

Notes of the 2011 Budget Workshop held on September 23, 2010 at 6:00 P.M. PRESENT were: Supervisor Jones, Councilpersons Stewart, Parson, Folts, Simmons, Budget Officer Muscarella, Town Clerk McMichael.

Guests: Loretta M. Hopkins, Len Lang, Delores Lang, Matthew Davison, Mike Morton, Bill Pringle, Bob Evans, Ellie Lambert, Elaine Nesbit, John Phillips, Carrier Wheeler, Gary Dinehart, Paul Enos, Rob Martin, Barry Martin, Gary Molyneaux, Jan Molyneaux, Bob Payne, Jennifer McKay.

Supervisor Jones called the meeting order at 6:05 P.M. The meeting was turned over to Budget Officer Muscarella to answer questions on the tentative 2011 budget.

Loretta Hopkins questioned use of the Highway reserve fund established in Long Range Plan by Chuck Bastian. As a KPSW customer, she disagrees with the allocation of Town Board salary and benefits to Water and Sewer and felt expenses should also be allocated to the Highway Department as this skews the budget numbers.

Gary Dinehart also questioned the allocation of the Town Board salary and benefits as the KPSW customer also bore the expenses related to the addition to the Town Offices in 2000.

Carrie Wheeler, KPSW Clerk questioned the \$10,000 allocation to the sewer reserve funds as the recommendation of the KPSW Committee attended by three Town Board members was because we have the fund balance, the sewer reserve would be fully funded. Budget Officer Muscarella agreed and will make that change.

Elaine Nesbit recommended funds be included to cover the cost of conducting studies in response to inquiries to extend water and sewer districts. This will help us to become more proactive as development occurs.

Highway Superintendent Payne stated some of the worksheet figures he submitted are not reflected in the tentative budget he received. His employees have questions regarding salaries and insurance that he is not able to answer. The employees have heard the KPSW Union employees are receiving a 4% salary increase. The KPSW employees provided comparative data to support their increase. When asked to consider the salary increase to KPSW and the County average salary, Budget Officer Muscarella stated the Highway employees were given substantial increases to make their salaries more equitable last year when KPSW employees did not. Highway Superintendent Payne stated that only current year salaries were looked and, not the forthcoming year. He would like to be able to stay at or near the average salary for area Highway employees. Again, he stated his

desire to communicate with his employees, but he did not know what salaries were being considered until the tentative budget was received. It was not a significant change, but Payne assumed his worksheet numbers had been incorporated into the tentative budget. He had previously suggested that our Financial Advisor Chuck Bastian help to develop a pay rate schedule for his department. Performance evaluations and a pay scale that incorporates years of service and job classification will have to be done. Budget Officer Muscarella asked Payne to communicate on his desires and needs for the 2011 budget.

Carrie Wheeler asked if there is documentation that staff is not doing their job as various comments being made are felt to be insulting as a Town employee.

John Phillips asked what makes an employee a lesser employee. The Employee Handbook adopted in 2007 states incentive raises would be given. If there is anything against the employees, it should be written up. In his 16 years of employment, he has never been written up.

Supervisor Jones stated he is aware of one Town not giving an increase and another 1.5%.

Highway Superintendent Payne requested copies of the insurance information for all employees to review. Councilperson Simmons stated Sprague Insurance representatives offered to hold a workshop with employees and they can do individual employee analyses.

Highway Superintendent Payne stated even though salary adjustments were done last year, they need to be done again this year. There was no opportunity for him to meet with his Highway Committee to discuss salaries prior to submitting his budget worksheets. He would like to be given a pool of money to give raises close to the 4% Union increase and give him money to work with to raise the lower paid employees to make them closer to the higher paid employees.

Gary Dinehart pointed out that increases are dependent upon the current salary and it makes quite a difference if your hourly wage is \$15 or \$20 when you receive a 4% increase.

Councilperson Stewart clarified he was not trying to be anti-Highway, but he does not like being threatened by the Highway employees with the Union. He thought the substantial salary increases given last year to the Highway Department was to bring them in line and believes the Board addressed the inequity in salaries the last several years. Highway Superintendent Payne

responded we did a pretty good job last year with the salary increases given, but we are still not up to the County average. When comparing area salaries, the Board wants to ensure the same skill set is used. Highway Superintendent Payne felt it would be beneficial if the Board communicated information on salaries and insurance prior to the budget workshops so he could have shared this with his department. The Highway Committee will meet with Highway Superintendent Payne to further discuss salaries.

The 2011 Budget Public Hearing has been scheduled for October 20.

Funds have been included as the Town takes over dog licensing from the State as of 1/1/2011, but the license fee will not increase in 2011.

Based on comments received, Budget Officer Muscarella made the following changes to the 2011 budget:

1. 8020.4 reduced from \$16,000 to \$10,000 for the Community Development Block Grant.
2. 5010.4 increased from \$450 to \$750 to include \$300 for the Highway Superintendent to use his personal cell phone. The Code Enforcement Officer cell phone bill will be impacted as their two phones are on a plan together.

Elaine Nesbit, IT Liaison thanked the Board for supporting the lease of a new server that will address numerous issues we have been encountering.

Elaine Nesbit spoke to the job performance evaluations, noting staff has picked up numerous tasks over the years. This will make their replacement harder as positions have evolved from their original duties as outlined by Civil Service. She thanked part-time staff members Ellie Lambert and Carol Goebel for the terrific job they have done. She requested they receive a salary increase as they have been flexible and accommodating to the needs of the Town.

Councilperson Parson stated we need to look to incentive raises and documentation to support raises.

Councilperson Stewart stated the insurance information from Sprague Insurance will be copied for the employees. Sprague Insurance representatives will discuss individual prescription needs in private with employees.

Mike Morton commented on the Letter to the Editor regarding the Town Board compensation in our area. Considerable discussion took place regarding reducing and/or eliminating insurance benefits for

the Town Board. Their compensation was justified as Jerusalem is a large busy town with many demands, issues and problems. Jerusalem also has the highest assessed value. Town Board member duties include attending numerous meetings, including the monthly meetings, along with various committees which put miles on their vehicles. Many phone calls are received at home as the people know Board members are local and available. John Phillips stated as the Code Enforcement Officer, he receives calls at home also.

Mr. Morton questioned if the Board was defending their insurance as part of their job. If so, he suggested a salary in lieu of the benefit.

The health care benefit for the Town Board has been in place for several years and was not voted in by the current Board. This benefit has been an incentive to get people to run for the Board. Jerusalem caps medical coverage for Town Council to a two-person plan. Council currently pays 25% of the difference in cost between the single and the two-person medical plan. The health insurance benefit is to reward the Town Board for doing a good job.

Councilperson Folts was approached to run for the Town Board. Councilperson Stewart stated this is his third night meeting this week and he was told he would need to attend one monthly meeting when he ran for the Town Board. Councilperson Simmons questioned what the Town Board composition will be if the insurance benefit is eliminated. The Town Board needs to log the hours they spend on Town business.

Mr. Morton stated health care coverage for part-time Town Board members sticks in the craw of the residents, the part-time employees and the full-time employees of the Town. Regardless of the hours spent on Town business, the position is not full-time. Health insurance for the Town Board is an adversarial issue every year and he stated it is time the Board move from this position. He suggested the Board determine an equitable salary that will then only receive the cost of living raise afforded the rest of the employees.

Mr. Morton questioned why retired Town Board members are taking insurance through the Town. Members responded insurance was not in their retirement package.

Jan Molyneax stated as a Kodak retiree, their insurance was \$100/month; increased to \$300 month; and if they kept the coverage, it would now cost them \$1183/month.

Gary Molyneax stated he does not have an issue providing insurance to the Town Board member. It is the residents paying for their spouse's insurance. Changing to a single plan coverage could soften the blow. He recommended they drop the insurance for the Town Board and give themselves a salary commensurate with the amount of work they put in.

Matthew Davison stated as Town Justice he holds weekly court and receives numerous calls during the night at home. The Justice position is not part of the Town Board entitled to the health insurance benefit he currently receives.

Mr. Morton commended the Board for presenting a 0% budget. Supervisor Jones cautioned the 0% and hopes the Town does not have to pay dearly for it in the future.

CONCLUSION:

Following his presentation, Budget Officer Muscarella noted the following outstanding issues:

1. Sewer reserve
2. Budget allocation for water and sewer district extensions.
3. Establish Highway employee salaries.
4. Establish Town Board salary and insurance benefit.
5. Select a health insurance plan.

A budget workshop was scheduled for Tuesday, September 28, 2010 at 6:30 P.M.

With there being no further business, on a motion of Councilperson Stewart, seconded by Councilperson Simmons, the meeting was adjourned at 7:28 P.M.

Sheila McMichael, Town Clerk