

**Public Hearing – 2014 Budget**

Town Accountant Michelle Summers gave a power point presentation on the 2014 Budget referring first to the largest portion of the budget on the revenue side which is taxes. She said if you own a home in Kent you are paying School tax at 70%, Town at 21% and County Taxes is about 8%. The next slide is a historical look at taxes from 2008 to 2013 showing the greatest increase over time is school taxes while the Town and County taxes have increased at lower rates and the smallest taxes the residents pay. The taxes are assessed based on assessed value a historical look at the assessment with the decline in the housing market, the assessed value of homes has steadily declined through 2014 from 2008. The next page is the overall summary of the Town's Budget which is the first page on the Town's website. The largest portion she mentioned of the Town is the taxes, a few years ago the State instituted a tax cap, it is the legal limit of what you can raise taxes. Since enacted it has been under every year and in 2014 is also under the tax cap and even had some room to increase about \$80,000 the Town decided not to increase the taxes more but had an allowance for another \$80,000 within this mandated tax cap. On the summary sheet, you have the different funds and the first line is the Expenses, the 2<sup>nd</sup> line the Revenue, 3<sup>rd</sup> is the Fund Balance and the 4<sup>th</sup> line is Taxation the 5<sup>th</sup> line is the increase from the prior year. For the General Fund the main operating fund for the Town, the Town has expenses of about \$10m. The next slide is a break out of expenses for the different districts. The General Fund has about \$6.5m in expenses, the Police about \$3.6m, Highway about \$3.575, Sanitation \$1.5 and so forth the largest expense in all those areas is in people. For the General Fund, the Town has expenses of about \$10m with revenues aside from taxes of about \$1.7m and taxation of about \$7.8m. The Town has chosen to use \$444,000 of Fund Balance. For those not familiar with Fund Balance, it is the Town's rainy day fund the Town has a comfortable rainy day or fund balance. The Town is able to use the fund balance to offset increases in taxes, in the last few years when the economy has been poor rather than raising taxes and exceeding the tax cap has chosen to use the Fund Balance to maintain the level of service the Town is providing. With the use of that Fund Balance, at the end of 2014 the Fund Balance will still be about \$3.9m which is a healthy fund balance for the Town. For the Highway Fund, the expense is about \$3.6m, revenues are limited to mainly taxes. As you look at the last column along with the increase/decrease percentage the Highway had a reduction in expenses all lines in the budget were scrutinized to determine the appropriate amount of appropriation. Highway has a healthy fund balance of \$1.8m and could be used if there are any issues that arise like a bad winter. Below the General and Highway, are the special Districts which are Fire Departments, Park Districts and Water Districts. The majority of the Districts were not raised, the one being raised is the Kent Fire District they are independent and determine their tax rate the Town just collects that for them. The Town kept the taxes low for the special districts and able to provide the same services with the same funds as in 2013. Overall, the Town's Budget is about \$17m and the increase in overall taxes with all the districts is \$1.71m but just within General Fund and Highway its \$1.66m. As mentioned the biggest expense the Town incurs is in people and with people come unfunded mandates, the retirement contributions is an unfunded mandate from the State. The State requires employees be a part of the retirement system. If you look at 2009, the expenses the Town incurred for retirement were about \$450,000 compared to 2013 at \$1.24m the Town had to absorb the additional expenses over the last 5 years in order meet the mandate just an awareness of the expenses the Town has been incurring. The other unfunded mandates are health insurance which most people know has been going up at an increasing rate; also going up in particularly is Workers' Compensation. With these increase in expenses they had to scrutinize to make sure we can afford these and also keeping taxes low while trying to run the Town efficiently and effectively as possible. She asked for questions.

Jean Noel stated Michelle gave a great presentation and asked with the \$444,000 being taken out of "rainy day" fund which she thinks is the over tax fund, there is a remaining \$3.9 and the answer was yes. Mrs. Noel asked for the Highway's rainy day or over taxed fund is \$1.8m so between those 2 funds together the Town is sitting on \$5.7m in money the taxpayers have paid to have this comfortable way of balancing budgets. She asked is there any fiscal oversight by the controller that allows a ceiling or a limit you can collect because people are burdened by high taxes, delinquent properties to have this amount of collected taxes not being spent in her view is over taxation. Town Accountant Summers replied some of that money referred to is not unreserved meaning there's commitment like prepaid expenses and things for the end of the year but you're talking about whether or not the State Comptroller has guidelines she said no, they do not but a new thing that came up this year is a stress evaluation, about 50% of the stress evaluation is based on the fund balance and because the Town has a healthy fund balance we were not in stress. Mrs. Noel said citizens are in stress paying these taxes and does not bring her comfort. Town Accountant Summers continued to say the NYS Comptroller looks at your cash balance and fund balance those 2 things determine if the Town is in stress. They have said the Town is not in stress. Mrs. Noel asked about cash balance? Ms. Summers stated it is the cash amount the Town has.

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Mrs. Noel asked is that different than the \$1.8m and how much cash does the Town have. Ms. Summers stated it fluctuates everyday based on the last Budget; she would have to pull the annual report. She explained cash comes in with taxes we collect taxes that is our cash balance as we expend money the cash goes out. Mrs. Noel stated cash balance is anticipated revenue by taxation of this \$7,882,000 the daily tally. She asked how we feed the rainy date fund again and how did it get fed if we are spending at a level we're taxing and how long has that happened. Councilman Tierney explained years back the Town would receive \$800,000 a year in mortgage tax revenue the Town now gets \$200,000 when and if it goes back we'll have \$600,000 more a year. Mrs. Noel asked the increase of spending is \$3.36m in the General Fund? Michelle replied that is the increase in taxation she does not have the information but can provide it. Councilman Greene stated the unassigned fund balance is not \$5m it's \$3,212,000 according to the annual report. Mrs. Noel heard and asked if \$3.9m remains after the \$444,000 comes out of the General and \$1.8m remains in the Highway adding to \$5.7m. Councilman Greene explained a lot is assigned, this is unassigned which is your unassigned Fund Balance total there's nothing unassigned with Highway. Town Accountant Summers explained part of the Fund Balance she was talking about is a reserve debt service, future Capital projects and subsequent years so not all the fund balance is unallocated. Mrs. Noel asked how much is unassigned for Highway and General Fund. Ms. Summers replied in Highway there is none unassigned it's all assigned; Highway Funds have to be spent on Highway and considered assigned. The unassigned as of 2012 are part of the financial statement is \$3.69m. Mrs. Noel asked how we have \$3.9m left. Ms. Summers stated the figure she gave included restricted, non-spendable and assigned.

Maureen Fleming asked about the law part of the budget, contractual law prosecutor and law/other services. In 2013 Budget law contractual was \$125,000 this year \$149,000 was spent and the law contractual dropped to \$87,000 added a law prosecutor at \$75,000 and have other services she asked the difference in the different lines and where the \$75,000 came from. Town Accountant Summers explained law contractual for 2013 includes expenses for Municipal Court referring to page 6, they choose to break out those expenses with the law contractual and law prosecutor for greater transparency and get a handle on the expenses to do with the Court versus expenses with the Town. Supervisor Doherty stated the previous accountant put \$18,000 under Courts when they started taking the prosecutions they thought it would be that much, it comes to much more for Court actions half of that money comes back. Maureen Fleming asked if the \$45,000 is not Town Attorney related but other law firms regarding lawsuits and negotiations. Ms. Summers said yes. Maureen Fleming asked why it would go up significantly from 2013 where we budgeted \$30,000. Ms. Summers stated we budgeted \$30,000 and are already at \$37,000. Maureen Fleming said she sat in the original budget meeting and there were no increases in salaries of elected officials the latest budget of October 31<sup>st</sup> there's a 1.75% for everybody but the Highway Superintendent she asked what happened. Ms. Summers said the initial budget is the Supervisor's budget it did not have increases then the budget goes to the Town Board they make changes and the Town Board made that change. Councilman Tierney stated he voted for a raise.

Jim Mulvena asked about Line Item 1990 contingency, page 14, we are budgeting \$91,500 contingency contractual does that mean we have a contract in place for \$91,500. Ms. Summers explained contingency is for unexpected expenses, 400 lines are contractual it's just where you put those expenses. Jim asked if we are doing different accounting when you look at 2011 and 2012 actual there is no money. Ms. Summers stated the way contingency works is you budget it but you cannot spend from contingency line so budget transfers are made to move it to the line you would want to adjust you decrease the contingency and increase line you need to spend from. Mr. Mulvena asked was there never a line item for contingency prior to 2013 because sees zero. Ms. Summers said it would be zero at the end of year you can never expense from the contingency line so you transfer the budgetary amount to another expense line. Jean Noel referred to Page 17, Safety Inspection, Personnel Equipment, Contractual amounts to \$148,000 she asked what Department is that. Ms. Summers replied Building Inspector. Supervisor Doherty asked if there were any additional questions. There were none.

### **Resolution #372 - Close Public Hearing on 2014 Budget**

On a motion by Supervisor Doherty

Seconded by Councilman Tierney

Resolved: The public hearing on the 2014 Budget was closed at 7:30 p.m.

Motion carried unanimously

**Salute to the Flag** – Supervisor Doherty called the meeting to order with the Salute to the Flag.

### **Resolution #373 -Approval of the 2014 Budget**

On a motion by Supervisor Doherty

Seconded by Councilman Tartaro

Resolved: The 2014 Budget was adopted as submitted.

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The Board took a poll vote as follows:

Councilman Greene – nay      Councilwoman Osborn – aye  
Councilman Tartaro – aye      Councilman Tierney – aye  
Supervisor Doherty – aye  
Motion carried

The board proceeded to discuss all items listed on the workshop agenda.

At 8:05 p.m. Supervisor Doherty called the town board meeting to order.

### **Roll Call**

Supervisor Doherty – present      Councilman Greene – present  
Councilwoman Osborn – present      Councilman Tierney – present  
Councilman Tartaro – present

### **Resolution # 374 -Add Items to the Agenda**

On a motion by Councilman Tierney

Seconded by Supervisor Doherty

Resolved: Authorize Town Clerk to Advertise for No Parking, Municipal Repairs Highway Trucks and Grader for Highway were added to the agenda.

Motion carried unanimously

### **Resolution #375 - Approval of Vouchers & Claims**

On a motion by Supervisor Doherty

Seconded by Councilwoman Osborn

Resolved: All vouchers #200126349 - #200126439 and claims received from:

1. City Carting	\$4,565.17	Lake Carmel Garbage
2. D.Owens Electric	\$20,700.00	WD#1 Generators
3. Global Montello Group	\$6,197.91	Diesel Fuel
4. H.O. Penn Machinery	\$2,565.38	Backhoe Repair
5. Mitchell 1	\$3,240.00	Renewal of Software
6. NYCOMCO	\$2,604.00	2-Way Radio: Police
7. Peckham Materials	\$16,625.94	Blacktop
8. Putnam County Sheriffs Dept.	\$5,133.99	Connetix, Inc. Live Scan
9. Timothy J. Curtiss, P.C.	\$8,381.25	October: Traffic
	\$6,468.75	October: General

In the amount of \$586266.98 may be paid.

The Board took a poll vote as follows:

Councilman Greene –aye      Councilwoman Osborn – aye  
Councilman Tartaro – aye      Councilman Tierney – aye  
Supervisor Doherty – aye  
Motion carried unanimously

### **Resolution #376 - Authorize to Advertise “No Parking”**

On a motion by Supervisor Doherty

Seconded by Councilwoman Osborn

Resolved: The Town Clerk is authorized to advertise for “No Parking” on town roads from November 15<sup>th</sup> to April 15<sup>th</sup>.

Motion carried unanimously

### **Resolution #377 - Municipal Repairs – Highway Truck #13, #27 & #29**

On a motion by Councilman Tierney

Seconded by Councilman Greene

Resolved: Municipal Repairs is authorized to make the repairs to Highway Trucks #13, #27 and #29 to replace all worn hydraulic hoses and fittings not to exceed \$4,054.00.

Motion carried unanimously

### **Resolution #378- Municipal Repairs – Highway Grader**

On a motion by Councilman Tierney

Seconded by Councilman Greene

Resolved: Municipal Repairs is authorized to replace two front tires and 1 rim for the 301 side highway grader not to exceed \$4,000.00.

Motion carried unanimously

### **Resolution #379 - Adjournment**

TOWN BOARD MEETING OF NOVEMBER 7, 2013

On a motion by Supervisor Doherty

Seconded by Councilman Tartaro

Resolved: The town board meeting of November 7<sup>th</sup>, 2013 adjourned at 8:10 p.m.

Motion carried unanimously

Respectfully submitted,

Yolanda D. Cappelli

Town Clerk