

Notes of the 2014 budget workshop held on September 26, 2013 at 7:00 P.M. PRESENT were: Supervisor Jones, Councilors Killen, Parson, Steppe, Deputy Supervisor Stewart, Town Clerk McMichael, Highway Superintendent Martin, Budget Officer Muscarella.

Excused: Councilor Folts

Supervisor Jones called the meeting to order at 7:00 P.M.

Councilor Folts was unable to attend, but asked Councilor Parson to relay his message that the budget include a 5% employee contribution toward the insurance premium.

Budget Officer Muscarella noted changes to the 2014 tentative budget dated 9/14/2013 and corresponding changes to the Fund Balance Analysis that will be incorporated for the next workshop. The 2014 tentative budget highlights were reviewed. The Tentative Town Budget includes a 1.15% increase in the Town tax rate (equates to a yearly increase of \$2.80 per \$100,000 of assessed valuation).

Highway Superintendent Martin explained his methodology for salary increases utilizing monies from a 2.5% reduction in overtime hours based on trending.

Councilor Parson stated he will not vote for a budget that does not include a 5% employee contribution to the health insurance and changing the coverage to a \$25/40 co-pay plan. Cost figures for a \$25/40 co-pay plan were not provided by Sprague Insurance for analysis.

Councilor Killen noted implementing the employee contribution while not negatively impacting their net salary coupled with the unknowns related to Obamacare requires careful thought. Based on thoughts he gathered from employees, insurance is important to the employees and morale will be impacted.

Supervisor Jones noted employees know contributing toward these costs is inevitable, but with a 1.15% increase we are able to leave it for 2014. Councilor Parson disagreed stating people can't afford it. It's time to man-up and make employees pay. Councilor Steppe stated it's hard to justify to his constituents that all employees are not paying. It will be a huge difficulty and it will hit hard in the future.

A lengthy discussion ensued on potential impacts to the budget given various scenarios.

5% contribution: \$16,000 reduction
Change to a high deductible policy: \$62,000 reduction
17% insurance premium increase: \$355 single

\$935 family

Given the 2% tax cap imposed by the State, any reduction realized will be offset by the use of fund balance. It was clarified that this decision was not being made because of the budget numbers, but based on public opinion. Council does not want the employees to make no contribution and then get hit hard in the future. Councilor Steppe questioned at what point does the Town stop giving health care? Some companies are reducing work hours to avoid providing benefits. Highway Superintendent Martin noted part-time staff do not get benefits, but part-time Board members do.

The financial impact to employees will vary based on wages, whether hourly or salaried and positions that work overtime hours.

Deputy Supervisor Stewart pointed out Town employees should not have to take the brunt for the high costs from the County and School. The Town employees do a good job.

Pre-tax contributions and a sliding scale contribution could reduce the impact to the employees. How this will be implemented and the associated costs will be researched for further discussion.

Town Clerk McMichael submitted a salary request to recognize the responsibilities and authorities of her elected position. Comparative data was provided, noting Farmington was identified as a benchmark based on serving as the Clerk to the Town Board and the Jerusalem Town Council compensation package:

- 2012 Farmington \$4,765 + medical
- 2013 Jerusalem \$5,702 + medical

The 2013 Town Clerk/Tax Collector salary is \$39,136.68.

2012:	Farmington	\$51,038	Town Clerk/Tax Collector
	Gorham	\$34,438	Town Clerk
		\$ 7,103	Tax Collector
	Milo	\$35,125	Town Clerk
		\$ 5,425	Tax Collector

The CEO and Assessor requested a 6% salary request for the ZAP Clerk. Councilor Parson will discuss this with Mrs. Nesbit.

The 2014 budget includes purchasing a new gradall under a 5-year term lease and contributing to the salt storage barn reserve.

RESOLUTION #141-13

SCHEDULE PUBLIC HEARING - 2014 TOWN, WATER & SEWER BUDGETS

On a motion of Supervisor Jones, seconded by Councilor Parson, the following was

ADOPTED Ayes 4 Jones, Killen, Parson, Steppe

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Resolved the 2014 Town, Water and Sewer Budget Public Hearing be held on Wednesday, October 16, 2013 at 7:10 P.M.

The next budget workshop will be October 2, 2013 at 6:00 P.M.

Agenda: insurance
Town Clerk salary
ZAP Clerk salary

The meeting was adjourned at 8:57 P.M.