

**Town of Washington
Annual Town Budget Meeting
May 17, 2012 at 7:30 p.m.**

Moderator: Hank Martin
Clerk: Sheila Silvernail

First Selectman, Mark Lyon, welcomed everyone and requested nominations for a Moderator. Nicholas Solley nominated Hank Martin. It was seconded and unanimously approved. Before calling the meeting to order, Mr. Martin suggested and received an update from Mark Lyon regarding the fire at the town garage.

Moderator: Thank you Mark, Ok, let's call the Town Budget Meeting to order and Sheila would you please come up as secretary and read the warning?

Clerk:

WARNING

***TOWN OF WASHINGTON, CONNECTICUT
ANNUAL TOWN BUDGET MEETING***

The voters and electors of the Town of Washington are hereby warned that the Annual Town Budget Meeting will be held on Thursday, May 17, 2012 at 7:30 p.m. at Bryan Memorial Town Hall, Washington Depot, Connecticut to consider and act upon the following:

- 1. To consider and act upon the proposed General Fund Expenses and Transfers for the 2012-2013 fiscal year.*
- 2. To consider and act upon the proposed Nonrecurring Capital Expenses for the 2012-2013 fiscal year.*
- 3. To consider and act upon an appropriation of an additional Nonrecurring Capital Expense of \$600,000 for road repair and reconstruction.*

*Mark E. Lyon
Richard O. Carey
Anthony J. Bedini
Board of Selectmen*

Moderator: Thank you, thank you Sheila. Just out of curiosity, is there anybody here that's attending their first town meeting here for Washington? [No hands raised.] I don't have to say anything, do I? You all know what we do and what the procedure is so I'll just briefly remind everybody that we've got three items in the warning as agenda items. Each one of them will start with a resolution that will be seconded and

discussed and then voted upon by you. We will when the time for discussion comes, please raise your hand and either if you're near the mic, come up to the mic, or we'll get the mic to you. We cannot hear you without speaking into the microphone and Sheila, who is taking the minutes, definitely cannot hear you. So those are really the only ground rules same ones we've always had. Now did I see a hand back there before we start? Yes?

K. Cornet: Inaudible.

Moderator: Hold, hold on. I can't hear you. I don't know. Could you come up and speak into the microphone? Thank you.

K. Cornet: Hi, I just want to know why a sign wasn't put outside?

Moderator: Why a sign wasn't put outside?

K. Cornet: Yes, that there was a meeting was being held tonight? We were here around noon today and I saw no sign.

Moderator: Usually there is, isn't there, a town meeting sign?

K. Cornet: Yes there is.

Moderator: Did it just slip through the cracks?

M. Lyon: Yes, oversight on our part.

K. Cornet: Thank you.

Moderator: Ok, it was noticed and you know, we have a legal town meeting in terms of notice. That I can tell you. Sorry about the sign. Mark would you read the resolution for the first item please?

M. Lyon: First item is the General Fund Budget.

Resolved: To approve an amount not to exceed \$4,287,339 for expenditures from the 2012-2013 General Fund Budget, which includes \$4,207,339 for General Operating Expense and a transfer of \$80,000 to the Legal Litigation Fund.

Moderator: Ok, before we take any questions, is there anything you'd like to say in explanation of the resolution? Oh, hold on, we need a second. Who's seconding? Thank you, Barbara [Johnson] is seconding. Is there anything you'd like to say in explanation about it before we just open it up to the people that are here?

M. Lyon: There's a couple of accounting changes in this proposal. Typically items like revaluation and planning, conservation, and development are listed in our Capital Nonrecurring, but to adhere to the new state GASB [Governmental Accounting Standards Board] accounting guidelines they are listed in the operating budget. If those items were not listed as part of the operating budget, the percentage increase would be considerably lower. We did make some cuts in programs to achieve these numbers. There's no contribution to the Housing Fund, the Open Space Fund, or the After School Arts Program. So there's some changes from past years that the Board of Selectmen and the Board of Finance approved.

Moderator: Ok, anybody have any questions or comments on the budget? I see no hands. Are we ready to vote on this?

Audience: Yes.

Moderator: Yes, ok, Let me read the motion again:

General Fund Budget: Resolved: To approve an amount not to exceed \$4,287,339 for expenditures from the 2012-2013 General Fund Budget, which includes \$4,207,339 for General Operating Expense and a transfer of \$80,000 to the Legal Litigation Fund.

Motion's been properly made and seconded. All in favor please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience: No.

Moderator: Any abstentions? Moderator: Ok, one abstention.

Audience One abstention.

Moderator: Pardon?

Audience: One abstention.

Moderator: Yes, I got it. The motion carries. Thank you very much. On to the second item on the agenda.

Audience: Inaudible.

Moderator: Pardon?

Audience: Can we have a hand count please?

Moderator: I'll tell you in the from the standpoint of the ears and the eyes of the Moderator, I don't think one is necessary, but as a matter of accommodating the request I will just ask for hands again. All in favor of the motion please raise your hands. Ok, thank you. All against please raise your hands? Ok, and any abstentions? You can't raise your hand twice. Alright, the ayes clearly have it.

Thank you. Second item, would you like to make the resolution on that?

M. Lyon: Resolution for the Nonrecurring Capital Budget:

Resolved: To approve an amount not to exceed \$1,153,000 for expenditures from the 2012-2013 Nonrecurring Capital Fund Budget, which will be offset by anticipated grants in the amount of \$155,000 resulting in a net expense of \$998,000.

Moderator: Any thing you'd like to say about that one or should we just open it up?

M. Lyon: Do we have a second?

Moderator: Could I have a second?

K. Gallow: Second.

Moderator: Ok, Kathy [Gollow] for a second.

M. Lyon Now this was pretty much what typically we have. We have added a little bit to our bridge repair over last year. It includes some upgrade money for our radio system to be in compliance with FCC regulations. There's some money in there for initial purchase, part of a purchase of a highway truck and a police vehicle.

Moderator: Ok, open it up to everybody that's here. I'm looking for hands. Anybody would like to make a comment or raise a question? Again, I'm seeing. Yes, one hand, Valerie.

V. Friedman Inaudible.

M. Lyon: No.

Moderator: Restate the question.

M. Lyon Your question is does this include replacement of equipment. No, no, it does not. This was, there's a regularly budgeted truck replacement included in this, but it

doesn't address any of the losses in the fire because that came after this was put together. We'll get there.

V. Friedman: Inaudible.

Moderator: Any other questions. This is the normal Nonrecurring Fund thing that we see every year. Ok, are we ready to vote? ... read the motion again.

Resolved: To approve an amount not to exceed \$1,153,000 for expenditures from the 2012-2013 Nonrecurring Capital Fund Budget, which will be offset by anticipated grants in the amount of \$155,000 resulting in a net expense of \$998,000.

The motion has been made and seconded and we've had a discussion. All in favor please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience No.

Moderator: Any abstentions?

K. Cornet: Abstention.

Moderator: Moderator's ears and eyes say that the ayes have it overwhelmingly. Is that sufficient or do we need to do a hand vote? Good, the ayes have it, motion carries.

Third item?

M. Lyon: Third, another Nonrecurring Capital Budget item:

Resolved: To approve an amount not to exceed \$600,000 for additional expenditures from the 2012-2013 Nonrecurring Capital Fund for road repair and reconstruction.

Moderator: Ok, now this is Item # the Nonrecurring Capital Budget resolution. Could I have a second?

M. Greene Second.

Moderator: Mary Anne [Greene].

You would like to make an amendment? Ok, we have an amendment to the resolution and I'll explain what that means after he makes it.

M Jackson: Let me read the ... [resolution] first and ... [amendment] will be essentially the same with one addition ... It says, "to approve an amount not to exceed \$600,000 for additional expenditures for the 2012-2013 Nonrecurring Capital Fund for road repair."

That program has been put in because the Selectman feel and the Board of Finance agrees that over the next ten, fifteen years, we've got to do consistent work on the roads. With the cost of materials and how they've risen we just feel we have to do it. We want to keep it a separate program. We want have you all vote on it every year to see that you want to extend the funds to repair the roads. Now, May 2nd we had a building burn up on us and we lost five trucks. We still don't know precisely what's going to be the replacement value of the trucks because each truck is a different age. So we've added [an amendment] to this ... [resolution] and it says, "reconstruction replacement of the Town of Washington mobile equipment required to maintain town roads that was destroyed by fire on May 2, 2012." That will be lumped to the same amount in this year so that we have the money to pay for the trucks and reconstitute the fleet. So that's the new amendment.

Moderator: OK, thank you. Just in my own words, the difference between the first resolution and the proposal for the amended resolution that would be in substitution is the added use of the funds replacement of Town of Washington mobile equipment required to maintain the town roads that was destroyed by fire on May 2, 2012. I rule the amendment to be in order even though it's a little bit different than the original item on the warning. The amount of money to be spent stayed the same and the added use is related to the uses that were listed in the warning. So I believe that this amendment is in order and accept it. Could I have a second to the amendment that Michael just made? Phil [Farmer]?

P. Farmer: Second.

Moderator: Now, this is a two step process. The first thing we have to do is vote on and discuss if need be substituting the amendment for the original wording in the warning. Then once that is done, if it is done, we will the discuss it and vote to approve it as usual like we do all the time. Are there any questions on the process that we're using? Yes?

Female: Is there any grant money for the trucks ... for replacement ... from the state?

M. Lyon We don't have anything at the state level, but I have been working with a gentleman in Senator Lieberman's office and we may be able to get some sort of grant from the USDA, but that's still unknown at this time.

Moderator: Ok, I want to make it clear. This next vote is not going to be to approve this Item #3. It's going to be simply to substitute the amended wording for the original wording. Ok?

V. Friedman: Inaudible.

Moderator: Say again.

Female: Could your read the whole?

Moderator: Read it again? Ok, let me read the whole, new amended #3 in its entirety.

Resolved: To approve an amount not to exceed \$600,000 for additional expenditures from the 2012-2012 Nonrecurring Capital Fund for road repair, reconstruction, and replacement of Town of Washington mobile equipment required to maintain town roads that was destroyed by fire of May 2, 2012.

That's the whole thing. Ok, does anybody have any questions about this next vote is going to be? Yes?

K. Cornet: ... what the town is going to need? ...

Moderator: I think. I guess I should defer to Mark on that. How do we know what the town really needs?

M. Lyon: I guess we'll discuss the amendment before we vote to include it. We don't know exactly Ken. Right now we have some estimates. We don't have the final numbers on the settlement for the trucks, but we've run some numbers on what it would take to do them all from scratch Say, let's say, we'd have gotten zero dollars from the insurance company. An estimated budget to replace, there's one truck that is already budgeted for so that leaves us with four large trucks and one small truck to be replaced. An estimated budget for completely new, soup to nuts, would be about \$720,000. Now, I'm anticipating that that number is going to come, less any insurance settlement. So any insurance settlement is going to detract from that number. We've also been working with highway department and a number of different truck vendors and looking at being able to purchase a couple of used trucks. This would be considerably less expensive as well as, fleet financing with different manufacturers. So, I'm confident that we would able to replace our fleet for well under \$600,000 and I'm just guesstimating at this point, but I would think that we're going to be in a \$250,000 to \$400,000 range.

Moderator: Ok.

V. Friedman: Inaudible.

Moderator: Ok, let me just ask you is your question about substituting the amendment for the original?

V. Friedman: Inaudible.

Moderator: Just a follow-up to what Mark said? Go ahead.

V. Friedman: Inaudible.

Clerk: ... use mic.

Moderator: Ok, thank you Sheila

V. Friedman: Where would that leave us with the roads if the money is consumed in replacing material, you know, the trucks. We still have the roadwork?

M. Lyon: Correct.

V. Friedman: That was the original.

M. Lyon: Intent.

V. Friedman: Intent.

M. Lyon: Correct.

V. Friedman: Exactly.

M. Lyon: It would just kick that can down the road another year. We have. The issue with the roads or the idea behind this additional appropriation just for roads was that our Capital Road Work Budget has not kept up with escalating costs over a period of probably eight years or more. So there were a number of scenarios that the Selectmen and the Board of Finance and the Highway Director went over as to how to catch up on that. It was felt most prudent by the group, by everybody involved that this was a good way to address it in putting together a five year program. Now that was prior to extenuating circumstances. It was at a special meeting at a Board of Finance Tuesday when we got to where we are now. It was felt by the Board of Finance that the most physically prudent way to address this was to work off an additional \$600,000 appropriation. Looking ahead, hopefully we would continue our appropriation for road work for five years and see how the program ended up at that time.

Moderator: I would remind you that even if Mark's estimate comes true and the use of the \$600,000 for [the cost of] truck replacement is only in the \$250,000 to \$400,000 range, which is what he just said, then there will still be a substantial amount of money left to do roads. Not as much as the [full] \$600,000, but more than what we had done in the past, because any [portion] of the \$600,000 is more than what we had done in the past being that it's a special program.

M. Jackson: In the basic Nonrecurring Budget every year, we have an amount for roads. We have an amount for bridges. We anticipate what we're going to have to spend so we have reserves set aside for those things every year. So there's probably \$300,000 this year in the Nonrecurring Budget for roads. We wanted to add \$600,000 in addition to get started on this thing. It's not just our town. I mean this is a national problem of infrastructure and everybody's behind. We wanted to get started on it and ... and then the garage burned down. So you can't do everything at once. So what we'll do over time is we get the final net amount of what the garage is going to cost to rebuild. We'll then take the balance of what's left in addition to the \$300,000 to the road program. So that is the best we can do given the circumstances, unless we want to raise your mil rate.

Moderator: Alright are we ready to vote now on whether we want to substitute the proposed amendment for the original wording? Everybody ok with that? Let me read one more time the new wording for Item #3:

Resolved: To approve an amount not to exceed \$600,000 for additional expenditures from the 2012-2012 Nonrecurring Capital Fund for road repair, reconstruction, and replacement of Town of Washington mobile equipment required to maintain town roads that was destroyed by fire of May 2, 2012.

All in favor of substituting that amended motion for the original motion, please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience Silence.

Moderator: Any abstentions?

Audience: Silence.

Moderator: Ok, the new amendment is now Item #3 on our warning.

Ok? Any questions on Item #3, new Item #3 or have we made them all? Yes, Wayne? Would you like to come to the microphone?

W. Hileman Yes, Wayne Hileman, River Road. You mentioned in the discussions here that the conditions of the roads that's been something, that we basically haven't been keeping up with for a number of years. I think the term was eight years or so. We've had a Highway Director in place for the past five, six years. I don't know exactly when we brought on a Highway Director, but I think it was prior to you being First Selectman, Mark, I believe. Was the Highway Director not informing the Selectmen and Board Finance of this impending issue? I would think the Highway Director would know first hand about the gradual erosions of the roads. I mean I'm just thinking back in past years and past budget meetings we've had very minimal increases. Is this something that kind of, I'm just wondering how this kind of got by us?

Moderator: Mark?

M. Lyon: It didn't get by us. We haven't given Kevin Smith, our Highway Director, what he'd asked for over several years since he's been in the position.

W. Hileman He was asked?

M. Lyon: Yes, he was asked and he was pointing out to us that even though we were maintaining level funding, we were not maintaining as many. We were not reconstructing and repairing as many miles of road because of escalating costs. What the \$300,000 that used to do two to two-and-half miles of road does now about a mile to a mile-and-quarter. We have not raised our Capital Budget in relation to the escalating costs. Not because Kevin didn't ask, but because we didn't do it. We didn't fund it.

W. Hileman: He was asking for increased funds?

M. Lyon Correct. He's also to his credit been very inventive and taken advantage of, you know, late season opportunities, paving contractors. I mean he's been delivering a good bang for the buck we've been providing him. ... I've been sitting on the Board of Finance and the Board of Selectmen and as First Selectman and over the years we've tried to maintain capital expenditures of roughly around \$1,000,000 which includes equipment and property and any number of things. As costs escalated, our budget did not.

Moderator: I can tell you from first hand experience, anybody that's bought new asphalt shingles or repaved their driveways, the costs have gone up. Ok, any other questions, comments about Item #3, new item #3? Are we ready to vote on it? Let me read it again:

Item #3 Amended: To approve an amount not to exceed \$600,000 for additional

expenditures from the 2012-2012 Nonrecurring Capital Fund for road repair, reconstruction, and replacement of Town of Washington mobile equipment required to maintain town roads that was destroyed by fire of May 2, 2012.

All in favor of that amended motion please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience: No.

Moderator: Any abstentions?

Audience: Silence.

Moderator: Ok, the motion carries and Item #3 is passed.

Item #3 also happens to be the last item on the list so may I have a motion to adjourn.

M. Jackson Could I say something before?

Moderator: Ok, hold on.

M. Jackson The Board of Finance feels that you should be sort of forewarned as to what's coming in the next year, year-and-half. We have two big things that are going to happen. First we're going to have to come to grips somehow with declining school population and the school budget which is a significant item and which we're all focused on. It has to be addressed. There's a new superintendant that's coming in and I just wanted to alert you that we're in the process of addressing it as best we can. As you know under state law we have no authority, the town has no authority for the school budget so it's an awkward process to say the least.

Secondly, we're going to have a revaluation starting about a year-and-half from now. The revaluation, the only revaluation that I'm aware of in the state that's been done nearby was in Thomaston. Their grand list dropped 25%. With revaluations, you adjust the mil rate to revaluation rates so your taxes should be neutral all other things being considered. No one has a lot of experience with declining grand lists. We haven't had one in this town since 1982.

So I just wanted to make you aware of those two things coming together at the same time in the next twelve to eighteen months and we're going to have to deal with it. You may see more of us than you really care to. So if you have any questions about it,

we'll be glad to talk about, but we're just starting the process. As you know the school issue's been an issue for a long time and now it's got to be addressed. Thanks.

Moderator: Thank you Michael.

M. Jackson Oh, one thing, our First Selectman had his birthday yesterday.

Audience: Clapping.

Moderator: Yes, Sheila?

S. Anson Another Sheila, Sheila Anson, 249 Woodbury Road. First of all, I'd like to acknowledge the Board of Selectmen and Kathy, Mary Anne, and Phyllis for their hard work during these few months. The Board of Finance for your work in keeping this and trying to put it all into perspective and doing what you do. We've seen a lot in the last year between the storms of Irene and Alfred and now the fire and this community comes together when needed. Especially after Storm Alfred when the shelter was held here in this town hall, I saw volunteers and people come out doing so much for this town. That's why I'm so proud to be a part of this town and to contribute and I would like to just keep that going for our volunteers in this town and hopefully we can keep it going with the younger people. I would just like to thank all of you for doing such a great job. Thank you.

Audience: Clapping.

S. Anson And happy birthday to Kathy Gollow.

Audience: Laughter.

Moderator: Is that what you wanted to say? She stole your thunder. Kathy Gollow and Mark have birthdays as do we all, but theirs are quite recent.

Audience: Clapping.

Moderator: Would anybody else like to say anything before we adjourn? Could I have a motion to adjourn? Phyllis?

P. Allen: Inaudible.

Moderator: Second?

Audience: Inaudible.

Moderator: All in favor of adjourning please say aye.

Audience: Aye.

Moderator: We are adjourned.

Meeting adjourned at 8:05 p.m.

Note: [] indicate an insertion by preparer for clarification.