

Finance Director Luke Malecki of Drescher & Malecki LLP presented the attached power point explaining the proposed special districts and ad valorem budgets along with the budget process, noting the town is well within Local Law 2016-11 with regard to the two percent cap on operating expenditures. The current NYS tax cap is .68 percent and as a result of assessment growth in the town there is an additional growth factor rate of .72 percent for a total allowable property tax increase of 1.4 percent, which equates to about \$450,000. The budget presented includes a tax levy increase of \$425,000. The board members hope to reduce it by another \$25,000 and be \$50,000 under the NYS tax cap by final adoption.

David Kims suggested holding more than one meeting on the budget and scheduling it at a time when working residents can attend. He questioned if the cost of the new police contract is reflected in the budget and the amount of increase over last year.

Mr. Malecki responded the tentative budget included a 2 percent increase and the presentation just given was amended to reflect the increase of 2.5 percent in the new police contract. Overall the total department increase of \$160,000 reflects a 2 percent increase from 2016.

Mr. Kims requested that union contracts be posted online for the public to view. He commented that labor and benefits comprise 76 percent of the budget and suggested a hiring freeze or a five to ten percent reduction in the work force. Mr. Kims further referred to the minimal contribution police officers will make annually for their health benefits and questioned the actual cost to the town.

Town Attorney John Fenz responded the police have two tiers of health insurance coverage that run \$15,000 or \$18,000 for family coverage. He further stated they were guided by what other municipalities are doing and worked with the union to avoid extensive legal fees or arbitration. Councilman Hart noted all police officers will now contribute to their health care benefit.

Mr. Kims suggested private pickup of garbage as a possible cost savings to the town.

Councilman Hanley stated Hamburg has three vendors to choose from and the program has not been as successful as they thought it would be. Supervisor Meegan stated they looked at this option a few years ago, but decided that outsourcing was not cost effective, especially if it did not work and the town had to reacquire equipment. She further noted the town is looking to change to an every other week recycling collection for cost savings.

Mr. Kims commented on Supervisor Meegan's proposed salary increase to \$80,000 and stated she said nothing about it when she ran for re-election last year. He opposed elected officials giving themselves raises and suggested an increase after the next election.

Supervisor Meegan responded she is in a difficult and no-win situation and questioned why she did not deserve a raise, noting she works hard for the town and only has one office assistant. She further commented that even with the proposed raise the Supervisor's office budget is less than what it was in 2009.

Councilman Hanley stated if Supervisor Meegan had taken the same raises as union members received each year her current salary would be in excess of \$80,000.

Michele Poitras commented on the proposed salary increase for Supervisor Meegan and suggested any pay raise go into effect for her next term. She commented that she is a NYS employee and did not get a raise. Instead employees were furloughed and her salary was decreased. Ms. Poitras further stated she would like more than one budget meeting and better advertisement.

Paula Minklei commented on the budget format which she found lacking information on salaries and stipends for each employee. She stated the stipends add to the total income on which retirement benefits are based and tracking projected costs for retirement of the elected officials and employees is important to the budget.

Councilman Hart clarified that upon retirement the retiree is no longer a cost to the town; retirement is paid out of an annuity by the NYS Retirement System.

Mrs. Minklei questioned if Supervisor Meegan uses a town vehicle, town fuel or receives an in lieu of health insurance stipend.

Supervisor Meegan responded she does use a town vehicle only for town business and she does not receive an in lieu of health insurance stipend.

Mrs. Minklei thanked Supervisor Meegan and Councilmen Hart and Hanley for their service and commented that although they may be deserving of higher salaries, it is fiscally irresponsible to overburden the tax base of the town. She stated property owners living on social security did not have an adjustment to their payments in 2016 and the increase in 2017 will fall short of covering the cost of health insurance increases. In addition, many working residents won't receive salary increases this year. High property taxes may also deter new businesses from opening in West Seneca. Mrs. Minklei further questioned if adding the Human Resources department eased the burden on the board members and questioned the proposed \$10,000 increase to the human resource firm.

Supervisor Meegan stated the human resources department has been helpful and the increase is contractual. Time and attendance of the human resource group warranted the agreed upon figure.

Mrs. Minklei commented that 5 P.M. is not an opportune time for those working to attend public meetings and she would also like to see more advertising for the budget meetings.

Mike Wach questioned what happens if both councilmen vote against the budget.

Councilman Hart responded the tentative budget becomes the budget by law without the changes.

Mr. Wach questioned if there is leftover salt from last year.

Highway Supt. Matthew English responded there is leftover salt and he was able to reduce the amount in his 2017 budget from \$29,000 to \$15,000.

Mr. Wach compared salaries in Lancaster with proposed salaries in West Seneca and stated their Supervisor's salary is \$66,997 and she is requesting a 2 percent raise. Their Town Attorney's salary is \$45,900 as opposed to West Seneca's which will increase from \$75,000 to \$80,000 and their Highway Supt. receives \$71,000. Mr. Wach further commented Supervisor Meegan was aware of the salary for the position when she ran for re-election and he requested clarification on health care benefits for board members.

Supervisor Meegan responded board members do not receive health care benefits and are not offered that benefit.

Mr. Wach requested clarification on the tax rate for the proposed budget.

Mr. Malecki responded the tax rate is currently 3.01 percent and with further adjustments it could drop to 2.9 percent.

Mr. Wach requested clarification on how NYS pensions are calculated.

Councilman Hart responded NYS pensions are based on the three highest consecutive earning years.

Mr. Wach referred to the overtime for sewer maintenance workers and questioned the justification of such excessive overtime pay.

Councilman Hanley responded they are closely monitoring the overtime and are looking for a shop foreman to run the sewer department, noting the overtime is both sewer and highway related.

Mr. Wach questioned who is negotiating the union contracts.

Town Attorney John Fenz responded Supervisor Meegan is the authorized negotiator and she works with himself and outside counsel.

David Monopolus commented that residents on social security receive under \$15,000 per year and West Seneca has the oldest population in Erie County with a lower income level. He suggested cuts be made across the board, including a salary freeze for employees. Mr. Monopolus referred to Amherst raising taxes for the first time in five years and noted their Supervisor and council members refused a pay raise because they are public servants.

Amy Carpenter commented it was disingenuous to put the budget out when the Town Board has not invited the community to public hearings on the library. She stated citizens need financial information to have informed participation in the budgetary process. Mrs. Carpenter stated the citizens have no say on the budget and they were not aware of the intention to raise the Supervisor's salary. She referred to repeated requests for a more meaningful and easier to read budget with line items bulleted explaining what the money is for and who is getting it, noting taxpayers want accountability for how their money is being spent.

Beverly Leising commented that Supervisor Meegan does a fantastic job, but so do the other council members and she would like the board members recognized collectively. She referred to Page A-5, Central Printing & Mailing, and asked for clarification on the \$25,000 postage line item when individual departments also have postage line items.

Councilman Hart responded the Assessor's office and Receiver of Taxes have large mailings twice a year and the postage line items in their budgets are for those mailings, not the day to day postage for those offices.

Mrs. Leising questioned the current tax rate being proposed.

Mr. Malecki responded the rate may change due to a recent proposal from Councilman Hanley.

Supervisor Meegan stated this public hearing will be tabled until November 7th. The tentative budget is a working document that is required by law to be filed by a certain date and not all the figures are known by that time.

Town Attorney John Fenz commented there are guidelines under Town Law the Town Board must follow or they jeopardize the validity of the budget.

Mrs. Leising questioned the recreation director salary in the proposed budget.

Supervisor Meegan stated the current recreation director is part-time, but other part-time recreation employees are paid out of this line. The position calls for a salary of \$45,000 and if a full-time recreation director is hired this amount needs to be budgeted.

Mrs. Leising requested clarification on line items identified as "Personal Services" and suggested the name be changed.

Mr. Malecki explained that codes are set up by NYS and "Personal Services" refers to employee salaries rather than contractual services.

Mrs. Leising asked the board members to be cognizant of residents struggling to make ends meet when approving the budget.

Dale Clarke reiterated comments made regarding Supervisor Meegan's salary, stating she knew what the salary was when she ran for office. He further requested clarification on the cost of retirement to taxpayers.

Councilman Hart stated the town pays a percentage charged by NYS for active employees.

Mr. Clarke questioned if Councilman Hanley is in support of the proposed increase for Supervisor Meegan.

Councilman Hanley questioned what Mr. Clarke thought is fair compensation for a position controlling a \$37 million dollar budget and 45,000 residents.

Susan Kims suggested additional budget meetings be held.

Supervisor Meegan responded the next budget meeting will be held November 7th in the court room.

Mrs. Kims suggested a graph showing NYS codes be provided in the future.

Councilman Hart stated a detailed explanation of every appropriation is available on the NYS Comptroller's website.

Mrs. Kims requested clarification on employee benefits, what they include and if they are extended for life.

Councilman Hart stated that health insurance benefits are currently extended for life according to the current union contracts and they are asking for changes.

Mr. Kims questioned how Supervisor Meegan can ask employees to make concessions while requesting a salary increase from \$63,000 to \$80,000 for herself.

Councilman Hart responded none of the Town Board members attend the contract negotiations. Mr. Fenz, human resource representatives and outside counsel hired to handle the negotiations are present. They report back to the board members and get feedback to take back to the negotiations.

Supervisor Meegan stated she has not received negative feedback from employees about her proposed increase.

Town Clerk Jacqueline Felser stated when Supervisor Meegan first ran for office health insurance was included in her salary, but that was taken away by board motion. She commented Supervisor Meegan is the first full-time supervisor the town has had in twenty years. Her two immediate predecessors both maintained professional practices while being part-time supervisors and the town suffered because of this. Mrs. Felser stated it is evident the Town of West Seneca has benefitted greatly with Supervisor Meegan as a full-time supervisor and she absolutely deserves an increase.

Frank Russo suggested additional cuts be made and referred to some pay raises above two percent. He commented the Assessor's office is overstaffed and questioned how a part-time person gets a \$1300 raise. Mr. Russo further questioned the need for a full-time recreation director and stated there should be a moratorium on hiring as well as pay freezes. He commented on the recently adopted police contract and asked for confirmation that new police officers will not receive free health insurance for life.

Town Attorney John Fenz responded new police officers will be making contributions toward health insurance in their first year of service.

Mr. Russo referred to the new Governmental Accounting Standards Board (GASB) rule requiring towns to compute future costs for unfunded liabilities.

Councilman Hart referred Mr. Russo to the audited financial statements where the first part of the report discusses unfunded liabilities.

Mr. Russo commented a two percent increase for Supervisor Meegan would be fine, but he opposed the increase that is being proposed. He further asked if any program has been implemented to cut the amount of overtime.

Councilman Hanley stated there are checks and balances now in place to help control the overtime.

Karen Lucachik disagreed with holding the budget meeting at 5 P.M. on a work night and did not believe it was well advertised. She further questioned how to decipher the budget and understand what raises were given and to whom, specifically referring to the Town Attorney's and Town Clerk's budgets.

Mrs. Felser explained the change in titles in her office and the subsequent difference in pay reflected in the Town Clerk's budget.

Mrs. Lucachik commented on the condition of some roads in town and the meeting with John Steinmetz of Steinmetz Planning Group when the determination was made that the town is not attractive to businesses.

WEST SENECA TOWN OFFICES
1250 Union Road
West Seneca, NY 14224

TOWN BOARD PROCEEDINGS
2017 Special Districts & Preliminary
Budget - October 24, 2016
Page eight . . .

Highway Sup't. Matthew English responded the town would be liable for doing work on state or county roads if something happened.

Mrs. Lucachik commented on poor decisions made by past administrations and the lack of improvements in the town. She applauded the positive turn around the town has experienced under the current Town Board. Mrs. Lucachik further questioned the current rate of pay for part-time employees.

Supervisor Meegan responded that earlier this year the Judges requested \$14 per hour for a part-time clerk. Councilman Hanley also commented the Recreation Department had a difficult time filling part-time positions at \$12 per hour.

Motion by Supervisor Meegan, seconded by Councilman Hart, to table the budget hearing until the November 7, 2016 Town Board meeting and adjourn the meeting at 7:10 P.M.

Ayes: All

Noes: None

Motion Carried

JACQUELINE A FELSER
TOWN CLERK

SUPERVISOR MEEGAN BUDGET STATEMENT

As we look to 2017 and the opportunities we have taken to task over the last 4 plus years we sit here today in a much better place. Our accomplishments clearly demonstrate hard work and commitment to our community; this board has delivered responsible results. It is not always about all the promises made, but those promises that have been kept. Budgets continue to be a challenge to every community. For our town this includes increasing cost of healthcare, retirement, workers compensation and unfunded mandates that will continue to stress all budgets throughout our state.

This board is not one to kick the can down the road; this board picked the can up and we are getting the work done. Having the intestinal fortitude to move forward with the necessary betterments and improvements to our infrastructure, our buildings & grounds and our programming without reducing the high standards we have set for our great town. We have worked to get as much grant funding as possible and as of today we have received over \$6 million, along with the lowest of interest rates when we borrow.

In 2012 we aggressively moved forward with the mandated \$70 million sewer project that we are close to \$30 million in spending. So many of our neighborhoods have been the recipient of sliplining along with siphon replacements and upgrades, removing back up of water/sewage in basements. We have reduced the number of gallons of raw sewage going into our creeks by millions. These upgrades have proven to make an absolute difference in our community. It is important to remember, if we chose to do nothing the penalty to the town would have cost us hundreds of thousands of dollars in fines.

Since 2012 we have spent \$25 million in road reconstruction projects - Dover , Greenmeadow, Elmsford, Beechwood, Cardinal, Larkwood, Greenbranch, Kirkwood, Stephenson, Columbia, Chamberlin, Rosewood, Brianwood, Reynolds, Hilltop, Oakhill, Heather Hill, Pamela and Theresa Court to name a few. Additionally, over \$1 million in milling and paving was done. Every corner of town has seen improvements with infrastructure whether it be sewer, water, streets, curbing, milling and paving or lighting, along with the purchase of garbage/recycling totes, and we are far from being finished.

2017 brings us a new community center that will afford us a half court gym and office space for recreation staff. The library will receive long overdue square footage making it a destination for all. It will serve not only our children's needs of creativity but a maker room to enhance the appetites to explore for so many, along with our Chamber of Commerce and the ability to bring a new start up business into our town. Major upgrades to our Veterans Campus will give us an additional area for dedication and reflection to those who have served and continue to serve this great country. Town offices will now be on campus affording the Burchfield Center to expand, allowing that beautiful building and campus to reach its full potential. I fought to keep the Metz house, and by doing so, next spring the upstairs will become office space for the Historical Society and the building will serve as a second location serving other organizations that are in need of a meeting place.

Budget season begins in late July when every department head is given a budget package. They put together their needs and a wish list of wants. In August we meet with each department head to discuss their budget along with any questions or concerns for the year ahead, the challenges they may face and how we can be helpful. I would like to take this opportunity to thank the department heads and employees for all their hard work, along with my fellow board members, for their time and attention and dedication to serving the needs of the public. Thanks also to Megan, Johanna & Luke Malecki of Dresher & Malecki for all their patience and willingness to make changes as more & more information came to us throughout the month of September and October.

TOWN OF WEST SENECA

2017 Proposed Budget

Public Hearing

October 24, 2016

Town Budgets

Ad Valorem Budget

- Taxes are levied based on the assessed real property value
- Budget was filed on September 13th

Benefit Basis Budget

- Taxes levied on the basis of the level of services received
- Budget was filed on September 13th

Town Budgets

Benefits Basis Budget

- ✓ Sewer Districts
- ✓ Water Districts
- ✓ Lighting Districts
- ✓ Industrial Parks

Ad Valorem Budget

- ✓ General Fund
- ✓ Highway Fund

Budget Process

Timing	Process
Early July	Requests are sent to each department head
Early August	Departmental requests due to Supervisor and are then reviewed and evaluated
Mid-August	Meetings are held with each department
Aug. to mid-Sept.	Payrolls, benefits, debt service, estimate revenues are all computed
Mid-Sept	Complete budgets for each fund, determine tax rate implications and make adjustments
September 15	Provide Tentative Benefit Basis Budget to Council, Town Clerk, and public for review
September 30	Provide Tentative Ad Valorem Budget to Council, Town Clerk, and public for review
October 24	Hold public hearing, consider comments and adjustments
Before Nov. 18	Adopt budget and submit to County

Budgetary Components

- Estimated revenues
- Appropriations
- Appropriated fund balance
- Tax levy

Benefit Basis Budget

Sewer:

- Decreased gasoline and utilities
- Slight relief from outside billings
- Reduce maintenance and equipment

Water

- Bond anticipation note principal payment

Lighting

- Reduced capital lease (gas conversion)
- EPC II and related anticipated savings

Budget Challenges

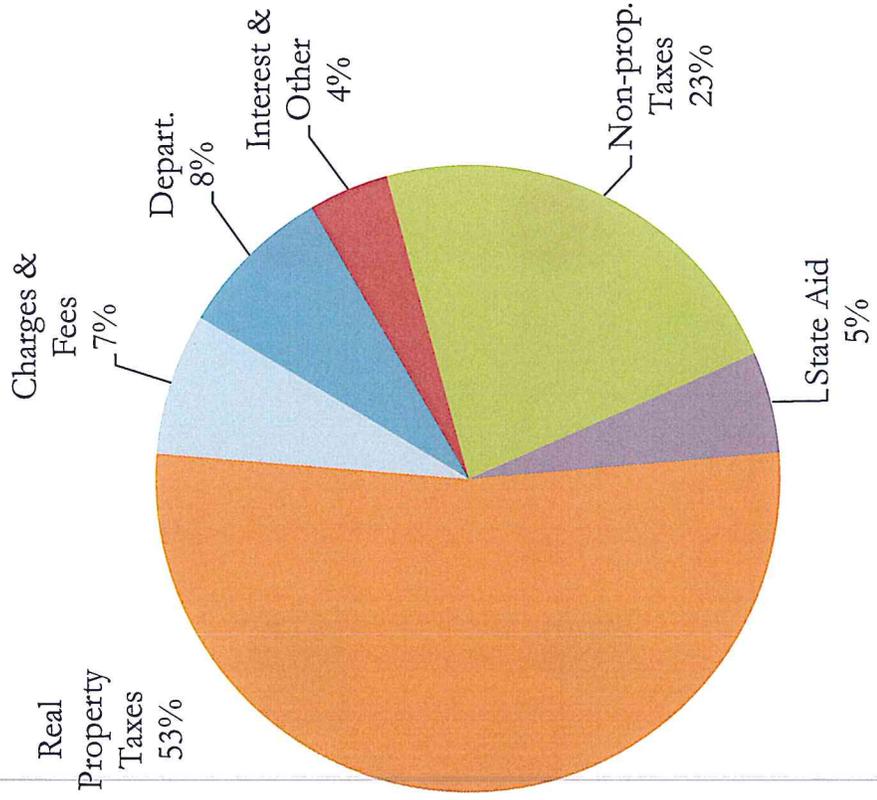
Revenues:

- Non-property (sales) tax distributions
- Mortgage taxes
- State aid sources
- Low interest rates continue
- Limited departmental revenue opportunities
- Debt premium reserve used in 2016 budget

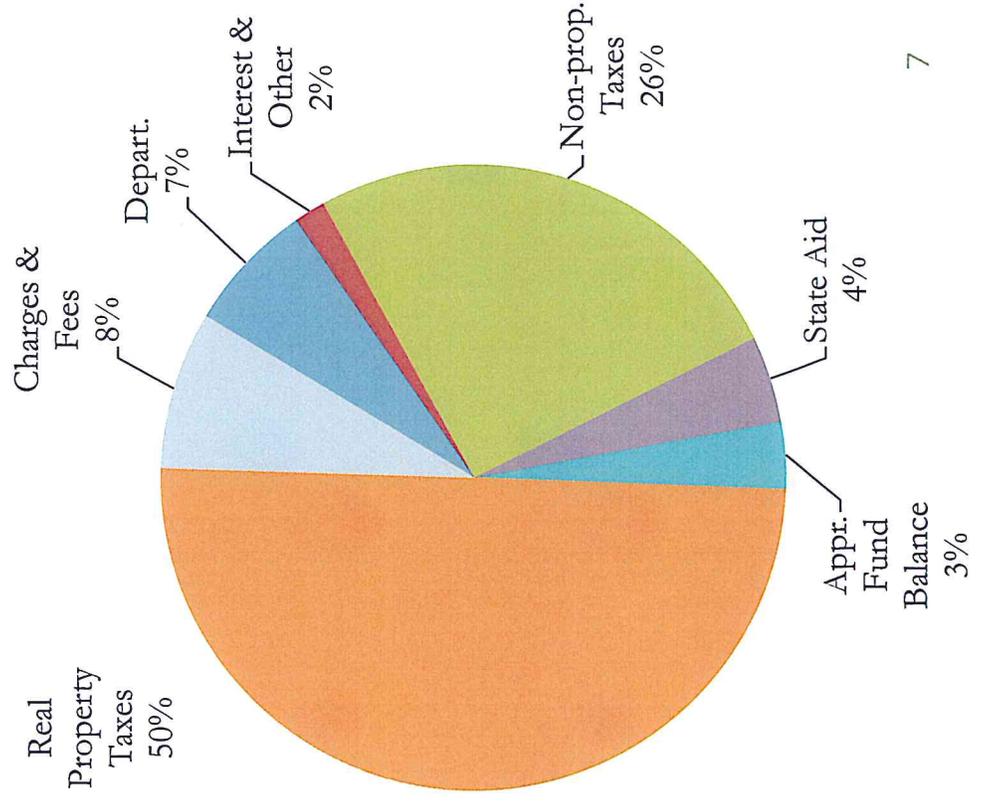
General Fund

Sources of Revenue Comparison

2008



2017



Appropriations

Challenges:

- Health insurance continues to outpace inflation
- Debt service requirements on capital improvements
- Road salt
- Minimum wage requirements
- Retirement and other benefits

Health Insurance



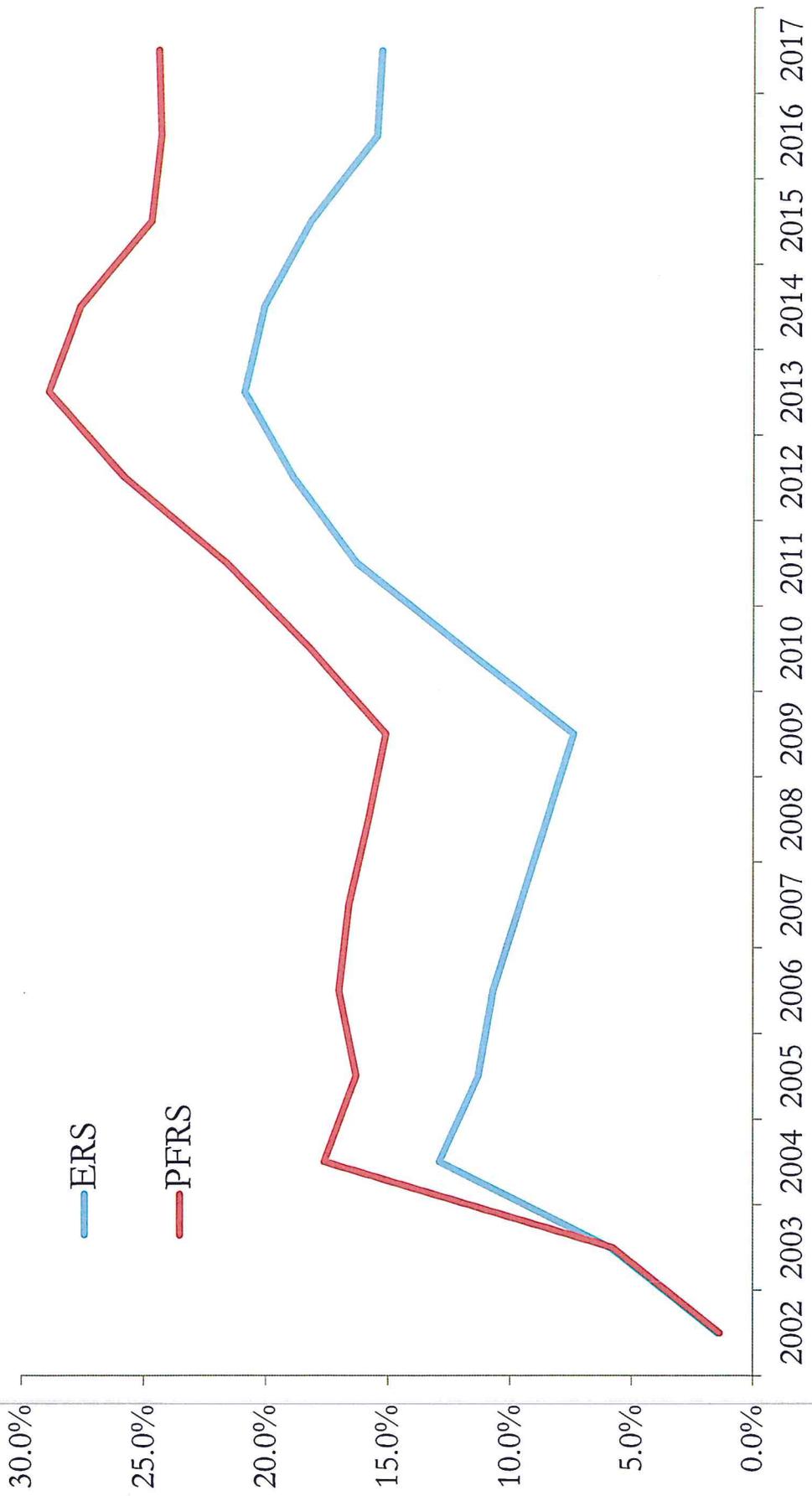
* Estimated 2016 based on current trends through September 30, 2016.

Retirement Systems

Mandated payments to the retirement systems have almost doubled since 2010.

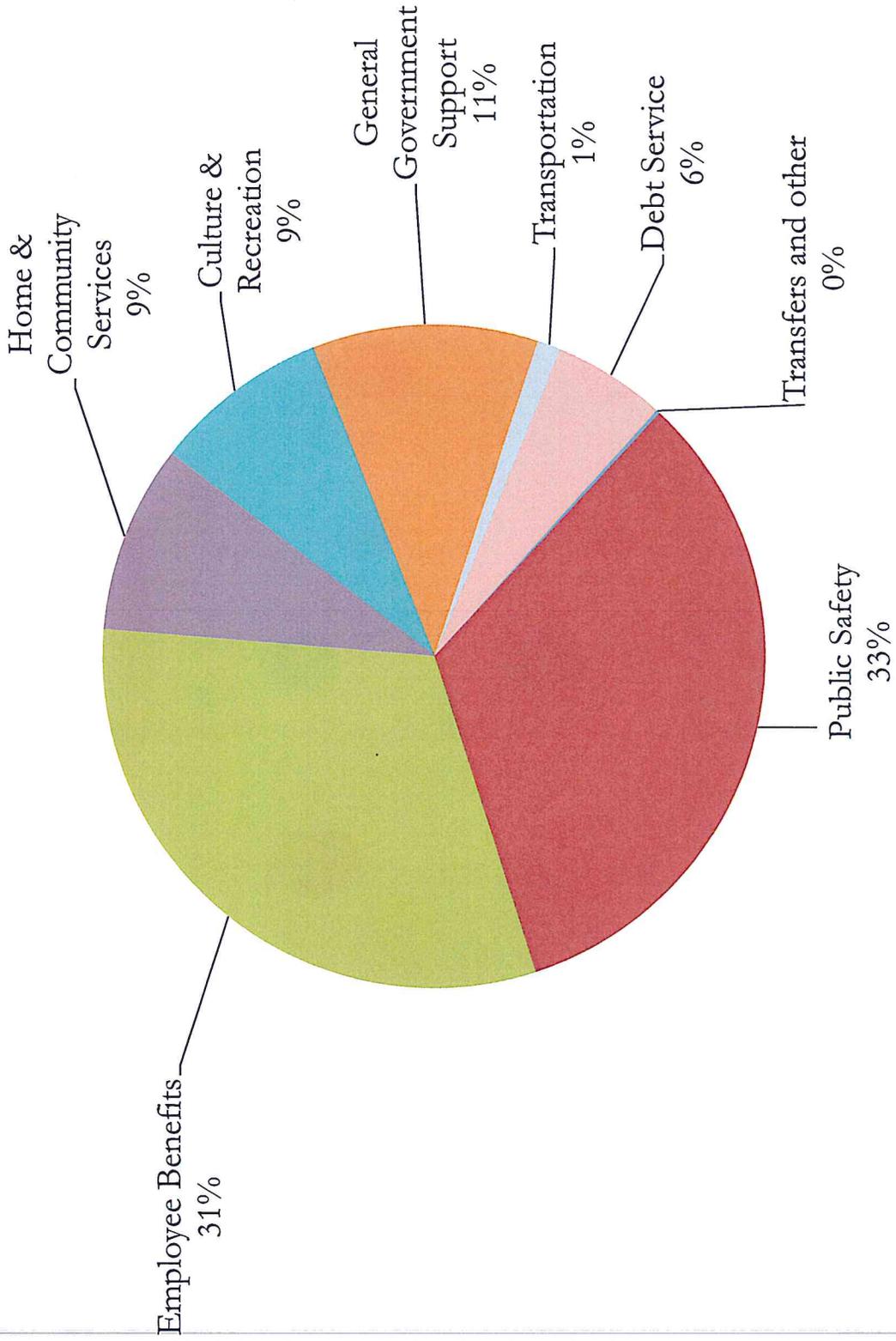
	System		
	Employees	Police	Total
2010	798,058	956,109	1,754,167
2017 (budget)	1,540,000	1,675,000	3,215,000

Retirement Rates



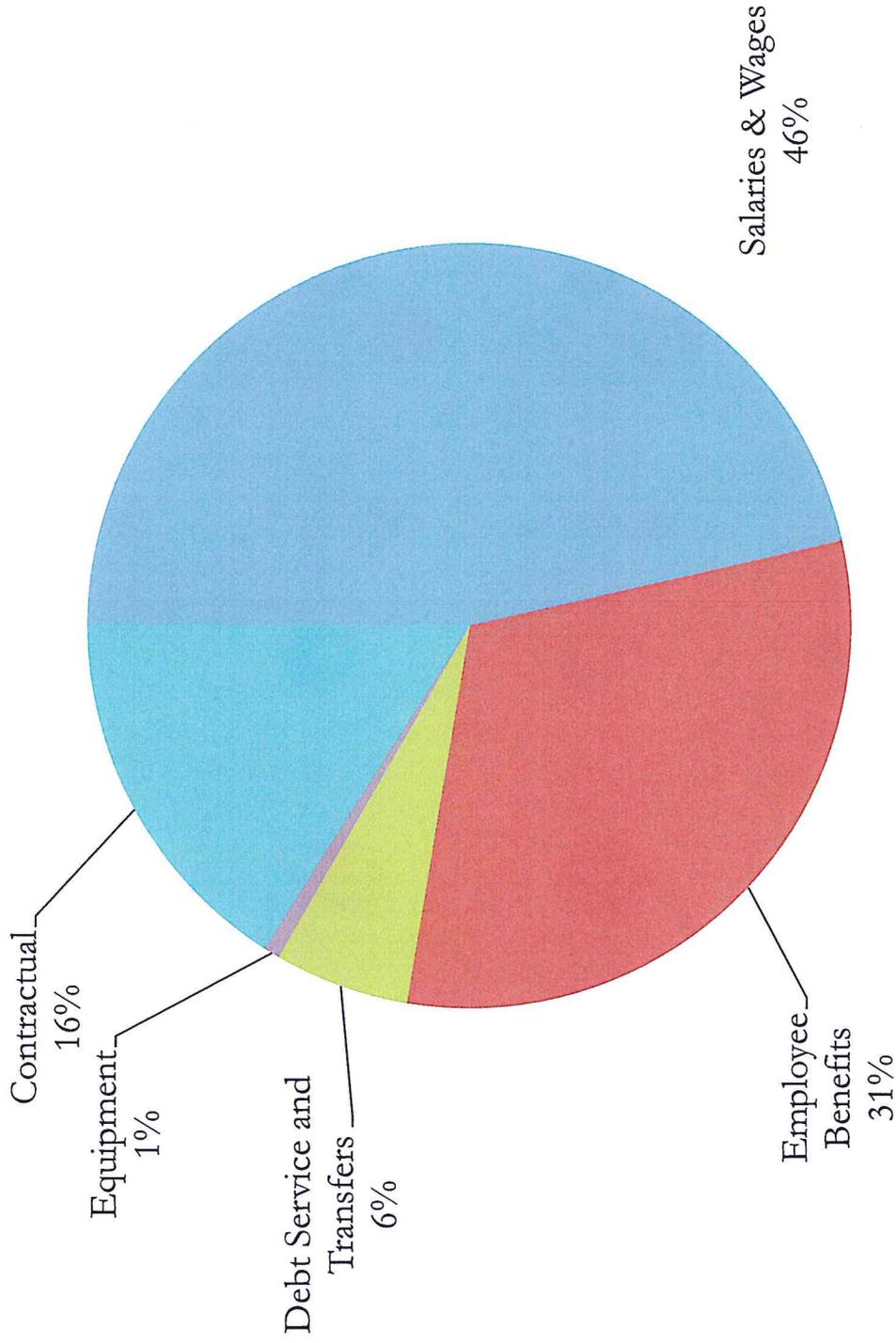
General Fund

Allocation of Appropriations



General Fund

Allocation of Appropriations



Budget Factors

Appropriated Fund Balance/Reserves:

- General Fund: \$900,000
- Highway Fund: \$350,000

Taxable Assessed Valuation:

2017 Preliminary Taxable	\$ 1,202,063,074
2016 Final Taxable	<u>1,191,222,083</u>
Increase (Decrease)	<u>\$ 10,840,991</u>
Percentage change	0.91%

Summary of Proposed Tax Changes

Ad Valorem			
	General Fund	Highway Fund	Combined
Total appropriations	\$ 25,903,206	\$ 11,949,645	\$ 37,852,851
Total estimated revenues	12,081,842	1,830,352	13,912,194
Fund balance applied	900,000	350,000	1,250,000
Real Property Taxes	\$ 12,921,364	\$ 9,769,293	\$ 22,690,657
Proposed tax rates - 2017	\$ 10.7493	\$ 8.1271	\$ 18.8764
Actual tax rates - 2016	\$ 10.5001	\$ 7.8235	\$ 18.3236
Dollar Change	\$ 0.2492	\$ 0.3036	\$ 0.5528

Tax Impact

- 2017 proposed Ad Valorem rate is only 6.3% higher than 2007
- 0.93% average Ad Valorem tax rate change over the past ten years
- 2017 estimated Ad Valorem tax bill increase:

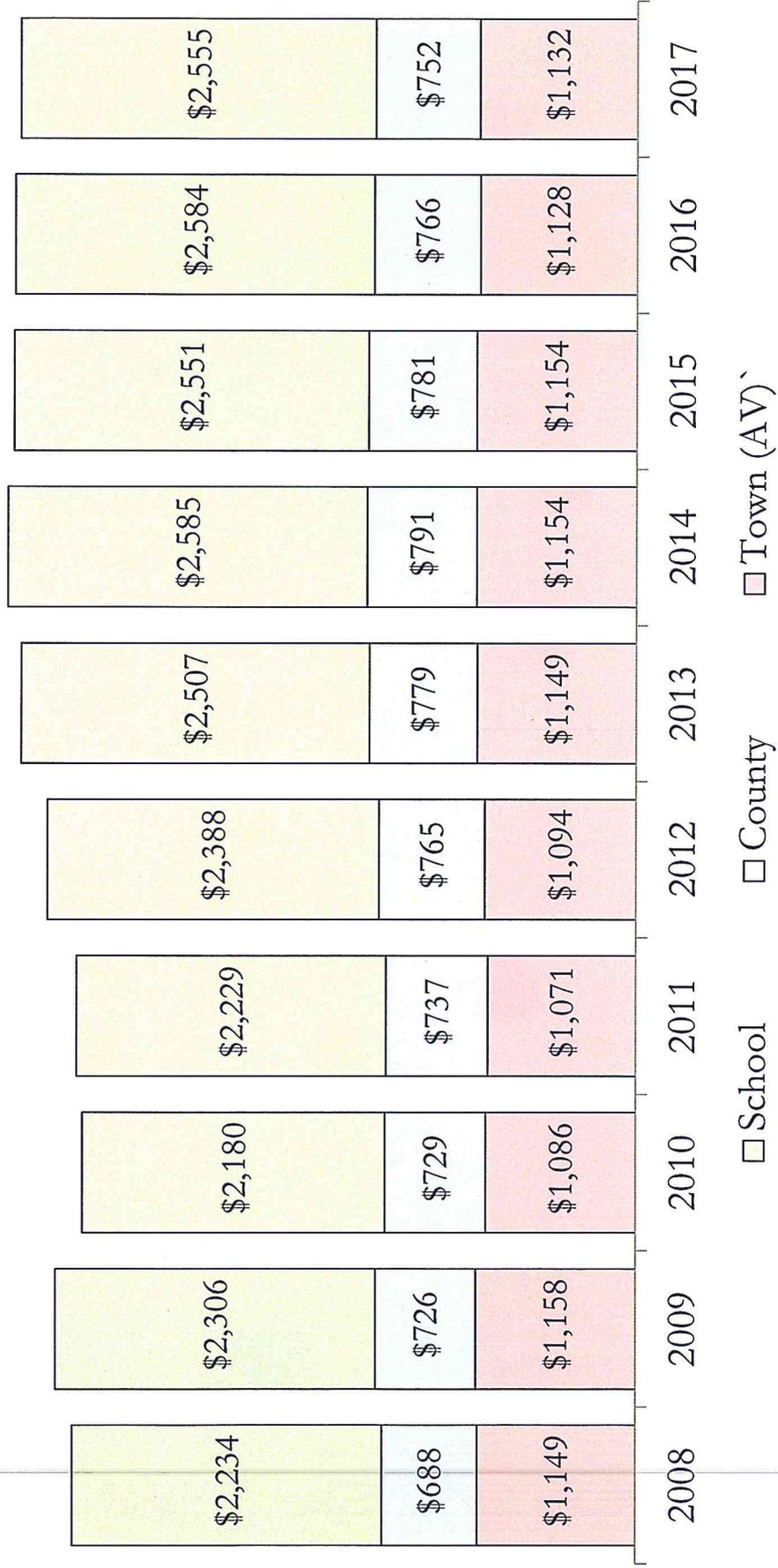
Annualized \$ 33.16

Monthly escrow \$ 2.76

(average assessed valuation of \$60,000, which equates to market value of about \$150,000)

Composition of Tax Bill (\$) ^

(last ten years)

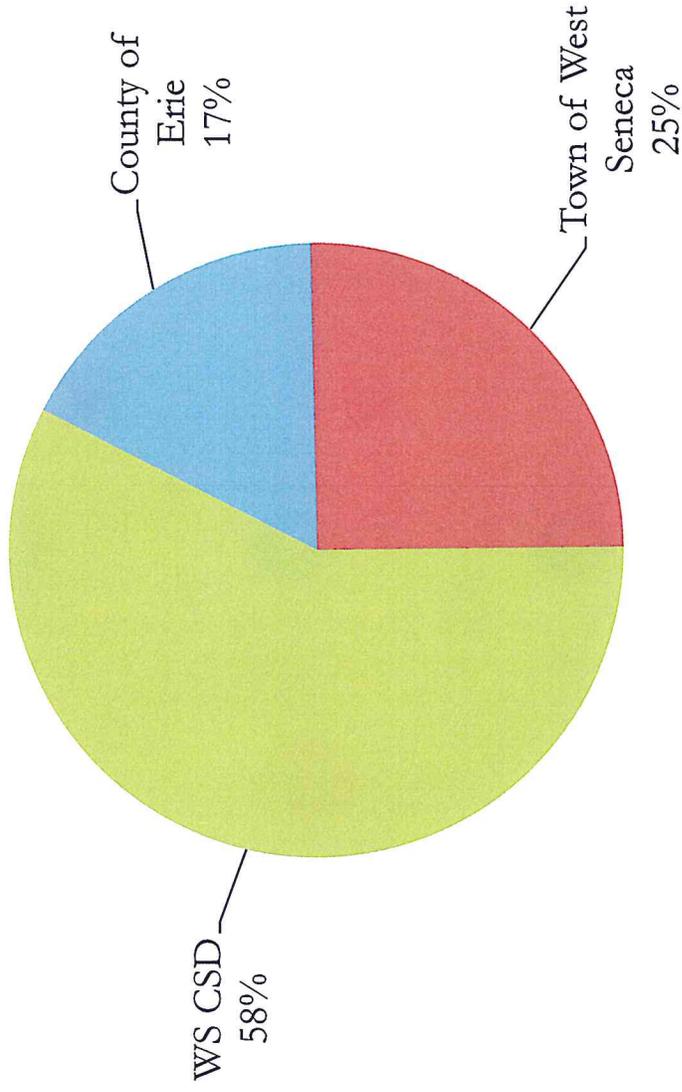


^ Based on a home with a 2007 fair market value of \$128,585 adjusted for inflation (CPI) to a 2016 fair market value of \$150,000

` Ad Valorem tax rate does not include special districts

Percent of Taxes Paid

2016 Rates

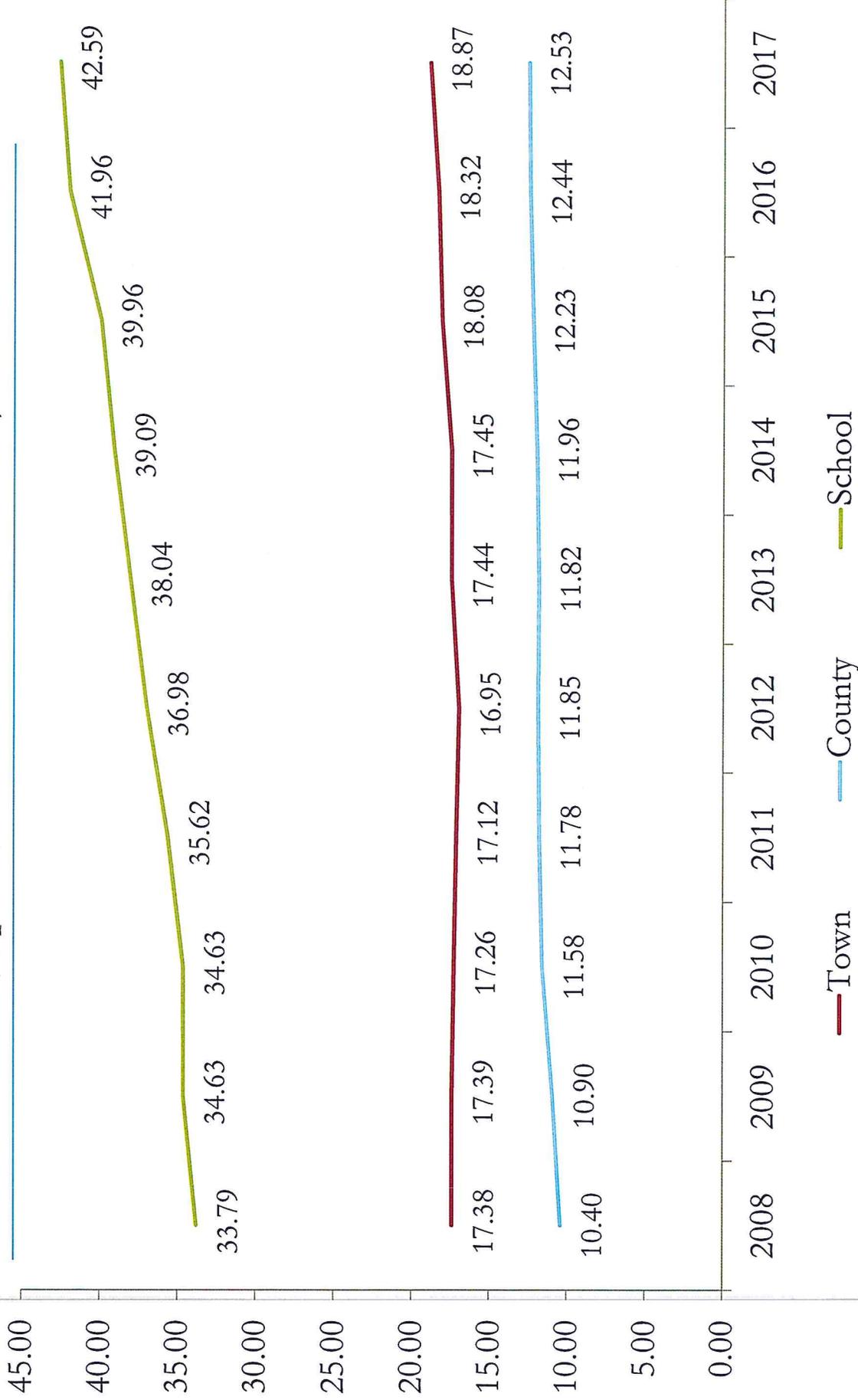


Entity	Tax Rate
County of Erie	\$ 12.44
Town of West Seneca (Ad Valorem)	18.32
West Seneca Central School District	42.59
Total	\$ 73.35

Assumes that the taxpayer lives in the Town and in the West Seneca Central School District.

Tax Rate Comparison Ten Year History

(\$, per 1,000 of assessed valuation)



Note: Tax rates for school and county are estimated for 2017

West Seneca

2016 Budget Public Hearing

We look forward to your
comments and suggestions to
further improve the budget.