

**DATE:** OCTOBER 17, 2017

**KIND OF MEETING:** BUDGET

**WHERE HELD:** SCHODACK TOWN HALL

**CLERK:** DEBRA L. CURTIS

**PRESIDING OFFICER:** DENNIS DOWDS

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

**MEMBERS ABSENT:**

**ATTORNEY:**

**COMPTROLLER:** PAUL HARTER

**OTHERS:** KEN HOLMES, SUPERINTENDENT OF HIGHWAYS  
DAWNE KELLY, CONFIDENTIAL SECRETARY TO THE  
SUPERVISOR

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S. Dowds called the October 17, 2017 Budget Meeting to order at 6:00 p.m. and dispensed with roll call. All present as noted above.

S. Dowds said the purpose of this meeting was to begin the review of the 2018 Tentative Budget.

### **Highway**

K. Holmes stated his budget reflected a decrease in costs for the 2018 fiscal year. He explained he had done some needed trimming but the road program would remain the same as it had for the past four years. C. Kenney suggested the Board review each appropriation code and ask questions accordingly.

**A3310.4 Traffic Control Contractual:** C. Kenney asked why there were no actuals under Adirondack Sign. P. Harter stated they attempted to breakout all vendors but they had some adjustments to make. K. Holmes said he has used various vendors in the past including Adirondack, but primarily uses Correctional Industries. C. Kenney asked if the \$7,500.00 under Adirondack Sign would be divided between the other vendors, as needed. P. Harter said yes.

**A5010.4 Superintendent of Highways Contractual:** C. Kenney asked why no categories were present for the last two items under .4. P. Harter stated radio maintenance and petty cash should have been carried over from the backup. C. Kenney asked if this was the first year for petty cash. P. Harter said it had always been in the budget but may have been in a different category such as postage. S. Dowds said it was the first year for the additional breakdowns in the budget and it would take some getting used to. C. Kenney said he was having difficulty understanding the increase in contractual totals from \$6,770.00 in 2017 to

\$8,045.00 for 2018. S. Dowds stated some lines were new for this year but may have been in other categories in previous years. C. Rex asked why Main Care Energy was so high compared to the actuals. S. Dowds said fuel costs fluctuate from year to year and is hard to estimate. C. Kenney asked if professional membership and schools were new for this year. K. Holmes said it was originally lumped into New York State Association of Town Superintendents of Highways (NYSAOTSOH) but the training was budgeted for each year. P. Harter stated next year the actuals would be easier to track based on the new categorization.

**A5020.4 Transportation Engineer Contractual:** K. Holmes stated this budget remains static from year to year. C. Swartz asked why there were no funds budgeted for 2018. C. Bult said \$2,000.00 was budgeted on the original copy of the budget and explained it was to cover costs that Rensselaer County would not. C. Kenney asked if the \$2,000 was figured into the tentative budget. P. Harter said yes. C. Kenney suggested, since only \$1,000 was used in 2015 and in efforts to keep the funds close to the actuals, perhaps \$1,000 should be moved to contingency. C. Swartz added they had been attempting to tighten the budget and keep the fund balance from growing too much. P. Harter asked if the funds are not generally used, should they be removed. K. Holmes questioned what would happen if funds were removed but were actually needed. S. Dowds said that was the purpose of contingency. C. Rex explained due to the aging infrastructure, they should plan ahead and therefore leave the funding. **Determination: No changes were made.**

**A5132.4 Town Garage Contractual:** C. Swartz said the amount budgeted for heating oil seemed high. C. Kenney stated the market is so volatile, he believed it was reasonable. C. Bult mentioned gas prices have not gone down since the hurricanes and he worried about the cost of heating oil. C. Kenney said actuals prior to 2016 reflect a more realistic amount. C. Bult asked if the annual lift inspection was a yearly expense. P. Harter said it was an annual expense and used to be in maintenance. C. Kenney asked if the salt shed roof would be repaired in 2017. P. Harter said yes.

**DB5110.4 Road Maintenance Contractual:** C. Kenney asked why, when the actuals for 2016 reflect \$7,141.23, was there an increase in culvert and drainage supply line to \$15,000. K. Holmes stated he generally attempts to stay ahead on stock from year to year. C. Kenney asked if the funds were needed or if they could be removed and put into contingency. K. Holmes suggested a compromise to \$10,000. **Determination: Funds for culvert and drainage supply was reduced by \$5,000 which was moved to contingency.** C. Kenney asked if the Town pays the Village of Castleton for use of the sweeper. K. Holmes said it is a shared service with the Village; however, the town will purchase replacement brooms or contribute towards service costs for use. He mentioned if we did not have access to the sweeper, it would cost approximately \$1,000 a day for rental. C. Swartz asked if there were outstanding invoices for road materials as the actuals seem low compared to the amount budgeted. K. Holmes said he assumed so. P. Harter clarified the actuals for DB5110 through the end of September were \$60,385.00.

**DB5130.2 Machinery Equipment:** C. Bult asked which pieces of equipment would be covered by the capital reserve account. P. Harter said approximately \$190,000.00 is available and the backhoe, mechanics truck and a portion of the replacement boom would

be covered. C. Kenney asked if they should consider adding to the fund balance to plan for future purchases. P. Harter stated, under the current capital plan which contributes 1.75% each year, the fund balance would maintain funding including yearly equipment purchases through 2032. If they increase the contribution, it could grow the fund balance too much. S. Dowds stated the fund balance at the end of 2032, if they maintain the 1.75%, would be \$324,000.00. C. Bult asked if the current mechanics truck has a plow. K. Holmes said it would need one which would cost approximately \$5,000.00. C. Bult asked the condition of that truck. K. Holmes stated it was in good mechanical condition with approximately 85,000 miles and has been housed in the Highway Garage when not in use. He explained the truck used at the Transfer Station is starting to have mechanical issues and is severely rusted. C. Bult suggested the purchase of a vehicle similar to the current water and sewer truck as a replacement for the mechanics truck. He felt the new pneumatic bottle jack Mr. Holmes is requesting could be placed in a compartment instead of sliding around the bed of the truck. K. Holmes stated the requested jack was for use at the shop and not on the road. C. Kenney asked if the entire boom was being replaced. C. Swartz said everything but the tractor. He then asked reasoning for the variance in actuals for parts and supplies. K. Holmes said it depends on the year and winter conditions.

**DB5140.4 Brush & Weeds Contractual:** C. Swartz asked for clarification for the amount requested under drug testing. K. Holmes stated they had gone with a new company that tested more often. C. Swartz asked if any tree services had been done for 2017. K. Holmes said he was waiting on Donovan Tree Service who had won the bid to take a few trees down at which time, the funds will be spent. C. Bult asked what items are purchased under safety supplies. K. Holmes said items such as cones, lights, safety vests, gloves, ear protection, eye protection and stop/slow signs.

**DB5142.4 Snow Removal Contractual:** C. Kenney asked for clarification for the 2017 budget modification to decrease fuel from \$25,000.00 to \$4,000.00. K. Holmes said fuel costs are variable and depend on the type of seasons and the amount of work required during those seasons. C. Bult asked if there had been an increase in the cost of road salt. K. Holmes said yes. S. Dowds said it is a captive market which dictates the price. C. Bult asked if the decrease in the employee meal line was to be closer to the actuals. K. Holmes said yes.

### **Fund Analysis**

C. Kenney commended P. Harter on his projections for the fund balance for the A-Fund. He noted that the A-Fund had a slight decrease but the B-Fund and DB-Fund maintained instead of decreasing as desired. He suggested allocating funds from the fund balance to a capital reserve account for retirement healthcare to prepare for the future. He noted that healthcare for retirees was close to fifty percent of the town's total healthcare premiums and by setting the funds aside, it would give a buffer to cover the costs. His suggestion was to start a separate fund with a first year contribution of \$200,000.00 from the A and \$100,000.00 from the B and DB reserve funds to be placed into a retiree health insurance capital reserve account. That amount equates to a one year cost for healthcare. He felt this could also work to cover costs for retirement pensions as well. In the event the reserve increases too much, the funds could be used to cover healthcare premiums for that given

year. This would be a good way to keep the budget steady and consistent. The Supervisor advised that a limit be set to keep the reserve amount from getting too high. P. Harter cautioned that he was only able to find the town's ability to start a retiree benefit contribution fund but did not see the ability to start an insurance reserve. He stated he would contact the state and report back on his findings. S. Dowds suggested consulting Bonadio as our auditor, for guidance and examine this topic on a year to year basis. C. Rex asked how this would affect taxpayers as a whole to have funds earmarked for a small group. C. Kenney clarified that funds would be divided by A, B, and DB Fund; therefore, they would be used appropriately. Tax money is automatically divided into these funds and it would be going to the same services whether it was saved or not. **Determination: It was the consensus of the Board that this was a good idea but decided to wait until P. Harter reported back with information from the state.**

C. Bult noted that in the tentative budget, one of the appropriation codes appeared to be incorrect. P. Harter reviewed the budget and stated the SS1-962 should be changed to SCW101.

**A1010.4 Town Board Contractual:** C. Kenney asked what the funding for capital region weekly newspaper was for. P. Harter explained it was for legal notices in *The Record*. C. Kenney asked if the \$400.00 in Association of Towns should be decreased as the actuals reflect only half being spent in the past years. S. Dowds said it should be left in the event a Board member chose to attend the annual conference. C. Kenney asked what the \$1,200.00 for the E-Code would be used for. S. Dowds said it would cover the annual subscription.

**A1315.4 Comptroller Contractual:** P. Harter explained he was exploring options for a new payroll service provider. The current provider, ADP, has been experiencing issues following recent upgrades which have caused the system to crash many times. He has been in contact with Paylocity (Work Force Now), a cloud based system that utilizes electronic forms interconnecting payroll and human resources. As a new employee is hired, their information can be shared between the two departments, saving time. The yearly cost would be \$20,312.00. C. Bult asked how the new program would affect Sue Pilipczuk, Accountant, during her processing of payroll. P. Harter said it would be easier for her as all possible situations have been planned for. C. Bult asked if employees would have the ability to change withholdings for taxes. P. Harter said yes. Those changes could be made as well as correcting addresses. C. Bult asked if the cost would increase the following year. P. Harter said the proposal would be good for at least the next few years as he understood it. C. Bult asked if current users of the service have been contacted. P. Harter said he had spoken to municipalities and they were happy with Paylocity. C. Swartz asked if the initial setup would be a smooth transition. P. Harter said he was assured by Paylocity that it would. As an added benefit, the Town would have a dedicated customer service representative which is currently lacking from ADP. C. Bult questioned if generating checks would be different. P. Harter said they were trying to get all employees onto direct deposit but for physical checks, it would be the same process as with ADP.

**A1220.4 Supervisor Contractual:** C. Kenney suggested moving funding for the Association of Towns/Training to contingency and start budgeting every other year. S.

Dowds said it should be left in for this year and they could plan the change for 2019. C. Kenney said he was noticing re-occurring budget items where there are no actuals and wanted to see that the budget was as close to accurate as possible. He then asked what periodicals were covered under newspaper advertising/subscriptions. S. Dowds said the *Albany Times Union* and *Business Review*. C. Bult asked what the line for Rensselaer County was for. S. Dowds explained it covers events such as lunches or breakfasts hosted by the Chamber of Commerce.

**A1320.4 Auditor Contractual:** C. Kenney asked if the audit for the previous 3 years had been completed. P. Harter said yes.

**A1340.1 Budget Personal:** P. Harter explained D. Kelly, L. Palmer and S. Pilipczuk assist with budget preparation and it was decided a portion of this appropriation code would be re-allocated from the Supervisor or Comptroller Expenses to cover their salaries. He stated it should be adjusted to \$3,696.00.

**A1420.4 Town Attorney Contractual:** C. Kenney said if the actuals for the labor attorney were at \$1,035.00 why was a \$2,000.00 increase being requested. S. Dowds stated the increase was due to additional work being done on the Personnel Practices and Policies as well as any other labor issues that may arise. C. Swartz, Kenney and Rex asked if the Supervisor had any knowledge of an upcoming situation that may warrant budgeting the \$12,000.00. S. Dowds said no and explained Atty. Gruenberg is consulted on most situations but in the event he has questions, he contacts Atty. Goldberger (Labor Attorney). In those cases, Atty. Goldberger does not bill the Town the \$245.00 per hour that he normally charges. C. Kenney suggested decreasing the labor attorney by \$6,000.00. S. Dowds recommended a compromise to \$10,000.00. **Determination: A1420.4 decreased by \$2,000.00 which moved to contingency.** C. Bult asked why the bond council was necessary. P. Harter stated they are needed for the Ban renewals for Sewer District #5 and Water District #3 which usually cost around \$1,050.00. C. Bult asked if Atty. Gruenberg requested a salary increase. S. Dowds said no, only Atty. Danaher.

**A1620.4 Buildings Contractual:** C. Kenney asked why there was \$8,000 requested for landscape/lawn mowing. S. Dowds explained, due to the substandard job done by the grounds crew, he has sought estimates for an outside firm to take over landscaping and maintaining the lawn at the Town Hall. The estimates included fertilizer treatments, weed control, and plantings. C. Kenney stated he could not understand why the residents needed to pay an additional \$7,000 from last year to have someone else tend to the grounds. C. Swartz said that better management of the workers was needed. C. Bult stated the grounds crew is seasonal and are laid off in the fall. He could see hiring a firm for cleanup of the leaves in the fall and suggested contacting the local garden club to assist with plantings. C. Kenney suggested decreasing the landscaping line to \$3,000 and continue to have the Highway Department mow the lawn. **Determination: A1620.4 will decrease by \$5,000 which will go into contingency.** C. Kenney noticed the actuals for ESCO were over \$12,000; however, only \$4,500 was budgeted. He wondered if that amount should be increased. S. Dowds explained that was specifically for the service contract. The feasibility study would cover replacement of declining units. P. Harter mentioned he had overestimated the capital charges for water and sewer at the old and new town hall

locations. **Determination: The capital charges for water and sewer at the Old Town Hall decreased to \$2,100.00 for Consolidated Water and \$1,100.00 for SW #9 and at the New Town Hall decreased to \$1,000.00 for Consolidated Water and \$1,000.00 for SW #8.** C. Swartz suggested dividing the feasibility study and HVAC repairs, putting all the funding into feasibility and taking the money saved in capital charges into the HVAC repairs. All Board members were in agreement. **Determination: \$4,944.00 was moved to HVAC repairs and \$8,000.00 into the feasibility study.**

## **ADJOURNMENT**

As there was no further business before the Board, C. Swartz made a motion to adjourn the 10/17/2017 Town Board meeting at 8:37 p.m., seconded by C. Kenney, with all voting in favor. Meeting adjourned.

Respectfully Submitted,

Debra L. Curtis  
Schodack Town Clerk