

SPECIAL TOWN MEETING

APRIL 21, 2008

Note: The audio equipment was not working properly at the beginning of the meeting. Therefore, a summary of the meeting is described until noted that the equipment was working properly.

Ms. Ketcham opened the meeting at 7:37 p.m. A motion was made, seconded and carried to nominate Ward Mazzucco as moderator for the meeting. Town Clerk, Michele Grande was asked to read the legal notice into the record.

[The audio equipment began working at this point.]

Ms. Grande: The legal voters in the Town of Redding, Connecticut and those entitled to vote therein are hereby warned and notified to meeting to be held in the Redding Community Center, Redding, Connecticut on Monday, April 21, 2008 at 7:30 P.M., for the following purpose: “To consider and take action upon the recommendation of the Board of Selectmen and Board of Finance to approve the appropriation of a \$1,448,000 for capital and land purchase to be financed by short-term borrowing pending long-term financing.” To do any and all things legal and necessary to accomplish the above named purpose and to take any other action that may legally and properly come before the meeting. Dated at Redding, Connecticut this 8th day of April, 2008. Signed by the Board of Selectmen.

Mr. Mazzucco: Thank you, Mrs. Grande. Do we have a motion to accept the call of the meeting as read?

Audience: So moved.

Mr. Mazzucco: Is there a second?

Audience: Second.

Mr. Mazzuco: Okay, all those in favor of accepting the call of the meeting as read, please signify by saying aye.

Audience: Aye.

Mr. Mazzuco: Any opposed? Hearing none, the notice of the call is accepted and I do have a certification as to the publication of the legal notice. I will ask our Town Clerk to record it with the doings of this meeting in accordance with Section 7-4 of the Connecticut General Statutes. Now as you know, as you've heard, there is exactly one item of business on the agenda tonight and before there can be any presentation on it or any discussion of it it has to be brought properly before this group so I don't anticipate there will be a vote on it but would someone care to make a motion concerning the issue that was just read to us by the Town Clerk? Anyone wish to make a motion to get the pending item before the entire group?

Audience: So moved.

Mr. Mazzuco: Thank you very much. Is there a second?

Audience: Second.

Mr. Mazzuco: Second. Thank you very much. Okay, so the matter that we heard the legal notice on is now properly before the meeting. I know that that there will be questions in due course but it would probably be good to start with some presentations of the public officials who can anticipate some of those questions. Mrs. Ketcham would you like to start us off?

Ms. Ketcham: I would, thank you. First I think we should spend a moment talking about why we are here. The need for this meeting, and for the short-term borrowing that is on the agenda tonight, has come out of this year's deliberations on the annual budget that starts July 1. The Board of Finance is the town body charged by state statute to prepare a town budget and lay the tax rate, what we call the mill rate. The process begins when three town boards, the Selectmen, the Redding Board of Education and the Region 9 Board of Education, prepare and present expenditure budgets to the Board of Finance covering town and educational services. As part of their review of these budgets, the Board of Finance takes a look at many

other factors that affect the overall tax rate, such as tax abatements, which cost us, and revenues from state and other sources, which help us. During that review process this year, the Board of Finance has found many things that are not working in our favor and which will increase the amount of taxes required from taxpayers. In an effort to minimize that, the Board recommended to the town and schools that all capital items be removed from the annual operating budget to be placed in a short-term borrowing mechanism. Municipalities may borrow for capital items, but not for routine operating expenses. The Redding Board of Education and the Board of Selectmen followed the Board of Finance directive, and initially recommended an amount to be borrowed of \$1,448,000. That is the amount that appeared in the Legal Notice for this evening's meeting. Subsequently, as it became apparent that the factors contained in developing the budget were continuing to work against us, the Board of Selectmen made the decision to reduce the amount of capital we approved for the town by \$290,000. We have

removed the excavator, two trucks to be refurbished, the pick-up truck and two police cruisers. Consequently we are recommending that the town borrow \$1,158,000 for the items noted at the bottom of your Legal Notice. We will have a brief presentation on the need for these items. Procedurally, I have a written opinion from Town Counsel, Michael Lavelle of Pullman & Comley regarding how to handle the vote, which I will turn over to the moderator to read to you.

Mr. Mazzucco: Thank you. The letter is from the law firm of Pullman & Comley in Bridgeport, addressed to Natalie Ketcham, First Selectman. Dear Natalie: As I understand it, the notice of the Town meeting stated that approval was being sought to borrow \$1,448,000 through bonding for a set of capital projects. The Board of Selectmen has since determined that only \$1,158,000 should be borrowed and expended with the other projects postponed to a later time. Bond counsel in my office and I agree that the vote at the Town meeting should be to approve the actions specified in the notice. This will provide compliance for

both notice and underwriting purposes that the vote was in accordance with the notice. However, the decision of the Board of Selectmen to borrow only up to \$1,158,000 should be presented to the Town meeting and stated on the record, for the assurance to the public that the \$1,448,000 was a maximum amount but that the effect on Town financing will be limited to \$1,158,000. The public statement of the Board of Selectmen itself has a binding effect in that borrowing in excess of the pledged amount would then be precluded. Sincerely, Michael N. LaVelle.

Ms. Ketcham: Thank you, Ward. At this time, I would like to ask Board of Finance Chair Bill Alvarez to step forward and explain to us why the Board of Finance has recommended this financing option for us. Bill.

Mr. Alvarez: Thank you, Natalie. Greetings fellow Redding residents. We are here tonight at this Town Meeting to vote on issuing a BAN to fund some long-term capital items and purchase a piece of land in conjunction with the Nature Conservatory. Before I discuss some details of this transaction, I would like to comment on our Town's financial position. As you are all aware, our Town has

been encountering some financial difficulties with our current year budget and the utilization of our fund balance to cover shortfalls. First let's look at our fund balance. Our fund balance has been used both last year, and this current fiscal year to balance our budget as a placeholder for collections of unanticipated revenue, which could not be estimated at the time the mill rate was being set. This had been a standard practice for the town for many years. For example, collection of delinquent taxes, changes to the grand list during the year, new home construction just to name a few of the many possible unanticipated revenue sources which had a history of positive impact to the previous town budgets. If we looked at restoring our fund balances that were used both last year and this year, it would represent less than 7 percent of an increase in tax. Second, the town had budgeted, both last year and this year, significant revenue from the Georgetown Development project and the sale of Heritage House. Unfortunately the Georgetown revenue has yet to materialize due to project and other delays, and although Heritage House was recently sold, it was sold for significantly less than budgeted in the prior tax year. Lastly, we have experienced a significant decrease in our Grand List in 2007. At the April 11, 2008 board of finance meeting, the Tax Collector reported that the real estate assessments in the 2007 Grand List decreased in excess of \$14 million. In addition, the Grand List was also reduced

by over \$8 million in personal property tax assessments. These decreases in the grand list does not only have an impact on our current year budget, but also on future budgets since we are starting with a substantially lower Grand List as we enter our next fiscal year. Now focusing on our budget for next year we have been deliberating on a tax increase ranging from 15 to 18 percent. It is to be noted, that of the estimated tax increasing range, less than 2 percent of the increase is for restoration of the fund balance and that the majority of the increase is primarily related to the decrease in revenue from the Georgetown project and decreases in the Grand List I have previously described above, as well as expense increases proposed by the town and boards of education. I would also like to point out that since we are in a revaluation year, determining how this year's tax increase will affect you is a two step approach. First, it has been reported by the Tax Assessor, that the average residential assessment increased by approximately 28 percent. Correspondingly, as a starting point, the mill rate will also be decreased, and adjusted for any Grand List Changes. Second, whatever tax increase that is ultimately approved this year will likewise increase the adjusted mill rate. If you are within the average assessment increase, your actual tax should increase by the tax increase ultimately approved. Accordingly, if your new assessment is above or below the 28 percent average, your actual tax will be more or less

than the increase ultimately adopted. While the range of the tax increase we are contemplating appears to be large, keep in mind that we have enjoyed three consecutive years of no increase in taxes, despite having budget increases averaging in excess of six percent for each of these years. Now shifting to this fiscal year's current budget; our last estimate reflects that we are faced with a revenue shortfall of approximately \$1.3 million offset by approximately \$1.1 million of expense savings or a net budget shortfall of \$223,000. In November, the town advised the Board of Finance of a projected shortfall in 2007-08 revenue budget and, since then, we have continually worked with Town officials and employees to cut spending in the current fiscal year ending June 30 in an effort to avoid ending the year with a deficit. It appears, that as of the last Board of Finance meeting in April, Town officials are confident that the identified budget shortfall of \$223,000, will remain constant through the end of this fiscal year, which by the way, has improved since March. Unfortunately finishing the year with a deficit also impacts our short-term cash flow. Now let's get back to the BAN and why we are here at this Town Meeting. Working with the Selectman, and examining the town's capital needs for 2008-2009, the Selectman has taken out of its current budget \$660,000 for the repaving of roads, and the Board of Education has removed \$78,000 from its budget for paving and other repairs. These long term capital items will be properly

financed over their useful lives starting with the BAN. In addition, \$420,000 is also added to the BAN for the purchase of a 29-acre parcel of land in conjunction with the Nature Conservatory. After a grant and other equity sharing arrangements, Redding's cost of this land purchase could potentially be reduced to as little as \$160,000 or even further. This is a deal that makes sense despite our current financial situation and one that is best suited to be financed, over time, starting with the BAN. Issuing a BAN now, at what are very low interest rates, accomplishes a couple of things; First it provides the Town with additional short-term cash flow to carry us through this fiscal year-end; second, it reduces the proposed 2008-2009 budget by the capital items. If approved at this Town Meeting, we can fund the BAN in as little as 30 days from today and have available the cash flow from this BAN until we need to disburse the funds sometime after June 30. The cost of this BAN for fiscal 2009 will be approximately \$1,500 per month of interest expense, based on the interest rate we incurred in an April BAN renewal. If this Town Meeting does not support the BAN, the Selectman and Board of Education budgets will be revised accordingly to include the needed capital items, thereby potentially increasing current taxes. In addition, without approval of this BAN we would not have the benefit of an additional \$1,158,000 of cash flow which may be needed for the Town to operate until the July tax billings. If we find the

Town short of cash before June 30, we would be required to have another Town Meeting and, this time ask for Tax Anticipation Notes or TAN's as they are called, which are required to be paid back during the next tax year. TAN's are not looked on as favorable with the bond rating agencies. In conclusion, we have been managing through some difficult times and I believe we have strengthened the Town's internal processes and procedures to better manage revenue and tax estimation, from all sources, in the future. I hope that Redding taxpayers consider all that has happened over the past three years, including no increases in the mill rate until this year and support this Town Meeting and upcoming budget referendum and now I would like to turn things back over to our First Selectman, Mrs. Ketcham.

Ms. Ketcham: Thank you, Bill. Now we would like to give you a very brief outline of the items that you would be voting on in the (inaudible) for the capital and the land purchase. The Board of Selectman and the Board of Finance are recommending an expenditure of \$660,000 for road and drainage work next year. This reflects a budget of \$600,000 with a contingency of \$60,000 to protect us against significant asphalt and fuel increases. There is a precedence to borrowing for this necessary work as we previously bonded a multi-year project which allowed the highway department to complete over 33 miles of drainage and paving improvements. Since that time the price of

asphalt, road material, pipe and concrete products have increased on an average of 24 percent. The cost to do similar improvements on the next two roads on the list is estimated to cost \$509,946 which is why we are requesting \$660,000. That allocation would cover those two roads in dire need of restoration as well as leave us approximately \$150,000 for smaller drainage and road shimming projects across town. Many of our roads were built in the 70's and 80's and are showing their age. Without question, the subject of most of the calls to my office regards the condition of our roads. I know that residents want their own road and the roads they routinely travel on to be in good condition and this appropriation would allow us to continue to make needed improvements. Borrowing for this work at today's very low interest rate makes this project affordable. If not approved, as Bill indicated, the Board of Selectman will have to consider adding these items back into the operating budget. Well, we certainly cannot have a year without road work. Borrowing is definitely the preferred method of payment for this necessary capital item and now I would like to ask David Lewson, the Chairman of the Redding Board of Education to explain the schools capital needs.

Mr. Lewson: Thank you Natalie. The schools have three items totaling \$78,000 on the proposed BAN. Two of the items are at Redding Elementary School and the third one's at John Read Middle School. The two items at RES are \$25,000

for paving and \$25,000 for repair of the west wing steps. Both are pretty much crucial at this point for safety reasons. The item at John Read Middle School is a \$28,000 item to convert a conference room into a fifth grade class room and this is crucial that that work is done over the summer in order to maintain approximate fifth grade class size. Thank you.

Ms. Ketcham: Thank you Dave. The last component of our short-term borrowing for tonight is an appropriation of \$420,000 for an open space purchase. I know this seems like a very unlikely time to be buying land and we actually did try to delay the decision on this purchase but the property is going on the market and The Nature Conservancy has negotiated a very fair price that both the Board of Finance and the Board of Selectmen felt should at least be put before you for a final decision. While the timing for this purchase could be better interest rates couldn't be. Last week we received an interest rate of 1.55 percent on short-term borrowing. The land to be purchased is approximately 29 acres on Poverty Hollow currently owned by Barbara Hanssen. We are very grateful to Barbara for allowing us the first option on preserving this land. It is something her late husband Fred, a long-time member of the Redding Planning Commission wanted for this very special property and it has long been identified in our open space plan as land of continuing conservation concern. Here tonight to tell us a little bit more about the

property and why it should be protected from future development is Steve Patton from The Nature Conservancy.

Mr. Patton: Thank you, Natalie. I also recognize it's not the best time in Redding to be purchasing property but I have been working with, talking with Barbara for many years now actually and actually I'd spoken to her husband too, Fred about acquiring her land, their land and it is a very special property. It is a piece of property that I know Barbara would like to see protected forever and it provides some really important natural features and protections to the Aspetuck River system. So let me show you a couple slides, give you a little sense of the property and talk to you a little bit about the potential costs to the town. This is, can people here me if I don't use the microphone?

Audience: No.

Mr. Patton: No? Okay, I'll use the microphone. This is the Hanssen property. A survey of it (inaudible). Okay, this is the Hanssen property. It's composed of two parcels -- a 22-acre parcel on the west side of Poverty Hollow. North is to your right and then on the east side of Poverty Hollow Road and along the Aspetuck River which runs right along through here is about 11 acres of land which also includes Barbara's home and several out buildings. On both parcels there were some carv-outs that occurred many years ago. There was a two lot parcel that sold resulting in a reduction of the acreage here from 24 acres down to about 22.18 and

on the eastern parcel there was a 2.08-acre parcel that eventually went to the Redding Land Trust. You will see here Bridgeport Hydraulic Company owns land on the north side and they also own land on the south side. This is all land that is all part of Centennial Watershed State Forest. This is just a topo of, a topographic map of the property showing what would be left of the 11-acre parcel about six to seven acres over here and the 22 acres over here. It rises fairly steeply on the (inaudible) side. The eastern parcel (inaudible) uphill on the eastern side. Mike (inaudible) quite a few years ago did a preliminary subdivision plan for Fred, Mr. Hanssen and identified four suitable building lots which could be accessed from Poverty Hollow Road and I'm certain as well that there could be at least one, possibly two building lots developed over on the east side of the river. This is a satellite image of the region. All of the yellow parcels here are part of Centennial Watershed State Forest. This is Poverty Hollow Road here. You can see Centennial Watershed State Forest on both sides, the Aspetuck River running down from Meeker Hill Road up here on down along Poverty Hollow Road and as you can see the western parcel is an important linking corridor between parcels on Poverty Hollow (inaudible) of Centennial Watershed State Forest and Meeker Hill Road down to the (inaudible) Centennial Watershed and of course there is river frontage along the eastern parcel so this property provides important

wildlife corridor habitat as well as protection to the Aspetuck River valley. Just a couple of images of the property. This is the Aspetuck River on the left and then some images of the property on the left side of the river. Up on the top there are some beautiful stone walls. It's very flat up on top of the hill and quite suitable for potential building lots. The way that, Barbara has offered to sell us her property for \$800,000 which I think and that is contingent upon getting two supporting appraisals that support that price and I have no doubt that those appraisals will come in somewhat higher than that, if not much higher. There is an open space grant now that DEP has announced that closes June 16 so we will be proceeding ahead to get the property under contract with Barbara and we will prepare an application to the state. We have done this four times, five times before now and every time we have received our matching funds from the state. The other thing is this year the state has increased the match from a maximum of 50 percent to 65 percent. So in the handout that was passed out to you, you can see Redding's share at closing would be about \$420,000 that includes closing costs, legal fees, there's going to be some survey work, the cost of the two appraisals. All of that gets shared equally between the Conservancy and the town. If we got a 50 percent grant the cost to the town would be \$210,000 not the \$220,000 that you see in the handout and with a 65 percent it would be a cost to the town of \$160,000. We are

also looking into another funding source that I can't get into right now that would cut this cost in half whether it would be from \$220,000 to \$110,000 or from \$160,000 to \$80,000. We are thinking that it is more and more likely this other funding source will come through but at this point I can't talk more about it because the discussions are in a sensitive stage right now. So as I said it is a really important opportunity. As many Conservancy people will say, the person that made land isn't making any more of it. This is our only opportunity to preserve this linking corridor along the Aspetuck River in connecting these parcels with Centennial Watershed State Forests and I strongly encourage all of you to support this application tonight. Thank you.

Ms. Ketcham: Thank you Steve and in conclusion I would like to ask Nancy King of the Redding Planning Commission and Fred Schroeder of the Redding Conservation Commission to just step forward and read the recommendation of their two town boards.

Ms. King: I'm Nancy King representing the Redding Planning Commission. Our recommendation reads as follows: Dear Ms. Ketcham and the Board of Selectmen. Thank you for your referral of the potential purchase of 29 acres belonging to Barbara Hanssen at 147 Poverty Hollow Road. At its meeting of April 8, 2008, the Redding Planning Commission discussed and strongly recommends

the purchase of the above-mentioned property. Yours very truly, Diane Taylor, Chairman. Thank you.

Mr. Schroeder: This letter is dated April 20, addressed to the Board of Selectmen. Dear Selectmen, The Conservation Commission at its meeting of April 15, 2008 unanimously voted to support the Town of Redding's purchase of the Hanssen property for open space purposes. We wholeheartedly support the concept of the partnership with The Nature Conservancy to minimize the costs of the Town. The property was included in the Aspetuck Greenbelt identified in the 1998 Redding Open Space Plan, the property was designated as a land of continuing conservation concern and is part of the Poverty Hollow scenic area. The acquisition will provide additional upland buffers around high quality wetlands and the Aspetuck River, will expand opportunities for additional trail-based activities to connect with the existing trail network and will protect an existing wildlife corridor from further development. The Hanssen parcel also meets many of the criteria set forth in the CT DEP, this is the name of the publication, "The Green Plan: Guiding Land Acquisition and Protection in Connecticut, 2007 to 2012." The cost is low, there is an existence of a partner in The Nature Conservancy, the availability of a bargain sale and the compatibility with local and regional plans for open space and conservation and development that have designated Redding as a conservation and water resource protection

area. Approval of this purchase by the residents of Redding will again confirm the importance of open space in our town. Sincerely, David Pattee, Chairman.

Mr. Mazzucco: All right, well at this point let me explain where we are in the meeting. You have heard the legal notice indicating that the purpose of the meeting is to consider borrowing and extending up to \$1,448,000 for capital and land purchase to be financed by short-term borrowing pending long-term financing. You also heard from the selectmen that they had voted not to spend more than \$1,158,000 and the issue before the meeting that was brought up at the very beginning in a motion to approve. Having heard the various presentations from town officials it would not be appropriate for members of the public to comment on the matter. I would like to point out that this is not a discussion of the town budget. That could come before the Board of Finance later this evening or at other sessions. This is only a discussion of whether to approve the motion which has been brought before you to namely to borrow and extend \$1,448,000 with the limitation imposed by the selectmen. Also, I would ask that if anyone wishes to speak would you please give your name and address so that the recorder of the meeting will have a proper record. Would anyone care to comment on the matter? Sir?

Mr. Connolly: I'm Gene Connolly from Meeker Hill. I always try to be responsible although there have been times in my life when it has been hard to be perfectly responsible because

opportunities and setback seem to settle in front of my door at just the wrong time. There was never a perfect time to get married because I couldn't afford it. Nor to have a child because you can't afford it or to go to college and pay those big tuitions because you can't afford it. If I had had two years with expense experience as I have experienced in the last two years, I would have to think there must be a catch and (inaudible) there is and I'm not critical but while that, I'm only saying if I had had that good fortune for two years, maybe it's three, than I would know that I am going to have to correct my financial situation and come up with a big (inaudible) to take care of the expenses that lay in front of me. I know also that the timing of an opportunity like this whenever it might have occurred in my life, including right now, is something where I would have to take care of all of my current and near future expenses but meanwhile, I know this is a mixed analogy and I shouldn't use it, meanwhile if I sell my soul or to make a big sacrifice in order to take advantage of the opportunity to buy one rather very important piece of the patchwork of open space in Redding so my feeling is that it is very responsible to purchase this regardless of the financial circumstance. It is not at all irresponsible. It would be irresponsible not to do so and I think it takes a lot of courage for The Nature Conservancy, the Board of Finance, the schools and the selectmen to make a decision

like this and I certainly hope you all will stand behind them in a tough time.

Mr. Mazucco: Thank you, Mr. Connolly. Would anyone else wish to comment on the pending motion? Hearing none, I will now try your minds. All those in favor of the pending motion to consider and take action upon the recommendation of the Board of Selectmen and the Board of Finance to approve the appropriation of \$1,448,000 capital and land purchase to be financed by short-term borrowing pending long-term financing please signify by saying aye.

Audience: Aye.

Mr. Mazucco: Any opposed?

Audience: Nay.

Mr. Mazucco: Okay, I think I sense the outcome of this motion but because there could be doubt what I will ask for this time is for the proponents of the motion to stand and then later I will ask for the opponents to stand. This will ease in seeing the outcome. So now all those in favor of the motion, please stand. Okay, if people who are already standing are raising their hands, I gather. Okay, all right would you all then please be seated. Thank you and anyone opposed to the motion please stand and if you are already standing please raise their hand. Okay, there are a number of no votes however, it is pretty obvious to me that the aye's carry it so I declare that the motion has been approved by a substantial majority. At this point if there is

no other business properly before the meeting so would anyone else wish to make a motion?

Audience: I move we adjourn.

Mr. Mazzucco: Motion to adjourn. Is there a second?

Audience: Second.

Mr. Mazzucco: All those in favor?

Audience: Aye.

Mr. Mazzucco: Thank you all very much for coming.