

**MINUTES OF THE ANNUAL MEETING OF
THE TOWN OF WATERBURY
MARCH 4, 2014**

The inhabitants of the Town of Waterbury who are legal voters in Town Meetings are hereby notified and warned to meet in the Thatcher Brook Primary School Gym in the Village of Waterbury at 9:00 o'clock in the forenoon on March 4, 2014 to act on the following matters:

Peter Plagge and Fred Abraham played the National Anthem, followed by the Pledge of Allegiance.

ARTICLE 1: To elect a Moderator to preside at the meetings of the Town whose term of office shall be for the ensuing year.

J. Grenier made a motion to elect Jeff Kilgore to preside at the meetings of the Town whose term of office shall be for the ensuing year. There being no other nominations, Jeff Kilgore was elected Moderator for the ensuing year.

ARTICLE 2: To elect by Australian ballot the following offices: Clerk for 1 year; Treasurer for 1 year; one Select Board member for 3 year term and two Select Board members for 1 year terms each; one Lister for a 3 year term and one Lister to fill an unexpired term for 2 years; Grand Juror for 1 year; Town Agent for 1 year; one Library Commissioner for 5 year term; and one Cemetery Commissioner for a 5 year term.

ARTICLE 3: To elect by Australian ballot for the Waterbury Town School District one School Director for a 3-year term.

ARTICLE 4: To elect by Australian ballot for Waterbury-Duxbury School District #45 one School Director for a 3 year term.

ARTICLE 5: To elect by Australian ballot for Waterbury-Duxbury School District #45 one School Director at Large for a 3 year term.

ARTICLE 6: To elect by Australian ballot for the Harwood Union High School District #19 one School Director for a 3 year term.

Results of Articles 2 – 6 are attached to these minutes.

ARTICLE 7: To act upon the reports of the several Town Officers with the exception of claims for fees or compensation during 2013.

Chris Nordle made a motion to accept the reports of the several Town Officers as printed in the annual report, with the exception of claims for fees or compensation by town officers for services rendered during 2013. The motion was seconded. W. Shepeluk brought attention to a correction on page 23 of the Town Report. Under the Recreation CIP, the line item to paint the bath house floor should be \$9,000. There should be a line item of \$3,000 under the Route 100/Hollow Road improvements, and the total remains at \$42,100. The motion passed by voice vote.

ARTICLE 8: To act with respect to claims of Town Officers for their services during 2013.

William Shepeluk made a motion to pay the claims of the Town Officers for their services rendered during 2013, as appears on page 9 of the Annual Report: Select Board Chair, \$1450; Vice Chair, \$1,450; other Select Board members, \$1200 each; Listers, \$300 each. The motion was seconded and passed by voice vote.

ARTICLE 9: To see what action the Town will take with reference to fixing the date of the tax warrant on real and personal property and to set a date or dates when taxes on such property shall become due and payable and to see whether the same shall be paid with or without discount and to provide with regard for interest on such taxes as are not paid when due.

Chris Viens made a motion that the tax warrant on real property be dated July 18, 2014, and that taxes be due in two installments, the first installment due and payable on August 22, 2014, and the second installment be due and payable on November 21, 2014, without discount and that interest be charged at the maximum allowed by statute, not to exceed one and one-half percent per month or portion thereof on each installment, and a late penalty of eight percent be charged as allowed by statute on taxes not paid when due. The motion was seconded and passed by voice vote.

ARTICLE 10: To vote sums of money for necessary general government, highway, and library expenses, with the same to be expressed either in specific dollar amounts or as a rate or tax on the grand list.

Karen Miller made a motion to approve for the Town of Waterbury sums of money for the interest of its inhabitants and for the prosecution and defense of the common rights, for laying out and repairing highways and other necessary expenses: for general expenses \$1,931,345; plus such sums voted on Articles 13 through 22 of the warning for this meeting; plus for highway expenses \$1,577,815; plus for library expenses \$276,725; plus for expenditures of designated reserve funds totaling \$639, 980 for which no additional taxes are necessary; and that the Select Board be authorized to issue bills for property taxes in the sum of \$2,604,670, plus such sums voted on Articles 13 through 22 of the warning for this meeting for calendar year 2014. The motion was seconded.

K. Miller brought attention to page 21 of the Town report 'Operating Budget Summary 2014' and explained the expenses and amounts necessary to be raised in property taxes for the general, highway, and library funds. She stated that the general fund represents 50%, highway fund 41%, library fund 7%, and special articles 1%.

Mike Bard asked about the increase in the website budget. Carla Lawrence responded that the increase is for upgrades to the website. The site was designed several years ago, and upgrades will be made including making it responsive to cellphones and tablets, emergency notification banner, email groups, and other enhancements. The LTRC projects line item decreased. Last year, \$166,290 was spent and the budget for 2014 is \$55,635. W. Shepeluk explained that the Choke Study was completed, the generator at TBPS was installed, and the Little River Trail project was moved to a separate fund. The budget for this year includes the Town's share to pay the Local Economic Development Director and \$2,500 to balance the fund when the generator was installed.

John Castaldo asked what the percent is for debt service. W. Shepeluk responded that at the end of 2013, the debt service was \$3,400,000. Of that, \$2,920,000 is for the fire stations bond. In 2014 the debt service is \$371,000, and drops in future years. By 2018 there will be \$300,000 of debt retired. Most debt is issued in 5-year notes.

J. Castaldo asked about the Highway operating budget and whether it includes repairs for roads. J. Grenier stated there are several federally funded projects planned in the future. On Page 23, the 'Capital Improvement Funds' exhibit lists the highway projects planned and the funding for these projects.

John Callan requested to have a project management based reporting system on the internet that is transparent, and to have sub projects spelled out with costs.

Chris Viens talked about roads that are planned to be rebuilt or improved over the summer. He will suggest to the Board methods so that there is a longer life expectancy. The list may change so the roads will have longer life and easier maintenance.

W. Shepeluk stated the debt service is about 14% of the total budget, and has been in that range for quite some time.

The motion passed by voice vote.

ARTICLE 11: To see if the voters will authorize a sum of money to be expended from the capital funds for capital projects.

John Grenier made a motion to authorize the expenditure of \$6,311,155 for purchases of vehicles, capital improvements, and the payments of debt identified in the town's capital improvement budgets. The motion was seconded.

J. Grenier directed attention to page 23 of the Town report, and reviewed the various Capital Improvement funds; including paving, infrastructure, highway vehicles, fire department vehicles, and recreation. There is also \$3,000 designated, but not shown on the report, for work at the Hollow Road intersection. W. Shepeluk pointed out that the \$6,311,155 includes \$4,512,245 for the Roundabout project. He directed attention to page 37 which shows the Roundabout capital budget. The only expenditure of local funds for this project is Village improvements to water and sewer mains. The Town will have to pay for some landscaping. The Select Board has found necessity for this project. It is the hope that the project will go out to bid on May 1st and will be constructed this year. On March 13th, there is a meeting at St. Leo's Hall from 6:00pm to 8:00pm for information on this project.

J. Callan asked about the Stowe Street line item. J. Grenier stated that it includes just the sidewalk. Paving will occur at a later date, after work on the interstate bridge is completed. Stowe Street will also be used heavily during the Roundabout project. J. Callan reiterated his desire to have a schedule on the web for the scope of work for the projects. He also stated that Loomis Hill has issues.

K. Miller asked for a clarification on page 23, in what does 'Res. Trans.' Mean. W. Shepeluk stated it means transfers from reserves.

Martha Staskus asked if, in their overall programs, the State looking at the increased traffic on Route 100 towards Stowe. W. Shepeluk stated that the AOT hired Theresa Wood to be a liaison for all of the projects that are planned, including paving Route 2 towards Bolton, the Roundabout, a traffic light to be installed on the off ramp from Montpelier, repaving of Route 100 from Stowe Street into Stowe, bridge projects, and the Main Street project. T. Wood stated there are flyers on the back table about the meeting on March 13th, which will cover all projects planned over the next several years.

The motion passed by voice vote.

ARTICLE 12: To see if the voters will authorize the Select Board to transfer up to \$325,000 from the Town's Tax Stabilization Fund to be transferred back over a period not to exceed 10 years at such rate as is deemed by the Select Board to be in the best interest of the Town, such transfer to finance capital expenditures included in the 2014 Highway Infrastructure and Fire Vehicle CIP budgets.

C. Nordle made a motion to transfer up to \$325,000 from the Town's Tax Stabilization Fund to be transferred back over a period not to exceed 10 years at such rate as is deemed by the Select Board to be in the best interest of the Town, such transfer to finance capital expenditures included in the 2014 Highway Infrastructure and Fire Vehicle CIP budgets. The motion was seconded.

C. Nordle stated that several years ago, Board members looked at funds and tried to make projections over a 10 year period as to how much money would be needed to fund the various projects and vehicle purchases. It is desired to have uniform transfers from year to year to stabilize the tax rate. In some years, some additional funds are needed to cover anticipated large expenditures. Often, this money is borrowed from a bank. This year, the Board is proposing to funds these expenses by borrowing from the Tax Stabilization fund, and then pay the fund back over time. K. Miller stated the use of this transfer is shown on page 23.

The motion made by C. Nordle is asking to use some of the money from the Tax Stabilization fund to pay for anticipated expenditures. The suggestion was to pay the Town back at a rate of approximately 4%, but this will be decided at a future date by the Board. The money will be used to pay for a fire truck and Stowe Street sidewalks. Interest rates paid to banks is the 2 to 2.25% range, but borrowing can only be done over a period of 5 years. R. Boyle expressed concerns about moving funds from the Tax Stabilization fund. He would prefer to grow the account. C. Nordle clarified that the motion is very specific in that the transfer is for a specific purpose. He feels utilizing the money in this way is consistent with the purpose of the fund, and it allows more flexibility than borrowing from a bank and accomplishes the goal of stabilizing the tax rate. The fund has done very well over the past couple of years due to market conditions. The investment portfolio however, is out of balance. The account needs to be rebalanced with or without the transfer to more stable conditions.

T. Wood asked if the \$55,000 transfer from the Tax Stabilization fund shown on page 26 is included in the \$325,000. W. Shepeluk stated that it is not. She expressed concern that this amount, plus the anticipated amount of \$325,000 brings the threshold of the fund below the original principal of \$644,000. W. Shepeluk stated that the money will be paid

back, so he does not see that as an issue. T. Wood stated that she feels the motion is too loose. C. Viens wanted the public to be aware of the plan, and reminded everyone that as each year passes, the value of the dollar declines.

T. Wood moved to amend the motion to transfer an amount up to \$325,000 from the Town's Tax Stabilization fund provided the balance of the Tax Stabilization fund does not fall below \$644,000 to be transferred back over a period not to exceed 10 years at such rate as is deemed by the Select Board to be in the best interest of the Town, such transfer to finance capital expenditures included in the 2014 Highway Infrastructure and Fire Vehicle CIP budgets. The motion was seconded. T. Wood stated the original intent of the fund was to not use any of the principal to stabilize the tax rate, and the intent of the amendment is to not have the fund fall below \$644,000.

The policy behind the Tax Stabilization fund was discussed. The policy and uses of the fund was decided by the voters at a past meeting.

Sam Miller moved the question. The motion passed by voice vote.

The amended motion, to transfer an amount up to \$325,000 from the Town's Tax Stabilization fund provided the balance of the Tax Stabilization fund does not fall below \$644,000 to be transferred back over a period not to exceed 10 years at such rate as is deemed by the Select Board to be in the best interest of the Town, such transfer to finance capital expenditures included in the 2014 Highway Infrastructure and Fire Vehicle CIP budgets, was voted on and failed by voice vote.

There was additional discussion on the original motion. C. Viens stated that the projected shortfall at the beginning of the year was approximately \$260,000. Part of the money is for a new rescue truck for the fire department, and the cost of the truck has increased. Discussions were held about postponing the purchase. It was decided to borrow the money from ourselves, and then to discuss at a future date how to structure the payback. This solves the problem without borrowing additional money or increasing the tax rate. Discussion continued about the use of the fund. It has been invested prudently and used wisely since its inception.

J. Castaldo asked if the value of the portfolio will remain the same as the money will be shifted to a note receivable. T. Wood feels the Board needs to be more specific about the terms of the payback. C. Nordle stated the original motion has a payback period of not to exceed 10 years, and does not anticipate an actual promissory note. S. Miller moved the question. The motion was seconded. The original motion, to transfer up to \$325,000 from the Town's Tax Stabilization Fund to be transferred back over a period not to exceed 10 years at such rate as is deemed by the Select Board to be in the best interest of the Town, such transfer to finance capital expenditures included in the 2014 Highway Infrastructure and Fire Vehicle CIP budgets passed by voice vote.

The Moderator recognized P. Howard Flanders for the purpose of an award. P. H. Flanders was joined by J. Grenier. The Keith Wallace award has been given annually to recognize community service, and Dr. Bob Murray was presented the award.

Representatives Stevens and Ellis, and Senator Doyle were recognized and gave an update of activities in the Legislature. T. Stevens stated that digging at State Complex will begin in March, and construction will begin in April. The Town is still in the mix to have the Agricultural Lab built at the Stanley Wasson site. The Legislature is dealing with education finance, and it is clear that the funding mechanisms need to be adjusted. He also gave an update of the status of flood insurance. He is working on two bills in Veterans Affairs. The first is that spouses can collect unemployment insurance if the family is moved on a military reassignment. The second is a bill that will allow veterans with 60% disability to get a hunting license for free.

R. Ellis stated that it is an honor and privilege to represent the Town of Waterbury in Montpelier. She stated that natural resources and energy go hand in hand in the form of climate change. Climate changes have already impacted farmers and crops in Vermont. There are two bills that attempt to address climate change in a long term way. The first is to expand solar net metering programs, and the second is to encourage compact development. The State and Federal Government is investing very heavily in Waterbury, with seven large projects, including the State complex, the Main Street project, improvements to the interstate and exit ramp, Roundabout, the paving and sidewalk project for Stowe Street, and the Village wastewater treatment plant phosphorus upgrade.

Senator Doyle stated the Representatives and Washington County Senators have a close working relationship. He also recognized that the increase of opiates is of great concern and needs a solution.

R. Ellis was presented flowers and recognized for her service on the Planning Commission and Select Board.

John Malter was present to give an update on the Mad River Resource Management Alliance.

ARTICLE 13: To see if the Town will, during 2014, appropriate:

Chris Viens made a motion that the Town, during 2014, appropriate:

- \$1,000 for support of the Central Vermont Community Action Council
- \$750 for the support of the Central Vermont Community Land Trust
- \$1,000 for support of Central Vermont Council on the Aging
- \$250 for the support of Central Vermont Crime Stoppers
- \$1,000 for support of the Family Center of Washington County
- \$500 for support of the Good Beginnings of Central Vermont
- \$500 for support of the People's Health and Wellness Clinic
- \$1,000 for support of Project Independence
- \$1,000 for support of the Retired Senior Volunteer Program (R.S.V.P.)
- \$300 for support of the Sexual Assault Crisis Team
- \$250 for support of the Vermont Association for the Blind and Visually impaired
- \$600 for support of the Vermont Center for Independent Living
- \$300 for support of the Washington County Court Diversion Program
- \$800 for support of the Waterbury Community Band

The motion was seconded and passed by voice vote.

ARTICLE 14: To see if the Town will appropriate \$2,000 in support of the American Red Cross during 2014.

Steve Lotspeich made a motion that the Town appropriate \$2,000 in support of the American Red Cross during 2014. The motion was seconded and passed by voice vote.

ARTICLE 15: To see if the Town will appropriate \$1,200 in support of Central Vermont Adult Basic Education during 2014.

Jane Willard made a motion that the Town appropriate \$1,200 in support of Central Vermont Adult Basic Education during 2014. The motion was seconded and passed by voice vote.

ARTICLE 16: To see if the Town will appropriate \$1,375 for support of Circle (formerly Battered Women's Services and Shelter) during 2014.

Linda Wulff made a motion that the Town appropriate \$1,375 for support of Circle (formerly Battered Women's Services and Shelter) during 2014. The motion seconded and passed by voice vote.

ARTICLE 17: To see if the Town will appropriate \$4,000 for support of the Early Education Resource Center of Waterbury ("Children's Room") during 2014.

Christine Wulff made a motion that the Town appropriate \$4,000 for support of the Early Education Resource Center of Waterbury ("Children's Room") during 2014. The motion was seconded and passed by voice vote.

ARTICLE 18: To see if the Town will appropriate \$7,323 in support of Green Mountain Transit Agency during 2014.

Steve Lotspeich made a motion that the Town appropriate \$7,323 in support of Green Mountain Transit Agency during 2014. The motion was seconded and passed by voice vote.

ARTICLE 19: To see if the Town will appropriate \$1,500 for support of Washington County Youth Service Bureau, Inc. during 2014.

Georgiana Birmingham made a motion that the Town appropriate \$1,500 for support of Washington County Youth Service Bureau, Inc. during 2014. The motion was seconded and passed by voice vote.

ARTICLE 20: To see if the Town will appropriate \$20,000 for the Waterbury Area Senior Association in addition to the amount included in the General Fund Budget for such purpose during 2014.

Louise Welch made a motion that the Town appropriate \$20,000 for the Waterbury Area Senior Association in addition to the amount included in the General Fund Budget for such purpose during 2014. The motion was seconded and passed by voice vote.

ARTICLE 21: To see if the Town will appropriate \$2,000 for the support of the Waterbury Grange #237 during 2014.

John Grenier made a motion that the Town appropriate \$2,000 for the support of the Waterbury Grange #237 during 2014. The motion was seconded and passed by voice vote.

ARTICLE 22: To see if the Town will appropriate \$2,500 in support of Waterbury LEAP (Local Energy Action Partnership) during 2014.

Duncan McDougall made a motion that the Town appropriate \$2,500 in support of Waterbury LEAP (Local Energy Action Partnership) during 2014. The motion was seconded and passed by voice vote.

ARTICLE 23: To do any other business that may legally come before the Board during the meeting.

No other business was discussed.

There being no further business, the meeting was adjourned at 11:40am.

Respectfully submitted,

Carla Lawrence, Town Clerk

Approved at a meeting held on March 10, 2014 and recorded in the Town Records.

Attest: *Carla Lawrence, Town Clerk*