

The Seneca Falls Town Board held a Special Meeting on Monday, June 7, 2021 at the Seneca Falls Community Center, 35 Water Street.

Present were Supervisor Michael Ferrara; Councilpersons David DeLelys, Steven Churchill, Dawn Dyson and Douglas Avery. Also present was Beverly Warfel, Principal Account Clerk. Present from the Budget Committee was Susan Porter and Brad Jones.

Supervisor Ferrara called the Meeting to order at 6:00 P.M. A roll call of Board Members was taken and all were present; the Pledge of Allegiance followed.

Mr. Ferrara stated that he, Mrs. Warfel, Susan Porter and Brad Jones have been meeting on a regular basis with the objective to help Mrs. Porter and Mr. Jones understand the budget process. Mrs. Warfel has provided expertise and some reports, and it has been a learning process for all. They met individually with most of the Board Members. He said the primary goal is: the Landfill closes in 2025 – how do we operate without landfill money. In the 2021 Budget, roughly \$1.4 million of landfill revenue went into the operating budget; the remaining landfill revenue went into the reserves fund. Mr. Ferrara said the purpose tonight is to answer any questions, and how are we going to get to our goal starting with the 2022 Budget.

Mr. Jones stated they had the opportunity to meet with Board Members and had a conversation about budgeting. He thanked Mr. Ferrara for the foresight to reach out and say the Board needs to do a better job on budget preparation – he has been truly transparent at all meetings. He thanked Mrs. Warfel for educating them as municipal accounting is different. Mr. Jones mentioned Mrs. Porter and said she is very detailed. She reached out to the Village of Newark – there is some comparison between the Village of Newark and the Town of Seneca Falls as far as Police Departments, Water and Sewer, etc.

Mr. Jones said budgeting is truly a year long process; past administrations put it into three or four Workshops. The Board is responsible for \$13 million - their fiscal responsibilities are bigger than big. He thinks it's safe to say that the majority of the Board would like to see Local Law 3 stay in effect. Mr. Jones stated a lot of action on financials has to be taken; the timing is right because in November, two of the five seats on the Board could change. He said this could be the beginning of a strategic plan/financial plan. The Town has an added responsibility of \$9.5 million in reserves which he thinks is part of this budget process. Mr. Jones said they are not here to make decisions; they are here to help.

Susan Porter stated she sits on the Committee because at the end of 2020, she made a comment that it seems like everything is done at the last minute. When asked to sit on the Committee, she felt obligated to say yes. She would love to live in a town where the landfill is not operating, but the reality is – they kind of have us where they want us. Mrs. Porter said regardless of what happens with Local Law #3, she still thinks that we need to wean off landfill money and budget without their money. She stated the landfill has been operating for a long time, and has funded a lot of things. Part of this is an education for her and hopefully an education for other people. There are a lot of line items in the budget and it's hard to figure out precisely. Mrs. Porter referred to the budget for 2021, and said we don't know how much money we are going to get from the landfill; it may be lower because of the pandemic. In 2021, \$950,000 was applied to the General Fund; the General Fund is \$5.7 million. She said Mrs. Warfel has given them some figures from prior years and it has gone down which she thinks is good. However, the Highway Fund has grown; the Highway Fund in 2021 is \$1.4 million, \$507,000 of that is landfill money. Taxes are \$5.50, so you are raising \$550,000 in taxes. It looks good in the General Fund, but doesn't look good in the Highway Fund. We got \$3.? million in landfill money in 2020, and spent \$2.4 million on fiscal improvements; some of that is being funneled into reserve funds. There are several different reserve funds - \$9.8 million in all of them in different accounts. Some of them are very specific and not easily accessible. The largest fund is for sewer which is for major projects. The second largest is the Tax Stabilization account which has \$2.1 million which was started in 2004. She explained you can't add to that regularly; you can only have 10% of the General Fund, and it exceeds that now.

Mrs. Porter stated If the goal is to exist without landfill money, we have to figure out how to get there. The Committee talked about different paths to get there. This year, we put \$1.4 million into the operating budget - we still have a large pool of money to pay for things. Maybe we can have a goal of budgeting \$1.1 million; that means in one year, we have to come up with \$300,000. She said if we don't want to take landfill money, we will have to raise taxes, and when there is a mid-year request for money, hold the line and say no. Staffing – lower salaries for replacement – these are the types of things that will have to be done a lot. They talked about the Tax Stabilization account which has \$2.1 million; \$300,000 of that was budgeted this year to avoid raising taxes.

Mrs. Porter stated the purpose of this Meeting is to look for direction to see what is palatable. Mr. Jones said the key tonight is to get the Board's consensus to look at weaning ourselves off the landfill money. He added the good news is we have not used the \$300,000 this year, and it's the middle of the year; budget year-to-date is within nickels. He said people are saying if the landfill money goes away, our taxes will be raised. We have \$9.5 million in the Tax Stabilization fund and we can't put anymore money in there. Mr. Jones stated one of the action items is to go to Albany and tell them the situation we are in. \$9.5 million will grow over the next two years. Mrs. Porter mentioned the Village of Newark's tax rate is \$14.00; our tax rate is about \$10.00.

Mr. Ferrara stated Mr. Jones is always talking about the reserves, most of which are in sewer and water. We have two major projects in the works; the equalization tank which is \$5.6 million and the Kingdom Road Pump Station which will cost about \$2.5 million. He said they looked at bonding because bonding at this particular time is better off with the interest rates – a combination of bonding and grants will reduce the amount of money that these projects will cost. Mr. Churchill mentioned that sewer and water is paid for by folks who live in the district. Mrs. Porter said her question is how does the landfill money subsidize the sewer and water funds. Mrs. Warfel replied emergency situations arise, such as the ph adjustment; money was sent over from the General Fund, ultimately unbudgeted landfill revenue. Mr. Churchill stated landfill money needs to benefit the Town as a whole; when you take landfill money, it should not be going into sewer and water at all. In any municipality, any sewer and water improvements are paid for by the district. Mr. Ferrara said if you are talking about something like that, you are talking about a major increase in your water and sewer rates. Mr. Churchill said on the sewer side, it doesn't benefit anybody in the Town. Mr. Jones said he agrees that water and sewer is supposed to be self-sufficient with the quarterly water and sewer bill that we pay.

Mrs. Porter said is the goal to figure out how to reduce the reliance on landfill money. Mr. Churchill said we don't want to figure out how to use it – we want to figure out how to get off it. Mr. Ferrara said that's what they are trying to figure out. He added if we are looking at a three-year plan, for the immediate future, are we willing to take less money each year out of the operating fund which comes from the landfill money; subsidize that \$500,000 with tax stabilization account, and a modest increase in taxes. Mr. Ferrara stated you have a four-prong attack. Your major expense in the operating budget is salaries and benefits. To lower the expense cost, obviously, the Board has to look at attrition, or seriously look at are we over-staffed as a town.

Mr. Ferrara said if the Board can come to a consensus tonight on a four-prong attack, it helps the Committee to have a clearer focus on what they are doing starting the 2022 budget preparation. Then he can sit down with department heads and tell them they need to do a better job of budgeting – they need to not come back in the middle of the year for things not budgeted, except for something that is an emergency. He asked if the Board is willing to take that approach as well. Mr. Jones said this isn't for one year; it's a minimal of three years before 2025. Mr. Churchill stated one thing the Board can do is a hiring freeze and put an end date on it. Mr. Jones said the Committee's stand is to make it happen through attrition – don't put a freeze on it. Mr. Churchill stated the Board has to start finding deficiencies and operational changes to operate with less. Discussion followed.

Mrs. Porter suggested asking Mrs. Warfel to run some numbers on scenarios, such as if we take landfill money out of the General Fund how much will we need to raise taxes or add money from the Tax Stabilization fund. She thinks there is still a lot of work to be done. Mr. Churchill said the question is – with that \$3 million are we running very fat or are we running very lean, or could we actually live without it? How much do we need to run this Town? We should try to find that number. He said what are other communities doing. We need to find out what our true budget is – that will tell us how much we need. Mr. Ferrara said we know what the budget is – we vote on it every year. Further discussion followed relative to capital projects and costs. Mr. Avery stated we need to be saving for 2025. He added we also should be getting ourselves in as good a shape as we can. We speak about this spending as if it is something heinous that we did. We take the money out of landfill revenue and pay for it – we should be doing that. Mr. Avery said we are doing both – we are saving and we are preparing.

Mr. Jones said we have to take the General Fund down from \$5 million to \$4 million – it's going to take three years to do it. He used the Police Department as an example and said the Village of Newark has 13-14 Officers; we have 19 Officers and \$80,000 in overtime. We spent \$1.6 million out of \$5 million on the Police Department; it goes to \$2 million with benefits. Mr. Jones said they looked at each department; there are many opportunities to look at. Mrs. Porter talked about a true budget and savings and programs. She said we created things and now we have to support that. If we say our goal is to go from \$1.4 million to \$1.1 million, we have to find that. She mentioned that everything in the budget is going up. We find it and put it back in, but we still have to come up with more to meet the rising costs. Mr. Jones mentioned the \$195,000 for the reval which was pushed off to 2022; that has to be budgeted. Mr. Ferrara stated the Board funded a lot of things because it could afford to fund them, such as the Visitors Center, SF Development Corporation, It's a Wonderful Life Museum. He said if you are looking at an operating budget with exactly what it's going to cost this Community – those are the things a decision will have to be based on. Are you willing to make those sacrifices when it comes to the point where

you have to make those sacrifices. Mr. Ferrara said the answer has to be – what are the taxpayers willing to bear. Mr. Churchill stated the tax rate in the Village when it dissolved was \$18-\$19 a \$1,000; we are at \$10. He added this Town has wonderful services, but we should not be paying for them at \$10.00. Mr. Jones said that \$10.00 happened in the 2018 budget; school taxes are \$23-\$24.

Mr. Avery stated the landfill revenue has allowed us to do things in the last few years. What is frustrating is when they say – where is all the money? It's not gone – it's a difficult thing to explain. He added we have done things with that money that allows us to be more ready for 2025. Mr. Avery said the big decision has always been to use the money wisely on something that is going to benefit the Town. Further discussion followed relative to the amount of landfill money used for the Highway Department and raising taxes.

Mr. Ferrara stated he will be meeting with the Bonadio Group on Thursday to run some things by them as far as some of our options – something similar to a tax stabilization fund that we can do legally as a municipality. He asked if the consensus is to reduce the amount of money going into the operating fund budget by \$500,000 less, and use Tax Stabilization funds to offset that, and come up with a modest tax increase (that's the point to debate – how much you want the tax rate to go up). Mr. Churchill said it's tough to implement a tax increase in an election year because it's political suicide; we should have done it last fall like it was proposed. Mr. Jones said they think they can give the Board a 3-year plan to wean off the landfill money – most of it, if not all.

Mr. Ferrara referred to a tax increase and said he will not commit to that until he sees the actual numbers – how much from Tax Stabilization fund and how much tax increase; it's got to be a minimum of \$300,000. Mrs. Porter said if it's five years, it's \$300,000 a year. Mrs. Warfel noted the Board has four years. Mrs. Porter commented make it less this year and more next year. Mr. Ferrara suggested working up some scenarios and go from there. Mr. Jones commented that it's going to take a lot of effort; there are opportunities in every department.

Mr. Ferrara said at their next Meeting, they will work up some scenarios with this framework in mind, and possibly look at some specific things. Mrs. Porter mentioned staffing and said she doesn't know how each department works. Mr. Ferrara said he has a good idea of how the departments work - they are all very good people; at some point, you are going to have to figure out how to do with less. He added in the near future, the Board needs to make decisions as to how it is going to balance the four prongs. He said in addition, in those four years, the Board has to figure out what the closing of the landfill means on the expense side, as to how much is it going to cost to get rid of our garbage; do we have to build a transfer station – those things will be part of the budget.

Jean Gilroy said her taxes went up 30% when the Village dissolved. We have a reval coming up which will mean an increased evaluation of everybody's property which is going to be very tough; everybody's taxes will go up. Mr. Ferrara said that's not what the goal is. Mrs. Warfel said taxes are based on raising a dollar amount, not a rate. If \$4.6 million is to be raised in taxes, and if a reval increases taxable value, the tax rate will go down even though they may vote to increase the taxes.

Allison Stokes asked if they felt the consensus has been reached. Mrs. Porter replied she thinks consensus has been reached. Mr. Ferrara asked if the Board is good with a four-prong scenario and looking at that approach. Mr. Avery replied the consensus is we have to wean ourselves from the landfill revenue. His opinion is that the Board look at all the four-prong approach, not only look at keeping the taxes flat. All Board Members were in agreement. Mr. Ferrara said they will work up a couple of different scenarios.

Mr. Ferrara stated there is a Special Event the Board needs to approve. The Seniors want to have a Senior Parade through Town.

A motion was made to allow the Mynderse Academy Seniors to have a Seniors Parade through town on Wednesday, June 23, 2021 by Michael Ferrara and seconded by Doug Avery. No questions. Motion carried 5 ayes, 0 nays.

Being there was no further business, a motion was made to adjourn the Meeting by Michael Ferrara and seconded by Dawn Dyson. No questions. Motion carried 5 ayes, 0 nays. Meeting adjourned at 7:00 P.M.

Respectfully submitted,

NICALETTA J. GREER
Town Clerk

