

DRAFT
MINUTES
OF
THE TOWN OF RENNELAERVILLE TOWN BOARD
PUBLIC HEARING
PRELIMINARY BUDGET
7:00 PM
NOVEMBER 6, 2014

The Town Board of the Town of Rensselaerville held a Public Hearing on the 6th day of November, 2014 at 7 o'clock in the evening at the Rensselaerville Town Hall, 87 Barger Road, Medusa, NY. The meeting was convened by Supervisor Lounsbury and the roll was called with the following results:

PRESENT WERE: Attorney Dana Salazar
Supervisor Valerie Lounsbury
Councilman Robert Bolte
Councilwoman Margaret Sedlmeir
Councilman Gerald Wood
Councilwoman Marion Cooke
Town Clerk Victoria H. Kraker

Also present were a total of nine interested citizens as well as Highway Superintendent Randy Bates.

The purpose of the Public Hearing was to hear public comments on the 2015 Preliminary Budget.

Supervisor Lounsbury read an email from Marie Dermody as follows:

Valerie Lounsbury

From: Marie Dermody
Sent: Wednesday, November 05, 2014 3:19 PM
To: Valerie Lounsbury
Subject: Public Hearing: 11/6/2014

Since I am unable to attend the Public Hearing on the 2015 Preliminary Budget for Thursday, November 6, 2014, I request that this letter be read into the minutes at the beginning of the public hearing.

Having to create a responsible budget in a questionable economy is no easy task. But that does not mean that it is impossible. It is the responsibility of the governing body, the Town Board, to make difficult decisions that provide its residents with necessary services at an affordable cost. When you consider that the retirees will get a 1.7% COLA (cost of living adjustment) in Social Security benefits for 2015, it is clearly unconscionable to present a budget with an almost 4% increase.

In examining the 2015 Preliminary Budget, several questions/issues arise. (Please note that many of these questions might not have been posed if the year-to-date figures had been updated to a more recent date.)

1. Why is there a \$400 (160%) increase in Misc. Contractual in the A1220E (Supervisor) line? And why was this line overspent by \$581.04 as of September?
Supervisor Lounsbury: The reason for this is training.

2. What is the rationale for a \$100 (66%) increase in Travel Mileage in the A1410E (Town Clerk) line, especially when you realize that the Town Clerk is now permitted to use the senior car when available for bank and post office errands?

Supervisor Lounsbury: The car is only used when it is available.

3. What is the rationale for a \$700 (28%) increase in Taxes and Assessment in the A1410E (Town Clerk) line?

Supervisor Lounsbury: It is the cost of the software for the tax collection.

4. Why is there a need to increase Misc. Contractual in the A1410E (Town Clerk) line by \$200 (500%) when only \$12.50 had been spent by the middle of September?

Supervisor Lounsbury: Again, the reason is for training.

5. When you calculate the salary of the Assessors' Clerk for 52 weeks at 20 hours per week (the maximum allowed as per Civil Service) at \$10.50 per hour, the result is \$10,920. So why has the Town Board budgeted \$1,394 (12.7%). The fact that she might have to put in additional hours during the "busy season" simply means that she should be working fewer hours during other weeks. We DO have three assessors who should be competent to handle some this work.

Supervisor Lounsbury: The extra 55 hour will be used for training and due to the fact that she is new and still unfamiliar with much of the workload, she will need extra time.

6. What is the reason for increasing Misc. Contractual in contingency (A1990E) by \$10,000 (40%), especially since nothing had been spent out of that line as of September 18, 2014. During budget workshops, it was mentioned that this line would be increased because it is not legal for the highway fund to have a contingency line and this was once a way to set aside money for highway contingency. Has anyone checked on the legality of budgeting highway funding in the general fund?

Supervisor Lounsbury: The Board did not feel \$25,000 was adequate when there was a zero balance in the Highway Fund.

7. It is certainly admirable that the Building Inspector/Code Enforcement Officer has agreed to take over the clerking duties for 50% of the clerk's salary. But that salary was increased by 20% before calculating 50% of it. Doesn't that constitute a raise even though the line decreased? And what will the salary be if and when a clerk needs to be hired?

Supervisor Lounsbury: The clerk went from a salaried to an hourly position.

8. At a time when everyone is tightening their belts, is it prudent to grant a \$1,250 (5.5%) increase in the library allotment? Yes, no one can deny that they do a wonderful job...but so do many others who are not being afforded the luxury of an increase in salary or allotment.

Supervisor Lounsbury: Revenues for the library are down. A couple of years ago, their budget was lowered, however more people in the community are using the library and the Board felt they should be given the additional money.

9. Although at last report, the collective bargaining agreement had not yet been ratified by the members of the union (the highway crew), the Town Board has already agreed to the terms of this new contract. And it is pretty much common knowledge that the Town Board has agreed to a 2% raise for each year of this 3-year contract. Who was the lead negotiator representing the Town Board? Does this councilperson realize that his responsibility is to represent ALL of the residents/taxpayers of this Town? I firmly believe that raises go to everyone or they go to no one. That doesn't seem to be the philosophy of this Town Board.

Yes, our highway employees work hard and do a good job. Nothing in this commentary is meant to detract from the work they do or the quality of that work. But shouldn't that be the expectation of all our employees, regardless of their department? Other employees were not treated equally with regard to raises.

The rationale for the raises has been that the highway men haven't gotten a raise in a couple/few years. Perhaps that is true if you look at their hourly rate. However, what do you consider the following benefits in the 2012/present contract:

...two additional floating holidays with pay? The list of paid holidays now equates to about 3 full weeks of paid time off, in addition to accrued vacation time.

... a lower premium on a high deductible health insurance plan? For those employees that must pay a portion of their insurance premium, this results in lower deduction out of their paychecks.

...the Town pays up to \$5,000/\$10, 000 of the employees' deductibles? Does this not leave more money in their pockets?

How can you not consider these benefits a raise of some sort?

Supervisor Lounsbury: the men have not had a raise in five years and the 2% raise amounts to 0.36/hour.

10. A great deal of money is placed in the health/medical lines. I realize that this is because you have to budget as if everyone maxed out their deductibles. However, the public needs to know that although insurance cost have risen, a great portion of the increase in this budget line is due to the need to cover deductibles.

I strongly urge the Town Board to use whatever funds that are not spent for 2014 to offset any budget increase for 2015 and not set aside for a "rainy day fund."

Supervisor Lounsbury: This is what has been done in the past.

I realize that many of the issues presented equate to nickels and dimes in the whole scheme of things. But nickels and dimes add up to larger amounts. It's time to start making those difficult decisions.

Thank you for this opportunity to present my questions regarding the 2015 budget.

Marie Dermody

END EMAIL

Public Comments:

Diana Hinchcliff began by thanking Supervisor Lounsbury for answering her extensive list of questions recently. She also thanked the Town Board for their hard work as well.

1.The CPIU (Consumer Price Index for all Urban Consumers), what the State tax cap program is based on, was 1.7% from September 2013 to September 2014. The rate of inflation for 2014 was 1.58% in January, 1.66% in September and 1.7% from September 2013 to September 2014. The tax levy on the Preliminary Budget is going to be 3.8% which is way higher than any of those numbers and the increase in appropriations is around 8% for the whole budget –

for the Highway and General Funds, which way exceeds both the CPIU and the rate of inflation. This is a very large gap. There are more people every year going on fixed incomes; people that can't find jobs; or people that are under-employed. Although the tax credit refund may not be a lot of money, for some it makes a difference.

2. The largest increase in the budget is in health insurance. For the General Fund the increase is 35% and for the Highway Fund the increase is 40%. Due to the Affordable Care Act, insurance companies must now cover all these people that are now in the system and the burden is being placed on policy-holders and premium-payers to cover that cost. This drives up the Town budget. The Town pays for the premiums and deductibles of all current employees and retirees. (Supervisor Lounsbury explained that the older retirees do not pay anything, but the younger retirees pay a certain percentage based on stipulations in the Contract.) This is an issue that needs to be rethought because people are living longer and the Town will be paying these costs for a very long time. Ms. Hinchcliff stated that she doesn't know of any employer that pays either entirely for their employees' health insurance costs or that requires such a minimal payment. (Supervisor Lounsbury responded by stating that the issue has been addressed in the new Contract, and then proceeded to explain the details of the new stipulations.)

3. Ms. Hinchcliff inquired further into whether it was true that the Town reimburses retirees 100% of their Medicare Part B and if it would be changing that policy. (Supervisor Lounsbury explained that that policy went into effect around the early 2000's and assured all that it was something that is going to be researched. However, she noted that changing something that was part of a retirement package cannot be done quickly and requires extensive research to make certain it is done legally.)

4. Ms. Hinchcliff suggests other area of possible savings. She noted that market analysts predict the price of gas is going to remain low at least for the upcoming year and she thought perhaps that line item could be reduced.

5. In regards to the contingency fund, Ms. Hinchcliff asked what emergency situation could arise that would cost \$35,000 that would not be covered somewhere else in budget and suggested that perhaps the contingency line could be cut further.

6. The library is considered a Special District for purposes of calculating the tax cap. There can be an increase in the library budget and still come under the tax cap.

7. Ms. Hinchcliff suggested, as undesirable as it may be, that a cut in the Culture and Recreation budget could also help the bottom line.

Georgette Koenig began by commending Diana Hinchcliff for an excellent job.

1. Mrs. Koenig inquired into the line items for the Town Attorney vs. the Attorney for the Town. Supervisor Lounsbury explained the differences.

2. She questioned the Board as to whether the sales tax revenues were expected to be on target. Supervisor Lounsbury confirmed that, yes, they were.

3. Mrs. Koenig inquired into the decrease in the C.H.I.P.s funding line. (Supervisor Lounsbury explained that there was additional funding for 2014 due to the 'winter recovery' and there would not be a guarantee that the Town would be receiving it again for 2015.)

ADJOURNMENT

A motion was made by Councilman Bolte to close the Public Hearing at 7:35 PM; 2nd by Councilwoman Sedlmeir.

Motion carried: Ayes (5) Lounsbury, Bolte, Sedlmeir, Wood, and Cooke; Nays (0)

RESPECTFULLY SUBMITTED;

Victoria H. Kraker
Town Clerk