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TOWN BOARD
SEPTEMBER 27, 1993

A special meeting of the Town Board of the Town of Bethlehem was held on the above date at the Town Hall, 445 Delaware Avenue, Delmar, NY. The meeting was called to order by the Supervisor at 4:00 p.m.

PRESENT: Kenneth J. Ringler, Supervisor
Frederick C. Webster, Councilman
M. Sheila Galvin, Councilwoman
Charles Gunner, Councilman
Sheila Fuller, Councilwoman
Kathleen A. Newkirk, Town Clerk

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Presentation
1994 Tentative
Budget

SUPERVISOR RINGLER: Today the Tentative 1994 Budget is officially being presented to the Town Clerk for consideration by the Town Board and by the public. Based on these reviews and upon a series of workshops held with the Department heads, changes will be made as necessary. A public hearing will be held on Wednesday, October 20 at 7:30, that is if the Board passes a resolution to do that this afternoon, followed by the budget's official adoption before November 20, 1993 and that is prescribed by State Town Law.

We have attempted to prepare a budget that is... in a fiscally responsible manner, similar to how individuals desire to limit their personal spending to their available resources, we have always tried to limit our spending as well, seeking to avoid the need to incur debt which ultimately costs us more money. We have considered the Town's obligation to maintain its infrastructure from its water and sewer system to its recreational facilities.

We have tried to anticipate but current and future needs and have sought to create reserves to fund these needs as they arise. I would like to take a moment to recap some of the events affecting our Town's finances. Anticipating a reduction in sales tax revenue in the fall of 1993, it was relief to hear the County's decision to continue the 8 percent sales tax through all of 1994 and into early 1995. Different government entities are still attempting to pass additional costs to the Town or to reduce our revenues. Investment interest rates remain at a very low level and we do not expect significant improvement in 1994. Without the continued 8 percent sales tax, we would have been faced with a significant increase in the general fund tax rate or a potential decrease in Town services. The sales tax money could have been treated as a windfall creating an atmosphere for imprudent spending, however, in fairness to our residents, we wanted to keep the general and highway tax fund at or below 1993 levels.

We also wanted to apply the monies from the additional 1 percent sales tax to items that would provide long term benefit to our residents. To minimize our need to incur debt for capital items, we opted to create reserves for future capital needs and to proceed with overdue maintenance and repairs that had been deferred prior years due to lack of funding. We continue to advocate a management style of total quality government. We are constantly seeking ways to operate more efficiently thereby making the most of tax payer resources.

To enable us to continue to deliver services our residents expect, certain personnel changes are recommended in 1994. An additional police officer is recommended to alleviate the case load for the detectives. There were 3 detectives in the early 1970s and there are still only 3 detectives in 1993. This creates a burdensome situation given the investigatory duties almost doubles in this time frame. Two part time telecommunicators are recommended due to the increase demands on the Town as a PSAP for the 911 system. Given the greater technical skills that are required, it is no longer feasible to use police officers as substitutes. One additional part time animal control officer is necessary to relieve the demands created by the rabies outbreak. This will restore to us the previous staffing levels that were in place before reductions were made during the fiscal crises of several years ago. And, that is in the animal

control area. We are just recommending we bring that back to where it was due to the current situation.

A part time outreach worker is needed in Senior Services. The increase in our senior population has placed a greater demand on this office and there is continued demand to help our low income and rural residents access the programs and services to which they may be entitled.

The Department of Public Works needs one additional engineering aid to handle the increased volume of field inspections, surveying and drafting work. As an aside to that one, that has been in the budget request for the last 4 years and during those times, I have eliminated it but during those periods of time, we have also had to put off a lot of work that should be done. They just can't keep up with everything at this point in time and that is why it is being put in now.

A new plant operator is required to staff the soon to be constructed water expansion facilities.

Due to the pending completion of LUMAC's report, the staffing in the Planning Department will be decreased from 4 full time employees to 3.

Other departments will work at existing staffing levels, coping with the increased demand for their services by working more efficiently, including automation of many activities.

The budget provides for an increase in Town employees salaries of 4.5 percent which represents the estimated increase in the 1994 cost of living. Note that over the past 2 years, the total increases to Town employees have been less than current inflation rates. By judiciously using the additional sales tax monies for the benefit of our residents, the tax levy in the general fund will decrease approximately \$103,000 from \$1,037,618 in 1993 to \$935,000 in 1994. Although the tax levy in the highway fund will increase by 2.5 percent, because of the decrease in the general fund, there is an overall decrease in the town-wide tax levies of approximately \$37,000. There will not be a change in the tax rate for Water District Number 1. There will be a modest increase of 2.3 percent in the Delmar Elsmere Sewer District. Please note that under our procedures and laws for water and sewer, the highway, water and sewer funds do not share in any sales tax revenues.

With the Town Board's repeal of the homestead act on September 22nd, there will be a return to a uniform tax rate for both residential and commercial tax payers. The uniform tax rate in the general fund will approximate \$.49 per thousand of assessed valuation in the uniform highway fund rate will approximate \$1.44 per thousand. To put these figures into tangible examples, if an individual's homestead property is assessed at \$130,000, their 1993 taxes excluding county and special districts were \$395.11 versus \$411.69 in 1994 representing 4.2 percent increase. If a non-homestead property is assessed at \$130,000, its 1993 taxes excluding county taxes and special districts were \$454.20 versus \$410.29 in 1994 representing a 9.7 percent decrease.

For the public's information I would like to announce the dates of the work sessions which are open meetings. Monday, October 4th at 7:30, Data Processing, the Assessor, Parks & Recreation, Senior Services, Building, Police, and Communications. Tuesday, October 5th, 7:30, Highway, Recycling, Garbage, Refuse, Public Works, Engineering, Water and Sewer and Tuesday, October 12th -- and that is a change from our original note -- at 7:30 p.m. all others if necessary.

A public hearing will be held on October 20th at 7:30 p.m. I would now like to ask our Comptroller to provide some of the highlights of the various funds. Judi, you can just turn that around, I think. You don't have to stand.

MRS. KEHOE: I have never been known for being soft spoken anyway.

Appropriations in the general fund will increase by approximately \$637,000 or 7.6 percent. This increase cost is due to the following considerations. Personnel costs have increased approximately \$346,000 which represents 54.3 percent of the increase in appropriations. This is comprised of the 4.5 percent raise plus increments plus the net increase in positions as described earlier.

Nonrecurring expenditures for deferred maintenance, capital improvements and the creation of reserves increased approximately \$348,000 which represents 54.6 percent of the increase in appropriations. This consists of the following. Under the category of reserves, was budgeted \$130,000 for the remarketing of the pools at the Elm Avenue Park and we budgeted \$100,000 for the retirement system reserves. Deferred maintenance of \$86,000, capital investment of \$32,000 for a total of \$348,000. Note that other expenditures for contractual items actually decreased approximately \$57,000 or 8.9 percent. These 3 items combined represent the net increase of \$637,000.

Within personnel costs, note that despite the fact that workers compensation rates have risen 14.4 percent, the Town will actually incur a decrease of 7 percent in 1994 due to its excellent safety record.

Within reserves as we discussed last year, the New York State Retirement System lost a law suit with state unions, therefore requiring them to forego the projected unit credit funding method which resulted in the lower contribution to the retirement system, and resuming use of the previous funding method where contributions more closely related to actual benefits earned by its members in a current year. New York State is appealing the decision but it is likely that municipalities will be forced to pay sizeable contributions to reinstate the fund to the levels that would have been achieved if the State had not changed the retirement funding in 1989. It is estimated that the contribution required by the Town to make up for this short fall will exceed \$2,000,000. In anticipation of the significant pay out the Town has created a reserve to partially fund this bill when it is received in hopes of minimizing our financing requirements. In the unlikely event that the State's appeal is successful and we are not required to make a retroactive contribution, the Board may elect to designate this reserve for other, more appropriate needs.

The proposed recommendations by the Capital Projects Committee have been factored into the 1994 budget. These recommendations include the creation of a reserve for the remarketing of the pools at the Elm Avenue Park in 1995 equal to \$130,000, payment of \$156,000 for improvements at the municipal training facilities, payment of \$25,000 for pool covers at the Elm Avenue Park to reduce wear on the pools surfaces and ultimately to save money by requiring remarketing to be done less frequently.

The highway fund appropriations have increased by approximately \$114,000 or 3.4 percent. There are no major increases of significance in the highway appropriations. The increase is based upon the proposed salary increase and inflationary increases in operating the department. Some expenses and revenues will have to be adjusted in the highway fund if the State of New York does not provide the anticipated monies through the CHIPS program or the dedicated highway fund. This is still unknown, however, if these funds are lost, a contingency plan will be adopted and the Superintendent will have to reduce the amount of paving work to be done in 1994.

The water fund appropriations show an increase of approximately \$288,000 or 8.6 percent. This increase is primarily due to increases of water rents paid to the City of Albany of approximately \$115,000 due to an increase in the volume of water purchased and also an increase in the water rates. Debt service costs for interest during construction of the major water facilities have increased due to the additional amounts borrowed as construction progresses, equal to about \$149,000. The increase in appropriations will be funded by a requested increase in industrial work rate from \$1.07 per thousand gallons to \$1.14 per thousand gallons. There is no increase in the

general water district tax which will remain at a rate of \$.75 per thousand of assessed valuation. There is also no increase in the residential water rate.

The sewer budget appropriations have remained relatively constant showing a decrease of \$1600. The increases in personnel costs due to the cost of living adjustment plus increments have been largely offset by reductions in purchases of equipment. However, due to a decrease in non-property tax and user charge revenues of \$29,000, there will be a slight raise in the property tax and the water use surcharge rate of approximately 2 percent for both the Delmar/Elsmere Sewer District and the Bethlehem Sewer District Extensions. The decrease in non-property tax revenues reflect the declining balance in the debt service reserve fund. The tax rate in the Delmar/Elsmere Sewer District will be approximately \$.48 per thousand versus \$.47 in 1993 and the rate in the extensions will approximate \$.53 versus \$.52 per thousand in 1993. The water use surcharge rate will be approximately \$1.357 per hundred cubic feet versus \$1.33 per hundred cubic feet in 1993.

SUPERVISOR RINGLER: Thank you, Judi. You all have a lot of material to start going through before our meetings start next week and we will be doing that, as I said, at the beginning of the meeting, October 4th at 7:30; October 5th at 7:30; and if necessary October 12th at 7:30. Also included on today's agenda is an item to set the public hearing on the budget which would be recommended for October 20 at 7:30 p.m. Anyone like to offer that resolution?

The motion was made by Ms. Galvin and seconded by Mrs. Fuller to set the public hearing regarding the Preliminary Budget for the year 1994 of the Town of Bethlehem for October 20, 1993 at 7:30 p.m. at the Town Hall. The motion was passed by the following vote:

Set Public
Hearing
1994
Preliminary
Budget

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Ms. Galvin,
Mrs. Fuller.
Noes: None.

SUPERVISOR RINGLER: Is there anything else anyone would like to discuss today? If not, I would entertain a motion to adjourn.

The motion was made Ms. Galvin and seconded by Mr. Gunner to adjourn the Special Town Board Meeting at 4:15 p.m. The motion was passed by the following vote:

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Ms. Galvin,
Mrs. Fuller.
Noes: None.

Kathleen A. Newkirk
Town Clerk