

• **May 5, 2005**

## **Budget Hearing**

**Present:** Board Members: Jack Boyer, Jack Field, Michael Jackson, Mark Lyon, Craig Schoen and Rex Swain

Alternates: Liddy Adams, John Allen

Selectmen: Richard Sears, Nick Solley

Treasurer: Linda McGarr

Press: John Addyman - Voices; D'Ambrosio, Waterbury Republican

**General Fund Budget:** First Selectman Sears presented the proposed General Fund budget in the amount of \$3,437,636. He explained the lengthy process the Selectmen had followed to create a solid and lean budget that advances the basic values of the Town, rewards the workers and is not excessive in any way. This represents 3.7% increase over the current year's budget. New positions include a part-time housing clerk to assist the Housing Diversity Committee and the position of a part-time Building & Property Coordinator, which was recommended strongly by the Building and Property Commission. An average 3% payroll increase is proposed; however, due to the two new positions, the overall payroll increased by 5.6%.

**Capital Fund Budget:** Selectman Solley presented the proposed Capital Budget in the net amount of \$980,005, noting the Selectmen anticipate capital expenses with a long-range plan extending out five years. Over the past ten years, capital budgets have ranged from \$450,000 to \$1,600,000, with an average of \$945,000 for the past ten years. This year's capital budget is divided into:

Road projects, including large capital improvements to specific roads and bridges: \$335,000;

Vehicles and Equipment, including trucks, scheduled for replacement every 10-15 years and large equipment on a 10-12 year basis: \$370,005;

Buildings and Properties, including Open Space and Housing funding, as well as other Town needs: \$275,000.

**Finance Calculations:** Jack Field presented a Summary of the Town's Strategic Plan and the Town Budget/Financing Plan (attached). The Strategic Plan calculated mill rates using base assumptions, which indicated a mill rate of 12.11. Adding new initiatives that are proposed as part of the Capital and General Funds, a mill rate of 12.48 is indicated. These new initiatives focused on the areas of municipal projects, open space, housing and education and included both the General and Capital Funds extending to 2010. Municipal Projects included a part-time municipal facilities manager, tax relief for seniors, and other Capital Fund projects. Open Space included \$150,000 to be used for seed money towards land acquisition. Housing included an annual contribution of \$50,000 toward low equity, single family homes, a generator and other smaller items. He also included additional tax abatements for affordable housing that exist or are being considered. Education costs for renovation projects, as well as restoration of the high school track, were not included in the 05/06 year but are anticipated in following years.

The Summary of the Town Budget/Financing Plan presented various mill rate cases for the current year. Assumptions for tax collections were increased from 97% to 98%. If all new incentives are included, an increase in the mill rate from 11 to 15 could be anticipated within five years. Jack cautioned that current assumptions were used and should not be taken as precise, as things do change. These assumptions allow the Board to be mindful of what is happening now and in the future.

Michael thanked the Boards for their efforts and willingness to participate in the process, which make a significant difference in how well they can plan for the future. He noted the Board also considers assumptions from the Washington Financial Planning Model as an additional aid in budgeting (attached). The Board has drawn on reserve funds in past years to even out increases in the mill rate. As more projects face the Town in the future, the use of reserve funds allows the Board to cushion some of the tax increase.

### **Comments:**

- Valerie Friedman questioned why a net number is used in the calculations for capital expenses. It was noted it is the Board's policy that projects offset by anticipated grants will not be done unless grant funds are secured; therefore, a net number is used.
- Peter Tagley questioned if the annual reimbursement from the Region is included in the Board's calculations. This is included and shown line 49 of the Town Financial Planning Model.
- Peter noted the school budget will most likely be approved at a lower number than anticipated. This could result in some savings.
- Peter also stated he is against a tax abatement and felt it could set a precedent. While the Housing Trust has provided their financials, Michael will meet with the chairman to discuss these in more detail. Dick Sears reported the Selectmen had approved the tax abatement item at their January 13th meeting and had put it on the agenda for the Town Meeting on May 19th.
- Peter voiced his concern that it is difficult to speak to a specific item at a town meeting. He noted his appreciation of the Board's general conservative budgeting and hoped they would continue in that tradition.
- Fire Company: Dick Murchison, Assistant Fire Chief, requested the Board reconsider the Fire Company's request for \$161,160 for SCBA equipment. Using available grant funds, plus the trade-in of current equipment and a three-year payment plan, would relieve the need for funding in this year's Capital Plan. He will meet with the Selectmen to discuss this proposal in detail for the future.

Respectfully submitted,  
Kathy Gollow, Secretary

### **Meeting**

**Present:** Board Members: Jack Boyer, Jack Field, Michael Jackson, Mark Lyon, Craig Schoen and Rex Swain

Alternates: Liddy Adams, John Allen

Selectmen: Richard Sears, Nick Solley

Press: John Addyman - Voices

**2005-06 Budget:** Rex Swain made a motion that the \$10,000 of Town Aid Road funds used to offset the General Maintenance section of the budget be removed. Jack Boyer seconded the motion. This motion would set the General Maintenance section of the budget at \$449,682 and the total General Fund budget at \$3,437,636. Motion unanimously passed.

**Tax Abatement:** The Board discussed the Housing Trust's request for a tax abatement on their Church Street property, which would reduce their overall expenses and allow them to apply these funds toward

maintenance at Dodge Farm. The Town is currently assisting with an application for a Small Cities Grant to help with these costs. Concern was raised that a vote on tax abatement for the Church Street complex had been put on the agenda for the May 19th town meeting before being considered by the Finance Board. It was agreed the Trust's finances relating to all three of their properties should be reviewed prior to this vote being taken. Michael has scheduled a meeting with the chairman of the Trust to analyze current and future costs and discuss their assets as the Board has done with other entities receiving Town funds. It was also pointed out that the residents do not receive assistance from a tax abatement, but rather that it would assist the Housing Trust directly, as a non-profit organization. Some members of the Board were uncomfortable with the principle of abating taxes and felt this could set priorities for Town in the future. The Board may meet prior to the town meeting to discuss this further. The Board has the authority to assist with funding with an ex-budget appropriation during the year if warranted.

**Budget:** Jack Field made a motion to present the General Fund budget in the amount of \$3,437,636 and the Capital Fund budget in the amount of \$980,004 to the May 19th town meeting. Mark Lyon seconded the motion. Motion unanimously passed.

Respectfully submitted,  
Kathy Gollow, Secretary