

**MINUTES OF THE SPECIAL MEETING (BUDGET WORKSHOP) OF
THE TOWN BOARD OF THE TOWN OF NEW LEBANON
HELD ON OCTOBER 26, 2016**

Present: Colleen Teal, Supervisor
Chuck Geraldi, Councilmember
Kevin Smith Sr., Councilmember
Mark Baumli, Councilmember

Absent: Dan Evans, Councilmember

Recording Secretary: Tistrya Houghtling, Town Clerk

Others Present: Cynthia Creech, Deputy Supervisor, Court Clerk,
Rec. Commission, CAC & ZRC Member
Ben Wheeler, LVPA
Ed Godfroy, LVPA
Bobby Waters, LVPA
Gregg Gilliland, LVPA
Julie Alexander, Chatham Rescue Squad
Ben Webster, Chatham Rescue Squad
Ted Salem, ZBA Member
Joe Ogilvie, Rec. Commission
Several members of the public

CALL TO ORDER:

The meeting was called to order at 6:51 p.m. by Supervisor Teal.

2017 TENTATIVE BUDGET:

Chatham Rescue Squad (CRS):

Supervisor Teal asked the CRS if there is a way to break out the cost of the ambulance service versus the cost of building expense for the new building in Canaan. Julie Alexander from CRS stated that originally when they contracted with the Town of New Lebanon it was with the understanding that there would be a building to house their ambulance. That didn't end up being provided and they needed to buy a building in Canaan to house the ambulance which cost over \$200,000. They now pay around \$2,000 per month on that mortgage in addition to all the utilities, maintenance, etc. for that building.

Councilmember Baumli stated that if we split that cost between Canaan and New Lebanon (as those are the town's that needed that second building) you are talking around \$15,000 per year for the Town of New Lebanon just to house the ambulance. Julie Alexander stated that CRS does have station #2 in Canaan and station #1 in Chatham but they address the entire district equitably so they don't only respond to New Lebanon and Canaan calls out of station #2. They have the two stations and if they have both ambulances up and running and one ambulance goes out on a call, the other ambulance moves to the center of the district to minimize response time for the rest of the district. If both ambulances are out on calls, an ambulance from another district will come out and stage at the center of our district. They have both stations

but they don't only use station #2 for New Lebanon, they can respond with both ambulances from both stations depending on what the need is. Supervisor Teal stated that both buildings and both ambulances serve the entire district of which New Lebanon is a part of.

Councilmember Baumli asked if we could get a breakdown of each Town and how they came up with how much each Town in the district pays. He stated that Austerlitz pays \$60,900; Chatham pays \$128,521; Ghent pays \$78,412; Canaan pays \$195,695; and New Lebanon pays \$191,931. He wants to understand how CRS came up with these numbers as they do not seem to be split equitably amongst the Towns in the district. He asked if the numbers are based on population, assessed value, square mileage, etc? Julie responded that she does not know where some of the numbers come from as they were determined before her time with CRS but she was told that when they took over New Lebanon in 2011 the Town Supervisor at the time calculated what they were going to pay CRS and that is the figure that they started with. Supervisor Teal stated that the number that was applied when the transition from LVPA to CRS occurred was the exact number that we had been paying for the ambulance services, it was just shifted from our prior provider (LVPA) to the new provider (CRS).

Councilmember Baumli stated that he will accept that for this year, but moving forward to next year he will need a breakdown of how they calculate what each Town pays for services and it needs to be calculated in an equitable way either based on population or assessed value or some other factor that will spread the cost evenly amongst the towns in the district. Supervisor Teal stated that there are conversations occurring right now at the County level to find a more accurate way to apportion the billing. Julie stated that CRS is hoping that the County will come up with a way to divide the costs more equitably amongst the towns being served by them.

Julie stated that this year they requested a 2.5% increase with the knowledge that every year they finish in the red and must pull money from their savings to balance their books. There will come a time when they have no more savings to pull from. Councilmember Baumli stated that he understands this but he does not feel it is fair for the Town of New Lebanon to balance the Chatham Rescue Squad budget and right now the way that it is split up, we pay more than the Town of Chatham who has a higher population and assessed value than we do and that needs to be addressed and corrected moving forward. He stated that he cannot support any increase in the CRS budget until there is a more equitable way to divide up the expenses amongst the towns.

Councilmember Smith made a motion to budget the Chatham Rescue Squad for 2017 in the amount of \$191,931.25 at a zero increase from 2016. Councilmember Baumli seconded that motion.

Roll Call Vote:

Councilmember Chuck Gerald	Aye
Councilmember Kevin Smith Sr.	Aye

Supervisor Colleen Teal	Aye
Councilmember Dan Evans	Absent
Councilmember Mark Baumli	Aye

Supervisor Teal made a motion to authorize her to execute the 2017 contract with The Chatham Rescue Squad and to execute the 2017 chargeback agreement with The Columbia County Treasurer's Office for the amount approved by the Town Board. Councilmember Baumli seconded that motion.

Roll Call Vote:

Councilmember Chuck Gerald	Aye
Councilmember Kevin Smith Sr.	Aye
Supervisor Colleen Teal	Aye
Councilmember Dan Evans	Absent
Councilmember Mark Baumli	Aye

Lebanon Valley Protective Association (LVPA):

Ben Wheeler with the LVPA handed out 3 sheets to each Town Board member and stated that Supervisor Teal was looking for replacement plans on their various equipment and he is giving them one for vehicles, one for turnout gear and one for air packs. He acknowledged that he is presenting this material last minute and they were hoping to have it to the Town Board sooner but their Attorney's laptop died which delayed the process. Councilmember Baumli asked when they list the replacement cost on new vehicles if that is the full cost of the new vehicle or if it factors in the trade in value of the older vehicle being replaced. Ben Wheeler stated that it is the full replacement cost. Councilmember Baumli stated that does not take into consideration what that vehicle might be worth at the point of trading it in. Ben Wheeler stated that is correct and that these numbers being presented are based upon a 3% cost increase per year.

Supervisor Teal asked if the front page of the vehicle replacement plan is just an inventory and if the back page is the same vehicles listed with their estimated replacement time frame and cost. Ben Wheeler said that is correct. Supervisor Teal stated that it says without debt service, so would the plan be no debt whatsoever? Ben Wheeler stated that is an option that would be looked at based upon what they can get for loans, etc. but the figures presented on the sheet are if you had to have every dollar to pay for it at the time of purchase. Ben Wheeler stated that the \$45,000 they are asking for in capital reserves is to fund these vehicle purchases and that \$45,000 figure is significantly lower than what the replacement plan shows they will need to replace their vehicles. Supervisor Teal stated that she appreciates these replacement plans being submitted.

Supervisor Teal stated that the Town Board and the LVPA are working on redoing everything and they are talking about everything and looking at everything. Her

perspective at this point is that she is struggling with two very big and very serious issues, one is providing fire protection service to everyone in this community and the other is being fiscally responsible. She thinks that we owe it to ourselves and to the public to take one year when we are funding the LVPA's operating expenses only and use that year to get a clear plan into place so that when we are coming into the 2018 budget, we are able to authorize expenditures to the capital reserves and be able to justify them to the taxpayers. To be handed these replacement plans now and not have time to research them or justify them does not feel comfortable. She thinks that one year of not having the capital funding is not going to de-rail them and moving forward they might need to adjust those numbers since they put no money in the budget for capital this year.

Ben Wheeler stated that the LVPA has been doing what they have been asked to do in providing the numbers to the Town and they really are justifying the needs and where the money is going. They have provided all the documentation, bills and everything else to show where the money is and where it has been spent. They have been able to make vehicle repairs and replacements and not have an excessive budget that is even close to the numbers estimated on the vehicle replacement plan. He stated that they would like to continue with the current budget that they had in 2016 and then move forward in 2018 from there because they have shown that they have been able to do a good job with the money they have had and this would be the seventh year in a row with no increase in their budget and they have been tightening their belts for the last 6 years.

Supervisor Teal stated that she understands the need for capital funding but she needs to be able to justify it to the taxpayers with a defined plan. She stated that she began this conversation with the LVPA in January and is just tonight receiving some of the documentation she has been looking for and she is unprepared to be able to make any decision on it tonight because if she has questions or needs to look into any of it she does not have the ability to do that. She stated that when she prepared their budget, she calculated their operating expenses using their annual reports for the last 5 years and then added \$20,000 to ensure that they had an ample operating budget for 2017. She stated that she wants to work all of this out and she feels that we need a much more comprehensive management plan before she feels comfortable funding capital reserves. Ben Wheeler stated that their budget has been cut in half and no other department in the budget was cut and they don't feel that it's fair to balance the Town's budget by cutting their budget in half. Supervisor Teal stated that when she used the actual figures they had submitted in their annual reports and then added the \$20,000 she came to the \$108,000. If you add in the \$45,000 that they were asking for capital reserve you still do not get to the \$220,000 they have previously been funded at. Ben Wheeler stated that she also took out money for their new equipment, and other items than just the \$45,000 in capital reserve. Supervisor Teal stated that when she came up with what they needed for operating expenses she was going off the numbers they had submitted to the Town for actual operating expenses used. The items she cut were items that were historically budgeted for but no money was actually being spent from these budget lines.

Ben Wheeler stated that they do not have any budget lines where money is budgeted but not spent. Councilmember Baumli stated that he was at the meeting where they went line by line through all the budget items and Supervisor Teal showed them the lines that she cut where money was being budgeted each year but not spent. Supervisor Teal stated that she needs to understand why the numbers are different.

Supervisor Teal stated that one thing we need to be looking at with our long term plan on vehicle replacement is the same thing we do for the Highway Department where we look at what we are going to be financing and what is a realistic number that we need to be putting aside each year because we can't afford to just go out and buy it. Councilmember Baumli stated he also needs to see what each of the current vehicles are worth as a trade in value to offset the expense of the new vehicles. Ben Wheeler stated that the last truck that they sold they got \$32,500 for. Supervisor Teal asked if that is then put back into the vehicle replacement reserve fund. Ben Wheeler stated that it was. Councilmember Baumli stated that the vehicle replacement plan spreadsheet should have another column that lists what they expect to receive as trade in value on the old vehicle that is being replaced.

Ben Wheeler stated that if they do not put anything in the budget for capital this year they will fall behind in their capital funding. Supervisor Teal stated that we might have to fund extra in capital next year to make up for the lack of funding this year if, once they have everything planned out and accounted for, that is what is needed. She stated that the way that they have been doing things to date, we all agree, needs to be changed. We need to take a step back and do one year funding only the operating expenses because we are at the last night before we have to set up a public hearing on the budget. In the next year we need to get our documents in order so that when we go forward and fund anything with capital, we have the ability to show the public exactly what the capital funding is paying for.

Bobby Waters from the LVPA asked if the Town gets any information as to income and expenses from the Town Library. Supervisor Teal stated no, but the public voted on their budget. He asked if the Town gets any information as to income and expenses from the Chatham Rescue Squad. Supervisor Teal stated that we do not. He stated that the LVPA is giving the Town monthly income and expenses for many years now and they are showing the Town all of their figures and the Town is cutting the LVPA by more than half yet giving the Chatham Rescue Squad the same amount as they received last year. Councilmember Baumli stated that the Chatham Rescue Squad is paying a mortgage of around \$2,000 per month on the building that they needed to buy to cover services to New Lebanon and Canaan. We are paying excessively over that cost more than other towns. The Town Board has asked the Chatham Rescue Squad to come to a more equitable way of dividing their expenses amongst the Towns they are contracted with.

Councilmember Geraldini stated that even though we don't all agree with the numbers being presented for capital funding requests, he feels that not funding any capital reserve for their trucks and equipment this year is short sighted. Supervisor Teal

stated that according to the State Comptroller, we should not be funding capital unless we are clear what we are funding and to say we are going to add more money in towards some type of additional purchase is not fiscally responsible. She stated that they do need money towards either a new building or repairing the old buildings and they do need money for replacing equipment, but that needs to be laid out in a plan and when we are paying for it with taxpayer money, what it is going for needs to be clearly defined.

Ben Wheeler stated that all their money is accounted for and the LVPA has submitted all of their accounting reports to the Town. Supervisor Teal stated that the LVPA needs to start following generally accepted accounting practices so that their income and expenses are more easily readable. It will show in black and white what goes in, what comes out, what's left over and what they do with the leftover.

Councilmember Smith asked what needs to be replaced this year. He stated that there are no vehicles listed for replacement this year. Gregg Gilliland with the LVPA stated that there is equipment and gear that needs replacement this year. Councilmember Smith asked what equipment it is that needs replacement this year. Gregg Gilliland stated that air packs and turnout gear need replacement this year. Supervisor Teal asked if the LVPA is working on a grant to cover the air pack replacement. Gregg Gilliland stated that the grant is through the AFG through FEMA and there is no guarantee that they will receive the grant funding and they have already been denied funding once. Supervisor Teal stated that there are some other grants that the Town can apply for to cover the LVPA fire equipment because they are our fire protection company. Gregg Gilliland asked how that helps the LVPA. Supervisor Teal stated that the LVPA would get the equipment that the Town applies for. Gregg Gilliland stated that the Town cannot own any equipment. Supervisor Teal stated that we cannot own a building but we can own all the trucks and equipment.

Councilmember Smith stated that there are a lot of questions to be answered and if nothing is needing to be replaced this year then we should be fine going with the proposed budget. Gregg Gilliland stated that air packs have to be replaced this year and so does turnout gear. Councilmember Smith asked how much turnout gear needs to be replaced. Gregg Gilliland stated that any turnout gear that is more than 10 years old needs to be replaced and they have 15 sets. Councilmember Smith asked if all 15 sets are over 10 years old. Ben Wheeler stated they are not. Supervisor Teal stated that this is the information that they need, how many sets expire this year, how many sets expire next year, etc. before the Town Board can authorize the funding for the replacement of turnout gear.

Ben Wheeler stated that he feels that the Town Board is cutting the LVPA off at the knees. Supervisor Teal stated that if she was cutting their operating expenses and asking them to use some of their surplus capital to operate in 2017, she would agree with that statement. When she prepared the budget, she made sure that she gave them well over their operating expenses to ensure that she did not cut them off at the knees. She is only asking them to give her time on their capital funding to make sure that

everything is set up the way it is supposed to be before we continue funding it. She stated that she feels that the Town Board and our taxpayers are placed in a very difficult position because our forefathers chose to do a fire protection district. If they were a fire district and they wanted a new piece of equipment or a fire house, the voters would get to decide. If the Town Board wants a new Town Hall, the voters get to decide. If it's taxpayer money, they should have the oversight of where the money is spent. If the Town Board wants to set up a capital reserve, they have to clearly define what they are doing, what's the most amount of money they are allowed to put into that project, how long is it going to take, and a lot more detail. They then have to put it into a formal resolution and publish it and allow the residents 45 days to petition the Town Board and say they don't want to allow the project. If the Town Board just sets up the capital reserve without following all of those steps, then they must go to vote every time they go to spend a penny out of it. Supervisor Teal stated that in her position she is accountable to the taxpayers for all money spent. She is asking the LVPA for a year of working together to get all the capital projects and numbers clearly defined and give her all the information that she needs so that she can answer to the public and let them just be the firefighters. Then she can justify to the taxpayers why we are going to fund whatever we are going to fund.

Bobby Waters stated that their budget was at \$220,000 and if you remove the capital reserve of \$45,000 that leaves a balance of \$175,000. Supervisor Teal stated that the \$108,000 she has put in the budget for them for 2017 was created from the LVPA's treasurer's report for the past 5 years of what they are actually spending and then adding \$20,000 to that number. That is the other question that she cannot justify. That is the other area that we need to fine tune. Bobby Waters stated that the numbers on the treasurer's report come off the check ledger which is different than the quick books and budget. He stated that the numbers are all still there. Supervisor Teal stated that if she is taking their annual year-end report and using that to determine what they spent, she is coming up with the numbers that they actually spent according to what they are reporting, so those numbers should be accurate. Another area that they need to figure out is where the other \$87,000 is going (\$175,000 they are claiming they need budgeted for operating expenses minus \$88,000 average operating expenses over 5 years). Supervisor Teal stated that the accountant for the LVPA said at last year's budget workshops that their operating expenses are between \$100,000 and \$125,000 per year.

Supervisor Teal made a motion to accept the 2017 Tentative Budget as the 2017 Preliminary Budget for publication and public hearing. Councilmember Baumli seconded that motion.

Roll Call Vote:

Councilmember Chuck Geraldi	Nay
Councilmember Kevin Smith Sr.	Aye
Supervisor Colleen Teal	Aye
Councilmember Dan Evans	Absent

Councilmember Mark Baumli

Aye

Public Hearings:

A public hearing was set for the 2017 LVPA Budget on Thursday, November 10th at 7:00pm. A public hearing was set for the 2017 Town of New Lebanon Budget on Thursday, November 10th at 7:15pm. Both public hearings will be held at the New Lebanon Town Hall, 14755 State Route 22, New Lebanon, NY, 12125.

Special Meeting:

A special meeting was scheduled to discuss a specific personnel issue on Tuesday, November 8th at 6:30pm at the New Lebanon Town Hall, 14755 State Route 22, New Lebanon, NY, 12125. The regular monthly meeting of the Town Board is scheduled for 7pm on Tuesday, November 8th.

HIGHWAY TRUCK FINANCING:

Supervisor Teal stated that we will get a much better deal financing the new highway truck with a bond. In order to do that she needs the Town Board's authorization to use Christine Chale, she is bond council that we have always used in the past any time we needed a bond. Councilmember Smith asked how much we will save using a bond. Supervisor Teal stated it will probably be the difference between 0.7% versus 2%. Supervisor Teal stated that the documents will come back to the Town Board for full approval.

Councilmember Smith made a motion to authorize Supervisor Teal to hire Christine Chale to prepare documentation to finance the new highway truck using a bond. Councilmember Baumli seconded that motion.

Roll Call Vote:

Councilmember Chuck Geraldi	Aye
Councilmember Kevin Smith Sr.	Aye
Supervisor Colleen Teal	Aye
Councilmember Dan Evans	Absent
Councilmember Mark Baumli	Aye

COLUMBIA COUNTY YOUTH BUREAU:

Supervisor Teal stated that the new contracts for the Columbia County Youth Bureau are massive and her belief is that what is required to receive the \$815 is too much to be cost effective. She recommends that we opt out of the program and forgo the \$815 because we are spending a lot of time and effort for a very small amount of money.

Councilmember Smith made a motion for the Town of New Lebanon to opt out of the Columbia County Youth Bureau Program. Councilmember Baumli seconded that motion.

Roll Call Vote:

Councilmember Chuck Gerald	Aye
Councilmember Kevin Smith Sr.	Aye
Supervisor Colleen Teal	Aye
Councilmember Dan Evans	Absent
Councilmember Mark Baumli	Aye

ADJOURNMENT:

A motion was made by Supervisor Teal and seconded by Councilmember Smith to adjourn the meeting at 8:20 p.m.

Respectfully submitted,

Tistrya Houghtling
New Lebanon Town Clerk