

ST. JOHNSBURY BOARD OF SELECTMEN
SPECIAL BUDGET MEETING
MONDAY, FEBRUARY 11, 2013

The St. Johnsbury Selectboard met in the Pomerleau Building, 1st Floor on Monday, February 11, 2013 at 6:00 p.m. for one of three Special Public Informational Hearings for the Town of St. Johnsbury 2013 Proposed Budget. Present were: Chairman Jim Rust, Rodney Lamotte, Bernard Timson, Kevin Oddy, and Vice Chairman Alan Ruggles. Interim Town Manager Merelise O'Connor was also present.

The meeting was called to order and began with the Pledge of Allegiance at 6:00 p.m.

PUBLIC ATTENDANCE

Brian Christman, Susan Dugan, Tim Persons, Bradford Hickok, Jeff Moore, Mike Fortier, Donna Rowell, Avery Rowell, Cindy Robillard, Ray Labounty, Jr., Town Clerk/Treasurer Stacy Jewell, and Attorney Kyle Sipples.

PRESS: Shawn Gaffney from Kingdom Access TV, and Dianna Cogger and Brad from Channel 7.

REVIEW OF 2013 PROPOSED BUDGET

Chairman Jim Rust began by pointing out that this was the first of three special public informational hearings so the voters may better understand the budget. February 25 is scheduled for the next informational hearing.

Copies of the PowerPoint document presented by Interim Town Manager Merelise O'Connor and the budget were made available for public reference. She began by outlining the budget goals to include to: maintain level funding of services, fund certain capital equipment for Fire and DPW services, fund reserves, maximize revenues, and minimize tax rate impact.

She explained highlights of the budget. It will fund reserves for reappraisal of property in the amount of \$15,000 to add to the \$67,000 already in reserve for this purpose. The budget will also fund an appropriation for the lease/purchase of a ladder truck in the amount of \$110,000 with the possibility of an offset by a federal grant.

The budget also funds \$75,000 for replacement of DPQ heavy equipment, funds the vacancy in the Police Department for half a year, funds a new position in Dispatch and funds an additional position in the Town Clerk's office.

It funds CALEX Ambulance at \$76,030, up from \$27,320 in 2012. It funds the Caledonian County tax at \$78,202 up from \$48,000 in 2012.

Voters will be voting on 3 funds.

Article 3, General Fund states that "Shall the voters of the Town of St. Johnsbury authorize a General Fund budget of \$2,776,123 of which, an amount not to exceed \$1,467,205 is to be raised by local property taxes for 2013?" (Refer to the table on page 3 of the PowerPoint presentation, attached to these minutes, for more details.)

For proposed expenditures in 2013 there was a 26% reduction from last year's budget. The proposed 2013 budget request is \$2,776,123. \$3,739,040 that had been approved for 2012, so there is a reduction of \$962,918.

For special appropriations in 2013 there was a 16% increase from last year's budget. The proposed 2013 budget requests \$359,760. \$309,787 was approved for 2012, resulting in an increase of \$49,973.

For revenues, in 2013 there was a 42% decrease from last year's budget. The proposed 2013 budget projects \$1,308,918. \$2,269,280 was anticipated for 2012, which is a reduction of \$960,362.

For property taxes without the special appropriations, there would be a 1.4% decrease from last year's budget. The proposed 2013 budget requests \$1,467,205, with \$1,487,760 that had been approved for 2012, which is a reduction of \$20,556.

The tax rate, including special appropriations, would be a 1.6% increase from last year's budget. The proposed 2013 budget states \$1,826,965, with \$1,797,547 that had been approved for 2012, which is an increase of \$29,417.

Article 4, Highway Fund states that "Shall the voters of the Town of St. Johnsbury authorize a Highway Fund Budget of \$2,409,344 of which, an amount not to exceed \$1,662,965 is to be raised by local property taxes for 2013?" (Refer to the table on page 4 of the PowerPoint presentation for more details.)

For expenditures in 2013 there was a .09% increase from last year's budget. The proposed 2013 budget states \$2,409,344, with \$2,219,929 that had been approved for 2012, which is an increase of \$189,416.

For revenues in 2013 there was a .34% increase from last year's budget. The proposed 2013 budget states \$746,380, with \$553,991 that had been approved for 2012, which is an increase of \$192,389.

For property taxes in 2013 there was a .002% decrease from last year's budget. The proposed 2013 budget request \$1,662,964. \$1,665,938 that had been approved for 2012, which is a decrease of \$2,973. This means that property taxes will go slightly down.

Article 5, Special Services Fund states that "Shall the voters residing within the former Village of St. Johnsbury, as it was bounded December 21, 1965, authorize a Special Services Fund budget to pay current expenses and indebtedness incurred in continuing function in that area which are not common to the Town of St. Johnsbury in an amount of

\$1,170,171 of which, an amount not to exceed \$1,021,171 is to be assessed by the Selectboard on the Grand list of said former village for 2013?" (Refer to the table on page 5 of the PowerPoint presentation for more details.)

Interim Manager Merelise O'Connor clarified that this was for primarily police department and beautification funds.

For expenditures in 2013 there was a .08% increase from last year's budget. The proposed 2013 budget requests \$1,170,176. \$1,084,235 that had been approved for 2012, resulting in an increase of \$85,936.

For revenues in 2013 there was a .9% increase from last year's budget. The proposed 2013 budget states \$149,000, with \$78,500 that had been approved for 2012, which is an increase of \$70,500.

For property taxes in 2013 there was a .015% increase from last year's budget. The proposed 2013 budget states \$1,021,170, with \$1,005,735 that had been approved for 2012, which is an increase of \$15,436.

Interim Town Manager Merelise O'Connor ended the presentation with an example of municipal taxes on a \$150,000 home. For homes outside the Village in 2013 there would be a 1% increase over last year's approved budget. The proposed 2013 budget results in a tax of \$944. \$938 that had been approved for 2012 resulting in a rate increase of \$6.39. For homes inside the Village in 2013 there would also a 1% increase over last year's budget. The proposed 2013 budget states \$1,548, with \$1,535 that had been approved for 2012, which is a rate increase of \$12.79.

PUBLIC COMMENT

Mike Fortier asked about the total cost of the ladder truck. Interim Town Manager Merelise O'Connor specified that the cost to lease the truck is \$900,000, of which \$190,000 is in reserve for a down payment, but that the federal grant, if awarded, would offset the net cost to include an appropriation of \$300,000. If the federal grant is not awarded, the Town would finance the actual cost over a 5-7 year timeframe. It is the intent of the Selectboard to move forward with buying the ladder truck upon approval of the voters and upon hearing about the grant.

Chairman Jim Rust said that the budget process was shortened to be able to meet goals, and that reserves were important for equipment needs. Last year many departments took cuts for the renovation of the Pomerleau building. Without increasing the county and CALEX budgets, which were beyond our control, we would have proposed a negative tax rate. It's a very trim, good budget and satisfies needs. He commended the board members.

The Board is concerned about the voters understanding the General and Highway Funds, and hopes for additional questions.

The public questioned if the sheriff's department and police department were included within the county budget. It was explained by the Board that the budget amount allocated was dependent upon the population and includes all county functions.

Board member Lamotte commented that there was only one position added for dispatch. The other position is a replacement.

Jeff Moore commented that the original budget had listed revenues at a different value. Chairman Jim Rust replied that in the previous budget document marked with revision 1-2, the Interim Town Manager still needed time to clarify the numbers. Additional revenue sources were identified. Today's printout is the finalized copy of the budget, and these are the numbers that will be before the voters.

Jeff Moore asked the board to explain why Article 4 has an increase for CALEX. Chairman Jim Rust replied that CALEX had attended the last meeting and presented very good reasoning. Kevin Oddy stated CALEX has not asked for any increases for a couple of years. Their revenues are by payer mix. CALEX is spending time and resources for non-billable services. The payer mix had changed and reduced revenue, but they have not increased their costs for services. CALEX has the lowest cost per capita of any ambulance service in the state.

Chairman Jim Rust explained that it's up to the citizens to vote what is on their mind. The polls are open from 10 a.m. until 7 p.m., and early voting has begun. Voting is available at the Town Clerk's office until 5 p.m. March 4. Citizens may also request an absentee ballot be sent to them. As many people as possible should vote. The Board hopes to see the budget pass with a positive vote.

The meeting concluded at 6:30 p.m. by unanimous agreement, with a motion made by Oddy and seconded by Ruggles.

APPROVED 03/04/13