signs. In the Highway Department CEP budget, \$9,650 was added to the vehicle replacement account for the ¾ Ton 2018 Chevrolet Silverado.

Manager Schulz said that due to the American Rescue Plan Act (ARPA) fund retention resolution approved last year by the Select Board members, \$392,800 in undesignated ARPA funds have been converted into Town General surplus funds. Of those funds, \$134,800 will be put into a reserve fund, pending voter approval, as local match funds for future grant applications. An additional \$42,160 will be put into the Economic Development O&M budget and \$4,000 will be used for Community Room updates. The remaining balance has already been allocated for various local projects such as sidewalk improvements, pedestrian safety improvements, etc. Manager Schulz then thanked Finance Director Baroffio for her hard work in drafting explanatory budget pages for the undesignated ARPA funds, which was a new development this year. Manager Schulz will provide Northfield residents with a full explanation of this process in his submission to this year's annual Town Report. Motion by Board member Petty, seconded by Board member Shernock, to approve the FY 2025/2026 Town Budget as presented by management.

Board member Morse said he saw a real problem with the proposed budget that would preclude him from providing his support for it. After acknowledging the hard work and long hours put in by management and his fellow Select Board members to get to this point, Board member Morse said in the absence of a formal agreement with Norwich University (NU) regarding their annual gift to the municipality, he could not support a budget that included the \$235,000 in revenue that payment represented. Other than that concern, Board member Morse is impressed with the proposed budget that has been presented tonight. Acting Chair Stevens, who serves on the Select Board's NU Subcommittee with Chair Maxwell, then confirmed that there has been no recent progress in reaching a new long-term agreement with NU on this matter. Board member Petty asked if Board member Morse had an alternate course of action should this large amount of anticipated revenue be removed from the proposed budget. Board member Morse felt the revenue should simply be taken out of the budget. It was noted that this would result in a near doubling of the estimated tax rate increase. Board member Morse does not want to present an incomplete or inaccurate budget to Northfield voters for approval. Board member Petty has been under the impression that there has been at least a verbal commitment that these funds would be provided. She also would like to have had a written agreement in hand but noted that payments have been made in recent years even in the absence of one. In the unlikely event that the payment is not made, Board member Petty has confidence that management would be able to make up any budget shortfall by using surplus funds, etc. to avoid deficit spending.

Acting Chair Stevens then asked for an explanation regarding what were the "other sources" for municipal revenue indicated on that budget page. Manager Schulz said these funds were mostly ARPA funds as well as prior year surplus funds. Acting Chair Stevens also asked for a more detailed explanation of how the NPD CEP funds designated for the fourth patrol vehicle would be redistributed amongst other accounts. Returning to the discussion of the NU annual payment to the municipality, Board member Shernock repeated the point that NU has made these payments in recent years in the absence of a written obligation to do so. She felt that based on past performance, it could be reasonably assumed that the annual payment will be made again in the coming fiscal year. Based on what he heard during a meeting with NU officials, Manager Schulz believes the new NU president has in fact made a verbal commitment to make this annual payment even in the absence of a long-term written agreement. He also said that it was imperative that the Select Board members approve the proposed municipal budget tonight so that the 2025 Town Meeting warning can be prepared for Select Board approval at next week's regular meeting (01/28/25).

Motion passed 3-1-0, with Board member Morse voting in opposition. Even though she did not agree with Board member Morse's dissent, Board member Shernock felt there was a good rationale behind his action that should be communicated to NU administrators. Elroy Hill has faith that NU will honor its past commitments and come through in the end to make the payment.

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

V. ADJOURNMENT. Motion by Board member Petty, seconded by Board member Morse, to adjourn. **Motion passed 4-0-0.**

The Board adjourned at 6:33 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

A video recording of this meeting is available at <https://youtu.be/0PQBrP72zS0>

These minutes are subject to approval at the next Select Board regular meeting.