

TOWN BOARD MEMBERS PRESENT:

Steven J. Walters	Supervisor
Joseph A. Collins	Councilman
Jonathan Gorman	Councilman
Amy J. Ziegler	Councilwoman

ALSO PRESENT: Barbara S. Allen, Deputy Town Clerk; Mary Dosch, Sr. Account Clerk; Ken Farrell, Town Attorney; Brian Doyle, Deputy Town Attorney; Tom Best Sr., Highway Superintendent; Wayne Drescher, Financial Consultant; Jerry Giglio, Traffic Safety Coordinator; Peter Reszka, Planning Board Chairman

Supervisor Walters requests that Highway Superintendent Best contact the New York State Department of Highways and inform them that there is a potential situation on Route 5 at the old Foit's property. There was a collapse there and if the road is being undermined they need to be informed.

Superintendent Best responds that he will take care of it first thing in the morning.

Supervisor Walters comments that he has two late resolutions. One is to extend the labor contract with the Southtown Police Club and the other is to approve the 2012 proposed Budget.

Everyone comments that they don't have a problem with approving the extension of the labor contract.

Councilman Gorman asks Mr. Drescher if he had looked at his proposal for cuts in the Budget and the feasibility of that proposal.

Mr. Drescher responds that he looked at all the proposed changes and made up a sheet in response to it. (attached)

Town of Hamburg

2012 Budget

Proposed Changes - Councilman Gorman

Code	Department	Description	Change	
A1340.100	Budget	Personal Services	\$ (7,500)	Removes Supervisor's stipend. Originally proposed in 2011 to be \$15,000; Board reduced and approved \$7,500 in 2011; there was no increase during 2012
A1420.457	Law	Outside Legal	(70,000)	Spent \$55,556 and \$105,579 in 2009 and 2010 respectively. \$57,785 expended through June 2011. Budget request was for \$80K was reduced by the Supervisor to \$70K. Proposal by Councilman is to reduce to zero.
A1640.202	Central Garage	Motor Vehicles	(32,000)	Proposal by Councilman to remove entirely. Budget provides for fleet replacement only as needed.
A1920.456	Special Items	Consultant Fees	(15,000)	Proposal by Councilman to remove entirely. Budget provides for Town's grant writer. Budget was reduced \$5K from prior year.
A1970.492	Special Items	Central Training	(25,000)	Proposal by Councilman to remove entirely. Budget provides for training for all departments, some of which is mandated. Budget was reduced \$5K from prior year.
A1990.419	Special Items	Contingency	(50,000)	Proposal by Councilman to reduce contingency from \$90K to \$40K. Contingency of \$90K represents only approximately .5% of the total appropriations - and is used for unforeseen circumstances throughout the next year.
A6410.436	Publicity	Publicity	(15,000)	Proposal by Councilman to remove entirely. Budget provides for print ads and other advertising for Town.
A6410.456	Publicity	Consultant	(30,000)	Proposal by Councilman to remove entirely. Budget provides for consultant to promote all Town services.
A7140.201	Playgrounds B&G	Mach. & Equipment	(15,000)	Proposal by Councilman to remove truck/High Lift from the equipment budget. The budget provides for normal replacement of equipment when necessary.

Town of Hamburg

2012 Budget

Proposed Changes - Councilman Gorman

Code	Department	Description	Change	
A7140.202	Playgrounds B&G	Motor Vehicles	(32,000)	Proposal by Councilman to remove entirely. Budget provides for regular replacement of motor vehicles used by B&G to maintain many recreation facilities throughout the Town.
A7182.000	Beach-Woodlawn	Remove All	(100,000)	Proposal by Councilman to remove entirely. If the Town decides to continue to run Woodlawn Beach then expenses are needed. Alternatively, if these appropriations are removed then the Town must also remove \$204K of related revenues.
B1990.419	Special Items	Contingency	(90,000)	Proposal by Councilman to remove entirely. Budget provides for all unforeseen circumstances that may within this fund (which is largely police services. Contingency of \$90K represents approximately .78% of total fund appropriations.
DB5110.210	Highway	Road Improvements	(100,000)	Proposal by Councilman to remove \$100,000 of budget. Budget provides for Town roadway reconstruction/improvements and repair. If this were to be reduced then the Town must review its road maintenance program and reduce infrastructure repair. In 2010, the Town spent \$400,138 in this budget line.
DB.5142.467	Snow/Ice	Salt	(100,000)	Proposal by Councilman to remove \$100,000 of budget. Budget provides for road salt for ice and snow removal. The Town spent \$271,134 and \$230,966 in 2009 and 2010 respectively. Thus far in 2011 the Town has expended \$233,833 (with November and December remaining).
DB.9950.975	Transfer	Equipment	<u>(200,000)</u>	Proposal by Councilman to remove entirely. Budget provides for replacement of major equipment (mainly snow plows) which are being replaced on a regular schedule to ensure service to residents and avoid large budgetary changes.
			<u>\$ (881,500)</u>	

Mr. Drescher comments that he went through each item and tracked it over the last two years of spending to see if it had potential. There are not a lot of excess vehicles, if you defer a vehicle this year it generally doubles the expense for next year. With the tax cap for next year they could not double up. The last item on the list has to do with snow plows. They are trying to keep it consistent from year to year and keep the fleet up to date. The second from the bottom is salt. They are already over budget this year for salt and still have November and December to get through. Salt has increased in cost by 40% over the last five years. They have \$400,000 in the budget to repave and reconstruct roads. This will keep the schedule of the infrastructure up without having to do bonds or bond anticipation notes. If they can keep this up they can continue to keep the infrastructure up without debt. There are two items in Contingency. You can get rid of it, but if something happens there wouldn't be anything available.

Supervisor Walters comments that the Contingency was used for the October storm in 2006.

Councilman Gorman responds that with borrowing costs so low debt may be a better thing to do as opposed to paying lump sums and increasing property taxes.

Mr. Drescher responds that he would agree if they were doing a large capital project. But for operational purposes such as a truck or van if they use debt for that then they would have to put the debt principal payment into the following years budget. In today's environment where there is a tax cap you have to keep things steady.

Councilman Gorman responds that he saw today that the State budget gap might increase by 3.5 billion and he worries about losing additional revenue. They took a grab at the slot machine money. The economy is not good this year. If they can't cut now what are they facing next year.

Mr. Drescher responds that he is in the opposite mode. If they cut it this year they have to replace it next year and they can't do that. This is just a slight increase. They went through every line item thoroughly. If they borrow and the State takes away general aid there is no way they can be under that cap. Next year they will have to deal with the contractual agreements.

Superintendent Best comments that the average lifespan of a plow is about 14 years and we are in the cycle where if they buy just one a year the Town will not have to go out and buy 10 trucks in one year. That way no plow would be more than 12 years old when they complete the cycle.

Councilman Gorman questions how much it would cost for a bond.

Mr. Drescher responds that they could get a 3.5% interest rate for a bond. To purchase 5 trucks they would have to pay around \$160,000 a year over the next 15 years. The problem is do you look long term or short term?

Councilman Gorman comments that he was looking long term. Lock in the low interest rates now and when the economy gets better, revenue lines will ideally increase.

Mr. Drescher responds that his personal belief is that they will never increase the State aid general revenue sharing.

Councilman Gorman comments that interest rates will probably never go lower, so he looks at that as a potential opportunity. The problem right now is that people are hurting economically and people will see a 3% tax increase which they could maybe save, bond it out and then down the road when there is more stability maybe then they could handle a slight increase.

Mr. Drescher comments that their views on long term and how to get there are different.

Supervisor Walters comments that they are still paying a couple hundred thousand in debt repayment. If they hadn't bonded for previous purchases there would be 2 to 3 hundred thousand dollars off the books this year and that is where they are trying to get with the operational stuff. However, if there was a large Capital project they had put on hold, now would be the time to look at it because of the low interest rates on a multi-million dollar project.

Councilman Gorman comments that they could put all the vehicles and bundle them together for a large purchase.

Supervisor Walters responds that bonding for operational is what gets them in trouble. There are other fees associated with the bonding. In the 2012 budget they are paying about \$600,000 in principal and interest on debt service and most of that is because of operational borrowing that had been done over the years.

Councilman Collins comments that the overtime is a problem.

Mr. Drescher responds that they have put a tracking system into place so they can monitor that better.

Councilman Collins comments that Councilman Gorman proposed cuts last year in the amount of \$600,000 and now this year in the amount of \$800,000 that should be taken into consideration.

Supervisor Walter comments that they have made cuts, they are spending about 3 million less than they were five years ago.

Councilman Collins questioned what happened to the Video Lottery money.

Mr. Drescher comments that they paid down a lot of debt. They paid off bonds without reissuing new ones and used it for capital purposes. There was a B.A.N. paid off for the Wanakah Welcome Center and Seaway Trail.

Supervisor Walters explains that the house next door had water problems coming in through the siding and was not insulated. They used the Video Lottery money to do a lot of one time capital projects rather than bonding out new money. In addition, they paid off more than half of the general fund debt; that way they could keep cost down in other areas of the budget. He mentioned the \$600,000 in debt service in the 2012 budget that would have been 1.5 million. That is where the savings from the video lottery money are and now that will be the savings from year after year.

Mr. Drescher comments that most of that savings was taken up by the retirement system.

Councilman Gorman responds that the burden is only going to become greater on local municipalities. They try and project revenues and they are not getting there.

Mr. Drescher responds that is right, they do need to push revenues. If a recreation program isn't making enough to support that program they will have to make a decision whether the program stays or goes. Towns' people can't be paying for services that someone else receives. The golf course has to make a profit, they will have to revisit the fitness center, look at engineering charges, building fees and charges, Town Clerk fees, etc.

Councilman Collins comments that Woodlawn put us into a position where they lost money. The projection for Woodlawn, in the 2012 budget shows a profit, however payroll needs to be reflected correctly.

Mr. Drescher comments that last year it was difficult to track because there was no separate department code or fund. This year it is a separate department. They want the beach to pay for itself, if not they will have to take a look at it.

Supervisor Walters comments that a regional beach is better than a local beach because instead of 57,000 being responsible to cover the entire cost, there are about a million people that you are pooling from. They are coming and paying \$7.00 to park, using the restaurant and using the pavilion.

Ken Farrell comments that most if not all regional parks and beaches are open to the entire public from anywhere. They cannot exclude non-town residents. The only reason the Hamburg Town Park does this is a somewhat arcane restriction in the deed of gift from over 100 years ago. It is suspect to being challenged in the Court because all of those court cases have tossed out those type of restrictions on public policy for discrimination and other things. The most the town can do is offer a slightly lower fee for admission to the park but the park would be open to the entire populace and cannot be restricted to town residents.

Supervisor Walters comments that the golf course is open to nonresidents along with all the recreation programs, etc.

Councilman Collins comments that he gets asked a lot of questions on the number of Police calls to Woodlawn. He would like to be able to get that information so he could reassure residents that there are not a lot of calls on that.

Councilman Gorman questions when they will have projections for next year.

Mr. Drescher responds that after about four months they do the first budget monitoring to see if there is anything they didn't expect. They can then act on those items. This Town is lucky to have a great group of Department Heads.

Councilman Collins comments on the Legal Department and what is spent on outside legal fees and how more should be handled in-house.

Ken Farrell comments that they started in 2008 and there are a number of things they did differently. One is that they reduced the operations aspect of the Legal Departments budget by approximately \$16,000 because there is no medical, dental or vision benefits that are paid to any of the attorneys in the department. In addition to that they are classified as part time employees, not full time, and because of that they clock up at a much slower and lower rate in regards to what is required to be put into New York State as a contribution towards the retirement system. They also have stopped paying nearly \$40,000 to a consultant on insurance and other claims management. They have brought it back in-house so they have cut the salaries and benefits and have taken on significantly more work. He did an analysis for the last year and there were a total of 201 claims. They oversee and supervise every claim, but actually handled 113 of those inside the legal department and only used outside council for 88 of those. In addition, the legal department by nature is not a revenue generating department. Between the claims and recoveries they have received \$24,001.41 during this past year. In addition to that they started a quarterly review of the workers compensation claims and they have done that with the help of Mary Dosch, Paula Bucci and their claims administrator First Niagara and Lawley Insurance. They have received over \$119,000 from workers compensation recoveries. There are two other revenue sources which he cannot discuss in open session because they are subject to confidential agreements. Those agreements were the result of research by him and Deputy Town attorney Doyle on a very complicated tax issue. If you add up all those items they are a revenue generating department that covers all its operation expenses.

(At 6:59 pm the Town Board moves directly from the Work Session into the Town Board meeting in the Court Room)