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**COUNTY OF GREENE
TOWN OF NEW BALTIMORE
PUBLIC HEARING FOR 2014 PRELIMINARY BUDGET
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OPENING OF PUBLIC HEARING FOR 2014 PRELIMINARY BUDGET

Supervisor called to order the Public Hearing at 7:04 pm, followed by Pledge of Allegiance. Attending: Councilwomen Benway and Finke, Councilman Norris, Highway Superintendent Jordan, Town Clerk Brooks, Deputy Town Clerks Loux and Jordan, and 19 members of the public who signed the attendance sheet. Absent: Councilman Meredith.

Supervisor reviewed the Preliminary 2014 Budget which has been in the Town newsletter and on the Town website, www.townofnewbaltimore.org.

Briefly, changes in General Fund Expenditures from 2013: Personal Services, Court Salary down \$14,500 due to change from one full- and two part-time employees to one full- and one part-time; with a few other items a total decrease of \$18,700. Employee Benefits will rise \$7,400 due to retirement and health insurance. Departmental Services will decrease by \$3,500 due to end of expenditures of court grant savings, Justice Contractual, Tax Collector, Animal Control and Building Inspector. Professional Services are expected to decrease by \$3,000. Centralized Services is expected to have \$3,000 increase due to change in Preliminary Budget. Special Programs will decrease by \$3,200. Transfer to the Highway Fund will decrease \$14,964. Total decrease in Expenditures from 2013 is \$51,970.

Revenues: small decreases are planned for PILOT, Special Franchise, and Interest Payments, and a decrease of \$30,000 in Court Fines, and \$4,000 in Mortgage Tax. An increase is expected in Dog License, Tax Penalties, and State Aid. Total change in Revenues is a decrease of \$53,948. To balance the Expenditures in the 2014 Budget, an increase in taxes of \$1,978 will be needed, and an Appropriated Use of the Fund Balance of \$57,295 or \$21,000 less than appropriated use in 2013.

Highway Fund Expenditures: Person Services will decrease \$1700 for not plowing the fire district parking lots; this changed in Preliminary Budget and was added back in. Employee Benefits are expected to increase \$5500 due to health insurance and retirement. General Road Repairs will have a \$29,000 decrease and Capital Repairs will increase \$29,000 due to the increase in CHIPS funds received by the Town. Machinery Equipment will decrease by \$7,000, fewer repairs are needed as older equipment is replaced. Snow Removal Contractual will decrease \$3,000 due to the savings of not salting fire districts parking lots; this was changed in the Preliminary Budget and was added back in. Total change to Expenditures is a decrease of \$5,496 from the 2013 Budget.

Revenues: Revenues will stay level except the transfer from General Fund will decrease by \$14,900. There is no Fund Balance appropriated in 2013, or a savings of \$20,000 in the Appropriated Fund Balance from 2013 Budget. No tax increase is planned for 2013 for the Highway Budget.

Supervisor did not review all the special funds; all information is on the Town website.

Overall, tax levy change is \$1,908 increase in General Fund, or overall \$4.10 per \$100,000 assessed-value home. The Chargebacks are down \$9,000 resulting in a decrease of \$4.11 per \$100,000 assessed-value home. Therefore, the overall Town-wide tax rate is a decrease of \$.01/\$100,000 home.

Fund Balance: The General and Highway Funds are expected to end with \$451,829 combined balance. \$573,565 will be the total of the Unreserved Fund Balance in the Town. The Town-wide reserved funds are \$80,001.

The proposed 2014 Tax Rate is same as 2010. From 2010, the Town has grown its assessed value by over \$3,000,000 while the tax levy has increased by \$16,609. Again, the tax levy is the total amount of dollars the Town needs to operate the Town.

The General Fund and Highway Fund Balances in 2010 were \$451,829; since then only \$23,588 of the Fund Balance has been used, less than 6%, or 1% of Fund Balance per year.

Supervisor asked for comment from the Board. Councilwoman Benway said the Town is running as tightly as possible; there is not much to cut. Councilman Norris added this is his 6th budget cycle, it is fiscally conservative according to NYS Comptroller's Office report, and they've done a good job of keeping Town taxes low and keeping services. Councilwoman Finke said she was good. Supervisor asked speakers to please state their names.

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William Burns, US Rte 9W- In reviewing flyer, found one point he couldn't believe; he has always a strong supporter of fire companies who put their lives on the line and believes cutting out \$1700 and \$3000 for the parking lot is not right. He hopes it is put back in.

Rob Van Etten - asked where is reserve Fund Balance last year going to be? Where will it be when Budget is done? How much will it change when the dust settles? Supervisor offered to get back to him, in the absence of her budget message. Clerk Brooks asked to clarify which Reserve Fund, or General or Highway Fund's Fund Balance. Rob asked for General Fund's Fund Balance, adding that every year it has been going down. Supervisor clarified no, not in her term of office, adding that Reserve Funds are different, Town has added to them, and is he referring to the change in balance since 2012. Supervisor added she is anticipating use of Fund Balance to balance the 2013; the Fund Balance has not gone down each year since 2010. The Budget is complete on website; go to Fund Balance in the tables.

Ann Marie Vadney, 48 Rocky Road- it difficult to determine what is the actual amount left, looking at years ago was about \$450,000, now about \$200,000, adding if there is this much confusion it should be identified in a clearer manner, what the reserve fund is. Supervisor referred to the Fund Balance table, sheet called Fund Balance, the sheet will show General Fund, Highway Fund and each of the special districts and each of the reserve funds, showing what the Town had in 2011 and where we anticipate through 2013. Supervisor added that for 2013 the anticipated use is \$65,000; the historical use is in the table.

Ellie Alfeld, Independence Lane- asked for clarification: can the Town only maintain a certain amount of fund balance, which we are well inside of? Supervisor answered the Town was audited several years ago and had a guideline similar to 15% ratio; some rules have changed and the Comptroller's Office does not do that anymore. Now, thru the Comptroller's Office's fiscal stress monitoring, Town of New Baltimore received a very high score for very little use of the Fund Balance and the size of the Fund Balance. Ellie asked if Comptroller's Office had found a problem with the Town doing the fire company snow removal; they should be responsible for their own. Supervisor said the Comptroller's Office had not weighed in; Town attorney brought to the Town Board's attention that, if audited town records reflected that we were picking up a service for another entity without a justifiable reason, Town might be found to be in error. So, Town Board asked fire companies to substantiate a reason to plow for them not to embarrass them, we think they do a wonderful job for the Town. Ellie said that was not at the issuance of the Town Board. Supervisor confirmed the Town Board is doing what it needs to do under NYS law.

Nick Jenny, Cardinal Lane- regarding the budget, the Town doesn't do very much and doesn't spend very much. In his job he deals with the fund balances and likes to think he could shed light, but the conversation becomes more and more complicated among folk who know what they are talking about. More about the unreserved fund balance. While he is not an accountant, there was comment regarding what Comptroller's Office thought was proper; it is sort of left up to the entity to determine that proper amount, certainly New Baltimore's Fund Balance would, by all standards, be considered very ample; it is a strange thing to leave money lying around year to year without a particular purpose, but you want it because things happen, and you want to have a bank account in place, and using small amounts to not increase taxes is a perfectly valid use.

Rob Van Etten, Saw Mill- understands that \$65,000 is taken from reserves to keep taxes down. Supervisor explained not from Reserve accounts, but from the Fund Balance; Supervisor, continuing Nick Jenny's remarks, explained that accounts must be labeled in certain ways per Comptroller's Office; Town's Reserve accounts are set aside with a particular purpose (highway, building, sewer district) and can only be spent for those certain reasons for which they were set aside; other than that designation is a 'savings account'. \$65,000 was budgeted for use in 2013; Supervisor said when she was first in office in 2010, quite a bit more Fund Balance was budgeted, maybe \$100,000 of Fund Balance was budgeted. What she anticipates is down; what the Town actually used of the amount that was budgeted in 2010 and 2011 wasn't needed, and so

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it was added to the Fund Balance. Rob asked, to be clear, the 'rainy day fund' hasn't gone down? No, said Supervisor, it has stayed pretty much the same; averaged over 4 years, we've used about 1% a year, or 6% over 4 years. Rob asked \$65,000? Supervisor answered that \$65,000 is what is budgeted, down quite a bit from years past of over \$100,000 Appropriated Use of Fund Balance, but what you budget and what you actually use at the end of the day are not always the same; sometimes Expenditures are less, sometimes Revenues are more; we don't have a crystal ball. Rob misinterpreted and thought the overall reserve was on its way down. Supervisor reviewed over four years, used just about 1% per year or 6% of entire Fund Balance over four years.

Councilwoman Benway remembers, years back, the Comptroller's Office saying we had too much in Fund Balance. Supervisor believed that was same time that Ellie Alfeld had referred to. Supervisor has seen that audit in the files. Ellie added it was like walking on eggshells with amount. Supervisor added the Town does not want to have taxpayer dollars just lying around; at the end of the day we'd like to have the exact dollar amount we need but, without a crystal ball, how much snow will we have, how much snow to plow? We use past history and guidelines and the wooly bears, cost of gas and paving material.

Councilman Norris asked to set record straight: in the October 14, 2013 Regular Meeting, the Town Board restored the money to plow New Baltimore Fire District's parking and apron in the 2014 Town Budget. In his sixth budget cycle, every year the Board applies a certain amount of Fund Balance, *rainy day* fund, to the budget as a budget mechanism to offset some expenses and hopes not to have to use it. We do not use it that much, other balances reflect a healthy balance sheet, reserve fund for buildings and parks are for certain things, in his experience it is used at beginning of year, helping to keep taxes low, and not much at the end of the year. Some towns don't have a rainy day fund; the last thing we want to do is borrow money if something breaks down or to solve a problem. We're in a nice position with healthy funds in General and Highway. Basically, it is the taxpayers' money put into savings, used to help fund the budget, hoping to never use, and then, fairly, giving back to the taxpayer as an aid to keep taxes low. Perhaps one would say there is too much in the Fund Balance; he believes it is healthy balance for emergency, maintaining low taxes and our services. Our supervisor has done a good job of putting together and Town Board has done good job of maintaining it.

Supervisor received one letter to read; from Melanie Wagner, Staco Road- has met with Supervisor and Highway Committee. She asks that dirt roads receive some attention; entering town on 112, the road turns to gravel and potholes and is dangerous and embarrassing; no one wants taxes to go up. Highway Committee has advised her of the rising cost of paving, cannot keep asking for more services without paying for them.

Councilwoman Finke said she didn't know the fire companies use salt. Highway Superintendent Jordan confirmed that they do.

Hearing no further comment, **Supervisor moved to close the Public Hearing and was seconded by Councilwoman Benway.** No further discussion. The adoption of the foregoing Motion was duly put to a vote, and upon roll call, the vote was as follows:

BENWAY-AYE	FINKE-AYE	MEREDITH-Absent
NORRIS-AYE	O'RORKE-AYE	

MOTION CARRIED

The public hearing was closed at 7:32 pm.

Respectfully,

Janet A. Brooks
Town Clerk