

A Budget Hearing of the Town of Hamburg, County of Erie and State to New York was held at the Town Hall, 6100 South Park Avenue, Hamburg, New York on the 26th day of October 2015.

ROLL CALL: Steven J. Walters Supervisor
 Michael Quinn Councilman
 Cheryl Potter-Juda Councilwoman

ALSO PRESENT: Catherine A. Rybczynski, Town Clerk;
Walter Rooth III, Town Attorney, Mary Dosch, Sr. Account Clerk; Luke Malecki, Financial Consultant; Rick Lardo, Principal Engineering Assistant; Christopher Hull, Director of Community Development; Jay Collard Deputy Highway Superintendent; Greg Wickett, Police Chief; Sarah desJardins, Planning Consultant; Barbara Brauch, Clerk of Justice Court; Donna Gavin, Sr. Computer Operator; Thom Taylor, Sr. Public Safety Dispatcher; Jen Kosmowski, Domestic Violence Advocate; Ted Casey, Traffic Safety Coordinator; Sean Crotty, Emergency Management Coordinator

The Pledge of Allegiance was recited.

Information on location of Fire exits was provided.

Catherine Rybczynski, Town Clerk, reads the following Legal Notice as published in the Hamburg Sun and the Front Page:

NOTICE OF PUBLIC HEARING
PROPOSED
LOCAL LAW #12, 2015
TAX LEVY LIMIT OVERRIDE

Notice is hereby given that a public hearing will be held before the Town Board of the Town of Hamburg, New York, on the 26th day of October, 2015 at 7:00 PM, at the Town Hall, 6100 South Park Avenue, Hamburg, New York 14075, to hear all interested parties and citizens for or against the adoption of proposed Local Law Number 12 for the year 2015. The proposed Local Law seeks to override the tax levy limit established in General Municipal Law Sec 3-c.

Any resident of the Town of Hamburg is entitled to be heard upon said proposed adoption of Proposed Local Law No. 12 for the year 2015. Copies of the law will be available at the office of the Town Clerk for inspection by any person during regular business hours and are posted on the town's website.

Catherine A. Rybczynski
Town Clerk
Town of Hamburg

Dated: October 19, 2015

Supervisor Walters comments that the tax cap for 2016 is .73% and the Town, because of the substantial increase to the Town's healthcare policies, is at a situation where it appears likely that the .73% cap will be exceeded. In order to do so the Town has to hold a public hearing and pass an authorization to do so. This public hearing does not mean that the tax cap is being exceeded it only gives the Town the ability to do so at subsequent meetings should the need arise. This Town Board is looking at various ways to bring the healthcare costs down. This is a potentially plan for the worst case scenario.

Robert Frazier comments that the tax cap was enacted to make Town governments more accountable and live within their means just like normal people do in their household budgets. Why not just make the adjustments in the budget and not exceed the cap. There is no inflation according to the government.

Supervisor Walters responds that they will explain that in the health care portion of the budget presentation. The increase they are looking at is driven almost exclusively by the healthcare increase.

1.

On a motion of Supervisor Walters, seconded by Councilman Quinn, the following resolution was

ADOPTED Ayes 3 Walters, Quinn, Potter-Juda
 Noes 0

RESOLVED, that the Town Board close the public hearing.

Catherine Rybczynski, Town Clerk, reads the following Legal Notice as published in the Hamburg Sun and the Front Page:

LEGAL NOTICE/TOWN OF HAMBURG
 NOTICE OF HEARING

PLEASE TAKE NOTICE that the Town Board of the Town of Hamburg will hold a public hearing on October 26, 2015, at 7:00 p.m. (local time) at the Hamburg Town Hall, 6100 South Park Avenue, Hamburg, New York, in accordance with Section 184 of the Town Law, to provide for changes in the fire protection contracts as follows:

| <u>NAME OF COMPANY</u> | <u>2016 CONTRACT REQUEST</u> | <u>2015 CONTRACT</u> |
|--|------------------------------|----------------------|
| Armor Volunteer Fire Co., Inc. | \$265,220 | \$260,018 |
| Big Tree Volunteer Fire Co., Inc. | \$474,490 | \$465,186 |
| Lake Shore Volunteer Fire Co., Inc. | \$500,649 | \$495,800 |
| Lake View Fire District (Town wide fire protection district) | \$66,833 | \$65,523 |
| Newton Abbott Volunteer Fire Co., Inc. | \$449,232 | \$440,732 |

| | | |
|--|-----------|-----------|
| Scranton Volunteer Fire Co., Inc. | \$471,500 | \$462,300 |
| Village of Hamburg Volunteer Fire Co., Inc. (Town wide fire protection district) | \$178,899 | \$160,686 |
| Woodlawn Volunteer Fire Co., Inc. | \$382,657 | \$375,154 |

These contracts provide for fire protection and ambulance service within and/or outside the boundaries of the respective districts. The term of the above contracts shall be for a period of one (1) year with a privilege of renewal for four (4) additional year terms, as provided in and under the conditions stated in each contract. Full opportunity to be heard will be given to all citizens and parties interested.

BY ORDER OF THE TOWN BOARD OF THE TOWN OF HAMBURG

Dated: September 28, 2015

Catherine Rybczynski
Town Clerk
Town of Hamburg

Catherine Rybczynski, Town Clerk, comments that she did receive one piece of correspondence from Lake Shore Volunteer Fire Company, Inc. requesting a 2% increase in their budget, or maximum allowed per New York State Budget tax cap, whichever is greater, on a yearly basis for the next five years.

Supervisor Walters comments that each fire company will have the chance to speak on behalf of their proposed budget.

Jason Newell, President Armor Volunteer Fire Company, comments that every week his fire department continues to do fundraisers. They offer Bingo every Tuesday along with several fundraisers throughout the year. Last year alone they raised approximately \$74,400 and they are on par to do that again this year and if you include mailings they are close to \$100,000 raised. They are requesting an increase of 2% for utilities and repair and maintenance of vehicles and equipment.

Supervisor Walters comments that the price of gas has gone down. How has that affected their budget?

Mr. Newell responds that has helped their budget but unfortunately everything else keeps going up.

Ed Hughes, Chief of Big Tree Volunteer Fire Co., comments that their budget this year went up approximately 2%, which is around \$9,300 for firematic equipment, turn out gear (5 extra sets) and insurance premiums.

Supervisor Walters comments that it has come to his attention that here might be a concern from the Big Tree vol. Fire Co. about ambulance services?

Mr. Hughes comments that there is a rumor going around the Town that the Town Board is trying to make Rural Metro the primary Ambulance Service.

Supervisor Walters comments that he does not know where the rumor started but he can tell him unequivocally that this Town Board has never discussed taking the ambulance services away from the fire companies and making Rural Metro the primary nor have they met or discussed anything with Rural Metro. The last time he met with Rural Metro was when they were renewing their contract with the Town at which point the Fire Chiefs Association had two members at the table. That issue was never discussed or put into the contract.

Chet Lipka, President of Lake Shore Vol Fire Co., comments that they are asking for a 2% increase in their budget and that is due to their contributions to the LOSAP program. They got on board with the Town's recommendation to strengthen their program. They used the opportunity of refurbishing a couple of trucks instead of purchasing new ones to use some of that money for their LOSAP program. He also provided a letter to substantiate their actions.

John Wicka, Fire Commissioner for Lake View Fire District, comments that their increase was kept to a minimum of 1%. The primary reasons were a significant increase in their Workman's Compensation costs and at the end of 2014 they advanced their EMS Unit to a Paramedical response. With that they have experienced some additional costs for equipment and medicine. Last year they did not seek any increase.

Supervisor Walters questions what percentage of his budget relates to the Townwide District.

Mr. Wicka responds about 10%.

Mark Bernas, President of Newton Abbott Fire Co., comments that they are asking for an increase of \$8,500 which is a 1.93% increase.

Mike Lotocki, Chief of Scranton Vol. Fire Co., comments that they are requesting a 1.99% increase due to the cost of living increase.

Harley Moses, President of the Village of Hamburg Fire Co., comments that they are asking for a 2% increase plus an additional \$15,000 for equipment. They are in the process of purchasing a new ambulance and in 3 years they need to replace their 22 year old ladder truck. They are looking to put money into their long range equipment fund.

Supervisor Walters questions what percentage of his budget relates to the Townwide district.

Mr. Moses responds around 20%.

John Kolb, President of Woodlawn Vol. Fire Co., comments that they are asking for a 2% increase in their budget. Six years ago Woodlawn joined with the Town to lower fuel costs and they do numerous fundraisers during the year. The price of utilities and the maintenance on the trucks accounts for the increase.

2.

On a motion of Supervisor Walters, seconded by Councilman Quinn, the following resolution was

ADOPTED Ayes 3 Walters, Quinn, Potter-Juda
 Noes 0

RESOLVED, that the Town Board close the public hearing.

Catherine Rybczynski, Town Clerk, reads the following legal notice as published in the Hamburg Sun and the Front Page:

LEGAL NOTICE
 TOWN OF HAMBURG
 NOTICE OF PRELIMINARY BUDGET

NOTICE IS HEREBY GIVEN that the preliminary budget of the Town of Hamburg for the fiscal year beginning January 1, 2016 has been completed and filed in the Office of the Town Clerk, 6100 South Park Avenue, Hamburg, New York, where it is available for inspection by any interested person, at reasonable hours. Additionally, an exemption report is also available for inspection.

FURTHER NOTICE IS HEREBY GIVEN, that the Town Board of the Town of Hamburg pursuant to Section 121(b)(1) of the State and Local Fiscal Assistance Act of 1972, as amended, and all other applicable statutes, will meet and review said preliminary budget and hold a public hearing thereon at Hamburg Town Hall, 6100 South Park Avenue, Hamburg, New York at 7:00 p.m. (local time) on the 26th day of October, 2015, and that at such hearing any person may be heard in favor or against the preliminary budget as compiled and for or against any items therein contained.

PURSUANT to Section 108 of the Town Law, the proposed salaries of the following Town Officers are hereby specified as follows:

| | |
|------------------------|----------|
| Supervisor | \$82,123 |
| Councilman (2) each | \$19,210 |
| Town Clerk | \$71,870 |
| Highway Superintendent | \$81,266 |
| Justices (2) each | \$59,652 |

BY ORDER OF THE TOWN BOARD OF THE TOWN OF HAMBURG

Dated: September 28, 2015

CATHERINE RYBCZYNSKI
Town Clerk
Town of Hamburg

Supervisor Walters and Luke Malecki review the Town of Hamburg 2016 proposed Budget Public Hearing hand out as per attached.

Supervisor Walters opens up for questions and comments.

A resident refers to an article in the Buffalo News from October 25 concerning the Town of Clarence budget and how it is going down for the fourth year in a row. How can Clarence lower their taxes for the fourth consecutive year and the Town of Hamburg keeps on raising taxes? What is the Town of Hamburg doing, other than raise taxes, to try and stop these increases?

Supervisor Walters responds that the Town is experience rated as far as health care is concerned. The healthcare company only looks at the employees of the Town and retirees with respect to healthcare increases. He doesn't know what happens in Clarence to compare health care. What he can tell him is that Clarence has had significantly higher assessed valuation growth than any community in Erie County. They have extremely large multi-million dollar homes being built in Clarence and with the assessed valuation going up they are able to absorb increases easier than other surrounding communities. He belongs to the Association of Erie County governments, which includes all Towns, Villages and Cities within Erie County and they met regularly and discuss these issues. The Town of Hamburg, for reasons they don't agree with, has had a spike in health care costs between this year and next year. The last thing he would like to point out is that our spending increases are well below the rate of inflation. The Town is averaging, over the last ten years, about 2% on a tax increase which includes this current increase. The Town Board is certainly not happy with this current increase and they will try and do what they can to bring the number down over the course of the next month. It is hard to compare one community with the next. Different communities have different services. As he mentioned earlier a Police Department is not a mandatory service under New York State Law. The Town of Hamburg has a Police Department which is by far the largest expenditure throughout the year. The Town of Clarence does not have a Police Department which certainly helps keep their budget down.

The resident comments that the Town increase would be added to any increase that the County would have in their taxes leading to a substantial increase for the taxpayers.

Luke Malecki responds that the chart provided in the presentation included the estimated increase as approved by the School Board's and then the County he left level as the 2015 tax rate because they also came out in the Buffalo News and said that they anticipated a 0% increase.

Mike Petrie, Mayor of the Village of Blasdell, comments that looking at the budget from year to year and spending in each department, is there ever any money left over from the budget lines that would go into reserves? How much money from last year's budget will be going into reserves?

Supervisor Walters responds that something like that would be in the year-end financial statements that are also posted on the Town's website.

Mr. Petrie responds that in his budget you can see from year to year what was appropriated and what was spent. Does the Town Board oversee each Department Head and question if they really need to spend all the budgeted money?

Supervisor Walters comments that each Town Board member is required to work with the departments especially on fiscally related matters.

Mr. Petrie questions if there is something available that he can show him that explains, from last year's budget, what will be put into reserves for this year's budget?

Mr. Malecki responds that over the last five years the Town's appropriated use of fund balance has been around \$1,000,000 each year. The budget has become dauntingly realistic in that in 2010, of the \$900,000 budgeted, the spend down of fund balance was \$200,000 and then in 2014 the Town Budgeted an appropriation of \$1,200,000 and it actually decreased \$1,100,000. So for the last five years the Town's fund balance actually decreased each of the five years. So there actually is not very much in reserve.

Mr. Petrie comments, to clarify, they don't have a lot of money coming in this year to put towards next year.

Supervisor Walters responds that they don't have as much as when mortgage taxes were higher, sales taxes were higher, pension costs were lower, and healthcare costs were lower.

Mr. Petrie comments that he is talking department lines.

Supervisor Walters responds that there are hundreds of department lines but by and large the departments are spending less than is budgeted and some lines more than what is budgeted. However overall they are spending less than what was budgeted.

Mr. Petrie comments that in the Village they have been able to keep the tax increase pretty low and what they have done with each department line is, if they need they buy it and if they don't the department will not get it. That is how they have been able to chip away and carry the money into next year.

Mr. Malecki comments that if you look at the budget from 2014 to 2015, any savings in 2015 has to be applied to the health insurance that was under budgeted. In 2014 if you look at the amount budgeted for mortgage tax compared to what actually was paid, there was a \$150,000 deficit so the fund balance had to support some of that.

Mr. Petri comments that in the future they have a lot of BANS on the books. When will they go to permanent financing.

Supervisor Walters responds over a five year period depending on the situation. Some may be going sooner or the Town Board may decide to bring everything into a permanent bonding situation at the same time period.

Mr. Petri comments that he went in this year with his. It is a nice feature to be able to carry them for years but when you have to bring them into the budget that is when it becomes difficult

Mr. Malecki responds that the way the capital advisors have it structured is that the BAN principal payments are nearing what the eventual bond is going to be. So the only impact when the Town converts from short term to long term is probably a 1.5 to 2% increase in the interest cost. Right now with the BAN's that were approved this year the interest will come out in the 2017 budget but the principal payments are mimicking what the long term structure is going to be.

Robert Frazier comments that the primary focus for this year's budget is the healthcare. Why is the Town electing to be self-insured and insurance rated versus community rated. The Town is exposing themselves to possibly unlimited increased costs. If you get one or two retirees that end up with a catastrophic disease some of the new drugs are a million dollars a year. Do we have some sort of catastrophic umbrella policy? What is the level of that?

Supervisor Walters responds that they do and the level is \$150,000 per claimant. He explains that back in 2007 they moved initially to a single healthcare carrier to help drive costs down. After that as they continued they then started with a self-funded high deductible plan which further drove down the costs. Then they looked at a quasi-self-insured which is called minimum premium. He then explains how that works. For several years that helped keep the cost down up until some increases that started last year in the Medicare programs that the Town has for post 65 retirees and then this year with the substantial increase with the active employees. Now one of the options they have looked at is to go back to a prospectus community rated plan. They do have eight options that they have explored and they are looking to continue dialogue with the Unions.

Mr. Frazier questions what percentage of employees pay for healthcare.

Supervisor Walters responds that it depends on the years of service and Union Contracts. The most senior employees don't pay anything and as they progress with Union contracts over the years the newest employees will pay between 20% & 25% or more.

Mr. Frazier comments that the Video Lottery Terminal issue would solve this year's budget almost immediately. What is he doing with the State Counterparts or the Governor's Office to get them to live up to the original State Law?

Supervisor Walters responds that they have been putting on a full court press from a public relations standpoint. They have reached out to our local Assemblyman and Senator. He has had conversations with folks in the governor's office. There are eight of these Video Lottery Terminals located throughout the State. The local community received about 2% of the new win. Seven of the Video Lottery Terminals are located in Upstate New York and the eighth is located in Yonkers, which is Downstate, and when the State Legislator changed the law to take back funding they only took it back from the seven Upstate communities and left Yonkers alone. That adds insult to injury. If they had lived up their promise the Town would have no debt service and would have already seen a tax decrease equal to the increase of this year. The Legislature revoked the Law. The amount received has gone up a little but it should be around \$2.1 million.

Mr. Frazier comments that in reviewing the Enterprise Funds in the 2016 budget he noticed actual budget transfers from the general fund as part of the budget. They are supposed to be self-sustaining and not cost the taxpayer anything. Is there a presumption going in that they will not generate sufficient funds to cover the costs or is that just operating capital?

Supervisor Walters responds that the law regarding Enterprise funds is that they have to go down a path of being self-sufficient but they don't have to be self-sufficient out of the gate. How long that path is, is subject to who you talk to in the State Comptroller's Office. Generally speaking there is no timeframe as long as it is showing improvement. The golf course has reached self-sufficiency and has for the last five to six years. The Woodlawn Beach State Park and the Ice Arena have been moving steadily towards self-sufficiency. The Town Park is another matter. He had a meeting with Luke Malecki and Mary Dosch and they discussed moving it out of an Enterprise Fund because it is not showing any progress towards self-sufficiency.

Bob Mahoney comments that at the last meeting Councilwoman Potter-Juda stated that she and Councilman Quinn did not take health care and did not opt into the pension plan, obviously that is a savings. Is that relocated in the Budget?

Supervisor Walters responds that back in 2007 the Town Board passed a resolution that stated that part time employees are not eligible for health care. Town Board members have always been designated as part time employees. Therefore, they are not entitled to health care benefits.

Mr. Mahoney comments that he recently got a new vehicle. Is that a necessity, could he opt not to take that?

Supervisor Walters responds that they have a schedule of replacements. The Supervisor's vehicle works on an eight year schedule. The eighth year was up and this is just part of the normal schedule. However that is a possibility.

Mr. Mahoney comments that he is just trying to make a point concerning luxury and necessity.

Don Wiess comments that one of the keys to keeping taxes down is an expanse of the tax base. Have they computed an increase in tax base as far as new construction goes? In the past few months he has seen some fabulous projects that are coming into the Town that will generate some taxes.

Supervisor Walters comments that the tax base in the 2016 budget shows an increase of ten million in the Town of Hamburg Outside Village and seven million Townwide. With a lot of the projects, for example the Fed Ex project, those don't go onto the rolls until they are completed and assessed.

Mr. Wiess questions if any of the large projects are getting a tax incentive.

Supervisor Walters responds that housing projects don't receive tax incentives, unless they are low income Senior. But none of the complexes he is referring to are low income senior housing facilities and therefore are not eligible for tax incentives.

Mr. Wiess questions if he has thought about a freeze on spending for the remainder of the year to possibly balance the increase from Blue Cross and Blue shield.

Supervisor Walters comments that they do that every year. Different factors determine when the freeze is issued each year.

Mr. Wiess comments that it would behoove the Town to eliminate the lifetime health insurance with new employees.

Jay Collard, Deputy Highway Superintendent, comments that the 2016 budget calls for a major reduction in paving equipment and monies. It takes approximately \$100,000 to pave one mile of road. With the money allocated in the budget they will only be able to pave 4 miles. Also their equipment has been decreased to the point that they cannot even buy a plow.

Supervisor Walters comments that the amount allowed for paving is what Superintendent Best requested. That money has been supplemented by C.H.I.P.S. money and for four years has been further supplemented from grants from the Department of Community Development. With respect to the equipment, he is correct, his preliminary budget decreased the capital equipment fund from \$200,000 to \$100,000 in the 2016 Budget. They have a huge increase in health care costs and they have to find ways to cut the impact to the taxpayer. The amount of money that was allocated to the Highway Department over the last six years was significant.

Ted Casey comments on the cost of maintaining an older plow as opposed to purchasing a new one.

Supervisor Walters responds that the Highway Department, instead of purchasing specialty vehicles such as a grapple truck, should have purchased more plows.

Don Wiess comments that the expenditures for the Recreation Department are high as well.

Supervisor Walters responds that the cost for the Senior Community Center is amortized over 30 years. You can't compare a capital expense for a building to the expense for equipment. It is not an apple to apples comparison.

Mr. Casey comments that the Town Board should reconsider the cuts to the Highway Department for the replacement of the 14 year old plows. Also, what is being done about the health care situation?

Supervisor Walters respond that he has been meeting with the Union representatives, they know what the options are and they are working with him.

Mr. Casey questions if that option includes getting rid of Blue Cross & Blue Shield?

Supervisor Walters responds that every option is on the table.

Don Wiess comments that the Town owns the Seaway Trail and he thought there was money budgeted to repair the tunnel that goes down to that beach. He then questions what costs are included in the Enterprise budgets for the Town.

Supervisor Walters responds that an Enterprise Budget encompasses all appropriations and revenues associated with that operation. At Woodlawn Beach, for example, it would include the maintenance staff, lifeguards and equipment and then all the revenues that come in to the park.

Mr. Wiess questions if they separate out Buildings and Grounds personnel that work at Woodlawn Beach?

Supervisor Walters responds yes. That will be in the year-end report.

3.

On a motion of Supervisor Walters, seconded by Councilwoman Potter-Juda, the following resolution was

| | | | |
|---------|------|---|-----------------------------|
| ADOPTED | Ayes | 3 | Walters, Quinn, Potter-Juda |
| | Noes | 0 | |

RESOLVED, that the Town Board close the public hearing and move into Executive Session on a personnel matter at 8:53 pm

4.

On a motion of Supervisor Walters, seconded by Councilman Quinn, the following resolution was

| | | | |
|---------|------|---|-----------------------------|
| ADOPTED | Ayes | 3 | Walters, Quinn, Potter-Juda |
| | Noes | 0 | |

RESOLVED, that the Town Board adjourn Executive Session at 9:49 pm.

Catherine A. Rybczynski, R.M.C.
Town Clerk