

Supervisor Mark Illig called a special budget workshop meeting of the Pulteney Town Board to order at 5:00 PM on Monday, August 26, 2024. Present were: Supervisor Mark Illig; Councilman Kathy Burns; Councilman Rich Rees; Councilman Tammy Tones; Councilman Jon Beckman; and Bookkeeper Rebecca Welch.

Supervisor Illig reviewed the process of using a three-year rolling average of income and expenses to determine the estimated year-end fund balance in each of the funds. Based on this, the General Fund should have \$318,273.00 for year-end fund balance, but it was suggested that \$100,000.00 be used for the new Highway truck purchase expected by the end of 2024. In the Highway Fund, the town will receive an additional CHIPS reimbursement in December and one of the current trucks will be sold after acquiring the new truck. Based on \$400,000.00 in estimated expenses including money towards the new truck, the Highway Fund should have a year-end fund balance of about \$96,000.00. The Water fund currently has approximately \$100,000.00 currently and there will be one more billing before year end. Anticipated expenses through 2024 are \$85,000.00, which projects a year-end fund balance of \$82,000.00. Fund balance drives the rest of the budget numbers in the three funds.

Steuben County Real Property Tax provided a document showing the total taxable assessed value at \$374,676,307 which is what we will use when calculating the tax rate. Last year's tax rate was 2.74. Mark and Rebecca reviewed some preliminary numbers and noted any issues to develop a recommendation list prior to this meeting.

- Negotiated 3-year contract with Highway Employees to receive a 4% increase in 2025. It is recommended that 4% be the same increase for the following employees: Justice, Town Clerk, Water Operator, Attorney Galvan, Highway Supervisor, Municipal Services, and the Town Bookkeeper. The total of a 4% increase for those listed would be \$10,703.00.
- Tennis and pickleball courts
- Fred Schulte is no longer the IT person and it is recommended to increase that budget line from \$8,500.00 to \$12,500.00.
- Recommend increasing Chuck Dluzak's salary since he is the sole operator with no backup and he is on call 24/7. Chuck's salary has not been adjusted to handle the increase in water customers from 290 when he first started the current number of 420.00, which is a significant increase. A 4% raise in addition to a 10% raise is recommended to bring his salary for 2025 to \$56,000.00.
- Transfer \$100,000.00 from General to Highway to pay down the new truck.
- There will be about a 3% increase in health insurance next year.
- The town's number one financial goal is to build a fund for the Water Department. Calculate a fund balance of \$50,000.00 and put any extra in a money market fund and start building a capital reserve fund for the Water Department.
- Increase Cost of Water from Penn Yan and they are on a different fiscal year which ends in June.
- Add a new line for mowing to track that separately from other maintenance costs.
- Erica's salary is split into multiple categories beyond Town Clerk and Court Clerk including Cemetery Personal Services currently at \$650.00 per year and Registrar of Vital Statistics which currently is \$500.00. Neither line has been changed since she started. She is also the Secretary of both the Planning Board and Zoning Board of Appeals in addition to going above and beyond with whatever is needed. The current rate is \$25.00 and Erica currently submits time for this.

Councilman Beckman asked how long Highway Superintendent Gibson and Municipal Services Manager Welch might plan to work before retirement. Supervisor Illig explained that the Highway Superintendent is elected and that Terry was planning to run for reelection. He further explained that Mr. Welch has no immediate plans for retirement. Further discussion on Chuck's role continued noting that while the Water Operator schedule has flexibility, the position does not have a backup and requires Chuck to be on call at all times. Todd Bennett and John Tears have done additional work but only on a per diem basis and the work is limited to general maintenance. Each councilman further acknowledged the excellent staff we have and that it is important to be competitive in order to keep good employees. Councilman Burns asked that we combine all of Erica's salary, but it was discussed that it should remain separate for reporting purposes and due to our payroll schedule.

Supervisor Illig explained that he and the bookkeeper will take all of the input after reviewing each line item for the three funds and those budgets will be presented at the September meeting. He indicated that he would review expenses and then allocate revenue. Bookkeeper Welch prepared a spreadsheet that shows what the town has already spent this year. It also includes the average revenue and expenditures over the last three years from September 1st through year-end to estimate fund balance on December 31st. Supervisor Illig asked that the council place the Budget template and the year-end estimate next to each other as each line item is reviewed in each fund.

In the General Fund, the current 2024 budget for Building Permits was \$3,000.00 and the town has already collected \$8,458.00. This is likely due to the local housing boom which is unpredictable. Supervisor Illig asked Steuben County Representative Mike Hanna if large amounts of additional Sales Tax revenue would continue like they have in the past two years. Representative Hanna did not have any direction so the Sales Tax line should be budgeted low if additional payments end. For Property Tax, this is the number that will be filled in after determining the expenses for next year. Returning to Sales Tax, Bookkeeper Welch reported that the town generally receives about \$12,000.00 per quarter and the line was adjusted to \$50,000.00 for next year. Building permits were increased from \$3,000.00 to \$5,000.00. Councilman Rees questioned the revenue line called Franchises and Supervisor Illig explained that certain utility companies are required to pay a franchise fee for owning/using property in Pulteney. Mortgage Tax is a difficult number to project because it varies based on real estate sales and an unpredictable house market. Due to unknowns with interest rates, this budget line was not increased.

Supervisor Illig moved to General Fund expenses and Bookkeeper Welch explained that budget codes ending in .1 are Personal Services and .4 is Contractual Expenses. Raises of 4% were entered for all employees indicated above. Supervisor Illig explained how the town Assessor is now paid by the Town of Urbana and reimbursed monthly. Currently we pay Assessor Mitchell and Deputy Assessor Oliver and the line was increased by 4% as the Town of Urbana will likely approve an annual increase. Elections were reviewed and left standing. The Maintenance/Repair line will be reduced to \$10,000.00 now that Lawnmowing uses a separate account code. It was noted that the new lawn service has done an excellent job. Councilman Rees questioned the Insurance line since we had paid the current year's premium in December of last year and our current expenditures for this year were well below the budgeted amount using the unexpected sales tax money. NYMIR provides the insurance policy for auto, liability, fraud, etc. and Sprague is the agent. The Water line was reviewed and we left it at \$1,000.00 to cover the Pulteney Water District quarterly water bill and the water cooler at the town hall. The Community Garden line was left at the current amount. Councilman Beckman asked

about the Contingency line and Supervisor Illig explained that we use this account if we overspend in other accounts and also as a tool to bring the budget into balance after all of the numbers have been determined. This is also used as an emergency fund for unanticipated events like an unexpected repair.

Central Services was reviewed and the Postage line was increased to \$6,000.00 and Advertising was left unchanged. The Computer line was adjusted to \$12,500.00 due to the increase in software and switching to a different IT provider. The Dog Control Officer was given a 4% increase, and she has done an excellent job. Councilman Tones asked about the Board of Assessment Review (BAR) and Supervisor Illig explained that they meet annually to answer any property owner who wants to challenge their assessed value. Bookkeeper Welch suggested increasing contractual expenses for both Municipal Service lines due to increases in overall prices and higher mileage costs. Supervisor Illig reminded the Board that the new Health Officer is Amy Nesbitt. We increased the Registrar position 25% to \$750.00 for Erica Button. KWIC and KLOC were reviewed and Supervisor Illig did not anticipate any increases to those figures. The Playground Equipment line was reviewed and Councilman Burns mentioned redoing the pickleball courts. There was discussion on the Playground accounts and it was decided to eliminate the Equipment line and use only Contractual Expenses. The annual summer rec program expenses are paid from this budget line as well. There was additional discussion on the growth and popularity of Pickleball. The cracks of the court need to be sealed and Councilman Burns is working on getting more information and quotes. There was a short discussion on recent modifications and future plans and \$30,000.00 was allocated to this line in hopes we can address the pickleball court. The Pulteney Free Library passed a resolution around 10 years ago where the town would set the allotment from the town each year and residents vote on that contribution. This year, the library has asked for an increase of 4% on the election ballot. The Personal Services for Zoning Board of Appeals was increased 25% for Erica Button as discussed previously. Cemetery Personal Services was increased 25% from \$650.00 for Erica Button and the Cemetery Registrar position held by Donna Conley was unchanged. Benevolence was increased to \$200.00 as the price of flowers has increased. State Retirement, Social Security and Worker's Comp were increased by 3% and Health Insurance was driven by the new Highway Union Contract.

In the Highway fund, it was noted that CHIPS funding is based on a different fiscal year that ends in April. This number is set by the State Budget and factors like harsh winters or weather events can impact the amount. Despite the budgetary challenges of that funding, Highway Superintendent Gibson does an amazing job with his budget every year. Chips was estimated at \$200,000.00. Supervisor Illig explained that Capital Outlay is for oil, which is considered a depreciable capital expense and the line was increased to \$35,000.00. It was noted that Seasonal will be removed from the budget as it is no longer used. Councilman Beckman asked about the General Repairs line and Supervisor Illig explained that this line makes up most of the Highway purchases and is for anything related to general road maintenance. Highway Superintendent Gibson is planning to underspend that account for this fiscal year and use the overage to pay down the new truck that will be delivered in November. Income is a flexible number so it can be adjusted based on the tax levy distribution that is calculated after expenses are determined. The three main sources of income for the Highway Fund are fund balance, tax levy, and CHIPS funding. The account D5110.4 is used in a similar way to Contingency in the General Fund and the amount was left at \$179,000.00. The Bridges account is not always used, but the same amount from last year was carried over. For Equipment, there is a Personal Services account for when highway employees are working in the garage on repairs. The Contractual Expenses are used for the purchase of or installment payments for new equipment and was left at \$112,500.00, but the number could fluctuate. Contractual expenses for Machinery are for parts, tools,

lower cost equipment, etc. Gas usage has decreased and diesel has risen so we reduced Gas to \$5,000.00. There was a discussion on clothing/boot allowance and Supervisor Illig explained that reimbursements are more cost effective than using a uniform company and more preferred by employees. The Highway Superintendent and all Union Employees are reimbursed up to \$200.00 for boots and \$800.00 for clothing per year. For Health Insurance, the amount was reduced to \$60,000.00 as only two employees take coverage. Retirement, social security, and Worker's Comp were increased by 3%. Brush and Weeds Personal Services were reduced to \$1,000.00 after discussion on how that would impact the other Personal Services budget lines. These amounts will be reflected on the tentative budget.

In the Water District under income, \$265,600.00 is a separate tax that pays the EFC Bond Payment which will increase to \$209,819.00 for 2025. An increase of 4% was entered for Personal Services and Erica Button handles the deposits for the water department. Contractual expenses is used for administrative purposes not listed out separately. The Emergency Repair line was reviewed and we have not needed to use it so far in 2024, but will leave it for next year. It was noted that Water Operator Dluzak is very good with his budget and keeps expenses to a minimum. The Contingency line was reduced to \$15,000.00 in order to allocate more money at year-end to a Money Market account. There was an Emergency Repair Debt line on the budget, but the loan has been paid off. Emergency Repair was left at the same amount as a precaution even though there have been no significant issues so far this year. It was noted that Water Operator Dluzak tries to keep some meters on hand for replacement and avoid annual price increases. The Town of Jerusalem Transfer payment was increased to \$19,500.00 and Supervisor Illig explained that amount is based on the number of customers in the water district. The Penn Yan Capital Account increased to \$65,000.00 and the Penn Yan Cost of Water was increased to \$30,000.00 based on correspondence with Penn Yan. Electricity at the Roff Hill site was increased to \$4,700.00. The allocations for Social Security, Workers Comp and Retirement were decreased since Chuck is the sole Water Department employee. Workman's Comp was set at \$2,500.00 and Hospital Insurance is set at \$2,000.00 with both Social Security and Retirement increasing by 3%.

Supervisor Illig and Bookkeeper Welch will update the Tentative Budget spreadsheets for the three funds and email them to the board. Supervisor Illig explained the budget timetable and process including making any changes. Councilman Beckman asked for clarification on how we determine the tax levy amounts for the General and Highway funds and if the goal was to be flat. It was explained that Property Taxes are expected to decrease because Fund Balance in the General Fund is so big. If \$100,000.00 is transferred to Highway to pay down the truck, the projected year-end fund balance is projected at \$218,000.000 as opposed to last year's \$105,000.00.

Expenses are slated to increase by approximately \$50,000.00 for next year and with ample fund balances, the tax levy should be lower or the same as last year. Bookkeeper Welch made a copy of the cover summary sheet for Councilman Beckman to review, which shows the figures in question. Supervisor Illig mentioned that the Town is in the best shape it has been in since he started as Supervisor mainly due to unexpected revenues like the extra Sales Tax payments. Councilman Rees suggested we look into grants for the Pickleball Courts to defer the cost.

Meeting adjourned at 6:30pm.

_____, Bookkeeper Rebecca S. Welch
Board Appointed to take minutes