

Supervisor Mark Illig called a special budget workshop meeting of the Pulteney Town Board to order at 5:02 PM on Monday, August 28, 2023. Present were: Supervisor Mark Illig; Councilman Kathy Burns; Councilman Rich Rees; Councilman Tammy Tones; Councilman Elizabeth White; and Bookkeeper Rebecca Welch.

Supervisor Illig reviewed the timetable for the budget and explained that most costs are fixed. He explained that the philosophy of the town board since his participation was to provide the same level of services that have been provided in the past and that the only major change has been the addition of an additional highway employee. He further explained that the full-time employee, Fred McAllister, transitioned from part-time to full-time on July 1, 2023. He noted that any program change overall would affect the bottom-line budget for each fund.

The process used to calculate estimated fund balance was to take the average expenditures from August to December for the past three years. Supervisor Illig, Councilman White, and Bookkeeper Welch worked together to review the information and arrived at the estimated fund balance based on prior year data.

For the General Fund, the estimated fund balance is \$106,000.

The Highway CHIPS funding for 2023 was budgeted at \$160,000, but actual funding is estimated to be \$334,000. The estimated fund balance for the Highway Fund should be upwards of approximately \$500,000 once the CHIPS reimbursements are finalized. Excluding CHIPS funding, the estimated fund balance is \$170,000. Any amount over and above \$170,000 should be reviewed at the December meeting and at that time, a recommendation to place excess money in the Highway Capital Reserve Fund should be considered. The reserve funds would be used to pay off the grader and to develop a payment schedule for the new truck that will be delivered in March that will cost approximately \$320,000. Total estimated income is \$866,943 and total expenditures total \$696,787 leaving \$169,000. The projected fund balance was set at \$155,000 to account for any year-end spending by the Highway Supervisor.

The Water District is responsible to pay \$50,000 plus interest for the emergency repair loan taken at the beginning of 2023 from Five Star Bank.

The first item of discussion was merit increases, which affect all three funds. Last year, employees received a 4% merit increase and an inflation bonus of 3%. This year, the Consumer Price Index (CPI) is around 2.5 to 2.8%. The cost of living over the past two years has increased about 10-10.5%. Supervisor Illig recommended a 3.5% increase and the board recommended 3%. This amount over the CPI balances out the overall increase in inflation over the past two years.

When negotiating the last Union contract, there was no increase for highway employees who did not take health insurance. This should be increased to \$2,000 to match what is given to the Water Operator. Total cost to the Town for those who do take health insurance is \$8,000-\$10,000. Mark explained to Jason that there had been a clerical error in the past that resulted in an overpayment in the prior contract even though he has received less than the water operator for the opt-out insurance payment.

Income and expenses were reviewed in the General Fund. The salary amounts will be plugged in based on 3% as agreed upon. Last year's tax levy was \$302,561, which is incorrect by definition because the 2024 amount will change due to an increase in assessed property values. That number will be

determined at a later time. The real property tax number was left at the actual amount. Sales tax was significantly higher this year due to more money received at the county level during the pandemic and allocated the past two years. The estimate for 2024 Sales Tax is at \$16,000 per quarter or \$64,000 per year. Franchise is the amount that we receive from utility companies for property taxes and was left unchanged. Clerk fees are hard to estimate since it varies so an average was used based on \$600 per month. There have been no pound charges in recent years, but the amount will stay at \$100. Cemetery fees are hard to estimate and will stay the same. Cemetery services were increased. Cemetery interest was removed from the budget. Games of chance is \$10 for the Fire Department Gun Raffle. Dog licenses will stay the same as well as building permits. Variance fees are down this year but will stay at \$500 and are quite low compared to neighboring towns. A short discussion on short-term rentals followed, but no action was taken. Septic and transfers will stay the same and fines and forfeited bail was decreased from \$700 to \$100. Unclassified is hunting and fishing licenses and kept at \$100. Office machine use was decreased to \$30. State aid has stayed consistent and mortgage tax was reduced and we will receive a small amount for the revaluation.

Expenses in the General Fund were then reviewed line by line and the amount agreed upon was placed in the Preliminary Column on the budget. These amounts were determined based on a three-year lookback and other factors that may have impacted the specific line items. These numbers will be placed in the Tentative 2024 column of the budget and will be reviewed again at the September board meeting prior to being adopted.

In the Highway Fund, the same process was used by reviewing each line item in the income and expenses. The property levy number will be incorrect and filled in after line items are reviewed. In the past, Boot Allowance has been paid out of the Highway Fund and clothing Allowance has been paid out of the General Fund. This will now be combined as a Clothing/Boot Allowance out of the Highway Fund and the tentative amount was set at \$3,000. Bookkeeper Welch noted that the Salt Line was incorrectly approved at \$3,000 for 2023 and should have been \$30,000. The correction has been made, but the adopted budget amount must remain on the Highway Budget for 2024.

For the Water Fund, Councilman White recommended that rates should be increased to build up a reserve fund after the large emergency repair that happened early in 2023. She proposed an additional annual increase of \$240 or \$60 per quarter. Supervisor Illig countered by saying that in the Town's history, there has only been one disaster and meters have been recently replaced. In the past two years, the Town has spent \$180,00 but hopefully we won't have that type of expenditures. Councilman White suggested the increase happen over a two-year period where an increase of \$30 per quarter would work and then consider a rate drop. ARPA money was used for some of these repairs and reserves need to be established. Councilman Burns asked if the estimated fund balance was accurate and it was stated that we recently put money into the account and rates are being raised for the last quarter of 2023. Line items were then reviewed and that will help determine what the 2024 water rate should be. Line adjustment for SW8310.1 Personal Services – Water Operator increased to \$49,628 to reflect a 3% wage increase. SW8310.12 Personal Services - Water Clerk increased to \$2,249.00. The remaining lines were adjusted as needed per discussion. SW8310.7 Emergency Repair was increased from \$41,001 to \$11,000, which

may be adjusted after all lines are reviewed. SW8310.8 – Meter Replacement was set at \$5,000 since most of that work has been completed. Water testing may increase due to additional testing requirements so the testing line items were increased. The equipment line for Purification (SW8330.2) was decreased from \$1,000 to \$500. The town no longer has a generator so the line items related will be removed. SW8340.5 – Capital Account increased from \$0 to \$27,764 and SW8340.6 - Cost of Water increased from \$41,400 to \$53,570. SW8340.7 – Jerusalem Transfer increased from \$19,000 to \$19,300. The electricity utility line items were adjusted based on discussion of increased electric rates. The EFC Serial Bond is a fixed amount provided by the EFC. The total expenditures totaled \$252,366. Water projected fund balance of \$50,000 plus estimated 2024 metered sales at the current rate of \$135.00 equals \$224,100 for total estimated revenue of \$274,100. It was decided that the water rate would be increased an additional \$25 per quarter or \$100 per year, which will meet the goals of an operating surplus and rebuilding an emergency fund of approximately \$20,000 to \$30,000. \$265,600 will be the new estimated revenue for 2024. The new proposed rate would be \$160 per quarter and that is an increase of \$55 per quarter in the last 18 months. The income may exceed estimates due to meter replacements and increased water usage during the summer, however this can vary based on weather.

Rebecca will update the budget spreadsheets into the Tentative Budget column and will determine the distribution for the tax levy for the General and Highway fund.

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