

# Town of Washington Annual Budget Hearing

May 3, 2012

First Selectman, Mark Lyon, opened the hearing with remarks regarding fire damage at Town Highway Department and its long-term effect on budget. There is replacement value for building and contents, but vehicles lost are considered at book value so there will be a discrepancy between replacement cost and amount received from insurance. Currently working with Highway Director and have had numerous offers of assistance from area municipalities, contractors, vendors, and others. Determining plan to proceed to continue operations. State Fire Marshal has concluded onsite investigation and have not pinpointed cause, but have no reason to consider it suspicious or malicious. Insurance carrier now doing their investigation preventing cleanup until complete. Long-term, remains to be seen. Treasurer working with Union Savings Bank. May replace equipment with used versus new. When details complete, would have a Special Town Meeting.

Overview of the 2012-2013 budget agenda presented:

1. Proposed General Fund Expenses and transfers for the 2012-2013 fiscal year
2. Proposed Nonrecurring Capital Expenses for the 2012-2013 fiscal year
3. An appropriation of an additional Nonrecurring Capital Expense of \$600,000 for road repair and reconstruction

General Fund Expense that covers items occurring regularly is up 2%. Figure of \$65,000 for Revaluation and \$25,000 for Plan of Conservation & Development are now included in General Fund due to G.A.S.B. (Governmental Accounting Standards Board) regulations, but listed separately since wouldn't typically show up in operating fund as they have not previously been considered as General Fund expenses. Total General Fund Expense to \$4,207, 339 a 4.1% increase. Without those two items, it would be 1.8% increase.

Have added to Legal Litigation Fund. History has shown that \$20,000 is not enough so it's at \$80,000 for coming budget year and hopefully enough.

Capital Fund budgeted at \$998, 000 is a 6% increase. The bulk of that is budgeting more money for infrastructure and bridges. There's also \$150,000 of Town Aid Road Fund money that was received last year. That brings overall town budget to \$5,285,339 which is a 5% increase.

Our share of the Region 12 education budget is up \$217,000. Their overall budget had a very minuscule increase, but our share is increased due to shift in student population. Grand total to \$14,831,374 up 3.27%.

During our discussions on the Capital budget, the Boards of Finance and Selectmen and the Highway Department brought forth the issue of road reconstruction and repaving program. Over the last 8-10 years we have been funding that at a level comparable to

prior years, but not enough to keep up with escalating cost of doing the work so we've fallen behind over a period of time. Completing less road mileage at increased cost now. Board of Finance discussed borrowing money to catch up. After looking at process and issue of paying back over time, decided not a prudent approach. It would not solve problems going forward. Board of Finance and Board of Selectmen asking for a resolution at the town meeting to appropriate \$600,000 exclusively for road repair and reconstruction and funded through property taxes working into Capital budget which would give \$3,000,000 over course of five years to try and repair more roads per year. At the end of five years it would be reevaluated. Both boards felt this would be the prudent approach, but it's still left to voters of the town.

Mr. Tagley questioned issue of school population with Mr. Lyon explaining that overall population is dropping in all towns, but proportion for Washington shifting to a greater percentage compared to whole. The region has no long term plan for addressing declining school populations. Mr. Tagley asked if there has been any discussion with officials from other towns. Mr. Lyon expressed that hasn't happened yet, but should happen due to long range implications for the region as well as bonding issues and budgeting.

Question arose why the town has not kept pace with road maintenance. Mr. Lyon explained that it happened over time. It was traditionally an item that could be adjusted to keep budget down and save the bottom line. It was thought they would catch up from year to year and it never happened. Right or wrong, that's what happened.

Other questions pertained to the tree work, how it's being done, expense to town, are we hiring companies, is it in budget? Mr. Lyon went on to explain that areas along state road handled by state. Town roads caused an increase in our tree work budget. There's a line item for contracted tree work for this coming budget. Unless it pertains to utility companies along town road, it's something that we contract. Mr. Tagley asked what the storms cost us. Mr. Lyon didn't have numbers immediately available at meeting, but claims have been presented to FEMA for reimbursement with first notices showing about 75% reimbursement. Mr. Tagley asked how the town budgets in order to cover the costs before possible reimbursement. It was noted that last fall there were two special town meetings that put money into the Capital Non-Recurring Fund from our fund balance to cover those expenses. Whatever comes back will reimburse the General Fund Balance. We have a separate line item in our Capital Non-Recurring that was put in by special town meeting.

Members of Board of Finance had no specific comments. Town meeting is scheduled for May 17, 2012 to act on these items.

Mr. Tagley wondered what the outcome was regarding the possibility of Saturday morning town meetings which was raised several years ago. Mr. Lyon explained that at the time, there was an ordinance that town meeting had to be held at 7:30 p.m. That ordinance was removed from the books enabling town meetings to be held at other times and days. It was discussed at the October town meeting when we set dates for this hearing and the town meeting and it was decided to keep it on the traditional Thursday

evening. Mr. Tagley asked how that motion could be put forth. Mr. Lyon further explained that the October meeting is the Annual Town Meeting and typically unless there's some business to conduct, they set the date for the May Town Budget Meeting. Could experiment with presenting motion for Saturday morning for future or special town meetings.

Liddy Adams of the Board Finance expressed concerns regarding rumors about fire at town garage and importance to share truth and facts. Suggestions were made to send letter, post to website, and add to newsletter to explain facts and that citizens should pass along the truth.

With a motion and second, the hearing adjourned at 7:53 p.m.

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I, Sheila R. Silvernail, do certify that to the best of my ability the foregoing pages are a true and accurate summary of the Town of Washington Budget Hearing on May 3, 2012.



Dated at Washington, CT this 4<sup>th</sup> day of May 2012.