

*******DRAFT*******

The Town of Forestburgh Town Board held a **Budget Workshop** on **Wednesday, September 19, 2012** at the Town Hall.

Supervisor Sipos called the meeting to order at 6:30.

Roll Call: Present – William B. Sipos, Supervisor
Eugene D. Raponi, Councilman
John W. Galligan, Councilman
Susan Parks-Landis, Councilwoman
Michael Cregan, Councilman

Absent – None

Recording
Secretary – Joanne K. Nagoda, Town Clerk

Others
Present – Dan Hogue, Jr. Highway Superintendent

Supervisor Sipos stated that tonight we are here to discuss the budget, everyone has copies of the current budget and the requests. Tonight I want to change it around a little bit. We usually start off with the general fund, but we will turn the floor over to Dan because he has submitted the largest increases there and I would like him to explain his budget, so we are all aware of what he has on his mind.

Superintendent Hogue verified that everyone had the sheets that read 2012 – 2013 requests that show the difference. I will go off of that sheet as it's the easiest to understand. First let me start by saying that all .1 lines are salary lines, the men's salaries. That was on my estimate worksheet, if you go back to 2011 that salary lines were close, they were over budget, actually a couple of thousand more cumulatively than what we have budgeted. For instance, the first one, 5110.1 in 2011 and 2012 we budgeted \$98,593, in 2011 the actual cost of it all was \$104,589, so we were over budget on that line. So I took the 2011 salary lines and I added a seven percent increase to them. Because I have no idea where contracts are going, I don't know what the men are asking for, I don't know where it stands. So all of the .1 lines in here are increased seven percent from what we actually spent in 2011. General repairs, 5110.4 which is what I use for summer road maintenance, paving, patching, it was \$98,000, I requested \$140,000 which is a \$42,000 increase. However, that \$42,000 is FEMA money. Last year, Hurricane Irene hit on August 28, the town has recouped all but \$7,000 but the check should be coming in any day. Of the \$88,000 I applied for and we'll be receiving, \$42,000 of that is FEMA money that we'll use to do work that we were unable to do last year because of Hurricane Irene. My idea was to take that money and not raise it in taxes. That would be a onetime increase to that line. On the 5120 line, again .1 lines are salaries and there is no increase in the .04 line. 5112 is improvements that is the CHIPS fund – it also shows up on the revenue page. At this time, there is a three dollar increase in CHIPS. 5130 is the machinery line, personal services, once again salaries. 5130.2 in 2011 and 2012 it was \$50,000 a year, we didn't spend any of it this year, therefore for 2013 I am requesting that we roll that \$50,000 that we didn't spend, if you remember last year at budget time, I told you our loader was getting old. My idea was to roll that \$50,000 that we didn't spend this year, and put in the \$50,000 that we normally put in there to have \$100,000, then sell our 1995-1996 loader on an internet auction site, which should bring us about \$30,000 or \$40,000 at auction. Councilman Galligan asked how much is a new loader? Superintendent Hogue replied that a new state bid, OGS loader, which is a Cat loader, is \$140,000. So, with the hundred thousand dollars from the fifty thousand dollar roll over, and hopefully sell ours for 30 or 40, we could possibly, probably cover the cost. That was my idea for that line. Once again, it's a rollover of money, not a tax increase. Brush and weeds no increase, actually because the winter was mild this year for snow removal on the town level, we reduced it \$10,000, of course the .1 line is salaries, but on the .4 line, I reduced it by \$10,000 from \$120,000 to 110,000. Because last year's winter was mild, the salt shed is full. I just felt comfortable doing that. Services to other governments – that's our county contract- the total is \$104,224. I have been in touch with Ed McAndrew from the county about getting an exact number for 2013. Based upon what the county was paying for the prior year, however he hasn't gotten back to me yet. That is the working part of my

budget in a nutshell. The employee benefits and all that stuff, do I have to explain that to you guys? The retirement and health insurance those numbers come from Tara upstairs, I just plugged them in.

Supervisor Sipos stated that the increase in New York State Retirement is \$9,533 and the health insurance is increased approximately \$15,828. The health insurance, we looked into it, but if I can't find something that's comparable, I don't want to rock the boat. At some point, there is going to come a time when people are going to have to contribute, but at this point, that's where it currently sets. Discussion was held on many people have the family plan insurance, including retirees. Supervisor Sipos continued that our policy is a platinum policy, and it's basically priceless, as far as I'm concerned, because when you need it, you need it. A family plan is running approximately \$21,150 and a single is around \$17 and change. Councilman Raponi asked if new employees coming in have to contribute. Supervisor Sipos replied yes, the newest hire on the highway department was paying, but the men made a concession last year at contract time, so that employee should go back to paying this year, depending upon what happens at our negotiations next week. Fifteen percent of a family plan would be around three thousand dollars a year. Superintendent Hogue stated that in 2012-2013 medical insurance line, the increase is \$2,574. Councilman Galligan asked when the current highway contract expires. Supervisor Sipos stated it ends in December, we only renewed it for one year last year due to the economy.

Supervisor Sipos stated that he had Tara e-mail Dan about salt. What are your thoughts on salt? Last year you bought a minimum of 1,750 tons, you had to guarantee that for the state. Is it possible for you, before we enter into an agreement, to use the county to replenish our supply as needed. He replied no, it would be a higher cost than what we would have to pay and the paper work has to be submitted in April. I have buy in April and anticipate the quantities for the upcoming year. It can go from 2,500 ton to 2,250 ton anticipated. Councilman Galligan asked how much salt do we have now? Superintendent Hogue replied a shed full, probably a hundred ton. Purchasing from the county is a higher cost and then there is the problem of getting it during a storm. 55.02 is the price at bid and there is also an escalation/de-escalation clause for fuel. I would "guesstimate" with the price of fuel now it will be a price of \$56.00 or \$57.00 a ton. Councilman Creegan asked when we lock into state bid like that is there a minimal amount we can take from them. Superintendent Hogue stated 70% of your anticipated amount. Supervisor Sipos asked if he had signed anything so far. Superintendent Hogue stated that he did in April or we wouldn't have any salt at all. OGS requires that you file it in April. I can't wait until the last minute to do my job. If we didn't we would be like some towns upstate and behind the eight ball and then we'd be paying eighty to ninety dollars a ton. Councilman Creegan asked on an average "bad" year, how much salt do we go through? Superintendent Hogue replied that he usually orders, over the last eight to ten years, I've ordered between 2,200 and 2,500 tons. With the exception of last year, which was the first time in 25 years, the guys get comp time, it was the first time in 25 years the guys didn't meet their quota for comp time. Councilman Galligan asked if we have enough salt to get through this year. Superintendent Hogue replied it's a guessing game. It's like heating oil, the cost goes up over the winter so you are better off ordering early if you can fit it, right now we can't. We're better off purchasing it now, because the price is lower, come February it will cost more and supply becomes a problem also. Councilman Galligan asked if you replenish as you use it? Superintendent Hogue stated when we have room for three to five hundred tons, I'll order it. There has always been a lot of talk about sand, everybody thinks it's cheaper to use sand. You use about forty to fifty percent more if you put sand in the mixture. Councilwoman Landis asked about the brine. Superintendent Hogue stated that he uses a brine of calcium and magnesium chloride it lowers the melting point of the salt. Wisconsin transportation department put out this great article about the use of salt. It explains it really good. People don't believe it, but it is substantially cheaper and alleviates a lot of flooding, because your drainage doesn't get clogged. Sand has a lot of silicates in it, dust and stuff that creates health problems with breathing. Salt is water soluble, it washes away. We used four hundred pounds of salt per lane mile. The benefits of straight salt are probably a hundred fold than using sand. We did a price check on what it would cost to buy sand and have it hauled or haul it. Under current county bid, we used to use about three thousand yards of sand, if we had it delivered, it would be \$43,800, if we picked it up it would be \$29,400, however the sand comes from Napanoch, it's about forty miles or an hour and half each way. Figure eighty gallons a truck a day, get 180 tons a day hauled here, 23 days of hauling, 7,360 miles per truck, per season, figure \$1,280 a day in fuel, that's \$29,440 for fuel plus about another \$9,800 in tires. It would be \$70,000 to buy sand. We'll still use salt to melt the ice and snow as sand doesn't melt ice and snow. Sand basically sand blasts your car to expose bare metal which will rust. Sand is good in limited quantities when you have an ice condition because it will create traction, we do use sand on the dirt roads, because the salt draws a lot of moisture in the spring and roads turn to mud. Councilwoman Landis asked how much sand do we have? He replied over the years, we've got a pretty good pile. I can't tell you how long it's been since we bought

sand. We have on board liquid systems, so if we go out and pre-treat you don't get ice bond, the pre-treat helps when you get the white ice that is softer so your tires can break it up, because you are melting from the bottom up. It is three times cheaper to melt stuff from the bottom up, than the top down. If you get behind a storm and have to work it from the top down, it will cost you three times as much than to melt it from the bottom up. That is why we try to get out early and pre-treat.

Supervisor Sipos stated that we would move on to the general fund. The first one is town board, there is a \$1,000 increase in the salary line and no change to the contractual line. Moving down to the justices, we have not received their requests at this time.

Supervisor, contractual \$250 and I am also asking for the board \$250, right now I am just doing line items, we haven't done salaries yet but the Highway Superintendent has asked for a salary increase of \$5,500 and \$500 for his wife Kim, as highway secretary. And there is 7% tacked on basically for the men, which we don't know yet because we still have to go through union negotiations. Superintendent Hogue stated he just put that number in there, because nobody knows yet. That was based on 2011 actual spent. Tax Collection is \$4,000, the equipment line stays the same and the contractual line is the same. There is an increase of \$500 for the salary line. Budget Officer stays the same. Assessor – personnel services he requested \$22,500, data collector is \$150.00 – the second data collector line is staying the same. Board of Assessment Review is a \$300 increase and the contractual will remain the same. Town Clerk salary increase of \$2,000 all other lines remain the same. Personnel is \$20,600 requesting an increase of \$1,500. Office clerk is \$1,000 that remains the same. Just so everyone is aware of it, that it Tara the confidential secretary to the Supervisor. Records management personnel services is \$1,419 with a request of \$81.00. Building we haven't changed any line items there. Control of Dogs personnel services, that is Arnie Burger for those of you who don't know, he's at \$2,400 and has asked for \$150 increase, which would take it to \$2,550. There is no increase in the equipment or contractual lines there. Safety Inspection, which is Rich Lorino is \$15,000, his clerk is at \$4,455. And no change either to his contractual or equipment lines. Board of Health is requesting a \$32 increase bringing it up to \$200. Registrar of Vital Statistics was \$709 last year there is a request of \$41 to make it \$750. Superintendent of Highways personnel services is currently \$54,500 with a \$5,500 request with an additional \$500 for the highway clerk, his equipment line is down \$200. Program for the Aging, which is MaryAnn is \$3,000, she currently gets \$11.33 per hour to take this to \$12.00 an hour is a \$0.67 an hour increase. Special recreation which is the pool, personnel services they asked for a \$2,500 increase for salaries and the contractual remains the same at \$7,500. With a difference of \$2,500 from 2012 to 2013. Youth program there was an increase of \$250 which we already approved this year, so for 2013 there is no change. That increase was granted from the money that was donated by the participants of the summer program, so none of it came from general fund. Historian – which is Mary Ann, under personnel services, she asked for an additional \$100 taking it to \$2,200. Equipment she asked for an additional \$1,000 for signs. Zoning – which is the ZBA, he is asking for a \$100 increase for the board and a \$100 increase for the clerk. Planning we have \$7,000 for salaries, \$5,000 for the clerk and \$2,500 for contractual. For highway under general repairs for 2012 it was \$98,593 and for 2013 there is a request of \$111,910 – which is an increase of \$13,317, which is the men's salaries the contractual line is being increased by \$42,000. Bridges – personnel services for 2012 it was \$1,512, for 2013 \$1,625 was being requested which is a difference of \$113. There is no change to the contractual line. Machinery – personnel services there is an increase of \$3,617, the equipment line is increased \$50,000 to \$100,000 and there is no change to the contractual and insurance lines. Miscellaneous brush and weeds there is an increase of \$165 for salaries and no change to the contractual line. Snow removal for 2012 it was \$81,000 for 2013 \$98,250 an increase of \$17,250 and a reduction in the contractual line from \$120,000 to \$110,000. There is no change at all to the services to other governments lines.

State Retirement – projected under the general fund line it's \$31,281, under the highway line its \$51,040 for 2012 we budgeted \$66,500 so there is a difference of \$15,821. Health insurance projected is a difference of \$15,828. If we stay with the current health insurance plan is projected to be \$21,255.60 for a family plan.

The total increases for the year 2013 would be \$165,255.00.

Salary increased requested for general fund at \$14,444.00.

Projected salary increases for highway are \$34,462.00

Total on salaries is \$48,906.00

Supervisor Sipos stated that we still don't know how much money we will have left at the end of 2012, it could be zero or it could be as much as \$130,000. So for this budget workshop, this is where we are at.

Councilman Galligan asked where are we going from here. Supervisor Sipos replied that he will speak with Assessor Griffin and see how much of a tax increase it would be if we leave this as it is right now. The budget officer has to file the tentative budget with the Town Clerk on September 30. The Town Clerk will present the tentative budget to the Town Board on or before October 5 the town board will review the tentative budget and adopt it as the preliminary budget and schedule a public hearing. Councilman Creegan stated that he thinks we should look this over and schedule another budget workshop. Supervisor Sipos added that we still have union negotiations next week and then we will have more of an idea where we are. Dates for a budget workshop were discussed.

MOTION by Councilman Creegan, seconded by Councilwoman Landis to hold a budget workshop on Wednesday, October 10, 2012 at 6:30 p.m. in the town hall. Vote: 5 ayes – 0 nays. Motion carried.

Supervisor Sipos reminded all those present that the town has no control over the library budget, the department budget or the county. Right now the county is headed for a ten or eleven percent increase. State retirement and health insurance is out of our hands. As I said, our insurance is a premium plan, but the county is out of our control. I went an spoke, I went to the Supervisor's meeting on that, and the state is shoving mandates down the county's throat, it's out of our control. It's a \$165,000 increase if we leave it just as it is tonight. We still don't know about the 480A money, we'll get the information and see where we go from there.

Councilman Creegan asked Superintendent Hogue to go over the \$50,000 for the loader again. He replied, 5130.2 I increased from \$50,000 to \$100,000 – we didn't spend any money out of there this year. My idea was to roll that over and still have \$50,000 budgeted in that line. Councilman Creegan asked if he really thought we could get \$30,000 for the old loader. He replied that people pay crazy stuff on these online auctions.

Katherine Barnhart – What happens to any money left over at the end of the year? Supervisor Sipos replied that any un-appropriated balances we basically roll over into highway. It's, depending on the numbers, where we end up at the end of the year, would reduce the amount for next year. It gets carried over. Any unexpended funds can be rolled over and used next year. It's hard to project, if it starts snowing now, we could be broke.

ADJOURNMENT – MOTION by Councilwoman Landis to adjourn at 7:35 p.m.

Respectfully submitted,

Joanne K. Nagoda,
Town Clerk