

Present: Supervisor Reiter; Council Members Bax\*, Marra, Palmer & Winkley; Budget Officer Johnson; Accountant Farnham, Highway Supt. Janese, Parks/Rec. Director Dashineau & Town Clerk Brandon.

Also, 8 residents and 2 press reps.

\*Arrived at 4:10 p.m.

Supervisor Reiter called the meeting to order at 3:05 p.m. and asked Budget Officer Johnson to explain the budget.

Johnson: We started the budget process with getting the requests from the department heads. We asked the department heads and the community civic groups to send in their requests. Going into 2011 our revenues are down considerable. The hazardous waste tax was projected at \$300,000. We received the 2010 check for \$220,000. That is a shortfall of \$80,000. Forfeitures & fines from the court request was that they thought that they could meet \$200,000 a year and the budget projected for 2010 put \$290,000 in there. We are currently at \$170,000. We might make the \$200,000. The interest rates were projected at \$28,000 for the "A" fund and we have gotten \$400. We will probably be down \$25,000 there. The accountant will be assessing all of the funds as to what the fund balances are. The NYS STAR program was projected at \$3500 and this program has been discontinued by the State. This is not included in the 2011 budget. Sales tax was projected at \$100,000 and we have received \$45,000. We have to be careful in 2011 as to how we will make up the deficit. I looked at the fund balances back to 2006. We should keep at least 10% in that fund. Each year they put some fund balance in to offset the revenues to meet the expenses.

The 2010 projections for the Highway Dept. were not given to the department at the time and we have expended funds to cover expenses with the fund balances. We have \$233,000 in the fund balances and that is the 10% that needs to be in the fund balance for the Highway Dept. We have no more fund balances that we can use except sales tax to fund that dept. We only get 3M+ for sales tax for all of the departments which is for the B, BD & SD funds. The special districts are separate. We recently used \$30,000 from the drainage funds to meet that department's needs.

With all of the department's requests and if we were to meet their needs, it would leave us with a fifty cent tax in the Highway Dept. and .4097 in the Drainage to meet the needs without cleaning out the fund balances.

The department heads were asked to make a 4½% reduction in their costs by the Supervisor. Some were able to do that. The Highway Dept. is at .2859 and the Drainage is at .4083.

We have ideas if the Board is willing to use some of the capital improvement funds for the road and construction projects and could reduce the amount further.

On Friday, we received a fax from the Retirement System for 2012. The police retirement is separate and it went from \$400,000 in the state retirement for the "A" & "B" fund to \$552,000. Based on that we had to come with \$100,000 for that. We don't know where we will be with sales tax. It is a guess estimate when you do a budget. We are trying to be as conservative as we can. I projected \$150,000 on the hazardous waste tax for next year. It started at over 1M. It was projected last year at \$300,000 and it came in at \$220,000. To date we have received only \$105,000. We also cannot count on the mortgage tax.

Reiter: It sounds like we have a lot of money. We have 5M of fund balances in one account for the whole town. The town is basically in good shape that way but the interest rates that that would generate.....if we were to spread to different banks and we lowered it down to 3M they would drop our interest rates down to .35 instead of .45. That is the situation we are up right now.

Johnson: The 5M that you talk about is NYPA money that has accumulated that is spoken for capital projects which is about 2M of that. The rest is fund balance out of special districts. We cannot use that money in the "A" or "B" fund. The Modern

agreement is about 1.2 M per year. We have depleted some of our reserves to pay for the garbage collection.

Reiter: There was a 1M signing bonus and we are down to \$400,000 and I thought it would be unwise. I understand that the cost this year was to go to \$70.00, but Modern agreed to keep it at \$35.00. Many towns pay \$150 to \$300. It is nice rainy day money to have as who knows if we have a major water break etc. so I think it would be unwise to use that money.

Palmer asked what is the approximate number that we would need to cut in this budget as far as today goes to get where we were last year. How much would we need to find in this budget to eliminate to do that?

Johnson: In the Highway Dept. you would need to come up with \$189,000 to offset a highway tax. It was originally set at 50 cents and I have pared it down to 28 cents. I told you that the NYPA money comes in at \$850,000 every year. That money is designated and also audited to be used on capital projects. We put in \$100,000 for paving I think it can be reduced further if we use the NYPA capital improvement monies to .0590 cents. Each year they have been asking for \$125,000 for equipment and we have never given equipment money for replacements. In the SS1, SS2 & SS3 funds (WWPC) there is a capital improvement project included in his budget including a capital improvement line which we should have for everything including these buildings.

Robert Magee of 4677 West Park Drive. Speaking as a senior citizen I anticipate that you will keep a cap on property tax increases. Going down the list that I have indicated.....law enforcement okay and put it in a locked box....CWM ...negative, leave that alone because it directly affects the health of children and generations to come. Property taxes...negative. The power rates seem to be going up and this was negotiated a year or so ago and it appeared on my power bills going down nicely. Not that rate is going up. This was a bonafide contract entered in, negotiated and signed. What happen?

Reiter: The first year they gave a 59% discount. National Grid did a forecast of the savings. They came no where near the forecast. As a result, last year they reduced it down from 59% to 14%. It dropped drastically is because they forecasted so poorly the first time that the actual sale of electricity did not generate the revenue that they anticipated and as result of the contract that was signed several years ago, we actually owe National Grid money. This year, they wanted to actually add a 4% surcharge to your bill to make up the difference when they had the 59% reduction. The Town Board felt that that was not appropriate and we negotiated to an 8½ % discount with a quarterly reconciliation. Before it was a year reconciliation. We have an escape clause and we can get out of the contract with National Grid but they can also say you owe us 1M. It is more prudent for us now to do it over a period of time and as a result of this National Grid does not want to be in this business, nor do we. I don't want this to sound like it is negative to National Grid nor do we want to keep working with National Grid because they were not set up for this and they did this as a favor at the time of the contract. It has not worked out well. In our best interest right now is to get out from underneath that "hole". We have looked at different energy companies to give us a discount that can put the cost of this energy on a monthly basis on the market and we can benefit from that. The hope is that we will be able to get out sooner than later. That is why we choose to lower it. We could of kept it and we could of gone into litigation. I don't want to pay a number of lawyers to mess this up. This is another reason that we got rid of the lawyer that was supposedly watching this for us. We were paying him \$3000 a month and I am not sure what we were paying him for.

We are working much closer with National Grid and being more diligent than in the past. I am not throwing stones at my predecessor and I want to make that perfectly clear also because this was a new area that the Town Boards at that time were going into. I am not criticizing them but unfortunately it did not work out as well as it intended too at that time. It will get better and our hope after talking with them is that we can eventually within a year or two get to a 25-30% discount which they thought was more appropriate and reasonable.

Robert Magee: How does the Village back revenues impact the Town. There is a lot of revenue coming into the Village.

Johnson stated that people think about what we have spent this year in Sanborn and in the dog park. The Greenway money is separate money from the Greenway Commission to get their approval and then go to the host communities agreement to get the funding. These funds are not part of our budget. We get \$510,000 per year. This Board will take a request to the commission.

Reiter: We are not allowed to use that money as part of our O & M operations. The Board has wisely in the present and the past have tried to distribute this money through out the Town as best they can. Monies have been spent through out the Town and we are trying to spread the money out as a whole. Brown & Co. Auditors are assisting us with these projects.

Sales tax has been flat and a lot of revenues that were anticipated last year at budget time did not come across as anticipated. I don't want any inflated revenue projections because all that does during the middle of next year we are going to look foolish. It would be very easy right now to say we are going to get this much more in sales tax, write it in there and we could say look what we did for you and then if it didn't come true, but we are not going to do that.

Johnson said that there are many things that affect this budget. The retirement went up 21%, (\$100,000). Regarding wages, the Town Board and some of the elected officials have decided not to take any increase and we have reflected a 3% increase in the employees wages. Health insurance is up 15%. Workmen's Comp is up from \$109,000 to \$153,000. We did reduce the insurance costs by \$40,000. We should be concerned with the fund balances. Department heads have been making cuts to their budgets.

Doug Janese: One of my concerns is the highway equipment. In the past few budgets money was not given to the Highway Dept. for equipment. We are at the point now, where many of these vehicles and pieces of equipment are coming to the end of their service life. We have to start thinking about replacing some of these. I realize that revenues are down and our departmental spending is about \$1400 in the last five months with \$800 for safety equipment. We are being very cautious with the money. We have to start thinking about some replacements. We will try to work with the numbers that are in the budget. The equipment line has been set at \$50,000 and I think it should be to a vote. I understand that we don't want to increase the cost anywhere but never the less we have to start thinking about upgrading and replacing some of the equipment.

Reiter: A tandem dump truck (snow plowing) with everything runs between \$150,000 and \$175,000.

Winkley listed the age and description of the some vehicles purchased in 1990's which are used for snow plowing. Also some were purchased in the 80's. Regarding grants, there is a 50% match program for equipment. No one likes to bond and the rate is now 1.5% so is there a way we could bond some of this?

Reiter: This equipment was well maintained by the mechanic and I agree with Mr. Janese 100%. It probably hasn't been replaced as fast as because I did try to cooperate with the Board over expenses. We will have to look at this. Some of the matching grants were also for recycling and we will have to be careful about how we use that equipment. Our 1999 grade-all which is used every day would cost about around \$300,000 to replace.

Winkley asked if the \$400,000 that we have, can it be used for bond payment one year.

Johnson: It can be used for whatever you want to use it for. I would be very cautious with it.

Reiter: I want you to think about it and we do have time to go back to the department heads again before Nov. 20<sup>th</sup>. We also received a \$36,000 hole in the Police Dept. budget from the Village. We have some options. We also went back to the community groups and told them that they will have to understand that they have to be careful.

Johnson: What is in the budget now is what the 2010 figures are. We need to meet with the civic groups and discuss their budgets. We really only have sales tax and the Modern money. The library is being covered by the Town of Lewiston only and it is in the "B" fund because the Village before did contribute but no longer does. It could be moved to the "A" fund. The police budget is about 1.2M. The fire district which is a special district, fees went up about five cents based on the increased costs of the physicals.

Reiter: We need to review this item.

Johnson said with respect to the service awards, it appears that the Village did not bill us for two years (2008 & 2009) so we took that out of the fund balances. With regard to the sewer, Mr. Lockhart is asking for a rate increase and at this time it is a 2 cents difference. We have to make some decisions as to what you want to do because as it stands now, I can lower the highway tax down to .0590 if you want the Supervisor to use the NYPA funds for the roads.

Reiter: I will let the Board members think about that and we will be meeting on Monday.

Brandon: The public hearing is tentatively set upon approval for 11/4/10 at 6:00 p.m. which is the Thursday after the General Election. The Supervisor has tentatively set the adoption for 11/9/10 at 3:00 p.m. It will be on Monday's agenda.

Johnson: I did some research on what the rates were for 2008 and 2009 are on some communities that are similar to us. For example Grand Island that is similar in size to us have a \$2.91186 town tax and a \$3.09474 highway tax. There are only three towns in this area that do not have a town tax and they are Lewiston, Lockport and Newfane. I don't want to do any taxes if we don't have to and if we can come up with some more suggestions, I am open to them.

Reiter stated that we should set up meetings with the reps from the civic groups for next week.

Johnson: The Sanborn Historical Society is here tonight. We gave the Sanborn Historical Society \$41,000 in 2010 and they have asked for \$46,070 for 2011. I projected the same as 2010.

Reiter: Would the Historical Society wish to speak at this time?

Gary Townsend/President of the SAHS: I would like to thank the Board for their time and support. I am sure you are aware of what has been going on with our very active and aggressive group. Yes, we spend a lot of money but I think the Town of Lewiston gets a lot of money in return through tourism and people coming into the town. We brought in around 8000 people into the town with many school children from the surrounding schools. We have about 20,000 pamphlets that are distributed throughout WNY without cost to the town. Lewiston is our partner and the one that started us and without the Lewiston Town Board this latest project we would not be here. Thank you for the grant that we received and especially the Supervisor who went to bat for us with the Greenway Commission. Regarding the 2010 budget, the monies that we spent are in our quarterly and yearly reports. Any shortfalls have been made up in fund raisers and other revenues. The 2011 budget is increased based on the new building and its' expenses to the sewage plant costs and insurances. We do realize the situation that the Town of Lewiston is in at this time and we certainly understand it. We will do the very best that we can and if you have to do it, we will understand. We will work with you.

Johnson: We will be talking with all of the groups and asking if they could live with the 2009 numbers and the Board will be making that decision. We are looking for every avenue that we can and try to alleviate any kind of a tax. The sales tax can only be used in the "B" fund, the highway and drainage funds because the "A" fund is in whole town. The Village gets their own sales tax. We moved the library to the "B" fund. We use to get revenue when the Village contributed to it. We are being very conservative. Currently, 70% of the whole town is off the tax roll and the Board is looking at where we

can find additional revenue based on that figure. It is very difficult to say that sales tax, Modern settlement and fees (mortgage tax) is what we have to work with.

Townsend: We understand that and we know that you will do the best you can and we thank you so much for your support and hope that it will continue.

A spokesperson for the Sanborn Business & Professional Assoc. thanked the Board for the assistance and especially the streetscape project. They understand the situation with funds and they will do their best to keep the costs down within their budget.

Paulette Glasgow of The Circle asked if the Greenway monies are public money.

Johnson replied it is public money to the affect that it comes from the Power Authority. It is in a Greenway account for the Town to use for the public. There are restrictions on it. It belongs to the public as well, but it is the decision of this Board, the Greenway Commission, the Host Community Committee and the Power Authority who gave us the money (\$510,000 per year) as to use it in the Greenway concept/criteria. It is very restricted and yes it belongs to the Town residents but they are getting use out of it with what we are doing with.

**Winkley MOVED to go into Executive Session for the purpose of discussing contracts. Seconded by Marra. and carried 5-0.**

**Marra MOVED to adjourn. Seconded by Palmer and carried 5-0.**

Time: 4:15 p.m.,

Respectfully Submitted and Transcribed by:

Carol J. Brandon  
Town Clerk