

## Selectboard Report

This has proved to be the most difficult budget in all the years I have participated in the process, and I would expect the rest of the board would agree with me. With this said, let me first go into what has happened and some of the reasons for this.

At the time of writing this report, the board has implemented some very tight spending freezes including limiting the Highway Department to a 45 hour work week, as a way of reducing costs for the remainder of the fiscal year. I would expect by the time this report has come out, you will have heard about some of our troubles, and possibly seen a reduction in services. It is the board's intent that the reduction of services will be as minimal as possible.

There is no single issue that has got us to this point, but a cumulative effect from a few different items. Foremost, the impact of the Hogback Road project with its 3 year commitment of all paving money, and the final bill to the Town coming due this spring. Looking back I am not confident the board would have accepted the federal earmark "free" money for the Hogback Road, if we had known the amount of time, and resources that would be required to meet federal and state standards.

Other items that have affected our current year budget would include a very busy Highway Department, the early and numerous snow falls in December drove a lot of overtime costs. As all of you are affected by the rising fuel costs, so is the Town with its numerous buildings and vehicles. The board has worked very hard to get the best deal through bulk purchasing, combining our suppliers with the Village. While we do realize some savings through bulk purchases, we are subject to rate hikes as well. And lastly, spending on many smaller line items has been higher than anticipated. We plan to end the current year with no deficit.

For the budget being presented, we are seeking a very moderate increase, however the impact on the tax rate and the amount to

be raised by taxes will be substantial. The main driver here is the cash on hand, or lack thereof, with no money available to apply towards the reduction of taxes. As you may recall we started applying some of the anticipated cash on hand towards reducing the amount required to be raised by taxes a few years ago. When we first started we were carrying forward about a half a million dollars. This was the right thing to do, this is your money, and should be returned to you through a reduction in your taxes. Fortunately all of the money has been returned to you, unfortunately there is no more to apply towards the proposed budget.

Within the proposed budget are many items we cannot control, i.e. fuel costs, contracted services, insurance, etc. The budget we are presenting has most line items we can control level funded, or reduced, to help achieve a lower tax rate. This is also a temporary fix; most of those items reduced will need to be brought back within the next few years just to keep pace with inflation. The board would expect we will have difficult budgets for the next couple of years. We certainly expect, and will be able, to elaborate more at Town meeting.

We are happy to report that the Railroad Street Bridge is now complete and is a very nice looking historical bridge. We also can proudly proclaim that the Hogback Road is complete and this 800 lb gorilla is (almost) off our shoulders, it is now a very nice highway and should serve the Town for many years. For all of the pain associated with Hogback there is some good outcome. The old pavement was reclaimed in place and additional gravel road base was added to provide for a good base, guardrails added and culverts replaced. We should have many years before this highway requires any major projects. The Main Street Bridge is a State highway project, and is anticipated to be complete by the end of the 2008 construction season.

Pearl Street Bridge will possibly go out for bid in the fall of 2008, with a construction season of 2009. More likely a 2010 construction season should be anticipated for the Pearl Street

Bridge. This bridge also is having an effect on our budget. As time has passed, the estimated cost of this bridge replacement has risen, from a \$600,000.00 (deck replacement) to a 2.26 million dollar project. Based on today's cost estimates, the reserve fund needs another \$62,000.00 to meet our 10% match for the project. The board's intent is to spread the money required to be contributed across the next couple of budgets, thereby lessening the impact.

A good share of this report has been on our budget woes, and you may have noticed we propose another Tandem truck and a Salt Shed. This might not make sense at first, as we have been very tight with the spending in this budget. We do not want to skimp on Town infrastructure, the long term cost is too great and would take years to recapture. The cost of this truck will be spread out over a few years through use of the Municipal Equipment Loan program, the Town payment being made with money from the major equipment reserve fund. The Salt Shed will be built with money from the Buildings & Equipment reserve fund. Neither purchase will require an increase in taxes.

A proposed zoning ordinance has been drafted by the Planning Commission. After receiving public comment from their warned Public Hearings, they have submitted the draft to the Selectboard for their review and approval. As a result of recent changes in State Statutes it is unclear whether the proposed ordinance should be adopted by Australian Ballot (voter approved) or adopted by the Selectboard. Given a prior vote of the Town to adopt by Australian Ballot it is the intent of the Selectboard to put the ordinance to a public vote and then, if approved, adopt it themselves. This "belt and suspenders" approach has been recommended by the Town Attorney as a way to eliminate questions over proper adoption. If timing allows, the Board would like to see the Australian Ballot vote take place on Town Meeting Day

We will have an article for Broadband high speed internet service to be provided Town wide. We would ask the voters to support this article.

The potential purchase of the old Vermont Electric Coop building property on School Street is being explored by the Vermont Housing Partnership. The VHP's first proposal was not well received by the board or community members present. Many concerns were raised that included the type of housing, impact, etc. VHP has taken these concerns, and will be making another presentation to include some mixed use. The estimated cost for the contamination cleanup for the project has risen significantly, now approaching a million dollars. A VHP project with Town support is eligible for Brownfield Federal Super Fund money to clean up the site. Their proposal will be presented to the Selectboard and Village Trustee's in February.

Some other items: Work on researching and identifying ancient highways has begun this year, Bore hole testing at the Town Gravel pit and discussion with Bert Nadeau has started, Scribner Bridge emergency work was completed, The Municipal Office was painted, Bore hole testing at the Municipal Office to determine building shifting issue.

We currently have numerous openings for officers within the Town. We are desperately asking if anyone would have interest in volunteering any service to the Town, or would like to inquire as to what officer openings are available, to please contact the Town Clerk's Office.

This year, possibly more so than any previous year, we thank all of the officers, committee, commission and board members that serve the Town, your commitment and dedication is top shelf and a true reflection of Johnson's finest. We also thank the Highway Department for their continued dedication in maintaining our highways. We continue to appreciate Rosemary and her staff for all of their support, and to Duncan for the assistance he provides to the Selectboard.