

June 9, 2003

Chairman Michael Jackson called the meeting to order at 5:00 p.m.

Present: Board: Jack Boyer, Michael Jackson, Jack Field, Craig Schoon and Rex Swain

Alternates: Liddy Adams, Barbara Brown, and Mark Lyon

Selectmen: Elaine Luckey, Nicholas Solley

Guests: Tanya Wescott, Tax Collector; Linda McGarr, Tax Collector; Valerie Andersen, Board of Education

Press: Mark Daft, Voices

Tax Collector: Discussion was held on the Tax Collector's report and the method set up for tracking taxes and interest receivable. This will be discussed further with the auditor. Tanya reported she had recently served notice of liens and quite a bit of prior years' taxes have been paid in full. This is, in part, due to refinancing, notice of liens and notice by banks to the property tax attorneys.

Selectmen's Report:

S.T.E.A.P. Grant: Nick reported the Selectmen are proceeding with the surveying and engineering aspects for the projects associated with the STEAP grant. Funds for survey work at the town garage site on Blackville Road had been approved at the town meeting as part of the Town's capital budget, as had funds for site work at the garage site and repaving of the parking area behind the town hall. The need for funds for the projects in New Preston and additional projects in the Depot had been anticipated for the following fiscal year; however, the Selectmen have learned that the engineering for all projects must be submitted to the State for approval prior to proceeding. In order to begin, the Selectmen requested the Board consider an ex-budget appropriation of \$20,000 for engineering work related to the garage site project, the New Preston project, the Senior Center/Veterans Hall bridge and the Canoe Brook project. These engineering costs would be eligible for reimbursement from the STEAP grant. Once engineering plans are complete, an informational meeting will be held for the public's input on the proposed projects. It was felt at this point, further information would be available from the State on the timing of the funding for these projects. The final plans would be presented to the State in two sections for the Depot and New Preston. The Selectmen reported they would reserve the right to use some of the money in another project if one of the original projects is not proceeding. Plans must also be presented to the Planning Commission and at town meeting. Jack Boyer made a motion to approve an ex-budget appropriation in an amount not to exceed \$20,000 for necessary engineering for the New Preston and Washington Depot projects. Jack Field seconded the motion, which was unanimously passed. Elaine noted the Town has hired Larry Wagner Associates to assist with various aspects of the STEAP grant application.

Legislative Review - Regional School District Governance: Jack Field reported in the wake of the creation of the Regional Governance issue there is a new movement afoot to amend the Binding Arbitration rules before the legislature. Initiative has been taken by a couple of towns to endorse and support this concept and the proposed legislation. He and Elaine had discussed whether or not it would be possible to get a combined effort of the Boards of Selectmen and Finance from the three towns, as well as the Board of Education to support this and interest has been shown. Elaine noted the Northwestern Council of Governments has agreed to support legislation giving the towns the right to reject the result of binding arbitration and will contact their legislators. It was felt that after negotiations failed and binding arbitration had reached a decision, the results of this decision would have to be endorsed by the legislative bodies of the towns. If the towns did not approve the results, it would go back to the negotiating table. The Board recognized this as a long process, but felt it was better than no process. Jack noted the proposal would have to articulate and all three boards would pass the same resolution for submission. He

was unsure of the timing of when it is being proposed. It was the sentiment of the Board to proceed with this concept. Elaine reported she had spoken with Jay Hubelbank, chairman of the Board of Education, who felt this was a good idea and would bring it before his Board. It was felt that Binding Arbitration had served its purpose at one time but was no longer necessary. The elimination of the right to strike would remain in effect.

2003-2004 Mill Rate: The Board reviewed mill rate projections, using assumptions with an estimated \$2,308,945 fund balance for the end of the 02/03 fiscal year. Opinions varied whether to maintain the current mill rate and use the fund balance or continue with the philosophy of the Board of Finance as in past years in maintaining a reserve.

Items considered included:

- Capital expense changes significantly from year to year. Current year's projects at \$445,990, were down from previous two years at \$1,659,112 and \$1,470,992. Next year's budgeted at \$890,025. Some suggested specific number be considered annually, while others felt town projects may vary greatly each year.
- Education costs: Town's per pupil percentage has been decreasing since 1999, from 50.54% to 44.06% for 03/04 fiscal year. 45% is being estimated for future years, but Board cautioned that this number could increase at any time. This could have an effect on town expenses.

Rex did not feel a mill rate increase was needed, noting the fund balance more than covers the Board's philosophy of maintaining an amount equal to 1 1/2 months expenses. He felt the need to increase the mill rate may arise in the future but not at the present time. He also felt the Town Aid Road and Nonrecurring Capital Funds could also help to offset unexpected costs.

Craig Schoon felt there had been no increase in the mill rate for two years. The Board had projected that it would have to have an increase but he agreed with Rex in that you raise the taxes when there is a clear and compelling reason to raise taxes. He noted budget projections are needed but there are so many variables that can change the budget from one year to the next.

Barbara Brown could see both views. She felt it is beneficial to the town to have a buffer and would prefer a 1/4 mill increase rather than one-half. She felt an increase would be necessary next year but could understand Rex and Craig's point of view.

Mark Lyon felt the Town has been living on a previous surplus. In essence, we have been given a reprieve for several years and have been balancing the budget since the year 2000. While he does not want to see any more taxes, he felt if we keep running in the red it will become more difficult to balance the books in one year. He felt it would be irresponsible and we would not be managing our money.

Liddy Adams cautioned the Board that the Town is asking school board to cut their budget while the town is increasing the mill rate. We are asking them to cut but they are asking us for more. She did not feel the reductions in the school budget were significant.

Jack Boyer felt if the Town and School budgets are increasing by 4-5% we are in a dream world if we feel we do not have to raise the mill rate. Jack suggested 1/4 mill - \$155,000.

Rex Swain made a motion to increase the mill rate by 1/4 mill to 16 mills. Michael Jackson felt this would be a mistake and felt it should be raised at least by one-half mill. He did not feel the Town could have a Grand List growing at 2.5%. We have avoided increases through the declining student population and using the surplus. He felt the Board would be doing the Town a disservice.

Jack Boyer does not see 1/2 mill and was against stashing away large sums of money. Michael did not feel this was being done and it will continue to decline until we are in a deficit. We have been running in the red for three years.

A vote was taken on the mill rate. The results were as follows:

One-quarter mill increase: In favor: Jack Boyer, Jack Field, Craig Schoon, Rex Swain.

One-half mill increase: Michael Jackson.

The Board agree to set the mill rate at 16.

It was agreed there would not be a meeting scheduled for July or August.

Rex suggested the Board meet in July to come to a consensus about the capital fund surplus. He suggested the capital budget be set at a specific figure on an annual basis. Michael noted the need for capital funds varies from year-year. i.e. senior housing, Meeker Swamp. He felt funds will be needed for the STEAP grant projects prior to reimbursement. Jack Field suggested the auditors be asked for a recommendation on the amount of surplus the Town should have

Valerie Anderson reported the Education budget is increasing by 4.84% and hoped the Board of Finance would look kindly at this. It would appear there would not be any long-term renovation because of the State Board of Ed approving plans. It might be delayed one or two years until we get our act together. She noted it has been implied they are using the surplus and was worried a precedent would be set. She feels it will pass, however.

Adjourned at 5:40 p.m.

Respectfully submitted,

Kathy Gollow, Secretary