

VILLAGE OF GENESEO
BOARD OF TRUSTEES

April 2, 2012

PUBLIC HEARING to consider the Tentative Budget for fiscal year 2012-13

PRESENT:

Richard B. Hatheway, Mayor	Marsha B. Merrick, Clerk/Treasurer
Sandra F. Brennan., Deputy Mayor	Eric Osganian, Police Chief
Margaret E. Duff, Trustee	Andrew Chanler, Fire Chief
Benjamin Gajewski, Trustee	Jason Frazier, Street Superintendent
Robert Wilcox, Trustee	Steve McTarnaghan, Water/Wastewater
	David Woods, Planning Board Member

PUBLIC PRESENT:

Becky McKeown Casey Emerson (GCS student)

1. HEARING OPENED:

Mayor Hatheway opened the public hearing at 5:30PM, stating that the appropriate notification had been published. The budget was presented to the Board of Trustees two weeks ago; a committee consisting of Budget Officer/Mayor Hatheway, Deputy Mayor Fox, Clerk/Treasurer Merrick, Supt. Frazier, Supt. McTarnaghan, Police Chief Osganian and Fire Chief Chanler developed the budget.

There is very little new in the budget from what was developed at the workshop meeting and what was presented as the Tentative Budget to the Board on March 19th, Mayor Hatheway stated. In terms of salary lines, projections based on current year spending patterns include retroactive pay that was paid in this fiscal year. For example the police salary line is projected to be \$561,000 by the end of the current fiscal year, which would work as a projected number for next year as it includes about \$15,000 in retroactive pay. The same is true to a lesser extent for the DPW salary lines. The goal now is to whittle away at the general fund budget lines in order to reduce the amount of appropriated fund balance currently projected to be \$91,247. It would be preferred for that number to be on the order of \$50,000 as in prior years. Right now, as far as the general fund is concerned, with the tax levy at \$1,520,000 (our constitutional tax limit), the tax rate would increase by 16 cents to \$6.66 per \$1,000 of assessed valuation. That represents a modest 2.5% tax rate increase.

The department heads submitted flat budgets, Mayor Hatheway continued and those people need to be commended for their concern about the Village finances and services offered. In fact, budgets have been essentially flat for three or four years. However, the prices of goods and services still increase (utilities, gasoline, health care premiums, etc.). One example of efforts to keep costs down is to note items recently made by the DPW department. A roller was made from a recycled tank donated by Frazier Farms. Timbers from Fort DeBadts have been reused and turned into benches for the park. There are similar examples in other departments.

The major expenditures in the General Fund that are out of our control, Mayor Hatheway stated, include retirement contributions, health insurance premiums and negotiated salaries. The Police Retirement contribution to the State has doubled over the past two years, for example.

On the income side, there should be somewhat of an increase in the sales tax revenue and minor changes have been made to other lines.

Due to a recent retirement, there will be a vacant full-time position in the police department at the end of the month. At this point in time, there are no plans to fill that position. If that is the case, there could be increased costs in overtime and part-time officers covering, meaning the savings will not be equivalent to that of a full time position.

The water fund budget still needs further work, Mayor Hatheway continued. In all probability it might be necessary to propose an increase in rates. To put a possible rate increase into context, a water rate survey published by the Water Works Association summarizes monthly rates for various communities in western NY. Our monthly rate for water service to a residence is \$7, which was the lowest of the 15 or so communities surveyed. The average rate was \$15 per month. The actual cost of water to a Village residence is .287 cents per gallon. Our rates for both water and sewer are still the lowest in Livingston County, according to Steve McTarnaghan.

The debt service line in the water fund will be increased for the next two years, due to the financing of the infrastructure project overlapping with other bond payments that are due to be paid off in 2014. That is one of the major items affecting the water fund budget, in addition to salaries and benefits. The cost of chemicals, many of which are related to the price of a barrel of oil, is also a factor. Steve has done a conscientious job reviewing expenditures, and has made every effort to keep costs down. Future projects that need to be kept in mind include infrastructure improvements on Oak Street and modifications to the tank plumbing system. The budget includes some funds for these future projects. Water loss or unaccounted for water is an issue; in this year's water report (2011) loss was reported to be 24%. In recent history that number has been around 7%. The reason for that is additional flushing, particularly at the Quality Inn, and water used during the infrastructure project.

The sewer fund budget is in good shape. In past years, the water budget was not problematic, while the sewer budget needed greater scrutiny, but that pendulum has swung the other way. We anticipate the sewer rates will remain the same. With regard to our sewer rates in comparison to other western NY communities, our rate is \$17/month, while the average is about \$32.

The next step will be to consider the budget for adoption at the April 23 (changed from April 16) meeting. Since the State has passed its budget, we will be able to determine what the aid to municipalities might be, but are anticipating it remaining about the same.

As for ambulance billing fees, Chief Chanler noted that everyone is billed for ambulance service if they are transported. Occasionally there is a bill that remains unpaid after making three attempts to collect. There is a little loss there occasionally, but between health insurance coverage, private co-pays and Medicaid payments, fees are generally paid in full. Because of that, equipment purchases (including ambulances) and other expenses are fully funded by user fees. The last ambulance purchased using tax dollars and funds contributed to the Fire Department was in 2004. Since then three ambulances have been purchased using ambulance billing funds. The department is anticipating another ambulance purchase in the near future.

The Board thanked the department heads for their diligent work on the budget and for keeping the Village of Geneseo running smoothly and in the black with low tax, water and sewer rates and services intact. Thanks and appreciation was expressed to Clerk/Treasurer Merrick for keeping all of it together.

2. HEARING CLOSED:

Without further comments or questions, Deputy Mayor Brennan moved and Trustee Gajewski seconded the motion to close the public hearing. The vote was as follows: Deputy Mayor Brennan-Aye, Trustee Duff-Aye, Trustee Gajewski-Aye, Trustee Wilcox-Aye, and Mayor Hatheway-Aye. The motion passed and the hearing closed at 7:22PM.

Marsha B. Merrick, Village Clerk