

**Town of Hamilton Budget Meeting Minutes
2017 Budget and Fire District Public Hearings
Thursday, November 3, 2016 at 7:00 pm
Held at the Poolville Community Center, 7484 Willey Road, Poolville, NY**

Present: Eve Ann Shwartz, Peter Darby, Chris Rossi, Suzanne Collins, David Holcomb
Others Present: Sue Reymers, Brynley Wilcox, Jason Florenz.
Public: Gair Meres, Sam Cooper.

Supervisor Shwartz called the meeting to order at 7:03 p.m.

LEGAL NOTICES: The legal notices for the budget hearing and both fire contracts were published in the Oneida Daily Dispatch, Mid-York Weekly, Town Website, Town Office and Radio Free Hamilton.

EXEMPTION REPORT: From the Assessor's Office - on file.

PUBLIC HEARING - FIRE PROTECTION CONTRACTS

Fire Protection Contracts for Village of Earlville

RESOLUTION 2016-110: Open Public Hearing - Earlville Fire Protection Contract

On a motion of Councilmember Darby, seconded by Councilmember Holcomb, the following resolution was: ADOPTED: Ayes: 5, Nays: 0
Resolved that the public hearing be opened at 7:07 p.m.

The amount is \$17,219.80 of the contract, which is an 8.7% increase over last year.

Eve Ann Shwartz asked three (3) times if anyone present wished to speak. With all persons desiring to be heard, Supervisor Shwartz requested to close the public hearing.

RESOLUTION 2016-111: Close Public Hearing - Earlville Fire Protection Contract

On a motion of Councilmember Darby, seconded by Councilmember Rossi, the following resolution was: ADOPTED: Ayes: 5, Nays: 0
Resolved that the public hearing be closed at 7:09 p.m.

Fire Protection Contracts for Village of Hamilton

RESOLUTION 2016-112: Open Public Hearing - Hamilton Fire Protection Contract

On a motion of Councilmember Rossi, seconded by Councilmember Holcomb, the following resolution was: ADOPTED: Ayes: 5, Nays: 0
Resolved that the public hearing be opened at 7:10 p.m.

The amount of the contract is \$61,995.00, which is a 30.2% increase over last year. Per the letter from the Village of Hamilton included with the contract, the increases are due

to a Bond Anticipation Note (BAN) for new Toyne tanker truck and unexpected major repairs to fire trucks in the amount of \$52,379.97. Mayor McVaugh has attended two town board meetings and has spoken about the increase. There was a brief discussion on the usage and repairs of the fire trucks.

Gair Meres asked about Colgate contributions to the Fire Department.

Supervisor Shwartz stated that she does not think that they contribute to their regular operating. They don't typically give to general operating but give to capital campaigns.

Mr. Darby stated that Colgate is contributing towards a truck that the Village has bonded for. The town is contributing \$10,000 a year to this truck as well. Typically gives to capital expenses and not operating expenses.

Eve Ann Shwartz asked three (3) times if anyone present wished to speak. With all persons desiring to be heard, Supervisor Shwartz requested to close the public hearing.

RESOLUTION 2016-113: Close Public Hearing - Hamilton Fire Protection Contract

On a motion of Councilmember Rossi, seconded by Councilmember Darby, the following resolution was: ADOPTED: Ayes: 5, Nays: 0
Resolved that the public hearing be closed at 7:16 p.m.

There was a quick review of the Hubbardsville Fire District budget. It was noted that all of the fire departments budgets increased due to equipment and capital costs. Supervisor Shwartz stated that Madison County will address fire after they have handled emergency services.

RESOLUTION 2016-114: Approval of Fire Contracts for Earlville and Hamilton

On a motion of Councilmember Holcomb, seconded by Councilmember Darby, the following was: ADOPTED: Ayes: 5 Nays: 0
Resolved that the Fire Contracts for both the Village of Earlville and Village of Hamilton be approved.

2017 TOWN BUDGET

Mr. Darby started off by explaining that we never moved the Tentative Budget to a Preliminary Budget because we were waiting for final numbers for health insurance, the new highway superintendent, Colgate contribution for ambulance and SOMAC's budget. We have a new budget to review and then the board needs to move it from tentative to preliminary. At that point, we will hold the public hearing. He told the audience they are welcome to comment at that point.

Peter Darby stated that there have been a number of changes that the board has not seen. Including: expected a 14% increase in health insurance was actually 7.65%; there

was a full family policy for highway superintendent, but is taking a buyout, which lowered that number. SOMAC provided its budget number. Mr. Darby spoke to Joann Borfitz from Colgate and they will contribute \$21,500 for a stretcher and \$15,000 for general operating. Last year, Colgate gave \$37,500. SOMAC's budget increased \$6,000 but only \$15,000 came from Colgate which increased the Town of Lebanon and Hamilton's portion.

Mr. Darby then reviewed the tax rate calculator. Mr. Darby explained that the Milford project will be depleting the fund balance. He suggests putting in \$20,000 to rebuild the fund balance. The town board inherited a big fund balance that has enabled the town to handle major one-time expenses without increasing the taxes. Mr. Darby handed out a list of big and small purchases over the last few years and reviewed it with the board. (ATTACHMENT A)

Mr. Darby explained that the capital plan for equipment needs to be updated because the original numbers were idealistic. Supervisor Shwartz noted the solar project for the garage is not on there.

Mr. Darby recommended adding \$20,000 to rebuild the fund balance. The tax rate is at a 1.06% increase before adding \$20,000. It goes up to 3.98% with the \$20,000 added in. It's a board decision. Mr. Darby stated having a healthy fund balance gives the town flexibility and that he felt it is irresponsible to current and future board to not rebuild it starting next year.

Brynley Wilcox reviewed the fund balance spreadsheet. Ms. Wilcox noted the sales tax issue where the town received too much money and needs to repay it. It occurred during the town switching over method of receiving sales tax from the county. Supervisor Shwartz explained that it occurred due to a software issue with their new accounting system. She believes they may give us 3 years to repay it.

Sam Cooper asked if the town board voted to override the tax cap. The board stated that yes, they did. Mr. Cooper asked if the board would consider acting as a lead to not go over the 2% tax cap. Peter Darby responded that the board has not had a discussion yet about the \$20,000, but his response is that any money we save on taxes will have to be raised in the future. Mr. Cooper stated that someone has to make a sacrifice, otherwise the 2% does not mean a thing. Supervisor Shwartz stated that she felt that the 2% is an unrealistic number. Chris Rossi stated that it's not even 2% this year, but rather .6%. There was a discussion on the impact of the 2% tax cap override.

Sam Cooper asked if the state gives a guideline on how much should be in the reserve. Ms. Wilcox explained that the state provides several ways for towns to manage fund balances (ie: restricted vs. unrestricted), but they will not tell the towns what amount is appropriate. Mr. Cooper asked if money unspent that was budgeted at the end of the

year goes to the fund balance? Supervisor Shwartz answered yes. Mr. Darby explained that the town underestimates what it really gets and that there is a safe number for expenditures. In the past, expenses were not properly coded. Each year, the budget is getting tighter. Money that is leftover is less than previous years.

Gair Meres asked if there was a way to project that if a windfall savings occurs, that you can reduce the amount next year? Mr. Darby explained that there is no way to predict and that we will not know until the end of the year. Supervisor Shwartz explained that the biggest swing factor is weather.

Supervisor Shwartz asked the board for their thoughts. Chris Rossi thought it was wise to rebuild, and do it in a way that is not burdensome. Sue Collins stated that she does not agree with it as the town had a big increase last year. She stated that the town can pay attention to spending in the department budgets and for the town building and re-evaluate it next year.

Mr. Darby asked Ms. Wilcox to show how much is paid in taxes for a house valued at \$100,000 compared to last year. Ms. Wilcox answered in 2016 was \$276.02 and in 2017 would be \$295.30. Difference is \$19.28 with the 3.98% tax increase. At 1.06% increase, (without the \$20,000) it's an \$11.68 difference.

Gair Meres asked if the town can continue to count on the County to pay us for plowing? Supervisor Shwartz stated yes.

David Holcomb stated he does not want to go to the bank and that you need to have money. If you take the \$20,000 and divide between tax payers, tell me what they are going to pay. If it was up to me, I would put in \$80,000 as \$20,000 is a drop in the bucket. One big storm will deplete it. The storms are coming and they get worse every time.

Ms. Shwartz stated that next year we will know what our liability is for the town office. We can rebuild more then, but we will have a base.

Mr. Darby proposes that we move the Tentative Budget to the Preliminary Budget including the \$20,000 in the Milford line which increases to 3.98.

RESOLUTION 2016-115: To Move 2017 Tentative Budget to Preliminary Budget

On a motion of Councilmember Darby, seconded by Councilmember Rossi, the following resolution was

ADOPTED: Ayes: 4 – Darby, Rossi, Holcomb, Shwartz; Nays: 1 - Collins

Resolved that the 2017 Tentative Budget be moved to Preliminary Budget with the \$20,000 addition in the Milford Budget Line.

RESOLUTION 2016-116: Open Public Hearing on 2017 Preliminary Budget

On a motion of Councilmember Holcomb, seconded by Councilmember Collins, the following resolution was ADOPTED: Ayes: 5; Nays: 0

Resolved that the public hearing be opened at 7:58 p.m.

Mr. Darby and Ms. Wilcox reviewed the budget highlights as well as the capital equipment replacement schedule. There was discussion on the capital plan needing updates due to the resale value being idealistic. The replacement schedule may change from a seven year to a five year schedule. Depreciation due to age and mileage will be a factor in making a decision on when to resell a truck. The market has changed in the last few years.

Eve Ann Shwartz asked three (3) times if anyone present wished to speak. With all persons desiring to be heard, Supervisor Shwartz requested to close the public hearing.

RESOLUTION 2016-117: Close 2017 Budget Public Hearing

On a motion of Councilmember Darby, seconded by Councilmember Rossi, the following resolution was ADOPTED: Ayes: 5 Nays: 0

Resolved that the 2017 budget hearing be closed at 8:30 p.m.

RESOLUTION 2016-118: To Move 2017 Preliminary Budget to 2017 Proposed Budget

On a motion of Councilmember Darby, seconded by Councilmember Holcomb, the following resolution was

ADOPTED: Ayes: 4 - Darby, Rossi, Holcomb, Shwartz; Nays: 1 - Collins

Resolved that the 2017 Preliminary Budget be moved to Proposed Budget.

With no further business, on a motion of Councilmember Rossi, seconded by Councilmember Darby, the meeting was adjourned at 8:32 p.m. Carried unanimously.

Respectfully Submitted by
Sue Reymers
Town Clerk