

A continuation of the public hearing on the 2010 Preliminary Town Budget was held by the Town Board of the Town of Moreau on November 10, 2009 in the Town of Moreau Town Hall, 61 Hudson Street, South Glens Falls, New York.

Supervisor Jenkins welcomed everyone to the extension of the public hearing on the 2010 preliminary budget at 6:30 p.m.

The Town Clerk called the roll, which resulted in the following Town Board Members being present or absent:

Town Board Members Present

Tom Cumm	Councilman
Bob Prendergast	Councilman
Gina LeClair	Councilwoman
Todd Kusnierz	Councilman
Preston Jenkins	Supervisor

Town Board Members Absent

None

Also Present; Jeanne Fleury, Town Clerk; Fran Thibodeau, Account Clerk; Paul Joseph, Highway Laborer; Bob Lyons, Town Resident; John Telisky, Town Resident; Adele Kurtz, Town Resident; Peggy Jenkins, Assessor (entered meeting at 7:40 p.m.); Mike Montgomery, Deputy Highway Superintendent (entered meeting at 6:55 p.m.); Steve Gram, Recreation Director (entered meeting at 6:55 p.m.); Reed Antis, Town Resident (entered meeting at 6:56 p.m.) Nick Reisman (entered meeting at 7:00 p.m.); Martin D. Auffredou, Attorney for the Town (entered meeting at 7:00 p.m.)

Supervisor Jenkins stated there were some open issues from the last budget meeting that needed to be taken care of tonight.

The first one was the check received from T-Mobile per their lease agreement for their antennae on the water tower on Route 9. The money is going to be added as revenues in Water District 6.

Councilman Prendergast recalled that Supervisor Jenkins was going to contact John Weber regarding the medical insurance.

Supervisor Jenkins said that John Weber did send out RFP's to four or five insurance companies. We have enough funds in the current budget to cover where we are at and we will be going over that in the regular session.

Fran Thibodeau noted that the two deputy receiver of taxes usually get the same salaries and when she distributed the percentage increases based on the \$850.00 she didn't equal them out so she would like to change it around so instead of putting the money in deputy receiver of taxes it would go in deputy town clerk.

Councilman Prendergast asked Fran if she was just changing the figures around and Fran said yes.

No objection was voiced to this.

Councilman Kusnierz commended the board. When they were presented with the budget ~~is it~~ **[Amended 11/24/09 jf]** was at \$7.6 million with an increase in appropriations in the highway budget of just over 12% and by working collectively the board was able to shave off the budget \$550,000.00. He has had a chance to digest where we are right now as the result of our actions and one of the things that concerns him is that the overall budget is being funded by over 14% of

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our fund balance. The general fund alone is being funded with 22% of our fund balance and even worse is our highway budget is utilizing 28% of the fund balance and sales tax revenue if you add them both together. He realized that the board was taking into consideration the difficult economic times we may be faced with next year, but based on the information coming out of Wall Street this week and what the Governor said yesterday with the dire fiscal projections for the state going forward for the next four to five years he is very concerned that while this budget will get us through next year we may not be conservative enough if we remain in an economic down turn for the next two or three years going forward. If we are going to rely so heavily on fund balance our safety net will be depleted within five to six years depending on how much we use. If anybody has any suggestions on how to cut the budget further, and he has a few, to get that figure down he is more than willing to keep working on it. We still have some time before we have to adopt the budget.

Supervisor Jenkins said the comment in the Sunday paper said the general fund balance at the end of the year would be \$1.9 million and we would use \$658,000.00 of it and the actual fund balance will be \$3.8 million at the end of the year and not \$1.9 million. The reporter used the town outside village fund balance. We only have about four years and we would have to stop using fund balance, because we need that security. He said we worked hard so we wouldn't raise taxes. We already decreased total appropriations by 4.6% and in the general fund it was 13%. He said if Councilman Kusnierz had something to offer he was willing to listen.

Councilman Kusnierz said there were questions asked at the public hearing on November 5th about items in the budget and he asked if anybody looked into them one being the economic development account. He said there was no doubt that areas of the budget have to be funded, but in order to be cognizant of a two or three year plan going forward we have to see if it is something that really has to be in the budget.

Supervisor Jenkins said if they eliminated the money in the economic development account all it would do is reduce the amount of fund balance that we would be applying and if we didn't spend it, it wouldn't have any impact. If we had an economic development situation where the board wanted to do something they could amend the budget so he wouldn't have a problem deleting the \$25,000.00 in economic development.

Councilman Kusnierz said there was \$20,000.00 in B1990 that wasn't budgeted the prior two years. He didn't know what the intention was for that.

Fran Thibodeau said there was money transferred out of the B1990 in 2009.

Supervisor Jenkins thought it was for the storm water reports.

Fran then said that \$10,000.00 went to drainage and \$1,166.07 to offset the highway's spring brush pick up.

Councilman Kusnierz stated that in years past they had money set aside for condemnation and at one time it was up near \$700,000.00 and the year after it was around \$350,000.00. That is a big chunk of change that is no longer earmarked in the budget for obvious reasons and that will go back in fund balance so that won't be seen next year. That is why he thinks we should be looking at the budget from a two or three year perspective.

Supervisor Jenkins said there is \$30,000.00 in judgment and claims. This was discussed the other night. We don't have any specific judgment or claim issues so that can be removed.

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Councilman Prendergast asked if the taxes are up or down.

Supervisor Jenkins replied that the tax rate is holding. This will just reduce the amount of fund balance used.

Councilman Prendergast stated that the discussion says that if we need it we will take it out of fund balance, with him it all centers on controlled spending. If you look at the economic development item the only one who will approve the spending of that money is the town board. The department head isn't going to spend it.

Supervisor Jenkins said so it goes back into fund balance.

Councilman Prendergast further stated that the taxes are low or down the way the budget is now. If we put the money in fund balance and then take it out as we need it or leave it where it is now and we don't spend it, it is just like having it in fund balance no difference. The way the budget is now taxes are down if we control spending he doesn't see a problem unless there is an unforeseen problem or if we spend needlessly or without thought. He agreed with Councilman Kusnierz in that we can't think for just this year. If we spend this year without thinking years ahead then we will have a problem. It is more of a gesture just taking it out and putting it in fund balance than anything really meaningful. If we don't spend it, it doesn't matter if it is in the fund balance or the budget.

Councilman Kusnierz said it could impact the taxpayers, because if you were in agreement to taking it out of the budget and putting it in fund balance you could affect the tax rate depending on how much it is.

Supervisor Jenkins said yes basically, but what they did previously was either leave the fund balance the way it is and reduce the tax rate or reduce the fund balance we are applying and he thought the goal was to reduce the fund balance we are applying.

Councilman Kusnierz said true, but the argument that was presented was that either way was okay as long as we had control on spending. The bottom line is when you put all these numbers together you have to come up with a tax rate per 1,000 and that plays into that factor.

Councilman Prendergast said that would lower the tax rate this year, but to the point Councilman Kusnierz made earlier we have to think years in advance. The tax rate as it is now, with the budget the way it is now, is lower even with that in there. It is just "control spending". That is his opinion.

Supervisor Jenkins said no matter what they do he suggested they keep the tax rate where it is now, which is within a fraction of what it was last year. We either leave those in or reduce the amount we are applying from fund balance. Either way it won't affect the tax rate.

Councilman Kusnierz asked if the question about the assessed values is settled.

Supervisor Jenkins replied that we are down about \$7 million.

Peggy Jenkins said it is the result of the hydros and transmission and distribution properties for Niagara Mohawk.

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In answer to a question from Councilman Kusnierz she stated that a pilot will come off in 2010 and a payment will come in from the IDA for the town's portion in March or April in 2010, which will be their 2009 payment and in 2010 they will go back on the roll as taxable.

Councilman Kusnierz asked how much the 2009 payment from the IDA payment will be.

Peggy Jenkins stated there will be two pilot payments. One is the hydro coming off roll section 8 and going on to roll section 9 in 2010 and in 2011 another pilot will come off roll section 8 and going on to roll section 1 as taxable.

Supervisor Jenkins said the total was \$52,000.00 but that was for Bakers Falls and South Glens Falls. He assumed that would go up substantially as part of the reval process.

Peggy Jenkins stated that the assessed value of the pilot coming off in 2010 is about \$10,400,000.00 and that is the equalized value.

Councilman Kusnierz said the other comment he had was about the sales tax and what we are sending back to the county. He looked at what kind of impact reducing that amount had. When you talk about reducing tax rates in all fairness to the public we have to make sure we talk about all tax rates that we as a board impact and one is the general county tax rate. 2008 was the first year we didn't send \$800,000.00 down to the county. We had a general tax rate of \$4.17 per 1,000 and as the result of cutting in half the amount that we had been sending to the county the county tax levy for the Town of Moreau outside the village went up to \$5.63 per 1,000. It does have an impact on the taxpayers.

Supervisor Jenkins replied that the reduction in general fund tax rate offset that and there was still 8% reduction for everybody outside the village.

Councilman Kusnierz said last year we used \$1.5 million in fund balance and for 2010 we will be using just over \$1 million and Supervisor Jenkins replied to this by saying that we will only be spending about \$500,000.00 of the \$1 million.

Adele Kurtz asked if anyone found out what the \$30,000.00 in zoning is for.

Supervisor Jenkins replied no, but we probably can reduce that and they will take a look at it.

Adele Kurtz asked about the \$23,000.00 in drainage. In 2008 there was \$5,000.00 budgeted and in 2009 there was \$23,000.00 budgeted.

Supervisor Jenkins said the board will be considering entering into a contract to maintain MS4 and reporting. There are a lot of things that have to be complied with. This is an estimate of what it will cost to maintain the monitoring system and reporting. It will be primarily engineering costs.

Adele Kurtz asked why the mobile home park permit fees were at \$3,700.00 for 2010 when in 2007 the actual was \$232,000.00.

Fran Thibodeau replied that the 2770 revenue account has miscellaneous fees in it and there could have been tax stabilization money in that account in 2007.

Discussion followed on expenses anticipated regarding the re-zoning process.

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It was agreed to take the \$25,000.00 out of economic development and the \$10,000.00 out of A1930 judgment and claims and put that money into fund balance.

A motion was made by Councilman Cumm and seconded by Councilwoman LeClair to close the public hearing on the 2010 Preliminary Budget at 7:05 p.m.

Roll call vote resulted as follows:

Councilman Prendergast	Yes
Councilwoman LeClair	Yes
Councilman Kusnierz	Yes
Councilman Cumm	Yes
Supervisor Jenkins	Yes

Respectfully submitted,

Jeanne Fleury
Town Clerk