

RED HOOK TOWN BOARD MEETING

October 29, 2008

PUBLIC HEARING

A meeting of the Town Board of the Town of Red Hook, Dutchess County, New York, was convened in public session at the Town Hall, 7340 South Broadway, Red Hook at 7:30 p.m.

Present: Supervisor Sue Crane
Councilman James Ross
Councilwoman Micki Strawinski
Councilman Harry Colgan
Councilman Robert Latimer (7:45 p.m.)
Town Clerk Sue McCann

Also Present: Business Manager Deborah Marks
CPA Ted Eglit
Budget Officer Rose Rider

Supervisor Crane welcomed everyone to the meeting and opened with the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

There were no comments.

ANNOUNCEMENTS

Supervisor Crane announced a Flu and Pneumonia Clinic sponsored by the Dutchess County Department of Health. It will take place at the Red Hook High School on November 10, 2008 from 10:00 a.m. to 1:00 p.m. Both the flu and pneumonia vaccines are covered by Medicare Part B. Medicare cards must be brought to the clinic. Adults enrolled in Medicare HMO's may be required to pay the fee. The flu vaccine is \$39 and the pneumonia vaccine is \$50. No one will be turned away for inability to pay the fee in full or in part.

PUBLIC HEARING FOR THE 2009 BUDGET

Supervisor Crane opened the meeting by reading the notice of Public Hearing to hear all interested persons on a preliminary budget for the 2009 calendar year. Copies of the preliminary budget are available for inspection during the Town Clerk's office hours, Monday through Friday from 9:00 a.m. to 4:00 p.m. at the Town Hall. She also read that the Town Board is required by law to announce the compensation to be paid to the following officers: Supervisor - \$26,982; Town Board Members (each) - \$7,574; Town Clerk - \$46,830; Town Justices (each) \$14,977; Highway Superintendent - \$62,056.

Supervisor Crane explained that it is the Board's job to take one more public look at the Town's preliminary budget for 2009. This is a Public Hearing for comments. Even though the budget can be passed tonight, the Board decided that because this hearing is being televised there may be questions by members of the public. They will wait until the November 10th meeting to publicly pass this budget. She referred to the first slide which showed the salaries (that she previously read) of the elected officials for 2009. She explained that those salaries reflect a 4% increase across the board. She pointed out the summary of all funds of the total budget on page 13 in the budget packet. Regarding appropriations in the General A Fund Town Wide - increase 0.7%, a change of \$12,341 in total. The preliminary budget for the General A Fund Town Wide budget is \$1,666,303. In the General B Fund Town Outside the Villages the preliminary budget for 2009 is \$481,549 a decrease of 17.1%. For the Highway DB Fund, the preliminary budget for 2009 is \$1,193,951 an increase of \$21,240, or 1.8%. The SF Fire preliminary budget is \$367,491 for both fire districts, which is an increase of 0.3%. Consolidated Lighting shows no increase. Water Operation and Maintenance shows a 0.5% increase from 2008. Revenue line projection: General A Fund Town Wide the preliminary budget is \$669,499, a change of 0.9%. In the General B Fund Town Outside the preliminary budget is \$471,800 a decrease of 2.7%. In the Highway DB Fund Town Outside preliminary budget is \$131,586 for a decrease of 42%. In the SF Fire District for the two districts the budget remains flat at \$4,000 in revenue. Consolidated Lighting revenue is \$500 which is a decrease of 33%. In Water O & M revenue is up at 0.5%; Total Revenues - decrease 6.7%. It should be noted that in the General B Fund and in the Highway DB Fund, the Highway DB Fund revenues decreased 42%. That is because we

did not make a major increase in transfer from the B Fund to the DB Fund. There was no transfer in funds. The Highway budget is healthy and the Highway fund balance is healthy. If we move money from the B Fund to the DB Fund we cannot extract from it and move it elsewhere. We are taking a conservative look at this and saying we're going to hold on to it in the B Fund for emergency sake. It can always be moved to the DB Fund.

Supervisor Crane asked if there were any questions. She thanked the Town Board for their work in examining the budget as closely as they have and for helping her identify areas of savings. The challenges have been great this year because the appropriations have fallen off this year. They haven't had a lot of control over money coming in. They've done the best they can for the community.

Supervisor Crane said insofar as the tax rate schedule is concerned, she reported that it reflects several things. In the General A Fund Appropriations - \$1,666,303; expected revenues - \$669,499; the Town Board voted to appropriate from the A Fund reserve - \$116,606. The amount to be raised by taxes in the A Fund alone is \$880,130. The implied tax rate per thousand is .71 cents. The current tax rate is slightly over .69 cents. The rate of change between the tax rate of 2008 and of 2009 will be 3% in the Town Wide Fund. In the Town Outside the appropriations are \$481,549. We estimate revenues at \$471,800. We are not appropriating any money from the reserve in the B Fund. The amount to be raised by taxes is \$9,749. This implies a tax rate per thousand of slightly over 1%. The change from the current year puts this at a decrease of 78% in taxes for the General B Fund Town Outside. In the case of the Highway DB Fund Town Outside, the appropriations are \$1,193,951. We estimate revenues to be only \$131,586. We are appropriating from the fund balance in the DB Fund \$159,600, leaving the amount to be raised by taxes at \$902,765. In this case the implied tax rate per thousand is approximately .99 cents. The current tax rate is almost .93 cents per thousand leaving almost a 7.29% increase in the Highway Fund from this current year. In the case of the SF Fire Districts, Appropriations - \$367,49; Estimated Revenue - approximately \$4,000; Appropriating from reserves - \$4,000 therefore we expect to raise by taxes, \$359,491. The implied tax rate is .36 cents per thousand; the current tax rate is .9 cents per thousand, an increase of 1.53%. In the Consolidated Lighting District: Appropriations - \$20,000; Estimated Revenues - \$500; Appropriating from Reserves - \$1,000; Amount to be raised by taxes - \$18,500 with an implied tax rate of .09%. At the current tax rate that is .9 cents per thousand, which is a reduction of 1.02% from this current year. Waterworks O&M remains flat at \$126,943 appropriations and revenue.

Supervisor Crane asked if there were any questions. With none, she continued with the 2009 preliminary budget review.

Supervisor Crane said that in 2009 the tax rate per thousand is as follows: General A Fund Town Wide - \$880,130, a 3% increase to .2 cents per thousand. General B Fund Town Outside - last year's tax rate was \$1.67. We are anticipating a 3% increase in the DB Fund. Together in the B and the DB Fund change is .5 cents per thousand. There is a calculation to be made. In the A Fund - 3% increase; Highway DF Fund - a 7.29% increase; B Fund - a 78% decrease. As a result the taxable assessed value will increase 3% total. Fire District - 1.5% increase, a minimal change of .005% increase in the Fire District levy. Consolidated Lighting - decrease of 1.02%. Water District - no change.

Supervisor Crane referred to color charts created by Business Manager Deborah Marks to help the Board visualize the Town appropriations as percent of the total budget. The appropriations for the General A Fund - 43%; Highway - 31%; Consolidated Lighting - 1%; Fire District - 10%; Water District - 3%; General B Fund - 12%. That gives a very good overview of where the appropriations are located.

Supervisor Crane explained that for 2009 the pie chart shows the source of revenue as percent of budget. General A Fund - 48%; B Fund - 34% of the budget; Highway DB Fund - 9%; Fire District - nominal; Water District - 9%; Consolidated Lighting - very nominal.

Supervisor Crane referred to another chart which reflected the 2009 taxes to be collected. General A Fund Town Wide - 41%; General B Fund - a very small percentage expected to be collected from the Village General B Fund; Highway DB Fund - 41%; Consolidated Lighting

District – 1%; Fire District – 17% toward fire protection in both the Town and Village of Red Hook as well as the Village of Tivoli.

Supervisor Crane thanked Business Manager Deborah Marks for all the charts making it possible to comprehend the budget. She also thanked Business Manager Marks and Budget Officer Rose Rider for all of their work on this budget. She appreciates the Department Heads and the Chairs of Committees for cooperating in a year they knew would be tough. They have been wonderful in reigning in some of the expenses and the Board appreciates it.

Supervisor Crane went to the 2009 total combined appropriations by department which represents, by category, how the Town funding is spent. Transportation – 28%; General Government Support – 18%; EA&O (Economic Assistance Opportunity) – minimal; Employee Benefits – 12%; Interfund Transfer – 2%; Culture & Recreation – 12%; Debt Service – 3%; Public Safety – 15%; Home & Community – 10%.

Business Manager Deborah Marks informed the Board that at the County level, they are quite impressed with our recreation park. The people from the County and State levels that come to do our inspections rave about our park and they hold the Town of Red Hook's recreation park up as an example to other parks in the State.

Supervisor Crane continued with a five year comparison of unreserved, unappropriated fund balance. She explained the chart of the reserve funds. Overall Red Hook enjoys very healthy fund balances. We wrestled with whether or not to transfer from the reserve fund balance to any of the funds to offset taxes. This year, because of the economy, it was right and appropriate to move some money out of our fund balance to offset what could have been a higher tax rate. She is proud of the Board for doing that.

Supervisor Crane referred to the final slide which showed appropriations of over \$1,600,000 and a reserve fund of almost \$700,000 in the General A Fund; B Fund - \$200,000 reserve fund; Highway DB Fund - \$200,000 reserve fund; Consolidated Lighting – has an extremely healthy reserve fund; Fire District – 4% reserve fund; Water District – 31% reserve fund.

Business Manager Deborah Marks interjected that the Water District recently, as per Town Board resolution, moved \$40,000 from their fund balance into their special reserve fund. They are being very responsible.

Supervisor Crane again asked if there were any questions or comments about the budget.

Councilwoman Strawinski thanked the senior Board members for their guidance, assistance, and comments. She thanked Business Manager Deb Marks.

Supervisor Crane thanked CPA Ted Eglit for sitting in on the budget meetings and giving them guidance. We were pretty on target along the way and with his help they were confident they were doing the right thing. She complemented Budget Officer Rose Rider and told her the Board appreciates all of her help. Largely, Supervisor Crane thanked Business Manager Deb Marks who was behind the scenes working up to 4:00 this afternoon to get the slides done.

John Douglas asked a question about the rental of real property.

Business Manager Deb Marks explained it was for the cell tower and she said we expect a new tenant on that.

John Douglas asked if CE is contractual expense.

Business Manager Marks responded yes.

Councilman Ross explained that education and other things come out of the CE, contractual expenses.

Supervisor Crane explained that some of the frustrating aspects of this budget were that revenues were falling off. She commented that try as you might, you can't find it if it isn't there. The Board tried to be responsible in estimating revenues. They wanted to make sure they were

conservative estimates so that we are not taken off guard next year. We know from an expenditure point of view it is a conservative budget.

Supervisor Crane asked if there were more comments.

On a motion of Councilman Ross moved to close the Public Hearing. The motion was not seconded.

Councilman Colgan asked if the Public Hearing should remain open so that the public has the chance to comment.

Supervisor Crane explained if we keep the Public Hearing open we can make changes.

CPA Ted Eglit explained that it is better not to close it so that if there are any public comments after it is televised you can take the input. The Board can make the motion at the next meeting to answer any questions that come across between now and then, and then close the Public Hearing at that meeting.

Councilman Ross withdrew his motion to close the Public Hearing.

Supervisor Crane announced that they will keep the Public Hearing open until November 10, 2008.

John Douglas thanked past members of the community who were very involved in the development of the recreation park. They would be very happy to hear about the compliments that Business Manager Marks conveyed to the Town Board regarding the comments that were made about our recreation park.

On a motion of Councilman Ross, seconded by Councilwoman Strawinski, moved to adjourn the meeting at 8:30 p.m.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, Latimer
	Nays	0	

Respectfully submitted,

Sue McCann, Town Clerk