

Town of New Scotland
Budget Workshop
10/13/2020

The following Town Officials were in attendance:

Supervisor:	Douglas LaGrange
Councilperson:	Adam Greenberg Bridgit Burke William Hennessy Daniel Leinung
Town Clerk:	Diane Deschenes
Highway Superintendent:	Ken Guyer

1. Call to Order

Supervisor LaGrange called the budget workshop to order for the Town of New Scotland 2021 budget at 6:37 PM. This is our first budget workshop. We had to postpone the originally scheduled workshop because of the storm last week, but we've already scheduled the two fire companies to discuss with us their situations and their budgets which both came in in good shape. We appreciate that. This was properly noticed. Diane Deschenes, our Town Clerk, gave me the proof of that. To get started, we will do a roll call. This meeting is through Zoom per the Governor's Executive Order 202.1 which includes not having public meetings. To get started, a roll call attendance was taken. In addition to those listed above, Lisa Boehlke, Clerk to the Supervisor, Sarah Kavanaugh, who is confidential secretary, and Bill West DPW Commissioner. Also in attendance is Craig Shufelt from New Salem with Tim Blow from New Salem. From Onesquethaw, we have Mike Salisbury and Tom Mauro.

New Salem Fire District

Mr. Blow said per the Board's request we were trying to see what we could smooth out from the budget. Our biggest issue, of which you are probably aware, is that our revenue in 2020 was severely impacted. We had one partial fish fry and had to cancel the rest, and then we had to cancel the fair. So, our revenue in 2020 is severely handicapped and definitely tapping into reserves. Next year we budgeted some revenue but not as much as we would typically do. It's probably 80%. We are trying to feel our way through here. Unfortunately, the expenses don't go away. There are a few things we were able to push from this year into next year from a budget perspective such as extrication tools which we were hoping to do this year. We kind of pushed them into 2021 and that's included in the budget. Most of it is just standard continuing expenses. There isn't anything really exciting there. The one thing we did in 2019 was Station 2 as you are aware of. We got the loan on that. We've been paying back the loan and that's in our budget numbers. Last year it was half a year and this year is a full year. So other than Station 2 there are not a lot of significant fluctuations in our expenses. Things are up and down a little bit. He was happy to entertain any questions or specifics they can provide more color on. Chief Shufelt added that they are hoping the fair goes on next year and we have a fish fry. We are looking at replacing the engine in Station 2. The expenses are getting out of whack with the truck that is down there that is almost 40 years old now. Supervisor LaGrange said that he remembered that they had some mortgage payments for the main firehouse that finished up and then you brought this one on. Mr. Blow said that last year they finished about mid-year and right about the same time they timed it so that Station 2 would come online. The payments for Station 2 are almost the same as what they were paying annually for Station 1, maybe slightly less, but it's all basically in the same ballpark. That's why the budget hasn't changed significantly from year to year.

Supervisor LaGrange said that Craig brought up another truck. Mr. Shufelt added that it will be a used truck. Mr. Blow said, to anticipate Doug's question, they are going to plan on using their reserves for that, our truck reserve account, and buy it cash outright and not have to be financing or increasing their budget going forward for it. Supervisor LaGrange added that he thought they had a balance. Chief Shufelt said that's so you're aware of it and that was all. Mr. Blow said that that's just kind of what they've been saying for a couple or three years knowing it was coming. He thinks they are getting close to pulling the trigger on it. It will hopefully happen this year.

Supervisor LaGrange asked if the Board had any questions for the New Salem guys. Councilperson Hennessy said that one big difference from last year that he saw was with the Workers

Town of New Scotland
Budget Workshop
10/13/2020

Compensation line item budget. Is that a town element or is that a fire district element? Mr. Blow said that that's a town element and nothing to do with them. Mrs. Kavanaugh added that it was a town element. We had quite a reduction expected for 2021 because it's a collation, and they pool the money and there were a lot less Workers Comp claims. There was a lower rate, and departments had quite a lower expectation. That was one small benefit.

Supervisor LaGrange said that we certainly appreciate them, keeping things tight this year. As you can imagine it was a tight year, and we don't really know what's going to happen in 2021 as far as sales tax revenue and things like that which we deal with. We appreciate your efforts. We also want to thank you as always and sincerely for the work you provide and the getting out of bed and running out for calls and stuff. It doesn't go unnoticed by this Board and the residents of the community. We really appreciate that. For instance going out for that storm last week and the amount of time you spent out there helping out, getting roads blocked off, trees cut up, and everything else while National Grid moves in. All in all we do sincerely appreciate all you do and your efforts. Thank you very much.

Supervisor LaGrange added that if the Board is good we will let New Salem go. Chief Shufelt added that if the Board has any more questions, holler.

Onesquethaw Fire Protection and Ambulance District

Supervisor LaGrange said that Mike Salisbury, the Chief, and Tom Mauro, the President, are in attendance. Mr. Mauro said that they did have like 20 calls last week from that storm. He heard the Board ask New Salem that. Chief Salisbury added that actually it was in the neighborhood of 40 calls. Mr. Mauro said that he wasn't here. Chief Salisbury said that, just like New Salem, they did have to cancel some fundraising events so they did try to keep it as tight as possible per the Board's request. We did cancel our first BBQ and we canceled our two breakfasts in the beginning of the year. It doesn't look good for having breakfast at all for the remainder of this year and going into early next year. So there weren't major revenues for us but it is still significant. We are just trying to keep it slim, but we still have the cost of maintenance, the building, parking lots, and our equipment. We have seen an increase in the costs for PPE this year, running an EMS. Chief Salisbury said that one thing that's not even in their budget that they proposed was our fire policy vehicle. It is a 1990, and that's going to be going in for service shortly. He believes the estimate of repairs is going to be more than the worth of the truck so they may have to do something with that to replace it which is something they hadn't even considered. Supervisor LaGrange asked what do they usually do with that? Do you purchase it outright? Do you have a fund for that? He knows they try to keep funds going for different things just like New Salem when they talked about their fire truck. Do you have anything similar for a truck like that? Chief Salisbury said that they do have a line item in their budget for truck replacement. With the cost of vehicles they don't have the cash on hand up front anymore, so they do end up taking loans out with our truck fund. We did just take delivery of a truck this year. Supervisor LaGrange said that that was a new fire truck, right? Mr. Mauro replied yes. It is a little different from a fire police vehicle. Chief Salisbury said that if they have to do something they will be paying for it through their line item for the trucks they already have. It's just that they don't have that reserve on hand. They used to pay cash for a \$100,000 truck but now they are \$500,000. They'd certainly love to. Supervisor LaGrange said that the Board knows the feeling.

Supervisor LaGrange asked how things are going with the ambulance calls and such. Are things smoothing out between them and the Sheriff and their EMS program? Mr. Mauro said that to an extent, yes. They haven't had any incidents like the one that we spoke about. We do run into the issue where we have a crew, we cancel the Sheriff's ambulance, and they still end up going to the call. That's their problem. If they get in an accident on the way to that call then it's on them, not us. They can't really stop them at that point anyway. It just doesn't make sense to have two ambulances going to the same call. That's a waste of resources and a waste of taxpayer money. They've been getting their side of things done so that's pretty much all they can do at this point. Supervisor LaGrange said that that's good; he's glad to hear that it's smoothing out a little bit. That's good because you both provide a great service.

Supervisor LaGrange asked if the Board had any questions for the gentlemen from Onesquethaw. There were no comments. Supervisor LaGrange added, "As I said to New Salem and I mean it sincerely to you guys, too, of course, we appreciate all you do. We appreciate your work at this

Town of New Scotland

Budget Workshop

10/13/2020

budget because you can understand we are at similar pressures. I appreciate the response I got from you guys. I certainly appreciate seeing you all out there in the Onesquethaw District last week cutting limbs and trees and moving stuff blocking roads and keeping things safe while National Grid moves in and the highway crew got there. That's just another instance. We don't always think of that. It's not just fires and ambulance calls. It's a lot more. We sincerely appreciate it and wish to thank you on behalf of the Board and quite frankly the residents of the Onesquethaw Fire and Ambulance District. Keep up the great work. We appreciate it. It's good to work with you and thank you very much." Chief Salisbury said thank you, adding that as far as Kenny Guyer they do appreciate everything he's done for them, too. They've been working well together lately. He's had to call him for a few things. They appreciate the support they get from the town. Highway Superintendent Guyer thanked the Chief. Chief Salisbury added that it's nice to have you on our side also. Highway Superintendent Guyer said likewise. Chief Salisbury said that that goes from our members too. They see what you guys do for us. We do appreciate it.

DPW

Supervisor LaGrange advised that Bill West is with us. He wanted to say "hello" to the Board and maybe discuss a little of his thoughts on his budget. Mr. West said that he'd like to reach out. He's met a few of the Board members, and he wanted to say "hello." It's been a hell of a week for everyone. He thinks it kind of shot this year's budget. Anyway, they've kind of put together a tentative budget. He hopes it works and you'll look at it. It's not much different from last year. There are a couple of items, a wish list on his part, for some equipment and things moving us forward to establish some reserve accounts and surpluses that he thinks are necessary for a healthy budget but really not much different. He hasn't really had the time to delve totally into looking at it 100% and understanding how everything is functioning with nine different districts plus the sewer district. That being said, Lisa is a wealth of information and you should be thankful that you have her. She really understands the numbers. He doesn't know what else to add specifically unless you have some specific questions.

Supervisor LaGrange said that he would like to talk quick. You have miscellaneous tools for \$3,850. We are usually right around that. You have two things. Maybe you can just give the Board a heads up. You're talking about a chop saw for \$2,400 and a magnetic scope for \$2,000. Could you just give the Board an idea what those are used for and the importance of them? Councilperson Hennessy asked where are he is in the budget? What page? Supervisor LaGrange said that if you take the big spreadsheet that Lisa gave you it's got all the budget stuff. In the lower left hand corner is the equipment. It's like an 11 by 14 sheet. Councilperson Leinung said he has it. Councilperson Burke asked if those are the bonds you are talking about? Supervisor LaGrange said no, it has at the top 2021 and right under it "DPW Commissioner WWest." It's a similar page Bridgit. Mrs. Kavanaugh said that it's a big page. Councilperson Burke found it. Supervisor LaGrange said that you will notice the equipment is down in the lower left hand corner. Is everybody good? Supervisor LaGrange said that maybe Bill could go over the magnetic scope and the chop saw with the Board. Mr. West said that the magnetic scope is a means of locating metallic pipes that are underground. We have one but it's kind of antiquated. We are looking to upgrade that and of course that's spread amongst all the districts pretty much. So that's just an upgrade to an old basically what he feels is an unreliable piece of equipment that we use every day when we are locating. The chop saw is essentially a utility saw. It's similar to a chain saw with like a 10-inch masonry blade. We are looking to purchase our own for use. Kenny has one that we use and borrow but we feel we need one for our own so we don't have to go around looking for it when we need it on a weekly basis. We use it to cut pavement and pipe. Those are the two big pieces of equipment that get spread amongst all the districts that we are looking to replace. There are miscellaneous tools and stuff that he just put in there. You never know when you need a particular type of wrench or socket set or something miscellaneous. There is just stuff that you don't anticipate buying. It's kind of in a miscellaneous category on its own. Those are two tools we looked at purchasing for the year. Two big tools I should say. Expensive tools. Councilperson Burke asked how that compares to other years? Mr. West said that he's going to have to say from what he's seen they have that's it's comparable. John or Wayne at the time felt that needed necessary equipment, like the GPS locating or mapping equipment, that they purchased were \$2,000-plus items. He'll add that with the utility saw he anticipates including some blades that get very expensive, metal-cutting blades. So, from what he's kind of seeing from at least last year's budget (he didn't go back 10 years) he does see the equipment they have so they had to make some purchases. There was the equipment trailer purchase and other things over the years. He doesn't

Town of New Scotland Budget Workshop 10/13/2020

see that trend changing either. Stuff does wear out and it's going to have to be replaced. We did replace two locators this year, not quite as expensive, but they were not reliable. You need equipment to be reliable. Councilperson Burke said, "Of course." Supervisor LaGrange added, to answer Bridgit, it has been up and down at times. He knows Wayne had some work lights one year which were quite expensive. John went out and got a good price on them. It turned out that we got two DeWalt portable lights for about \$700 for the two of them total whereas Wayne was looking at more of a tow-behind unit with big lights on it. These are functioning well. It kind of goes up and down in needs and what we see as we go. Supervisor LaGrange then asked if Councilperson Leinung had a question. Councilperson Leinung said that it was the same exact question that Bridgit asked. Supervisor LaGrange asked if there were any additional questions on the equipment. We do have another little bigger item that we want to get the Board up to speed on.

Supervisor LaGrange asked Mr. West to give the Board an overview about, he believes we have 33 grinder pumps in Heldervale that we're responsible for or the town is responsible for, hence, the Heldervale Sewer District is responsible for. Do you want to give the Board a quick overview of what we are seeing and what we have to do? He thinks we are into a second generation change in those pumps and stuff. Mr. West said that since he's been here since April he thinks we've had two or three complete change outs on the units that the town is responsible for. We bring in a company and it's basically an Environment One pump extreme series and they just swap it out. By the time you get done with install, of course, it's never convenient during working hours. It always seems like it's an overtime emergency call. You are talking anywhere from \$2,500-\$3,500 for an install on a new pump. In the past, from what he understands, the pumps we were swapping out we would send back to the company, LaPlante, and they would rebuild those units and then use them for the next one that gets changed out. They were cheaper to replace the rebuilt units; however, they tell him you can no longer get the parts for the rebuilt units. Every unit now that we get a call for that the pump is bad a brand new pump goes in, so the price is up. When he starts looking at this, the life expectancy on all the pumps that are in, since they've been rebuilt over the years, and there are a few newer ones in there now, is eight to ten years. He feels that within the next three or four years we are going to be seeing an influx of not one or two units a year but multiple units. Just based on their age within the next five years, we are probably going to change out every one of those pumps. What he's looked at is, and this is a crapshoot, that in the budget putting in \$6,000 roughly to purchase six units per year and keeping that in the budget to replace six a year. What he feels is more cost effective is to actually float a bond and replace them by going to a formal bidding process. We would probably get a better price on everything in replacing all the units minus three. We have three brand new units in. We would replace all the rebuilt units that are in and start on a 10-year program. In 10 years you will probably have to do it again. By the same token, we would be establishing a reserve account or capital improvement fund so that when the time came we'd at least have a good percentage of the money in that particular district's budget so we didn't have to go bond anything. Right now he's expecting that we would have to bond something for that and kind of in a nutshell the first year we do it we're doing a ban. Lisa can probably fill it in a little better. We're not going to pay a lot out the first year. It's the second year that we get in there and start paying the principal and interest. What we're going to budget for will almost cover the cost of the principal and interest, only in the long run he thinks it's going to be cheaper to just do it outright. Plus you don't have the overtime cost going out and dealing with the issue and problems. You're not paying overtime or after-hours costs to LaPlante or anyone else. That's the big ticket item that he'd like to look at and have the Board consider for the Heldervale Sewer District. It's something that he just sees is going to happen as long as we own these units and we're responsible for them. It's going to be a 10-year program on change outs. Supervisor LaGrange said just so the Board members are aware, we put six units into the budget. That's already absorbed in the Heldervale Sewer budget. Councilperson Hennessy asked if it was in the 2021 budget? Supervisor LaGrange said that that's correct. It would necessitate a rate increase. We'd have to look at that and probably take that up a little bit, but that's in the budget as part of it.

Councilperson Leinung asked how many pumps there are in total? Supervisor LaGrange replied 33. Mrs. Boehlke added 33 that the town is responsible for replacing. All other homeowners in that district are responsible to replace their own. Supervisor LaGrange added that this is a deed restriction that we actually have from the original development. Supervisor LaGrange then asked Bill if some of the newer generation pumps have been put in replacement already. Mr. West said that he believes three of them have been. We have 103 users with 104-105 to go online with a couple of houses back on Toby Lane that are going in. He doesn't know if they are fully in. There

Town of New Scotland Budget Workshop 10/13/2020

haven't been CO's yet. He doesn't think they are being taxed yet. They are going to be part of the total equation in terms of tax revenue. He thinks we replaced three complete units because we couldn't get parts for them. One prior to his getting there at least he knows that two were done. He started in April. So those are three we don't have to budget. They are within the year so he's competent we wouldn't go replacing those. There are 32 or 33 units that have to be bonded. By the time we get there, we may have replaced another one or two; we don't know. Councilperson Burke asked if we think that all 30 are over 10 years old? Mr. West said that we have the dates when they were rebuilt and reinstalled. Most of them are eight to ten years. We've gotten a good life out of these rebuilds. The problem is we cannot rebuild them anymore. The parts availability is not there so they are going to have to be replaced. They have a replacement that fits into the same holding cans so it's a relatively easy install but it's a brand new unit. Those 10 as far as I know can be rebuilt at this time. There are going to be some that last four years and some that last 12 years but the average life expectancy is 8-10 years. That's what he's told by the manufacturer.

Mrs. Kavanaugh said you are talking about bonding but she's wondering how you would collect for a bond and single out just the people that we provide the pumps for? Supervisor LaGrange said that you don't. It would be for the whole Heldervale district regardless. That was one of the selling points to the Heldervale neighborhood of Creekside coming on. It was you're going to get so much improvement in the water pipes going through. Mrs. Kavanaugh said that she's talking about the grinder pumps. How would we bond grinder pumps for just a select few of the Heldervale sewer users because the other ones own their grinder pumps? Why should they pay on a bond to buy grinder pumps? Supervisor LaGrange replied that it was because they were in a district extension and it was part of the arrangement. Anything added to the original district pays on the cost to the district and one of the costs to the district is these grinder pumps. Councilperson Leinung asked if one of the pumps fails tomorrow, the whole Heldervale District would be responsible for it? Supervisor LaGrange said that that was correct as they have been responsible for rebuilds and anything else, yes. Mr. West said that his point by bonding it and replacing them all, which they all have to be done, in the long run it will be cheaper per 103 customers per customer because you are doing it all at once. You are getting a cheaper price to get it all done at once and you're doing it with a formal bond. Councilperson Hennessy said that you just mentioned that there are 103 customers and there are 33 grinder pumps that are owned by the town. So those numbers are correct. There are 103 customers but only 33 of those have the pumps that the town owns. Mr. West said that 70 of them essentially financed the grinder pumps for the other ones as part of the district. Supervisor LaGrange added "helped" finance. Councilperson Hennessy said that he tends to call that old Heldervale versus new Heldervale. Supervisor LaGrange added that we are also going to continue to add Creekside homes too and they will be paying on it if they are not already. They must be subdivided and pay on it right now.

Councilperson Hennessy said that he's happy to sit down with Bill and go over this and do some considerations on that. He doesn't think it's something we want to do forthright right now. He thinks there are different cases here. He just had his replaced for the first time in over 20 years. That was two years ago. It lasted at least 23 years and he doesn't know how long it was there before he got here. So some of the pumps have lasted longer than others. Obviously when we replace them now we have to replace them with the new ones. He's not so sure why we don't try to continue Bill with replacement at failure. He just thinks there is going to be a more than five year failure going forward. Is that what you are saying? Mr. West said that he thinks the older the units get, the more frequency of replacing them is going to increase, and from a budgetary standpoint he couldn't tell you next year. He could budget for six of them and he could have eight come in or he could have four come in. He thinks that as the years go by, from the numbers he's seen, those 35 of them to be replaced are reaching their life expectancy according to the manufacturer. So he thinks the frequency is going to increase. A lot of times it has to do with mileage. Councilperson Hennessy said that, to help go forward, he will volunteer to sit down with Bill and go over some options and look at that. This year's budget is 20% higher than last year's budget so he thinks we need to be careful raising these rates significantly. So if we have a good plan, maybe the best plan is to bond. That's his thought. He doesn't know what the other Board members think. Councilperson Burke said that she'd appreciate it if Bill sat down with Mr. West. Mr. West replied, "Certainly."

Supervisor LaGrange advised that Lisa has a point to make. Mrs. Boehlke said that just because she and Bill have had this conversation, we looked at if we went to bond and the cost per household, assuming 106 and that was maybe with a little build out, was between \$110 and \$120 per household

Town of New Scotland

Budget Workshop

10/13/2020

per year. With the six that we have in there just for 2021's budget, it breaks down to about \$213 per household per year. Again, I'm thrilled that Bill is willing to come in and sit with Bill and talk this through but keep in mind that in this budget with this increase is six replacements. So if we are going to change that before we go into the next budget we would want to have that conversation soon if we are going to decrease those line items which obviously she'll do when you tell me what the plan is. Again, she'll be here if Bill and Bill have any questions. Councilperson Greenberg asked if she's saying that we're estimating about \$213 per pump? Supervisor LaGrange said that that's per customer. Mrs. Boehlke said that that's if we replaced six next year in a time planned way. So we buy six at hopefully a discount and we make plans with homeowners and we go in and do it during the day when we're getting our best cost for the dollar that would again be \$213 per household which of course doesn't breakdown that way when we put it in O and M costs. Once we put it in O and M and put it in rates, your higher users are going to pay more and your lower users are going to pay less. Again, this is just another point for everyone to think about. When you do it through debt service or bonding, each homeowner contributes the same amount. So again just a point of reference to think about. If we bond it, say for 10 years and it's \$110-\$120 per household, once that bond is paid off that goes away but Bill senses we would just go out and re-bond again because they need to be replaced again. If we could buy a little time in between there obviously that would be good. We don't put January taxes on people if we don't have debt service. Again, she thinks Bill coming in and working with Bill with at least one board member or two to have a conversation about this, we could make a change in the 2021 increase that Bill was referring to if we decide to do something different.

Mrs. Kavanaugh suggested something like a capital reserve fund. That wouldn't come out of usage or be on the tax bill as a bond. It could be a set amount per customer. The Village of Voorheesville did that a couple of years ago on their water. They have an annual amount that goes into a capital reserve. It's an in-between way of not raising the money for usage for somebody who uses more or pays more toward these pumps, and it also doesn't have the bond resolution legal expenses and the BAN renewal expenses and the interest payments. Mrs. Boehlke said that we've been talking about it and we have three things going on here. We can stay as we are and replace these things as they go which is costly because of how it happens and we buy them one at a time. We could bond but at some point when we start, obviously this cost is on each of these homeowners. To do a reserve fund is a great idea but it's more money that we are expecting from each of those taxpayers so we have to make sure we balance this out. Mrs. Kavanaugh added that it is a tax with the bond payment too and you're taking more from them. It's just that it's a set amount into a reserve thing instead of a bond. Mrs. Boehlke added but you would be doing that and still paying for the 33 you still need to buy. Mrs. Kavanaugh said you wouldn't get the 33 upfront; you'd get like six, six, and six. Mrs. Boehlke said that you can do that but six, six and six is much more costly than getting 33 at once. Again, let Bill and Bill manage this and we will work it through after that. We have a little time.

Supervisor LaGrange said so that's the big nut to crack for sure. You can make it work any of three ways. Thanks Bill for volunteering to meeting with Bill West and talking through this to see what we can come up with. Councilperson Hennessy asked if he could ask one more question. On the district budget sheet page 204, on all the districts and all the waters and sewers, it appeared that this one went up 20% and the majority of it was on the line items. It's line 9 treatment disposal contract and includes the Town of Bethlehem/parts and supplies. Mrs. Boehlke said that is where that \$22,000 is added. Councilperson Hennessy said that he knows. Does that include the payment from the Town of Bethlehem for the sewer usage also? Mrs. Boehlke replied that it does. Councilperson Hennessy asked if the increase rate is not just because of the grinders but is it also because the rates for Bethlehem continue to rise and we the district pay those increased rates, right? Mrs. Boehlke replied that that was correct. Councilperson Hennessy said he was just making sure.

Councilperson Greenberg said that before Mr. West goes is he assuming it will be significantly cheaper if you get a price on 30 pumps out of the 100 residences? Can you get that price, an estimate from them, so we could make a more specific decision on comparing those costs to what it costs to replace six at a time? Mr. West said that he actually did but he doesn't have that worksheet with him. Lisa may have that. Mrs. Boehlke said that she did. Mr. West said that he got numbers over the phone from LaPlante. We're not doing a formal bid. He thinks that once we do because there are a couple of representatives in the area so he thinks there is some competitiveness that will lower that price, but from a budgetary standpoint he had to work from something. Until you do the formal bid, develop the specifications, and add the contingency and stuff he's staying with that

Town of New Scotland Budget Workshop 10/13/2020

number. He thinks it's a little higher than it will be. Mrs. Boehlke said that Bill had a number of \$112,580 to replace three units. He had \$107,500 in replacement units and \$5,000 for legal and engineering. She doesn't know how the \$107,500 breaks out as far as pumps and labor. Councilperson Hennessy said that that would be for 33 units. Mrs. Boehlke said correct. We are hoping it will come down to at least 30 because we've already done three. Mr. West said that he's anticipating that we are going to be replacing a couple before we get into bonding or doing the project itself. Mrs. Boehlke said again that she thinks we are going to get the better price on 25 than we would if we buy six. What we would do is what we normally do for a capital project: put it out there and go out to bond. The same process. Councilperson Greenberg asked if there is any chance of us replacing these things in-house? Buying the pump and we do the work or is that too complicated? Mr. West said that he doesn't think it's that complicated. It's just a question of a staff of two that are not necessarily qualified to do that. He doesn't think they've had the experience to do it but when you start a process like that he doesn't think it's the labor cost that's the big ticket here, it's the equipment itself and the liability that you assume with that, the warrantee and pulling your manpower away from all your other duties that need to be done. With a staff of two, it's kind of difficult to do that, but we can look at it at that juncture and look at the labor cost. Councilperson Greenberg asked how long it takes to change one if you know what you're doing? Mr. West said two hours. Councilperson Hennessy said that when John Hensel did the one at his house two years ago it was a half hour but that was with a guy from LaPlante who did a lot of the work. Supervisor LaGrange said to keep in mind too that the new series of grinder pumps necessitates a change in the pit itself. Supervisor LaGrange asked if Bill West was familiar with that? Mr. West said that he thinks it's designed to really just unbolt and put a new one in. He doesn't think there are any control changes. Supervisor LaGrange said that that's something you better check on because he got a different impression when we visited one. You might want to just confirm those things Bill. He thinks there was a different layout for the electronics and a different situation in some of the possible pits. He thinks there were some that might adapt to it and others wouldn't so it's just something we'll have to look into. As he recalls, they wanted us to check. He thinks there is a tell-tale way to say if it's the older pit that wouldn't accommodate the new pumps. Anyway he's speculating and trying to remember. He thinks it's better to just check. Mr. West said that we didn't get too far into designing the specifications to do all this so there is some room there either way to look at it. Some may not even be able to be done; he doesn't know. He doesn't know the system that well other than what he was told by John and LaPlante who gave him the pricing. He sees what the average cost is to come out and do it on a per basis. If it happens on a weekend, you are going to pay a certain overtime and mileage cost. The bills can get up significantly plus the inconvenience to the customer and the potential overtime or town time. There is a cost to the district just providing people to come out there and deal with the situation on a per case basis. He certainly would love to sit down with Bill or anyone else and go over the numbers. He thinks once you look at the numbers every one of these units will be replaced in the near future. Some will last another 5-6 years possibly and some he may get a call tomorrow and have to go in and replace one. There is no rhyme or reason sometimes when they go. One thing he knows is that they will all have to be replaced at one point. So do we do it on our schedule or do we do it on their schedule? That's what he's trying to determine. What is the most cost effective way to do it? Councilperson Burke asked what the typical failure mode is? Do they just stop working? Mr. West said that you'd have to ask the individual homeowners. He thinks it's both ways. They either stop completely or they may just have tell-tale signs. Councilperson Hennessy said that they just crank sometimes. They are intermittent. They don't come on or they just sound different. The sounds scare you because it's somewhat of a scary situation to lose your sewer and waste water disposal at a house. It's kind of an audible alarm almost to one's ears when you hear a pump sound differently. Highway Superintendent Guyer added for Bridgit to keep in mind that a lot of homeowners are in tune with their houses and others are not in tune with their house. They won't tell you until it is an emergency and then they say that it sounded funny when they left for work but they call you at 10 at night. When these pumps do fail, we've worked on these for years since he's been here, that's the outlet to all the water in your house. We keep talking sewer and a lot of people think you can't use the toilet. Everything exits through this pump. When they do fail your house is shut down. There is no water usage at all in the house. If you do continue to use it you will have one heck of a mess in the basement. Highway Superintendent Guyer added, "In most cases." A few of the pumps are buried in the backyards.

Supervisor LaGrange said that Bill and Bill will get together. Maybe Bill West can get some firmer numbers from the two vendors and see what they can do on pricing. If you can get together we can

Town of New Scotland

Budget Workshop

10/13/2020

decide whether we're going to leave this \$22,000 in there or we're going to take it out and go with a BAN or if we're going to take it out and just go as we go and hope for the best. We'll see what you can bring together.

Supervisor LaGrange asked if there was anything else for Bill on DPW. We can get him back if you think of something later, too.

A Fund

Supervisor LaGrange asked if the Board would like to just get started with A fund. We've spoken together on separate occasions. We did have a little change with the health insurance but we also have another change with the health insurance. Sarah was constantly getting more definitive numbers after the budget was already started because that's how they come in. It looks like we are going to see about a \$34,000 decrease in the DB budget because of some things that have happened with the new numbers. Mrs. Kavanaugh said that the Medicare Advantage numbers came in last Thursday. Councilperson Hennessy asked what page and line Sarah was on. Mrs. Kavanaugh said there was not a single page. There is a handout. It's spread out of A, B, and DB. It's in the employee benefits which are the last page of each fund. You will see it there. It's broken out. So that came in lower than she had estimated and then Ken had some hires when she did the budget back in mid-August. We didn't know who he was going to hire so she estimated higher and lower. The people ended up not taking out the health insurance. She also had a DB fund retiree who just qualified for Medicare, and he's switching over to the Medicare Advantage Plan which is a significant savings. It's \$7,000 a year cheaper for that. There were changes like that. There were some minor changes to the A and B but she doesn't know if it's worth changing the budget over. It was like a decrease of like \$800 in A fund and \$200 and something in the B fund, but it was significant in the DB fund. She does have the final numbers and she talked to Doug about it. We went ahead and accepted it. The dental payment is flat. There was no increase. Medicare Advantage was no increase and then the MVP was a 5% increase which is not too bad. They tend to be 8% to 9% without a decrease in benefits or increase in co-pays so we accepted that. Mostly it was in the DB fund. It is going to get more expensive with those retirees because basically you double what you are paying. You pick up a person and our share of their individual coverage. The retirement you keep paying plus we have a new employee. So when we have all these retirements (we've had four) and we're going to have 5-6 for the year, it increases depending on what the new people do. It can be significant. She doesn't know what they are going to do. They could take family coverage which is \$2,100 a month or the individual which is \$900 or they could not get it at all. So there is a big range of how it's going to impact us. The only thing that does not go into retirement is dental but the dental is not particularly a high cost. We don't provide dental coverage in retirement. Supervisor LaGrange said that with these new numbers you received the tentative budget from me last week. Now this is your budget. With these new numbers would you like Lisa to input those into the different columns that they need to go into? Councilperson Burke asked if she could do that as well as let us know what pages have been modified? Supervisor LaGrange said of course. Councilperson Hennessy said that he thinks one of the main ones (he's looking at page 186) is the DB fund employee benefits. Mrs. Kavanaugh said what's in there is the full cost. There is another revenue source which is employee contribution which is in the revenue section of the budget. So the total amount paid she had budgeted \$328,654.70 and that's going to be decreased to \$277,623. Councilperson Hennessy said that last year in 2020 it was \$247,000. Yes, that's a big increase. That's 33%. Mrs. Kavanaugh said that most of that's from retirements because we had Beattie, Mabie, Zautner, and now Banahan is going to be retiring. That's four in the Highway, and we have to keep paying that health insurance but we have four new hires. Basically it doubles or has the potential to double. That's what happens when you have a lot of retirees. Councilperson Hennessy said that it's good that you have the new number. He thinks that will help the budget significantly. Mrs. Kavanaugh said that it's mostly because the new hires ended up opting out or taking just individual coverage so that made a difference. Councilperson Hennessy said that it would be good to update some of the line items. Supervisor LaGrange said again obviously that's what we will do. It's everybody's budget now so we just want to make sure everyone is comfortable doing that.

Healthcare Consortium

Councilperson Leinung said before we move on he knows that when we talked one on one about the health insurance consortium or pooling resources with other localities you said that that was something that's in the works, not for this year, but could possibly be happening next year. He

Town of New Scotland

Budget Workshop

10/13/2020

wasn't sure if you wanted to update the rest of the Board on that. Supervisor LaGrange said that there is not a lot to update. We've been working with the County and the Shared Services Program and there was good participation from some of the municipalities; that would give us an opportunity. Again, we haven't committed to it; nobody has. We committed to move forward to explore it but as soon as March 2020 hit everything stopped. He did get an email from one of the facilitators of this at the County. That was probably about a month ago now basically to say we've put this on hold for the last few months. We just want to gauge interest that you'd still want to take part in this. He had sent back that we certainly would still be interested in pursuing it. That's the last he heard. With the way it has to be processed and go together as I remember it's going to be a several-month process not only getting it started again but setting up the Boards, passing the resolutions, so on and so forth. As he recalls it was pretty much a following year opportunity which would suggest it won't be 2021. It would probably be 2022. Mrs. Kavanaugh said that her general impression was that she's not sure what happened. We had done a couple of letters authorizing MVP and CDPHP to give actuary information or some sort of information, and they are not exactly forthcoming. She thinks they are required to by law but they don't cooperate very well she thinks. It just seems really complicated mostly because she thinks there is such a variety of benefits across the towns. Some don't have Medicare Advantage at all. Some have Blue Shield. Some have high deductible plans. Some are more generous and trying to coordinate all that is very complicated. She knows the people. There was that company, experts or something, they hired to ring in on this. She doesn't have a full grasp on how they managed to meld all those disparaged things into one cohesive thing. She would not think until 2022 honestly at this point. Then if they repeal the Affordable Care Act (she's being serious) because all of these things mesh with all kinds of federal laws, insurance law, and state insurance laws it's just going to throw everything in chaos. Councilperson Burke said that if nothing else it would be good for us to at least know what the various towns are doing so we can assess whether we want to continue what we're doing. Mrs. Kavanaugh said that she hopes maybe next year, she doubts by this fall. They were delayed because of everything going on, as well. She's hoping we can maybe start getting an idea of what it would cost. That's what we care about, the bottom line. What is it going to cost? Supervisor LaGrange said that the intent was that same benefits or better for less money. That is the whole premise of the consortium. That's the selling point. Sarah is right. It's kind of like dealing with National Grid and the street lights. It's forever trying to get the numbers even though they are required to give them. We're certainly not going back to square one but if we got to square four, we're going back to square two. It's going to be a restart and getting everybody back on the same page, reacquainting with the opportunities, and then going from there. That's the long answer. Mrs. Kavanaugh said that the towns have kind of faded away. She doesn't know whether it just fell through the cracks or they're just not interested anymore. Supervisor LaGrange said that we did have plenty to get it going regardless. So that's where it stands.

A Fund continued

Supervisor LaGrange said that we've all met to some sort of degree. You've had the budget for over a week now. Instead of going through page by page of the worksheets and stuff his thought was that we could start at the front of the book and go through those briefly. You have the 2020 items that were over \$10,000. He'd like to go through and highlight. Does anybody have any questions about the A fund before we get started? Councilperson Hennessy said that he would ask his questions after the highlights. Supervisor LaGrange said that's fine, whatever works.

Page 8

Supervisor LaGrange wanted to highlight under Central Data Processing, A1680.2 Equipment, we reduced that to zero because we don't have any computer purchases or any hardware purchases, but we do have a little increase in the contractual. That's due to Dan's suggestion of looking into some videotaping of meetings and also we need to do a software upgrade. Diane, does that sum it up as you recall? Town Clerk Deschenes said it did.

Supervisor LaGrange then said that Adam has looked at some of these percentages. He and Lisa went through them. If you have something you want to highlight, jump in.

Page 10

Supervisor LaGrange said that there was a big difference here. This is part of your changes over \$10,000. The highway garage put in a furnace and that won't be in this year. The other reason he wanted to go through these is to put them on the record so people have an awareness that we're not

Town of New Scotland

Budget Workshop

10/13/2020

just blowing through this. We did have the furnace purchase last year of over \$20,000 and we won't have any expense like that in 2021.

Page 11

Supervisor LaGrange said that Parks Capital Outlay A7110.2 was reduced a lot. That was for a mower purchase last year. There is nothing for that this year.

Page 12

Supervisor LaGrange said that we have Refuse and Garbage contractual A8160.4. That was for the Household Waste that was cancelled this year. It wasn't spent but it will go back in for next year.

Recycling

Councilperson Greenberg asked what's going on with recycling prices? Maybe Kenny knows more about this. What's going on with that cost? Highway Superintendent Guyer said that off the top of his head he doesn't have an exact answer for you. He believes they are slightly on the rise since we started. The tipping fees have gone up slightly. He doesn't think it's astronomical but he does believe that they have gone up slightly. He can certainly pull numbers with Teresa and get those to you if you'd like. Councilperson Greenberg said that the last he knew they were around \$70 per ton, right? Highway Superintendent Guyer said he thinks we were around \$70 a ton on recycling. Councilperson Greenberg asked if he thinks we're still in that ballpark? Highway Superintendent Guyer said that it's in the ballpark. He does believe that they have slightly gone up but he does not have an exact number. Supervisor LaGrange said that we will get to it a little further in Adam when we talk about tipping fees and the potential increase at the waste site, non-recycling. Oddly the tonnage which we would have expected to go up has actually declined over this year of per month tonnage sent either way whether it be to waste or to recycling. So, that's been kind of an interesting situation. You would think counterintuitively that it would be more so with people at home more often and stuff. That's what we've seen in recent months. Actually Jerry Wright mentioned it on a couple of occasions too. He was surprised in how it had changed. Councilperson Leinung said perhaps people are composting more. Supervisor LaGrange said maybe. The other thing too is that with the new owner of Wright Refuse and Disposal they have more opportunities for both the waste and for recycling. That might help us in the long run and not see those dramatic increases in either. So, again with the budget we want it to be as conservative as we could and still work off of this year's numbers and anticipated increases regardless. We will see how it goes. Councilperson Greenberg added contractually they were supposed to be giving us updates every six months or three months. Supervisor LaGrange said that he would have to look into that. Everything with our contract remained the same until the final expiration and that included the extra years we added on when we made some provision for Jerry Wright as those costs increased as you all know.

Page 13

Supervisor LaGrange said here again this was a big jump that we put in here because of the increase in medical costs and stuff. This is in the A fund, and as Sarah mentioned earlier the A fund wasn't affected a whole lot. It was a matter of a few hundred dollars in that decrease that we saw.

Page 14

Supervisor LaGrange said that we have the fines and forfeited bail. This is revenue from the Justice Court. A2610 is the code. It's a little over halfway down the page. The \$82,500 was what we budgeted for this year. We are anticipating \$53,000 because of the COVID-related issues. We decided to put in for \$82,500 to get back to a low normal number. We've had revenue over \$120,000 at some point. We are conservative here. You just don't know if we're going to have more of this issue going on and if it's going to cause them more potential hassles. Again, we wanted to be somewhat conservative there. Councilperson Hennessy asked if this was a revenue estimate from the Justices or was this a combination? How did we arrive at that? Supervisor LaGrange said yes, it was a combination. It was what they were comfortable with in addition to what we were comfortable with. Councilperson Hennessy said he's just a little hesitant because the more recent time, 2019, was \$73,962 and that was the last realistic number. You could say we could hope for a 10% to 15% increase but he thinks that's ambitious. He doesn't think it's real conservative. It's actually a little bit ambitious. Supervisor LaGrange said that one of the reasons that the 2020 was low was they couldn't collect the fines so they anticipate collecting more and more of those. Actually the Justice Clerk had a lot of back opportunities she thought could be cleaned up from years past, too. So a combination of those made us feel better about the whole

Town of New Scotland Budget Workshop 10/13/2020

situation and putting this number in. Councilperson Hennessy said okay. Supervisor LaGrange said again whether it comes out that way, who knows? Councilperson Leinung added that that was going to be his question. It seems like a lot. They didn't collect things and we're going to get the money hopefully at some point. It just might be rolled over to 2021. His second question is that he thinks the Justices a couple of years ago gave us a historical revenue collected from the courts. If some could find that and send that around that might give us a better idea too. From what he remembers a couple of years ago there was definitely a downward trajectory. Supervisor LaGrange said that it was in your packet. It wasn't one we went over but it was one to supplement you. Councilperson Leinung said all right and he would go back and take a look at that.

Councilperson Burke said she was wondering how much of that is fine and how much of that is bail? Because of the changes in the bail law wouldn't we expect from historical purposes that we would get less? Mrs. Boehlke said that she doesn't believe we see any bail money to be honest. How this works is the Justices tell us how much they take in per month. They deliver that to Diane's office. Both Justices make a deposit and we get a bill from New York State. Say they give us \$15,000 combined between the two of them in a month and the State says they want \$9,000 of that. We get the leftovers. I know there is a breakdown per fine and whatever percentage the State takes and what we get. She doesn't think we see bail money. She doesn't know from the Judges but she's never seen bail money. Councilperson Greenberg added that he's never seen it when we audit them. Mrs. Boehlke said that she thinks generally money they put on hold in the account if they do what they need to do with the courts they get their bail money returned to them. Councilperson Burke replied right but she thought this was somewhere else more clearly articulated as forfeited bail. Mrs. Boehlke said she doesn't know that forfeited bail comes to us. It may be forwarded to the State. It's a good question. She'll check into it. Councilperson Greenberg added that he just wanted to say on this number that nobody knows what's going to happen with the courts. We need to put a number in there. This is our best estimate. It's just a budget. It could be \$50,000 or it could be \$110,000. We don't know. He doesn't think there is any point in spending a lot of time on what that number should be. Mrs. Boehlke and the courts have given us the best estimate you can with as little knowledge as we have on what the next year holds. Supervisor LaGrange agreed, adding it's the best guestimate we can make. Councilperson Greenberg said that there is no way to do it better. On some level it doesn't matter. It's going to bring in what it brings in. We are under our tax cap and we're doing the best we can.

Supervisor LaGrange said that on the same page is another one of the \$10,000 changes. This is the employee retiree contribution. That's A2709. It's the fourth from the bottom. Sarah had a projection that she provided for changes that might have occurred throughout the year. It's still about what she figured. Mrs. Kavanaugh said yes, she doesn't think it's worth changing but that's not up to her. The A cost went down by about \$1,100 and you'll also see the employees' share going down because they are paying a percentage of a lower amount. You would see that number reduced. The net result is only about \$800 or something. You can leave it there in case there is overage or somebody changes mid-year. That's just her recommendation to just leave it how it is. That did build in a certain A fund Elected Official might retire and she doesn't know what the new person is going to do. Again, you continue the health insurance for the retiree and you add a new person. You're going to see an increase in the A fund because that doubled in effect. Supervisor LaGrange said that when he asked the Board earlier about making changes to the budget according to the new numbers that Sarah had we were kind of talking about just leaving out the small changes. Would you rather plug in all the changes even if it's a couple hundred dollars or just mainly stick with the larger one in DB? Does the Board have a preference there? Councilperson Burke said that she would go with the larger. To Adam's point just a few moments ago, this is the budget. This is actual spending. Councilperson Hennessy added that you guys like to use the \$10,000 threshold for important things so why don't you use that threshold for making your changes? Supervisor LaGrange said that that would basically be DB. We will check on that and make that change. Mrs. Kavanaugh said that she just double-checked her numbers this afternoon. The net change would be a decrease of \$1,055. Between the decrease in the expense and the slight decrease in the employee share it's \$1,055. Supervisor LaGrange added that in that size budget items it's not really worth it. We just do the larger one. We'll do that.

Page 15

Supervisor LaGrange said that the mortgage tax is something we talked about individually but I want to highlight the 2020 mortgage tax that we budgeted for turned out to be very conservative.

Town of New Scotland

Budget Workshop

10/13/2020

We expected about a \$30,000 increase. The budget was at \$230,000, and we are expecting \$260,000. That's obviously mortgage refinancing and new homes, of course. We'd expect that to taper off and so we are going back to a little more conservative number of \$235,000. That's a \$25,000 decrease. He just wanted to highlight that. It's better than expected this year. We are getting back to more of what we expect for 2021.

Supervisor LaGrange referred to page 15 again. If you go down to the general fund estimate, we were going \$105,000 in the budget for 2020, almost \$106,000 of fund balance use. Does everybody see that? If you look at the very last column at the bottom \$5,344 is what we are estimating adding to the A fund where we thought we'd use \$106,000. So that's quite the turnaround. Just wanted to highlight that. The point there is that we often budget for fund balance. It's rare that we use even close to the budget unless we look back over the year. It's rare that we do, but again it's a budget. That's the way spending goes and doesn't go. We end up not using as much as we thought and in this case adding to it. Councilperson Greenberg asked if there is a main driver of that or is that just a bunch of drops in the bucket? Mrs. Boehlke said that it's a bunch of drops. We just talked about the \$20,000 we saved by not doing the Household Hazardous Waste day. We are probably going to go over what we budgeted for health insurance. Supervisor LaGrange added that he thinks the tipping fees were down, too. Mrs. Boehlke commented that that's B Fund. She added that it's a lot of smaller things. We are a pretty frugal organization. Supervisor LaGrange added that that's a good addition of the mortgage tax, too. Mrs. Boehlke added that there is \$50,000 right there. Supervisor LaGrange added \$30,000 plus \$20,000 from household hazardous waste. Councilperson Greenberg said that he was wondering if it was going to point us to specific budget line items we should be looking at but not really because of the two things just pointed out.

Supervisor LaGrange asked Bill if he had questions on A fund? Councilperson Greenberg said that he didn't know how specific we wanted to get here. When he went over the budget he had certain line items based on the percentage sheet that we could go over. He doesn't need to go over them but if other people on the Board wanted to see or understand why certain line items changed so dramatically we could go over that, but maybe you already did it in your workshops with everyone. Councilperson Hennessy said that he trusted his judgement. He'd like to hear Councilperson Greenberg's thoughts. Councilperson Greenberg said that for instance engineering is changing over 50%. If people wanted to know why that's happening we could go to that budget item which would be A1440.41. Again, it's as much for people's curiosity as anything else. Mrs. Boehlke noted that that's page 7. Supervisor LaGrange said that most of those things that have those changes are usually historically what has happened and we make slight revisions to it. Mrs. Boehlke said that she looks at prior years and at the current year. She probably runs through three different scenarios of timeframes to look at a year. If things fall in line, she puts it in and she and Doug discuss it later. If something is not in line, she takes it to him. We choose the best path forward. She'll use justice fees as an example. She did provide that sheet. If somebody doesn't have it please let her know. Over the years we have been decreasing that number year after year hoping to obtain the number we come to. In the past two or three years that number was \$125,000. We keep cutting that number back and the number is still not here. She doesn't know all the pieces and parts that come to that, and we can decrease it if anybody wants to but she thinks \$82,500 with two justices is an obtainable number. Again, as Bill pointed out in 2019 we had a "normal" year that wasn't obtained. We were hoping. Again, with the information that we get, Stacy was going back and try to do collection. We were hoping that would be done. There are a multitude of things that come into each and every decision especially with revenues between Doug and her and going over what each department has requested. Mrs. Kavanaugh said that you always have the unexpected stuff too like the reason the health insurance was over budget in the A fund was we had a full-time court clerk. When you made the decision we went over it. It's one of those things the Board knew about. They took family coverage and we pay a lot more when they are full time. That was discussed and expected. So you always have some things that are higher and some things that are lower. Like Adam was saying, you have to do the best you can with the budget. Supervisor LaGrange asked Adam if there are any others that he wanted to highlight. Councilperson Greenberg said that there is a whole bunch. He could just email people the line items if they want to look at them. The main thing for him and why he finds the budget so valuable is because we get into conversations about what's going on in certain departments. For instance the A1440.41 has to do with engineering costs and it might trigger a discussion on something we might want to do with engineering or the way we are looking at that. We don't need to have those conversations now unless people want to. Councilperson Burke said that she thinks it's valuable to have those conversations but maybe if you sent it around we could

Town of New Scotland

Budget Workshop

10/13/2020

take a look at it and highlight the ones we think are of particular interest. Councilperson Greenberg replied okay. Councilperson Burke said others may feel otherwise. Supervisor LaGrange said that that's easy to do. Bill, you said you had a couple of questions. Councilperson Hennessy said that the only thing he was really looking at was that whole judge thing. He was curious about the revenues that he's leery of. He's totally supportive of going forward. He just wanted the Board and the world to know that there is concern there.

B Fund

Supervisor LaGrange suggested jumping into the B fund on page 18. Councilperson Greenberg asked what are we trying to knock off tonight or are we going to keep going until people are tired? Supervisor LaGrange said that he kind of set a goal for capping at 9 o'clock, if we can get B and DB out of the way. Supervisor LaGrange said that he will continue to go through like he did with A. If there is a question or questions beyond what we go over, jump right in. So, on page 18 we have refuse and garbage. Again here the tipping fees we paid Albany are trending to save us \$26,000 this year but there still is talk, as there is every year. He doesn't know if Highway Superintendent Guyer has heard anything recently. Highway Superintendent Guyer said that for the last two or three years they've been talking. When he speaks with the city it's the same story. Tipping fees are going up. They don't go up but we budget for them and they don't go up. Then we speak with the city and we say what's it going to do? They say they're going up. So we budget for them. When they don't go up he doesn't rock the boat. We have budgeted for the higher tipping. We are anticipating these fees are going up at some point. They have not gone up in the last couple of years but they keep saying they will. Supervisor LaGrange added that with the new vendor they have other opportunities and also again like I said before the fees have gone down in 2020 more than we expected. We thought they'd go up but instead they've gone down because of the tonnage, not the fee itself. Again there might be other opportunities with this new company to send both the garbage and the recycling to another spot. We might be able to see a better rate. Highway Superintendent Guyer said that there is a potential opportunity that they will send the trash to themselves to their own landfills. There is a potential there for some savings in the future.

Supervisor LaGrange said that that's where we are. With that on the same page, we have the same type of situation with the medical and dental insurance. This doesn't have a significant change with Sarah's new numbers. They are primarily in DB. Mrs. Kavanaugh said that the increase in the health insurance in B is because if the Code Enforcement Officer retires we have to keep paying his health insurance and then if the new employee takes health insurance it's basically like three people getting health insurance instead of two in the B fund. It just depends on what the new hire does.

Supervisor LaGrange then went to the bottom of page 18, fund B9901.9 which is the transfer of other funds to DB. That's basically the budget for the Highway Department. Part of this is the reduced spending in DB due to COVID. It will show us a substantial increase for next year budget-wise. We obviously transferred less from B into DB this year because of all the COVID-related cutbacks and so on and so forth. That's why that made the big sheet of \$10,000 or more.

Page 19

Supervisor LaGrange said that we have sales tax. This is just as a refresher. We had about a 4% increase in the first quarter in sales tax and then March hit. For the second quarter we're up around a 25% decrease over the previous year's quarter. The newest numbers that we are getting are about an 8% decrease for the third and fourth quarters each. We projected in our estimate a 10% decrease over the previous year for those two quarters to be on the conservative side and then we took the total amount we'll receive this year and plugged it in for next year. Hopefully that's very conservative but we'll see. That's what we have for the sales tax on page 19 as far as revenue goes. Councilperson Hennessy said that he thinks this was a pretty hot topic for the whole year across the whole state. Obviously if anybody has any thoughts they should chime in. He's supportive of the way they arrived at this. It's important not to overestimate this whole thing. He's fine with the way they've come up with that number. Councilperson Burke said that she's fine with the way they did the number, as well. Of course we can't know for sure but she is concerned that given how much everyone's household incomes have been impacted by this we may continue to see some significant decreases in sales tax. Supervisor LaGrange added that 10% is a pretty significant decrease in sales tax of course when it comes down to it. We're projecting \$150,000 less next year. It's a good chunk. Councilperson Leinung said that he agrees too. This number is good. It looks like the trajectory of where the sales tax has been recovering it looks like we might end up at the end of next

Town of New Scotland Budget Workshop 10/13/2020

year similar to where we end up this year because we have started to recover already. He thinks the latest projection in the fourth quarter may be down 10% over last year. He thinks it definitely could be less than two years ago but keeping in mind where he thinks we're going to end up this year this is a conservative estimate. He's hopeful that sales tax will recover. Again, it's a guessing game. This is a good number for now unless we get something very different before the end of budget. Supervisor LaGrange asked if Adam had anything. Councilperson Greenberg said that he likes it. He thinks you have done a great job with it. He would just say, responding to Bridgit, a little bit He thinks it's very conservative because you're building in a 25% decreased quarter like we had in our second quarter this year. If you assume that happens the first quarter this year, and hopefully it won't, we could be back in a serious lock time. Then after that it seems like 10% for a couple of quarters is very conservative. We hope to have a vaccine or medication that works. We should be better off than we were this year one would hope. Councilperson Burke added that she certainly understands how the number was arrived at and what you're all saying, and she's very comfortable with keeping it here. She just thinks that there is the potential for us ending worse than we did last year just because families are in worse shape and she anticipated less than this. Supervisor LaGrange said that he thinks we're all pretty solid with this number so we'll move along with it.

On the same page, B1650 Safety Inspections. He just wanted to point out again for the record that we did see a jump this year. We budgeted \$40,000 for 2020 and we're looking at an estimate of \$65,000. A lot of that was when people were home they did a lot around the house, decks and building like that. They put up pools and other things in lieu of going on vacation. All that type of stuff. We saw a dramatic increase in those inspection fees. We didn't expect to see that much of a climb. We figured we'd be back to the normal area of that \$40,000 range for the typical new homes and things like that and more of a regular year. That will indicate \$25,000 less than this year in our estimate but we think it's prudent to stick with the \$40,000 there. Councilperson Greenberg asked how they arrived at the \$40,000 given that in 2019 it was \$52,000? Supervisor LaGrange said that part of it was discussion with the Building Department. Part of it was to know approximately what they expected for inspections this year. Part of it was a decrease because a lot of people got those projects out of the way this year rather than next year. Again, it's a guestimate but a conservative guestimate. Councilperson Greenberg said that if we base it on a normal year and he assumed that 2019 was normal but maybe it wasn't. Mrs. Boehlke said it really wasn't. She's shocked at the amount of Kensington houses that have gone up. She's shocked at the amount of Kensington houses that continue to go up even today. If the market stays that way that's a boom and we would see next year but she can't guarantee that. These houses are being bought up where Bridgit was talking about people having disposable income. She's worried about that herself but people are buying \$500,000, \$600,000, and \$800,000 homes left and right. Supervisor LaGrange added that we're losing Colonie Country Club Estates. They are pretty much built out. We still have LeVie, Creekside, and Kensington. LeVie and Creekside are on a little of a slower pace but Colonie Country Club moved along with theirs. Again, as with 2019 he doesn't know what we budgeted that year offhand but he would anticipate that it was lower than \$52,000. Here we go back to let's be a little conservative on the revenues and be happy when it turns out the way it does. Again, it still goes back to our looking at those past years. He doesn't have it right at his fingertips and he doesn't remember what they were. We will see. Mrs. Kavanaugh added that we budgeted \$45,000 in 2019 and it came in at \$53,000. Supervisor LaGrange said that we can budget a little higher if the Board would like to see that. Maybe we put in \$45,000. His only concern is that he thinks a lot of stuff went on this year that people might have done next year. Councilperson Greenberg said that he was just curious how you came to it and you answered the question. He's fine with the \$40,000. Supervisor LaGrange said that he appreciates that but we can also make an adjustment if people think we are being too conservative. Is everybody good? Councilperson Burke said that she was good. Councilperson Leinung said that he was good with that. Councilperson Hennessy said that a question could be if it has to do with efficiencies in the department. He thinks the construction has gone up so he thinks we'll be fine next year too. Just go ahead. Supervisor LaGrange said we will keep it at \$40,000 and hopefully we will be pleasantly surprised.

Page 21

Supervisor LaGrange said that we have a couple on this page. These were things that were also in your \$10,000 plus or minus sheets. We have B5110.1. Ken, you can jump in on these too. B5110.1 was savings throughout the year on retirements and stuff and not rehiring. That was something that the Board had asked for and things obviously went well with that. We have a decent savings but we are trying to get back to a little more where we were by wintertime. He thinks we have to budget

Town of New Scotland

Budget Workshop

10/13/2020

about the same. We were at \$346,000 in 2019. Our budget for 2020 was \$334,000 so the tentative budget has it in at \$329,000. We hired people at lower rates to give us that little break and maybe a little more. Councilperson Greenberg asked Ken if he was aware of any retirements coming next year? Highway Superintendent Guyer said no. He has one gentleman depending on the day. He is wishy washy. He could leave. He has the age and he has the years of service. He doesn't know if he will or not. It's just talk but to answer your question, no, he's not aware of any retiring next year. Mrs. Kavanaugh said that she's not aware of any in A or B. They are all this year. Supervisor LaGrange said that we only expected three this year and then one turned out to have a situation where it was better off for him to retire so he took that opportunity. We benefited from that too. Supervisor LaGrange added B5110.4. This was General Repairs, Contractual. This is going to see almost a \$35,000 jump from this year's estimate to 2021. That's again having more of a normal year. It's just built in. We gained this year but we will lose next year in a sense. It's back to where we were for next year.

B5112.2, Permanent Improvement was Ken's reduction in spending. Supervisor LaGrange said that the savings was primarily on paving that we normally spend. Highway Superintendent said that they held back on that. Highway Superintendent Guyer was breaking up. Supervisor LaGrange said that everyone is pretty familiar with that anyway.

B5130.2, Machinery. We purchased the chipper this year and there was nothing planned for next year in that regard. Supervisor LaGrange asked if the chipper got a lot of use the past few days. Highway Superintendent Guyer replied that it did. Councilperson Greenberg added that he didn't think anything that came down could fit through it. Highway Superintendent Guyer said that in this fund he put in to replace what we call our shop truck. It's the mechanics' truck. Assuming it would be pulled out, there would be a discussion about how to pay for the truck if we get it. It was put in there. This would be replacing a 2006 regular cab pickup truck with an automatic lift gate on the back of it for heavy tools, supplies, and things like that. We have a budgeted price of \$38,000. That would be a new truck to replace it with a new lift gate installed on it in that budget number. Supervisor LaGrange asked when he is looking to purchase that? Highway Superintendent Guyer said that if he could get approval after January 1st he would like to place his order, and then we would see the truck probably sometime in August or so of 2021. Supervisor LaGrange said that this is primarily for the mechanics to get out on the road to service the equipment. Highway Superintendent Guyer said that we call it our shop truck. We try to leave it for the mechanics if they have to go out and service something because it has the lift gate on it. Years ago we used to use these for voting machines which we no longer do. There was another use of it wheels, tires, brakes, rotors. Anything with these trucks is heavy so if we can avoid lifting them in the trucks and utilizing the lift gate that's why we try to primarily keep it for the mechanics. Supervisor LaGrange said that if you went through the budget worksheets as you were preparing for this it's on page 181. That doesn't have to be something we decide tonight but it is something we should be considering so Ken can order it and move ahead to the December Board meeting or something. Mrs. Kavanaugh said that you could cover it with the \$36,000 in health insurance savings. Supervisor LaGrange said that that's an opportunity but we also have other things that we might look toward doing. Mrs. Boehlke added that she put it on the indebtedness schedule. Supervisor LaGrange said that if you look at the other large printout Lisa did, add it to the indebtedness schedule. You will see it below DBH12. It's Ken's request for machinery. On DB5130.2 we start paying in 2022 and it would be about \$7,600 for five years. As you can see Lisa highlighted 2021 on that sheet and that's kind of our big crunch year. It starts at \$37,000, \$15,000, and \$41,000. That's as we talked about before. This coming year is our big year of indebtedness in the DB fund but that tapers off. To bring this on it will go from almost \$133,000 next year. Bringing this on if we financed it we would still drop down almost \$33,000 for indebtedness in DB for 2022 so it certainly works within our budget to consider bonding it and doing it over a five-year period. It's something to think about and we can make that decision at an eventual meeting.

Councilperson Burke said that she missed the beginning when you talked about the condition of the current truck. Highway Superintendent Guyer responded that it's poor. If you go back to September's meeting with our yearly inventory you will find it on there. It's a 2006 Chevrolet Silverado. It's in poor condition. Councilperson Burke asked if it is breaking down regularly or does it just look like crap? Highway Superintendent Guyer said that it's getting to the point where it will. We use these things until the very last end. We certainly get our money out of them. Supervisor LaGrange asked if there would even be a trade-in value? You guys run these things and

Town of New Scotland

Budget Workshop

10/13/2020

we end up sending them out as surplus. That will probably be the case for this one or not. Highway Superintendent Guyer said that it will certainly be the case. That's been our trend for years and that's what we continue to do. We keep these things until the bitter end. By the time we're done with them we get a few thousand dollars for them at auction. It's just how it's been. We get 14-15 years out of one of these things. On the back end, the box is rotting off. Rust just takes over underneath these things. It's the northeast. After 14-15 years of winters, it's unfortunate what happens. Supervisor LaGrange said if that's the case we should probably slide something in for revenue for that. We usually do that for something that's surplus. What is your guestimate compared to some of the other equipment we've done? Are you talking \$1,500 or \$2,000? Highway Superintendent Guyer said between \$3,000-\$3,500 would be his guess. Supervisor LaGrange said let's go with \$3,000 just to be sure. We will plug that in as revenue if the Board wants to do that. Again, it's everyone's budget, not mine. Is everyone good with adding \$3,000 in revenue for that? Councilperson Leinung said that that makes sense. Supervisor LaGrange said that it would be easier if no one has a problem with that. If nobody has a problem with that, Lisa will add \$3,000 in revenue for the surplus and we will go from there.

Page 22

Supervisor LaGrange started with DB5142.1. This is again just like we discussed earlier in the summer months. We have the multiple retirements and the associated changes. We did have a savings estimated for this year but we will be more back to normal next year. DB5142.4 Snow Removal Contractual. Again same scenario but we'll be back to more of the normal number. Again, same story again with the medical, but here is where we should realize that larger savings that we've asked Lisa to plug into DB which are the numbers Sarah received late last week. DB9730.6 is the BAN principal. We are still on page 22. Again we just talked about this. This is our highest time. Is there anything else to add to this? Supervisor LaGrange continued with DB9785.6, Lease Principal. We do have one lease being paid off this year so that takes a drop. That's an expected decrease of \$34,000.

Page 23

Supervisor LaGrange said DB2665 is sale of equipment. We don't have any trade-in. Instead of \$21,000 we will slide in that \$3,000 for the surplus pickup. That will soften that a bit. That trade-in was primarily the paver, Ken, or two chippers? Highway Superintendent Guyer said that we traded in two chippers on one. Mrs. Boehlke advised that the \$34,814 that she's showing is revenue for sale of equipment that is the two chippers and the paver. Highway Superintendent Guyer replied yes, adding the trade-in value of the paver.

Supervisor LaGrange went onto DB3501 which is the Consolidated Highway Aid, the CHIPS money. We estimated conservatively last year like we usually do. Ken, you usually ask us to leave out the winter recovery money. Highway Superintendent Guyer said that we left out the extreme winter. He thinks the CHIPS and the PAVENY programs were accounted for and then the extreme winter was left out. Supervisor LaGrange added that, as you all know, we got all three at 80%. He'd say we got them. We did get the two smaller ones and the CHIPS money you just applied for, Ken. Highway Superintendent Guyer said that that was correct. The third one has been sent in but we have not received it back yet. Councilperson Greenberg said that we got 80% this year; are they saying anything about next year? Highway Superintendent Guyer said that we have not heard anything about next year. To be honest with you, we heard nothing from New York State on the 80%. We heard from the Association of Towns, and they said to submit all our CHIPS at 80%. Do not submit them at 100%. He knows that in the spring we always wait for our official letter from New York State telling us what we are going to get. He and Teresa waited and waited. We heard nothing from New York State. He told Teresa to go ahead and submit it at 100% because he's not going to go on the word of the Association when we speak to the liaison from New York State and he can't give us an answer. We submitted at 100% everything and we did get 80% back. It was true but he was kind of disappointed that the State didn't step up and come out and tell us that. Councilperson Greenberg said that we're getting that in a lot of places. He added that he just didn't know what we should put in there for this year, 2021. Highway Superintendent Guyer said that he has not heard anything. We are going with the assumption of 100% of the programs. Mrs. Boehlke said to keep in mind that we did 100% for two out of three. We still left that third one out in case we see nothing from it. Highway Superintendent Guyer said that that was correct or a percentage of it.

Town of New Scotland
Budget Workshop
10/13/2020

Mrs. Boehlke asked if he thinks he will have anything from that FEMA claim or from the outage? Highway Superintendent Guyer said that he doesn't think we're going to have much as far as Highway goes but he does have everything put together for it. Supervisor LaGrange said that he asked Bill to look into it. We did have a panel blown out at Northeast. It probably was a surge of some kind. We're guessing but we'll see what happens there. Maybe we can reclaim some of that. Councilperson Greenberg asked if there was any kind of state of emergency around here because of the storm? Supervisor LaGrange said that he never heard of one. Councilperson Greenberg asked if there is anything to apply for say for the firehouses and the work they did? Supervisor LaGrange said nothing as of yet that we've been made aware of. It's not even a week yet so we may see something.

Interfund Transfers, DB5031

Supervisor LaGrange said that we have a difference from the 2020 to the 2021 budget of a little over \$219,000. Last year we did use \$200,000. It's pretty much break even here. Last year we used \$204,000 out of the DB fund balance. Supervisor LaGrange added that we only budgeted for it; we're not going to use it in the end. That's where it shows a discrepancy here. If all things go as planned, which we said about a year ago, we'd be back to more of a normal budget in DB.

Supervisor LaGrange said its 8:50 PM. Is there anything else you'd like to hit? The other thing we could do to make up a little ground is, if you'd like, tomorrow night our agenda is relatively light which I do enjoy but at the same time we could do an Executive Session on personnel changes, salaries, and so on and so forth which is always directly to do with individuals. We could discuss that a little bit tomorrow night. I guess it all depends on how we do. Councilperson Greenberg said that that seems like a good idea. If you would just take a look at your numbers for the salary increases, that was another handout we gave everybody. The top of it says 2021 salary increases in the tentative budget. Maybe if our meeting goes fairly quickly tomorrow night we could go into Executive Session like we usually do at budget time when we get to this and maybe knock that off tomorrow night.

Were there any questions in D and DB that you had as you reviewed this? Councilperson Hennessy said that he would just go over it at that time. Are you saying tomorrow night to do that or do that now? We've got another 100 pages to go in the D fund. He doesn't know if you want to go through that or not. Supervisor LaGrange said that we didn't go through the individual worksheets in B fund. Is that what you mean? Councilperson Hennessy replied yes. Do you want to do that tomorrow night or another night? Supervisor LaGrange said that he thought we were trying to avoid that by going through the front sheets. If there are any questions we can go to the individual pages. Councilperson Hennessy said that tomorrow night is fine. It's related to personnel. Supervisor LaGrange said that that would be the best time. If we get done and everyone wants to continue with another half hour to an hour or so on personnel issues that would be great. Are there are any questions on D and DB that we just reviewed? He neglected to ask if there was anything people ran into other than salary increases and things like that. He certainly wants to hear the questions you came up with. If there aren't any, we're good.

2. Adjourn

Councilperson Greenberg made a motion to adjourn, seconded by Councilperson Hennessy. The meeting adjourned at 8:52 PM.

Diane R. Deschenes, Town Clerk