

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

The Town of Forestburgh Town Board held a **Budget Workshop** on **Wednesday, October 13, 2010** at the Town Hall.

Supervisor Galligan called the meeting to order at 4:00 p.m.

Roll Call: Present – James P. Galligan, Supervisor
Eugene D. Raponi, Councilman
John W. Galligan, Councilman
William B. Sipos, Councilman
Michael Creegan, Councilman

Absent – None

Recording
Secretary – Joanne K. Nagoda, Town Clerk

Others
Present – Dan Hogue, Jr. – Highway Superintendent

PLANNING BOARD APPLICATION REVIEW – Supervisor Galligan asked the members of the board to give their comments on the revised application to the Planning Board. Councilman Sipos stated that the new zoning is not yet in place, and there are a few items that need to be addressed when the new zoning is in place that are not really addressed here. I also think the 14 days is too much, ten days is more than enough time to distribute the information. Councilman Galligan agreed with Councilman Sipos. Discussion was held to doing a new application after all of the new zoning is in place as opposed to re-doing the form over. MOTION by Councilman Sipos, seconded by Councilman Creegan to take no action on the revised Planning Board application and wait until the new zoning is in place. Councilman Sipos rescinded his motion and requested that the item be tabled until the November meeting when the Board may discuss the matter with Planning Board Chair Hawvermale. Matter tabled.

GENERAL FUND –Supervisor Galligan stated that the bookkeeper made the changes that had been requested, such as the reduction to the Forestburgh Day Celebration line. The changes that were made was a reduction of \$5,000 from the adult recreation. Last year a new line item was created for adult recreation for a new program which was not used. At the last workshop, it was requested that the item be cut from \$5,000 to \$2,500, now it will be taken to zero.

Supervisor Galligan stated that he asked Tara to calculate how much it would come to if we gave all part time people a 4% increase, the amount would \$6,943.00, that is every single part time line. Supervisor Galligan stated that he recommended a 4% increase for the full time employees, I asked Tara to figure this so you could take a look at it. Discussion was held with regard to what hard times these are and the need for the Town to hold the line. Supervisor Galligan stated that the justices and the assessor asked for increases for their clerks. Discussion was held to not offer increases for the part time employees. Councilman Raponi stated he wished he could give everyone a 10% raise, but that is not realistic. Councilman Galligan stated that he was not happy with any of the raises. Councilman Sipos asked Councilman Galligan if he wished to hold all of the raises and lines. Councilman Creegan added that we have great employees and everyone is working hard. Councilman Sipos stated that the last three people, are Dan, Tara and Joanne. Supervisor Galligan stated they are our three full time people and I budgeted 4% for them. Councilman Sipos stated that the health insurance has gone up, how much? Tara and Supervisor Galligan stated they took the County's "best guess-timate" which took it from \$13,030 to \$15,055. So it went up about \$2,000 a year. Dan Hogue stated that the contractual raise for his men is 4% a year, and I have been working for an entire year without a sixth man. So I have been doing my job plus his, I feel I deserve a raise. As per the contract, with their overtime, clothing allowance, longevity pay, meal tickets and hospitalization, they actually get more benefits, with personal time, sick time, vacation time. Just to keep the relation between what they do and I do, working for the Town for 23 years. I think with all the added perks that my men get there is a difference of about \$3,000, now. Councilman Galligan asked Dan what his salary is now. Supervisor Galligan replied \$54,500 is the base salary. Councilman Galligan then asked what is the salary of the highest paid man? The salary of the foreman is about \$41,000 base salary with no overtime or anything. Dan added they usually get about 200 hours of overtime a year.

The board looked back and saw that last year Dan received a salary increase of about \$1,200. Dan further added that he negotiated with the County for another \$1,096 increase in our snow and ice contract. Dan stated that is the amount of the raise he is asking for, and he generated more income for the Town too. Councilman Creegan asked Dan if he was using all of the funds in his contractual line. Dan stated that his cell phone comes out of there, municipal association dues and funding for conference all come from the contractual line. Tara informed the board that this year to date, Dan has earned \$39,826 and his highest paid man is at \$30,600 with no winter hours/overtime that is yet to come for the balance of this year. Tara added they get \$400 and upward for longevity. It starts at \$400 and every year after that is goes up \$50. They get their clothing allowance and their meal tickets. Supervisor Galligan stated that these three people, this is their living and their cost of living is going up too. Councilman Creegan stated that they are trying to pick this apart so they can hold the line on this thing. I don't think anyone is against these three getting raises, but we have to take it out of somewhere, if we take it out of the reserve. Supervisor Galligan stated the increases for these three people only comes out to \$4,300 - \$4,600. Councilman Creegan asked that we wait on these three for now.

Supervisor Galligan suggested the board look at the highway budget, and reminded the Board that the actual spending for the general fund is down, and there is not much change on the highway budget. The highway budget has gone up only \$35,000. Councilman Sipos stated that he knows we have no control over retirement, social security, workers compensation. Dan stated that contractual is the actual money spent on the roads and to run the operation. Councilman Galligan asked where is the money for the new truck coming from. Supervisor Galligan stated that the new pick up is paid for. Dan stated that he has \$50,000 in the 5130.2 equipment line and the truck is \$28,000 – the remainder is a fund balance. That money would also cover if you run over a plow, have a dump body fall off of a truck of something, crack a frame or have a loader bucket break. Councilman Sipos asked that after we pay for the new truck, there will still be \$21,000 that is already budgeted. Dan stated that money is already in there. Plows used to cost about \$4,000, now they are about \$15,000. You know what steel prices are. Councilman Galligan asked if we have a reserve fund for equipment, to which the Supervisor replied no. Supervisor Galligan stated that we owe \$130,000 on the bond anticipation note, The plan is to pay off \$30,000 and sell bonds for a three or four year payoff. Dan informed the board that we started this about eight years ago, and what it does is it gives us a rollover time of about 12 years for a truck. Which is about the usable lifespan of a truck. Councilman Creegan asked Dan if he has ever run his budget out in the course of a year. Dan replied I have been right down to nothing, with hopes of the end of the year coming quick, but I have never been over. Snow and overtime, I have no control over. If it snows ten times in November, I'm going to have to spend \$12,000 on cutting edges. The salt bill is what it is, under state contract we are obligated to take our tonnage. Right now the salt shed is full. Last year, I took the minimum we are allowed. There are about 2,200 to 2,500 tons of salt in the shed. Dan further stated that salt comes out of 5142.4 and 5148.4 – those two lines pay for salt, there is \$120,000 in snow removal/Town Highways line, salt comes out of there, so does cutting edges, diesel fuel, gasoline, parts that we use, like conveyor chains, repairs, tire chains anything you would use for winter maintenance. Councilman Creegan asked if the \$6,000 for personal services are just salaries, like overtime for snow removal. Tara went over all of those lines that are personal – point one lines, based on what was spent last year and allowing for the 4% increase as per the contract. Wintertime salaries come out of 5142.1 and 5148.1, summer time salaries come out of 5130.1 and 5110.1, the other couple of little salary lines are just a small buffer. Councilman Galligan stated that you are currently one man short, are you planning on working and staying that way? Dan replied that he has not spoken to the man that is out since May, and he is out on workers comp. I have to leave his position open, as per the civil service law, until this is resolved. Supervisor Galligan stated that once there is a comp hearing, he could be out on disability, we could have to reinstate him and give him back his sick time used, we are at the mercy of the comp hearing. Supervisor Galligan further stated that depending on what is determined, if it is done by the end of the year, it could result in a chargeback to the Town from the County. The down side for Dan is that he is down a man, I guess we could approve a temporary worker, but if they say we have to re-instate the man who is out, we could be over budget. Dan added that last winter he operated and ran every piece of equipment that the Town owns in every storm, plus getting up at two in the morning to check the roads and do the rest of my job. That is why I feel my 4% increase is justified, and there is nothing to say it won't continue on through part of this winter.

Dan said that he added \$5,000 to the 5110.4 line, that is materials used to pave the roads. There were some roads we were supposed to do this year, but we couldn't because we didn't have enough money. The other line was 5130.4, I added \$5,000 to that, that is for fuel costs, plus that is a lot of maintenance over the summer, starters, grader tires, tires for the loader and the grader are about \$700 each. Those are the only two lines that I added to for this year. If you look at highway revenue, look at services to other governmental agencies increased. Our CHIPS funding has gone up a little bit. Discussion returned to being a man short, which will be a year come this December, Dan stated that he wouldn't ask the Board or the towns people for an extra \$45,000 for a seventh man.

Councilman Creegan reiterated that Dan , you said you jacked it up about ten grand, if you had to pick and choose, if you had to carve it a little bit, where would you do it? Dan replied that I submit real numbers and don't shoot for the stars, equipment and stuff, the 5130.4 line, I am just afraid if I have something break down, I won't have the money to repair it. If I had to, I guess I could cut 5110.4, I wouldn't like it, but I could. It would be less road work to do, someone's road wouldn't get resurfaced. Culverts rust out, I already have a few that need to be replaced. Supervisor Galligan stated that we have no control over the personal services lines, Tara added that leaves \$11,863 that there is "control" over. Councilman Galligan asked how much is the total highway budget? Councilman Sipos replied \$940,285 as projected from what is in front of us.

Supervisor Galligan stated that revenue is down in the general fund and up in the highway fund and that no one ever complains about how Dan maintains the roads. Councilman Galligan stated that he really wants to hold the line, but he is only one vote. Councilman Creegan stated that he is in favor of no tax increase, and Councilman Sipos agreed. He further added if you are going to pass out raises, tell me where you are taking the money from. Supervisor Galligan stated the only place available to take money from is the reserve account. If you keep dipping into the reserve account, you will wind up with no reserve. Councilman Galligan asked how much do we have in the reserve. Supervisor Galligan replied about \$325,000 - \$350,000, depending upon the end of the year balance. Highway is about \$109,000. Dan Hogue asked what percentage of the county tax bill is the town portion, to which Supervisor Galligan replied about 25%. Supervisor Galligan stated that you know your fire tax is going up a few dollars, you know your library tax is going up. Dan Hogue stated using that figure, \$625.00 of the county tax bill goes to the town. If you put a 3% increase in the taxes, it is \$18.75 increase in my tax bill. Between zero and three percent there is not a big difference in what people are paying. Three percent on your entire tax bill is big, three percent on this is nothing. Supervisor Galligan asked the Board, what do you do in two or three years, when there is no more fund balance, and the money we get from the State could dry up. The Board replied you cut, drastically. Councilman Sipos stated you can't keep going like this, you can't. Supervisor Galligan stated that a reasonable tax increase is not going to tick people off. Dan Hogue stated that for an additional \$18.75 in your taxes, that allows us to keep our services. I will give you a good example. Ron Geysen called the other day, the drain pipe in front of his house keeps heaving, that \$625.00 that he is spending for the town portion of his tax bill will allow me replace the \$300.00 pipe at the end of his driveway, plow and sand it, call the town hall with a problem. The Town is what offers the services to its residents. The county tax bill, the library tax, that is just that is a lot of money that the residents don't get use out of. I think, in my opinion, trying to keep the town at zero all the time, for eighteen bucks, do the increase. That is coffee for the week. Councilman Sipos stated that Oakland Valley just got slammed. Those Port Jervis School Taxes slammed them. Supervisor Galligan and Dan Hogue replied that is not the Town and the Town has nothing to do with that. Councilman Galligan stated let's face it, this is the only thing we can control. Supervisor Galligan added that he didn't believe that John Q. Public, in Forestburgh, even the most conservative people, get upset with a three or four percent increase. Councilman Sipos stated these people should be glad they have a job. I pay the bills, I pay workers comp, I pay it all. I'm not happy about it. The one guy who worked for me, went to work full time someplace else. I'm sorry, but that is how I feel. It's terrible, it has nothing to do with anything other than trying to just hold the line. I'm not debating what anybody does, just hold the line, that's it. Health insurance went up. Supervisor Galligan stated he felt we are just digging a hole. Councilman Creegan said we need to cut some money out of there, Dan can we take some money out of highway? If you run short, we can give it back to you. Dan replied that he knows the town board would, he is just not comfortable taking a chance. If I cut anything, it would be that five grand that I put in the 5110.4 line. Debate went back and forth to remove five thousand dollars from a repair account line. Councilman Creegan stated to Dan that you jumped the personal services line in snow removal by six thousand dollars, is that anticipated overtime at this point. Dan replied that is a salary line and is driven by the union contract – I have no control over that. Supervisor Galligan stated this is an insignificant amount. Dan agreed to take a look and see what he could do. Councilman Raponi stated he sees no point in taking out a lousy five thousand dollars, I have been on this board for a long time, and there are no complaints with what Dan does on the roads with the amount of money he has, and I think we are being ridiculous over five thousand dollars. Dan added that wintertime maintenance costs fluctuate so greatly, five ice storms can put you over the edge. A mild winter will give you a great surplus. It is so weather driven, what you do in the summer is what happened over the past winter. Supervisor Galligan asked if the Highway Budget is ok. With or without the five thousand dollars, you are still looking at an increase of 4%, if you take the five out; you're looking at an increase of 3.57%. Dan stated that he just goes back to the \$600.00 per house per year, even if it's seven, eight or a thousand dollars, the town services far outweigh anything else they get. You can't hire someone to mow your lawn for a thousand dollars a year. Supervisor Galligan added that he is a firm believer in doing smaller increases than getting hit with a big one. Councilman Galligan stated that he is in favor of using purchase orders for our purchases. Councilman Sipos asked if any rules were on the books for purchase orders. Joanne replied under the former administration, they had looked into a

purchasing agent and purchase orders. They reviewed all of the purchasing done by the town and determined that the best, most effective way was being done. Councilman Galligan informed the board that when he was Supervisor, they had used them for the highway department. Discussion was held about the pros and cons of a purchasing agent, the use of purchase orders, current purchasing practices. Joanne will contact the other Town Clerk's and see what other towns do in both Orange & Sullivan Counties.

Councilman Galligan inquired if the board may go into executive session for personnel.

MOTION by Councilman Galligan, seconded by Councilman Sipos to enter into executive session for the matter of personnel. Vote: 5 ayes- 0 nays. Motion carried.

MOTION by Councilman Sipos, seconded by Councilman Galligan to reconvene into regular session. Vote: 5 ayes – 0 nays. Motion carried.

MOTION by Councilman Galligan, seconded by Councilman Sipos to prepare a budget with no salary increases and take the necessary funds from the reserve account and submit it as the Preliminary Budget for 2011. Vote: 3 ayes- 0 2 nos. Motion carried.

MOTION by Councilman Creegan, seconded by Councilman Sipos to hold a budget workshop on Wednesday, October 20, 2010 at 5:00 p.m. in the Town Hall to review and finalize the preliminary budget. Vote: 5 ayes- 0 nays. Motion carried.

ADJOURNMENT – MOTION by Councilman Galligan to adjourn at 6:05 p.m.

Respectfully submitted,

Joanne K. Nagoda,
Town Clerk