

Town of Chatham
488 State Route 295
Chatham, New York

TOWN BOARD MEETING
Thursday, July 7, 2016 at 7:00 PM

PRESENT: Supervisor Maria Lull, Councilman Bob Balcom, Councilwoman Landra Haber, Councilman John Wapner, Highway Superintendent Joe Rickert, PB Chairman Marilyn Cohen, Deputy PB Chairman Donna Staron, BI Jim Quinn, Assessor Dan Horst, Budget Officer Tammy Shaw

ABSENT: Councilman Henry Swartz

OTHERS PRESENT: Citizens Finance and Planning Committee (CFPC) and community members

CALL TO ORDER: Lull called the meeting to order at 7PM and Haber led the pledge to the flag.

Supervisor Lull read the guidelines for public comment.

PUBLIC COMMENT: None

Lull stated that the purpose of this meeting was to meet with the department heads to discuss the Town's financial situation. The CFPC along with Michael Richardson, who has been invaluable in the process, has outlined what's happened and where we go from here. The Town is broke, it's "hemorrhaging".

Summary

Nature of the Crisis the Town does not have the funds to cover operations paid out of its two General Funds A & B. The Highway budget currently has sufficient funds to cover operations paid out of the Highway fund DB. The Town must take actions to balance expenditures against revenues in the Highway Dept. so as to stop depletion of reserves and to avoid exceptional increases in property taxes.

What Happened? The savings account is empty. The general fund expenditures exceeded revenues by over \$200K. . This drew down the Town's savings (unassigned fund balance) to where at the close of 2015 the Fund Balance was a negative \$786. NYS Comptroller recommends that the Town have a Fund Balance of about \$120K.

2016 budget is not fully funded (structural deficit): The Board failed to amend the Supervisors proposed budget for 2016, therefore by State law that proposed budget automatically became the 2016 budget. The Town has identified potentially available money in a few accounts totaling about \$119K however there still remains a structural deficit in the A and B fund. This requires immediate action by the Board.

What Next?

Working with the CF&PC the Board will review each departments expenditures to determine state-mandated expenditures, identify alternatives to delivering state-mandated services, prioritize discretionary expenditures and reduce or eliminate discretionary expenditures. The Board will evaluate the potential to bond for equipment and projects so the cost of the equipment or project is paid over the life of the equipment or project.. The Board will work with the CF&PC to prepare the 2017 budget that is balanced.

Lull stated that Bucci will be at next week's meeting to answer questions..

Balcom stated that the reality is that we don't have enough money to finish out the year. The CF&PC will split into sub-committees to work with department heads to cut down their budgets. It will be broken down into categories, what is mandated, what is needed and what are discretionary expenditures. They have to understand what goes on in each department. What can we eliminate? We have to fill a 227K hole; if we fill it we still won't have a reserve of 10-15% as suggested by NYS Comptroller. We have to change how we budget. We pay cash for everything instead of bonding, we'll have to bond.

Shaw requested that Balcom explain the 3 digit breakdown as was devised by the CF&PC.

Fiorillo asked if the Town has a separate operational budget. Balcom responded no. The Town Hall reserve fund is depleted Fiorillo said there should be an operational and a capital budget.

Kerr said that we're short 227k 23:25 and after all the squeezing is done we will only be 60k in the hole, we have 5 months to fill it. Balcom said that the accountant has ideas.

Kleiman-Levine asked how we got to this point, we have spent and hired more this year than we ever have. This is troubling.

Kerr the Town had a lot of money in various accts. Budget presented but used reserve accounts, now the reserves have been spent and everyone did what they've done in the past.

Balcom said was upsetting

Kerr the Town Board approved the budgets. This Town Board won't let it happen again.

Fiorillo why didn't the State flag this?

Balcom the budget is broken down into 4 categories, A, B, DA and DB. The problem is in the A and B funds.

Rickert said his budget was cut 47K last year, he gets cut every year. How many people will vote for him when the roads aren't maintained?

Adelle we take from Peter to pay Paul, we'll all suffer for what's been done in the past

Werwaiss figures a onetime fix the structural deficit is long term, tax increases are inevitable.

Lull was mad as hell, now she's just sad.

Rickert told the Board that when he turns in his budget request to the Board it will be their responsibility to make the cuts, he won't make them.

Werwaiss has the Town thought about merging with other towns villages etc.? Look into incentives, more efficient, less government

Adelle there's revenue to be had in the building department but the permits has to be approved first.

Rickert we've made it very difficult to build or start business in the Town with all the rules and regulation. We need businesses to help with taxes. We need to be homeowner/business friendly.

Fiorillo – political risk ways to mitigate total transparency, involve the department heads budgets are not about achievements, town is not operating in the 21 century, start form the ground up.

Ziskind believes that the Board should pursue new businesses, Lull stated that there are plans to develop an economic development committee.

Werwaiss asked if the Town has any land it can sell and if so they need to move on it fast, Balcom said that was being considered.

Wapner said that it was amazing that we got to this point without any knowing, politics. It was irresponsible.

Lull is asking for the public's help and patience.

Ziskind said that a letter will be going out tonight

Rickert asked Lull what the spending freeze meant, Lull said they would have to talk about it., what does it mean for the EC bridge? Lull stated that the Board had planned to bond the bridge.

Wapner thanked the CFPC for all the work they've done, ideas generated and transparency.

Motion was made by Councilman Wapner, seconded by Councilman Balcom and moved to adjourn at 8:10 PM.

Respectfully submitted by,

Beth Anne Rippel, RMC
Town Clerk