

SPECIAL TOWN BOARD MEETING
2021 TENTATIVE BUDGET WORKSHOP

The Special Meeting of the Town Board of the Town of Cortlandville was held at the Municipal Garage, 3587 Terrace Road, Cortland, New York with Supervisor Williams presiding.

Members present:

Supervisor, Thomas A. Williams
Councilman, Jay E. Cobb
Councilman, Jeffrey D. Guido*
Councilman, Theodore V. Testa
Councilman, Douglas E. Withey
Town Clerk, Kristin E. Rocco-Petrella

Others present were: Town Attorney, John A. DelVecchio; Highway Superintendent, Larry Drach; Water & Sewer Sup't., Peter Alteri Jr.; Town Bookkeeper, Megan Johnson; retired/part-time Bookkeeper, Marcia Hicks; Budget Consultant, Richard Tupper; and News Reporter, Colin Spencer from the *Cortland Standard*.

**Councilman Guido joined the Special Meeting via Zoom video conference.*

Supervisor Williams called the budget workshop meeting to order. He explained that this was the first budget workshop to be held to review the 2021 Tentative Budget. As Budget Officer he consistently met with the Bookkeeper's Office and Budget Consultant, Richard Tupper. They reviewed the budget accounts line by line and met with department heads.

Supervisor Williams introduced former Town Supervisor and Budget Consultant, Richard Tupper. He asked Mr. Tupper to present the Tentative Budget and encouraged members of the Board to ask questions and make comments as needed.

Mr. Tupper explained that Supervisor Williams started the budget process in June 2020 and asked department heads to submit their budget "wish lists" earlier than usual to allow more time to work on the budget. Mr. Tupper thanked Bookkeeper, Megan Johnson and retired/part-time Bookkeeper Marcia Hicks for their work on the budget.

Mr. Tupper first commented on the Highway Department budget. He explained that the equipment budget line was reduced to \$250,000 as a result of Supervisor Williams' request not to ask for equipment in 2021. The Highway Superintendent asked for two pieces of equipment and a new pickup truck. Mr. Tupper added that Supervisor Williams handled the COVID-19 pandemic very well. As a result of not completing the paving projects that were planned for 2020 the Town had about \$500,000 in savings. Sales tax revenue was expected to be lower in 2020, so by not paving the Town's finances were in a good position right now.

With regard to sales tax revenue, Mr. Tupper apprised the Board he was communicating with City Finance Director, Mack Cook. Mr. Cook released his latest estimates for projected sales tax revenue, which was an encouraging estimate. The State collected almost 30% more in sales tax in September 2020 than it did in September 2019. As a result, Mr. Cook updated his estimates and therefore the Town's estimates were updated as well. However, in the 2021 Tentative Budget, the projected sales tax revenue was estimated \$300,000 less than in 2020. Mr. Tupper added that the State has indicated that it will reduce state aid by 20% in 2021. As a result, the CHIPS revenue for 2021 was reduced.

The expected court revenue for 2021 was also reduced to \$150,000 which Mr. Tupper stated may be difficult to reach. He apprised the Board that only 19% of court revenue comes back to the Town; he hoped the State would not further reduce the Town's percentage. He recalled that about 15 years ago the expenses for the court were less than what revenues were. However, in 2008 the State stopped sending that type of revenue back to the towns.

Mr. Tupper explained that in comparison to the 2020 Budget, expenses were up in the 2021 Tentative Budget. Two building projects were included in the Tentative Budget that would be paid for by going out to bond. One project was for a highway garage to be constructed off of Gracie Road (near the Gutches Lumber Sports Complex); the second project was for a renovation to the Town Hall estimated at \$500,000. Councilman Withey asked if extra personnel were included in the 2021 Tentative Budget. Mr. Tupper stated that extra personnel would increase the expense; the only new position in the budget was for the reception clerk monitoring the entrance to the building (position created in 2020).

Supervisor Williams explained that another change in the budget was for one position in the Highway Department to be split between the parks and the highway fund; the employee spends half of her time at the park. Another change involving parks was that all parks were moved from General Fund B (GFB - B7110) to General Fund A (GFA - townwide) which is generally in better financial shape. Mr. Tupper noted the intent was to try to maximize revenues and expenses and to get them in the same place in the budget.

Mr. Tupper mentioned that employee raises were not included in the 2021 Tentative Budget (as directed by the Board). The cost of living adjustment (COLA) for social security in 2021 may be 1.6%. In the past the Town has usually provided for a cost of living increase. Mr. Tupper commented that what Supervisor Williams and the Board did during the COVID-19 pandemic for employees was generous as there were no layoffs, reductions or furloughs.

Councilman Withey stated that the public is paying the taxes and we have to be cognizant of their needs. Supervisor Williams stated that he does not have documentation [of unemployment numbers], but has noticed that you cannot drive past a business without seeing signs “we are hiring”. He stated that people are unemployed and some are underemployed, but there are jobs available.

Supervisor Williams apprised the Board that he went through every department line and cut the equipment account lines in half. He was hopeful that doing so would not be problematic. He looked at the year-end closing numbers and very few of the equipment lines were used by the end of the year. The total amount cut from the equipment lines was \$70,000. Mr. Tupper explained that if a department runs into trouble there are contingency funds that could be used.

Councilman Withey asked where the increases in the 2021 Tentative Budget come from. Mr. Tupper reiterated that the two proposed building projects cause the expenditures to increase; bonds were included in the expected revenues in the event that the Board moves forward with the projects.

Mr. Tupper directed the Board to look at the first page of the budget and the unexpended fund balance. He explained that you must determine how much money should be rolled over into next year’s budget. The 2021 Tentative Budget called for \$1,869,364 in unexpended fund balance to be used. The 2020 Budget used \$2,057,669 in unexpended fund balance. Mr. Tupper explained the difference between the estimated revenue in the budget, which included increases for building permits and a decrease in court revenue.

Councilman Withey stated that the estimated revenue increased \$334,000. Bookkeeper Johnson explained that the revenue increased due to the expected bond revenue for the proposed projects; the appropriations reflect the expenditures for the two buildings.

Mr. Tupper discussed the sewer and water funds. He stated that both the sewer and water funds are very well funded and have significant amounts of unexpended fund balance, which means there is revenue the Town can use. Several years ago, the Board decided there should be a minimum of 15% fund balance. Mr. Withey commented that in his experience a 25% fund balance for water and sewer was appropriate.

Councilman Withey asked questions regarding different budget lines as follows:

- What was the increase for A1620.4?
Budget line included the proposed building addition to the Town Hall.
- Why did the Total Special Items increase? (page 6 - General Fund - Townwide)
The increase is for the proposed building addition to the Town Hall.
- What is the budget line for “On Street Parking” A 3220.4?
The budget line is to pay for the printing/purchase of parking tickets issued in the Town by the Sheriff Department; the Town must provide the parking tickets.
- Account A7110.2 Gutches Park - 2020 Budget included \$350,000 for a building at the park. The 2021 Tentative Budget does not show that on the same budget line.
The budget line for the proposed highway building was moved from parks A7110.2 to highway DB5134.2. The funds (\$400,000) would be covered by a proposed bond for the project.
- Why did the Total Culture and Recreation decrease from \$412,730 to \$167,230?
The proposed building was removed from GFA and moved to DB.
- Clarification was given regarding the BAN payment for GLSC due January 2021.
- What is the increase in revenue from for A2001 in comparison to the 2020 Budget?
The increase is due to expected revenue for the parks.
- Does A2410 Rental of Real Property include the proposed lease with Park Outdoor Advertising of New York, Inc.?
The budget line includes projected revenue from the proposed lease, although the lease has not been approved by the Board.

Discussion continued regarding the budget. Mr. Tupper explained that employee salaries and benefits make up a large part of the budget. He recalled that in 2019 personnel costs and benefits accounted for \$3.4 million of the budget. Insurance contributions would remain at 80% Town contribution, 20% employee contributions. The rest of employee benefits are by State mandate.

Councilman Withey asked about budget lines B8020.41 and B8020.43 for the Town’s Comprehensive Plan. Mr. Tupper explained that the Comprehensive Plan Committee continues to ask for items not included in the scope of the contract and mentioned the inclusion of solar in the new plan.

Councilman Withey asked about the proposed 90 MW solar farm application submitted by EDF Renewables and if the contact with Barton & Loguidice for engineering services was included in the budget. Supervisor Williams indicated that the funds to pay for Barton & Loguidice would come from the Intervenor Funds provided by the State. At this time \$31,500 was available in the fund to pay for engineering and legal services. The funds would be administered by a judge in Albany. If the project is approved, the available intervenor funds would increase.

Mr. Tupper reverted back to discussion of the sewer and water funds. He explained that the biggest expense for sewer is the contract with the City Wastewater Treatment Plant. Usually the 4th billing quarter is the highest bill of the year. No equipment was planned to be purchased from the sewer or water funds; the current equipment was in good condition. Water & Sewer Sup't. Alteri recently purchased a van for the department which replaced a truck and trailer.

Retired/part-time Bookkeeper Marcia Hicks explained what the projected sewer and water fund balances would be at year end. She noted that the current sewer and water projects were being paid for from fund balance rather than borrowing the funds, which is what has been done in the past. Water & Sewer Sup't. Alteri estimates what the revenue will be for the year; the estimates could change due to the COVID-19 pandemic. It was also mentioned that approximately 850,000 gallons of water is pumped per day. In previous years (prior to the Byrne Dairy plant) approximately 600,000-700,000 gallons of water was pumped per day. During the summer 2020, one of the Town's wells was shut down due to it being a very dry year.

Mr. Tupper apprised the Board that in order to stay underneath the tax cap, the Town could raise taxes by 1.5% or approximately \$37,000. The 2021 Tentative Budget did not call for the Board to have to override the tax cap. Mr. Tupper stated that the Board can add to the Tentative Budget at this time, but it won't take much to go over the tax cap.

Councilman Withey asked retired/part-time Bookkeeper Marcia Hicks for her input on the budget.

Retired/part-time Bookkeeper Hicks commended the Town Board and the previous boards for the many years that the Town tax rate was kept low and for how the Town has managed money. Overall, she stated she was comfortable with the 2021 Tentative Budget.

Mr. Tupper added that there are a few numbers that make people nervous regarding the budget. First, he explained that the budget called for rolling over \$1.8 million in unexpended fund balance. Budget calculations indicated the Town should be able to do that without affecting anything. Secondly, the projected sales tax revenue may be low at \$2 million if the economy comes back. He explained that the sales tax revenue is applied to the DB fund (Highway). He was hopeful that the revenue would come in higher than budgeted.

Councilman Withey asked about the unexpended fund balance of over \$1.8 million and how that number is derived. Mr. Tupper explained that the 2020 Budget had \$2,057,000 in unexpended revenue. The unexpended fund balance fluctuates year to year.

Mr. Tupper explained the budget timeline. If the Board did not have any changes, the 2021 Tentative Budget could be moved to the 2021 Preliminary Budget. Once the Board moves to the preliminary budget, changes could only be made to decrease the budget. If additions/increases were made, he suggested they look to add unexpended fund balance to balance the budget to avoid overriding the tax cap.

Supervisor Williams commented that the original "wish list" from the Highway Department was for \$400,000 in equipment, which was reduced to \$250,000. He explained that some equipment is leased or rented such as the paving equipment.

Supervisor Williams invited comments and questions from the rest of the Board. Councilman Guido stated that he was glad to stay under the tax cap and was pleased with the Tentative Budget.

Mrs. Hicks added that the Town has healthy reserve funds. Mr. Tupper agreed and stated that the Town is fortunate it has reserves.

Supervisor Williams asked if the Board was comfortable with the 2021 Tentative Budget and prepared to move it to the Preliminary Budget.

Councilman Withey asked about the cost of the proposed addition to the Town Hall and voiced his concern for "cost overruns". Supervisor Williams explained that the estimated cost was from the preliminary quote from CHA, the Town's engineering firm. He stated that the Town was exploring the possibility of grant money to fund some of the equipment such as a magnetometer. Discussion was being had regarding the distribution of personnel and the number of officers needed when court is and is not in session. The business hours to the public was also in discussion. At this time, due to the COVID-19 pandemic, the Town Hall was open 4 hours per day to the public. Supervisor Williams explained that the Board may need to increase the budget in the future to provide security for Town Hall as there was not a current line item in the budget for security at this time.

Mr. Tupper added that the Town applied for \$500,000 of grant funds for the lower bathroom/concession stand/locker rooms for the Gutchess Lumber Sports Complex. If the grant money comes through it will be helpful.

Councilman Withey stated he would like time to review the 2021 Tentative Budget further. Supervisor Williams asked Councilman Withey to contact him with any questions prior to the next Town Board meeting so he could discuss any items with his budget committee.

Councilman Testa commented that the Town was fortunate for its businesses and shopping plazas and the sales tax generated in the Town.

No further discussion was had at this time.

Supervisor Williams asked the Board to convene to Executive Session to discuss personnel.

Councilman Withey made a motion, seconded by Councilman Cobb, to recess the Regular Meeting to an Executive Session to discuss personnel matters. All voting aye, the motion was carried.

The meeting was recessed at 6:14 p.m.

Councilman Withey made a motion, seconded by Councilman Cobb, to adjourn the Executive Session and reconvene the Regular Meeting. All voting aye the motion was carried.

The Executive Session was adjourned at 7:20 p.m.

Members of the public were invited to return to the meeting.

No further comments or discussion were heard.

Councilman Withey made a motion, seconded by Councilman Cobb, to adjourn the Regular Meeting. All voting aye, the motion was carried.

The meeting was adjourned at 7:20 p.m.

Respectfully submitted,



Kristin E. Rocco-Petrella, RMC
Town Clerk
Town of Cortlandville

***Note:**

The draft version of this meeting was submitted to the Town Board for their review on November 2, 2020.

The final version of this meeting was approved as written at the Town Board meeting of November 18, 2020.