

November 4<sup>th</sup>, 2010

A Special Meeting of the Town Board was held on Thursday, November 4<sup>th</sup>, 2010 with the following members present: Richard Rowland, Supervisor; Daniel Pemrick, Thomas Kinsella, Daniel Cochran and Walter E. Chandler, Councilman. Also present was Highway Supt. Walter Barss and approximately 12 residents.

At 7:25 PM a public hearing was held on the Preliminary Budget for the Year 2011. Clerk presented proof of legal publication. Supervisor Rowland highlighted points regarding the budget. The proposed General Fund Budget is \$1.3 million and the Highway Budget is \$2.1 million. There would be a Highway tax only, no General Town tax. Currently in 2010, the tax rate is \$1.13 per thousand dollars of assessment. The proposed rate for 2011 is \$1.23 per thousand. The two major costs within this budget are for road repair and the purchase of a new truck for the Highway Department. The approximate cost of the new truck is \$215,000. Supervisor Rowland noted that the last time the Town purchased a truck the cost was approximately \$165,000. New emissions standards have increased the cost tremendously. The next truck purchase in long range terms would be in the year 2014. The budget includes a staff salary increase of 3.5%. Town Board members would receive an increase of 2%, which would mean an increase in the budget of \$957 total. Supervisor Rowland stated that the average home in the Town is assessed at \$180,000. At the current tax rate that would mean that their Town tax would be \$203.40 for the year. At the new rate, the Town tax would be \$221.40 or an increase of \$18.00 for the year. To balance the budget, \$234,378. will be taken from the fund balance. Supervisor Rowland noted that this was a bare bones budget. He added that the formal transactions and closing for the golf course have not taken place and there is nothing in this budget for that. The Board is looking at the golf course as being a self sustaining venture. Any expenditures would be offset by golf revenue fees. The course has made money for the past 10 years plus. Any money that is generated from the course will be put back into recreational uses.

Dr. Russell Peacock, So. Greenfield Road – Mr. Peacock asked if the Town was in debt or if there were positive assets. Kinsella, C. stated that the Town had approximately \$2.5 million in the unappropriated fund balance. Mr. Peacock felt that it was audacious of the Board to be increasing anything at this particular time. The rest of the country is trying to conserve and the Town's people are also locked into that program. At the same time, the Board is planning to increase salaries. That becomes a tax increase and is not appreciated at this particular time. Marion Kuebler, Bockes Road – Ms. Kuebler stated that many people like herself live on a fixed income. Any increase in taxes takes away from what they are already struggling with. Doug Dupouy, So Greenfield Road – Mr. Dupouy stated that probably this budget raise was very insignificant. It was not so much the amount as it is the appearance. He felt that it was an inappropriate time to have a tax increase. Mr. Dupouy understood that the Town had a fund balance and that the Board would be using money from there to balance this budget. He asked what the long range plan was for this fund balance and when the Board thought they would be able to stop drawing from that fund and begin to increase it again. Supervisor Rowland stated that last year the Board took about \$350,000. With this year's budget, they are hoping to take much less. He added that if they were to continue to draw from this fund at this level there would be approximately 8 years left until it was

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depleted. The Board is hoping that the Sales Tax distributions will increase and property values will stabilize so that they can function within the budget and not have to continue to draw from the balance. Supervisor Rowland stated that one of the things that they have been very careful about and have heard from residents throughout this past year was to make sure that they continue to maintain the roads and keep them at a certain level. He added that the proposed budget includes funding to complete approximately 7.5 miles of road. Along with the purchase of a new truck, that is the biggest chunk of money that would be spent from the Highway Budget. One of the reasons that the Board was looking at a 10 cent increase was so that they would not have to take as much from that fund balance. A penny increase in the tax rate generates about \$7,000. for the Town. Mr. Dupouy stated that he knew that the economy had a lot to do with it, but was wondering what the plan was to try and get back on the track of not having to take money from that fund. Supervisor Rowland stated that Sales Tax is a big item. They are hoping that it will start to go back up since that is where the Town gets a good share of their money. Kinsella, C. stated that the only proactive steps that the Board can take would be to either increase the revenue by taxes or decrease the services. Over the past couple of years the Board has cut back the size of the building department staff due to the decrease in building. They have reduced the staff that takes care of the maintenance and janitorial support of the Town Hall and other Town buildings. He believed they have cut the staff about as far as they can without having to cut the services on the Highway Department. Kinsella, C. added that if they were to cut back on road repairs, etc. there would be a similar balloon type problem a few years from now if several roads fail at once. Russell Peacock asked how much the highway department has changed within the past 5 years. Kinsella, C. stated that there has been no staff added to that department within the last 5 years. The only changes have been in the updating of equipment, which again, if the equipment was let go the Town would find themselves with a balloon payment down the road. He added that the Town did build a new highway garage a couple of years ago which was paid for completely out of reserves and no money was borrowed to build that facility. Dave Kuebler asked how many miles of new roads have been added to the Town or are they just maintaining what has been there for years. Highway Supt. stated that the Town maintains 99.1 miles of road. That has gone up very little in the past five years due to the fact that the Town has not yet accepted the developments that are in process. He added that they expect that they will be adding 4 or 5 miles in the next 3 to 5 years. Dr. Peacock asked if the roads associated with the additional units were already built or if the Town would have to put them in. Highway Supt. Barss stated that they were being built by the developer. Supervisor Rowland added that it was the responsibility of the developer to build a new road and that the Town would not accept the road until such time it had been built to meet the Town standards. The roads are inspected by the Town Engineer and Highway Supt. as they are being built to make sure they are in compliance. In addition, there is a road bond that must be posted. Mrs. Kuebler stated that with all the brand new expensive homes that are being built in the Town there must be a lot more money coming in to the Town. Supervisor Rowland stated that due to the economy and the housing market, the assessed values of most homes actually decreased by about 2 percent. Kinsella, C. stated that in reviewing the report from the building department, as

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of October 31<sup>st</sup> they have processed permits for \$6.5 million worth of new construction. That is actually less than a 1% increase in valuation for the Town since January 1<sup>st</sup>. Dr. Peacock asked what the long range projection was as far as increase in taxes that might occur with the revaluation. Supervisor Rowland stated that the increase would be minimal. He added that in Saratoga County, unlike some other areas, we are not seeing the huge fluctuations. We are not seeing the big foreclosure blocks like you are seeing in Florida, Arizona, etc. Saratoga County has remained fairly steady and has seen growth. He is hoping that the sales tax revenues will rise. They have kept the proposed revenues in this budget very conservative in the hopes that as we go through the year we will find that we actually have to take less from the fund balance due to increases in revenue. Dr. Peacock felt that far more important than the sales tax revenues was the stuff that was about to fall on us from the national problems, such as Obama Care, the national debt, poor economy, etc. If someone did not put a stop to Obama Care we are all going to end up paying huge increases for care. Supervisor Rowland stated that he has been hearing estimates of 13% to 23% increases in health benefit programs. Dr. Peacock stated that that was why he could not see why the Town would add the additional burden of pay raises to go along with that. Mrs. Kuebler stated that they have not received an increase in Social Security benefits for a couple of years now. John Bokus, Daniels Road – Mr. Bokus appreciated what the Board was trying to do and understood that there were no easy answers. He noted that an average of \$18.00 increase per household probably did not seem like a lot. However, for some individuals who have seen no increase in the amount of money they receive it is a lot. He agreed that we were very fortunate in Saratoga County, however we are dealing with a State and Nation that is broke. He asked what the Town would do if the people did not have any more to give. Dr. Peacock stated that as individuals they have to project years in the future. The Town Board does not look at it the same way and only look at this year. He felt that this left the residents at a very great disadvantage. Pemrick, C. stated that the Town does project years into the future as well. With the surplus fund for example, they know what is left and how many years they can go to try to offset any increases before a huge increase has to be passed along to the residents. The biggest expense in the Town is the building and maintaining of roads. There is a 7 year plan in place. The roads are rated and they try to pick out the ones in the worst condition and get them upgraded. Pemrick, C. added that a number of residents were here this evening expressing their concerns in terms of any kind of tax increase, but throughout the year a number of other residents have come to the Board strongly advocating for the Town to spend money on maintaining the Town roads. The Town tries to do 7 miles a year, which under the plan will keep the Town ahead of the game so that we are not constantly having to go back and spend bad money to redo roads again. Pemrick, C. added that even though it was an annual budget, in the case of the Highway Dept. they are looking down the road at least 7 years. There has been the same number of employees in the Highway Dept. since 1987. Dr. Peacock questioned how all the roads could be done in 7 years when the Town had 99 miles of road. He stated that the road plan was just one particular portion of the budget. Pemrick, C. noted that it was the largest portion of the budget. Dr. Peacock did not feel that it effected the residents at this level, especially at this state of the economy when they do not have any increases or

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additional sources of income. Their investments are on a deficit just like the Towns and they have to use savings, etc. to live. He asked that the Board not spend any extra money. Cochran, C. stated that the Town has increased expenses like everyone else. The gas and oil prices have all risen, which have an effect on the cost of operating equipment and the cost of blacktop. It is very difficult to try and complete 7 miles of road when the cost of blacktop has doubled in cost. Cochran, C. noted that they were all in this together. The truck that they are looking to purchase is going to cost approximately \$215,000. Two years ago it would have cost approximately \$165,000. If they were to decide to not get the truck this year, he believed that in two years from now they would have to take even more money out of the fund balance for the truck. These are not prices that the Town can control. The Board is trying to keep it as even balanced as they can. Dr. Peacock did not feel that the truck was a bad buy and felt that it was needed. He was just trying to ask that if there was any money that did not have to be spent, such as increases in salaries, that it should be avoided at this time. Clarence Covell, Route 9N – Mr. Covell asked if there was some kind of plan that the Board could come up with to exempt the seniors. Supervisor Rowland stated that there are programs in place that provide exemptions for seniors based on income, etc. He added that when an exemption is granted to one group it spreads the burden over a smaller group of people. Mr. Covell felt that the seniors had paid their dues and paid their share over the years. He felt that it was our obligation to take care of them now. Mrs. Kuebler noted that the property values just keep going up and up. That does not help her at all because she is not looking to sell. Supervisor Rowland noted that the proposed General Budget for 2011 is approximately \$100,000. less than 2010. The Highway Budget is proposed to go up approximately \$100,000. and that is including the cost of the truck. He added that the Town has made cuts. They have cut personnel. They have cut equipment from the Highway. They are only getting a truck this year, no other equipment. Supervisor Rowland stated that he has asked the Highway Supt. to take a look at the Truck and Equipment Replacement Plans and suggested that we consider holding off for an extra year before replacing another truck. This would allow the Town to set some additional funds aside so that when the next truck needs to be replaced it would not have a large impact on the budget. Supervisor Rowland stated that Town budgets have been and continue to be bare bones. The Town is not like other municipalities that can cut huge amounts from their budgets because there are not huge amounts in our budget. The Town has implemented programs to reduce the fuel consumption. The addition of the woodburning furnace at the new Town Garage saved over \$4,000. alone this past year. One of the used pickup trucks was transferred from the Garage to be used by the Building Department and Assessors Department to do their field work. They no longer are paid mileage for use of their own vehicles, which has saved the Town a significant amount of money. Butch Duffney, Brigham Road – Mr. Duffney stated that this Board was the first board that has been able to take care of a road that has needed to be repaired for many years. Many seniors live on that road and depend on it. He added that the seniors in Town are struggling. They are counting every penny to get by and for them for pay any extra in taxes is a hardship. He understood that the office staff was going to have more work pushed on them by the State. There will probably be increased paperwork that has to be handled for the golf

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course as well. He stated that 3 ½% percent may not seem like much but it has been a tough year this year. His wife's health insurance premiums have doubled since Spring. The way the Postal Service is working now, she will actually have a \$6,000. cut in pay. As a business owner his fuel costs, insurance, etc. is going up. When his health insurance costs are going up, the mills he sells to are not giving them extra money. Everybody is taking a cut. He suggested that there be a freeze on raises this year. Al Janik, King Road – Mr. Janik stated that luckily the Town has a reserve fund to cushion the blow from the decrease in revenues and increase in expenses. He suggested that as a showing of solidarity with those residents who have to make due with no increases in Social Security, etc. that perhaps this might be another good year for the Town Board to forego a pay raise. He realized that it would only mean a difference of \$957. Mr. Janik had questions regarding specific line items in the budget. He stated that the Personal Services line in the Town Clerk's budget had a 10% increase. Town Clerk advised that both herself and her Deputy will be working additional hours mainly due to the increased workload with dog licensing. Mr. Janik noted that for the past couple of years the Town Attorney and Town Engineer budgets have been overestimated. He understood the need to budget for higher expenditures, however he felt that the Town Engineer account was especially over budget. Supervisor Rowland stated that the Planning Board has been a little slow over the past year or two, however they are starting to see an increase in applications. The Town has to pay for all engineering fees incurred and then charge them back to the developers for reimbursement. Supervisor Rowland stated that at the end of the year if there was money not used that was budgeted for, they may not have to take as much from the fund balance. At this point they figure they would have approximately 8 more years in the fund balance if they were to continue to draw on it at this level. Mr. Janik stated that at a point you do not want to draw on it. You want to have that contingency fund for unanticipated expenditures. He felt that the Town really only had about \$1.2 million left to use. Mr. Janik also questioned the increase in the expenditure budget lines for the Town Hall and Parks & Recreation. He questioned what the \$18,500. was for in the Special Rec Admin budget. Supervisor Rowland stated that salary figures have to be included in this budget for the people who are going to be most dramatically effected by the golf course. This money will be reimbursed by the golf course income, however it had to be included in this budget in order to comply with the State Comptroller. When the Town Board creates the golf course budget, it will be included and the money will be reimbursed to the General Fund. Mr. Janik noted that earlier the Supervisor had stated that since the Town had not taken title to the golf course and that the proposed budget did not include anything for it. Now you indicate that this expense is for the golf course. Supervisor Rowland stated that he misspoke earlier. This was the only budget line that is effected by the golf course and it would be reimbursed by that fund. There would be no impact on the General Fund. Supervisor Rowland stated that he also included in the budget an additional \$5,000. for possible work to the Community Center. The building was in very bad shape and ultimately the front section may have to be taken down. Mr. Janik stated that a few years ago a complete assessment of the building was done and at that time the Board did not feel that it was worth the investment. Sherry Covell asked the Supervisor to clarify his statement regarding sales

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tax and asked if the Town has received sales tax revenues over the past couple of years. Supervisor Rowland stated that the Town has been receiving sales tax money, however it was lower than in previous years. This past year we have seen a slight increase in sales tax revenue. Mrs. Covell asked when the Town would be aware of how much they would receive and questioned if they could wait to make a decision regarding the tax increase until that time. Supervisor Rowland advised that they Town receives an update on a monthly basis, however they receive the money quarterly. The budget had to be adopted by November 20<sup>th</sup> and there was not way to wait and see what we were going to get prior to adoption. Mrs. Covell understood that it was hard to speculate what might happen, however the residents are going to have to take the burden. Mrs. Kuebler stated that their income does not go up but their expenses do and that was what they are complaining about. There has to be some way to stop this. Dr. Peacock stated that as long as the tax rate is increased with additional raises for employees he did not consider this a bare bones budget. Supervisor Rowland stated that over the past few years the Town has changed their health plans to cover the employees as best they can. Those fees are going up anywhere from 13% to 23% or more. By giving the employees a raise, they still are not making up for the cost of health care. The employees of the Town do not receive step increases and cost of living raises as some other agencies do. The employees are actually losing money. Mr. Janik stated that the Town's exposure to the raises in health insurance for the employees is limited to the cap. The employees pick up the bulk of the increase in premiums which was one reason why he was in favor of the proposed pay increase. Health insurance costs are going to rise dramatically and the Town is not going to be paying for it. Clarence Covell asked how the proposed increase would affect his school taxes. Supervisor Rowland stated that the proposed budget would affect Town taxes only. The County, Fire Department and School Districts control their own budgets and tax rates. Pemrick, C. stated that he understood the frustration and concern that he was hearing here this evening. He too would be very angry if he let what was happening at the State and Federal level guide his decision when it comes to something that happens locally within the Town. There being no further public comments, the public hearing was closed at 8:40 PM.

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Town Clerk