

Select Board Members

- Peter Hood, Chair
- Liz, Scharf, Vice Chair
- Randy Drury
- Vic Dwire
- Jeff Pryce

MIDDLESEX SELECT BOARD
Tuesday, January 16, 2023
Middlesex Town Hall and via Zoom*
Middlesex Town Clerk's Office
5 Church Street
Middlesex, Vermont 05602
(802) 223-5915

MINUTES

PRESENT: Chair Peter Hood* and Vice Chair Liz Scharf. Select Board members, Vic Dwire, Randy Drury (who is also a member of the Budget Committee) and Jeff Pryce. Treasurer Dorinda Crowell. Budget Committee members Mark Harris*, Elias Gardner*, George Longenecker and Zara Vincent. Select Board Assistant Sarah Merriman took the minutes, and the meeting was recorded by ORCA. (*indicates attended via Zoom)

Call to Order, Welcoming Guests, Approving Minutes and Agenda

With the Chair's permission, Liz chaired the meeting and called it to order at 5:00 PM.

MOTION: Vic moved, and Peter seconded, approving the corrected January 9, 2024, Select Board meeting minutes. The motion passed and those present signed the minutes.

MOTION: Vic moved to approve the agenda for January 16, 2024, Select Board Meeting; Jeff seconded. The motion passed.

FY25 Budget Discussion

Mark said an 11% increase in the FY25 municipal budget to a casual observer may seem high, but after deeper analysis, he said he believe it's justified. If the flood never happened, the Town operating budget would be basically a 7.38% increase, not including the \$126,000 in contributions to Capital Improvement Planning funds. Dorinda said the \$125,672 in Special Articles to be voted on at the March 5, 2024, Town Meeting brought the total budget increase to 14.74%.

Peter brought up the proposed 4% cost-of-living increase in Town wages; he thought it was fine considering the Board recently increased the wages of Town employees across the board to be competitive. Mark said the Budget Committee was fine with the 4% increase as well. Vic said the Road Foreman proposed a 4.5% wage increase, but indicated he would be satisfied with a 4% increase. Peter said employees needed to keep in mind that compensation included pay plus benefits.

Sarah noted that after 11 years as Town Clerk, her compensation is decreasing by \$10,000 since her husband has gone on Medicare and is no longer receiving Town health insurance, though they're paying more out of pocket for supplemental coverage. Peter asked if there's a carve out in the Town's insurance which pays for supplemental coverage, though the open enrollment period had ended.

The other approach would be to consider increasing HSA contribution to cover the supplemental insurance costs. Sarah said the Town's annual HSA contribution hasn't increased in the time she's been working as Town Clerk. The Board discussed bringing in a representative from VT BlueCross/BlueShield to talk about the program. Peter said at this point, the Town has committed to benefits and the Board can discuss available options at the January 23rd meeting. The Board returned to discussing wage increases. Mark said salary increases are reactive. Randy said in 2021 the Board increased pay for employees across the Board. Liz asked Mark to create a budget report for the annual report; he agreed.

The Board discussed the challenge of how to present to the voters the Town's financial situation considering that \$2.1 million in emergency road repairs from the July 2023 flood have been submitted to FEMA which will reimburse only 75%. There's no word from the State Legislature on whether the state will make up the 25% match in total or in part.

Dorinda recounted a conversation this week with Community Bank regarding the \$3 million line of credit which is due August. Of that, the Town has drawn down \$1.5 million. The Town might need to take out a longer loan, though it's unlikely to be at the lower interest rate of 3.9% on the line of credit. She advised against taking out a longer-term loan now since the Town won't know until the end of the road repairs next year how much money the Town will need to borrow. Dorinda FEMA may pack back enough to pay off the \$1.5 million borrowed from the line of credit, but once spring comes around, the Town will be in the same position. Liz said the reflection of the flood in the budget is line 29.

Mark suggested explaining this in the 2023 budget report in the 2023 Town Report, but to avoid representing these expenses in the budget since the Town might be reimbursed before the start of the FY25 fiscal year.

Liz pointed out that the principal is reimbursable, but interest is not. She agreed the principal doesn't belong in the budget since it's not part of the operating budget because the Town doesn't owe the money right now and the Town doesn't know the full cost of repairs. Dorinda calculated that the 25% match might be as high as \$550,000. Peter said he's optimistic the Legislature will step up and compensate towns for the match, at least in part. The Board decided not to place an article on the 2024 Town Meeting Warning asking voters for authorization to go into debt for a certain sum for not more than five years partly because it's impossible to determine how much money the Town will need. The Board will finalize the budget at its next meeting on January 23rd.

The Board discussed how best to present Town Hall renovation proposals at Town Meeting.

The Board adjourned at 6:35 PM.

Respectfully submitted by Sarah Merriman, Select Board Assistant

THE ABOVE MINUTES WERE APPROVED AS A WARNED AGENDA ITEM AT A SPECIALLY SCHEDULED MEETING OF THE MIDDLESEX SELECT BOARD ON JANUARY 23, 2024.

PETER O. HOOD, CHAIR

ELIZABETH SCHARF, VICE CHAIR

RANDY DRURY

VIC DWIRE

JEFF PRYCE