

Agenda  
Warren Selectboard  
Warren Municipal Building  
Wednesday, February 8, 2012  
7:00 PM

✓ 7:00 PM – Capital Budget Hearing (as posted earlier)

✓ 7:30 PM – Finalized Budget

✓ 7:45 PM – Kingsbury Bridge VTrans Construction Easement/Appraisal

7:50 PM – Approval of Liquor License Renewal – Beaver Pond Farm Inn

7:55 PM – Liquor License Renewal for East Warren Community Market

8:00 PM – Approval of Minutes of January 24, 2012

8:05 PM – Approval of Warrants

✓ 8:10 PM – Approval of Decentralized Wastewater System Budget

**Minutes of February 8, 2012**

Warren Selectboard

Warren Municipal Building

7:00 PM

**Members Present:** Andrew Cunningham, Chair, Bob Ackland, Anson Montgomery, Matt Groom.

**Members Absent:** Kirstin Reilly

**Others Present:** Jim TV 44/45, Barry Simpson, Cindi Jones

**7:00 PM** - Meeting called to order by Mr. Cunningham.

**7:05 PM – Capital Budget Meeting** – Mr. Cunningham started the discussion by commenting that at the last meeting there were three capital account increases for allocation as follows: Highway Dept. Equipment from \$160,000-\$180,000, Fire Dept Equipment from \$50,000 to \$60,000 and Paving from \$125,000-\$175,000, and Bridges raised from \$10,000-\$20,000. Increases were based on the following that the allocation for Highway was following a proposed rotating equipment schedule as provided by Mr. Simpson. The Fire Dept. was raised as both ladders trucks need certification and that the Fire Dept. is working on a proposed replacement schedule. The Paving was raised after following a road maintenance plan that was prepared by Mr. Weston, Ms. Jones, Bob Ackland and Barry Simpson. The Bridges was raised because of possibly some bridge work which included Plunkton Road Bridge and a few other small repairs on other bridges. Mr. Groom stated that board prepared the Capital Budget on a managed plan for future projects.

Motion by Mr. Cunningham to approve the Capital Budget allocations for \$521,000, second by Mr. Ackland. All in Favor: VOTE: 4-0.

**7:25 PM – Finalized Budget** – The board reviewed the general operating budget for the final version for the town report. Mr. Ackland had a concern that the Brook Road Project needed to have an expense added to the budget. Discussion took place that this item would have some reimbursement from the Federal Highways. Ms. Jones explained that Federal Highway would reimburse the project for what was in the right of way only. All the extra debris removal, gravel removal, and stream work would not be reimbursable as the cost of the project was increased due to the ANR requirements. Ms. Jones commented that she needed from the contractor a break out of the just the road work to the toe of the slope on the bank stabilization/road repair only to submit to Federal Highways. The board unanimously agreed to put the \$220,000 into the highway budget expenditure line of FEMA Irene.

Motion by Mr. Ackland to approve the budget as presented with adding the Brook Road expense, second by Mr. Groom. All in Favor: VOTE: 4-0.

**7:45 PM – Kingsbury Bridge Construction Easement** – VTRANS has prepared a quit claim deed for a construction easement only and has sent a appraised value of \$1,500 for use of the town land during Kingsbury's Bridge Construction. The board agreed to not accept the \$1,500 because the town does get a lot of assistance services from VTrans for other town related projects.

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Motion by Mr. Groom to sign the Construction Easement Quit Claim Deed, second by Mr. Ackland. All in Favor: VOTE: 4-0.

**8:00 PM – Approval of Wastewater Budget** – Ms. Jones presented the final version of the Wastewater Budget for 2012. Ms. Jones felt with such a small increase that the Town would not have to raise the fees for 2012.

Motion by Mr. Ackland to approve the Wastewater Budget for 2012, second by Mr. Montgomery. All in Favor: VOTE: 4-0.

**8:05 PM – Approval of Liquor License Renewal for Beaver Pond Farm Inn** – Motion by Mr. Montgomery to approve the liquor license renewal for Beaver Pond Farm Inn, second by Mr. Groom. All in Favor: VOTE: 4-0.

**8:08 PM – Approval of Liquor License Renewal for the Sugar Lodge** – Motion by Mr. Ackland to approve the liquor License Renewal for the Sugar Lodge, second by Mr. Groom. All in Favor: VOTE: 4-0.

**8:10 PM – Approval of Liquor License Renewal for East Warren Community Market** – Motion by Mr. Montgomery to approve the Liquor License Renewal for the East Warren Community Market, second by Mr. Groom. All in Favor: VOTE: 4-0.

**8:14 PM – Approval of Minutes for January 24, 2012** – Motion by Mr. Ackland to approve the Minutes of January 24, 2012, second by Mr. Montgomery. All in Favor: VOTE: 4-0.

**8:17 PM – Approval of Warrants** – Motion by Mr. Ackland to approve the warrants for 1/24 for \$38,669.95, 2/1 for \$15,117.23 and 1/31 for \$8,202.51, second by Mr. Montgomery. All in Favor: VOTE: 4-0.

**8:18 PM – Approval of payroll warrants** – Motion by Mr. Groom to approve the payroll warrants for 1/30 \$10,761.75, and 2/6 for \$9,063.68, second by Mr. Ackland. All in Favor: VOTE: 4-0.

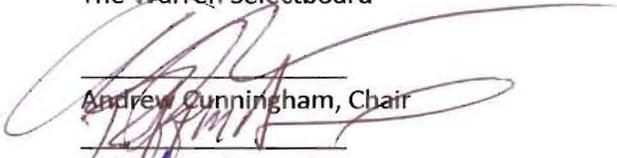
**Other Business:** Meeting for February 14<sup>th</sup> cancelled and moved to February 21<sup>st</sup> final before Town Meeting.

**8:20 PM** – Motion by Mr. Ackland to adjourn, second by Mr. Cunningham. All in Favor: VOTE: 4-0.

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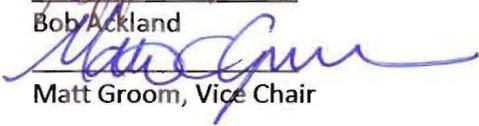
Minutes Respectfully Submitted by,  
Cindi Jones, Warren Town Administrator

The Warren Selectboard



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Andrew Cunningham, Chair

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Bob Ackland



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Matt Groom, Vice Chair

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Anson Montgomery

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Kirstin Reilly

Town of Warren  
Notice of Public Hearing  
The Warren Selectboard

The Warren Selectboard will hold a public hearing on February 8, 2012 at 7:00PM at the Warren Municipal Building to consider amendments to the Capital Budget and Program for the Town of Warren.

The Capital Budget and Program, which has application to the entire geographic area of Warren, contains the following sections:

1. A general narrative description of the Capital Budget and Program, its development and use.
2. A chart representing the Warren Capital Budget And Program for the period of 2012-2017.
3. An appendix containing an analysis of Warren's finances for the period of 2006-2011.

Copies of the Capital Budget and program are available at the Warren Town Clerk's office in the Municipal building during regular business hours.

Andrew Cunningham, Chairman  
Warren Board of Selectmen

## **2. FINANCIAL ANALYSIS**

In order to determine Warren's capacity to finance future capital expenditures, a financial analysis of the Town's expenditures and revenues was developed. Trends in expenditures, both operating and capital, since 2006 were studied. Types of expenditures, such as roads, schools, solid waste, fire and police, wastewater treatment system, and general administration, were broken out to identify where growth is occurring. Changes in the grand list, tax rate, and other sources of revenue were also analyzed.

Based on past trends, as adjusted, projections were made of the Town's future revenue base and operating expenditures to 2017. Capital project costs and grand list growth (the major revenue base) are given in today's dollar. Where applicable, debt service already committed to by the Town was factored into the projections, as well. A constant tax rate was applied to the projected grand list to estimate future revenues. By subtracting projected operating costs, an estimate of revenue available for capital and State expenditures was derived. These calculations are contained in the Appendix.

## **3. BUDGET AND PROGRAM**

Capital projects were programmed according to the expected timing of their need. The method of funding for the projects (outright purchase, short term notes, reserve fund, etc.) was based on municipal financial practices and the ability of the budget to absorb expenditures. In other words, if a project would result in a major increase in the tax rate for one year, phasing of the expenditure either by funding through a note, depreciation account, or reserve fund was proposed. The result is a more even distribution of annual expenditures by the municipality and a more stable tax rate.

### **Adoption of the Capital Budget and Program:**

The capital budget and program is adopted in accordance with the provisions of 24 VSA Section 4404(a) of the Municipal and Regional Planning and Development Act. This section requires at least one public hearing by the Selectmen and filing of the proposal with the Town Clerk and Secretary of the Planning Commission at least fifteen days prior to the hearing. The Planning Commission may submit a report to the Selectmen on the proposal prior to the hearing. The capital budget and program is then adopted by an act of the legislative body promptly after the final public hearing.

**Process for Use and Updating a Capital Budget and Program:**

As the Selectmen prepare their budget for Town Meeting, the first year of the capital program is reviewed for inclusion as the capital budget for that year. Adjustments are made as necessary to the capital budget to reflect more recent cost data and any changes in financing.

The projections for operating expenses and grand list used in developing the program should be weighted against actual experience and modified as necessary. At the same time as the budget is prepared, other capital items in the program should be reviewed. If there are any changes in these items, they can be made at this time. Examples of changes are deferral of a project due to unforeseen priority needs or financial constraints, and additions to the program. Each year as the capital budget is finalized, one more year is added to the capital program. Suggestions for new capital projects should be solicited from the planning commission and road commissioner. The school board should prepare their capital projects so they can be factored. As the capital projects are added, consideration should be given to the method of financing them. Projections of operating expenditures and debt service should be extended at the same time to determine the effect of any capital items on the budget for the additional year.

**Format for the Capital Budget and Program:**

The chart on the following page represents the Warren Capital Budget and Program for the period 2021 - 2017. The chart, Capital Projects, lists the Town's anticipated capital needs, including various road equipment, school bus, road and bridge improvements, and town buildings. A cost is listed for each item in columns representing the years within the program period. A total dollar amount for capital expenditures is provided by year.

APPENDIX

FINANCIAL ANALYSIS

**TOWN OF WARREN FINANCIAL ANALYSIS**

Budget

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
GRAND LIST	3,370,969	3,654,974	8,002,239	8,068,073	7,793,993	7,116,582
TAX RATE	2.67/2.75	2.74/2.99	1.45/1.55	1.42/1.53	1.42/1.56	1.55/1.72
<b>TOTAL ADJ</b>	<b>\$ 9,008,456</b>	<b>\$ 10,482,043</b>	<b>\$ 12,090,208</b>	<b>\$ 11,832,143</b>	<b>\$ 11,785,569</b>	<b>12,009,178</b>
FED/STATE	362,373	486,798	360,453	367,694	534,847	463,335
ACT 60 REAPPRAISAL	-	-	-	-	-	-
WARREN SCHOOL STAGE BOND	-	-	-	-	-	-
OTHER-LOCAL	216,493	178,789	196,226	246,320	199,906	148,491
CONSERVATION GRANTS	-	-	-	12,928	4,668	2,114
FEMA/HSU FIRE GRANTS	-	-	-	-	-	-
STATE PLANNING GRANTS	-	30,262	6,000	4,500	-	-
LIBRARY GRANT	726	1,484	1,904	85	3,110	6,862
OTHER-SCHOOL	47,257	95,389	165,104	82,131	101,908	107,574
<b>TOTAL REVENUE</b>	<b>\$ 9,635,305</b>	<b>\$ 11,274,765</b>	<b>\$ 12,819,895</b>	<b>\$ 12,545,801</b>	<b>\$ 12,630,008</b>	<b>\$ 12,737,554</b>
<b>EXPEND TOTAL ALL</b>	<b>\$ 5,056,264</b>	<b>\$ 5,280,688</b>	<b>\$ 5,591,718</b>	<b>\$ 5,863,025</b>	<b>\$ 6,215,831</b>	<b>\$ 6,182,016</b>
ROAD TOTAL	906,139	909,932	1,111,222	1,068,973	1,299,845	1,296,146
OPERATING	721,139	708,932	841,222	848,973	1,029,845	1,001,146
CAPITAL	185,000	195,000	270,000	220,000	270,000	295,000
PUBLIC WORKS Operating	-	-	-	38,793	42,104	39,892
POLICE TOTAL	37,840	31,816	31,703	36,572	40,442	42,951
OPERATING	37,840	31,816	31,703	36,572	40,442	42,951
CAPITAL	-	-	-	-	-	-
FIRE TOTAL	119,725	111,746	127,165	120,729	112,956	135,330
OPERATING	50,180	51,746	67,165	60,729	57,956	60,330
CAPITAL	69,545	60,000	60,000	60,000	55,000	75,000
FIRE GRANTS	-	-	-	-	-	-
GNL ADM TOT	539,684	639,724	643,116	649,658	641,114	597,757
OPERATING	501,971	604,774	603,616	622,158	613,614	560,257
CAPITAL	37,713	34,500	39,500	27,500	27,500	37,500
TOWN HALL RENOVATIONS	-	-	-	308,056	-	-
PLANNING and ZONING	103,411	114,362	126,055	116,878	137,104	134,849
PLANNING GRANTS	-	-	-	-	-	-
TOWN MAPPING	12,135	5,000	5,000	5,000	11,823	13,000
OPERATING	-	-	-	-	6,823	8,000
CAPITAL	-	-	-	-	5,000	5,000
REAPPRAISAL	-	25,000	20,000	10,000	30,000	-
VALLEY TRANSIT	943	943	943	943	943	943
VILLAGE WASTEWATER TOTAL	3,965	22,466	3,350	2,605	3,583	6,783
OPERATING	3,965	5,466	3,350	2,605	3,583	3,783
CAPITAL	-	17,000	-	-	-	3,000
WASTEWATER STUDIES	41,787	9,630	22,614	-	-	-
RECREATION TOTAL	40,978	44,808	45,610	45,583	47,236	41,253
OPERATING	40,978	44,808	45,610	45,583	47,236	41,253
CAPITAL	-	-	-	-	-	-
OTHER TOTAL	97,700	120,224	138,419	110,411	148,800	139,250
OPERATING	76,700	115,224	113,419	105,411	123,800	134,250
CAPITAL	21,000	5,000	25,000	5,000	25,000	5,000
WARREN SCHOOL STAGE BOND	29,002	23,394	22,824	22,188	21,502	20,772
RF 1 WASTEWATER BOND	-	39,376	39,376	39,376	39,376	39,376
FIRE POND BOND	26,986	26,529	26,054	25,559	25,041	24,506
DEBT SERVICE TOWN	-	-	-	-	-	-
<b>SCHOOL TOTAL</b>	<b>\$ 3,095,969</b>	<b>\$ 3,222,586</b>	<b>\$ 3,294,640</b>	<b>\$ 3,261,701</b>	<b>\$ 3,613,962</b>	<b>\$ 3,649,208</b>
OPERATING	1,655,761	1,773,115	1,819,314	1,755,375	2,081,142	2,094,450
CAPITAL	-	-	-	-	16,000	29,000
DEBT SERVICE	-	-	-	5,000	5,000	13,938

HARWOOD	Est'd per	1,440,208	1,449,471	1,475,326	1,501,326	1,511,820	1,511,820
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**FIVE YEAR TRENDS COMPOUND ANNUAL RATE OF CHANGE  
BASED ON EXPENDITURES**

GRAND LIST	-4.00%	(2008 to 2011)	
TAX RATE	2.00%	(2008 to 2011)	
ADJ. TAX REVENUE	6.00%	(2006 to 2011)	
	0.00%	(2008 to 2011)	
	2.00%	(2010 to 2011)	
FED/STATE	5.00%		
OTHER	-0.50%		
TOTAL REVENUE	0.00%	(2008 to 2011)	compound annual rate of change

**Expenditures**

ROADS	7.25%
SCHOOLS	3.50%
POLICE	2.00%
FIRE	2.00%
GENL. ADMN	1.50%
OTHER	7.50%
TOTAL EXPENDITURES	4.00%

**OPERATING TRENDS ONLY**

ROADS	6.50%
SCHOOLS	3.50%
OTHER MUNICIPAL	4.50%
TOTAL OPERATING	4.00%

**PROJECTED OPERATING EXPENDITURES BASED ON  
COMPOUND ANNUAL RATE OF CHANGE**

2011 as the base

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
ROADS	1,066,220	1,135,525	1,209,334	1,287,941	1,371,657	1,460,814
SCHOOL	3,732,489	3,863,127	3,998,336	4,138,278	4,283,117	4,433,027
OTHER MUNCPL	1,072,701	1,120,972	1,171,416	1,224,130	1,279,216	1,336,780
TOTAL	<b>\$ 5,871,411</b>	<b>\$ 6,119,624</b>	<b>\$ 6,379,086</b>	<b>\$ 6,650,348</b>	<b>\$ 6,933,990</b>	<b>\$ 7,230,622</b>

**PROJECTED REVENUE AT A CONSTANT TAX RATE**

**COMPOUND ANNUAL RATE OF CHANGE**

**2011 as the base**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
GRAND LIST	6,831,919	6,558,642	6,296,296	6,044,444	5,802,667	5,570,560
TAX RATE	constant 1.55	1.55	1.55	1.55	1.55	1.55
TAX REVENUE	\$10,589,474	\$10,165,895	\$9,759,259	\$9,368,889	\$8,994,133	\$8,634,368
FED/STATE	486,502	510,827	536,368	563,187	591,346	620,913
OTHER LOCAL	254,785	253,511	252,243	250,982	249,727	248,478
TOTAL REV.	<b>\$11,330,760</b>	<b>\$10,930,233</b>	<b>\$10,547,871</b>	<b>\$10,183,057</b>	<b>\$9,835,206</b>	<b>\$9,503,760</b>
FUNDS FOR						
CAPITAL, STATE Ed FUND, TAX STABILIZA, BOND PAYMTS.	<b>\$5,459,350</b>	<b>\$4,810,609</b>	<b>\$4,168,785</b>	<b>\$3,532,709</b>	<b>\$2,901,216</b>	<b>\$2,273,138</b>

## **Warren Capital Budget and Program**

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### **PURPOSE:**

Municipalities are authorized to adopt capital budgets and programs under 24 VSA Section 4430, the Municipal and Regional Planning and Development Act, provided a facilities and services plan has been adopted as part of the town plan. Such a plan has been adopted by the Town of Warren. The purposes of the capital budget and program are:

- to stabilize the tax rate;
- to improve municipal management practices;
- to enable orderly growth and development consistent with the town's fiscal ability to provide facilities and services, in accordance with the town plan; and
- to anticipate facility and service problems and take advantage of opportunities for service efficiencies.

As a planning tool, the expenditures listed in the capital program are not binding on the Town until adopted by the voters as part of an annual budget.

### **PROCESS FOR DEVELOPMENT OF A CAPITAL BUDGET AND PROGRAM:**

#### 1. Identification of Capital Projects

A capital project is any major, nonrecurring expenditure, such as land or road equipment purchase, or building construction or improvement. These differ from regular, ongoing operating expenses, such as salaries, utilities, road maintenance, etc.

According to Vermont's law, "A capital budget shall list and describe the capital projects to be undertaken during the coming fiscal year, the estimated cost of those projects, and the proposed method of financing. A capital program is a plan of capital projects proposed to be undertaken during each of the following five years, the estimated cost of those projects, and the proposed method of financing." (24 VSA Section 4430).

To develop Warren's capital program, the Selectmen identified the capital projects they anticipate over the next six years. Among their considerations were condition of present equipment, equipment needs, new growth requirements, and facilities to store additional equipment. The School Board identified capital projects they anticipate. Due to the lack of a capital program at Harwood Union High School, additional capital costs at the High School could not be factored.