

May 10, 2007

Budget Hearing

First Selectman Richard Sears expressed his thanks to those in attendance for their interest and participation in the Town's budget efforts. He explained the process followed by the Boards of Selectmen and Finance in preparing for this presentation and introduced Board of Finance Chairman Michael Jackson, who served as moderator.

Michael Jackson noted the budget is a statement of our values as citizens of the Town. Most of the funding is raised through property taxes, while expenditures are chosen through long-range planning for capital expense and on-going general expense costs. He noted the Education budget equates to 64% of the Town's budget, with the remaining Town expenses accounting for 36%.

The General Fund budget represents the Town's operating budget, which is approved annually at Town Meeting. The Board of Finance is empowered by State Statute to appropriate additional sums not exceed \$20,000 for specific items they deem necessary during the course of the fiscal year. These are referred to as "ex-budget items." A 3.6% increase is proposed for the 2007-08 fiscal year, mainly due to increasing costs in petroleum products, which affect road projects, heat and vehicle fuel, and in electricity. An effort is made to stay a little ahead of inflation figures for employee compensation and benefits, which include health, dental care and retirement. Currently, there is no charge to the employees for premiums; however, that day may come in the future in an attempt to keep costs down. Employees do pay co-pays and some deductibles. Michael noted while salaries are not comparable with the private sector, they are with other municipalities. The **General Fund Expenditures** for 2007-08 were presented for consideration at **\$3,809,804**, a 3.6% increase over 2006-07.

Selectman Nicholas Solley presented the Capital Budget, divided into the Road Program, Vehicles & Equipment, and Building and Properties. Preliminary requests of \$2,137,508 were considered by the Selectmen, some of which were reduced or deleted. This resulted in proposed projects of \$1,866,603. Anticipated grants to offset these costs in the amount of \$797,000 reduced the net figure to **\$1,069,603 for Capital Expenditures**. Nick noted several of the line items include funding to be set aside over a number of years for larger projects. e.g. bridges, fire vehicles, etc. Some were items approved at previous Town Meetings for special funds such as Open Space and Housing.

Michael Jackson explained the "Summary of the Town Budget/Financing Plan" assumptions that are used by the Board, which have been used for several year. A variety of mill rates are considered to determine what would be a sensible surplus for the Town to carry. Michael noted the Town has been very lucky in that the Grand List has been growing continuously (1.7% this past year), plus a certain amount of frugality has been used. The Board feels maintaining a surplus equal to a month's expenses is prudent, which seems to have worked well. He noted the mill rate is set after the budget has been accepted at the Town Meeting. Michael also discussed the sheet of Assumptions indicating a history and a forecast through 2012. This was introduced 6-8 years ago to insure that long-range plans are considered in an effort to maintain a more even rather than erratic mill rate for the taxpayers.

Peter Tagley inquired about the current balance in the Open Space account. This was noted at approximately \$335,000. Peter felt the Town had missed an opportunity to purchase an important piece of property on Route 202 in New Preston, which he felt was the type of land they should consider.

It was also noted that the Town had received a reimbursement from Region 12 from the previous year, which was appreciated.

Janet Wildman noted her support of the Gunn Memorial Library and the fine program it provides. She suggested consideration be given to electing a representative at large from the Town to serve on the Library Board. Michael was unsure if the Library could be forced to take on a Town representative. He reported that entities requesting Town funds meet with the Board of Finance to discuss their requests and also provide financial information on their organizations. In the past, the Town had determined the amount of subsidy given to the Library was in keeping with other towns. It was found that we are not being overgenerous. Janet reiterated she would still like to see people elected at large to the Library Board.

With regard to the property on Route 202, John Millington agreed we should buy the property, which could be used as a park for the town or for moderate income housing. He noted the Washington Community Housing Trust has been investigating this and had made a bid two years ago, which had not been accepted. However, he felt a conclusion could be reached in the future for consideration by the Town. Dick Sears also noted the particular piece of property is again available and being explored by the WCHT and Open Space Committee of the Conservation Commission. He questioned if the Town wanted to become a landlord or support the private entities as partners. Open Space and Housing Funds continue to accumulate if properties are not found. Michael also noted it had never been the intention that Housing funds were to be the sole acquisition source of funding for property, but rather they would be used as "seed" money. This should be recognized from the Meeker Swamp and Dodge Farm properties.

Peter Tagley questioned who determines the use for a piece of Town property. It was noted a property would be considered at the Commission level and forwarded to the Boards of Selectmen and Finance for consideration by the public at a Town Meeting.

Todd Peterson and Diane Dupuis questioned why the Town would be paying \$15,000 for a fire cistern for the Community Housing on Church Street in New Preston. Nick Solley reported it had initially been suggested that the Housing Trust contribute to a 10,000 gallon cistern several years ago. The Fire Marshal and the Fire Company had since suggested a larger 20,000 gallon cistern was necessary, which would provide water for the neighborhood as well as the Community Housing. It was felt by some that the entire cistern should be the responsibility of the WCHT and the matter should have been taken care of in a more timely manner.

The hearing was adjourned at 8:22 p.m.

Respectfully submitted,

Kathy Gollow, Secretary