

Town of Richmond Special Budget Selectboard Meeting Minutes of October 18, 2022

Members Present: Bard Hill, David Sander, Jay Furr, Jeff Forward, June Heston

Members Absent: None

Staff Present: Josh Arneson, Town Manager; Duncan Wardwell, Assistant to the Town Manager; Connie Bona, Finance Director; Ravi Venkataraman, Town Planner; Peter Gosselin, Highway Foreman; Dennis Gile, Fire Chief; Rebecca Mueller, Librarian Benjamin Herrick, Interim Police Chief

Others Present: Meeting was recorded by MMCTV, Angelike Contis, Allen Knowles, Amy Wardwell, Andy Phone, Kathleen Templin, Lisa, Teri Martineau

Call to Order: 7:00pm

Welcome by: Heston

Public Comment: None

Additions or Deletions to Agenda: None

Welcome and Public Comment

Items for Presentation or Discussion with those present

Consideration of approving 2023 health insurance plans for Town staff

Arneson: Teri and Lisa are here from Hickok & Boardman as well.

Martineau: Thanks for having us. We are here to answer any detailed questions.

Arneson: I am sharing my screen to present the different options (https://www.richmondvt.gov/fileadmin/files/Selectboard/Meetings/2a1_2023_Health_Insurance_Options.pdf). It makes sense to move forward with the MVP packages as there is not a significant savings either way. In general, there is a 19% increase in premiums. We should talk about Police as we have a union agreement. We added a 5% contribution to the premiums in FY22 and it increased to a 10% contribution in FY23. The cost to the Town is the same if the choose Gold or Platinum. Currently, our employees do not make any contributions to the premiums, so we looked at 10% contribution like the Police. The Health Reimbursement Account (HRA) is where the Town would commit up to certain amount of qualified health expenses. It would be split between what the employee would pay, and Town would pay the rest. We calculate that the same way as the Health Savings Account (HSA). Not everybody is going to use their full out of pocket costs. You would expect to spend about 40% of what you commit in HRA. The summary of the different options can be summarized by:

Opt. 1: (this option keeps everything the same as it is now)

- 100% paid by Town for Platinum and HDHP plans for non-union

- HSA contribution by Town for HDHP equals the difference between Platinum premium and HDHP Premium.

Opt. 1a:

- 100% paid by town for Platinum and HDHP plans non-union and switch from HSA to an HRA for employees on HDHP.
- HRA commitment by Town for HDHP equals the difference between Platinum premium and HDHP Premium.

Opt. 2:

- 90% paid by the Town for Platinum and 100% paid by town for HDHP plans non-union with HSA contribution by Town for employees on HDHP.
- HSA contribution by Town for HDHP equals the difference between 90% of the Platinum premium and 100% of the HDHP Premium.

Opt. 2a:

- 90% paid by the Town for Platinum non-union and switch to HRA for employees on HDHP.
- HRA commitment by Town for HDHP equals the difference between 90% of the Platinum premium and 100% of the HDHP Premium.

Opt. 3:

- An option where the non-union employee is covered at 100% for the Platinum plan and then the employee pays for family members. HDHP is not offered in this scenario.

Furr: We might consider another option where the employee contributes half for a dependent.

Hill: What are our principles and guidelines? We are headed toward some increased contributions from employees. Not many places provide 100% contributions. If we think we are in the middle of the pack for compensation, it might be reasonable to be middle of the pack for insurance. It is bad practice to do wild swings.

Heston: You are right, there are an infinite number of scenarios. I wouldn't say our salaries are the middle of the pack as we chose as we chose the 70% percentile for the compensation study. We want to show we value our employees, but we do work for the taxpayers of our Town. We cannot look at a 25% increase on insurance.

Forward: I think we can take Option 1 and 3 off the table. Option 1a doesn't do much for anybody. It looks like we are down to Options 2 and 2a.

Furr: Option 2a has an HRA.

Heston: It is a benefit. I think this is tolerable in light of significant increases in taxes.

Arneson: Option 2 and 2a is not much of a savings but the HSA is a benefit for the employees.

Martineau: The HSA is currently being managed in house. There is no fee attached to that. The HRA would require a third-party administrator and MVP does administer HRA. There is a one-time \$250 implementation fee for the HRA and a \$2.50 per employee per month fee.

Bona: The HRA also requires a separate bank account because the funds will go in and out electronically. That will be another account to manage and reconcile every month. The HSA is already setup with a Northfield account, and we are responsible for managing ourselves.

Forward: We might risk losing some of the savings if we choose the HRA as employees might choose a different plan.

Heston: We are already paying the difference between the Gold and Platinum plans.

Arneson: If we went to an HRA and all the people on the Gold switched to Platinum then that \$2,000 savings would go away.

Hill: The savings difference between 2 and 2a is modest.

Furr: Employees would probably prefer Option 2.

Martineau: The HRA typically favors the employer. An HSA favors the employee as it goes with you, and you can use it for outside of your health plan.

Arneson: We might also consider that Option 2 matches what we have with the Police Union.

Forward: I would be uncomfortable asking more than the 10% employee contribution. The taxpayers would be ill-served if we lost our employees.

Forward moved to adopt Option 2 as presented. Hill seconded.

Roll Call Vote: Forward, Furr, Heston, Hill, Sander in favor. Motion approved.

Review of draft FY24 Budget

Arneson: Here are a few things that will affect all departments. The projected tax rate is about 25% increase. Last year we used \$300,000 in unassigned funds to keep the tax rate down. We also used other unassigned funds. The compensation study increased cost of wages plus our anticipated health insurance costs. Vermont Municipal Employees' Retirement System (VMERS) has a slight increase for Police. Health insurance opt outs are \$2,500 single and \$5,000 family. Telephone and internet are a modest increase. PACIF insurance lines are the same as FY23 but will updated in a few weeks.

Heston: My concern with giving a 5% increase along with a step increase is 7.5% increase on a year when some people got a 35% raise. It does not feel financial responsible. I think we should talk about the 5% increase.

Arneson: The recommendation from the compensation study was to look at other municipalities to find average inflation increases.

Hill: Sometimes there is a different approach to lower paid employees than high paid. Five percent is very different if you are earning \$10,000 or \$50,000. We should contemplate coming back to this.

Furr: We are ordinarily very sensitive to high inflation but because there was a recent bump in salary, we are being more conservative when considering inflation increases.

Heston: The salary line item has gone up 27%.

Arneson: If we do not increase the grid, then we risk falling behind in compensation again.

Forward: Inflation is just treading water. If you do less than inflation, then you are losing money.

Mueller: I recall the conversation in the Spring about not taking the 50%. I think if our competitors are in Chittenden County then the increase needed to be more than 50%. In the Highway and Water Department, once the pay increased, so did the number and quality of applicants. There was a valid reason for going to the 70% ballpark.

Library Department

Mueller: The Library's budget is simple with no equipment or special technology. The biggest increase is personnel salaries as it effects the Social Security, VMERS and long-term disability. Postage has gone up including the PO Box. The computer machines, modems and routers were not as much previous due to a grant. Heat and electricity is more expensive. I am not sure if there will be efficiency savings. Since the fans are running all the time due to improved ventilation.

Forward: Increased ventilation equals greater heat expenses like schools. It is a necessary trade-off.

Bona: Another impact on electricity is the charging stations as those are being parsed out to Library. Right now, we are reimbursing you at the end of the year, but I want to start deducting it from your electricity.

Mueller: In the last 6 years, the Library has collected \$56,000 in revenue. We think we are getting that revenue is because people like our space. It might make sense for our revenue to go toward work for the Town Center Fund space and upgrades.

Forward: The Town Center is a campus not just a building. The Library and the building are a Town asset.

Mueller: People are not just looking for books they are using the computer room, working in a quiet space, holding meetings for political parties, hunter safety, committees.

Hill: How did we budget revenue from the Library in the current draft budget?

Arneson: It is currently offsetting the taxes in the general fund.

Hill: If we put it into the Town Center Fund then it makes that tax hole deeper.

Police Department

Arneson: There are a lot of unanswered questions related to the budget process for the police department going forward. For budget purposes we assumed there would be a new chief hired and Ben Herrick would return to an officer position. Wages are based on Ben Herrick returning to an officer position and going up a step. With a new chief starting at step 1 in FY23 and moving to step 2 in FY24. Uniforms have been increased to account for new hires. Fuel has been increased from \$15,150 to \$25,000 to account for increasing staff and the increase in fuel prices. There will be a purchase of one cruiser in FY24 and associated equipment. This will be paid for out of the reserve fund. We are raising a total of \$80,000 in reserve funds and using \$69,750 in reserves to pay for the cruiser and equipment. The full amount of the cruiser and equipment is included in the expense side of the budget and fully offset on the revenue side by use of reserve funds.

Furr: If we have Police cars that we are not driving because we are not fully staffed then do we want to buy a new one?

Arneson: We would want to buy a new one to keep on the replacement cycle. We could potentially sell an old one but would have to consider a change to our Capital Plan

Hill: The replacement cycle is based on age and mileage. Could we push it out a year?

Bona: It is not based on mileage because it is due to the wear and tear of idling. If we sell them and then we get positions filled it is nothing we can purchase in a month.

Hill: Some cars are not being used even idling.

Herrick: We should rotate assigned cruisers so that everyone drives something else home once a week to keep them moving. The idea of not replacing a car due to lack of hours and mileage is not unreasonable. The idea of selling a car would not be a great idea because it can take 6-10 months to get a police car.

Hill: Is there a way to avoid a car purchase for a year?

Forward: How many cruisers do we have?

Herrick: We have 6 cruisers, and we own 7 cars but one of them just had all the equipment striped out with a new one waiting for its equipment to be put in. Each full-time officer has a car along with a reserve car. We typically have 2-3 officers to have on duty. Each officer has their own car they take home with them when they are not working. That is common for a department our size.

Heston: I was told that Richmond is only local department that has take-home cruisers.

Herrick: Hinesburg does not have officers take home cars, but they do have cars for all of their officers.

Forward: Is anyone using the Tesla?

Herrick: It is not assigned to anyone, but it is being driven.

Arneson: A cruiser typically costs \$70,000.

Heston: It seems high that we are putting \$80,000 in reserve.

Bona: We agreed to contribute a specific amount to reserve so we do not have to take out a loan. The Capital Plan is trying to keep the expenses level, so it doesn't go up and down. The \$80,000 into reserve is so we never hit a negative number.

Hill: If we do not buy a cruiser, then we can adjust our purchase schedule and capital reserve.

Herrick: Retired police cruisers go for much less than \$5,000. The purchasers look at those cars as well used with hard miles. For every mile, there are hours of idling. I bought one for \$500 and it lasted a couple of months.

Hill: We routinely have significant vacancy savings. We should contemplate what happen when we don't spend all the salary, insurance, and benefits.

Bona: June 2018 was the last time we were full staffed.

Planning and Zoning

Venkatraman: This year, we are not changing any staffing hours. I am proposing an internship stipend to keep it sustainable for the future. The intern is working on collating data for the Housing Committee. Tyler and I are taking advantage of training and education. My association dues are going up. The Contract Services Planning & Zoning is an important contingency for staffing and project gaps.

Arneson: The Health Insurance line is based on a staffing change.

Venkatraman: The Sidewalk Reserve was created to cover any grant matches for sidewalk projects that the Transportation and Town want to see to completion. We are looking to increase that to \$80,000. We are hoping to move the projects we have scoped out into construction. These funds need to be ready if we get grants or other funding. Right now, the Sidewalk Reserve balance is \$40,000. The sidewalks on Main Street are on different line because that is a project that is going to happen next year.

Gosselin: The East Main Street sidewalk replacement is 1 of the 4 projects that is already in our Highway General Fund for this fiscal year.

Heston: Can you explain why it went from \$30,000 to \$80,000?

Venkatraman: We are hoping to kickstart the construction of the Bridge Street sidewalks. Scoping studies are only valid for 5 years. If we do not act on engineering and construction, then it becomes obsolete. It is one of the issues we deal with the Gateway

study with Rt. 2. If it is a grant, we will get 80%. The cost of the sidewalk project is \$600,000 which means we would need \$120,000.

Forward: A common comment received from the ARPA Committee is pedestrian and bicycle projects.

Gosselin: The decision has been made through surveys and public meetings to build up reserves for future sidewalk additions. I think we should put it up to Australian ballot to see if we want to build up these reserve funds. Those reserves should not be kept in the Highway budget. It should be in Planning. You might have a lot of people who do not want to spend it that way.

Hill: I have some of the same impressions when I think about the Shared Use Path on Cochran Rd. Sometimes, there is a disconnect between what we like to do and what we like to pay for. I like to have some money in the bank for situations like the Town's history of deferred maintenance on this building.

Heston: This might not be the year to increase that reserve line.

Bona: We have another \$1 million project in the Capitol Plan. We are trying to avoid loans. To avoid loans for FY28 and FY35 this line is going to significantly increase.

Arneson: We could also base it on a 20% grant match.

Venkataraman: Any grant request needs to provide acknowledgement of sufficient funds. There are infrastructure loans that we could get for building out sidewalks.

Hill: I am fuzzy on which projects we put into a plan here to fund. One of the benefits of a bond vote is the taxpayer decides. What is the cost of sidewalks?

Gosselin: We did it in-house. It was \$70/square foot for concrete sidewalks but that was no preparation. It is going to be huge number.

Forward: I don't think it would be wise to have a ballot item for \$80,000 in a reserve fund that we may or may not use for some sidewalk. That is the value of a bond vote when you have a real project.

Heston: What was the amount for the Jericho Rd sidewalk moved from FY27 to FY35?

Venkataraman: The \$1,000,000 in FY35 accounts for inflation and contingencies. The same thing for the FY28 \$700,000.

Heston: Those are numbers we know we can be flexible on. We know we cannot do a 25% increase in taxes.

Forward: Can we put money from ARPA into a reserve fund?

Furr: No, we cannot do a debt service or reserve fund. We can use it for grant matches. Pedestrian safety improvements for sidewalks and paths is a huge percentage of our ARPA suggestions.

Venkataraman: The Transportation Committee operates as an advisory committee to the Planning Commission and the Selectboard.

Forward: I would be more comfortable if these numbers were based on the 20% cost of a match. We would have to bond for that total amount. A lot of the projects are unlikely to happen unless we are getting grants. It is unlikely we will ever spend \$5 million on a Cochran Rd multi-use path.

Highway and Recreation & Trails

Gosselin: There are very few changes except the big ones we just discussed. I added \$1,200 for diesel fuel. A \$200 increase for winter maintenance for parts replacement. Asphalt has gone up 20% so I bumped it up to what it was last year. The current cost for striping a 4-inch line is \$0.25/foot. Or \$0.50/foot for a double yellow. We have been falling behind on Wes White and East Hill Road. We increased it by \$2,000. Do you want me to come back with Class 2 mileage most likely to have a fog line?

Forward: I am thinking of the three roads Jericho, Huntington, and Hinesburg which come into Town. They are all curvy and 45 mph. It won't solve the bicycle safety issue.

Heston: The material for last night's meeting says striping increases speed. If people don't see stripes, then tend to drive slower.

Forward: There are times after the roads are paved that there is a delay in painting the centerlines as the State waits until the Fall. With no center lines, it certainly slows me down but also scares the dickens out of me.

Gosselin: Would you recommend putting fog lines on Cochran Rd. which is probably our most heavily used recreational and motorist route?

Forward: Let's experiment and pick one of them.

Furr: The fog lines on Cochran Rd. might help define the proper path for bicycles and pedestrians.

Heston: This is about the budget. We are looking for things to take out of this budget. There is an increase in this line item, and we can decide later how to spend it.

Gosselin: I will calculate the linear feet of Hinesburg, Jericho, Huntington, and Cochran Roads along with Governor Peck Highway. Then you can put a price to it. The current budget is based on painting the parking in the Village, and the center line for Wes White and East Hill Roads. The illuminated crosswalk never got spent a year ago. I would recommend that since Buttermilk is built, it would be a great location. Our gravel is reduced by \$10,000 because we are in a good condition, but I might be back in a year asking for it back. We have been getting grants for our road repairs due to performing work in-house. The Salt costs went up \$13 per ton so it is now \$86/ton, and we only have one supplier. The weather determines if we go over or under those estimates like many winter costs. Retreatment has gone up and might go up higher with fuel prices. Everything is a big gamble based on fuel prices. Also, our culverts have doubled in cost

since COVID. We got a large decrease in our principal this year because we paid off a lot of stuff. We are doing cash purchases based on the Capital Plan we set up with Connie. We will be borrowing nothing, and we have money due back to us from FEMA.

Arneson: The \$50,000 for Reserve-Highway Capital gets us on the Capital Plan to move forward without having loans.

Heston: It is a huge increase and I wonder if this is a smart thing to do right now. Where does the \$500,000 from FEMA go?

Arneson: That will be restricted to Highway. It could be for anything in the Highway budget.

Hill: Let's look at the Reserve Fund balances. Pete is implying these are big money items especially when we are buying equipment like a bucket loader.

Gosselin: A bucket-loader costs around \$200,000 before trade-in and our last road grader in 2018 was \$510,000 list price. Imagine what it is now. If you have \$500,000 in reserve funds, it looks like a lot, but a few items quickly reduce it. If we have another major weather event, we need the funds to not borrow money. It is good financing and budgeting.

Bona: All of the equipment is very fine tuned for replacement and payment schedules.

Forward: Why do some Reserve Funds have a cap?

Bona: The Planning and Zoning budget has one in regard to legal. We will raise it to a certain amount and then we will only replace what we use each year.

Forward: Some people have a hard time with large reserve funds. I think the Highway is our largest Department.

Bona: We are only putting in what we need for Highway to not take out loans. We spent \$500,000 on interest over a 15-year period to avoid doing that.

Hill: When interest rates were low, we could easily borrow money. This is intended to avoid future costs. The next few years it will be a big deal.

Fire Department

Gile: Our salaries increased from \$50k to \$55k based on FY22 actuals and a future increase to minimum wage. We had 6 more calls to Bolton that we did last year. Most of them are car accidents. The interstate hasn't been a problem other than the recent tractor-trailer accident on Exit 11. For Medical, we will have new members who must take physicals for certification. The Heat, Electricity, Gas, oil, diesel fuel are all going up. The Pump Testing needs to be done yearly. Same with Hose Testing. A rescue truck is for jobs with one side for car accidents, with a light tower, and it is 31 feet long for house fires or CO calls. A brush truck deals with brush fires and going on the interstate for traffic control.

Bona: The reserve fund shows that we intended to by the brush truck this year. We are looking at doing a \$50,000 deposit which might be more. There is a 3-year lag, so to ensure we get it we put down a \$100,000 deposit. It also went up. We are basically paying \$100,000 in FY24 we didn't plan for.

Forward: To clarify, we will not get a vehicle until 2027 for our \$100,000 deposit.

Bona: Correct. When that hits, it will be \$600,000 as that puts significant increases on our Reserve Funds if we are going to avoid a big loan. We don't want to repeat the purchase of the brush truck in the past where we paid for it over 20 years when it has a 15-year shelf life.

Gile: We paid about 5 or 6 times worth of interest.

Bona: They have a couple of Reserve Funds for Fire. Dennis and Gerry have worked a lot on this. The cost of firetrucks will keep going up. The value for trade-ins is not predictable. The Water Department might want to use the Rescue Truck that is being replaced.

Gile: The gear is all on a schedule now. We should replace the shingles which is listed as \$5,000.

Hill: We have done a couple of phases of work on the Fire building over 10 years. At a certain point, there is a limit on the age and space of the building.

Sander: We are probably limited on truck purchases too.

Bona: An addition on the building might be on the Capital Infrastructure Plan.

Hill: We might not be talking about an addition.

Heston: We might have that conversation later.

Forward: A Fire Station is a specialty building that requires a lot of time for a bond vote.

Town Administration and Assessors

Arneson: Town Administration is everyone not Planning and Zoning or Police so Duncan, Connie, Linda, Martha, and myself.

Bona: The Animal Control Officer, the Delinquent Tax Collector, and the Custodian are also on the salary for Town Administration.

Arneson: We contract for Assessors listing services. The Tax Collector is an offset on the other side. The Selectboard stipend is budgeted at \$1,000/person for FY24. There are a few small items. In Legal we have been spending more based on various lawsuits, so I bumped it up to \$30,000 for this year. Contract services were based on the compensation study and survey. The lines for auditing have been reduced. Grounds and Maintenance I kept at \$50,000 as we talked about other landscaping in different areas. The actual contract we have is ~\$38,600. Community Well Being is focused on

community health and this year has spent about \$2,000-\$3,000. It is not a non-profit as this person works with different services to determine best practices.

Bona: The line item for Elections is for the equipment. Linda Parent said to keep it the same. It is not actually people working. The equipment might be calibrated each year.

Arneson: It is mostly salary, benefits, and legal. VLCT provides some general legal counsel but often suggests other options. VLCT provides 3-5 hours of legal advice.

Sander: I am happy with our legal services now.

Arneson: We are waiting for updated rates from VLCT.

Sander: Where are we at with security cameras at the Town Center? There are certain buildings where we have a lot of assets where we should have security cameras. I think we need security cameras in all our buildings. It has a lot of downs.

Heston: Security systems are not that expensive.

Forward: The architects are looking at the security and locks for the Town. The Town Clerks Office entrance is unusual.

Arneson: The reappraisal will be done but not a tax savings. Contract services might go up.

Forward: The health insurance opt out would be in every Department. I was intrigued by 25% rather than flat rate for the options. It could go either way. Can we get a sense of who might opt out?

Hill: I am not sure we should base our decisions on individual employees as there will be ups and downs.

Bona: Some employers are only covering their individual employee. If your spouse can get insurance through another employer, they must accept it.

Heston: I think we should keep it where it is and revisit it later. It is way more generous than most employers.

Charitable Appropriations

Arneson: Richmond Rescue requested quite a bit less.

Forward: They might have more revenue from Hinesburg.

Arneson: I bumped up Special Services Transportation Agency (SSTA) for the bills we are getting now. This is the ride services we are obligated to people using one ride per week. It used to be lower as more people are using it. There are a few residents who could use more rides. I hear the need often from people.

Sander: For years, the Front Porch Forum comments on the Selectboard would not allow

me to reply because I was shaming the original post. They acknowledge that it is okay to for posters to slam Town staff & officials, but Town staff & officials cannot respond. I have a problem with taxpayer's funds going to organization that perpetuates that.

Furr: David's response was informational.

Sander: I have a problem for Richmond Police Officers getting publicly shamed for doing a job. But I couldn't respond.

Heston: The last one in our packet did not fill out an application. It was a nice email but no application.

Wardwell: I notified the Winooski Natural Conservation District that we received the email but not an application. They never got back to me with the application.

Heston: Also, the CUSI did not request double for the previous invoices. We suggested they could add it to this year's appropriations, but they kept it at the usual amount.

Forward: I am confused about the overlap of services.

Heston: We are not even addressing the issues we have.

Hill: These organizations receive funds from other sources, so we are icing. You need to consider each one on how many people they serve. One of our options is to adjust our figures.

Forward: I propose we match giving to Turning Point what we give to Lund.

Heston: I do not think it should be a match. If you think a \$1,000 makes more sense that is fine.

Hill: Each one has their own story. We can approve a \$1,000 for Turning Point Center.

Forward: I would encourage Community Outreach to utilize them.

Furr: I think we will see that with the Police partnership we heard about.

Arneson: This is a month-long process.

Hill: The 25% decrease from Richmond Rescue is documented on their application. They recently signed a 3-year contract ambulance service to Hinesburg and St. George and the additional revenue allows them to lower their Town appropriation request.

Bona: Is there also a request for the Fourth of July?

Heston: That would probably go under General Fund.

Arneson: The Parade & Fireworks Committee got their own bank account back in the 1980s. The appointment process is just usually a list from Linda Parent. We are moving towards a more formal process towards appointments on that Committee.

Hill: Can the Transportation Committee could follow with GMP and VTrans? We could probably get a van and figure out how to get a driver. We could also look at SSTA. We should pilot a van. Another pin.

Adjourn

Furr moved to adjourn. Sander seconded

Roll Call Vote: Forward, Furr, Heston, Hill, Sander in favor. Motion approved.

Meeting adjourned at 10:05 pm

Chat file from Zoom:

02:17:52 Peter Gosselin: We're experiencing the same equipment delay time in Highway. 9-12 months wait for the loader. 12-18 month wait time on dump truck replacement.

02:54:56 Angelike Contis (MMCTV): Happy to answer any MMCTV Qs, if there are any.