

**TOWN OF NORTHFIELD, VERMONT**  
**BUDGET & FINANCIAL REVIEW SUBCOMMITTEE**  
**Minutes of November 15, 2024**

- I. ROLL CALL.** Subcommittee members K. David Maxwell and Charles Morse. Also present was Town Manager Jeff Schulz.

The meeting was called to order at 8:01 a.m.

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

**III. DISCUSSION**

- a. Proposed FY 2025/2026 Municipal Budget.** Manager Schulz said he and Finance Director Laurie Baroffio have been working hard and are now close to finalizing the proposed budget for the next fiscal year. Manager Schulz said we are looking at wage increases of about 7% and health insurance costs will be up considerably. In addition, Highway Department costs will increase mainly due to higher than anticipated local expenditures for the Main Street Bridge replacement project. There already has been \$275,000 budgeted for this in the Highway Capital Improvement Plan (CIP) budget but we may need to add an additional \$100,000. There also will be about 25% increases in the funds set aside in the Highway CIP budget for future vehicle replacement as those costs have gone up significantly. In addition, the Northfield Ambulance Service (NAS) is requesting significant pay increases for EMTs and especially for certified paramedics. There also was an NAS proposal to increase the compensation for non-emergency transfer standby employees by using some of the additional revenue. Manager Schulz is reluctant to include these requests in the initial budget. Manager Schulz then noted that the Northfield Police Department (NPD) remains understaffed, which resulted in a good amount of last year's budget surplus. He said there now is consideration of budgeting for five full-time officers rather than six. This might give the public the impression that the department is shrinking but instead should be seen as a reflection of how difficult it has become nationwide to fully staff law enforcement agencies. Subcommittee member Maxwell asked if the recently approved NPD contract would have any impact on the decision to reduce the number of full-time officers. Manager Schulz doesn't believe so but will review the contract to make sure.

Subcommittee member Morse would like to review the municipality's potential revenue stream for the next fiscal year. He noted that a new restaurant is opening soon and a new apartment complex will be constructed on the old Cetrangelo Lot and this might increase the Grand List in the next couple of years. Subcommittee member Morse would like to be sure that revenue projections for the next fiscal year will be as accurate as possible as he doesn't feel Northfield residents are comfortable with large budget surpluses. Subcommittee member Morse also feels interest income estimates should take expected bank interest rates into consideration. Manager Schulz said the allowed surplus amount limit is \$190,000 and we usually try to keep any budget surplus amount down to \$130,000. He did not think that was a significant amount for a \$5,000,000 annual municipal budget. Subcommittee member Morse suggested budgeting for a fully staffed NPD as that will provide a known surplus amount. Manager Schulz noted we now have an NPD Chief and five full-time officers. Subcommittee member Morse said the normal guideline is having one law enforcement officer per 1,000 residents; the local population is about 6,000 including Norwich University students, etc. It then was noted that the NPD Chief does respond to emergency situations when needed. Subcommittee member Morse felt if it was truly demonstrated that the local situation required having six full-time officers, it might become necessary to hire away officers from neighboring law enforcement agencies.

Subcommittee member Morse asked if any other new spending was anticipated. Manager Schulz said there was nothing else significant other than what he has already mentioned about Main Street Bridge replacement costs, Highway Department equipment costs, etc. He felt that the Select Board members have done a good job in setting aside CIP funds for future capital purchases but equipment and material cost increases are both inevitable and unpredictable.

Subcommittee member Morse asked if the Paine Mountain School District was planning any new spending in the next few months. Manager Schulz does not know of any but added that the school district has started a conversation about the future of their current facilities. This could include new buildings at new locations in Northfield or Williamstown and abandoning the current ones. Subcommittee member Morse is concerned the Select Board authorized spending \$400,000 for new sidewalks to the Northfield schools when there is a possibility of those facilities could be closed in the near future. Subcommittee member Maxwell would like to be kept better informed in future about such possibilities. He added that he hasn't seen much in tax savings as a result of the merger of Northfield and Williamstown schools. Manager Schulz said these sidewalks were in poor condition and would have to be addressed eventually. Subcommittee member Maxwell said even if the school facilities are eventually abandoned, something else probably would move into this prime downtown location such as new housing units, etc.

Manager Schulz said we now are looking at an 8% budget increase at a minimum. Subcommittee member Maxwell asked about other possible revenue sources. For example, a new long-term agreement is being negotiated with Norwich University. As for the NAS request for using some of the revenue generated by non-emergency transfers to compensate NAS personnel, Manager Schulz doesn't feel this is a good idea and will recommend against this to the Select Board members. He added that additional NAS revenue from the non-emergency transfer standby test program has not been as high as expected.

Subcommittee member Morse then asked about the upcoming town-wide reappraisal. Manager Schulz said he signed the appraiser contract some time ago and the process probably will start in the spring of 2026. The delay is due to the number of other Vermont communities required to go through the process at this time, which has impacted the availability of qualified appraisers. Subcommittee member Maxwell said an additional unknown factor at this time was how high the statewide school tax will be in the next fiscal year. He noted the recent turnover in the state legislation due to last week's election might have mitigating effects. Subcommittee member Maxwell then asked for specifics regarding employee health insurance cost increases. Manager Schulz said the bulk of municipal employees are covered by MVP Health Care and those rates will increase by 11%. The NPD officers are covered by Blue Cross, which is expected to increase its rates by 20%. Manager Schulz noted in recent years, annual health insurance costs have increased by an average of 10% to 15%. The municipality will cover about 80% of the rate increases with the employees covering the rest.

Subcommittee member Maxwell asked when the complete draft budget will be ready for review. Manager Schulz said it should be finished in about a week so that the subcommittee members can review it again before it goes to the rest of the Select Board members. After some discussion, it was decided that the subcommittee will meet again on Monday, November 25, 2024 and copies of the proposed budget will be distributed to the subcommittee members by the previous Friday (11/22/24). The first full Select Board budget meeting now is scheduled for Tuesday, December 3, 2024, which will allow time for any additional revisions to be made beforehand.

**IV. PUBLIC PARTICIPATION (Unscheduled).** There was none.

**V. ADJOURNMENT.** Without objection, the meeting was adjourned at 8:35 a.m.

Respectfully submitted,

*Kenneth L. McCann*

Kenneth L. McCann, Acting Clerk

These minutes are subject to approval at the next subcommittee meeting.