

October 24, 2017

2018 Lysander Budget Notes

Bob Geraci

After meeting with Joe, Tony B. and David R. this past week, I made some modifications to my recommendations. These are reflected in what follows.

I'll go through the roll-up sheets with obvious references to the detail sheets if necessary. I'll also combine my comments to include both revenue and expenses at times, to make an overall point or to ask for clarification.

1. Pg. 1 Am ignoring for the time being, real property tax number as well as what dollar level use of fund balance should be which will change as we deliberate the budget.
2. Pg.1 Engineer Fees: Unless AI can show how an increase of this magnitude is possible, it seems the \$124,000 number is too high when compared against '15 and '16. Obviously if 2017 numbers indicate a rising trend, we can then go with the higher number. Please advise.
3. Pg.1 Park and Rec Charges 02001: This is a significant reduction of revenues from adopted '17 and actual '16 levels and a drop from years prior to that. There is no corollary reduction in parks expenses however (pg. 6); in fact there are increases. In the future, we need to be provided with a detail page, by various categories (Tony actually has this info) for these revenues which would show prior year actuals, current year budgeted, current year reasonable expectation, and new year budget projections; these need accompanying explanations as well. With this information, these differences make more sense.

I'll stick with this discussion about Parks on its expenses:

- Pg. 6, 7020-107 and Pg. 73 of narrative. Recreation Program Coordinator, \$30,000. New title and expense. I propose we cut this. There may be need for consideration for some assistance help for Tony on some sort of part time basis.
- Pg. 6, 7020-400 Recreation Cont. Exp; Pg 75 of narrative. Propose cutting \$7,200 and not print brochures (I don't believe they have efficacy in this day and age). Not sure why \$1,000 for spray park is included for wrist bands, etc. Propose cut this. Discussion with Joe and Tony, they recommended \$2,500 for brochures and \$300 for Spray park. Joe wants to add \$1,000 for Dude Solutions software for several departments which for Parks, would be added here. I'll discuss my thoughts on this software later in this report.
- Pg. 6, 7110-401, narrative Pg 81. Has \$12,000 for Wetland Delineation Survey which I cannot recall discussing. Has \$4,000 for geese control. Has \$8,000 for resurfacing parking lots in park. Has \$1,000 for sealing walkways, but this was done in 2017. Has

\$1,000 in Equipment Maintenance Plan which is wrong place in budget for this. I would eliminate these. I am not convinced that we are required to delineate wetlands if we are putting a new non-hard surfaced trail through the woods. Beaver Lake Nature Center for example has at least half of its trails through wetlands and we never applied for permission to put them in because they are not considered permanent improvements. Tony and staff have a workable solution to goose control which might end up costing us a box of dog biscuits.

Suggest incorporate parking lot repairs into Spray park budget. Joe and Tony want to add \$11,000 for resurfacing basketball court and installing pickle ball posts. I would investigate if we need to do this in 2018.

- Pg. 6, 7145-400, Pg. 83, \$13,000. This is oil and stoning little league field. We put off discussing the issue that not all resident children are permitted to play in this program, yet we are proposing to spend whole town tax dollars to do this. I would ask Bob Ellis to recommend whether this lot warrants repair at this time based upon his perspective of various County Parks parking lots such as Longbranch Park which gets use by thousands more cars than the Little League field; or various other parks such as our own Lysander Park, Pratt's Falls, Oneida Shores, etc.
- Pg 6, 7270-400 and Pg. 1 02089 Other Culture and Recreation Income, Pg. 84 of narrative. This is the band concert budget. Revenues and expenses need to be the same.
- Pg. 6, 7310-102 Summer Program Change \$19,488 which was cost of day camp instructors and put \$11,000 to cover cost of Spray Park personnel.
- Pg. 6, 7310-109, Pg 86 \$4,000 for GEM program. Want to see where the revenue for this program which covers all costs, is to be found in the budget. There is also \$4,000 requested for all other special events: are there revenues that cover these costs and if so, where are they in the budget?
- Pg. 6, 7310-406, 407, Pg 87 narrative. Eliminate \$8,000 from budget since there is no day camp.

In general, I had a difficult time reconciling the parks budget requests as shown in the narrative pages with the numbers that ultimately showed up in the preliminary budget numbers. All of his pages had the first four numbers of the accounts, but did not have the last three numbers. Example, he had: 7110-1 instead of 7110-101, 102, 103, 200, 400, or 401. That made it difficult to reconcile what I was reviewing.

4. Back to Pg. 1 of the roll-up: 2410 – rental of real property – good job on the extra \$9,000 from B'ville Fire

5. Pg. 3, 1315-100 Comptroller, narrative Pg. 27. Roll-up has salary at \$30,000, narrative requesting \$40,000. Need to decide on this one and ask if what we have been receiving which is quality work, is hiding a problem that needs to be addressed.

6. 1355-409 Shared Assessor salary. This salary has gone up every year that I know of and while budget time forces decisions to be made quickly, this whole approach to assessment ought to be looked at. I have no problem holding things as they are for another year or consider a modest raise for all non-bargaining employees (e.g. 1.5 – 2%) while at same time increasing their contribution to health insurance to 8% or equal to the contribution Highways employees pay. Health insurance is discussed further below.

7. Pg. 4, 1420-400 Narrative Pg. 42. Attorney fees. Base is \$63K with an additional \$15K for other. Then 1430-400 has \$7,500 for union/HR issues which in 2017 was \$5,000. The 2015 expense was an anomaly. Are we comfortable lowering some of these dollars?

8. Pg.4 1440-101 Engineer –Aide \$27,500. Thinking we ought to cut this.

9. Pg. 4 1620-402 This has \$90,000 worth of building projects – have they been identified and can we afford to wait on some of these as we try to dig ourselves out of the budget hole we are in? It may be wise to keep this dollar level budgeted every year, but just because it is budgeted does not mean we have to spend it. I want to make sure that if we leave this number in, we review the actual projects in detail before we commit to doing any of them. We can do this in the early winter months. On the other hand, perhaps we ought to halve this dollar amount to get our total budget in line with a minimal tax increase or using less of our fund balance dollars.

10 Pg. 4 1620-406 Bldgs Reserve Parks \$5,000. Do we know what the plan is for these dollars or are they being tucked away for future use. Plus, from an accounting perspective, should we consider moving this item to be placed within the parks accounts section?

11. Pg. 4 1910-400 Unallocated insurance. Looks like good news that this cost went down unless I am missing something. Do we know why the cost went down?

12. Pg. 5 1990-400 Contingencies Pg. 58 of Narrative. Remember that this includes \$50K for actual contingencies and \$45 originally there to fund a Deputy Highway Supt. I don't have a problem keeping this total at this amount for the time being, but remove dollar amount from Highway request for the same position, which is item 5010-101 on same page 5. for \$13,000.

13. Pg 5 5010-201, Assume this is for a pick-up truck. Not sure I understand what 5010-200 is for \$2,500 when there were zero dollars budgeted in 2017 in that code.

14. Pg. 7, 8810-401 Aid to other cemeteries \$10,000. Are we spending all of these dollars each year or can this account be cut back. If the dollars are being used as we intended, I hope we can leave this.

15. Pg 7, 9060-800 Health Insurance. In three years this number just about doubled from \$160K in 2015 to \$300K for 2018. We may not like the idea of reacting to this, but if we were in private business, this would and could not stand. It is time to look at what we are providing and hope we can do so in the upcoming months.

16. Pg. 9, 8010-102, pg. 111 narrative. Deputy Codes Officer went from zero dollars in 2016, to \$15,000 in 2017, to a request of \$20,000 for 2018. I understand the help that we're getting in this area, but consider cutting the dollar amount back to \$15,000, or even less.

17. Pg. 11 2665-000 Sale of Equipment. Not sure if this is where Highway vehicle sales are recorded, but if so, are we getting rid of any equipment if we purchase new items? Do we want to put a dollar amount here?

18. Pg. 11, 3501-000 Chips program. Would like an overview for why this revenue fluctuates as it has done in the numbers as shown.

19. Pg. 11, Approp Fund Balance Highways shows \$657,000, which I understand from the accompanying Fund Balance explanation, includes \$225,000 from the reserve account. I assume the \$225,000 is from the money we have put away for 2016 and 2017 at \$100,000 each year (not sure where the additional \$25K is from). So technically if we subtract the \$225K from the total, that shows we are spending \$432,000 in Highways fund balance, which still seems high to me. Some perspective in this would be helpful.

Plus, for clarity sake to show the difference between unassigned fund balances and the very specified and targeted dollars in the reserve account, would it be appropriate to literally create another line called Appropriated Reserve account on this revenue page? Mixing it in with the already difficult to understand moving target which is the Fund Balance, only confuses things even more.

20. Pg. 12, 5110-402 Fuel. I understand being cautious with something totally out of our control, but it seems that the \$68,250,000 is perhaps much higher than we need to be. We spent \$49,000 in 2015 when fuel prices were significantly higher than currently. And even less last year. I don't hear any rumblings about fuel prices climbing significantly (current blip was hurricane and is already decreasing). Perhaps call Onondaga County Budget office and see what they are thinking. I'd drop it to \$50,000.

21. Pg. 12, 5110-402 and 5112-400 Highways Improvements, \$225,000 and \$595,000 respectively proposed in budget. We've done an incredible job over the past several years and our roads are in much better shape than they have been. Plus, we have learned that regardless of how much money we may have to spend, there is a calendar and weather limit for being able to get to everything we want to do. We spent \$179,000 in Road Maintenance in 2015 and 2016. Keep this number at \$180,000. In Improvements Contract Expenses, we spent \$651,000 in 2015 and \$560,000 in 2016 and we budgeted \$495,000 for 2017 (and am not sure how much of this will actually be spent). Suggest we drop this budget item down to \$500,000.

22. Pg. 12, 5142-402 Salt and Sand. Considering what we have spent in the past, I'd suggest we drop this dollar amount from \$250,000 to \$200,000 the same dollar amount as 2017.

In general, I had a difficult time reconciling the Highways budget narrative sheets with the actual dollar requests in the rolled-up budget. I don't know where the request for highway signs ended up or if it is even included. There is no real order to the narratives in line with the budget codes where the dollar requests ultimately go.

Picking up on the comments I made on the Highways and Parks budget narratives, I thought we had discussed that for this year the narratives would look different in that they would have boxes not just for the requested dollars, but what was budgeted in the current year, what was budgeted in the prior year and what was actually spent in the prior year. That sure would make reviewing these documents much easier.

As far as the new software, Dude Solutions, which I am sure will provide benefits in terms of accounting for work assigned and completed, we ought to discuss if we can actually afford this at this point in time or whether a partial purchase to try it in one department would be wise. I don't worry too much about sale pitches by these companies telling us we have a one time only opportunity to get the best deal. We'll always get the best deal if and when we decide to purchase.

While I didn't include all of the suggestions I outlined above, here is a very rough shot at what might be saved.

Item	Tentative Budget	Mine	Savings
Attorney	78,000	70,000	8,000
Labor Relations	7,500	5,000	2,500
Engineer Aide	27,500	0	27,500
Deputy Supt Hwy	13,000	0	13,000
Rec Pgm Coord	30,000	0	30,000
Rec brochure and wrist bands	8,200	200	8,000
Eliminate: Geese, Wetlands, walkway seal, equip maint, driveway repairs	32,000	8,000	26,000
Little League paving	13,000	0	13,000
Summer Program	19,488	11,000	8,488
Day Camp	8,000	0	8,000
Deputy Codes Officer	20,000	15,000	5,000

Fuel	68,000	50,000	18,000
Road Maint	225,000	180,000	45,000
Road Improvements	595,000	500,000	95,000
Salt and Sand	250,000	200,000	50,000
Total Savings			\$ 357,000