

# Town of Washington

Bryan Memorial Town Hall  
Annual Town Budget Meeting  
May 15, 2014

Moderator: Hank Martin  
Clerk: Sheila Silvernail

First Select, Mark Lyon, requested nominations for Moderator. Nicholas Solley nominated Hank Martin with second by Dan Shear. With no other nominations, Hank Martin opened as Moderator.

Moderator: Good evening, I'd like to call this, hold on for one second, Town of Washington Annual Town Budget Meeting to order. Sheila, could I ask you to read the warning? Sheila is our recording secretary.

Clerk: WARNING, TOWN OF WASHINGTON  
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 15, 2014 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 2014-2015 fiscal year.
2. To consider and act upon the proposed Nonrecurring Capital Expenses for the 2014-2015 fiscal year.
3. To consider and act upon the Town of Washington's Housing Commission request for \$100,000 from the Housing Fund to be used for the Down Payment Assistance Program.

Following the adjournment of the Annual Town Budget Meeting, there will be an opportunity for discussion of a new Senior Center for the Town. NO ACTION will be taken on this item.

Dated at Washington, Connecticut this 24<sup>th</sup> day of April 2014.  
Mark E. Lyon, Richard O. Carey, Jay Hubelbank  
Board of Selectmen

Moderator: Thank you very much, Sheila. Well, as you heard, we have three items on the agenda of our warning. They're made up of four

individual resolutions. Each resolution will be read and then I'll ask for a second to the motion. Then we'll have a discussion for each of the motions and then a vote, up or down or sideways. Then we'll move on to the next one. When we get to the discussion section for each motion, the first step would be to have the motion explained to us all which will typically be done by our First Selectman. Then open it up for questions and comments. Please raise your hand and I'll recognize you. This is very important, please wait until the microphone gets to you. Then when it does get to you, identify yourself for the purposes of the recording secretary. Even if you think we know, and in most cases that will be true, she's looking down into her laptop so she won't be able to tell. It would really be helpful to know everybody, the identification of each of us that are making a comment or asking a question. So thank you for your cooperation on that.

The last thing, something a little different tonight. After the official town meeting is adjourned, we're going to have sort of an informal informational meeting about the senior center. So if you'd like, please stay and listen to that. Any questions so far? Good, Mark, would you read the first resolution please?

M. Lyon: The first resolution is a question on the General Fund Budget.

Resolved: To approve an amount not to exceed \$4,424,477 for expenditures from the 2014-2015 General Fund Budget, which includes \$4,344,577 for General Operating Expense and transfer of \$80,000 to the Legal Litigation Fund.

Moderator: Thank you, Mark, could I have a second to that motion? Ok, I have several, how about Phyllis Allen over there.

Phyllis Allen: Second.

Moderator: Mark do you have or if Michael, do have anything you want to say in terms of explanation about this? Ok, there is no explanation. If that's the case, then we'll open it right up to questions and comments about this first item on the agenda. Looking for hands, anybody have any hands. Yes? Hold on, John's getting to you Pete.

P. Tagley: Pete Tagley, Sabbaday Lane. I, from my experience, the meeting in which you really make adjustments in the budget is the Budget Hearing which is held before.

Moderator: Correct.

P. Tagley: To make any adjustments here, you basically would have to defeat this budget if you wanted to lower or raise it. Is that correct? If you had a beef with this budget and you wanted it lowered, you, you can't lower an item. We're not here to lower a line item or raise a line item in this budget. We're here for up or down? That's correct, ok. What I would like to know regarding resolution, the first resolution, is this an increase in the current operating budget, a decrease, or status quo?

M. Lyon: This is a 1.4% increase. Included in that is, we were, we, there's a 2% raise for our employees which is about \$24,000. Our health insurance line item stayed about flat. Our fire department service awards, which is an award that goes to individual fire fighters who meet minimum attendance and performance criteria, went up \$5500 due to the fact that there were a lot more firefighters that qualified. We set aside an additional \$26,000 this year for our heat and utilities. Our resident trooper expense went up about \$20,000 due mostly to the fact that the state is charging an astronomical amount for their benefits to catch up on their pension fund. We get to share those costs on a percentage basis.

P. Tagley: So.

M. Lyon: We are, we were, got the benefit. We reaped the benefit of good performance in our pension fund. So our pension contribution is down \$10,000 this year. It also has to do with the fact that we changed our pension plan so our new employee is no longer on a defined benefit plan, but is on a defined contribution plan, which will probably have a longer term effect on that contribution. We paid off our firehouse. We completed our revaluation and our Plan of Conservation and Development which was about \$120,000 of savings.

P. Tagley: So hypothetically, hypothetically, would even though the mill rate is set after.

Moderator: Speak up Pete?

P. Tagley: Even though the mill rate is set after this meeting, hypothetically speaking, can you give us an assessment of what would happen to the mill rate?

M. Lyon: The mill rate is going to change due to the fact that our, with the recent "reval", that will be included in this June's billing, saw a 12.8% decrease in our taxable properties value. So that's going to

force an adjustment in the mill rate because we didn't cut our budget by 12.4%.

P. Tagley: Then the other question I have, as you know, the school board is going to propose an \$8-million fix ... high school. If that ... passes, is that factored? Did you factor any aspect of that into this current operating budget? If not, how would, how would you, if that passed, how would you factor that into?

M. Lyon: We, we'd have to wait for word from the school board on how much they were going to assess us. I would assume that there won't be any borrowing for that project in this budget year, but I don't know that.

P. Tagley: ... ok, that's all the questions I have.

M. Jackson: [spoke without microphone] ... might want to remember that revaluation ... is the case ... We asked for the analysis of ... what category ... and they're all pretty much down about the same amount ...

Moderator: Ok, other hands? Questions, comments? Yes?

R. Swain: Hi, I'm Rex Swain. I live on South Street. Going back to the, what Pete first asked about, just for clarification. My impression has always been that the notice of the budget meeting does not name a specific budget number, and that therefore, the budget could be changed at this meeting if there were a vote to do that. Am I, does anyone think I'm mistaken about that?

M. Jackson: Well, I think.

R. Swain: Would you like the microphone?

Clerk: Yes, please.

M. Jackson: Ok, In, in the years I've been doing this, it's never happened. It's always been done and raised at, at the hearing.

R. Swain: I, I'm not suggesting that it.

M. Jackson: I don't whether it's.

R. Swain: Could happen?

M. Jackson: I'm not aware of the legalities, Rex.

R. Swain: [Inaudible]

Moderator: You're asking me? Yeah, the answer to your question is that the budget and it's line items that make it up cannot be raised.

R. Swain: Oh.

Moderator: But, if this body saw fit to delete something or reduce something, we would, the town meeting would have the authority to do that. Ok?

R. Swain: Right.

Moderator: And if you think about it, that makes sense.

R. Swain: Thank you.

Moderator: Other questions? Are we ready to vote? Do you want me to read it again or do you all know what it is? You all have it in front of you. Ok, all, all in favor of resolution number one, hold on, I want to just identify it a little bit, resolution number one pertaining to the General Fund Budget, please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience: [Silence]

Moderator: Any abstentions?

Audience: [Silence]

Moderator: Motion carries, thank you very much. Mr. First Selectman, would you like to do resolution number two?

M. Lyon: Resolution number two is the Non-Recurring Capital Fund Budget.

Resolved: To approve an amount not to exceed \$1,484,250 for expenditures from the 2014-2015 Nonrecurring Capital Fund Budget, which will be offset by anticipated grants in the amount of \$305,000, resulting in a net expense of \$1,179,250.

Moderator: Could I have a second to that motion?

R. Carey: Second.

Moderator: No explanations again?

M. Lyon: No, all there.

Moderator: Ok, let's open it up to questions again, questions or comments. Looking for hands, not seeing any. Are we ready to vote? Ok, all in favor of resolution number two, relating to the Non-Recurring Capital Fund Budget not to exceed \$1,484,250 etcetera, etcetera, please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience: [Silence]

Moderator: Any abstentions?

Audience: [Silence]

Moderator: Motion carries, let's move on to resolution number three.

M. Lyon: Number three has to do with the road repair and reconstruction.

Resolved: To approve an amount not to exceed \$600,000 for additional expenditures from the 2014-2015 Nonrecurring Capital Fund for road repair and reconstruction.

Moderator: Looking for a second to that motion?

N. Solley: Second.

Moderator: Nick Solley, thank you.

M. Lyon: This is.

Moderator: Want to say anything?

M. Lyon: Yes.

Moderator: We do have an explanation on this one.

M. Lyon: I've got one sentence. This is the third year in a three-year program that was initiated with between.

Male: Five year.

M. Lyon: Right, third year of a five-year program, thank you, to take an aggressive move on road reconstruction in town and this has been successful in the first two years. We've seen some very big projects get completed that wouldn't have been able to, wouldn't have been funded otherwise.

Moderator: Looking for questions or comments about resolution number three. Not seeing any. Are we? Ah, Phyllis? Hold on, wait for the microphone, some of us can't hear so well including me.

P. Allen: I just wanted to ask where are we as far as Mygatt Road? Is that still in the works or what is happening there?

M. Lyon: It's still in the works. We're waiting to, we trying to do a small piece of land acquisition at the corner of Mygatt and Scofield. We haven't been able to get the affected parties to the table in a timely manner.

Moderator: Looking for any other questions or comments. Seeing none, are we ready to vote? Ok, all in favor of passing resolution number three to approve an amount not to exceed \$600,000 for additional expenditures from the 2014-2015 Nonrecurring Capital Fund for road repair and reconstruction, all in favor of that, please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience: [Silence]

Moderator: Any abstentions?

Audience: [Silence]

Moderator: Motion carries and we're on to the final resolution. Mark?

M. Lyon: Resolution number four has to do with the Down Payment Assistance Program.

Resolved: To approve a request from the Washington Housing Commission for an appropriation of \$100,000 from the Town of Washington Affordable Housing Fund to be used for a Down Payment Assistance Program to be administered by the Housing Development Fund, Inc.

Moderator: Could I have a second to this motion please?

L. Anderson: Second.

Clerk: Name please?

M. Lyon: Leslie Anderson.

Moderator: Leslie.

Moderator: Hold on, would anybody like to make an explanation or an introduction to this one?

M. Lyon: I'll, I'll be brief.

Moderator: Let the introduction happen first, then I'll call on you.

M. Lyon: This was a program that was put forward by our Housing Commission. They've been working with this Housing Development Fund Inc. for about a year to put this program together. It is, been approved by the, been vetted by the Board of Selectmen and the Board of Finance. We, it is an, a program that's supposed to help first time homebuyers get into existing housing in the Town of Washington. Then I'll turn it over to the Housing Commission for any other explanation or questions.

Moderator: We have with us the Chairman of the Washington Housing Commission.

L. Adams: Thank you, just a couple of things before I'll take some questions. I'm Liddy Adams for those of you don't know me. I'm the Chairman of the Housing Commission. I've been on the Housing Commission since 2006. Down Payment Assistance Program is something that we've been very interested in incorporating into the town's plan to provide housing for everybody who qualifies. That's about the best way I can put it. We paired up with a corporation called the Housing Development Fund which has provided assistance for homeownership to over 1700 homeowners throughout the area particularly in western and southwestern Connecticut, those areas that are more expensive than others

What this is, is not a grant program. This is a loan program which through our coffers of approximately \$309,000 in our Housing Commission funds that have been bestowed upon us by the Board of Selectmen over the years, we want to provide down payment

assistance which seems to be probably the biggest impediment in homeownership in our town at this time. Other than the fact that, housing, yes, it is expensive, but the down payment is a real big part of that equation. We would like to have your support and you've already given the green light for us to utilize your taxpayer money to provide some sort of housing assistance in whatever we deem appropriate to recommend to the Board of Selectmen. This seems to be the best way to utilize that.

Just in a nutshell, it would be maximum amount of money would be \$10,000 per borrower. By the time this person or this group of people in terms of a family or household gets to the, wanting to be granted this amount of money, they will have already been vetted by the Housing Development Fund fully mortgage-able for lack of a better term. They have to apply. They have to go through the Housing Development Fund personnel, go to a class, a mandatory classroom thing. They have to qualify for the loan and if they need some assistance for the down payment, they would come to us. They may not. We are going to be providing a conduit for the process.

Again, it's a loan. It has to be repaid. The Town of Washington becomes a second lien holder on the property behind the first mortgage. It is repayable when the house is sold or if it's refinanced.

We feel it's a really positive way to get people into a position of homeownership. It's a, it's, I, I'm not going to say it's a no-brainer. That's a silly thing to utilize, but by the time these people come to us and ask us for the, not to exceed \$10,000, they have already been fully approved for the mortgage. The success rate for the Housing Development Fund's program is over 95% as far as people staying current with their mortgage. In this economy, that's a big feather in the cap.

So, we're asking for the \$100,000 from the already appropriated \$300,000 to be put in a separate fund so that each time an applicant comes forward and wants to borrow that \$10,000, because by charter it exceeds the ability of the town to not have a town meeting each time there's an x-budget appropriation beyond \$5000, we don't need to come back and have a town meeting for each person who applies for more than that amount of money. So we'd like to take that \$100,000 and put it into an account so that we can draw from that for those qualified applicants without pulling a town meeting each time.

We'll just see how. This program is new to us. It's new to the town. We feel it's going to be a very good positive move forward. We would really appreciate your support on this. I would take any questions on that at this point. Yes, Mr. Day?

Moderator: Hold, hold on. Let me just ask one question of clarification just to make sure I heard you right. This \$100,000, if this motion passes, will have no impact upon the budget we just passed. This is money that has already been appropriated for the Housing Commission in past years. Correct?

L. Adam: Yes, absolutely.

Moderator: Ok, who had the first question. Peter did.

P. Tagley: Yeah, Pete Tagley again. I don't have an issue with what you're requesting. I have an issue with the whole perspective of housing in the Town of Washington as well as Roxbury and Bridgewater. As a member of the school board, we're confronted, the main problem we're confronted with is there aren't young people moving into our town for a variety of reasons. The Housing Commission is certainly not the problem, but how do we broaden this discussion because if we're going to survive with an educational system, we're going to have to broaden this discussion and the parameters that are involved getting people into town as far as housing goes. We have exclusionary zoning. We have very high priced housing. We have a state that isn't growing sufficiently. We have land trusts that absorb thousands of acres which drive up the cost of land. There are a lot of issues relevant to housing. You're not an issue, but the point is how do we draw you in if at all into the fact that if we don't start growing, we'll be a town of old people. I mean there will be no young people here. That's the trend in the state as far as the northwest and northeast corner are going. We've already seen that next year we have a total of approximately twenty-five students entering the kindergarten class spread out over three schools. In five years, most of the primary school classes will be blended. So you won't have six grades. You'll have K-1, 2-3, and 4 and 5 if the current trend stays. It'll be very difficult to get people to buy housing, seek housing, in a school system that has three grades that are blended.

So, what happens in housing is a very important issue. I realize I'm confronting you tonight with something, but how do we broaden this whole issue of housing. Do we work it through the Housing Commission as far as what the plan of the future is going to be and how we're going to build, not, not, equity type of housing, but not

affordable housing with no equity, but market rate based affordable housing which I believe is the draw you need. How do we get into this discussion and broaden your commission on where it's going?

L. Adam: I have some statistics that might help. The maximum amount or the maximum sales price of a house for Litchfield County underneath this Down Payment Assistance Program which is established by the CT Housing Finance Authority is \$346,000. Last year for the last 365 days in our town, up to \$350,000, twenty-three homes sold under \$350,000. Granted they're in different stages of size, location, repair, non-repair, whatever the case may be, but twenty-three homes sold during that time. Then you go to what's available on the market up to that amount of money and there's twenty-four houses under \$350,000. So I'm pointing that out to you to say that there may be, because the market has already changed, but there may be more of those coming available to the buying public that would be helped by someone having some down payment assistance for that. That may be one part of the equation that happens to be missing. As it's been alluded to already, you know, the real estate values have changed particularly with this revaluation, so there might be more opportunities. We'd like to be ready to be there if someone. That's a pretty good number for this town considering the median price of a home is \$650,000. That's a pretty good number of possibilities that are available. So I don't know if that helps a little bit. I understand what you're saying, totally, so.

Moderator: Other questions?

M. Haber: I'm Murray Haber. Liddy, I want to compliment you on this program. No doubt we need affordable housing. I'm a new member of the Washington Community Housing Trust. Unfortunately ... [technical difficulties] ... unfortunately, we got turned down when we wanted some money for the Vincent property, but, Liddy, my question to you is ... [technical difficulties] ... it's, the Housing Development Fund, is that a private organization?

L. Adams: Yes it is.

M. Haber: And how do they make ... [technical difficulties] ... why, why are they doing it for us?

L. Adams: They are, they are the starting point for someone who. They go to the Housing Development Fund corporation which is a HUD supported operation. They have three offices in Connecticut, three

locations. That's where a potential buyer goes to start the process. They need to do ... [technical difficulties] ... qualify for a mortgage. How do I get ... [technical difficulties] ... applying for a mortgage. They take them through a whole process. They'll even get to the point where this person is qualified. They might put them in a program that will help them ... [technical difficulties] ... We're partnering with them. They are the administrators on this whole concept. We are the conduit to get ... [technical difficulties] ...

M. Haber: They're not part of the CT Community Housing, the state agency?

L. Adams: No.

M. Haber: They're a profit motivated company.

L. Adams: Private non-profit.

M. Haber: Can, can the loan be a private, a conventional loan or does it have to come through the state?

L. Adams: No, it can be a conventional loan ... [technical difficulties]

M. Haber: ... [technical difficulties]

L. Adams: ... [technical difficulties] ... about twenty-three lenders that ... [technical difficulties] ... this program ... [technical difficulties] ... There's Newtown Savings Bank. Union Savings Bank is one of them as well.

M. Haber: It's, it's available for rehabbing a building as well?

L. Adams: It's, no ...[technical difficulties] ... purchase and you have to be, it has to be your primary residence. It's not for buying. I mean, you can buy a house that might need some work and you'd be putting some money into it, but it's not for like buying and then selling it again for a profit or any of that.

M. Haber: ... [technical difficulties] ... the Vincent property has an existing house that has to be rehabbed. This would qualify?

L. Adams: Yes, it would.

M. Haber: Permanent family?

L. Adams: Aha.

M. Haber: I think you have a good program and we'd like to cooperate and be part of it.

L. Adams: Thank you.

Moderator: Other comments or questions? Not seeing any? Are we ready to vote on this? Ok, let me read this one. This is resolution number four, to approve the Washington Housing Commission request for an appropriation of \$100,000 from the Town of Washington Affordable Housing Fund to be used for a Down Payment Assistance Program to be administered by Housing Development Fund Inc.

All in favor, please say aye.

Audience: Aye.

Moderator: Any opposed?

Audience: [Silence]

Moderator: Any abstentions?

Audience: [Silence]

Moderator: Motion passes and, Sheila, if I am sensing things correctly, all the motions passed unanimously? If you could note that.

Clerk: Yes.

Moderator: Thank you very much. There being no further business in the official agenda part of this meeting, I would like to call for adjournment of the meeting and for the beginning of the informational meeting pertaining to the Washington senior center. If any of you have to leave, now would be the time, but I hope you'll all be able to stay.

Meeting adjourned 8:00 p.m.

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I, Sheila Silvernail, certify to the best of my ability the foregoing is a true and accurate transcript of the Town of Washington Annual Town Budget Meeting on May 15, 2014.

 \_\_\_\_\_ Dated at Washington, CT this 16th day of May 2014.