

VESTAL TOWN BOARD WORK SESSION MINUTES
MONDAY, OCTOBER 13, 2014

In Attendance: Supervisor Schaffer and Board Members Fitzgerald, Majewski and Messina.

Also Attending: Comptroller Laura McKane, Town Attorney David Berger, Human Resource Officer Nancy Olmstead, Insurance Consultant Doug Bulman, Town Clerk Emil Bielecki, 3 members of the community and several reporters from local media outlets.

The Work Session was convened by Deputy Supervisor Majewski at 6:02 PM.

UPCOMING PUBLIC HEARING

October 21, 2014 at 6:00 PM – 2015 Fire District Budget

CONTINUING REVIEW OF THE 2015 TOWN BUDGET

Analysis of the Health Insurance Premium Equivalent

Insurance Consultant Doug Bulman presented the Board with an outline of how the Town's health insurance **premium equivalent** is calculated and provided some commentary about each of the components. The premium equivalent is derived from the following inputs:

- Use of Excellus Claim Projections
- Trending ---We are now using a higher trending rate of 7% caused primarily by the approval of 20 new specialty drugs. Some of the newly approved drugs are very costly. We have been pretty accurate with our trending estimates.
- Administrative Costs: Excellus, Consultant, Chargeback
- Stop Loss Insurance---we continually evaluate our risks and adjust our stop loss threshold to control costs. Currently the stop-loss threshold is \$120,000. After that, we are reinsured.
- Revenue offsets - rebates & interest earnings

After we factor in these components, we arrive at family and individual rates from which we deduct employee and retiree contributions to arrive at the Town's budget rates.

Comptroller Laura McKane introduced the Board to a new tobacco cessation program that she wants the Board to consider. The program has success rate of about 42%. It is estimated that an employee who smokes costs an additional \$6,000/year in medical expenses and lost productivity. The cost of implementing this program would be about \$1,100/year so it could easily pay for itself.

Additionally, Comptroller McKane presented the Board with literature showing the effectiveness of wellness programs, particularly in the public sector and asked the Board to consider offering additional incentives for participation in the Blue4U Wellness Program. This program had 27 participating employees in 2013 and appears to be well received. We need to increase it to 30 participants to receive group results.

After a brief discussion, the Board authorized Comptroller McKane to present the tobacco cessation program and the expansion of the Blue4U incentives to the Town's Health Care Oversight Committee for review and recommendations.

Picnic Permit Fees

Comptroller McKane indicated that we are looking at increasing picnic permit fees to offset some of the rising costs. The Recreation Planner has submitted the following proposed fee schedule:

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Town of Vestal Picnic Fees

2013	Resident Fee Weekday (Mon. - Thurs.)	Non-Resident Fee Weekday (Mon. - Thurs.)	Resident Fee Weekend (Fri. - Sun.)	Non-Resident Fee Weekend (Fri. - Sun.)	Alcohol Fee (same for everyone)	Total Revenue 2013
2013 Fees	\$20.00	\$30.00	\$50.00	\$60.00	\$50.00	
2013 # Reservations	43	3	105	50	4	205 picnics
2013 Total Revenue	\$860.00	\$90.00	\$5,250.00	\$3,000.00	\$200.00	\$9,400.00

2014	Resident Fee Weekday (Mon. - Thurs.)	Non-Resident Fee Weekday (Mon. - Thurs.)	Resident Fee Weekend (Fri. - Sun.)	Non-Resident Fee Weekend (Fri. - Sun.)	Alcohol Fee (same for everyone)	Total Revenue 2014
2014 Fees	\$20.00	\$30.00	\$50.00	\$60.00	\$50.00	
2014 # Reservations	34	10	91	31	5	171 picnics
2014 Total Revenue	\$680.00	\$300.00	\$4,550.00	\$1,860.00	\$250.00	\$7,640.00

Note - In 2014 Shelter One was closed for the entire picnic season, therefore reducing revenue.

2015	Resident Fee Weekday (Mon. - Thurs.)	Non-Resident Fee Weekday (Mon. - Thurs.)	Resident Fee Weekend (Fri. - Sun.)	Non-Resident Fee Weekend (Fri. - Sun.)	Alcohol Fee (same for everyone)	Total Projected Revenue 2015
2015 Fees	\$30.00	\$40.00	\$75.00	\$85.00	\$50.00	
2015 Projection	40	5	100	40	4	189 picnics
2015 Total Revenue	\$1,200.00	\$200.00	\$7,500.00	\$3,400.00	\$200.00	\$12,500.00

We recommend bringing the fees up \$10.00 during the week and \$25.00 on the weekends. We based this decision on what the other area parks are doing and we took in consideration their amenities, while keeping an eye on what the community can afford.

Responding to a question from the Board, Town Attorney David Berger indicated that all the fees (with the exception of the alcohol fee) can be raised by passing a resolution.

Update on the Sewer District Budget

Comptroller McKane informed the Board that recent readings show that there has been a significant increase in the percentage of flow going to the Endicott Sewage Treatment Plant, requiring us to increase the budgeted amount by \$95,000. The numbers at the Binghamton/Johnson City Joint Sewage Treatment Plant are stable. She recommends that the following changes be made from the 2015 Tentative Budget to the 2015 Preliminary Budget:

APPROPRIATIONS

			2015 TENTATIVE	2015 PRELIM	CHANGE TENTATIVE TO PRELIM
Spec. Dist.-Cons. Sewer#1					
S8110	4000	Professional Services	\$ 50,000	\$ 40,000	\$ (10,000)
S8110	4030	Education & Travel	\$ 5,000	\$ 2,000	\$ (3,000)
S8120	4060	Operating Exp. & Supplies	\$ 30,000	\$ 10,000	\$ (20,000)
S8120	4323	Sewer Maint. & Repairs	\$ 350,000	\$ 300,000	\$ (50,000)
S8130	4581	Vill Of End.-Waste Treat.	\$ 480,000	\$ 575,000	\$ 95,000
					<u>\$ 12,000</u>

REVENUE

			2015 TENTATIVE	2015 PRELIM	CHANGE TENTATIVE TO PRELIM
Spec. Dist.-Cons. Sewer#1					
S2120	2120	Sewer Rents	\$ 2,800,000	\$ 2,805,000	\$ 5,000
S2128	2128	Int. & Pen. Sewer Rents	\$ 29,000	\$ 36,000	\$ 7,000
					<u>\$ 12,000</u>

The Town Board expressed no opposition to the changes as proposed by Comptroller McKane.

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2015 Capital Project Requests

Comptroller Laura McKane distributed the following list of capital projects that have been requested by the department heads for 2015. She cautioned that this is a first version and it is a work in progress. This is to start the discussion:

CAPITAL PROJECTS 2015

PROPOSED PROJECTS	DEPT	2015	PPU	Estimated Principal	Estimated Interest
VOIP Phone System	IT	\$ 125,000	5	\$ 25,000	\$ 1,250
Computer Replacement - PCs and Laptops	IT	\$ 27,000	3	\$ 9,000	\$ 270
		<u>\$ 152,000</u>			
Dump Trucks/Plow/Sander (2)	Highway	\$ 488,000	12	\$ 40,667	\$ 4,880
Road Reconstruction	Highway	\$ 750,000	10	\$ 75,000	\$ 7,500
		<u>\$ 1,238,000</u>			
EQUIPMENT:					
Pickup Trucks with Plows(2)	Parks	\$ 109,000	10	\$ 10,900	\$ 1,090
Large Volume Mower	Parks	\$ 82,000	10	\$ 8,200	\$ 820
Zero Turn Mower	Parks	\$ 13,300	5	\$ 2,660	\$ 133
Brush Hog	Parks	\$ 8,500	5	\$ 1,700	\$ 85
IMPROVEMENTS:					
Pavilion - 3 more at Arnold, one at Jones	Parks	\$ 2,000	15	\$ 133	\$ 20
Sportside Bathroom -	Parks	\$ 50,000	15	\$ 3,333	\$ 500
Park Shop Improvements	Parks	\$ 11,500	5	\$ 2,300	\$ 115
		<u>\$ 276,300</u>			
Town Hall Expansion and Remodel	Eng/Supv	\$ 500,000	25	\$ 20,000	\$ 5,000
Library - Roof Membrane	Engineering	\$ 100,000	10	\$ 10,000	\$ 1,000
Library - Mill and Repave Parking Lot	Engineering	\$ 134,000	10	\$ 13,400	\$ 1,340
Maintenance Dept. Vehicle	Engineering	\$ 29,500	3	\$ 9,833	\$ 295
		<u>\$ 763,500</u>			
Police Cars (added \$ for bonding costs)	Police	\$ 150,000	3	\$ 50,000	\$ 1,500
Small Cargo Van	Recreation	\$ 24,000	3	\$ 8,000	\$ 240
				<u>\$ 290,127</u>	<u>\$ 26,038</u>
Campus Drive Booster Station	Water	\$ 520,000			
Replace Dodd Road Storage Tank	Water	\$ 2,301,000			
Replace Rano Blvd. Storage Tank	Water	\$ 2,008,500			
		<u>\$ 4,829,500</u>			
Replace Deficient Sewer Lines I/I Removal - Phase I	Sewer	\$ 1,000,000			
		<u>\$ 1,000,000</u>			
		<u><u>\$ 8,409,300</u></u>			
Principal Payments Being Retired in 2015				\$ 148,169	\$ 2,223

Although the authorized spending in the 2015 Capital Budget won't impact the tax rate until 2016, the State audit recommended that a capital budget be considered at the same time as the operating budget. By way of background, she indicated that approximately \$148,000 in principal payments is being retired in 2015. She asked that Board do an initial review to determine if any of the requested items could be funded through the operating budget.

A brief discussion about the budget included the following commentary:

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- Laura McKane - we have a lot of old equipment which needs to be replaced. We need to develop a better equipment replacement program.
- Councilman Majewski - we should explore chargebacks for plowing parking areas used by the school district.
- Supervisor Schaffer - we need to review all of the agreements that we have with the school district.
- Comptroller McKane - some of the water projects are pending water tank inspections.
- Councilwoman Messina - wants to review what progress has been made in reducing some of the surplus equipment that we have in our inventory.

After a brief discussion, the Board decided to remove the requested \$2,000 for park pavilion repairs from the capital requests and move it to the operating budget.

Comments about the 2015 Operating Budget

Comptroller McKane noted that there has been little progress since the last meeting in identifying reductions that could be applied to the 2015 tax levy. The revenue is trending flat. We need the restoration of the 50/50 sales tax formula.

Councilwoman Fitzgerald asked if we are hiring to fill the vacant position in the Highway Department. Comptroller McKane replied the position is funded in the 2015 highway budget.

Supervisor Schaffer noted that the County library aid has been reduce this year and is slated to be eliminated by next year. The Library must come up with ideas to reduce their budget to reflect this new reality.

Comptroller McKane reminded the Board that the 2015 Preliminary Budget has to be filed no later than October 29th. The Public Hearing on the Preliminary Budget will be on November 5th and the final budget has to be adopted by November 20th.

EXECUTIVE SESSION

On a motion of Councilman Majewski, seconded by Councilwoman Fitzgerald, the following was **ADOPTED** Ayes 4 Fitzgerald, Majewski, Messina, Schaffer
Nays 0

Resolved the Board enter into Executive Session for the purpose of discussing labor negotiations concerning the three open contracts (PBA, Police Supervisors, Operating Engineers). The time was 7:42 PM.

On a motion of Councilwoman Fitzgerald, seconded by Councilwoman Messina, the following was **ADOPTED** Ayes 4 Fitzgerald, Messina, Majewski, Schaffer
Nays 0

Resolved the Board leave Executive Session and **adjourn the Work Session. The time was 8:30 PM.**

Respectfully submitted,
Emil Bielecki, Town Clerk