

2023 Budget Workshop
September 13, 2022
6:00 p.m. Keene Community Center Pavilion

BOARD MEMBERS PRESENT: Joseph P. Wilson, Jr., Town Supervisor, Robert Biesemeyer, Deputy Supervisor, Teresa Cheetham-Palen, Council Member, David Deyo, Council Member

TOWN OFFICIALS PRESENT: Reginald Whitney, Highway Superintendent, Dean Smith, Deputy Highway Superintendent, Savana Li, Water Superintendent, Kimberly Smith, Town Clerk

MEMBERS OF THE PUBLIC PRESENT: Donald Smith, Bill Ferebee, Andrew Wadsworth, Ann Whitney

Supervisor Wilson handed out copies of the 2023 Tentative Budget to the Town Board Members, the Town Clerk, and to members in attendance.

SUPERVISOR WILSON called the workshop to order at 6:00 p.m.

Supervisor Wilson began the meeting with an overview of the tentative budget. He announced that the tax cap number for 2023 is \$1,978,402. That is \$48,000 in new money.

Mr. Biesemeyer asked what the 2022 Budget number had been. Supervisor Wilson stated that it was \$1,929,478 for the current year.

Supervisor Wilson explained that they have not heard from the Health Care Insurance yet, but that they had originally asked for a 14% increase. That amount is subject to change. It has to be approved by NYS. In the past few years, NYS has not allowed big percentage changes. The amount that was used for the 2023 Tentative Budget was a 10% increase as a working number. He explained that once they get the accurate percentages, the Health Care Insurance figures may change.

Supervisor Wilson stated that the interest is going up in the CLASS account and that the revenue in the Highway Fund went up this year. They brought in double this year from rentals. He also stated that the Court Revenue is still strong for the year.

Supervisor Wilson discussed the Cost of Living Adjustments (COLA). The current Tentative Budget was figured with a 3% COLA for employees. He stated that there were staff members that had approached him with a request of a 5% increase. Because of this, he also configured how much it would add to the budget. If full-time and part-time employees (not to include elected officials, appointed officials, or summer staff) were to get the 5% increase instead, the budget would be increased by an additional \$13,000. The 3% is already factored in.

Supervisor Wilson explained that with the 2023 Tentative Budget numbers that were before them the budget is over the cap by \$141,000. With factoring in the \$48,000 that is allowed, it would put them at \$93,000 over. With the new revenue in the highway and the CLASS interest it's not that bad. They are usually always over initially with the Tentative Budget figures. Because of that, he thought that the staff raises of 5% were within reach.

Mr. Biesemeyer confirmed that it was not with the correct figures for Health Insurance, so it could go up or down.

Mr. Deyo stated that it is too early to decide the COLA percentage until they know what those Health Insurance percentages are.

Supervisor Wilson stated that the Transfer Station Revenue had decreased this year and the trash and hauling expenses had gone down. So he wanted to wait and get another round of bills to see if it was just delayed.

Supervisor Wilson stated that now that all of the background was out there, he asked what the Board Members wanted to do next. Did they want to go line by line?

Mr. Biesemeyer stated that it was too early to go line by line.

Supervisor Wilson stated that the only place in the General Fund that they have significant changes was the Youth Commission. The Youth Commission has been really active. They had a busy summer program with extra staff and pay increases. In personnel for the Youth Commission they were almost \$8,000 over budget. He needs to speak to the Youth Commission Board to plan more accurately for next year.

Mr. Deyo stated that he felt the board got held over a barrel a little bit at the end of the hiring. His kids went to the Youth Commission over the summer and he picked them up each day. He was not as impressed this year as he had been in years prior. He did not think they received as good of services there.

Supervisor Wilson stated that on the up side, by purchasing the plastic liner for the hockey rink it was a savings. The cost of the liner was offset by the decrease in the labor.

Mr. Deyo clarified that even though it got destroyed it was still a savings.

Supervisor Wilson verified and stated that even though they need to buy a new one that they had budgeted for \$5,000 for the rink personal services and they used just under \$2,500. They have a strong Youth Commission Board that has scheduled a lot of activities. They had a lot of kids involved. They need to budget with that in mind. That is one area in which they need to make some decisions.

Supervisor Wilson then discussed the Sales Tax figures. In 2021, the sales tax was really strong. For 2022, they budgeted for \$108,000 and they had only taken in \$57,000 at this point. They have another payment due but he did not think it would be \$50,000. So, the sales tax for 2023 was lowered to \$88,000 in the Tentative Budget.

Mr. Biesemeyer asked what percentages of the 8% sales tax go to the State, County, and Town.

Supervisor Wilson stated that he wasn't sure but that he thought the Town got 1%.

Supervisor Wilson then discussed the Highway Budget. He stated that the Machinery Equipment line was increased by \$5,000. He stated that Reggie is working on a capital plan to replace a few trucks. With the lag time in ordering, they would need to make up their minds now in order to get them. He asked Reggie what he was getting for feedback on wait times.

Reggie Whitney, Highway Superintendent, responded and stated 18 months. His plan is to order a Tandem and a 550 Truck.

Supervisor Wilson stated that the \$5,000 should be added back into that line and be ready to move ahead with getting them ordered.

Donald Smith, resident, asked about sales tax at the Farmer's Market. He has bought stuff from there and he does not think that he paid any sales tax there.

Mr. Deyo stated that it was food. There is no tax if it is food.

Mr. Smith stated that it is not all food at the Farmer's Market. He asked if they were losing sales tax money from there.

The Board Members stated that it was not a significant amount that is sold at the Farmer's Market.

Supervisor Wilson stated that they charge the Farmer's Market and it is on the vendor.

Andrew Wadsworth, resident and employee, asked if there is a difference between restaurants and groceries as far as sales tax.

Mr. Deyo responded and stated that if it is grocery and it's prepared, it's 8%. If it's not prepared you don't pay anything. At the Farmer's Market, most of it is unprepared stuff. If you purchase something from the food truck (Brisket) you should be paying sales tax there because it is prepared.

Mr. Smith stated that Baxter Mountain restaurant was closed for some of the summer so maybe they lost sales tax revenue there.

Supervisor Wilson stated that with the importance of sales tax, their new Stewart's that has an extended capacity had seen an increase in revenue. He did not see that exact figure from the Treasurer there but by just expanding the store it had increased.

Supervisor Wilson continued discussion on the Highway Budget. The snow removal contractual cost went up from \$100,000 to \$120,000 in the new budget due to fuel, energy costs, and salt. That is one of the single highest increases, but energy costs are doubling and fuel rates doubled a while ago.

Dean Smith, Deputy Highway Superintendent, stated that sand costs went up as well.

Supervisor Wilson agreed and stated that anything doing with trucking went up. It was a big jump in the Highway Fund but there is nothing they can do about the rise in costs.

Supervisor Wilson went on to discuss the Library Funding. He stated that it was basically staying the same.

Supervisor Wilson then moved on to discuss the Water Districts. He stated that Savana Li, Water Superintendent, and himself tried to come up with predictions for the districts. Until they get further into the bonding process, there is just no way to accurately come up with potential rates. They could not come up with a number for Water District #1 that they felt comfortable with, and that's the easier district. In Water District #2, it's just too soon to know. They have got to drill that well first and then that will tell them a lot.

Mr. Biesemeyer asked when that was supposed to happen. (drilling the well)

Supervisor Wilson stated that they would be discussing that in the Town Board meeting.

Supervisor Wilson went on to discuss parts of Water District #1. The line for Contractual Expense went from \$20,000 to \$40,000 and that is due to energy costs. There are some repairs to pay for like the propane system. In Water District #1, the existing bond is there and they also have to factor in the new bond. There will be another line added for the new bond on another debt line. They cannot add it on there yet until they get the figures back from FEMA.

Supervisor Wilson then discussed Water District #2. The increase in the Contractual Expense line is for energy costs. They did not figure in any projects, they took the current energy costs and doubled them. He stated that debt service line 479 will be changing once they get the numbers from the new bond. Until they drill the well and get a sense of how they are going to proceed.....

Mr. Biesemeyer asked if there is anything proactive that they should be doing to try and find money.

Supervisor Wilson stated that it is on the Town Board Agenda to discuss at the meeting.

Supervisor Wilson asked if there were any questions on Water District #2.

Kimberly Smith, Town Clerk, asked if column "K" was really the Tentative 2023 column but labeled 2022. Supervisor Wilson verified that it was. She also asked to have the \$18,500 debt service number removed, as that bond was already paid off.

Supervisor Wilson responded and stated that the \$18,500 was just a placeholder for now and that it would be replaced with the new bond number.

Mr. Deyo stated that all of the pages of the budget said 2022 in that column.

Supervisor Wilson stated that he would have Ashley update the budget column to state Tentative 2023. He also stated that as they get more bills in, he and Ashley will continue to update the revenue expenditures in column "J". They will also put the sales tax information on there when they get it and also the Health Insurance number.

Ms. Cheetham-Palen asked Supervisor Wilson when they would be getting the next set of numbers for the sales tax.

Supervisor Wilson responded and explained that they get those quarterly. They will be getting the summer amounts soon and then they don't get the last quarter numbers until 2023.

Ms. Cheetham-Palen asked about the timeline on the bond.

Supervisor Wilson stated that they can't do anything in Water District #1 until they hear from FEMA and Water District #2 until they see what happens with the well. Those two budgets are going to be a work in progress.

Dean Smith verified that the current 2023 Tentative budget reflects the 3% COLA.

Supervisor Wilson stated that was correct and that if it went to 5% COLA for full-time and part-time year round employees only it would be an additional \$13,327.

Mr. Biesemeyer asked who that included.

Supervisor Wilson stated that it was highway, water, transfer station, buildings and grounds crew, librarian, part-time librarian, clerk to the supervisor, but no Electives and no Appointed.

Ms. Cheetham-Palen asked about the current expenditures in Water District #1 for 2022. It shows that they are already over budget. Where is the money going to come from for the difference and for the rest of the year?

Supervisor Wilson stated that with the bond and the FEMA reimbursement, if they get the \$150,000 from FEMA, first they would take out the bond to pay back the General Fund \$220,000 (that included the interest). Then with the \$80,000 still left from the bond they would complete the projects and pay towards the deficit that they already have for the projects that they already did. They could have \$35,000 to go towards the deficit that they have right now in Water District #1.

Ms. Cheetham-Palen asked if the Youth Commission submitted what they wanted for a budget for 2023 or was Supervisor Wilson planning to sit down with them.

Supervisor Wilson responded and stated that he wanted to look at what they were actually spending. They were already trying to recruit directors for next year, which was good. He did not think that the salary was going to go down for that position. People have already come in and applied for the Youth Director position for next year. They were serving a lot of kids, between the summer program and the two ski programs. In the scheme of things, \$8,000 was a lot of money but if they were serving all those kids and all those residents..... He wanted to get feedback from the Board before he sat down with them to discuss things.

Mr. Deyo stated that he was not opposed to the number but the director was unimpressive, and she got paid well. He stated that this past year they were held over a barrel and that for next year it was good that they were already looking and getting something in place to get a qualified candidate.

Supervisor Wilson stated that the Youth Commission Board already has two candidates for next year, which is great. That would give them a chance to be more prepared in advance for next year. Right now they are getting geared up for Nordic with Tammy and Alpine with Sadie.

Mr. Deyo stated that they both do a great job.

Ms. Cheetham-Palen asked how many children signed up and used the summer program.

Supervisor Wilson stated that it was around 42 kids that were signed up and usually around 32 in attendance per day.

Mr. Deyo stated that it seemed like there were more than that. He did notice more summer residents using the camp program as well.

Supervisor Wilson stated that they normally get that with some grandparents living there and kids coming during summer break. It was a well used program and it was important

to parents who work. When they were in danger of not being able to run it because they didn't have a director, he heard a lot of grief from parents about what they would be able to do. They had to go to work.

With no further questions, the budget meeting was adjourned at 6:35 p.m.

Respectfully submitted,

Kimberly Smith
Town Clerk
Town of Keene