

**TOWN OF KIRKWOOD
PUBLIC HEARING**

October 25, 2011

A public hearing regarding the preliminary budget of the Town of Kirkwood for the fiscal year beginning January 1, 2012 including general town funds, highway funds, fire protection funds, and light district funds was held on October 25, 2011 at 6:00 PM at the Joseph A. Griffin Town Hall with Supervisor Gordon Kniffen presiding.

Present: Supervisor Gordon Kniffen
Councilman Robert Weingartner
Councilman Lewis Grubham
Councilwoman Linda Yonchuk
Councilman William Diffendorf, Jr.

Also Present: Herbert Kline, Town Attorney
Gayle Diffendorf, Town Clerk
Raymond Coolbaugh, Commissioner of Public Works

Supervisor Kniffen verified that he had affidavits of posting and publication in the Press & Sun Bulletin and The Country Courier. Supervisor Kniffen provided in-depth commentary during a slide presentation regarding the proposed 2012 budget, a copy of which is on file in the Town Clerk's Office as part of this public hearing. He thanked Jim Smith, Kirkwood's Budget Officer for his hard work, as well as the contributions from Ray Coolbaugh and the entire Town Board.

During his presentation Supervisor Kniffen explained the changes for 2012, noting that spending is up about \$18,000 in the general fund, highway is up about \$8,000, fire is up about \$5,000 and the light districts are basically the same. The tax rate will increase about 12¢ per thousand. Based on a typical \$75,000 home the increase for 2012 will be \$9.15 or 2.8%.

Ed Egan questioned how the recent flooding will affect the budget, considering a number of homes were lost. Supervisor Kniffen said that it is unknown at this time. He noted in 2006 there was a buyout program of about 24 homes for which FEMA covered 75% and the State covered the other 25%. Although not official yet, information is that there will be a buyout this year with FEMA picking up 75%, but it looks like the municipality or the homeowner will have to pick up the other 25%. There is also a problem as to which flood maps will be used since they were redone following the 2006 flood but have not as yet been adopted. There is also a question as to how many homes in Kirkwood were actually destroyed or heavily damaged. At this point the impact on the budget cannot be determined.

The great effort of the fire departments in working on the budget resulted in only a \$4,000 increase. The savings in the highway budget of \$48,736 is also the result of super effort by sharing equipment, fuel savings as well as savings resulting from arrangements with the BC Landfill.

Supervisor Kniffen explained that there is now a Tax Cap Law in affect, which is based on 2% or inflation, whichever is lower and the Town's 2012 budget meets this goal. Although the increase is actually about 3%, it includes a couple of allowable exemptions. A credit is received if the tax base goes down as well as a credit for the pension plan.

Councilwoman Yonchuk explained that the Town Board worked very hard to meet the tax cap goal and noted there are a number of municipalities in the area that took the option of overriding the 2% cap by a majority vote to do so.

Supervisor Kniffen reviewed and compared the history of tax rates. The actual rate increase was always less than what was projected. The rates were controlled by ongoing cost awareness, continued organizational changes, most specifically in the Code and Engineering Departments, the Board taking no salary increase in 10 years, increased court revenues, as well as employee sacrifices. Due to the tax cap, sacrifices had to be made at times with the loss of services.

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In a review of past spending, Supervisor Kniffen explained that from 1999 through 2011 in general fund the average increase in spending was .5%, highway was 3.5% and fire was 4+%. In 2012 general fund spending will increase 1.1%, highway .9% and fire 1%. The Board has worked very hard to have no large increase in any given year.

According to Supervisor Kniffen the Town Board felt it was very important to meet the 2% tax cap the first year but there is no way to know if the cap can be met every year due to unexpected health insurance costs, pension adjustments, nature, etc., but they do feel it is a healthy challenge. The Board is dedicated to cost awareness, attention to detail, planning and looking to the future to minimize the negative impact.

Following his presentation Supervisor Kniffen opened the hearing to public comment.

In response to Ed Egan, it was noted that the Town still has to contribute to election costs.

Hearing no additional comments, Supervisor Kniffen ordered the hearing closed at 6:27 PM.

Respectfully submitted,

Gayle M. Diffendorf
Town Clerk