



## A Resident's Guide to Middlesex Budgets

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Fiscal Year 2011 - 2027 Budget Data and Analysis

### Community Posts

#### Town Budget Anxiety Season

Announcement

Hi folks, Well, it's that time of year again, when anxiety rises about next year's...

Mark and Martha Harris

[FPPF →](#) Jan 10, 2025

#### Why We Need a Town Administrator

Discussion

Hi Neighbors, I wanted to take a moment to explain why Middlesex needs a Town...

Zara Vincent

[FPPF →](#) Jan 11, 2025

### Proposed FY2027 Budget

Pre-Town Meeting provisional budget under consideration by the Select Board



## Explaining the Proposed FY2027 Budget

**Public Works** shows increases in winter sand (+\$35K) and trucking (+\$40K). These reflect a return to normal budgeting after the Road Crew saved the town roughly \$150-200K over the past 4-5 years by extracting sand from a pre-existing Middlesex sand pit—savings that are no longer available. Legal fees rose from \$7.5K to \$30K for ongoing flood recovery matters, and auditing doubled to \$30K due to the complexity of flood-related finances.

**Administration** reflects two changes: the previously combined Clerk/Treasurer role is now split into two full-time positions, and health insurance costs increased after the Select Board voted in November to switch from the high-deductible plan (\$6,000 individual / \$12,000 family deductibles) to an MVP Gold plan with lower deductibles. The decision followed a presentation from town employees and discussion of the financial burden the high-deductible plan placed on staff. Dental and vision coverage were also added for the first time. Vermont small group premiums continue rising—MVP plans increased 2.5% and Blue Cross 4.4% for 2026.

These increases are partially offset by **debt payoffs**: the Fire Department tanker loan (-\$15K) and Highway's Freightliner dump truck (-\$22K) are both paid off this year, providing some relief.

The Select Board considered two approaches to address the town's growing administrative workload: either increase hours for existing employees and find ways to fund additional work from Select Board members, or hire a new **Town Administrator**. The Town Administrator has a gross cost of ~\$117K (salary + benefits), but the net budget impact is only ~\$33K due to ~\$84K in absorbed costs from eliminated positions and transferred healthcare. The waterfall chart below shows the Town Admin at this net cost, while the absorbed costs remain visible in their original categories (Administration and Other).

### Town Administrator Cost Breakdown

The Town Administrator position has a gross cost of ~\$117K, but the net budget impact is ~\$33K due to absorbed costs from eliminated positions and transferred healthcare.

#### Gross Cost (~\$117K)

- Salary: \$72,800
- Payroll Tax (SS&MED): \$6,173
- Retirement: \$5,460
- Health (2-person MVP Gold): \$30,697
- Dental: \$924
- Vision: \$104
- Life/LTD/AD&D: \$444
- Childcare (Act76): \$336

#### Absorbed Costs (~\$84K)

- Minute Taker wages: \$7,500
- FEMA coordinator wages: \$9,085
- Asst Town Clerk wages: ~\$33,400
- Asst Town Clerk retirement: ~\$3,400

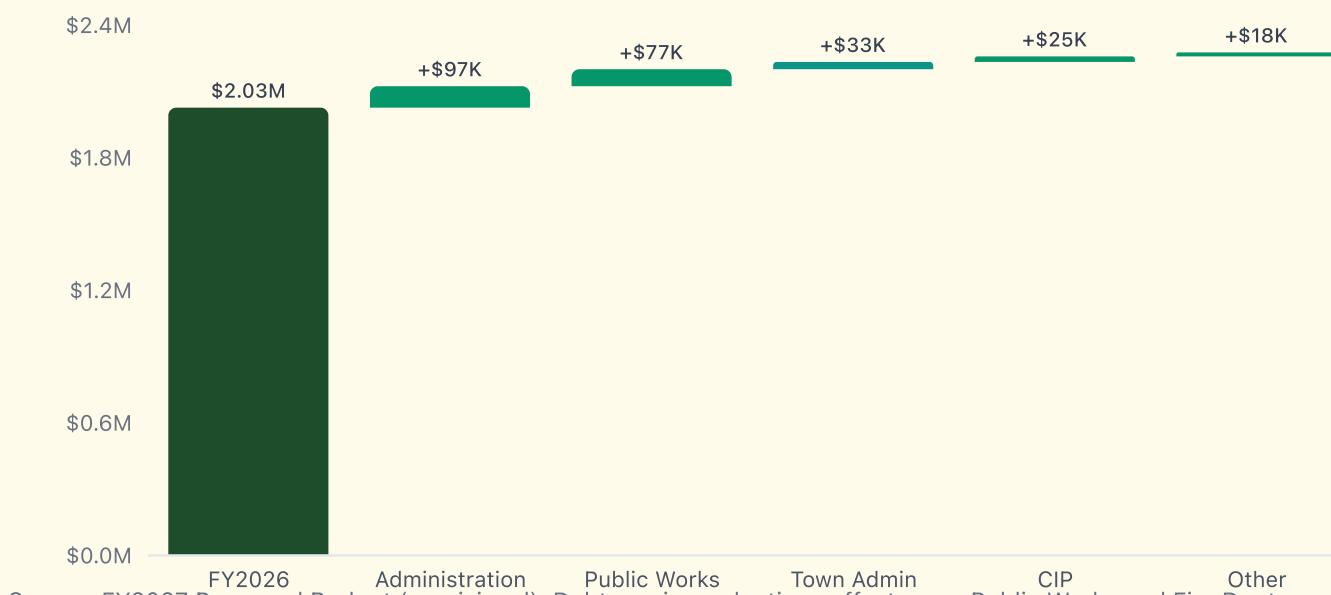
- Asst Town Clerk healthcare: ~\$30,697 (transferred)

**Net Cost: ~\$33K** — The Assistant Town Clerk's 2-person healthcare premium is "transferred" to the Town Administrator rather than being a new expense. The budget separately adds a new 2-person premium for the upgraded full-time Town Clerk position (from single to 2-person coverage).

## PROVISIONAL Proposed Budget: FY2026 → FY2027

11.6% increase · Pre-Town Meeting vote

■ Budget Totals ■ Town Admin ■ Increases ■ Decreases



Source: FY2027 Proposed Budget (provisional). Debt service reductions offset some Public Works and Fire Dept increases.

## Comparing the Two Budget Options

The Select Board evaluated two approaches to address Middlesex's growing administrative needs. The **Office Expansion** option would increase existing Clerk's office hours (+\$47K), add a part-time Town Admin (\$14.5K), and hire a FEMA Project Manager (\$20K)—relying on current staff to take on additional responsibilities. The **Town Administrator** option would hire a dedicated full-time position (\$72.8K salary + \$44K benefits = ~\$117K gross), but absorbs ~\$84K in existing costs: the Assistant Town Clerk position (~\$37K wages + ~\$34K benefits including transferred healthcare), Selectboard Minute Taker (\$7.5K), and FEMA coordinator (\$9K)—resulting in a net cost of ~\$33K.

### Why Town Administrator is the Better Investment

After two years of flood recovery, Middlesex faced a \$10M problem without the expertise or staffing to manage it. Current Town Clerk Cheryl Grandfield is not running for re-election in 2026, and previous Town Clerk Sarah Merriman's work was split roughly 50-50 between Select Board assistance and clerk duties. As the budget committee noted, past employees "probably worked excessive hours they did not get paid for." Adding more hours to already-burdened staff risks burnout without addressing the fundamental need for dedicated municipal expertise.

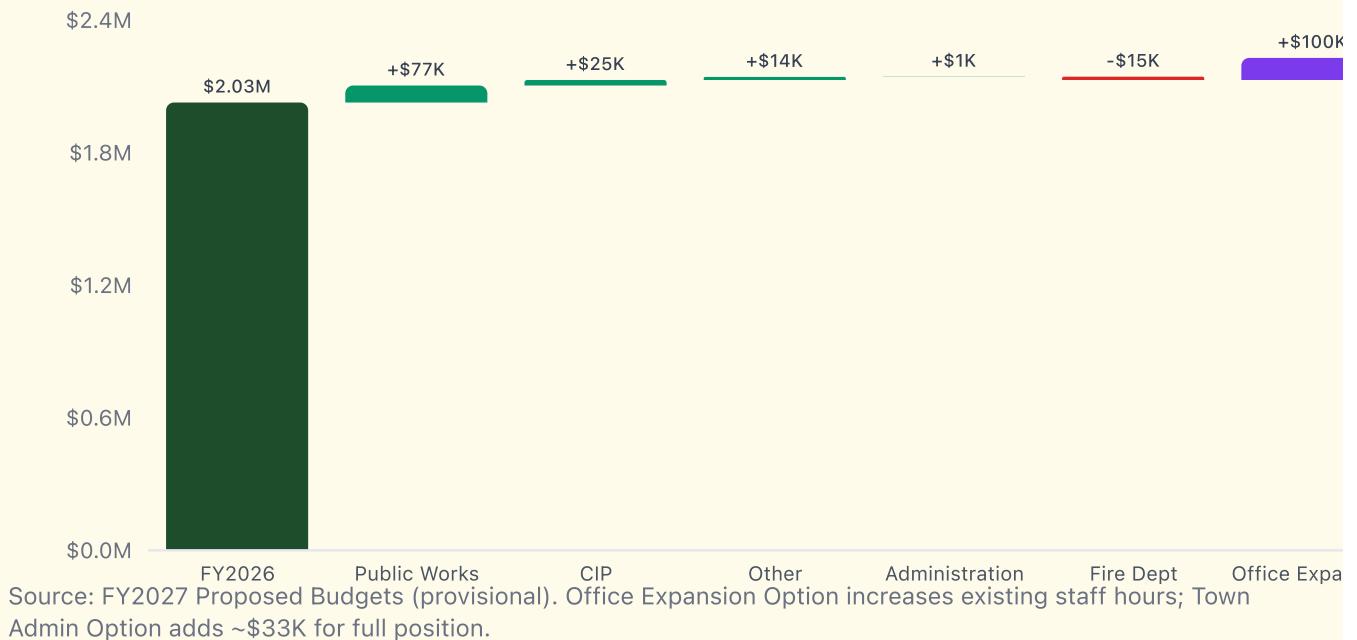
A Town Administrator brings professional capacity that Middlesex currently lacks. As Zara Vincent explained in her Front Porch Forum post, "We need someone to be up to speed on the things this town is legally responsible for doing... Lawyer fees later will cost us far more than doing things right the first time." The position would focus on grant writing and reporting—work that other towns' administrators regularly perform. If they secure just three \$30K grants per year, the role pays for itself while bringing additional resources to town projects.

The ~\$33K difference between options is a modest investment in sustainable governance. Select Board Chair Liz Scharf stated that "town administrator is essential for next year or near future; workloads will continue to grow." Relying on volunteers and part-time staff to manage increasingly complex municipal operations is, as Vincent noted, "an unreasonable and unsustainable expectation."

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## Two Budget Options Considered by Select Board

Office Expansion (+10.0%) vs Town Admin (+11.6%)



Before the Select Board discussion of the two budget options at their special meeting, Chair Liz Scharf read this poem by Robert Frost:

*When a friend calls to me from the road  
And slows his horse to a meaning walk,  
I don't stand still and look around  
On all the hills I haven't hoed,  
And shout from where I am, What is it?  
No, not as there is a time to talk.  
I thrust my hoe in the mellow ground,  
Blade-end up and five feet tall,  
And plod: I go up to the stone wall  
For a friendly visit.*

— Robert Frost, "A Time to Talk"

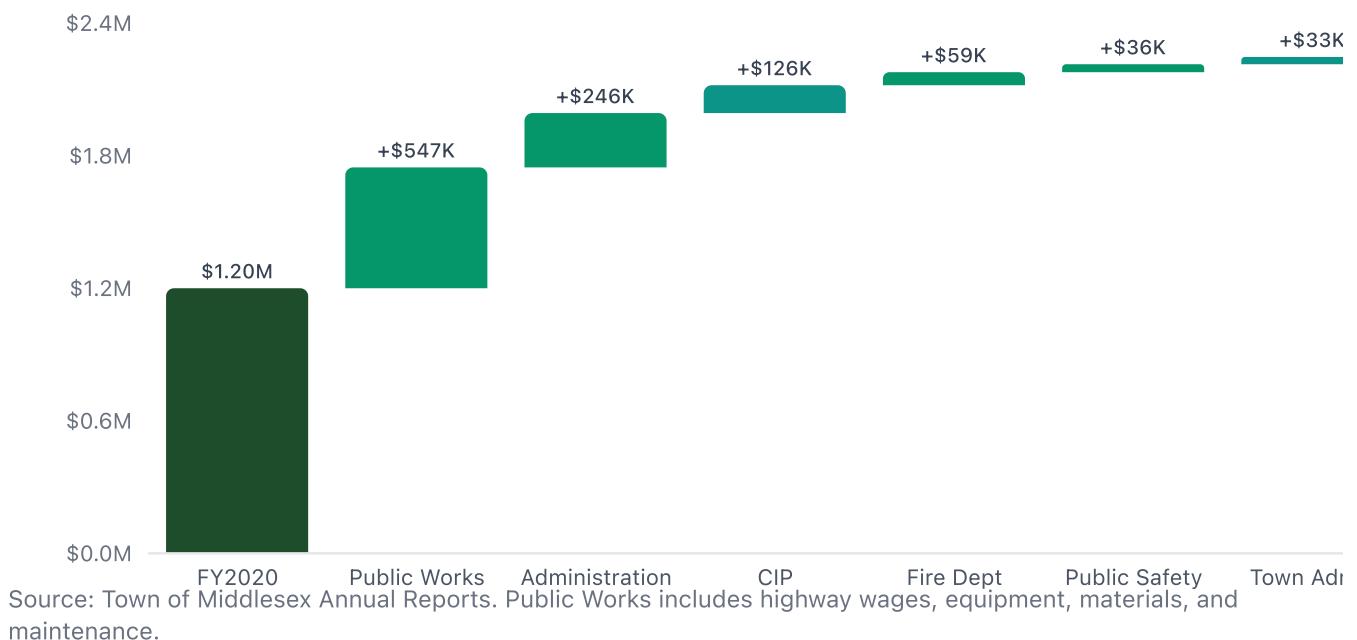
## Historical Budget Analysis

16 years of Town Reports: FY2011 - FY2026

## Budget Growth: FY2020 → FY2027 (Proposed)

Proposed budget change: +\$1.1M (89% growth)

■ Budget Totals ■ Town Admin (New) ■ Operating Increases ■ Decreases



Including 2023-2024 Flood Costs (+\$5.3M unbudgeted)



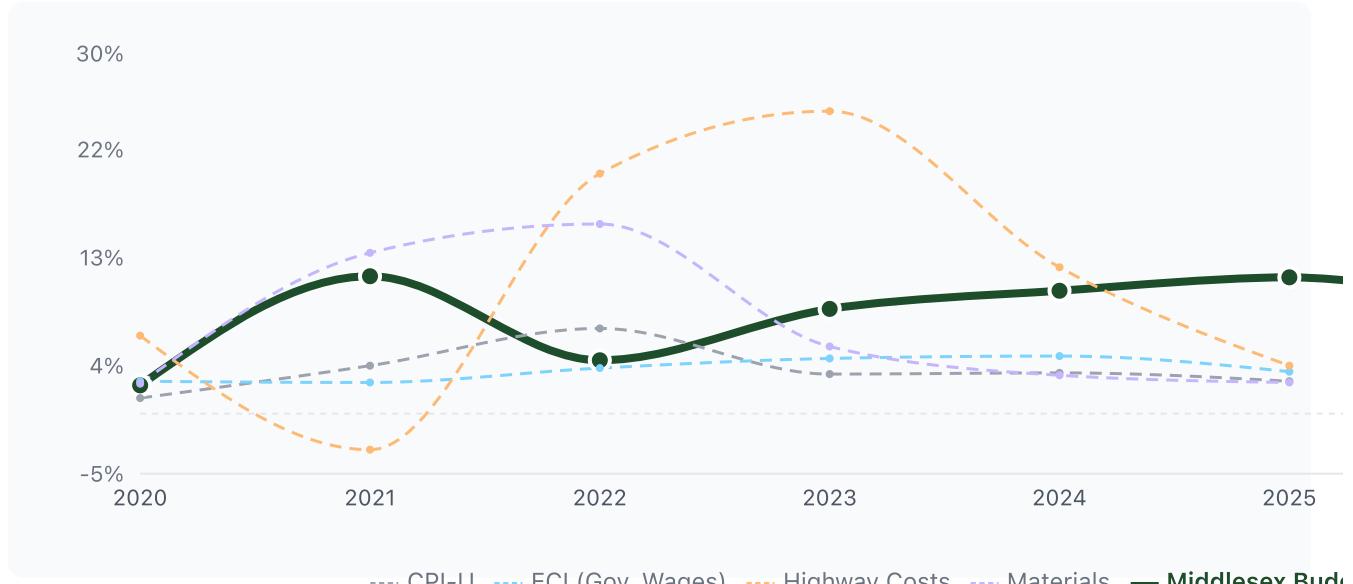
# Middlesex Town Budget Analysis: FY2011 - FY2027

## Overview

The chart below shows how Middlesex's annual budget increases compare to various inflation measures. While CPI-U (the standard consumer price index) is often cited as "inflation," municipal budgets are driven by very different cost pressures—primarily wages, benefits, and construction materials.

### Key patterns to note:

- The town's budget increases have generally tracked between ECI (government wages) and highway construction costs
- In 2022-2023, highway costs spiked 20-25% while CPI was only 3-7%—this gap explains much of the budget pressure
- The 2021 budget jump (11.45%) was a deliberate "catch-up" after years of deferred maintenance



Sources: Town Reports, BLS CPI-U Northeast, BLS Employment Cost Index, FHWA NHCCI, BLS PPI Construction Materials. 2025 inflation values are estimates. FY2027 budget is proposed; 2026-2027 inflation indices not yet available.

# Budget Growth vs. Inflation

Fiscal Year	Budget Increase	CPI*	Context
FY 2017	2.06%	1.3%	Matches inflation
FY 2018	2.27%	2.1%	Matches inflation
FY 2019	5.59%	2.4%	Wage corrections (\$20/hr floor)
FY 2020	2.36%	1.8%	Debt retired, back to normal
FY 2021	11.45%	1.2%	"Catch-up" for deferred road/wage needs
FY 2022	4.45%	4.7%	Below inflation—absorbed via grants
FY 2023	8.73%	8.0%	Matches record inflation
FY 2024	10.24%	4.1%	New Capital Plan starts
FY 2025	11.36%	3.0% (est)	Flood recovery debt
FY 2026	9.83%	2.7% (est)	Flood debt continues
FY 2027	13.16%	—	Town Administrator, health insurance upgrade, sand/trucking normalization

\*CPI-U annual averages from Bureau of Labor Statistics.

## Why CPI Doesn't Tell the Whole Story

The Consumer Price Index (CPI-U) measures general household goods—groceries, gas, rent. But a municipal budget is dominated by **wages, benefits, and construction materials**, which have their own inflation rates:

Year	CPI-U (General Goods)	ECI (Gov. Wages & Benefits)	Highway Costs (NHCCI)	Materials (Roads/Infra)
2025	~2.7%	3.5%	~4% (est)	2.6%
2024	3.4%	4.8%	12.2%	3.2%
2023	3.3%	4.6%	25.2%	5.6%

Year	CPI-U (General Goods)	ECI (Gov. Wages & Benefits)	Highway Costs (NHCCI)	Materials (Roads/Infra)
2022	7.1%	3.8%	20.0%	15.8%
2021	4.0%	2.6%	-3.0%	13.4%
2020	1.3%	2.7%	6.5%	2.5%
2019	1.6%	2.9%	10.8%	1.5%
2018	2.3%	2.7%	3.1%	3.0%
2017	1.9%	2.4%	-0.6%	2.8%
2016	1.3%	2.4%	-5.2%	1.3%
2015	-0.2%	2.3%	5.5%	-1.5%
2014	1.3%	2.1%	2.5%	1.3%
2013	1.5%	1.8%	-2.5%	1.8%
2012	1.8%	1.6%	11.6%	1.5%
2011	3.2%	1.6%	1.4%	5.2%

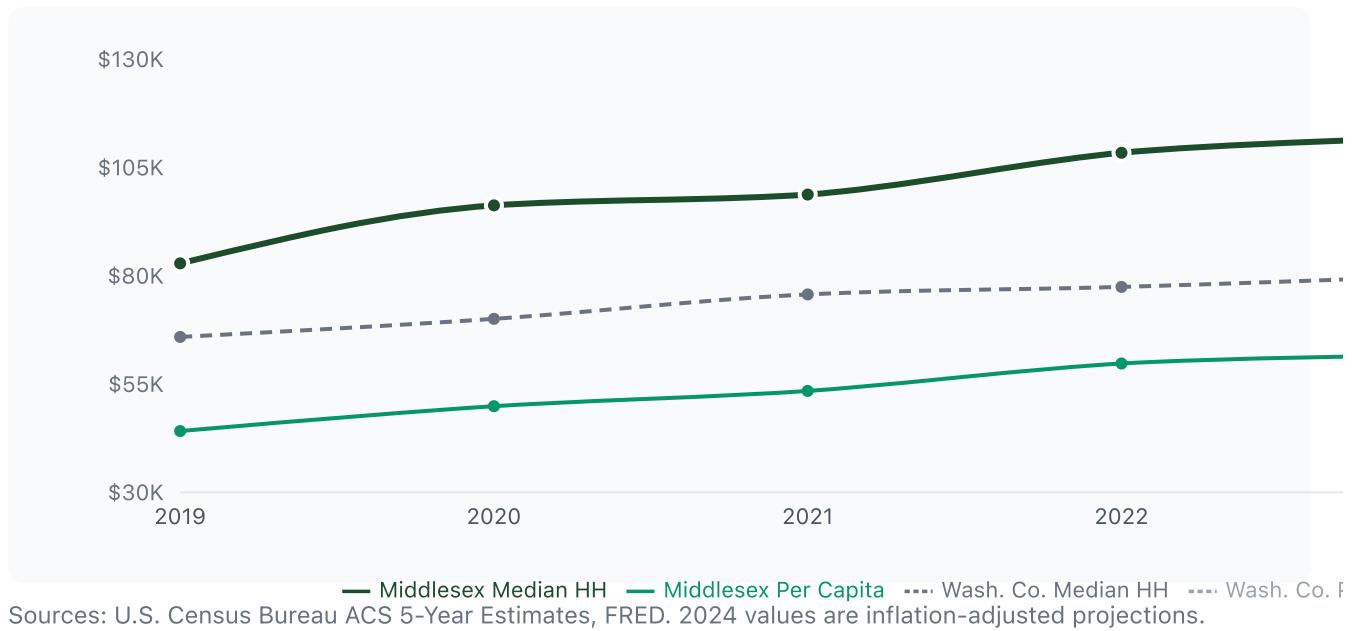
Sources: *BLS CPI-U Northeast, BLS Employment Cost Index (State/Local), FHWA National Highway Construction Cost Index (NHCCI), BLS PPI for Construction Materials.*

**Key insight:** When highway construction costs spiked 20% (2022) and road materials rose 15.8%, CPI was only 7.1%. In 2023, highway costs rose another 25% while CPI was just 3.3%. The town's costs—predominantly highway labor, health insurance, and gravel—track closer to NHCCI and PPI than to the consumer inflation rate. Comparing the town budget to CPI understates the real inflationary pressure on municipal operations.

## Resident Income Growth

Middlesex residents have consistently higher incomes than the broader Washington County population—and that gap has widened over time. From 2019 to 2023, the typical Middlesex household saw income grow from \$83K to \$112K, a 35% increase. During the same period, Washington County median household income grew from \$66K to \$80K (21%).

The pandemic years (2020–2022) were particularly notable: Middlesex incomes surged 16% in a single year, likely reflecting an influx of remote workers who chose the town for its rural character and proximity to Montpelier. This wealth premium matters for budget discussions—it means Middlesex has a stronger tax base per household than neighboring communities, but also higher expectations for services and infrastructure.



Sources: U.S. Census Bureau ACS 5-Year Estimates, FRED. 2024 values are inflation-adjusted projections.  
Washington County per capita data only available 2023+.

Year	Middlesex Median Household	% Change	Wash. Co. Median	% Change	Middlesex Per Capita	% Change	Wash. Co. Per Capita	% Change	Sou
2025	Not yet released	—	Not yet released	—	Not yet released	—	Not yet released	—	Late 2026
2024	\$116,500	+3.9%	\$82,713	+3.5%	\$64,200	+3.9%	\$46,593	+3.5%	Projec
2023	<b>\$112,159</b>	+3.5%	\$79,916	+3.2%	\$61,818	+3.5%	\$45,017	—	ACS Year
2022	\$108,400	+9.8%	\$77,432	+2.3%	\$59,750	+11.9%	—	—	ACS FREI
2021	\$98,750	+2.6%	\$75,692	+8.0%	\$53,412	+7.1%	—	—	ACS FREI
2020	\$96,250	+16.1%	\$70,061	+6.3%	\$49,890	+13.0%	—	—	ACS FREI
2019	\$82,868	+4.4%	\$65,879	—	\$44,152	+7.2%	—	—	ACS FREI

Year	Middlesex		Wash.		Middlesex		Wash.		Source
	Median Household	% Change	Co. Median	% Change	Per Capita	% Change	Co. Per Capita	% Change	
2018	\$79,400	+3.8%	—	—	\$41,200	+3.5%	—	—	ACS Year
2017	\$76,500	+3.1%	—	—	\$39,800	+3.4%	—	—	ACS Year
2016	\$74,200	+3.2%	—	—	\$38,500	+4.2%	—	—	ACS Year
2015	\$71,875	+3.4%	—	—	\$36,940	+4.9%	—	—	ACS Year
2014	\$69,500	+2.1%	—	—	\$35,200	+3.2%	—	—	ACS Year
2013	\$68,100	+2.6%	—	—	\$34,100	+1.8%	—	—	ACS Year
2012	\$66,400	+2.3%	—	—	\$33,500	+2.1%	—	—	ACS Year
2011	\$64,900	—	—	—	\$32,800	—	—	—	ACS Year

*Note: Middlesex-specific data is available back to 2011 from ACS 5-Year Estimates. Consistent historical data for Washington County is only readily available from 2019–2023. Prior county years are marked as unavailable (—) to avoid inaccurate comparisons.*

## Key Takeaways

**Middlesex Wealth Premium:** In 2023, the typical Middlesex household earned ~\$32,000 more than the typical Washington County household (\$112K vs \$80K).

**Faster Growth:** Middlesex incomes jumped significantly in 2020 (+16.1%) compared to the county's more modest increase (+6.3%), suggesting Middlesex attracted higher-earning remote workers during the pandemic shift.

**Per Capita Strength:** Middlesex residents earn about 37% more per person (\$61,818) than the county average (\$45,017), indicating a strong tax base relative to the region.

# Three Budget Eras

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## Phase 1: Fiscal Austerity (FY2015–FY2020)

- Target: 2-3% annual increases
- Method: Deferred maintenance, nominal stipends for elected roles
- Trade-off: Infrastructure and personnel gaps accumulated

## Phase 2: Correction (FY2021–FY2022)

- 11.45% increase in FY2021—largest in a decade
- Acknowledged: Severe weather required capital road reconstruction, not patching
- Wages adjusted: Fire stipends increased 500%, part-time floor set at \$20/hr

## Phase 3: Crisis & Inflation (FY2023–FY2027)

- July 2023 and July 2024 floods caused \$5.3M+ in road damage
  - Town paying \$60k+ interest on credit lines while awaiting FEMA reimbursement
  - State mandates added: town-wide reappraisal, website accessibility, IT modernization
  - FY2027: Town Administrator position proposed to provide town project oversight, flood recovery support, Select Board assistance, and grant management
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# Primary Cost Drivers

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## 1. Personnel Professionalization

- Elected Listers → contracted professional assessors
- New roles added: Recreation Director (FY18), Grants Manager (FY22)
- Highway wages rose 17.3% in FY23 to retain plow drivers

## 2. Road Resilience

- Shifted from routine grading to climate-resilient infrastructure
- Mud season mitigation: \$37,500 line item created in FY24
- Materials inflation: gravel and parts up 50-135% in single years

### 3. Health Insurance

- Premiums rose 23% (FY26) and 27.9% (FY23)
- Often consumes most of the allowable annual budget increase

### 4. Capital Planning

- \$50,000 annual set-aside for future equipment purchases
- Replaces old method of emergency loans when vehicles failed
- Example: Fire Station bond (\$780,000 principal, 2009 issuance, refinanced 2014)
  - 27-year term with semi-annual payments through 2038
  - Coupon rates: 1.91%–5.42%
  - Annual debt service: ~\$70,000–\$80,000 in early years, declining to ~\$40,000 by 2025
  - As % of budget: ~6.5% in 2016 (\$71k / \$1.1M) → ~2% today (\$40k / \$1.8M)
  - Interest alone averaged ~2% of total town budget annually
- **Looking ahead:** The town faces 4–5x this amount in capital needs over the next 5 years (town garage, town hall, road crew vehicle replacements—estimated \$3–4M total). The choice: invest in a capital fund now, or require future residents to pay 20%+ in interest on those purchases a decade from now.

## What the Data Shows

**2017–2020:** Budget tracked inflation closely (1-2% range)

**2021 (Breakpoint):** Budget jumped 11.45% while inflation was only 1.2%—correcting years of deferred spending

**2023–2026:** Budget increases of 9-11% despite inflation falling to 2-3%—driven by flood debt, state mandates, and new capital reserves

**2027 (Proposed):** 13.16% increase reflects new Town Administrator position, health insurance upgrade to MVP Gold plan, and sand/trucking costs returning to normal after years of savings from the town's sand pit

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## Key Takeaways

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- **Total growth (FY2012→FY2027 proposed):** \$1.07M → \$2.17M (+103%, ~5.0%/year)
  - **FY2027 drivers:** Town Administrator position (\$91K net), health insurance plan upgrade, sand/trucking return to normal after years of sand pit savings
  - **Biggest shock:** 2023-2024 floods caused \$5.3M+ in unbudgeted emergency spending; FEMA reimbursement still pending
  - **Structural shift:** Town moved from reactive spending to planned Capital Improvement reserves
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## Budget Growth by Department

Department	FY2012	FY2026	FY2027 (Proposed)	FY12→FY27 Growth
Public Works	\$491,650	\$1,089,726	\$1,167,077	+137%
Administration	\$90,523	\$329,245	\$389,312	+330%
Fire Department	\$46,112	\$169,129	\$154,163	+234%
Public Safety	\$52,000	\$117,971	\$117,924	+127%
Town Admin	—	—	\$91,000	New position
Capital Planning	Ad-hoc	\$101,000	\$126,000	Formalized

*Note: Public Works FY2027 normalized (flood debt allocated to General Government for consistent comparison). Fire Department decrease from FY2026 reflects tanker loan payoff.*

# Notable Changes

Item	Change	Impact
FD Stipends	New in 2023	\$18,000 to compensate volunteers
School Payoff	Removed after 2011	Was \$2.1M pass-through
Computer Maintenance	\$0 → \$22,000	IT is now a real cost
Equipment Interest	Fluctuates	Spikes with new purchases, drops as loans paid

## Major Events

### 1. Fire Station Bond (Pre-2011)

- \$40k principal + ~\$29k interest annually
- Still paying it down; interest declining

### 2. Equipment Debt Cycle

- Heavy equipment (graders, dump trucks) financed on rotating loans
- Debt service is a permanent budget feature

### 3. 2023 Flood Disaster

- Budgeted: ~\$828,000
- Actual: ~\$2,179,000
- Covered by reserves and expected FEMA reimbursement

### 4. 2024 Flood Disaster

- Actual: ~\$3,157,000
- Combined 2023-2024 flood costs: \$5.3M+
- FEMA reimbursement still pending as of January 2026

# Year-over-Year Volatility

Period	What Happened
2011→2012	School Payoff removed (artificial drop)
2021→2022	Admin jump—likely staffing/benefits change
2023→2024	Flood spending: Highway actual 4x budget

A Resident's Guide to Middlesex Budgets

Site created by Matt Rkiouak, 2025/2026 Budget Committee Member. Content from town reports,  
Middlesex Town employees, Select Board & volunteers.

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