

May 7, 2009

The following minutes of the Board of Finance hearing are submitted subject to approval at the next meeting.

Town of Washington – Board of Finance Annual Budget Hearing May 7, 2009

Chairman, Michael Jackson called the Hearing to order at 7:30 pm.

Present:

Members: Jack Boyer, Jack Field, Michael Jackson, Craig Schoon, Rex Swain

Alternates: Liddy Adams

Selectmen: Mark Lyon, Jim Brinton, Nicholas Solley

General Fund Expense:

First Selectman Mark Lyon presented the proposed General Fund budget in the amount of \$3,947,026, a 1.4% increase over the previous year. He noted the following major items have had key effects on the budget:

- * Three items are outlined differently in this year's budget:

- * The Open Space expense in last year's Capital budget has been reduced by 50% to \$75,000. Since the Open Space Fund is a specific fund, the Town auditor has suggested this transfer be made directly to the Open Space Fund.

- * The Housing expense in last year's Capital budget has been reduced by 50% to \$25,000. Since the Housing Fund is a specific fund, the Town auditor has suggested this transfer be made directly to the Housing Fund.

- * A Legal Litigation Fund is proposed for anticipated legal expenses of \$20,000 year. This amount will be transferred directly to a new Legal Litigation Fund, which will continue to be maintained for future litigation costs only.

- * \$17,000 added to (020) Accident and Health Insurance line item. Actual costs for the Town's current plan are not yet available. Selectmen will continue to review the Town's current plan, as well as seeking other plans in an attempt to lower costs.

- * \$39,000 increase for materials in (032) Winter Maintenance. Materials and labor exceeded budgets in past two years due to many weekend and night storms. Selectmen felt it would be irresponsible to ignore this area.

- * \$15,000 has been added to the (044) Pension line item as suggested by Pension Consultants.

Mark noted the town employees had agreed to a 0% increase in wages to maintain the budget and not cause an additional burden to the taxpayers, for which he is very appreciative. He noted each department had been asked to be as frugal as possible and they had done a good job. He had hoped to get the same cooperation from the Regional School District employees as well.

Including the transfers, the total General Fund budget currently stands at \$4,067,026, a 3.5% increase overall.

Capital Fund Expense:

Mark reported the Capital Budget remains level as the Selectmen continue to attempt to maintain the Town's infrastructure. A decrease in Capital Expense is shown as Open Space and Housing line items are no longer included under the Capital Fund. -9.8% - Overall+.4. \$1,036,900.

Michael Jackson reported the proposed Education budget had increased 1.5%; however, due to an increase in pupil population in Washington, the Town's share increased from 45.25% to 45.95% of the

population resulting in an increase of 3.1%. Since the initial proposed budget was not approved, the Town's will amend their financial calculations when the amended budget figures are received. While this will have some impact, it will not be significant. The impact the recent economy will affect tax payments in July is anyone's guess. The Board had decided to prepare for this possibility by asking the Selectmen to defer certain items in the event there is a shortfall in income. If any action is necessary, this situation will become more definitive after taxes are collected in July. The Board calculates tax collections at 98%, which ran as normal during the past year. The mill rate will be set after the Town Meeting. Generally the mill rate will drop following revaluation; however, until a final Grand List is completed, this is still uncertain. The BAA has completed their work and the Assessor anticipates she will be able to give us the adjusted Grant List by the town meeting.

Question was raised why funds remain budgeted for Open Space and Housing if there is concern over the budget. It was noted the whole process of open space and housing started 6 years ago when the Town indicated its priorities for a variety of subjects. It has been approved at town meeting every year.

Janet Wildman voiced her concern about funding the Library and felt the Town should have 20% representation on the Library Board since it contributes 20% of their funds. Rex noted the dollar amount as a percentage of expenditures is very small as compared to other towns. Michael noted any outside agency requesting funds from the Town is asked to present their budget for review. The Boards of Selectmen and Finance work together with representatives from the Library Board. He felt we are extremely lucky to have to finance only a portion of their costs and their volunteer Board and employees do an exemplary job of providing these services and raising funds.

Janet also questioned if the Boards had given any thought to doing away with the Resident Trooper program. Mark reported they had looked into this, especially when the State proposed increasing the Town's share of the costs from the current 70% to 85%. This increase has not occurred. He noted if we were to eliminate our resident trooper program, we would also have to eliminate our constables and we would incur other responsibilities and costs. What may have been allowed in the early 50's may no longer be allowable today by the State.

Peter Tagley questioned if the Board could estimate what the increase would be. Michael noted since the revaluation is not complete, the Board is not ready to discuss this at this point. The Board attempts to maintain 1 ½ months of expense in reserve, which they feel is responsible.

Dick Carey questioned if the Town has considered using the real estate facility that is being vacated by Steep Rock for use as municipal offices before going into the commercial market. Michael reported the Town had employed a consultant several months ago. Suggestions were made on staffing, systems and space. While the Town is fortunate to have employees who work well together, some configurations should be reviewed because of the multiple functions carried on in some offices. Mr. Carey suggested certain offices that are only used a day or two a week could be shared by others for other uses. The Boards will consider these suggestions.

Janet Wildman questioned if voting hours for the school budget referendum could be reduced from 6 a.m. to open at noon and continue until 8 p.m. Mark will attempt to get a definitive answer. The Town would save \$1,000-\$1,200/day.

The Hearing was adjourned at 8:07 p.m.

Respectfully submitted,
Kathy Gollow, Secretary

Board of Finance Meeting

Minutes of the Board of Finance meeting held immediately following the Budget Hearing.

Chairman Michael Jackson called the meeting to order at 8:08 p.m.

Present:

Members: Jack Boyer, Michael Jackson, Craig Schoon, Rex Swain

Selectmen: Mark Lyon, Jim Brinton, Nicholas Solley

Michael Jackson made a motion to reappoint Charles Heaven & Co., Inc. as auditor for the 2009-2010 fiscal year. Jack Boyer seconded the motion. Motion unanimously passed.

The Board will discuss the proposed budget further at their meeting scheduled for May 18th.

The meeting was adjourned at 8:12 p.m.

Respectfully submitted,
Kathy Gollow
Selectman's Office