

DATE: OCTOBER 20, 2016

KIND OF MEETING: BUDGET

WHERE HELD: SCHODACK TOWN HALL

CLERK:

PRESIDING OFFICER: DENNIS DOWDS

MEMBERS PRESENT: JAMES E. BULT
MICHAEL KENNEY
SCOTT SWARTZ
TRACEY REX

MEMBERS ABSENT:

ATTORNEY:

COMPTROLLER: PAUL HARTER, COMPTROLLER

OTHERS: KEN HOLMES, SUPERINTENDENT OF HIGHWAYS
NADINE FUDA, DIRECTOR OF PLANNING & ZONING

S. Dowds called the October 20, 2016 Budget Meeting to order at 6:02 p.m. with the Pledge of Allegiance and dispensed with roll call. All present as noted above.

Budget Review

S. Dowds explained that when the Board met last night there were several issues that they would like to discuss with the Highway Superintendent which pertained to the request for two-way radios, status of the road paving program and how that relates to the 2017 budget (DB5112), Chips funding, road salt (DB5142) and the large equipment requests (DB5130). Mr. Holmes said he requested the stronger two-way radios for flaggers because there were areas in the town that loses communication and this would mitigate that issue for the flaggers. With regard to DB5112, Road Construction, Mr. Holmes said he just received an updated completed road inventory list. We have 105 lineal miles of road which is about a 10 mile increase over prior years. He said he hoped there would be an increase in the CHIPS money with the additional miles, but that is not a known factor at this point. With regard to the status of the overall road program, he said he has been Highway Superintendent for 19 years and they still have not paved every road once since he has been here. This year asphalt costs were down, due to the lower cost of oil, so they were able to do an additional \$75,000.00 of paving. Next year's asphalt costs are unknown so he asked the Board to consider funding this appropriation code as requested. C. Rex asked if she could see next year's paving schedule when it is completed. With regard to the road salt (DB5142), Board members asked if we had enough salt in storage to bring us the beginning of the year if it is a typical winter. Mr. Holmes said we are bound by contract, so we have to purchase 70% of our allocation, regardless of whether we need it or not. It is a tough balancing act. The main focus of the discussion centered on DB5130.2, Machinery. Mr. Holmes budgeted for a: tandem axle dump truck in the amount of \$231,750.00, backhoe in the amount of \$110,000.00 and tractor with side flail mower in the amount of \$80,000. C. Bult asked if the backhoe was requested out of necessity or because it was on

the capital equipment replacement schedule. Mr. Holmes felt the current backhoe would probably last about another 5 years. It was on the capital equipment replacement schedule and the Transfer Station had more of a pressing need. If he were to purchase a new one, then the old backhoe could be “sold” to the transfer station. Typically, they get “hand-me-down” machinery from the highway department. The use is normally less at the transfer station, so it lasts longer. With regard to the tandem dump truck, Mr. Holmes said his department is in a much better position today with the trucks because of the new highway garage – they are housed and maintained inside the facility. C. Bult said based on his earlier discussion with highway personnel, he felt the most needed piece of equipment was the tractor with flail mower. Plus, they could retire two other pieces of equipment. C. Bult expressed concern with adding \$232,000.00 to the 2017 operating budget. Mr. Holmes said the equipment replacement schedule is a guide, not a mandate, but it was set up so there would not be huge fluctuations in the budgets from year-to-year. The Supervisor said if they purchased all three pieces in 2017 and didn’t purchase any in 2018, we could allocate more money into the capital reserve fund for 2019. The goal is to build up the ability to pay without bonding, but felt that the Superintendent and Comptroller should update the schedule for long-range planning. The Board talked about funding some of the equipment from the capital reserve fund, funding part of it in the 2017 budget and eliminating a piece from the 2017 budget with the possibility of purchasing it in 2018 or later. Before concluding their discussion with Mr. Holmes, C. Bult said it appears there are different rates for part-time help, depending on the function (i.e.–flagging, mowing, wingman) and asked why there wasn’t a standard part-time rate. Mr. Holmes said it was like that before he came here. C. Bult felt that the Board should address this as a separate issue sometime in the future. Mr. Holmes agreed that it would be more streamlined if everyone was on the same level.

Determination: No decisions were made at this time.

The Board discussed the Sewer and Water budgets with the Comptroller and some adjustments will be made. They also reviewed the capital charges for A1620.4, Town Hall. The main discussion involved health care costs. The Comptroller explained that under Obama care pediatric dental insurance is now required for children under 19 years of age. Based on his calculations (number of applicable employees) we need a \$1,282.00 increase in health care benefits. While this is required under the medical insurance, the Comptroller expressed some concern that it might be higher if they had to incorporate those employees that have the separate dental insurance (Guardian). Additionally, last year our health care coverage was from Jan. through Dec. However, in order for us to stay on the “large group” CDPHP plan, they moved us to a Dec. - Nov. plan, so the costs reflected in the 2017 budget are only through the end of Nov. 2017. In December of 2017 there could be a substantial increase and that figure is not reflected in the summary sheets he gave to the Board. C. Bult felt our brokers should have advised us of this before the budget process began, not today, as this was part of the existing health care law. He has done some of his own research on health options as a whole, and was not confident that our brokers are doing a good job providing us with accurate information in a timely manner. He felt the Board may want to address that issue at a later date. The Comptroller noted that there may be another issue of concern. We have two classes of employees, the contractual and those that are non-contract (administration). The money to fund the buy-outs for health insurance have been budgeted, but there is a potential of another \$20,000.00 (10 employees @ \$2,000.00 ea.) of cost to the town if the Board approves the Employee Handbook next year, which has not

been budgeted. S. Dowds reminded fellow board members that at the end of the evening, they need to pass a resolution to incorporate all the changes into the 2017 Preliminary Budget. C. Kenney said the Board needs an accurate number so they know what they are dealing with. The Board recessed briefly to allow the Comptroller to put together the additional health care costs. Upon resuming, the Comptroller said he estimated the health care costs for Dec. 2017 to be \$54,246.00. Adding that to the \$13,000.00 for the change in the family coverage plan and then the \$1,500.00 for the pediatric dental coverage it comes to \$68,746.00. This is split as follows: A Fund – \$42,623.00, B Fund - \$4,125.00, DB Fund - \$19,936.00 and the remaining \$2,062.00 will be apportioned between the water and sewer funds. Therefore, with the changes discussed thus far, the tax rate increase would increase from 2.14% to 2.56%. So, the budget would be \$215.00 under the tax cap, without using any additional Fund Balance. C. Kenney said they are still in the process of reviewing some of the departmental budgets and they may make cuts in some of them, which would change the combined tax rate.

B8010.1/B8020.1: Nadine Fuda addressed the Board regarding salaries in her departments. She said the Zoning Board asked that their per/meeting rate be changed to equal that of the Planning Board. They felt that they serve the town in a similar capacity and should be compensated accordingly. The chair would get an increase of \$68.81/meeting and the members would get a per/meeting increase of \$37.52 each, for an estimated total of \$1,800.00 annually. The Comptroller noted that those figures were not part of the tentative budget, so they would increase the Preliminary Budget. Ms. Fuda also requested an increase for her secretary. She requested \$35,750.00 which she felt would be a salary more comparable to her duties and capabilities. She explained that her secretary is a 10-year employee who is cross-trained in the building department functions as well as her own and often has covered for them during vacations, illnesses and is now in the process of training the building department secretary. Essentially, she can do the job of both positions. She also advocated for a raise for herself. She explained that she started as a Zoning Officer 12 years ago and transitioned to the planning office a few years later. Additionally, she has taken all the building inspector classes and is a certified Building Inspector and able to cover for the Building Inspector in his absence, and has done so. Along with her planning and zoning duties she does all the MS4 work. She felt that her salary should be equal to that of other department heads and requested a salary of \$55,790.00.

Executive Session

C. Swartz made a motion to enter into Executive Session at 7:55 p.m. to discuss the job performance of particular personnel, some proposed salary structures and contractual matters relating to health insurance benefits. Seconded by C. Rex.

5 Ayes 0 Noes. **MOTION CARRIED.** Ayes – J. Bult, M. Kenney, S. Swartz, T. Rex, D. Dowds. Noes – 0.

C. Kenney made a motion to adjourn the Executive Session at 8:52 p.m., seconded by C. Bult.

5 Ayes 0 Noes. **MOTION CARRIED.** Ayes – J. Bult, M. Kenney, S. Swartz, T. Rex, D. Dowds. Noes – 0.

Due to the increasing health care costs, C. Kenney felt the Board needed to make cuts in other areas to reduce the rate increase in the 2017 Preliminary Budget. His goal was to reduce that to .5% - 1%.

A3120, Police: The Board discussed the status of the police department fleet, the vehicle replacement schedule, and the capital reserve fund with the Comptroller. The Comptroller said there was \$57,000.00 in the capital reserve fund with the intention of adding another \$50,000.00 but that may not happen. This year the police are purchasing an SUV, which was budgeted at \$43,000.00; however, the final cost is closer to \$50,000.00. C. Kenny said the plan was to purchase two vehicles in 2017. The Board felt that it wasn't necessary to have an entire fleet of SUVs and the sedans (Interceptor) are less expensive. The general consensus was that the department would only get one vehicle next year, an Interceptor, because they are getting a SUV this year. **Determination:** One vehicle will be funded next year in the amount of \$43,000.00.

DB5130, Machinery: The Board discussed removing the backhoe, purchasing the tandem dump out of the Capital Reserve Fund and budget (expense) for the tractor. The following scenario was considered:

Increase revenues – DB599R by \$41,750.00 from \$190,000.00 to \$231,750.00

Reduce DB0962, provision for capital reserve by \$110, 00.00 from \$3,049,468.00 to \$2,939,468.00

The net impact of this is that the tax levy for the DB Highway-Outside Village will go from \$1,504,400.00 to \$1,546,150.00 which will lower the amount to be raised by taxes by \$110,000.00. It will be reduced to \$1,435,068.00 from \$1,545,068.00, which drops the rate to 1.4142, a reduction of 10 cents. The Comptroller said although the equipment in the DB fund will go down \$110,000.00, the health insurance is increasing by \$20,000.00 so there is a net decrease of \$90,000.00, essentially making it a nine cent reduction. The A fund is increasing by \$68,000.00 but they offsetting some of that by an increase in the unexpended fund balance.

C. Kenney expressed concern with "growing" the unexpended fund balance. He felt they could use more of it to bring the rate down to .5% or lower, if necessary. While he wanted to be vigilant about making sure there is a sufficient balance in the unexpended fund balance, he did not like taxing the residents and then find out that the unexpended fund balance increased. The Supervisor felt that the Board should proceed cautiously and reducing the rate that much might be unrealistic. C. Kenney reiterated that he will be very upset if they are too conservative and don't reduce the fund balance and it actually increases next year. While he wants to have a good cushion and doesn't want to do irreparable damage to the fund balance, he doesn't want the unexpended fund balance to get larger. He said he is looking for a good balance. The Comptroller said they could use some of the fund balance for capital reserves. C. Kenney suggested that they could establish a reserve account to help offset the health insurance for the retirees; currently, those costs are funded by the budget. The Comptroller said he will do an analysis on retiree health care costs and the feasibility of establishing a capital reserve fund to address some of those expenses for the Board to review. The Comptroller agreed that if they are increasing the fund balance almost annually, they are taxing too much. C. Kenney estimated that with the changes they discussed tonight, they would end up below a 1%

increase. He noted that the Preliminary Budget needs to be submitted to the Town Clerk's Office by October 28th. As the meeting was concluding, the Board made a motion to incorporate changes discussed.

Adoption of Resolution

(2016-246) Based on all budget discussions, the C. Kenney made a motion to adopt the following changes to the 2017 Tentative Budget, which was seconded by C. Swartz:

Tentative to Preliminary Budget Analysis					
2017					
	APPROPRIATIONS	LESS	LESS	AMOUNT	
	PROVISIONS	ESTIMATED	UNEXPENDED	TO	
		REVENUE	BALANCE	BE RAISED	
				BY TAXES	
	Tentative Budget	12,052,632.00	4,209,487.00	1,263,228.00	6,579,917.00
A1364.4	Expense on property acquired (water tax)	641.00			641.00
A1430.1	Personnel	(6730.00)			(6,730.00)
A1620.4	Capital Charges-Old Town Hall SWC1	1,960.00			1,960.00
A1620.4	Capital Charges-Old Town Hall SW9	1,070.00			1,070.00
A1620.4	Capital Charges-New Town Hall SW101	1,176.00			1,176.00
A1620.4	Capital Charges-New Town Hall SW9	745.00			745.00
A5132.4	Highway Garage (water taxes)	1,212.00			1,212.00
A7410.4	Library	14,441.00			14,441.00
A9060.8	Health Ins-Active	39,713.00			39,713.00
A9060.8	Health Ins-Retiree	20,634.00			20,634.00
	A-Fund Unexpended Fund Balance			28,300.00	(28,300.00)
B8010.1	Zoning	(1,485.00)			(1,485.00)
B8020.1	Planning	(2,260.00)			(2,260.00)
B9010.8	State Retirement	10,000.00			10,000.00
B9060.8	Health Ins-Active	3,268.00			3,268.00
B9060.8	Health Ins-Retiree	2,668.00			2,668.00
	B-Fund Unexpended Fund Balance			12,191.00	(12,191.00)
DB5130.2	Machinery	(110,000.00)			(110,000.00)
DB9060.8	Health Ins-Active	21,300.00			21,300.00
DB9060.8	Health Ins-Retiree	5,785.00			5,785.00
	Capital Reserve Appropriation			41,750.00	(41,750.00)

	Schodack Landing Fire District	111,150.00	300.00	11,750.00	99,100.00
	Nassau Fire District	4,053.00	-	-	4,053.00
EW	EW Enterprise- Townwide Water Supply	97,800.00	654,093.00	(556,293.00)	-
SS8	Schodack Landing Sewer District No. 8	1,204.00	-	-	1,204.00
SW2a	Inglewood Water District No. 2a	-	2,175.00	-	(2,175.00)
SW9	Route 20 Water	-	(64.00)	-	64.00
SWC1	Consolidated Water District No. 101	(20,690.00)	(145.00)	-	(20,545.00)
	Preliminary Budget	12,250,287.00	4,907,596.00	759,176.00	6,583,515.00

5 Ayes 0 Noes. **MOTION CARRIED.** Ayes – J. Bult, M. Kenney, S. Swartz, T. Rex, D. Dowds. Noes – 0.

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

It was the consensus of the Board to hold another budget workshop on Wednesday, October 26th at 6:00 p.m. to collectively review the changes made this evening to see in any further adjustments need to be made.

ADJOURNMENT

As there was no further business before the Board, C. Bult made a motion to adjourn the 10/20/2016 Town Board meeting at 9:50 p.m., seconded by C. Swartz, with all voting in favor. Meeting adjourned.

Respectfully Submitted,

Donna L. Conlin
Schodack Town Clerk/RMC/CMC
(Transcribed from Recording)