

2017 TENTATIVE BUDGET ADDRESS BY TOWN SUPERVISOR DAVID KELLY

Good evening

One of the most important duties of the Town Supervisor is to coordinate and lead the annual budget process, and tonight, I verbally present the Tentative 2017 Budget to the Town Board, department heads, our residents, and our guests in attendance.

Let me say, a lot has gone into developing a complete and inclusive budget. During my entire career as a public servant, I've taken numerous classes that have taught me very valuable information on all aspects of government and its processes. When it comes to budgeting, I have worked directly with members of the NYS Comptroller's Office on learning to expertly craft a municipal budget that not only meets the strict guidelines set by the state, but is also beneficial to the town and its residents.

This budget is based on months of preparation and collaboration between myself, the Town Bookkeeper's office headed by Jerry Terwilliger, my office staff, the heads of the various Town departments, Dutchess County, the New York State Comptroller's Office, New York Association of Towns, all local elected officials, and most importantly, the residents.

Everyone involved with this process deserves thanks for the care and consideration in their presentations to me. There are a lot of internal and external factors that have to be considered in the budget process, and it's not always easy or in our control. The Town Bookkeeper and I painstakingly considered every detail large and small in order to come up with the most comprehensive and fair document possible that represented the expenditures, revenues, and appropriations accurately. This budget remains well under the .68 of one percent of the New York State Mandated Property Tax Cap, commonly called the 2% Tax Cap. For the 4th straight year, I am providing a budget that is under the tax cap and I have put the residents in the right position to receive their

rebate checks from the State once again. After the latest renewal of the Property Tax Cap Legislation in Albany, we know this legislation will be around for a long time. Since its inception or MANDATE, through my leadership, the Town of Pawling budgets today and into the near future will keep us in good shape to weather out any minor hiccups that come our way.

I have paid very careful attention to all of the guidelines put in place by the New York State Comptroller, and I am proud to say that this budget fully complies with all of them. I have also heard from my fellow board members and our residents that they preferred the expanded format from previous years instead of the 2016 format. This budget is presented in the expanded version so that everyone can see the most detailed breakdown possible, but, we will adopt it in its 100s, 200s, and 400s format as the New York State Comptroller's Office suggests.

The 2017 Tentative Budget reflects a **.002** cent **decrease** in the Tax Rate from 2016. Valuable services to our residents again are not cut or minimized. I continue to offer funding to keep the Teen Center operational as requested by the Recreation Director. As we review the Budget, you will see that there is a slight reduction in their 'requested amount'. Through proper management, we have achieved savings in both the Personnel and Contractual line without sacrificing our services to these youths and their families. In the "Other Recreation Programs"; Ice Skating, Basketball, Running Club, and Flag Football are current programs to keep both the youth and adults active. The residents have asked for new and creative recreation programs and I will continue to search for innovative funding sources to keep the programs intact.

The Arts and Culture community has a slight increase in this budget. We have a very successful and free "Music by the Lake" Summer Concert Program. Director Ed Beauchamp maximizes every dollar to bring us the highest quality of artists to this program. Over the past two years, New York State Electric & Gas has sponsored what equals to one concert each year, and I will continue to seek outside funding for these

programs. These partnerships continue help to promote the “giving back” to the community in many ways.

As we work through the budget, you will see **most** of the expenditure lines are at the same funding levels as 2016 adopted budget. As I prepared this budget, the data showed that we were able to move \$149,010 into the unassigned fund balance from 2014 to 2015. For a budget over 5 million dollars in total, we under spent by \$149,010 dollars. As we budget, our projections were spot on. People talk about zero budgeting, but how can you when we live in such a volatile environment. Look at Gas, Electric, and Fuel Oil over the past three years: one year it’s \$3.00 a gallon, the next it’s \$1.40. Electric is just as bad: look at the rates per kilowatt hour from year to year. There has been increases and decreases two fold in these utilities alone.

Wendel Weber in Building & Grounds has requested to reline some of his personnel staff. He has requested to not fill the full time vacant position, and to retitle the “Laborer” to “Maintenance Worker” and hire additional Part Time staff. An additional request is made to title the current Part Timer to Permanent Part Time. His contractual lines are at the same level except for a few which deal with maintenance contracts. These lines have seen increases each of the past few years as well.

Our overall general liability insurance coverage policies have increased as we have found a few areas of risk and concern. In working with our broker, we will experience a slight increase of 1.8% to meet our needs.

The ambulance service we contract for will see a slight 2% increase.

The Transfer Station has been a topic of concern for the past few years.

I commend Councilman DeRosa, Town Clerk Giordano, and Highway Superintendent Daley for their work on a plan for the Transfer Station.

The reality is, the state has installed a new MANDATE, we are required to accept e-waste from our residents BUT we have to pay to remove it from the facility. These costs were never budgeted in 2016. I am not offering to budget for this in 2017. The hope is that the amount of e-waste will diminish over the next few months. As for the rest of the facility, we need a new compactor, new personnel building, the

retaining wall is bowing out, the roof covering the recycling bins must be changed, and now we are told we need a new truck to haul the boxes as it's beyond its life expectancy. After looking at these large future expenditures and the fact that we are one of very few communities to operate a Transfer Station, I would suggest that this be the last year to fund this transfer station. 2017 should be a transition year from town operated facility to a closed facility. We should not be in the trash business.

The Highway Superintendent has asked for just a few lines in the budgets to increase. The Superintendent has requested a large increase in the DA budget for Bridge line 5120.4, two line within the DB budget; 5112.2 (Improvements) and 5130.2 (Machinery). For two of these requests, I have to reject his request as they should be considered for bonding. If I were to agree to these increases, the overall budget would increase to the tune of 11% by itself - well above the Tax Cap legislation. As for a part of conversation, if the Board agrees to bond these projects, there is very good chance that we would have to exceed the Tax Cap when preparing the 2018 budget. I would like to note, once again, The Highway Department has not requested an increase in many of the budget lines since 2010.

Supporting the Town Clerk's initiative to be on the forefront of electronic document retention through the use of laser fiche has been and will continue to be a budget priority. We have been able to handle this within current appropriations, so this beneficial project can continue without drastic increases. The goal of this project is to have certain documents online and accessible to all at the click of a mouse. In the assessors department, the only personnel charge that we have is that of a part time clerk. I have included into the budget to change that position to full time status as of September 1st of 2017. In conversation with our contracted assessor, starting September we will start the process of an internal reevaluation of our town properties. The main thrust of this expanded position is to do the bulk cleanup of the properties within the town. Once the town board approves moving

forward with a full reevaluation, our inventory will be free of errors and omissions, allowing us to have to contract for far less services.

As we look into the B budget, not many changes are offered for your consideration. The Building and Zoning Department is our largest department within the B – Budget and has requested very little changes. The Code Enforcement Office has requested much needed additional computer hardware and software for the site inspections. After further conversation, we will be purchasing this equipment in 2016 from current budget lines.

The mandated MTA Tax continues to be hindrance to all local municipalities within the MTA service area while our neighbors to the East and the county to the west do not have to pay this payroll mandated tax of collectively \$5821 for 2017. Once again, this is a tax to subsidize the rail system on the backs of the tax payers.

As many of you know, personnel services and the cost of benefit packages to employees have an impact on every single municipal government in New York and across the country. In comparison with other towns in Dutchess County, the salaries of Pawling employees and officials are much, much lower than average, which is one way we keep personnel costs as low as possible. To this, I offer a slight two percent increase to all staff members of the Town. This budget has an added revenue line from health insurance, by adopting this budget in this form. The Town Board would need to make a change to the Employee Handbook requiring all employee that accept the single member health plan to pay 7 ½% of the cost of the plan. This is ½ of the cost the current family plan members pay for health insurance.

For the next few minutes, I would like to explain the expenditures in the 2016 Tentative Budget with the assistance of PowerPoint.

POWERPOINT PRESENTATION

As you can see from my presentation, I and the town board will work very hard to once again keep costs under tight control and prevent them from skyrocketing as they have in other districts. I am confident that this budget does not compromise any services to our residents while still taking care to ensure that there are no duplication of services and waste. As I also illustrated, the largest portion of your taxes goes to the school system, with % going to the county, % going to library and % going to fire, and as such, our town budget has a relatively minimal impact on your overall tax burden.

Ensuring that the town budget keeps costs as low as possible while still maintaining services and programs is what residents have come to expect. This budget is not padded with unrealistic goals or pet projects or wasteful spending; it is an efficient and skeletal budget that preserves our vital services and supports our employees all while keeping us again under the State mandated tax cap.

I look forward to working with all of you during these next few weeks and we move to adopt a 2017 operational budget that meets the needs of our department heads and our constituents alike.