

THE RUSHVILLE VILLAGE BUDGET WORKSHOP

March 21, 2024

DATE: 3/21/24

TIME: 4:00 pm

PLACE: The Rushville Village Hall

PRESENT: Mayor Dave LeClair, Deputy Mayor Chandra Gilman, Trustee Cheryl Hilton-Vadner, Trustee Doug Rigby, Clerk Jeannie Kesel, DPW Supervisor Art Rilands, Temporary DPW Supervisor Neal Curtis and Trustee Karen Gorton, via phone.

Other Residents in attendance: Jamie Landcastle

Special Guest - Tina DeNigro, Accountant/CEO from Local Government Support Services LLC

The Mayor called the Budget Workshop to order at 4:02 pm

BUDGET OVERVIEW

Tina DeNigro said that her company has been working with the Village for 9 years. They specialize in detailed accounting work. They are not auditors. They have spun off from EFPR. They serve approximately 34 municipalities.

The Mayor asked Tina to review the village's appropriated fund balances. Appropriated fund balance is used to help balance your budget and to help keep tax rates down. Tina said that the Village has limited sources of revenue, i.e. Village taxes and water and sewer revenue. The conservative approach to budgeting is to underestimate your revenues and overestimate your expenses. Then in the end, revenues exceed expenses. When you use appropriated funds; it is a place holder. When the Village has been closing out the books for each year, all the appropriated funds that were budgeted have not been needed. Therefore, those excess funds are put back into the fund balance. If funds are needed to close out the fiscal year, then appropriated funds are used. The only other alternative is to raise property taxes. Tina did mention that the Village has stayed under the 2% tax cap for years. Tina implored the Board to be visionaries for the future of the Village. She suggested that the Village put a fund balance policy in place. That sets a solid plan for future Village Boards. The state's position is that you have 25% of your budget set aside in fund balance. The state is all about transparency. The Village's fund balance policy solidifies the balances in all the different fund balances. Tina mentioned that the Cemetery has a very healthy fund balance of \$780,000, much of which is restricted from being spent, other than interest earned on investments. There was general discussion on whether to approach the Attorney General regarding disbursing some of these funds with a specific purpose for the Village. This conversation would have to be at a future meeting. The General and Cemetery have strong fund balances. The water fund is 23% of our projected budget. The sewer is at 50%. Tina reminded the Board that the water and sewer funds must be self-sustaining. Whatever the Village expends for water and sewer it must be covered by the water and sewer rates that the Village collects. Art Rilands asked if there was an emergency, could either fund borrow from the General. Tina says that the state allows a loan, but it must be paid back within one year. The Mayor suggested that a water rate study be done like the one Bernard Donegan's office did for the sewer that projected rate increases and fund balances through 2028.

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BACKHOE

There was general discussion regarding paying off the backhoe and which departments to charge the expense against. Tina suggested that the Village expense the backhoe through the General Fund and Cemetery because these accounts have the strongest cash fund balance. Jeannie asked if the prior journal entries which spread the principal payment over the four accounts should be reversed. Tina said yes because this shows transparency. The Board discussed paying for the backhoe with General and Cemetery funds. Trustee Karen Gorton asked how much interest was earned for the Cemetery Fund through NYCLASS. Jeannie said \$24,000 through December 31, 2023. Tina suggested that the Village Board assess what the backhoe is used for and appropriate the expense accordingly. The conversation continued as to whether it would be financially prudent to pay off the backhoe because there is money in Fund Balance and save the interest that would be paid over a 4-year term. The Mayor suggested that \$24,000 come out of the cemetery account. This will be finalized at the March 28, 2024 Tentative Budget Meeting.

GENERAL COMMENTS

There was general discussion that water rates will have to be raised after completion of the Water Treatment Plant Upgrade. Art Rilands said the engineer suggested that once the upgrade is completed, the cost to each homeowner would be around \$18.00/year. There was discussion whether a water rate study could be wrapped into this project. The Mayor commented that the sewer fund is up a little compared to last year.

A motion to adjourn was made by Trustee Cheryl Hilton-Vadner. A 2nd was received from Trustee Doug Rigby. The motion was unanimously passed. The meeting was adjourned at 5:28pm.

Respectfully submitted,

Jeannie Kesel, Clerk/Treasurer

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