

Work Session of the Board of Trustees of the Village of Brockport was held in the Conference Room, Municipal Building, 49 State Street, Brockport, New York, October 12, 2010 at 7:00pm.

PRESENT: Mayor M. Connie Castañeda, Trustee/Deputy Mayor Daniel P. Kuhn, Trustee Kent R. Blair, Trustee Carol L. Hannan, Clerk Leslie Ann Morelli, Treasurer Mary Beth Lovejoy

ABSENT: Trustee Scott W. Hunsinger

ALSO PRESENT: Joan Hamlin, Kathy Snyder, Susan Smith, Norm Giancursio, Francisco & Linda Borrayo, John Lessord, John Bush, Pam Ketchum, Fred Webster, and Deputy Fire Chief Michael Henry for the beginning.

CALL TO ORDER / PLEDGE: Mayor Castañeda called the meeting to order and led the Pledge of Allegiance.

This is a work session, not a regular meeting. No public comment. Intended for Board discussion, not action.

- **GUESTS:** None

- **ITEMS FOR DISCUSSION / REVIEW:**

- Understanding the Village's Financials – Village Treasurer Lovejoy made a presentation entitled Village of Brockport – Understanding and Using Our Financial Information (Power Point presentation is attached). She also distributed the following documents to the Board: Statement of Actual & Estimated Revenue, Statement of Expenditures, Encumbrances & Appropriations, Savings & Checking Accounts Reconciliation, Cash Flow.

Some of the points made include:

- Real property taxes show up as soon as they are levied – as they are a guaranteed payment. The County pays the unpaid portion that the Village relieves to them.
- Revenue report isn't a reflection of cash.
- Cash flow report – simplified – done quarterly.
- Beginning balance doesn't include reserves or Water Fund.
- It is a rolling document & is too early to project. Assume revenues and expenditures will all come in. Will have a better picture half way through fiscal year.
- Operating cash includes 3 bank accounts: so operating cash balance = investment fund account + property tax account + general fund savings account.
- The way accounts are set up currently – some get charged bank fees – will switch so as not to generate fees.
- Clerk & Treasurer reconcile Village taxes.
- Will start seeing encumbrances (locking in funds). Will lock in payroll and benefits which will show what is left to work with.
- Can duplicate same reports for Water Fund if Village Board would like.
- Property tax makes up ~43% of revenue budget
- Over 50% of budget is payroll/benefits
- ~2/3 of property receive exemptions (i.e. churches, schools, seniors, veterans, disabled). To say only ~1/3 pay taxes isn't accurate. 2/3 receive some level of exemption – whole or partial.
- The way to control the tax levy is to control spending.
- Met with ad-hoc committee investigating the feasibility of a sewer user fee:
 - o Good meeting, what they were talking about is a reserve under the General Fund. It's not a separate entity or separate set of books. There is the option of creating a Sewer Fund. However, it can be a shell game. It does not cut expenditures. Can establish a reserve for sewer maintenance. Are we talking sanitary or storm sewer? A fee would pick up some additional "bodies". However, multiple family dwellings are metered (water) as 1 facility. We haven't the manpower or equipment to do per unit. Sewer fee would be 1 reading as is water. Point is to bring on those not paying Village taxes (churches and only 1 school within the Village.) Would the amount of revenue from those warrant imposing a fee to the rest of the population already paying property taxes? Fees are not deductible on tax returns, but taxes are. Taxpayers will want to see demonstrated that we can significantly reduce the tax levy by implement a fee.
- Impacts to come – 2011 & 2012 NYS Employees Retirement System double digit increases to municipalities.
- Is now the time to add additional services? Will adding new revenues also add new expenditures?

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- Areas that we could look into consolidating: (Treasurer Lovejoy stressed that she does not know the answers to these questions, but is just throwing them out there as possibilities to look into)
 - o DPW - work schedule 4 days of 10 hours instead of 5 days of 8 hours. Would lessen set up and take down of projects. Would get most out of daylight hours during non-snow season.
 - o Dispatch – is it a duplication of 911? Can we do differently.
 - o Ambulance – go to 24/7 paid ambulance instead of 12/7 to not lose runs & revenues to intercept.
 - o Police – do we need 24/7 365 days/year? (i.e. summer season with less college students) Go to 2 instead of 3 shifts leaving 1 shift for Monroe County Sheriff's Department? Some have asked why Police Department works 1,944 hours per year, but rest of Village employees work 2,080 hours per year. Why?
 - o Village Hall – work schedule 4 days per week – reducing hours open to public?
- Board needs to look at ways to reduce payroll expenditures which is the biggest portion of the budget.

Questions:

Deputy Mayor Kuhn referred to the financial reports provided and said he assumes the year to date should equal 100 at the end of the year. Treasurer Lovejoy said yes.

Trustee Blair stressed the importance of tracking expenditures each month so that if it looks like certain lines are not going to need the amount budgeted it could be re-allocated elsewhere. Treasurer Lovejoy concurred in theory but in reality there are factors. She said the Department Heads need to keep her and the Board informed such as when they are done with certain lines. They should be able to build out monthlies from historical data (i.e. certain expenditures come at the same time each year).

Treasurer Lovejoy said building that historical data will help them come up with numbers in their budget requests. Trustee Blair concurred it would be more accurate rather than saying “throw me \$5,000 on that line”.

Mayor Castañeda reminded all that NYS OSC studied our historical data and concluded that the Village had not been budgeting accurately for several years.

Trustee Blair said he just wants it broken down further so if the funds are not needed in certain lines, they can be moved elsewhere. It would help with accountability. Treasurer Lovejoy said she would suggest the Board have her meet with each Department Head monthly to review their budget and address variances. Board concurred. She said finance is sometimes the last things on the Department Heads lengthy list of things to do.

Mayor Castañeda stressed the importance of listening to the Department Heads and holding them accountable to living within those numbers. Other than unforeseen items, we've got to hold to it. There may be wonderful ideas, but most of those ideas cost money. If it's not budgeted for and the Board approves it, we dig ourselves deeper into fiscal trouble.

Trustee Blair mentioned 2 of the fire trucks having broken down this week. There is a maintenance line, but some things are unforeseen. Treasurer Lovejoy agreed. She said she would not suggest taking money away from maintenance of vehicles and equipment. You never know when something might happen.

Trustee Blair commended Treasurer Lovejoy on her report.

Trustee Hannan said she has confidence Treasurer Lovejoy can whip all into shape in no time.

Treasurer Lovejoy shared that she and past payroll clerks have had a difficult time with the Police Department timesheets not being uniform. They are filled out inconsistently – some in regular time, some in military time, notes as to use of comp bank, etc. She is working with Chief Varrenti and Lt. Cuzzupoli to establish a new document that will be readily understood – no reading between the lines. She thanked them for their willingness to help in this matter.

Mayor Castañeda said Treasurer Lovejoy's purchase order system will also help. Treasurer Lovejoy said that is just getting under way and will tie up the funds so they can't be spent elsewhere.

Trustee Blair commented that every 2 years there is a new Fire Chief. This poses challenges as to providing historical data. Treasurer Lovejoy concurred. She said Village Treasurers are often not accountants. She happens to be. There is no grand rule book – need to put down a game

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plan. Further, municipalities are not required to be audited regularly. We choose to do so. It's worthwhile to have an annual independent audit by a qualified firm. Clerk Morelli commented that the last audit was extremely thorough. Mayor Castañeda said the independent auditors can also be utilized to make recommendations. Treasurer Lovejoy said it appears that the former auditor identified for several years that the Village was not using an encumbrance system. However, the Village Board did nothing about it.

Trustee Blair said some Department Heads maintain their own system of monitoring the budget. He said the Treasurer does not like it. Treasurer Lovejoy said her concern is that all should be using the official system – the one she is using. Those are the official numbers – not systems and spreadsheets created separately. She recommends that all departments utilize the same I.T. person, that they utilize 1 server, 1 backup, that they utilize the same version of software, etc. Each department uses a different I.T. guy, has their own server, has their own licenses to software, has different versions of the software, uses different backup providers, uses different domain names, etc. This does not lend to sharing of information, efficiency, and costs more money than necessary. She said there is room for improvement and cost savings in this area. Board concurred and encouraged Treasurer Lovejoy to tackle this with the departments and the Village's I.T. consultant.

- **EXECUTIVE SESSION**

→ At 8pm, Mayor Castañeda moved, Deputy Mayor Kuhn seconded, carried 4/0 that the Board of Trustees of the Village of Brockport enter into an executive session to discuss personnel matters with the Library and the Police Department.

→ At 8:37pm, Mayor Castañeda moved, Deputy Mayor Kuhn seconded, carried 4/0 that the Board of Trustees re-enter the regular meeting.

- **ADJOURNMENT**

→ At 8:37pm, Deputy Mayor Kuhn moved, Trustee Hannan seconded, carried 4/0 that the meeting be adjourned.

Leslie Ann Morelli, Village Clerk

Village of Brockport Understanding and Using Our Financial Information

Presented by
Mary Beth Lovejoy
Treasurer

Understanding Tax Rate Changes

Various Reports

- ▶ Revenue Status Report - identifies revenues earned to date - this is NOT a cash report
- ▶ Cash Flow Report - identifies cash as received and projected vs. expenditures incurred and projected
- ▶ Expenditure, Encumbrance Status Report - identifies expenses to date, encumbrances to date and remaining balance unaccounted for

General Information

- ▶ Property tax makes up approximately 43% of our Revenue Budget
- ▶ Tax Rate is determined by our Village Tax Levy divided by our taxable assessment per 1000
- ▶ \$22,656 is 1% on our tax levy
- ▶ Over 50% of budget is payroll/benefits
- ▶ Sales tax is our 2nd biggest revenue source - 25% of budget

Out of Our Control

- ▶ Assessment of our Village is at 100%
- ▶ Changes in Assessment will be minimal due to the fact that we are landlocked
- ▶ About two thirds of our property receive exemptions

Within our Control

- ▶ Tax Levy for the Village

Looking at the whole picture

Creating and raising fees
can be a double edge sword

Adding Additional Services

- ▶ Will adding new revenues also add new expenditures?
- ▶ Will the impact be significant and demonstrated in the first year of implementation?
- ▶ What happens if it is not?

Are there other ways to reduce our budget?

Are there areas that we could consolidate services with the surrounding town and county services?


