



Town of North Greenbush
Josephine Ashworth, Supervisor
2 Douglas Street
Wynantskill, New York 12198
Tel: (518) 283-5313
Fax: (518) 283-5345

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To the Town Clerk, Town Board and Residents of the Town of North Greenbush, NY

Introduction

In accordance with New York State Town Law §106, I submit to you the Tentative Budget for the Town of North Greenbush for the Fiscal Year 2011. The total Town budget is \$9,308,116, exclusive of the Fire, Library and Ambulance Districts. Recognizing the continuing economic situation affecting all of us, and the promise from at least one Board member, there are no tax increases except for the Library. I have listened carefully to comments made by the Managers and a number of residents as to priorities and sacrifices. I have again noted the slowing of planned development which is reflected in the amount we can expect in revenue. In working with the Department Managers we have focused on trimming expenses and holding the line on staffing. With the invaluable help of our Comptroller and his staff we have developed a flat budget that holds the line on expenses, adds only one pre-planned new staff member, and presents a realistic picture of expected revenues. It is designed so that any unexpected increase in revenues will serve to help reduce the cumulative deficit the Town carries and replenish the Highway fund.

Overview

Creating the budget this year presented many challenges. We are facing substantial increases in the cost of pensions (18% for police and 16% for other employees), workers' compensation (7%), and health insurance (13%). In addition we will have an additional pension cost as the town starts payments on the retroactive costs to rectify the inequities for seven police officers (\$34000/year) and payments to an annuity fund (\$68000) for firefighters that the town is obligated to provide. We are in the throes of negotiations with two of our unions and about to start negotiations with the third. We continue to have a deficit from previous years which needs to be reduced. Given the constraints of no new taxes, along with the tax cap imposed by the State, this budget does not deal with the highway department garage that should be renovated. Nor does it directly provide funding to our police department for at least one new police car, and preferably two.

None of us can forecast when the economy will fully turn around. As of this writing, some economists are saying that we are in for a double dip recession in the near future. In spite of this our income from our share of the sales tax and mortgage tax has slowly increased. We have been able to conservatively budget for a \$38000 increase in County Sales Tax; a \$13000 increase in PILOT revenue; and \$20500 increase in Summer program revenue. This year we will also see a projected \$71449 in from FEMA reimbursement as a result of IRENE and LEE, the majority of which will go to the Highway Fund. This gives us an increase of \$142949 which helps offset the rather drastic increases in costs. When our community finally

sees the expected major construction which brings in building permit revenue and eventually increased sales tax, these numbers should start to increase more substantially. Right now I have no way of knowing when the bigger projects such as Van Rensselaer Commons will begin.

The managers have been very cooperative in paring down expenses to the minimum sustainable and still provide services. With their agreement, the Comptroller and I have held the line in terms of expenses, providing no increase from last year's budget. In addition, I am recommending that we retain our consulting engineer for this upcoming year. With the fees collected for his work, he continues to be an asset to the town. We have included an allocation for a fiscal audit, something that we will be required to do as a result of receiving Federal and State funding for the Brookside Ave. project.

Specifics

In recognition that the Board majority last year was clear that they did not want to reduce hours of some staff, this budget reflects a neutral position on staffing. The only changes recommended are dropping a part time position in the Utilities Department that was vacated a number of months ago and extending the part time clerk position in the Courts to year round. There is basically no increase in spending appropriations in any of the Departments including Police, and in some instances, there are slight decreases. Going further than this, I believe, will jeopardize the ability of staff to provide the needed services to our residents.

The Highway Fund is a separate entity by law and by accounting. It receives revenues from several sources including taxes and expends its revenues for staff, equipment and supplies needed to keep our roads clean and plowed, leaves picked up, catch basins draining and such. In order to not increase taxes, we have again asked the Highway Department to accept a shortfall which will be covered by their unexpended fund balance. We are mindful of the need to provide some extra funding from the PILOT funds collected by the town, but find that this is probably impossible this year because of the extraordinary increases in expenses the town is facing. We believe because of the delay in paving, primarily caused by the unexpected disasters, the rainy season and somewhat slower start last Spring, there will be enough funds left from this year to largely cover the shortfall going into the upcoming year.

The Water, Sewer and Lighting Districts are also separate entities. Their revenue is derived from the assessment levied on everyone in that district and the use fees we pay. The Funds support several staff as well as needed repairs. There are a number of adjustments to the budgets of these districts stemming from the many hours of work our Comptroller, Tony Germano, Building and Utilities Coordinator, Mike Miner, and Town Engineer, Tom Murley did to trace back the income and expenses allocated to these funds and bring the accounting up-to-date.

Conclusion

I am presenting this 2012 budget to you, Town Board and community, with the feeling that we have developed a very conservative fiscal plan that recognizes the economic uncertainties and

deals with the major cost increases the town has to contend with. Until it is clear that we are moving out of the economic doldrums facing our country and that our Town's revenues are accordingly on a clear upswing, I cannot see any alternative routes. I encourage the Board majority to reconsider their no tax increase stance as this budget definitely deals with the here and now, but does not lay a growth foundation for the future. I continue to be very concerned that the austerity of these times will reflect in our future inability to provide the high quality services our community has come to expect.

I encourage the public to get in touch with me, the Comptroller or the other Board members and give us your input and ideas about this budget. Also, there will be an official public budget hearing announced for late October/early November. I encourage the public to attend and share your views with us.

Finally, I want to thank our Comptroller, Tony Germano. His knowledge and insight has been invaluable. In addition kudos to Mike Miner and Tom Murley who spent many hours as mentioned working with Tony, John Harkin who provided up to date information on PILOT revenue and to Patty Ray and Mary Grace Romeo who helped Tony every step of the way in tracking down information and putting numbers together. And to all the staff who shared their views with Tony and me regarding the needs of their departments and the community residents who provided input as to possible priorities, your cooperation and insights were much appreciated.

Respectfully submitted,

Josephine Ashworth
Supervisor