

MINUTES OF THE MEETING OF THE TOWN BOARD
TOWN OF RICHLAND
1 BRIDGE STREET, PULASKI, NY

DATE: October 24, 2023

KIND OF MEETING: Budget Workshop

PLACE: Conference Room, Second floor, H. Douglas Barclay Courthouse

BOARD MEMBERS PRESENT: Supervisor Kern Yerdon
Councilwoman Donna Gilson
Councilman Allen Goodsell
Councilwoman Sue Haynes
Councilman Robert North

OTHERS IN ATTENDANCE: Town residents, Eric Pappa, Larry Atkinson, Tim Crouch, Village Resident Carl Falk, Chief Water Operator, Bob Hicks, Financial Consultant Laird Petrie, Deputy Water Superintendent, Kevin Balcom, and Town Clerk Millie Newcomb

CALL TO ORDER: The meeting was called to order at 1:00pm. with Supervisor Yerdon leading in the Pledge of Allegiance.

A motion to bring the meeting to order was made by Councilwoman Haynes and seconded by Councilwoman Gilson. In a roll call vote, all were in favor with a vote of "AYE".

Supervisor Yerdon opened the meeting with an issue that he has with the result of the last budget meeting in which he was unable to attend. He has been made aware of the Board's decision to make the Water Supervisors position a part-time position and \$25 per hour. He does not agree with the Board's decision. We have a very complex water system, 5 Districts. That would leave 1 Water Operator to have to work 7 days per week. When someone is missing or working part time, it puts a big burden on the remaining person. Mr Yerdon said that he spoke to Bill Hafner from Oswego County Health Engineer and he believes you should have 2 operators available because that person has to be available within 1 hour of the Town in case of an emergency. We had 3 when Joe Sikora was in water. Now we are down to 2. By the end of the week, the Town will have 2 D operators available. Supervisor Yerdon thinks the idea of a part-time Water Supervisor is a bad idea and Mr Hafner also thinks this is a bad idea. Mr Hafner thinks you should have 2 if not 3 operators available to cover someone that will not be here

within 1 hour. He thinks this position should be put back to full time and the rate of pay is ridiculous. Mr Falk, a Village of Pulaski resident told Mr. Yerdon that the position was for a part time Supervisor at \$25,000 per year not \$25 per hour. At the last budget meeting Mr. Yerdon said that the Board voted and the salary for the Water Supervisor was \$52,500. Mr. Yerdon had a copy to the job description that he went to the County, to create a new legal title for this position of Water Supervisor /Engineer. Councilwoman Gilson asked if Mr Novak had to take a Civil Service Exam and from what the county said the answer is no, even if he is part time. When Mr Sikora went back over the Highway, we had 2 people that had to take care of the Water Department. Mr Yerdon had comparisons between the Zoning/ Codes Officer, the Town Sole Assessor and the Water Supervisor. The Assessor and CEO/ZEO per the Employee Handbook were supposed to be Contracted Employees. Mr Yerdon went on and informed the Board, his comparisons to all Town Highway, and Water Employees. After several minutes of Supervisor Yerdon going over statistics of Engineers and other Town employees, Mr Larry Atkinson asked to speak to the Board. He starts with the understanding that all of this information is very important to Mr. Yerdon, but we are here to work on the budget. He knows that he is not yet a Board Member but you are losing everyone's attention. He is bringing a lot of this information up because he listened to the tape of the last meeting and he doesn't agree with what was said. He thinks it's a mistake to take a full time job and turn it into a part time job. Professional wise the board should have told him in person that the job was going to be part-time in 2024. After a long discussion, Supervisor Yerdon decided to go on with the Budget workshop. Discussion turned to the cost of tank painting and it was suggested to put the painting into the 5 year plan. There are loans, grants out there to take advantage of. Supervisor Yerdon would like to make a motion to put the Water Supervisors salary up for another vote. **Mr Yerdon made the motion to put back the \$52,500 back into the budget as a salary, full time, for the Water Supervisor. Councilman Goodsell seconded the motion. In a roll call vote is as follows: Haynes, "No", Gilson, "No", Goodsell, "Yes", North, "No", Yerdon, "Yes".**

Supervisor Yerdon then turned the meeting over to Budget Officer Tammie Whaley. Before going on with the Budget workshop, Mrs. Whaley added before we move on with the meeting, she doesn't feel that the Dental and Vision be taken away. The Board members feel that the same way for a part-time position no dental or vision insurance should be given. Mrs Whaley also advised the Board that the retirees insurance will be going up 66%.

After the last meeting, the Board was working under the tax cap. With the adjustment in the insurance rates that were increased, in the A fund in the 9060.8 unallocated, will increase \$64,000, regular employees, retirees, \$86,000. Two full time employees will or have moved to the retirees insurance, Alan Kling and John Fox. Their insurance will be moved from active to retirees line items. That is why you are seeing the increase. Their insurance is not going up 66%, it's going up 14% because they are not 65 years old yet. Line 9060.82 is \$3600 9060.8 is \$18,000. This is an estimated amount. Insurance is a crapshoot. We have only had 2 people max out there deductible with the P&A card. We were over \$80,000 before these changes, now we are \$53,000.

Moving onto Water. The tax portion is going down, EDU's, where the usage charge is going up. The users are paying more than the non-users. Water district consolidated, goes to all funds is Metered water

Waters salesman: Between all water districts.

Unmetered Water sales: Brennans pays the Town \$177,339 every year, plus another \$15,000 paid quarterly, and then gets billed twice per year for the extra water usage.

\$75,000 from Orwell, this was in this year's budget but because it never happened this year, we had to put in again this year. \$75,000 coming in with \$65,000 going out for the new generator. Then interest in reserves. We now have capital and repair reserves set up in all the 4 water districts. Water District 5 has nothing in their capital reserve yet but they are brand new and not a lot of people are hooked in yet. That is the revenue part that is split between all districts. There are revenues and expenses, appropriations are the expenses.

Unallocated insurances: this is the NYMIR insurance policy, that is specific to Water, our buildings, equipment, trucks

Taxes: These are on the property we own and pay Town, County and School taxes on. This is split out to the water districts and Highway.

Next is the \$207,000 the water operators, supervisor, and new seasonal person. That is split between the districts.

Equipment: \$5000 last year and we kept it there.

Source of Supply: This is the catch all for everything they buy, supplies

Fuel was raised 15% per the Supervisor.

Water purification: This was raised 20% for salt.

Currently there was \$75,000 put in the budget for the DA fund highway equipment, \$25,000 in reserves for buildings. The other \$65,000 for the generator which hopefully can be invoiced in 2024. Councilman North asked if the Town can get a Bond of Anticipation note to pay for the tank painting. He is wondering how long we can go on a ban. Laird told the Board that it depends on what it is. Any time you borrow money, you have to go to the local finance law. It has a list of what they call "period of probable usefulness". It lists how the maximum number of years you can depend on what type of asset you are buying. Whether it's a truck or buying a piece of land. You have to go to that list and it will tell you. Typically it's anywhere from 7 out to 30 if you're going to do a big project. Our big trucks are usually on 5yr loans. They are installment purchases. When you bond for things, that is what local finance laws govern and how long you can go.

Water District #1 Our annual EFC payment for that is \$230,000. Because all of the other districts benefit from this debt, the other districts are attributing a portion based on the number of EDU's. This is one of the things that we changed last year to make it more beneficial for everyone. The interfund transfer, water district one is going to be paying \$707.97. It's a debt allocation system that is set up so that every district is responsible for a portion, such as, the \$230,000 ban that water districts are responsible for, but Water Districts 2,3 and 5 contribute. These monies will go back as an inter-fund revenue. This \$ 126,500 that is coming from the other districts but water district 1 will also share some of the debt for water district 2. They are

getting revenue coming in and going out. There are only 2 debts that get shared, its \$230,000 and Water District 2 debt. Water districts 3 and 5 have their own debt but the other districts don't benefit from that because that is related to the water going into Sandy Creek. Districts #1 & 2 don't benefit from that. Water District #1 is going to pay \$70,797 which is off of this \$157,000 debt. Water District #1 is paying \$70,000 of that. It's very hard to understand. Everything in the government is on the benefit basis. Those who benefit from something should share in the cost. If you don't benefit from something then you shouldn't share in the cost. So anytime you have debt, that is from purchasing something that everyone is benefiting from. In the past, they allocated expenditures but they did allocate revenues coming back to the various districts. That was unfair to the other districts. So now we set it up to allocate the revenues and the expenditures. It's all formula driven on the spreadsheet, if anyone has any question, Laird will be happy to show where they come from. This is why they want all of 2023 finished, they can look at it to see if anything needs to be adjusted for next year. We don't want to get stuck again like in previous years by keeping things as low as possible. Then we had to play catch up.

WD#2 Account 2942 -39% of Sandy Creek. Allocations and revenues based on EDU's. We took all the revenues and add up all the EDU's 39% in Water District #2, they have the highest number of EDU's of allocating revenues. When we allocate revenues, we do it according to these amounts. It changes every year. It depends on how many hookup properties merge so you lose a chance of an EDU. It fluctuates not a lot, but hopefully more people in Water District 5 hook up. Not many hookups were done this year, but per Mr Hicks, there have been a lot of taps installed for new house's. Just in general and not WD#5. Because it was a wet year, people were not going out and spending money on water. A percentage for allocating expenditures is different because you have to backout the 500 + or - Edu's. In water district 1. It would be so much easier if you just had 1 Water District. Mr. Petrie thinks now we are in a fair system, we are treating each water district fairly. The payment for water district #2 its \$157,000 These are 30 year loans. Also paid \$69,000 of debt to Water District #1 . If you look at the revenue side the other districts are helping with \$110,000 of Water Districts 2 debt so net cost is \$ 100,000. That is how this works. Some comes in as a revenue and some gets split. You have to look at the net for it. You won't see anything on the revenue side when we go to 3&5 in interfund transfers . No one else benefits from it so there is no help for Water Districts 3 & 5. They have their own debt plus a share of water districts 1 & 2 debt.

Water District # 3 You can see the debt in water district #3 is \$ 129,000, the interfund transfer is \$58,000 from the other formula. This \$129,000 we have to give to Sandy Creek every year. It came in late last year, we were almost done with the preliminary budget last year and we found out there was a \$100,000 increase to the debt. This fluctuates every year with the EDU's. Between Mary Brittney in Sandy Creek, they get together and figure it out and Sandy Creeks tells us what the payment is. They are the lead agency for water districts 3&5 and they tell us what the payment is.

Water District #5 The loan for this district is \$139,960 for next year. We do anticipate a little more revenue in water district 5 with more hookups this year. We are up to \$14,000. In our

town, we don't have a lot more people to hook up. In the Water District 6 survey, there are a lot of people that do not want it. Village resident Carl Falk asked where the cost of the survey comes from when we conduct a survey? Mrs Whaley told the audience that the money came from the B fund which is Town outside for personal services. This is our fund balance, and our town. If water district 6 came to fruition, the water district would pay the B fund back. Which is how we have done it in the past. Mr Petrie said it would be set up as a "due to, due from". It's a loan. What's not in here, per Ron's request, are the 3 ?????? In water district 1 from capital reserves, he wanted \$40,000 put in. This would be an expenditure from reserves. And with this, we should add \$10,000 per well pump for engineering for a total of \$60,000. We are showing that we are going to appropriate \$65,000 of the capital reserves for the generator. Well #27. Councilwoman Gilson asked if an engineer is really needed. It is known that the priority was for the pumps in Fernwood. Pump 27 is running low also per Chief Operator Bob Hicks. They are all different pumps. Well 13 is 700 gpm. Well 27 is 300 gpm. Water district 1 has \$277,000 in reserves. Questions about the need of engineering. Laird allocated the \$40,000. This is coming from the reserves. Water district 2 has more than Water District 1. Based on taking money from reserves the cost to the customers will not have to increase. After a brief discussion between Budget Office Tammie Whaley and Laird Petrie, in water district #1 we had nothing being raised as far as taxes so we have to put money into the reserves to bring this down to zero. The way you do it is you take the total appropriations, minus the estimated revenues and then you look to see if you're going to appropriate fund balance, in this case we said \$25,000. Our reserve in WD # 1 Our reserve balance is definitely lower than water district 2 so this is a good time to add money to the Capital and some to repairs since WD 1 is the oldest water district. More money being raised for the what if's. Water District 1 was going to pay for the new generator and the 2 pumps so that is the \$105,000. If we go back to water district 1 and change the \$105,000 to make it \$80,000. Instead of appropriating \$110,000 or using \$110,000 from reserves, to fund those purchases, we will use a little less than \$80,000 without depleting our reserves. We can still put more in reserves, that is fine but each time you do that you increase taxes. Last year we had \$22,000 in taxes in water district 1 right now we have zero the way we are now. All the other districts were low last year with the exception of District 4. In the B fund, we haven't been raising any money in that fund, but have been trying to reduce that fund balance. We have already appropriated \$110,000 that was going to be sent to DB for the highway. But we can deplete it more, because every year we gain more money there. If we appropriate more than \$110,000 more, and bring it down to zero, then we would have to appropriate \$175,000. The B and DB are the 2 Funds that the people that live outside the Village pay into. Their taxes, total increase of \$21,000 since last year. Townwide fund which is general Townwide \$89,000 and highway townwide, that is everyone in the town, the increase is \$160-\$170,000. These are the most popular funds. The General fund has the most expenditures, we appropriated \$100,000 to help DA. The tax cap now is \$93,000 under the tax cap at this time and we have increased taxes in total of all funds from last year \$41,000. Budget Officer Whaley told the Board that she noticed that we didn't put any money in for Haldane. We should put some in there because someday soon that roof is going to need to be replaced for

repairs. Since this is one of our buildings, we have already increased the building reserve by \$25,000. Mrs. Whaley wasn't sure if we did put money in so she would like to increase the Haldane reserve. Per Laird, there is a Haldane Park reserve. Last year we put \$10,000 in that fund. Per Tammie, there is \$51,000 in there. The \$10,000 will be put in for 2024. The \$25,000 going into the highway is going into reserves/buildings. In the building reserves right now there is \$260,000 in that account now.

Repair reserves-Water this is for emergencies that happen. We need to concentrate on capital reserves. Last year we put in \$11,553 in water dist. 1 in capital reserve. WD #1 capital reserve right now, we have \$277,000. But we are using \$79,000 to fund the 2 pumps. We will be down to about \$200,000. Until we have a plan, as to when it's going to be used, I don't know if you want to keep funding it. Mrs. Whaley says that she is thinking about the Bishop Road water tower. That is going to be huge. We can apply for a loan or maybe grants will be available. This is the next thing after the pumps. Mrs. Whaley stressed that she wished that the Water Supervisor would have given the Board a wish list for them to start to work on. We just can't have everything at once. We try to project 3-5 years out. We do have money there in case. Just not for a new tank. Be aware, if we put money into Water District 1 capital reserve, that does raise the taxes in water district 1, when we get ready to use it, all the other districts will contribute to it. We don't want to raise all the money for things like pumps and tanks all in one district and not allocate it back when it gets ready to use. If you are building money into one reserve, by taxing one tax base, When you get ready to make a purchase, you have to make it fair to water district 1 that raised that money, that has to come back to come back as a revenue. Mrs Whaley added the percentage rate is the highest in that district. Last year we had more money, but we over spent so much that it had to come out of fund balance. Fund balance normally is where you take and put, if you have a lot of fund balance that is where you normally move it over into your reserves. But last year we really suffered in water district 1. Technically, that \$65,000 that we are going to spend on the generator for Orwell that has been sitting, we put that entire revenue there so it didn't raise taxes. If we are talking about raising taxes to put the water tank in, then we have to remember when we get ready to purchase it, all the water districts are going to contribute back to water district 1 to help replenish that reserve, otherwise water district one will take the shot.

We haven't really spent any money from ARPA. The county ARPA we have but not the State ARPA money. Anything we are going to spend this year will not affect this budget. Most of the money will be spent in Water. We can amend that later. Fund Balance will be used to decrease taxes.

The Public Hearing for the Budget will be held on November 9, 2023 at 6:00pm. After that it has to be adopted by November 20, 2023.

Next week early voting in the Grand Jury room will be tied up. The Budget Officer will email the preliminary budget to all the Board members. The tax cap limit is \$ 2.5 mil.. Last year it was \$2.428. The tax cap increased almost 3%. Here taxes this year are \$2,418,090 and last year \$2,366,762 we are looking at a \$51,000 increase in total taxes. \$105,000 of it is to increase reserve funds. If we didn't do that we would have a decrease of \$50,000. The tax cap is always

on the total levy for every fund. You add up everything that is necessary to raise taxes to fund. You total that and that gets put into the tax cap formula. Every year that tax cap formula starts out with the previous years total levy so last year it was 2.366. So that starts things off. Then there are percentages that get put into a formula that are outside your control. There are all formulas driven by the Division of Budget, the inflation factor is always going to be the actual inflation rate or 2%. This year the inflation rate is 5. something. You multiply that then there is another factor that you get no control over called the growth factor. That is figured by the Division of Budget based on Brick and Mortar construction. Someone comes up with a factor based on Building permits that gets applied. If you had a lot of construction that gets figured in. They get pre populated. You have to put in Pilots and what you anticipate to receive. Most of the time, it's a wash. ***A motion to adopt this as the Preliminary Budget was made by Supervisor Yerdon and seconded by Councilwoman Haynes. In a roll call vote, all were in favor with a vote of "AYE".***

NEXT TOWN BOARD MEETING: November 14, 2023

MEETING ADJOURNED: With nothing more to bring before the Board, a motion to adjourn was made by Supervisor Yerdon and seconded by Councilwoman Gilson. In a roll call vote, all were in favor with a vote of "AYE" 3:27pm

Respectfully submitted by

Millie Newcomb
Town Clerk

