

2023 Budget Workshop
September 20, 2022
6:00 p.m. Keene Community Center Pavilion

BOARD MEMBERS PRESENT: Joseph P. Wilson, Jr., Town 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, Andrew Wadsworth, Aaron Miller

Supervisor Wilson handed out updated 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 6:01 p.m.

Supervisor Wilson stated that he wanted to discuss the water budget first, but before Savana Li, Water Superintendent, started, he gave an update on the water bonding. Savana has her budget worksheets but on the Tentative Budget that he handed out, some of it is really in flux. The Operations piece is pretty well nailed down but the debt piece.....they are in the process of borrowing. When it comes to the debt, he is requesting the assistance of a Municipal Finance Advisor to give him a quote of how much it would cost to give him some guidance with setting up the bond for each district. He wanted to get a quote and then they can roll that into each bond. It is getting beyond the scope of what the town and Community Resources can do without getting some professional help. He wants to make sure they are borrowing the right amount of money and structuring it the right way so that when they set up their billing they know that they are not going to have surprises the way they have been discovering.

Mr. Deyo asked him if he had someone in mind to get a quote from.

Supervisor Wilson replied yes, that the bond attorney recommended someone in Saratoga who just does municipal work.

Mr. Deyo stated that they could get a quote and if it's astronomical they will need to talk about it.

Supervisor Wilson stated that Savana was going to walk them through the Operational piece, but they were not going to get into what the final rates are going to be.

Savana Li began speaking about Water District #1. The Equipment Line has a bit of an increase. They ordered a motor for \$3,500 that was still not there. They needed a portable generator, a metal detector, and tools. They do not have a drill and she frequently has to borrow Roger's impact drill. For Contractual, the utilities, NYSEG, was going to double, propane went up again, SLIC should be about the same, diesel was not as bad (the truck doesn't go very far), phone should be the same. For services, which are going to be under Contractual, there will be some one time charges. There were doors that needed to be fixed, Hometown Electric needed to come in again to do some work to the fans, they needed to do some propane repairs, Egglefields for the truck, Aqualogic was only going to be coming in for the maintenance for the chlorine

analyzer, they will be going with a different company for the control board because their bid came in less, chemicals were going to double in 2023, pillow packs were going up, the reagent kits were about \$60-\$70 each and they used one per month at each district, general repairs and their unforeseen. Also the office supplies were her phone, printer, and computer. The tools will stay. They will each be etched with the Town of Keene, so they will be a one time expense and she will have them to use and leave if she goes. The budget was a lot higher this year, but the following year it should not have to be raised.

Supervisor Wilson stated the Operating appropriations went from \$58,000 this year to \$90,000 for next year. Due to energy costs, chemicals costs, and those one time projects and expenses.

Ms. Li stated that as long as the equipment and tools are taken care of properly, they are not going to have to purchase new ones.

Ms. Cheetham-Palen asked what percentage of the increase is for one time expenses.

Mr. Deyo responded and estimated about 25% of it. Ms. Li agreed. She discussed estimates that she had already gotten on some of the equipment that was needed.

Supervisor Wilson stated that they discussed that after this year, they could keep the rates where they were but they would put some of that money away and start saving it towards replacing tools or buying a truck. Once the one time expenses are over, they would start a reserve so that every time they needed new equipment, they wouldn't need to raise the rates. They would have a small reserve to draw on for one time expenses so that the rates aren't fluctuating all the time.

Ms. Li then discussed Water District #2's budget. She explained that with both Water Districts, the expenses of the tools are divided by $\frac{1}{3}$ out of Water District #1 and $\frac{2}{3}$ out of Water District #2.

Supervisor Wilson clarified and stated that it is basically the same list of stuff that she needs in both districts, but the cost is divided between both of them.

Ms. Li agreed and stated that there were separate NYSEG bills, SLIC, and separate diesel expenses, and utilities.

Supervisor Wilson stated that the truck is shared, the chemicals are shared, and the tools are shared. The list for Water District #2 is the same as some of the things that are needed for Water District #1.

Ms. Cheetham-Palen verified that the Tentative Budget shows Water District #2 going from \$102,777 in 2022 up to \$183,950 for 2023.

Mr. Deyo stated that the huge jumps are the Equipment and the Personal Services. He asked if the Equipment expenditures are prior to the bond.

Supervisor Wilson verified and said yes, the bond in Water District #2.....

Mr. Deyo stated none of this was to be covered in the bond.

Supervisor Wilson answered and said, correct. It is going towards the work that we need to start. He put it on the agenda for next week to engage the hydrologist to locate

the site for well one, and engage the drilling company, and they have some money in hand, in reserve, that they can start planning for that. Their bonding process isn't complete. There is no money for them to draw from yet. So the Operations is separate from the well drilling project.

Ms. Cheetham-Palen asked about the Personal Services and what was included in that.

Supervisor Wilson responded and explained that it is Savana and Morris, and they budgeted because Savana is working on getting her license.

Ms. Li spoke and stated that it included her, Morris, the Town Highway, (for when they dig for them), and for Kim, because she does the water billing. She stated that she checked with Ashley and it should come out of Personal Services and not Contractual.

Supervisor Wilson thanked Savana for bringing that up. They use the Highway Department to help them when possible instead of hiring someone from outside to do the work.

Mr. Deyo stated that it would make sense to do that and keep the money within the town.

Ms. Cheetham-Palen asked where that money comes from now.

Supervisor Wilson stated that it used to come out of Contractual, or they didn't budget for it at all.

Ms. Cheetham-Palen asked for further explanation of what comes out of Personal Services.

Ms. Li stated that she was unsure when figuring her budget, so she asked Ashley. She didn't know if Kim should be configured as Contractual or as Personal Services. After discussing it, they decided that the water billing and the expenditures to the highway should be paid for under Personal Services and not under Contractual. That is part of the reason that the Personal Services line went up.

Supervisor Wilson explained that if they contracted out someone to do the digging, it would be Contractual Services, but if it was their own employees doing it, they would be paid from Personal Services. Some of the increase was reflective of better budgeting, more accurate budgeting and also once Savana gets her water license, she will be getting an increase in her pay.

Ms. Cheetham-Palen asked if there was a way to see the breakdown of those services.

Ms. Li stated that she had it. Supervisor Wilson stated that he had it on his worksheet. He passed it to Teresa and then they passed it to Dave to see the specific breakdowns.

Ms. Cheetham-Palen asked the Supervisor if he planned to reach out to the place in Saratoga that was recommended.

Supervisor Wilson stated that he talked to them on the phone, the Municipal Financial Advisor, and also sent her some details on what they were doing. He asked her to get back to him with scope of services and what it would cost.

Ms. Cheetham-Palen stated that it made sense to her to have someone look into it now while they were setting it up then to find out later that they made a mistake, and then it could be a lot more to fix it.

Supervisor Wilson stated that he would like to avoid any issues with the billing, like what happened in Water District #1. These bonds are going to last a long time and they want to make sure they are set up properly so that they are charging the right people the right amount.

Supervisor Wilson began discussing the Capital Plan. He stated that there were two things pressing them, building wise. One is getting the heat going in the Town Hall, they are making progress with that. The other thing is thinking about the Community Center and what they are going to do there. Little Peaks will be moving out of that building. The Town got an offer from a generous donor to donate a playground. They would like to know what the Town was doing with the building. He wants to give them some feedback.

Mr. Deyo stated that he thought, moving forward, once Little Peaks is no longer there, the building may be more of a liability. He stated that it is an old building, it has an old heating system, and a lot of old stuff in it. He said that it was ancient and it was not in great shape. If they were only going to have Golden Peaks and AA meetings....

Ms. Cheetham-Palen asked if Golden Peaks was still meeting.

Supervisor Wilson and Mr. Deyo stated that it had fallen off. They are not really meeting anymore.

Mr. Deyo stated that with only AA Meetings he did not think that they needed to heat that building for once a week AA Meetings. He stated that he would donate his garage for it.

Ms. Cheetham-Palen agreed and said that they need to ask, what are the needs?

Mr. Deyo responded that they needed bathrooms down there for sure, and the ones there are a poor excuse for them. They are falling apart. And they need a warming hut for the kids during the winter time. He stated that they may want to consider getting rid of the Community Center, downsizing, and making one efficient building about the quarter of the size.

Ms. Cheetham-Palen stated that she was totally amenable to that idea. They would need to really hash out the details.

Mr. Deyo stated that Little Peaks will be there until next spring, so they don't need to make a decision in the next month, but to think about that going forward. To heat that old building they might be better off building something the size of this (the pavilion) with a warming hut and really nice bathrooms that can be cleaned properly....

Ms. Cheetham-Palen stated, and that are handicapped accessible.

Mr. Deyo continued and stated, to move forward with a smaller entity that served the community better.

Supervisor Wilson stated that the Keene Valley Library has some beautiful meeting space now. And both firehouses have Community Rooms. That building (the

Community Center) if they were going to keep it, it was going to take a big investment. What he sees happening there is more recreation. The Youth Commission is out there more, the school is using the fields more, ice skating is remaining popular, so he could talk to a few members of the Master Planning Committees and get some idea generating and to get some feedback. What does the community want?

Mr. Deyo recommended putting a survey out on Nextdoor Keene, and let people respond to it. What do they want to see there? It doesn't cost anything.

Ms. Cheetham-Palen stated that they still have Survey Monkey. They could do a survey there.

Mr. Deyo stated that it doesn't cost anything and they could get some feedback. That could at least give them a roadmap to start with.

Ms. Cheetham-Palen stated that if they look at the Strategic Plan, some of the items in the Strategic Plan would help speak to some of the issues. It would give us some things to incorporate such as accessibility.

Supervisor Wilson stated that the conversation was a great start and to get some feedback.

Donald Smith, resident, stated that he thinks they would get some pushback if they want to tear that building down. That was the original Keene Central School.

Mr. Deyo stated that he knew, and that his mother went there, and that he knew they would get some pushback.

Mr. Smith stated that it was a Historic building and that it is a lot cheaper to restore a building than it is to build one.

Ms. Cheetham-Palen and Supervisor Wilson both said no way. Supervisor Wilson stated that they did engineering, but anyway, it was being discussed because it was budget related.

Mr. Smith stated that he is a carpenter and that he knows.

Supervisor Wilson stated that they were going to have to spend money no matter what they do, so they may as well do it based on what people wanted.

Supervisor Wilson stated that he spoke with Reggie and Dean and that he also spoke with Roger about equipment. They needed trucks for the Highway Department and a tractor for mowing to pull the bat wings for the Buildings and Grounds crew. He stated that they are finding lag time in delivery and increased costs. He asked Reggie to discuss what he had been doing.

Reggie Whitney, Highway Superintendent, stated that he had been working on a lot. The lag time on a Tandem right now is 18 months.

Mr. Deyo asked him if he was able to wait that long.

Mr. Whitney replied and stated no. He has two trucks currently in Plattsburgh that are broken down. He was told that the parts for one of them are on backorder until late October or early November. The other truck had just gotten towed in and he did not

have the diagnostics on it yet. He has three 550's which all have engine lights on, two of which are in pretty tough shape.

Supervisor Wilson stated that he spoke to Reggie to have him find out the real prices and the real delivery times. They looked at the budget, and over the next few years they have room to upgrade the equipment but they need to strategize based on what they can get.

Mr. Whitney verified that the pickup truck was shot as well and he doesn't want to continue to put money into it.

Supervisor Wilson stated that they have close to \$40,000 available and Mr. Whitney was looking into whether he could even get a pickup truck, and if so, what would be the cost. They would need to make up the difference out of the current year's budget to get that truck.

Mr. Whitney stated that they needed to get on a regular schedule with the trucks. If they can trade them or however. Right now, the way that it was working they have to drive them until they are 20 years old.

Ms. Cheetham-Palen stated that she thought they had an Asset Management Plan.

Supervisor Wilson stated that they had a really good one in the General Fund but that they sort of tried to form one.

Mr. Deyo stated that the Supervisor tried to create one with Scott but that it was kind of hard to nail down with this sort of equipment. But like Reggie said, if you drive them until they are dead, that's not a good plan. One truck might run good for four years and the next one might run good for seven. If they got on a five year rotation plan, they might be worth different amounts, but they could keep trading them.

Andrew Wadsworth, Mr. Deyo, and Mr. Whitney discussed the fact that all of the trucks are older than five years right now so where would they even start? That was part of the planning problem when they tried to develop one. They also discussed the benefits of the warranties on the trucks and when they expire. They were in agreement to try and come up with a plan.

Mr. Whitney stated that they should pick a duration of time and see how that goes. He also stated that they were unable to work on them themselves due to the electronics of them and the diagnostics needing to be read.

Supervisor Wilson stated that they will continue to work on figuring out the delivery times and what they can get when. They will need to prioritize that. He stated that all of the departments had been working together and if there was a snow storm, they all know that they will need to work together to get the roads and sidewalks done. He also discussed the tractor. There were actually funds in the current budget for the tractor. Roger was working on getting a quote, and what they were proposing was that they would order the tractor but it may not arrive until March. They would just amend the budget and carry the money forward to pay for it.

Supervisor Wilson asked about the Fund Balance Policy. They agreed to discuss it more in depth when Mr. Biesemeyer was present. Supervisor Wilson did state that Water District #1's balance was negative \$47,000, which with bonding will help resolve

that, and the Highway Fund balance is at \$270,000 and they needed to think about if that is enough, too much, or if they wanted to increase it.

Supervisor Wilson shared the answer that he had in response to the Sales Tax question. The Town's share of sales tax is $\frac{1}{4}$ of one percent. It is the same for all 18 towns. For last year, that was about \$9 million. The payment to each town is calculated based on 50% of the assessed value of the town and 50% on the population of the town. So, it tries to blend and not favor rich towns, big towns, small towns. It's based on the 50% calculations for each town. Keene is paid quarterly, so they are due to be paid anytime and then their last payment would be received in January. On page 8 of the budget was where they were trying to come up with an accurate amount to budget for tax distribution from the County. Last year they budgeted \$108,000 and they came pretty close to that. This year, they have received half of their payments and it is \$57,000. He recommended keeping it at \$108,000 again for 2023 instead of dropping it down to \$88,000.

Mr. Deyo stated that he thought they would be in the ballpark again for the \$108,000.

Ms. Cheetham-Palen and Mr. Deyo were in agreement with changing it back to the \$108,000 and once they receive the next payment from the County they can look at it again.

Supervisor Wilson discussed line item #322 (A.I.M.) Aid and Incentives to Municipalities, and stated that the town received an AIM payment of \$5,306. During COVID, AIM had been on hold, but they received some last year, and he received an email stating \$5,306 for this year and for next year.

Supervisor Wilson went on to discuss the Justice's requests and revenue. The revenues collected so far for fines is at \$49,000 so he felt confident to change the anticipated amount for 2023 up to \$60,000 instead of \$50,000. He then discussed the Justice's budget requests. He stated that he discussed the cleaner with them. The cleaner is only going to do the courtroom and not the bathrooms, so that will be lowered and it will eliminate any duplication of work. He explained that it would be paid out of the Justice's Contractual line. He had a long discussion with the Justices in regards to the Clerk position. They lowered the hourly rate and they lowered the number of hours per week, so the Clerk line was lowered.

Mr. Deyo asked if they were still getting a clerk?

Supervisor Wilson replied and stated that the Justices had warned them that their revenue was falling and that in further talking with them, part of it was handling all of the paperwork and all the data entry. They were falling behind because of the caseload and they are getting more complicated cases. The hope was that if they got a Clerk to do the paperwork and the data entry it would free the Justices up to keep the cases moving which then makes the fine collection go back up.

Ms. Cheetham-Palen asked when and if they had a clerk in the past and what the rates were going to be.

Mr. Deyo stated that they haven't had a clerk for a couple of years. He stated that from the attorney it was explained that the Justices were supposed to be at a fixed price, like they are. And when it fluctuates up and down, the extra workload shouldn't fall to them. All of the filing and stuff should go to a clerk. That also makes it so that the Justices don't base it on the fact that they have a heavier workload so they fine people more.

The income of the court should in no way relate to what they judge on. That's a conflict of interest.

Supervisor Wilson stated that the Justices were going to try a Clerk and see if it works. The position would be 12 hours per week and \$22.00 per hour. The person would need to be trained, certified, and have a background check. Then for Personal Services. The Justices had asked for a higher increase. He stated that they wanted a 5% increase and that is the number that is now in the budget.

Mr. Deyo asked if they had agreed to that yet.

Supervisor Wilson replied no, that he had put it in there so that they could discuss it. So, overall, for the Justices, with all of their lines the amount that they are requesting is going down and their revenue is staying strong. So, what they need to discuss is what is the proper increase. To complicate things further, he needed to put the Town Clerk on the spot for a little bit, he stated that the Town Clerk asked for a 6% increase but what is factored in on the budget is the 3%. A 3% increase would be \$900, and a 6% increase would be \$1,800. So, when they were coming to Electeds was it fair to talk about it together. He doesn't know how they feel but he wanted to put it out there.

Ms. Smith, Town Clerk, asked to explain to Mr. Deyo her reasoning for the 6%. She had already mentioned it to Supervisor Wilson and Ms. Cheetham-Palen prior to the start of the meeting. She explained that when Cori-Anne was Town Clerk, the salary was \$30,000. Then there was the election. When they did the budget there was no increase for the Town Clerk salary line, but there was for the Supervisor's and the Town Board Members even though they were all running for election. The Town Clerk's salary stayed at \$30,000 for the year. That was why she had submitted for the 6%. Three percent of that was for the 2022 year that was not given and 3% would be for the 2023 calendar year. That was her rationale behind the request.

Mr. Deyo asked if she would be fine with the 3% COLA from thereafter. He verified that she was asking because she was skipped a year.

Ms. Smith replied and said that was correct.

Ms. Cheetham-Palen stated that she recalled doing that with the Highway Superintendent a couple of years ago.

Mr. Deyo stated that they had done that with Supervisor Wilson one year.

Supervisor Wilson stated that with open positions that it was different. With open positions they have kept it. When a new person with no experience comes in they have kept it. The elected salary stayed the same.

Mr. Deyo clarified that they were not making a decision right then. He stated that he understands Ms. Smith's point with this too. He heard the 5% from other employees. He feels like they are setting a precedent by saying they will give them 5% and then if the economy doesn't recover, they need another 5%. And then the next year it's the same thing. He stated that they really need to think about that.

Supervisor Wilson stated that it's fair if they are going to start giving elected officials 5%, do they make it a blanket. Because now him and Reggie....it's affecting their salary too.

Mr. Deyo asked if everyone gets 5% every year?

Supervisor Wilson stated that it goes year by year.

Mr. Deyo stated that once you go there, it's very hard to walk it back. They create that animosity going forward.

Donald Smith, resident, had his hand raised.

Supervisor Wilson told Donald Smith that it was a workshop so he was not taking any public comments. The public was welcome to listen but they did not have to engage in conversation and he felt like around salary.....

Mr. Smith stated that he worked in Corrections for over 24 years, and he took 7 zero's, when the economy was tough. That was when they took the zero's.

Supervisor Wilson continued and stated that he was putting the information out there so that they knew what they were looking at when they were looking at the numbers and what people's requests were. He stated that it gets very sticky and people feel strongly about how much they make and taxpayers feel strongly about how much they are paying. He stated that they would discuss the numbers again.

Ms. Cheetham-Palen spoke and stated that they were still waiting for more numbers to come in for health insurance and other things before they could decide on salaries.

Mr. Deyo stated that he really wanted them to think things over before they decide on salaries.

Supervisor Wilson stated as a reminder that their new money is \$48,000. That was what they were allowed under the cap. They didn't want to rely on that money for their budget, it was the bridge to help get them there if it was needed, but they don't want to rely on it.

Supervisor Wilson then spoke about health insurance. He stated that they had discussed the option to change the health plan. He said that he was waiting for the State to give the Insurance Carrier what their actual percentage raise can be. He then discussed the fact that the Essex County health insurance increase was 0 % because they have the ability to negotiate. Small towns, like Keene, do not have that opportunity. NYS Law prevents the town from joining together in a consortium with other small towns or with the county or with the school. The town is stuck on their own negotiating. He stated that people needed to call their Assembly Member and their Senator. For Worker's Comp, all 18 towns, the county, and the Village of Lake Placid are allowed to pool together. But they were not allowed to do that with health insurance.

Ms. Cheetham-Palen asked, why was that?

Supervisor Wilson stated that he can't answer that definitively but that he suspects that there was a very effective lobby from the health insurance industry that was saying, don't let them, make these small towns go at it on their own. In 2015 and 2016 the state was ordering the schools to disband their healthcare insurance consortium because they wanted.....they were getting lobbied by healthcare....they wanted to break up the consortium, which makes the rates go up for all of the small....Supervisor Wilson asked Aaron Miller if he was involved with it then.

Aaron Miller, resident, responded and said yes that the NYS school board consortium fought against that. It didn't come to pass. So Keene Central was still a part of the consortium, but still, even as part of it there was a 4.5 % increase in healthcare this year over last, which was better than the 11%.

Mr. Deyo asked if they had the numbers yet of what the increase is for 2023.

Supervisor Wilson stated no, that they were still waiting. He stated that when they get all those figures they will also get a comparison of if they keep their same plan, and what the rates would cost. If they switch to the health reimbursement account that Mark came and talked about, what that would cost.

Mr. Deyo stated that when they did make that decision, that he wanted the Highway Department to weigh in heavily before a decision was made. He wanted to make sure that they were happy with it.

Supervisor Wilson agreed and stated that it was important to keep their staff there. It doesn't do any good to have new trucks if they don't have staff to run them.

Supervisor Wilson asked if they had any other questions about the budget, it was almost time for the Special Meeting scheduled for 7:00 p.m.

Ms. Cheetham-Palen requested more information about the Youth Commission. She wanted to know how many counselors they had in 2022 versus 2021 and how many kids they serviced both years. She wanted to get a better understanding.

Supervisor Wilson recommended an email chain amongst Ms. Cheetham-Palen, Mr. Deyo and the Youth Commission regarding the questions that they have.

The Budget Workshop was adjourned by Supervisor Wilson at 6:58 p.m.

Respectfully submitted,

Kimberly Smith
Town Clerk
Town of Keene

September 26, 2022