

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

**DATE:** November 9, 2023

**KIND OF MEETING:** Budget Workshop

**PLACE:** Grand Jury Room, H. Douglas Barclay Courthouse Pulaski, NY

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

**OTHERS IN ATTENDANCE:** Town Residents, Larry Atkinson, Eric Pappa, Tim Crouch, Robert Jeffery, Eric Pappa, Water Supervisor Ron Novak, Budget Officer Tammie Whaley, Financial Consultant, Laird Petrie and Town Clerk Millie Newcomb

**CALL TO ORDER:** The meeting was called to order at 6:02 p.m. with Supervisor Yerdon leading in the Pledge of Allegiance.

**PUBLIC HEARING:** *A motion to open the public hearing for the 2024 Budget was made by Supervisor Yerdon and seconded by Councilwoman Gilson. In a roll call vote, all were in favor with a vote of "AYE".* The Public Hearing was turned over to Budget Officer Tammie Whaley. For the Public Hearing for the Budget 2024 Laird has done a nice powerpoint for the Board to look at. He is going to go through our budget and give us a synopsis of everything up to this point. This is the preliminary Budget. It can be changed after this up until November 20th. Town Law allows the Towns up to the date of November 20th, the County can request it earlier but the Town has the right to make changes up to that November date. Laird told the Board that he grouped everything into groups, like Town Wide, and part town to show the representation of the two different tax bases. He showed the Board the estimated spending, the estimated revenues, this is the amount of fund balance we will be using and this is the taxes. The taxes are arrived at by taking the spending and subtracting the estimated revenues and the fund balance to come up with the property taxes. Currently we are looking at \$1.9 million in the Townwide Fund and \$145,000 for the part of Town. The Town Wide is everyone in

the Town participates in the taxes. Everyone means the Town and Village. The \$145,000 is for everyone that lives outside the Village. The 5 Water Districts, we did the same thing. Estimated spending, estimated revenues. We are using some of the fund balance. Most of the Fund balance we are using is already reserved fund balance. Its savings that Town has put aside to eliminate the need for borrowing in order to take care of some of its expenditures. So the property takes taxes to be raised in each water district, it's not really property tax, it's a benefit assessment tax per EDU. The number of EDU's in each water district will be divided into these property taxes. That you will come up with the taxes each property is going to pay based on the number of EDU's that they have.

Water District 1- Last year we had a tax in there but it really wasn't much. Every year as more people come onto these districts, and more water gets used, the benefit assessment will go down. The goal is to try to finance the water operations by water revenues as opposed to property taxes. It's never totally possible, especially districts like 3 & 5 because they are new but the more people that come on and use a volume of water, the cost will go down. Plus each district has gotten more expensive as we've moved on. If we could get Water District 5 people hooked up that would lower that tax rate a lot. Only 78 of a possible 203 have hooked into the water system.

We have 2 small lighting districts. There are very minimal taxes associated with them. Total taxes are around \$12,000. There are not many parcels involved with them.

Next a property tax comparison from 2023, of each of the funds. According to his figures, there has been small increases in the Highway and General Funds. But when we start looking at reserve funds, and the money that has been set aside for future things to eliminate debt, you will see the reason that some of the increases were because the Town Board has chosen to start planning for the future and funding these reserve funds so they don't have to borrow in the future. You can see how water districts have come down from 2023, and that is because water rates went up for parts of 2023 and more people have been coming on and using more water. As water gets used more and people come on, taxes will continue to come down. Water District 5 is the newest one and they have the majority of the expenses on district 3 and 5 are debt related and will be with them for a while. But as we continue to generate more water revenues, those special assessments will go down. There is a 2.17% increase over all in all the funds which is pretty good considering the kind of year we have had and the fact that we are funding reserve funds through this budget and under the tax cap.

The reserve funds that we have been talking about. Laird showed the Board what they are expected to have in each one of the reserve funds at the end of the year. Then we are looking at what we are trying to do in 2024. We budgeted in the water districts using some of the reserve funds to take care of some of the expenditures in these districts. We actually added money into the budget to put money aside to increase, that is why some of your taxes went up a little bit in these general and highway funds because we are funding some of the reserve funds. But we are still, even with all the additions, we are still only coming up with a 2.17% tax increase which is pretty good. This will be the estimated balance at the end of 2024 after we raise this and spend this. Capital reserves can only be used for capital improvements, purchasing equipment.

And improving buildings. In repair reserves, you can use these monies for major repairs to things that do not recur on an annual basis. We set up repair reserves in the water districts. That way if a major piece of equipment has to be renovated or repaired we have money set aside in the year that it happens, we can appropriate those reserve fund monies instead of raising taxes to take care of those repairs. Water Districts 1 & 2 each have \$30,000 each for a total of \$60,000 . Everyone of the water districts have a repair reserve and a capital reserve. Water District #4 only has 5 properties in it and gets their water from Mexico. Every year prior to the budget, we need to calculate the tax cap. It is filed with the state Comptroller's Office. It calculates how much taxes you can raise in one year without passing a local law to exceed the tax cap. It's a complicated formula to figure out. This year we have a 6.26% inflation rate. So this year you have to take the 2% to plug in because you have to take the lower of the 2. When we do the 2024 calculation, we come up with our limit this year would have been \$2,457,974 as of right now you will see that as of the Preliminary Budget that we are presenting tonight, we are only proposing \$2,418,000. We are almost \$40,0000 under the tax cap. We have until the day we adopt our budget to pass the local law and override if you need to. So if you waited until November 20th to adopt the budget and you find that you need to increase or exceed the tax cap, you have to pass that local law. That has to be filed with the secretary of state. The Board has to pass the override resolution prior to adopting the budget. So long as it happens before. If you exceed the tax cap without adopting the local law, you must put aside any taxes collected into a separate account in what they call reserves or its called deferred revenues. It has to be held throughout the year and only used to reduce taxes the following year. Doesn't look like the Town is looking at going over the tax cap. The whole presentation from Laird, along with all the increases and funds will be made part of these minutes. Laird commended the Board for being involved with the Budget.

**WATER DEPARTMENT:** The Chloritic System failed this week. He is working with a tech to try to figure out what happened over the phone. Everything points to a titanium plate failure. Parts for the repairs are \$13,936.76. That doesn't include freight. Ron thinks the line item for chlorine needs to be increased for next year. The increase needs to be increased by \$7500. It will cost between \$4000-6000 for a technician to be here. In Mr Novak's opinion he would not repair the chloritic system. He would purchase chlorine. About 80% of the 154,000,000 gallons of water pumped comes from the Richland wells for water districts 3 & 5. That system is not operational. This was a very expensive system when it was put in when the Town put in the windmills so there were probably grants involved. It's just not worth repairing . The Town will save about 1 ½ pallet of salt. The salt costs about \$480 per pallet and saves on the electricity. Eric Pappa agreed with Mr Novak. It needs to go, it's just too expensive to operate. It's amazing it has lasted this long. On the line item Water Purification, that would have to be increased for the chlorine cost. Next with the meeting with Laird and the Town of Sandy Creek last week, Richland was informed the current project for District 5 & 3, the majority of the bills have come in and it's been determined that there is approximately \$100,000 money left over than anticipated

Sandy Creek has made the request that the Town of Richland replace the pump in Well 27 using project money, which means all the engineering will be taken care of as far as the contract. Laird has pointed out that the money which is District 5 money that will be put into District 2 which supplies water to districts, 1,2,3 and 5, so as an example if the pump costs \$25,000, and district 5 by proportion has 20% then the remaining 80% would need to be paid by 1,2,3 by proportion. You can't use debt for district 5, to repair district 2 you have to reimburse, based on percentages. It will save, he doesn't know the percentages of district 5 is by proportion of the contract, based on EDU's. It will save that percentage of the cost of the pump and all the axillary engineering administration fees would be covered. Rural Development has given the approval to go ahead with this. They need to move soon. The Board needs to make that decision. This way we get everything paid for and whatever the proportion is for district 5 based on EDU in his example like 20%. Mr Novak says he knows it's not that high. We are only paying the proportion. Mrs. Whaley thinks the percentage may only be 9-10%. Whatever it is, that percent pays for the pump plus all the other axillary expenses reimbursed. It becomes a budget exercise for the Budget Officer. The other thing is what Sandy Creek has proposed is Pay the \$25,000 then the remaining \$75,000 get split, 70-30. They said to pay for it straight up. There is a legal issue to this too. Sandy Creek will own the pump in our well field up until the time the contracts have closed up. At that time, Sandy Creek will sell the pump back to Richland for \$1.00 and we will be responsible for all operations from that point on. Laird said that part of the conversation with Sandy Creek was he brought up the topic, he was wondering how close we were with the completion of the project and if there was any money left over. There was discussion of what to spend the money on. All of this money is proceeds of debt incurred just by the property within Water District 5. Anything that has to be spent has to benefit water district 5. If it also benefits other water districts in Richland, then they have to pay a percentage back. We have to proceed carefully. When you put this proposition in front of the District 5 taxpayers to establish this district, to borrow \$11.5 million dollars, of which Richland has \$4.5 million of that. A proposed scope of work was proposed any money used has to fit within the scope of the work that was proposed. You can't create a shopping list of other things that weren't proposed. You have to be very careful how you spend that money. You have to pay any outstanding debt first. Hopefully Richland and Sandy Creek will move slowly before they make any moves. It's not a simple solution. Water Supervisor Novak told the Board that Sandy Creek would like to have a chlorine pump purchased to have on the shelf using the project money. The transducer failed at the Fernwood well site well #1. It's not operational until further notice. It's a custom ordered part. The price will be between \$1000-1100. We can operate without it. In a large fire, we may have some problems. Bob Hicks and Ron Novak will be notified if there are problems with water. All fire departments have been notified. Per Tammie Whaley we have enough money in the Equipment fund to cover that repair. There is \$2400 in that fund. ***A motion to close the Public Hearing was made by Councilwoman Gilson and seconded by Councilman Goodsell. In a roll call vote, all were in favor with a vote of "AYE".***

Next up is Retirees Insurance. Sherry from EV Insurance. The Retirees insurance has gone up 66%. She would like to switch the Retirees Insurance to Humana. It will save each person \$40 plus a new script plan Wellcare. \$3.70 and a \$545 deductible. Humana would save \$40 per month per person. It's compatible with what they have now. It will also save the town about over \$40 per month even with the town paying their deductible. She anticipates by changing these 2 plans, it will save the Town \$13,000. Right now Mrs. Whaley needs to let Sheree know if the Town is going to switch the retirees. Larry Atkinson went to the meeting with E&V Representative and Tammie. He explained to the Board that the plan that we are currently on is going to cost \$404.00 per month. By switching to Humana, it will cost \$360.00 per month for the same plan. That is where the savings of \$40 per employee comes in. The script plan is going up from \$67.00 to \$120.00 but if we switch to the other that is compatible its \$3.70 per month plus the \$545 deductible. It's still cheaper than what they are paying in 2023. The premium still went up. The bottom question is whether it's compatible. The answer is yes it is. Councilwoman Gilson asked about the Advantage Plan. There really isn't enough time to get everyone signed up. The deadline for signing up for the Advantage Plan is December 1st. These plans are only for people 65 years old or older. After a long discussion, ***a motion to switch the retirees to the Humana Health Insurance Plan and Wellcare Script plan was made for Councilman Goodsell and seconded by Councilwoman Haynes. In a roll call vote, all were in favor with a vote of "AYE".***

Councilwoman Haynes thinks that the non-bargaining employees should pay more since insurance for the non-bargaining went up 14%. Budget Officer Whaley thinks that everything should be done next year. ***After a long discussion a motion to raise the non-bargaining employees contribution by 5%. Code Enforcement Officer John Howlands contribution will be 45%. This motion was made by Councilwoman Haynes and seconded by Councilwoman Gilson. In a roll call vote, all were in favor with a vote of "AYE".***

Budget Officer Tammie Whaley asked about Alan Kling. He is retired but is not 65 years old yet. He is on the same insurance as the Town Office employees. He was a union employee with the Highway Department. Since he is retired, but no longer a union employee, he falls into the 5% increase in insurance.

Supervisor Yerdon wants to address the Board about changing the Water Supervisors rate of pay from \$52,500 down to \$25,000. The conversation moved to several different subjects before Larry Atkinson asked the Board if we could get back to the subject of Water Supervisor Ron Novak. The best solution that we could have is to put Ron's position back to 40 hours per week, add the \$52,000 back. Get an operator trained, then move Ron into a Supervisors position as Supervisor not as a worker. Then move his position back to a part-time position. You can't apply until April and take a year to get there. It will give us some time to get someone in place. The best compromise we can hope for is to have Ron go back to 40 hours. Going forward I have 2 operators and a supervisor. Councilman North would still like to hear from Bill Hafner and we can still change it before the end of the year. Budget Officer Whaley would like to suggest that we put the \$52,500 back into the line item so it's in our budget, we just saved a bunch of

insurance money, and we still have a little room so we won't go over the tax cap. Our Budget needs to get done. Laird suggests that we are doing a budget here. What they are talking about is what is going to happen after the first of the year. There is going to be another new Board in January. Two will no longer be here and two new ones will be on the board along with a new Supervisor. The new Board has to decide. The budget isn't where you set wages and salaries. At the organizational meeting after the first of the year is when you do that. So this Board can anticipate but it's the next Board that can cut it or reduce it in the Budget. If the next Board wants to bring it back up to 40 hours a week again, that board will have to appropriate some fund balance to do that. Right now we have 2 Boards that are in 2 different phases. The Budget doesn't set salaries, the budget is just putting in provisions to make sure it's there. That can be changed after the first of the year. This board can't bind the next board. That \$27,000 you are talking about is 1.7% of the entire water budget. That can be put back in or taken back out after the first of the year. That should be done by the next board after January 1st. Should we put the \$27,500 back in on that 1 line item? So we can continue on with this Budget. ? ***Supervisor Yerdon asked for a motion to put the \$27,500 back into the budget. Councilman Goodsell made that motion. Councilwoman Haynes asked if maybe the salary, if after the first of the year the Board may want to do something different. Councilwoman Haynes seconded the motion. In a roll call vote, all were in favor with a vote of "AYE".*** The Board would like Bill Hafner to come to the Board meeting. Laird and Tammie will get together and make the changes. They will bring the Budget back to the meeting on November 14th.

With nothing more to bring before the Board, a motion to adjourn was made by Councilman Goodsell and seconded by Councilwoman Haynes. In a roll call vote, all were in favor with a vote of AYE". 8:00pm

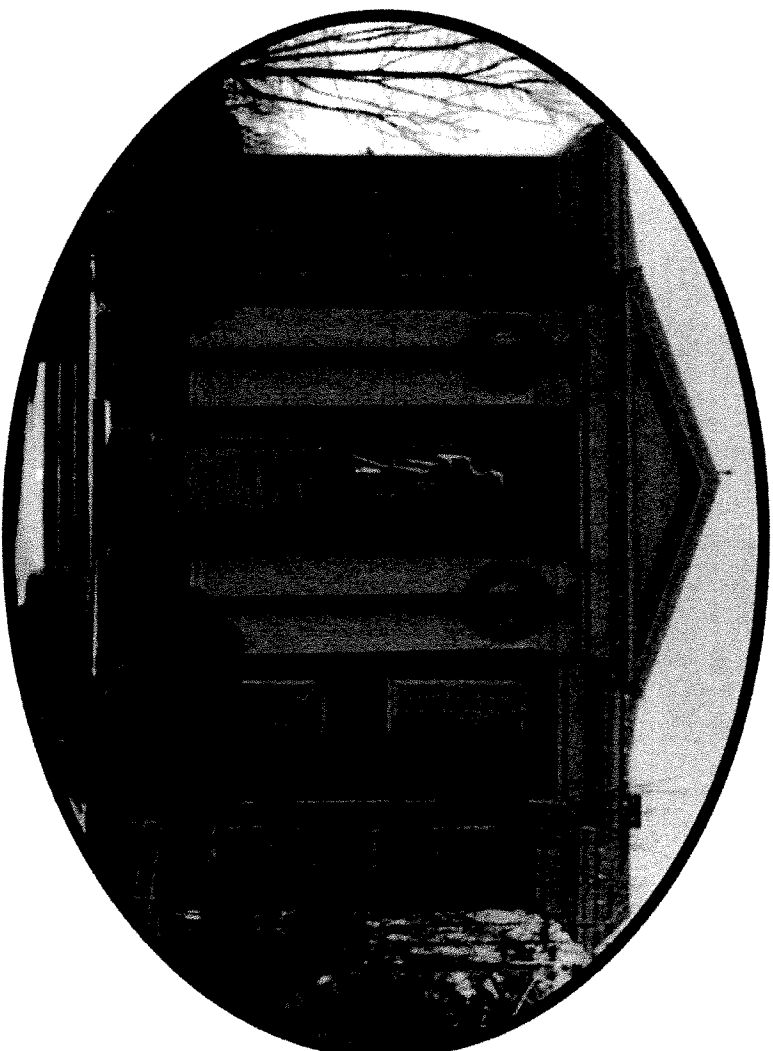
**NEXT TOWN BOARD MEETING: November 14, 2023**

**MEETING ADJOURNED:** With nothing more to bring before the Board, ***a motion to adjourn was made by Councilman Goodsell and seconded by Councilwoman Haynes. In a roll call vote, all were in favor with a vote of AYE". 8:00pm***

Respectfully submitted by

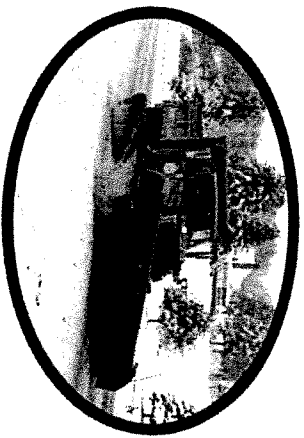
Millie Newcomb  
Town Clerk

# TOWN OF RICHLAND



## 2024 BUDGET PUBLIC HEARING

November 9, 2023

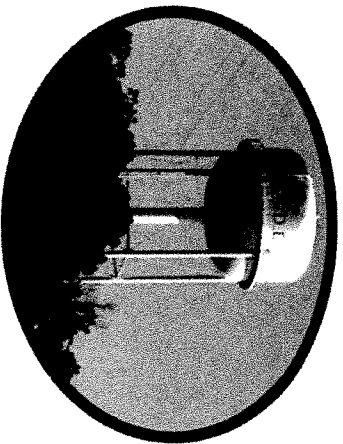


# TOWN BUDGET SUMMARY

## GENERAL and HIGHWAY FUNDS

FUND	ESTIMATED SPENDING	ESTIMATED REVENUES	FUND BALANCE USED	PROPERTY TAXES TO BE RAISED
GENERAL TOWN-WIDE	\$1,441,137	\$268,486	\$100,000	\$1,072,651
HIGHWAY TOWN-WIDE	\$1,155,135	\$330,590	\$0	\$824,545
<b>TOTAL TOWN-WIDE FUNDS</b>	<b>\$2,596,272</b>	<b>\$599,076</b>	<b>\$100,000</b>	<b>\$1,897,196</b>
GENERAL PART-TOWN	\$314,351	\$138,000	\$175,951	\$0
HIGHWAY PART-TOWN	\$728,443	\$583,000	\$0	\$145,443
<b>TOTAL PART-TOWN FUNDS</b>	<b>\$1,042,794</b>	<b>\$721,400</b>	<b>\$175,951</b>	<b>\$145,443</b>

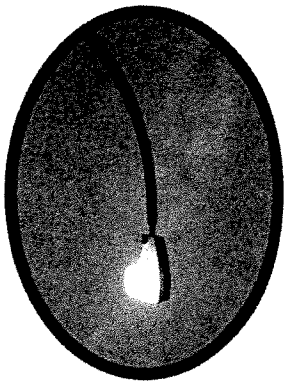




# TOWN BUDGET SUMMARY

## WATER DISTRICTS

FUND	ESTIMATED SPENDING	ESTIMATED REVENUES	FUND BALANCE USED	PROPERTY TAXES TO BE RAISED
WATER DISTRICT #1	\$690,895	\$611,678	\$79,217	\$0
WATER DISTRICT #2	\$425,359	\$368,623	\$25,000	\$31,736
WATER DISTRICT #3	\$276,545	\$131,141	\$0	\$145,404
WATER DISTRICT #4	\$2,840	\$0	\$0	\$2,840
WATER DISTRICT #5	\$237,937	\$54,120	\$0	\$183,816
<b>TOTAL ALL DISTRICTS</b>	<b>\$1,633,576</b>	<b>\$1,165,562</b>	<b>\$104,217</b>	<b>\$363,796</b>



# TOWN BUDGET SUMMARY

## STREET LIGHTING DISTRICTS

<i>FUND</i>	<i>ESTIMATED SPENDING</i>	<i>ESTIMATED REVENUES</i>	<i>FUND BALANCE USED</i>	<i>PROPERTY TAXES TO BE RAISED</i>
STREET LIGHTING DISTRICT #1	\$2,200	\$20	\$0	\$2,180
STREET LIGHTING DISTRICT #2	\$9,500	\$25	\$0	\$9,475
TOTAL STREET LIGHTING DISTRICTS	\$11,700	\$45	\$0	\$11,655

# PROPERTY TAX COMPARISON

FUND	2023	2024	CHANGE	
GENERAL TOWN-WIDE	\$972,686	\$1,072,651	\$99,965	↑
GENERAL PART-TOWN	\$0	\$0	\$0	
HIGHWAY TOWN-WIDE	\$744,998	\$824,545	\$79,547	↑
HIGHWAY PART-TOWN	\$124,022	\$145,443	\$21,420	↑
STREET LIGHTING #1	\$1,685	\$2,180	\$495	↑
STREET LIGHTING #2	\$8,985	\$9,475	\$490	↑
WATER DISTRICT #1	\$22,209	\$0	\$22,209	↓
WATER DISTRICT #2	\$85,984	\$31,736	\$54,248	↓
WATER DISTRICT #3	\$199,769	\$145,404	\$54,365	↓
WATER DISTRICT #4	\$2,474	\$2,840	\$366	↑
WATER DISTRICT #5	\$203,949	\$183,816	\$20,133	↓
<b>TOTAL ALL FUNDS</b>	<b>\$2,366,762</b>	<b>\$2,418,090</b>	<b>\$51,329</b>	<b>↑</b>

**2.17% Increase**

## PROPERTY TAX CAP

- Must be calculated and filed with the State Comptroller's Office each year.
- Includes property taxes in ALL Funds
- Limits the TAX Levy NOT the Tax Rate
- Inflation Rate or 2% - whichever is lower
  - 2024 Inflation Rate = 6.26%
- If the town wishes to exceed the calculate limit, the Board must first pass a Local Law to override the limit.

Town of Richland 2024 calculated Property Tax Levy Limit .....	\$2,457,974
Town of Richland 2024 Proposed Tax Levy (All Funds) .....	<u>\$2,418,090</u>
Unused Portion .....	<b>\$ 39,884</b>

# Tax Rates

(Per \$1,000 of Full Taxable Value)

FUND	Tax Levy	Full Value Taxable Value	Tax Rate Per \$1,000
GENERAL TOWN-WIDE	\$1,072,651	\$274,512,949	\$3.9075
GENERAL PART-TOWN	\$0	\$180,942,641	\$0
HIGHWAY TOWN-WIDE	\$824,545	\$274,512,949	\$3.0037
HIGHWAY PART-TOWN	\$145,443	\$180,942,641	\$0.8038
STREET LIGHTING #1	\$2,180	\$4,104,951	\$0.5311
STREET LIGHTING #2	\$9,475	\$13,474,726	\$0.7032

## COMBINED TAX RATE

Inside the Village ..... \$6.9111 per thousand  
 Outside the Village (no Street Lighting)..... \$7.7149 per thousand  
 Outside the Village (inside Street Lighting #1) ..... \$8.2460 per thousand  
 Outside the Village (inside Street Lighting #2) ..... \$8.4181 per thousand

# Water District EDU Rates

<i>District</i>	<i>Benefit Assessment Tax</i>	<i># of EDUs</i>	<i>Rate Per EDU</i>
WATER DISTRICT #1	\$0	519.77	0
WATER DISTRICT #2	\$31,736	701.12	\$45.26
WATER DISTRICT #3	\$145,404	336.41	\$432.22
WATER DISTRICT #4	\$2,840	5	\$568.00
WATER DISTRICT #5	\$183,816	223.18	\$827.33

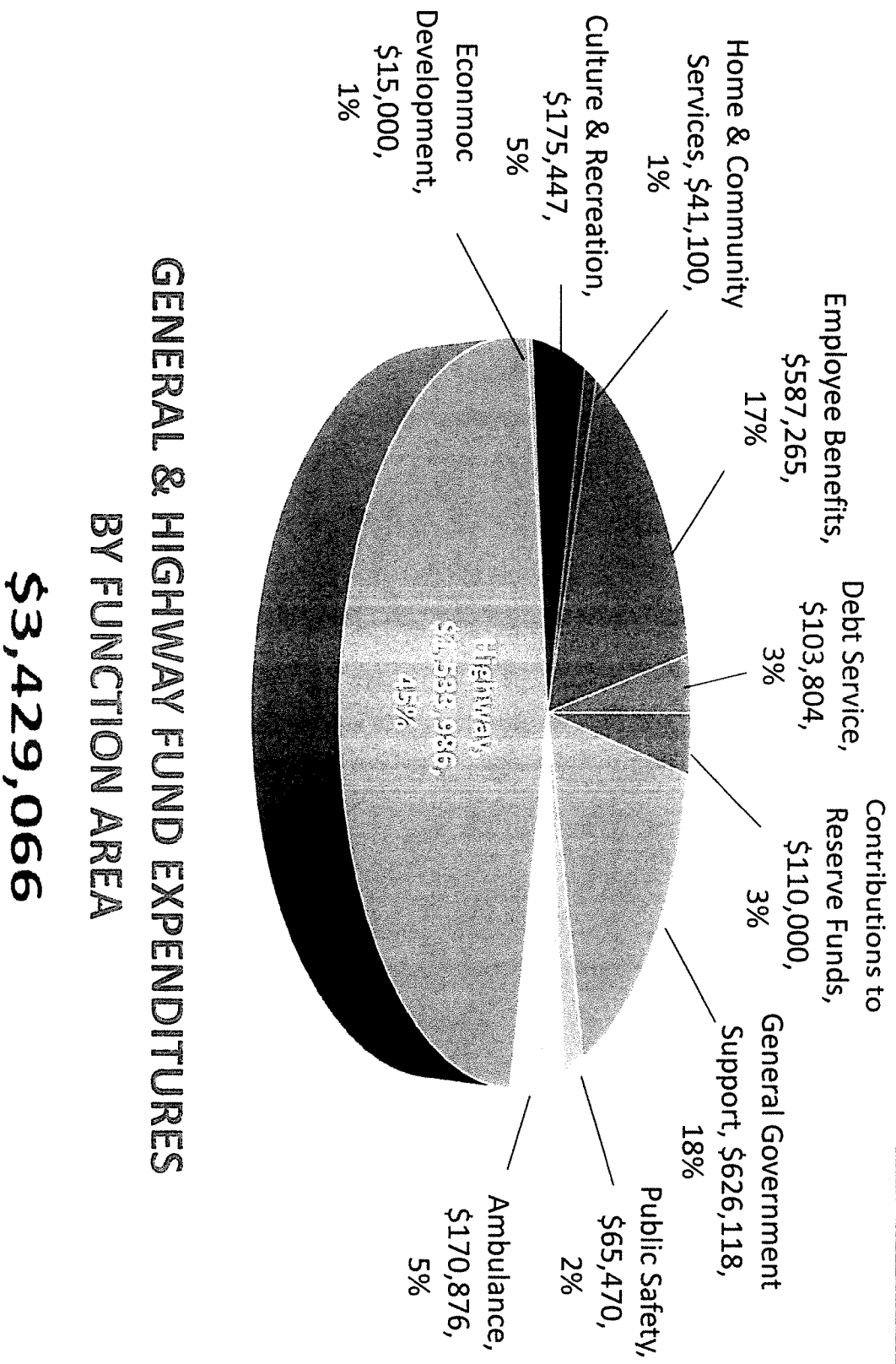
## Property With a Taxable Value of \$150,000

Location	Taxes
Inside Village	\$1,036.66
Outside Village - No Water	\$1,157.23
Outside Village – Water District 1 *	\$1,157.23
Outside Village – Water District 2 *	\$1,202.49
Outside Village – Water District 3 *	\$1,589.45
Outside Village – Water District 4 *	\$1,725.23
Outside Village – Water District 5 *	\$1,984.56

\* Assumes 1 EDU

If in Street Lighting District #1: Add \$79.66

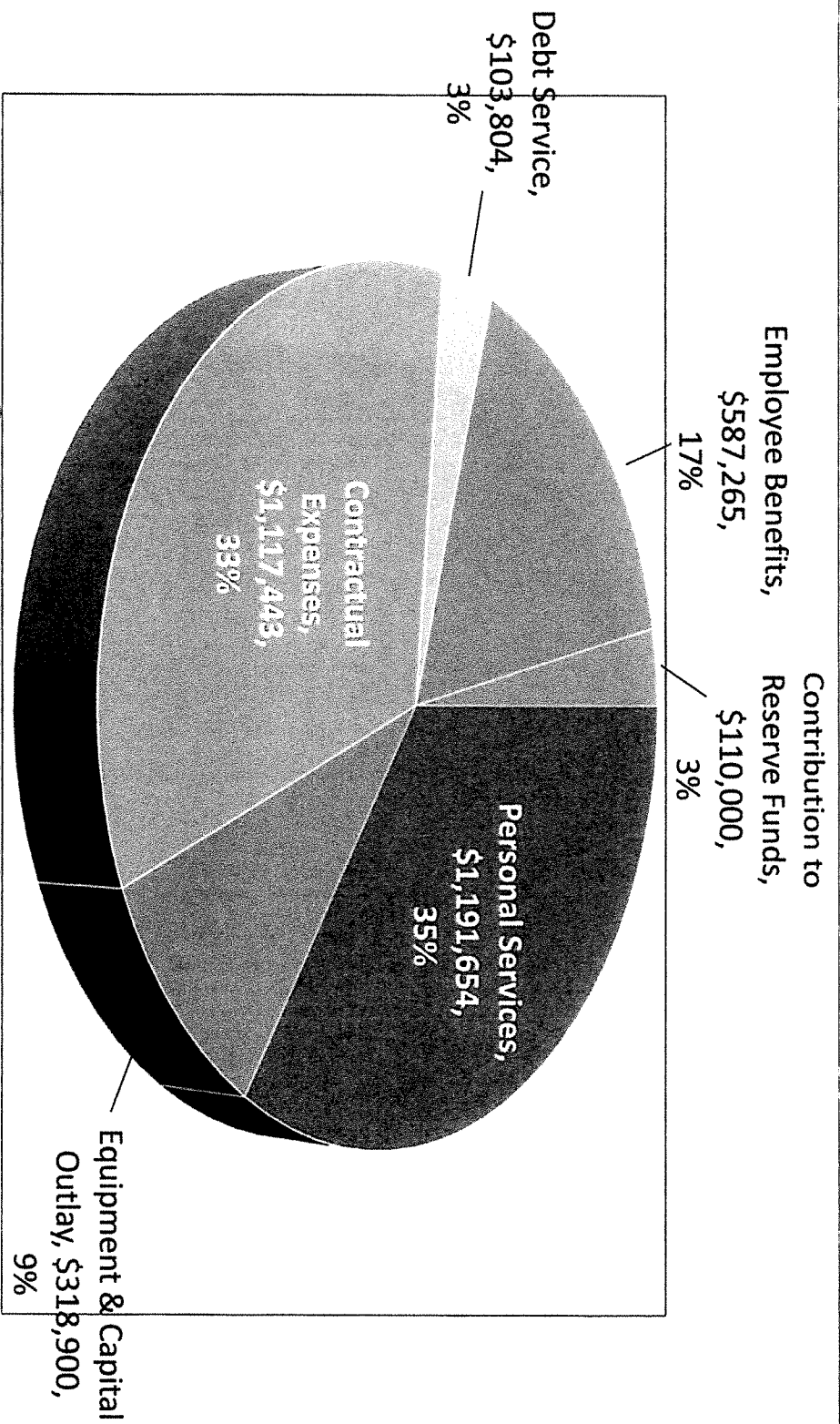
If in Street Lighting District #2: Add \$105.48



**GENERAL & HIGHWAY FUND EXPENDITURES  
BY FUNCTION AREA**

**\$3,429,066**

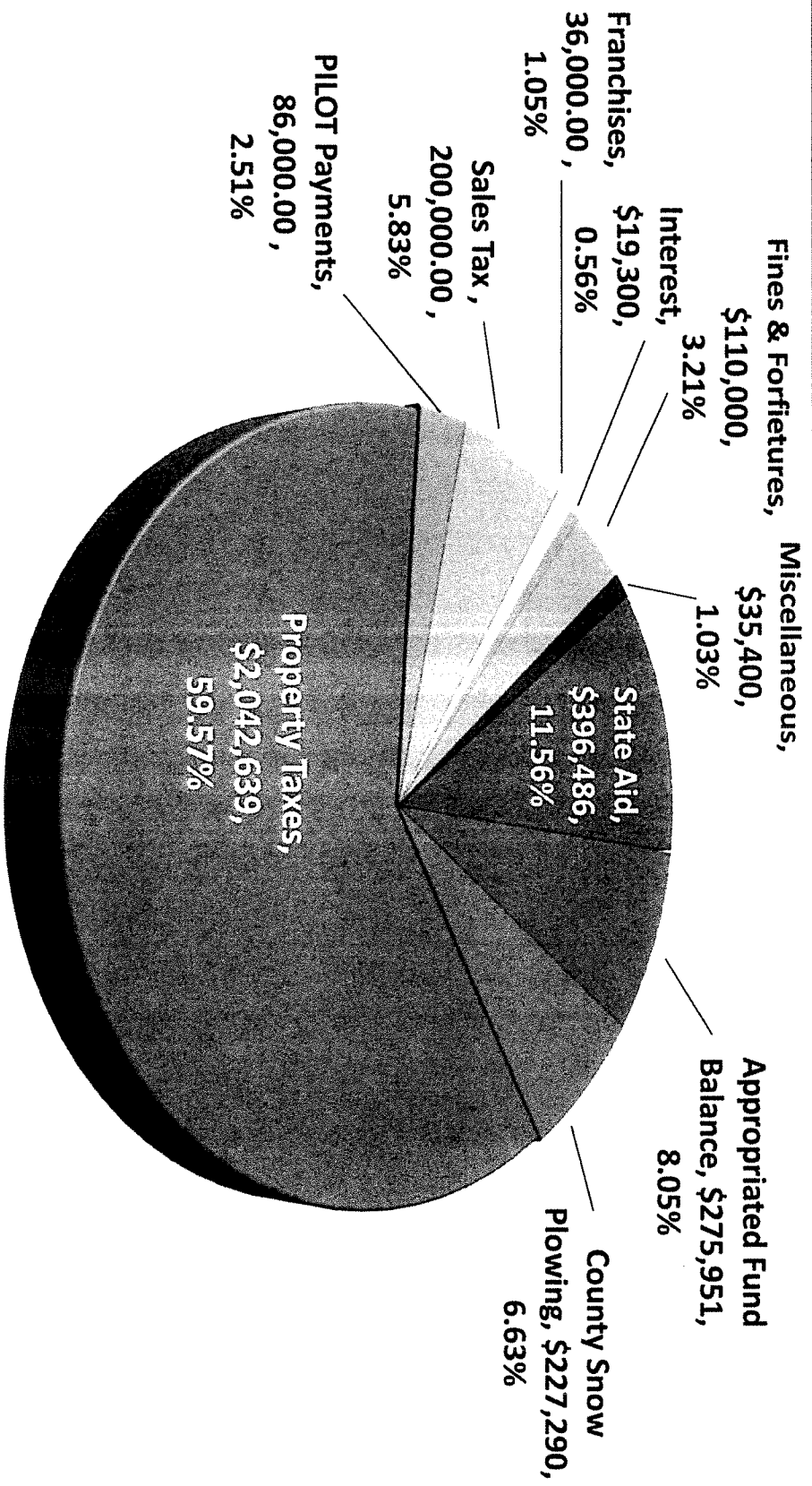




**GENERAL & HIGHWAY FUND EXPENDITURES**

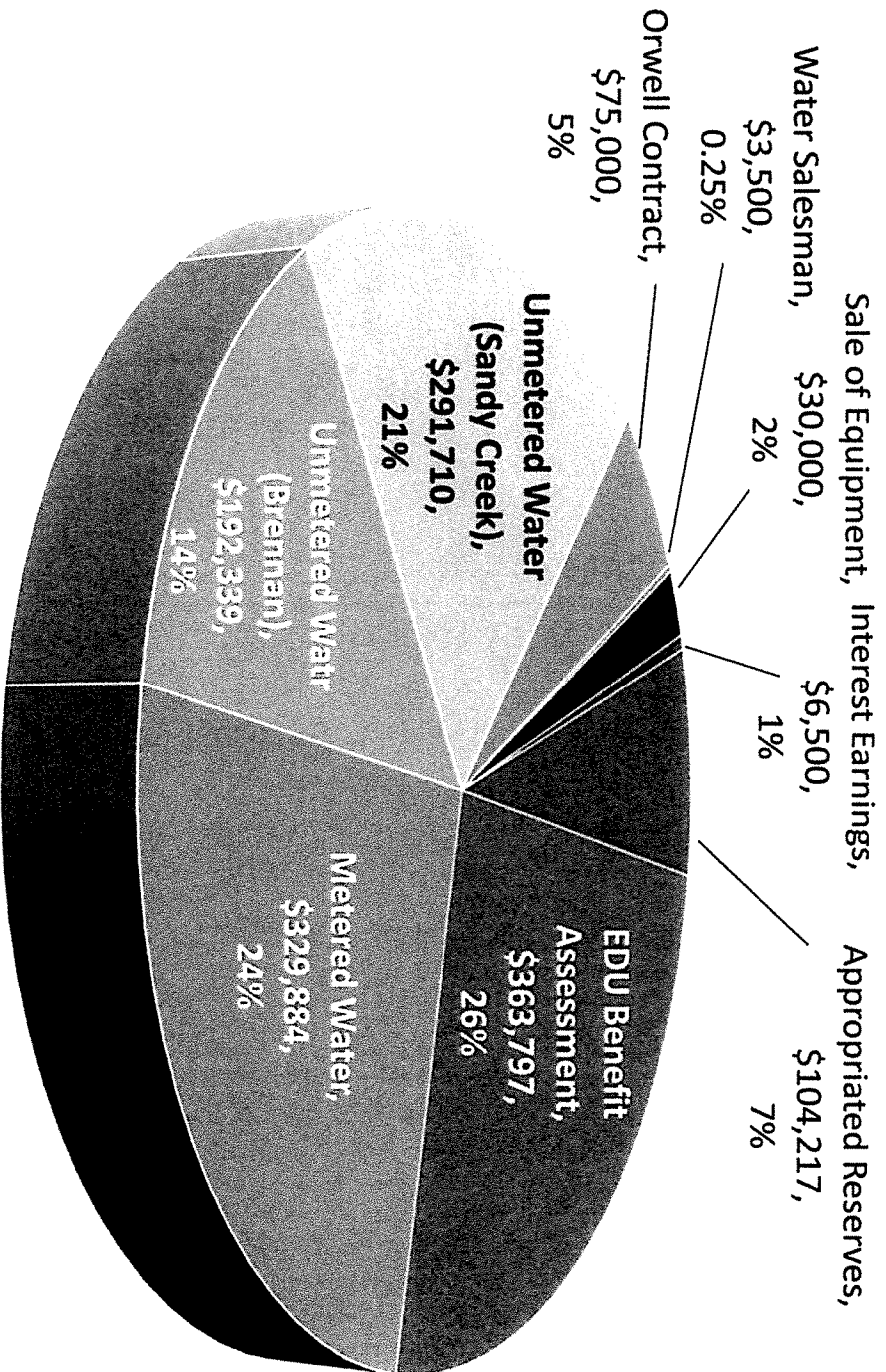
**BY OBJECT**

**\$3,429,066**

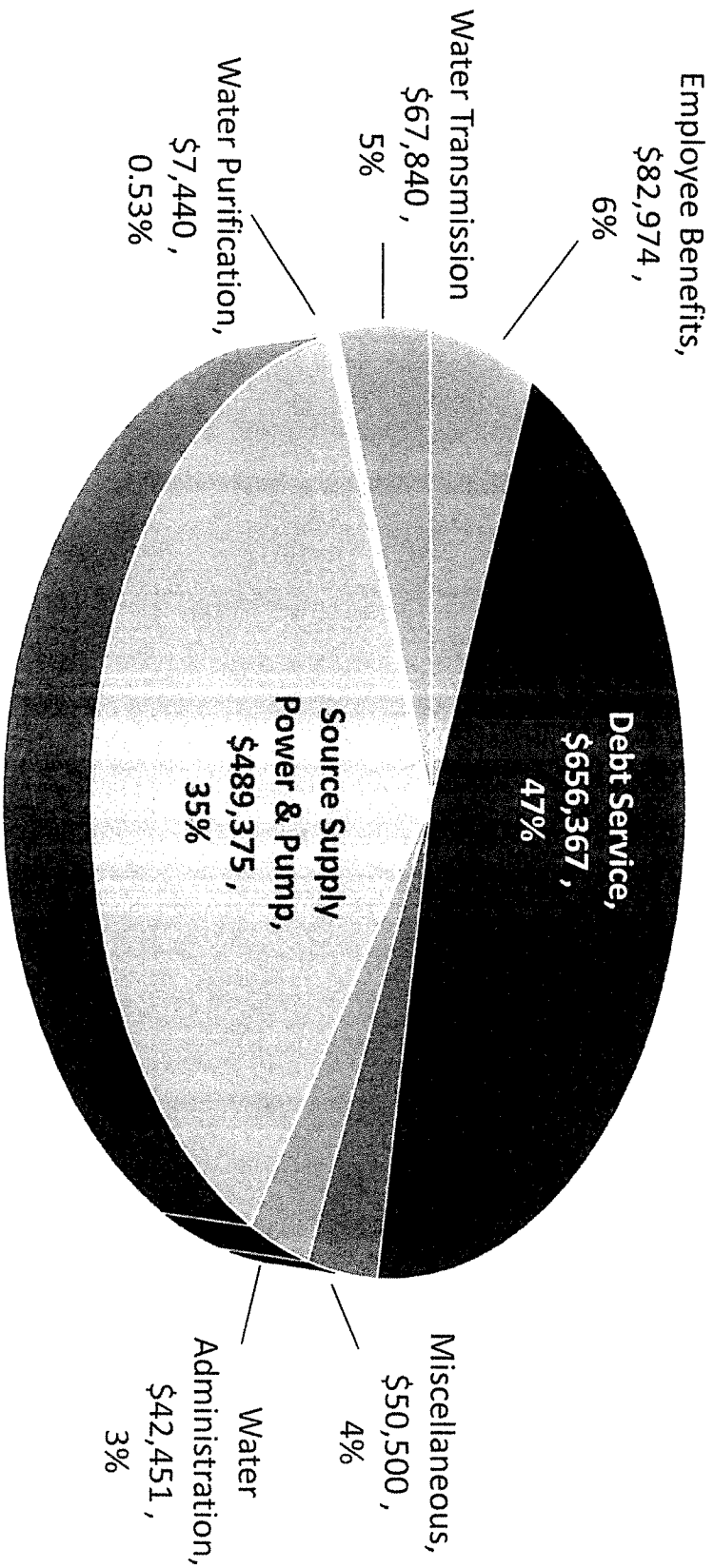


**GENERAL & HIGHWAY FUND REVENUES**

**\$3,429.066**



**WATER DISTRICT REVENUES**  
**\$1,396,947**



**WATER DISTRICT EXPENDITURES**  
**\$1,396,947**