

**TOWN OF CANTON BOARD
SPECIAL MEETING BY ZOOM**

Monday

October 19, 2020

5:30 PM – Public Hearing

5:45 PM – Budget Meeting

Minutes

Present: Supervisor Mary Ann Ashley, Deputy Supervisor Bob Washo, Council members Jim Smith, Tim Danehy and Karin Blackburn

Also, in Attendance: Deputy Town Clerk/Tax Collector and Zoom Moderator Heidi Smith, Supervisor's Confidential Secretary/Bookkeeper Susan Huntley, Historian Linda Casserly, Toby Irven, John Gray from Gray and Gray, Ellis Giacomelli, Andy Hurlbut, Adam Atkins

Absent: Lisa Hammond Town Clerk/Tax Collector

Public Hearing:

Supervisor Mary Ann Ashley opened the Public Hearing at 5:35 PM. Supervisor Ashley read out loud; Notice hereby given that the Town Board of the Town of Canton will hold a Public Hearing and Special Board Meeting on October 19, 2020 at 5:30 PM for the purpose of considering a local law to override the limit on the amount of real property taxes that may be levied by the Town of Canton, County of St. Lawrence pursuant to General Municipal Law 3-c, and to allow the Town of Canton, County of St. Lawrence to adopt a town budget for (a) town purposes, (b) fire protection districts and (c) an other special or improvement district governed by the Town Board for the fiscal year 2021 that requires a real property tax levy in excess of the "tax levy limit" as defined by General Municipal Law 3-d.

Supervisor Ashley presented background information for the public. The town board has been working on the budget. At this time, the proposed budget is within the tax cap. We have not gone over the tax cap. However, the board felt that this is something that we might want to consider and discuss if needed.

Council member Bob Washo added that he believes this is a good tool to have in case the Town were to need it. It is not looking like the Town will have to use it, but it is a necessary step in the process should it need to be employed. Washo sees this as a necessary formality.

Supervisor Ashley opened the meeting up for public comment.

Andy Hurlbut from Canton commented that after seeing this Public Hearing in the paper he was concerned that the Town of Canton is trying to go over the State Property Tax Cap. After listening to the Supervisor and council members input, he now believes that the Town is not trying to do that, but the Town is trying to propose a law that would

allow you to do so in the future if needed. Hurlbut asked is there a reason that the Town would think you would ever have to go over the property tax cap and why?

Council member Bob Washo replied it is a year to year approval, if this is adopted by the board it is only good for this fiscal year and it would expire. If the Town did not use it, then the town would need to rescind the law. This is a step that the State requires in case the Town were to need to use it. Washo stated again that he does not anticipate that the Town will need to use it. It would be there as an option if it were needed to be employed. A reason it might need to be used this year or in the future years is because it is an unknown about revenues from the State or elsewhere. Washo also added it is not his goal to raise the property taxes over the tax cap, but it is a tool.

Hurlbut added that as a taxpayer there are a lot of fixed income people. For example, I have a farm and I cannot change the way things are right now, so to raise our property taxes would be devastating to us and not something he is looking forward to. Hurlbut would like to recommend that the board, supervisor and elected officials do everything in their power to try and do their best in trying to find creative ways to make sure the budget is met without going over the tax cap.

Council member Tim Danehy added that the board is not planning to override the tax cap, but it would be remiss to not have this tool available in case it is needed. There is another month or so to pass the budget, it would just be nice to have this tool. Again, there is no intention of the proposed budget to override the tax cap.

Supervisor Ashley added that she concurs with her fellow council members that the Town doesn't anticipate utilizing the tax cap but it is a good exercise that the Town should do every year in case there is a need for it.

Toby Irven of Canton asked, would it be something in the middle of the year if there was some sort of erosion of State funding that this law could allow you to go back and review the budget and propose changes at that time mid-year?

Supervisor Ashley replied she does not believe you can pass this law midstream. This is a process when towns are building their budgets, there is a certain timeline that we follow. The board could amend the budget midstream, but we would have to find the revenue to do so.

Council member Bob Washo added, amending the budget would be taking the money out of the fund balance to come up with any short falls or bonding or some sort of lending option. Once the budge is approved, if the Town approves to pass the law tonight the Town would also have to pass a subsequent law to rescind it once the budget is passed if we didn't use it. This is not something we can hold onto as a wild card for the fiscal year. Once the budget is adopted the law goes away and we deal with the budget that has been adopted.

Irven thanked the board for the clarification.

No further public comments.

Supervisor Ashley closed the Public Hearing at 5:46 PM.

Supervisor Ashley stated there are two options (1) add it to the agenda tonight and take action as to whether we want to pass this law or (2) add it to the next public meeting as an agenda item. The board agrees to have this added to tonight's agenda after discussion on the budget.

A. Call meeting to order:

Supervisor Ashley called Budget Meeting to order at 5:49 PM.

B. 2021 Budget Discussion

Supervisor Ashley read out loud; the highway committee would like to make the following budget recommendations in the "A" account. Remove the \$10,000 sales tax revenue and utilized increase tax revenue within the "A" account. We can raise the rate by three cents from \$2.75 to \$2.78. The next recommendation is the "DB" account, increase sales tax revenue by \$77,000 over the proposed amount, \$52,000 to make up for the shortfall and another \$25,000 in contingency for the Main Street Grant obligation seed money. Under the sales tax the 2020 approved budget was \$831,566 the anticipated revenue for 2020 based on money in hand and recent additional county data that is \$900,000 and then the proposed budget revenue for 2021 would be \$758,000. The highway committee proposes increasing sales tax revenue to \$830,000 on par with last year, but under the 2020 anticipated revenues.

Council member Bob Washo added that typically we set that income based on the previous years. The recommendation is still at \$832,000 which is considerably lower than what we expect for sales tax.

Supervisor Ashley mentioned that from the last session the Supervisor was directed to cut that down to 10%.

Supervisor Ashley replied to a question asked from last budget meeting asked by Council member Tim Danehy. Danehy had asked what is the maximum amount of levy the Town could go to without going over the tax cap? Supervisor Ashley replied the Town could go up to \$1,084,164 the proposed budget was \$1,066,974 which would be a difference of \$17,190 to work with. If the Town were to take the \$10,000 out of the "A" fund for the sales tax, there would be \$17,190 of spending that the Town could increase within the "A" fund. That is Supervisor Ashley recommendation.

Council member Bob Washo questioned Supervisor Ashley about taking money out of revenue. Supervisor Ashley explained you have to offset, because of the tax cap you need to increase it to the \$1,084,164 that's a difference of \$17,190. We have to decrease the revenue. We are having an increase of \$17,190 so we can put more in the revenue fund. The ultimate goal is to have balanced funds in order to do that with the "A" fund and if the Town wants to raise the levy to the maximum of the tax cap, we would have that additional money. Washo also asked, are we going to take out \$10,000 sales tax that should not be in "A" fund and put it in the "DB" fund? Supervisor Ashley responded correct. Washo also asked, without doing anything else that leaves a \$10,000 shortfall in "A"? Supervisor Ashley responded yes if we keep the budget at the \$1,066,974 that is proposed but if it is raised to the maximum tax cap then it is an additional \$17,190 as far as property tax.

Council member Jim Smith added that if we went from \$2.75, added the three cent to \$2.78 that would generate about \$10,000 that would be the needed amount. Washo also added that it was recommended to go up three cents not to go to the maximum then use the fund balance to balance the "DB" account.

More discussion was held between the board members on if they should increase it by three cents or to increase to the maximum amount.

Council member Tim Danehy thinks the tax cap is fairly restrictive and every little bit that we are under in a year rolls over to the next year and the year after that. In terms of thinking ahead trying to get the revenue we can get now, position ourselves in hopes to not have to raise it next year. Danehy believes the room they have under the tax cap they should utilize.

Supervisor Ashley added more recommendations. With changes that came in from the Retirement System, with an increase of \$4,000 which is an unexpected issue that was not previously calculated. Ashley recommends that we take the \$17,190 we max out the tax cap and we take \$4,000 of that and apply it to retirement and then add the \$2,000 to the Highway Administrative as the highway is in need of some filing cabinets that are fireproof for critical records. Then increase the court contractual by \$1,190 because they always seem to be coming up short as we did not give them their full request.

Council member Bob Washo wanted to reconsider what is going on in the Historians office. Washo would like to see if the board can be creative to figure out a way to keep the Historian Part Time Assistant Position. Rachael has been a valued employee with the Town. Washo believes that so far at this point with the budget we are committed to giving everyone a 1% raise at the same time of letting someone go. Washo believes in keeping jobs.

Historian Linda Casserly added that Rachael has been with the Town of eight years but only three or four years has she been getting paid. Washo asked

Casserly if that was any wiggle room in her contractual where Rachael could be paid out of. Casserly replied yes. Washo believes if the contractual can be used without affecting the overall budget he would be strongly in favor of keeping Rachael on.

Casserly asked Supervisor Mary Ann Ashley about the conference line item and the \$1,000 in it. Supervisor Ashley responded, the Historian contractual is \$3,500 and the staff development line which is used for conferences is \$1,000 for the budget.

Council member Washo added if we can come up with Rachael's half for the Town out of these two lines as a way to supplement the lack of volunteers due to COVID. We would be moving money around within the department, we are not talking about spending anything extra. Supervisor Ashley asked Casserly if she was okay with paying Rachael \$1,000 from the staff development line and \$1,200 from contractual line. Casserly responded yes.

Council member Jim Smith added that he believes even though Casserly offered to give up a raise to keep Rachel he believes that Casserly and Rachael should still receive the 1% raise along with everyone else. Council member Washo agreed with Smith's comment. Council member Karin Blackburn agreed with both Smith and Washo. Council member Tim Danehy also agreed.

Supervisor Mary Ann Ashley stated it sounds like we have a plan with all those action steps.

Council member Tim Danehy commented that Recreation needs to be revisited, if the Town is willing to look at better numbers for sales tax, we need to revisit the 25% cut for Recreation. This is a huge impact on this line item and the impacts are unknown as we are trying to reimagine our recreation model, but if our cut is matched by the Village, that's going to completely decap us in terms of that processes. Danehy would love to tell the board exactly what the impacts of cutting recreation would be but he can't because we don't know what our new model is going to be. Danehy is not going to sit and let Recreation get cut down to \$100,000 we need to revisit it and if that means we go into fund balance to do that. The fund balance is there for a rainy day and it's pretty cloudy right now. Danehy is hoping the board can talk about it and find the number where we can have a little bit more comfort than going all the way down to \$100,000.

Council member Karin Blackburn added we need to be prepared that when there is a plan in place may it be if we decide to hire a new Recreation Director or not we need to be prepared for the new model and have the money in that line item to do so.

Supervisor Ashley asks is this the recommendation of the committee to have it all put back in. Danehy responded that the recommendation is to have a discussion as the board and find a number of where we are comfortable.

Council member Jim Smith asked what the new number would be. Danehy responded that going from \$132,000 to \$120,000 would be about a 10% cut which isn't that significant but it is a lot less painful then going down to \$100,000 especially if the Village decides they are going to match our cut instead of trying to stay the same or even make up the revenue shortfall. Supervisor Ashley added she wishes they would have had a joint meeting that was requested but it did go to committee and there is no written agreement so when we budget something for Recreation we are committed to that amount.

Supervisor Ashley states, would it make sense to put an amount in a contingency line based upon input from the committee and then if the money is needed, we can certainly use that.

Council member Jim Smith commented that, that was also going to be his recommendation because of the unknown. Smith added if we take \$20,000 and put it in contingency account in "B" and balance that with fund balance to make it balance. It would be there and if there is a direction for Recreation and we find that money is necessary as a board we can agree to transfer that money into Recreation but if not we will just return it to fund balance were we took it from. Council member Bob Washo agrees. Washo believes if we keep it at the \$100,000 and put \$32,000 in contingency similar to how the highway department is putting in \$50,000 into contingency with similar reasoning.

Supervisor Ashely questioned council member Smith and Washo as both throughout two different number for the contingency line one was \$32,000 and the other \$20,000. Washo thinks they should leave the \$100,000 and put the \$32,000 and change in contingency to put it back where it started. Council member Danehy added the committee would be happy with that decision as there are so many things on the table with Recreation and the committee thinks they can come up with new ways of doing things but they just need time to let things play out. This strategy gives the committee the flexibility to that and at some point they may come to the board with something that may be worthwhile for our tax payers resources, if not they will go back to the drawing board. Washo added that as a new model is being talked about and it is truly a joint Rec effort maybe keeping more money in a contingency line year to year is the best way to go because then it would give the Town more oversight as to how the money is being spent instead of paying a bill without knowing where is money is going.

Council member Jim Smith agrees with putting the \$32,000 in a contingency line. Smith added he won't vote to transfer any money out of that contingency until he can see what the new model for Recreation is going to be. Smith agreeing to put money into a contingency line is not to just put it in there because we need it to

fund recreation. He is putting it in there with the idea in mind that from today forward, in the near future hopefully by April we have come up with a plan on how to provide recreation to the Town and Village of Canton.

Council member Karin Blackburn added that the committee would not ask the Town for any money towards Recreation without having a plan in place. It is a delicate situation right now and the committee does not want to rush into making any decisions and as a committee we are going to try and do it in the most cost-effective way.

Smith added that because it is a public hearing he wants to make sure the community understands that the idea is not that Recreation will be funded 100% but the idea is that there will be some extra funding in a contingency line should the new model when we come up with it need it for funding, we would have it.

Supervisor Mary Ann Ashley added that we have \$132,201 and what I am hearing is that we would take \$32,201 and put it in a contingency line item under Park and Recreation and take it out of fund balance.

Council member Washo replied, not under Park and Recreation just under contingency in the account not under any other heading. Ashley asking where in "B" would you like this? Washo replied can't it just go under general? Council member Smith added that every account should be able to have a contingency account, we just have never had one in "B" because we always funded "B" with sales tax. Smith asked why can't we create a line with an account number?

Supervisor Ashley clarified that in this year's budget we do have a contingency account of \$71,500 which was proposed to put that at zero and then put the \$32,201 in that line item. It would not be under Park and Recreation it would be under "B" 1900-1990. Council members Washo and Smith agree that is okay.

Council member Tim Danehy asked the question, when did we get rid of the \$71,500. Ashley replied it was in the proposed budget to put it at zero. Danehy asked, is this contingency line item specific to Parks and Recreation or is it just added to a general line? Washo agrees with Smith that it should be a general contingency account. Supervisor Ashley also agrees. Council member Blackburn asked why it matters if it goes into Parks and Recreation? Washo explained that it might be a little bit more difficult to move money around when it is allocated more specifically. Blackburn asked, do you think the \$32,000 will be needed elsewhere. Washo answered if Recreation does not need it, it could go back into fund balance. Keeping it in a general contingency line would keep it flexible.

Supervisor Ashley added that she would like a shared agreement with the Village for Recreation. It shows the expectations about who is paying what, it would outline shared decision making. Ashley asked the committee to future discuss that recommendation.

Supervisors Confidential Secretary/Bookkeeper Susan Huntley added with the Village cutting their contribution because we are cutting ours, how is that going to look with the money not being put in Parks and Recreation? Does that mean they are still going to cut theirs as well? Council member Smith responded that the Village could do the same thing as the Town.

Susan also added in terms of sales tax revenue it was put it was \$800,320 but the actual sales tax allocation has to be \$800,350 in order to have a balanced budget for "DB".

Council member Tim Danehy added that he is good with making a contingency line with the \$32,201 with the idea that its earmarked for Recreation if it is needed. Danehy also added this is bigger than the committee. We need the involvement of our boards and the community to come up with a new model for Recreation that everyone is comfortable with. Council member Karin Blackburn agrees with Tim and is okay with the plan in place.

Council member Bob Washo asked instead of using fund balance for "B" to make up the \$32,000 in contingency, do we want to increase sales tax revenue to make up the contingency if we get it? Then at the end of the year go into fund balance if there was a need to spend it. There is some room in anticipated sales tax revenue.

Supervisor Mary Ann Ashley's position is that we take it out of fund balance because we don't know what the sales tax revenue for 2021 is going to be and I would rather have it in there and show that its coming out of fund balance.

Supervisor Ashley stated a decision needs to be made. Do we want to take it out of fund balance, or we want to increase sales tax in the budget? Council members Danehy and Smith agree to increase the sales tax. Supervisor Ashley stated it sounds like we will increase the sales tax and put that in a contingency account and go from there. Changes will be made and then a preliminary budget will hopefully be posted Wednesday with a Public Hearing the follow Thursday.

C. Consider passing the local law to override tax levy

Motion to approve the Town of Canton overriding the tax cap by Council member Jim Smith, seconded by Council member Bob Washo. All in favor. Motion carries.

Council member Smith wanted to add that at the end of this discussion right now and the numbers play out they way we want them to we are not exceeding the tax cap unless we hear something devastating in the next two weeks when we have the Public Hearing and we will be fine and rescinding this motion.

Supervisor Mary Ann Ashley reminded everyone that once we get the Preliminary Budget done, it will be posted and sent to the board. The public will be able to view it. We have already set a Public Hearing on Thursday, October 29, 2020 at 6:00 PM via zoom.

- D. **Executive Session:** Upon a majority vote upon a motion that identifies the subject to be considered, the Council will conduct an executive session to discuss any of the issues identified as proper by Public Officers Law 105(1).

6:37 PM Council member Bob Washo made a motion to go into Executive Session for the purpose of matters pertaining to a particular person, seconded by Council member Karin Blackburn. All voted in favor. Motion carries.

7:30 PM Council member Bob Washo made a motion to come out of Executive Session, seconded by Council member Karin Blackburn. All in favor. Motion carries.

7:30 PM Council member Bob Washo made a motion to adjourn the meeting, seconded by Council member Karin Blackburn. All in favor. Motion carries.

Respectfully Submitted,

Heidi L Smith, Deputy Town Clerk/Tax Collector