

A public hearing was held by the Town Board of the Town of Moreau on November 6, 2013 in the Town of Moreau Municipal Building, 351 Reynolds Road, Moreau, New York, on the 2014 Preliminary Town Budget.

The public hearing commenced at 7:00 p.m.

The Town Clerk called the roll.

Town Board Members Present

Robert J. Vittengl, Jr.	Councilman
Todd Kusnierz	Councilman
Gina LeClair	Councilwoman
Bob Prendergast	Councilman
Preston L. Jenkins, Jr.	Supervisor

Town Board Members Absent

None

Also Present: Jeanne Fleury, Town Clerk; Amanda Metzger, Post Star Reporter; Fran Thibodeau, Principal Account Clerk; Elizabeth Lanfear, Town Resident; John Telisky, Town Resident; Reed Antis, Town Resident and Planning Board Member; Harry G. Gutheil, Jr., Village Resident

Supervisor Jenkins welcomed everyone to the public hearing on the 2014 Preliminary Town Budget.

Supervisor Jenkins gave the following report:

There is a 1% increase in the general fund appropriations and this is due in part to there being \$26,000 budgeted for a new truck with a plow for the recreation department and there is anticipated an \$8,000 increase in health insurance and the increase in salaries.

Our fund balance that we are using is \$42,000 less than what was appropriated in 2013. The tax rate would be going down from .59 to .55 or a 3.7 cent decrease.

Town Outside Village appropriations are going from \$256,000 to \$300,065 and the reason is that they budgeted for dry hydrants and \$20,000 for the purchase of a truck for the building department, because they are going to be hiring a full-time person and there is an increase in payroll.

The Highway Budget has an increase from \$2,374,512 to \$2,499,995 and that is an increase of \$125,483 and this figure is made up of a \$50,000 increase in paving costs and a \$20,000 increase in equipment and a \$55,000 increase in payroll, which is in anticipation of substantial over-time (they may not reach this figure).

We don't establish the Library District budget, but it is up about 1.5%.

The Fire Protection District is up from \$439,314 to \$465,673, which at this point is a 6% increase or an increase of \$26,359 and an increase of two cents per 1,000 dollars of assessed valuation.

John Telisky said he read on-line that after the budget the fund balance will be down to \$2.3 million and that \$633,253 was being used from fund balance for expenditures out of the general fund.

Supervisor Jenkins replied yes the \$2.3 million fund balance would be after appropriations.. He said every year the Town Board has used fund balance to balance the budget.

John Telisky stated that the last four budgets have been partially funded by about one half of a million dollars each time from the fund balance and eventually the fund balance is going to be depleted and the taxpayers are going to be on the hook. When you hold the line and don't increase taxes for a four year period and keep increasing expenditures then at some point the fund balance is going to be exhausted.

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Supervisor Jenkins stated that in about five or six years the fund balance could be depleted and we could be facing a serious increase in taxes. The Town Board right now could increase everybody's taxes, but that is not their objective right now. Our fund balance of \$2.3 million is much greater than what the State Comptroller wants us to carry for a fund balance. His goal as budget officer and the Board's goal have been to use fund balance. In 2008 the fund balance was around \$4 million and on average they have used about \$305,147 a year over the past five years to balance the budget. Assessments go up each year and we are expanding our tax base and if that continues we will be able to fight off this problem. This whole country has been in tough times for the last six years. It has been the goal of the Town Board to not raise taxes. He said he is very comfortable with the fund balance. If we do this every year for the next six years then we are going to have problems. Sometime next year we should have sewer along Route 9 and that will open up the Route 9 corridor to commercial and increase our ratio of commercial and industrial vs. residential.

John Telisky stated that there is an alternative and that is to restrict spending. He asked if the Town has a three or five year master plan.

Supervisor Jenkins said he presented a five year plan 1 1/2 years ago after we had an audit by the State Comptroller's Office and we looked at proposed spending. He would not exercise to cut that in half and raise taxes 60 cents per thousand. He wouldn't vote for that. In fact, he said they are actually cutting the tax rate.

John Telisky stated that the Town owned buildings at 61 Hudson Street and the old highway garage on William Street are sitting vacant and they are assets that could be sold and put back on the tax roll. The longer the buildings sit empty the more money the Town is losing.

Elizabeth Lanfear talked about the vacant buildings and said the Board should move on selling them or doing something with them.

Supervisor Jenkins said he stated numerous times that there are two board members who are going to meet and discuss the buildings and come back to the full Town Board with a recommendation on what to do with them.

Councilman Kusnierz mentioned the five year plan and said he never voted on one. He asked Supervisor Jenkins if it was his five year plan or the Board's.

Supervisor Jenkins said he put it together in response to the State Comptroller's Audit Report and the Board never voted on it.

Councilman Kusnierz stated that the Town Board should review the five year plan and establish a direction they want to go in. It could be a huge guide for future Boards to help them control line item spending.

Reed Antis asked about the building at the sand bar beach that is in a state of disrepair and if any money has been budgeted for 2014 to deal with it.

Supervisor Jenkins stated that there is money in the Town-Wide Recreational Capital Reserve Fund and the Recreation Park Capital Reserve Fund, but we don't own the property. It is owned by the Village of South Glens Falls.

Reed Antis said the Board needs to address it now so that when June comes it will be ready. He asked if the Board had a plan for it or were they going to wait until June 1st and say "oh my".

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Councilman Vittengl stated that preliminary discussions have been held with the Village of South Glens Falls about this and whether or not they would be willing to sell it to the Town or lease it to the Town and if they agreed to lease it to the Town the Town wouldn't be able to put money into the building. The other option discussed was whether or not the Village of South Glens Falls wants to fix it up and increase the lease. There are multiple options being considered.

Councilman Kusnierz stated that the Town just spent around \$30,000 on the septic system down at the beach on property we don't own.

Elizabeth Lanfear asked if the Town was able to spend money on the septic system why can't the Town repair the building.

Supervisor Jenkins said the septic system repair was done under an order from NYS DOH. It had to be done or NYS DOH was going to close the beach.

Discussion followed on the building at the beach and the septic system.

Harry Gutheil stated that if the Board could estimate the revenue they would derive from the sale of the unused buildings then it would make sense to do so.

Supervisor Jenkins said they could do that, but if the properties aren't sold then the fund balance would still go down.

Harry Gutheil asked why the Town Hall Building Contractual Account was up.

Supervisor Jenkins replied that the expenses to operate the court offices in the building on Route 9 are now incorporated into the Town Hall Budget, because the court is in the new municipal building now.

Councilman Kusnierz asked if this means that the cost to operate the court is anticipated to be higher than what it was when they were in the Route 9 building.

Supervisor Jenkins replied no. Our maintenance of the new building is going to be more expensive. We have more janitorial staff and we didn't maintain our other buildings very well.

Councilman Kusnierz noted on the salary sheet that some department heads were proposed to get a 5% increase in salaries and another person in the same office was proposed to get a 6% increase. He thought they were doing a 4% increase for department heads as well as other salaried individuals.

Supervisor Jenkins asked which department he was talking about and Councilman Kusnierz replied the Building Department. He said the Building Inspector/Code Enforcement Officer was in for a nearly 5% increase and the Building Inspector's Clerk was in for a 6% increase in salary.

Response to the question from Councilman Kusnierz comes later in the meeting.

Harry Gutheil asked what the anticipated health insurance costs were for 2014 compared to 2013.

Supervisor Jenkins replied that they were estimating an \$8,000 increase, but there is a potential savings based on the usage of co-pays. Their anticipation is that they may save about \$50,000 by year-end based on the current plan. The risk factor is that with the coverage we have we are sharing less with the insurance company. This year about 45% of the employees are going to exceed the co-pay so we will be paying the full amount.

Harry Gutheil asked what the rate change is going to be.

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Supervisor Jenkins replied that if we stayed with the same plan then the rate increase would be about 16% and right now the premium increase is projected at 5% and we still have the potential of saving about \$25,000 in 2014. He said again that in 2013 we have the potential of saving almost \$50,000 as long as the employees stay under their co-pays (\$3,500 for single plan and \$7,000 for two person plan). It is a good deal for the employees if they stay under the \$3,500 or \$7,000, because they don't have to pay any co-pays and if they go over then the most they would have to pay out of their pockets is \$1,000.

Harry Gutheil stated that he thinks the 4% to 6% raises are excessive in this economy with the total compensation package that the employees received. He said the voters in Moreau voted down the Crandall Public Library Budget this time. The Village of South Glens Falls has an 81% increase in water and sewer rent delinquencies. He said he hasn't had time to look at the Town's. He said the Town Board is setting a very bad precedence. He said there may be some classifications issues and some salaries that are low and that may need some adjustments for certain reasons such as, responsibilities and job descriptions. He doesn't like raises being given out in percentages, because somebody making \$55,000 or \$60,000 a year gets much farther ahead than a person making \$18,000 or \$20,000 a year and it spreads the differences out dramatically. He hasn't read where any contracts have negotiated anywhere in these economic times with those increases.

Councilman Kusnierz replied that he spent a lot of time in the Village of South Glens Falls campaigning and the number one issue that came up, that unfortunately this Town Board can't address, was the sewer rates. Many residents were devastated by the increases. Some don't understand that a separate governing board covers those rates, but he heard first hand that it was a huge issue for them.

Harry Gutheil added that when the Town Board has to negotiate a new contract with the Highway Department union he said the Town Board better believe that these increases will come right back at them.

Elizabeth Lanfear asked Supervisor Jenkins who asked him to give the Town Board Members a raise.

Supervisor Jenkins replied that he originally had a sheet submitted to him that requested a \$500 raise for each of the Town Board Members and initially he thought they didn't need to do that, but then looking at the fact that there hasn't been any increase since the 2008 budget he put the \$500 increase back in the budget for each council person. He agreed with what Harry Gutheil said about the percentage increases, because if he were to get an increase in salary using that percentage then it would have been 1 1/2 times the total for all four council people and that doesn't make sense to him so he chose not to take a raise.

Elizabeth Lanfear stated that \$2,000 isn't a huge amount of money, but then she looks at what it might buy for the Rec. Park or how it could be used somewhere else in the town. She asked how the insurance works for the Town Justices. Do they both get health benefits from the Town?

Supervisor Jenkins replied that at one time years ago part-time employees and some board members were insured and then around 2005-2006 health insurance was eliminated for part-time employees and the one Town Justice was grandfathered in from that time period and does receive health insurance from the Town.

Elizabeth Lanfear asked if the Town has to provide health insurance to part-time employees and Supervisor Jenkins replied no. Elizabeth Lanfear stated that she doesn't know of many part-time employees who get health insurance. She thinks the money can be spent better elsewhere.

Supervisor Jenkins stated that it was decided a long time ago that it would be grandfathered in and it has been discussed over the years.

Elizabeth Lanfear asked if it could be changed and Supervisor Jenkins replied yes, but taking benefits away from employees is not necessarily a good thing. We don't have a lot of high paid employees here.

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He said the pay for our Town Justices is not very high. He said one Town Justice is an attorney and in the past he indicated that if he didn't receive health insurance then he would be better off working as just an attorney and not as Town Justice.

Elizabeth Lanfear stated that he is only a Town Justice for the health insurance. She said that is kind of "silly".

Supervisor Jenkins stated again that the part-time employees who received health insurance were grandfathered in and the only part-time employees who received health insurance were the Town Board Members and the two Town Justices.

Councilman Kusnierz stated that the Town Board has the authority to "cut whatever deal" it wants to. He said we have a retired Town Justice in this Town and the taxpayers of the Town pay for his prescription plan at a cost of about \$600 a year and we don't offer that to any other part-time employees.

Supervisor Jenkins stated that was an agreement reached years ago.

Supervisor Jenkins stated that we could take health insurance benefits away from all retired employees, but he doesn't think that is the way to treat people. He said these people have worked here for years and we tell them that they get insurance and then they retire and we technically, legally, we could take their insurance away, but he wouldn't vote to do that. You don't treat people that way. We have people who have worked here long enough to earn insurance after retirement and who have been loyal workers.

Councilman Kusnierz stated that they have to make sure our policies are fair and uniform for all retirees and we have never offered that to any other retiree.

Elizabeth Lanfear said her question is why does this one part-time retiree get this benefit?

Supervisor Jenkins stated that there was an agreement made that he assumes has some legality, but he assumes that the Town Board could remove it if they wanted to.

John Telisky asked if the agreement that was made was a lifetime agreement.

Supervisor Jenkins replied no. He was one of the part-timers who were covered by insurance. He got the same benefit in effect that all retirees got. He said the question is do we take benefits away from retirees? He said that Harry Gutheil spent 12 or 14 years as a Supervisor of this Town, should we take away his health insurance benefits anymore than we should take away this persons health insurance?

John Telisky said that a special agreement was mentioned and he was talking about one specific person having a special agreement.

Supervisor Jenkins said he was talking about this one specific person also who was covered by health insurance so it is different than other part-timers.

John Telisky asked if the agreement is irrevocable and if the Town is on the hook for a prescription plan for this person for the rest of his life.

Supervisor Jenkins replied that it is no different than what every one of our other retired employees have and John Telisky said it was and Supervisor Jenkins said that is his opinion.

Councilman Kusnierz stated that each year this board does a resolution annually at the organizational meeting that covers this and the vote is not unanimous, he doesn't vote for it.

John Telisky said it is done based on the fact that he was an employee at one time.

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Supervisor Jenkins said to John Telisky that he was surprised that John as a union official would want to take benefits away from people.

John Telisky said no, he wasn't saying that and Supervisor Jenkins said that was what he was saying and John Telisky said he was trying to get some information and Supervisor Jenkins said he would vote no and that was all he is saying.

Supervisor Jenkins stated that this retired person was covered by insurance and all employees who are covered by health insurance once they have ten years of service earn the benefit of health insurance at retirement. This person had ten years of service and he was covered like full-time employees during that time period and he retired. In his opinion it isn't any different, because he was being treated as full-time for health insurance purposes. He said he wasn't Supervisor when this started, but he wouldn't take health insurance away from employees, that isn't how he would vote.

John Telisky asked if the board members have explored opening up another tier of insurance for single parents with children. He said it is less expensive.

Discussion followed.

Councilman Kusnierz went back to his question about the increases in salaries in the Building Department.

Supervisor Jenkins said there is something wrong with the figures. The increase in salaries is supposed to be 4% and he would have to look at it.

John Telisky asked if the Town Board has tried to get comparable rates from another company.

Councilman Vittengl replied that they looked at five difference companies and plans. CDPHP was the cheapest and it was way under the others and it had a lot of benefits.

Harry Gutheil asked why the equipment account in account A5132 Highway Garage was up.

Fran Thibodeau, Principal Account Clerk, stated that the highway department is proposing to purchase a chop saw, hose reel, hot water pressure washer.

Harry Gutheil noted that on page 7 in the account for youth programs/playground equipment was \$220,000 in 2012 and is now proposed at \$300,000.

Supervisor Jenkins said that one reason it was up was that there is \$28,600 in the budget for the purchase of a new truck with plow.

Harry Gutheil asked what the \$40,300 was for in youth programs and Supervisor Jenkins replied that there are going to be new programs offered and that this amount is offset by revenues that are estimated.

Harry Gutheil stated that the historical society budget contractual A7520.4 is nearly cut in half and he wondered why. In the tentative budget the amount was \$16,000 and now it is at \$6,000.

Fran Thibodeau replied that it is a typo and it is supposed to be \$16,000 in the preliminary budget.

Supervisor Jenkins said that there is \$11,000 budgeted for the local historical society and \$5,000 for Grant's Cottage.

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Councilman Kusnierz asked if they could go back to the highway budget for a minute account DB5130. He stated that given the fact that we have a 31% increase in the use of the fund balance or over \$500,000 for the highway budget, he knows there is \$53,560 in for the purchase of a new skid steer and the amount doesn't take into consideration the trade-in value of the one we have now.

Councilman Vittengl stated that the one we have now needs a hydraulic pump so the trade-in value would be around \$15,000.00.

Councilman Kusnierz said he would like to reduce the ~~\$53,560~~ \$52,560 by the \$15,000 then and only budget ~~\$38,560~~ \$37,560. [Corrected 11/26/13 jf]

All Board Members were in agreement with this. DB5130.2 Highway Machinery Equipment line item will be changed to \$38,560.

Discussion followed on a chipper for the highway department. It was said that the only thing a chipper is used for in the highway department is to chip branches that fall in the winter time and most of the time the highway department puts the brush into the back of a dump truck and they don't even chip it up. It was also noted that there is a chipper in the rec. department that hasn't left that department to be used elsewhere in two years.

It was agreed to remove the \$48,100 for a wood chipper from DB5130.2 Highway Machinery Equipment line item.

Harry Gutheil asked why the contractual line item in the Town Outside Account B3620 was up 30% from 2012.

Councilman Vittengl replied that there are updated manuals and books that need to be purchased by the building department and there is some money budgeted for training.

Councilman Kusnierz noted that only \$3,800 has been spent year-to-date in that account.

Supervisor Jenkins didn't see any reason to cut that line item as there is no tax in the Town Outside the Village Account. He said he would find out why the increase and get back to the Board.

Harry Gutheil asked if Water District 1 just incurred debt and if so why there isn't any money budgeted on page 19 under Debt Service.

Supervisor Jenkins replied that we are still waiting to hear back from EFC. We are trying to find out how much our payment is going to be next year. There is money in fund balance to pay for it. He hoped to have the answer before the budget is finished.

Harry Gutheil said he didn't see in the budget where there is money to pay the Saratoga County Water Authority.

Supervisor Jenkins said it would come from revenues.

Discussion followed between Harry Gutheil and the Town Board regarding the Saratoga County Water Authority.

Discussion followed between the Board and Reed Antis on the Clark Road Culver Project.

Reed Antis asked how many miles of roads we pave and are we getting caught up.

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Supervisor Jenkins said he would have to get back to him on the number of miles of roads. He said the highway department has done a lot of paving this year. Hopefully we can keep up the pace.

Harry Gutheil said it is time to reduce water rates. Excess revenues are being budgeted and it is not a balanced budget.

Councilman Kusnierz referred to the \$4,800 for a sod cutting machine in the Playgrounds and Recreation Account A7140.2. He would rather see the money used on playground equipment.

Councilman Kusnierz thought the mortgage tax estimates were excessive.

Supervisor Jenkins stated that in 2012 we received \$360,000.00 and he expects that we will receive \$400,000 in 2014.

Councilman Kusnierz said that if we don't meet our goal then we will have to use fund balance to make up the difference.

Supervisor Jenkins said possibly, it depends on revenues.

Harry Gutheil asked what the amount of mortgage tax received to-date was and Fran Thibodeau replied \$153,000, but another check is expected this month.

Reed Antis asked about staffing for the State Softball Championship that our Rec. Park is hosting in 2014. He wondered if overtime would be needed.

Supervisor Jenkins replied that he didn't see any major increase there. He noted that Councilman Vittengl asked and got help from BOCES to enlarge the parking area in the park and make better access to the fields.

Reed Antis asked about the cold storage building proposed.

Councilman Vittengl said he hoped to have quotes for the next meeting.

It was agreed by the Board Members to leave the public hearing on the 2014 Preliminary Town Budget open.

The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Jeanne Fleury
Town Clerk