

**DATE:** OCTOBER 16, 2014

**KIND OF MEETING:** BUDGET

**WHERE HELD:** SCHODACK TOWN HALL

**CLERK:** DONNA L. CONLIN

**PRESIDING OFFICER:** DENNIS DOWDS

**MEMBERS PRESENT:** FRANCIS CURTIS  
MICHAEL KENNEY  
JAMES E. BULT  
SCOTT SWARTZ

**MEMBERS ABSENT:**

**ATTORNEY:**

**COMPTROLLER:** JENNIFER MULLIGAN

**OTHERS:** KEN HOLMES, SUPERINTENDENT OF HIGHWAYS  
BRUCE GOODALL, DIRECTOR OF TRANSFER STATION

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S. Dowds called the October 16 2014 Budget Meeting to order at 6:14 p.m. and dispensed with roll call. All present as stated above.

### **Budget Review**

The Board reviewed the highway budgets with the Superintendent of Highways and Comptroller.

**A3310, Traffic Control:** Board members asked why this fund had a major increase in 2014 and if the amount budgeted for 2015 would be sufficient. The Comptroller said it was due to a budget encumbrance at the end of 2013 for signs that were ordered at the end of the year. She said the amount budgeted for 2015 should be sufficient. **No changes made to this fund.**

**A5010, Superintendent of Highways:** The Board discussed the fuel market. While there is fluctuation, everyone was comfortable with the budgeted amount. **No changes were made to this fund.**

**A5020.2 Engineer:** The Board discussed the engineering money that is always appropriated, but rarely used. With respect to Sweets Crossing Rd. Bridge, the Highway Superintendent reported that after the Town closed the bridge, he asked DOT to keep it in the inventory so they will continue to do annual inspections. Mr. Holmes said the cost to replace this bridge is estimated at over a quarter of a million dollars, so the Board may want to consider removing it in the future. If so, they would have to budget removal/demolition funds the previous year. **No changes were made to this fund.**

**A5132, Town Garage:** C. Bult asked if the Board should begin thinking about replacing the fuel system at the garage. Mr. Holmes said no. They had some repairs recently, but were told that the system is good. **No changes were made to this fund.**

**DB5110, Street Maintenance:** The Board discussed the pot-hole patching, asphalt and fuel costs. It was noted that the entire highway budget has \$70,000 allocated for fuel costs. It is just reallocated into different funds depending on the projects for the employees.

**No changes were made to this fund.**

**DB5112 Road Construction:** The Comptroller noted that personnel costs overall did not decrease; it was just reallocated. **No changes were made to this fund.**

**DB5130 Machinery:** The Board reviewed the Highway Capital Replacement Plan. This plan gives a guideline of what would be spent each year for equipment out of the capital reserve funds. It is a long range plan and doesn't necessarily mean that each piece of equipment will be replaced as scheduled. It is just a guide; other factors may come into consideration during ensuing years and some equipment may have to be replaced sooner or later depending on circumstances. In 2015 they will be replacing the 2003 F550 Crew Cab and the 2003 F550 Standard Cab. The mileage on both these vehicles is well over 100,000 miles each and they will probably be auctioned rather than traded in. Additionally, an equipment trailer is projected to be purchased and a vehicle air-conditioning service machine. Those items (total estimated cost is \$14,000) are not part of the capital reserve plan. **No changes were made to this fund.**

**DB5140 Brush and Weeds:** During this review, Board members discussed the tree service funding. Mr. Holmes said tree service is very costly and he uses all the money budgeted in that category. **No changes were made to this fund.**

**DB5142 Snow Removal:** Salt prices have increased. Because they are ordering some (2,000 tons @ \$45.05/ton) this year, they will be able to be a little more conservative next year, when the cost will increase to \$57.68/ton. The Board discussed the merits of mixing sand with the salt. Mr. Holmes said he tries to be conservative and takes all factors into consideration when storms hit. He noted that the new spreaders are more effective in the salt distribution on the roadways. Last year, due to the salt shortage, he had to mix the salt with sand and they received lots of complaints about that practice. Additionally, there is the cost, in the spring, to clean out the ditches so, economically, there is little savings. **No changes were made to this fund.**

**Flaggers:** The Board engaged in an extended discussion regarding personnel costs for the highway department, specifically looking at the request for part-time flaggers. Mr. Holmes felt it would be a great benefit for his department to have four flaggers for about 11 weeks. Then he could make two full crews for most of the summer. The Board agreed to leave the hours in the budget. The actual make-up of the individuals will be revisited in the spring, (i.e. – retired individuals, younger people, having more than four flaggers but giving them less hours so the pool of workers is larger, etc. **No changes were made to this fund.**

**Water & Sewer (all):** The Comptroller noted that it is anticipated that Jan Spring, Water/Sewer Operator, will be retiring in January 2015. They did not include his vacation buy-out in the 2015 budget, so they will have to amend all the water/sewer budgets to account for the buy-out in the amount of \$5,404.00 plus related FICA. The Board discussed how his retirement will impact the water/sewer budgets and whether any portions of his retirement costs could be allocated to the highway fund. The Comptroller said he did work solely for the highway department for a significant percentage of his time. The Comptroller's Office (State) says that you allocate costs where the services were rendered. Therefore, approximately 50% of his career was spent working for the highway department so it minimizes the impact to the water/sewer departments.

**A8160/A8189, Transfer Station/Recycling:** C. Bult asked when the contract with Colonie was expiring. Mr. Goodall said it is expiring at the end of this year. The Town of Colonie doesn't run the facility anymore. They contract with County Waste. C. Bult wondered if amount budgeted was sufficient. The Supervisor interjected that he received a

call from County Waste saying they were sending him a new contract, but at this point, he doesn't know the cost. The Board reviewed the personnel costs, including overtime allocations. C. Kenney asked why the compactor was removed. The Supervisor explained that originally they thought they could some grant funding, but that didn't happen. He felt it was better to do a cost benefit analysis in 2015 and, depending on the outcome, budget for one in 2016. Mr. Goodall said the approximate cost of a compactor is \$25,000.00 and he thought it would be benefit to have one. If you were going to compact corrugated board, you would have to purchase two. He added that the town would also have to purchase 2 – 3 containers. The other issue is the cost of getting the correct power source to the site. C. Bult said the Board has been discussing this for several years and he believed that having a compactor would pay for itself and asked other Board members to make a firm commitment to move this forward by doing the cost analysis. Board members agreed. **No changes were made to this fund.**

**General Budget Discussion:** They Board discussed the 2015 budget in general. C. Kenney expressed concern that the fund balance continues to grow and felt that at some point it should level off, or actually decrease a little. As they discussed the sales tax revenue, the Comptroller noted that she has been appropriating more of it each year, so she is slowly closing the gap between what we estimate and what we actually receive. The Comptroller explained that having surplus funds at year's end enables her to fund the highway capital reserve fund at a greater level to make that plan more self-sufficient. This year she is projecting the fund balance to go down by \$51,000.00. Additionally, we may have a one-time expenditure of approximately \$175,000.00 for the replacement of the cooling tower on the town hall. C. Kenney said he did not have a problem with the B Fund. His concern was with the A Fund. Even though we use some of the fund balance every year, at the end of the year we actually end up with a larger fund balance. He felt they should do some reductions in the A Fund. The Comptroller explained that she decreased the contingency line by \$87,000.00 for 2015, but agreed that our contingency was too large. The Comptroller explained that she is conservative when she budgets the revenues and they usually come in higher, but without really studying the budget, she couldn't say where the surpluses were coming from – the actual revenues received or under spending in the A fund. The Board reviewed the budget analysis. C. Kenney said he realized that the levy only increased by \$40,000.00 but suggested that they bring it down to zero. Due to the 2% levy tax cap, the Board reviewed the possible long-term consequences of decreasing the levy too much. The Comptroller explained if they decrease the levy, the appropriations have to go down; otherwise they run the risk of changing that plan of appropriated fund balance which automatically has planned tax levy increases in it. C. Kenney said his approach was to decrease the appropriated expenses, not the fund balance. The Comptroller said the appropriations in the A fund increased by approximately \$37,000.00 which is about the increase in the levy. C. Kenney strongly advocated holding the levy at zero or slightly below. The Comptroller reviewed the tax cap formula with the Board and the carry-over percentage that is allowed. She explained that we could increase the levy by about \$161,000.00 and still be within the cap. Currently, we are losing about \$70,000.00 in cap space as it stands now. The discussion continued regarding trying to achieve the request by C. Kenney without significant negative impacts on future budgets. It was the consensus of the Board to reduce the A Fund levy to zero. So, the Board and Comptroller reviewed the A fund appropriations and noted certain areas that could be reduced without cutting services to the

residents such as Judgments and Claims, Zoning Codification, Transportation Engineer, Publicity, etc. The Comptroller will review those areas as well as others to finalize the numbers and present her recommendations to the Board at the Oct. 23<sup>rd</sup> budget meeting.

All changes are subject to further review and possible amendment. The Preliminary Budget may not necessarily reflect what is noted above.

## **ADJOURNMENT**

As there was no further business before the Board, C. Bult made a motion to adjourn the 10/16/2014 Town Board meeting at 9:45 p.m., seconded by C. Kenney, with all voting in favor. Meeting adjourned.

Respectfully Submitted,

Donna L. Conlin  
Schodack Town Clerk/RMC/CMC