

**Town of Westerlo  
Special Town Board Meeting  
Purpose to discuss financial planning regarding potential 2020 budget deficits due to COVID-19  
Pandemic/Health Insurance opt-out  
of  
Thursday, June 11, 2020**

The Town of Westerlo Town Board held a Special Town Board Meeting on Thursday, June 11, 2020 at 7 PM (continuation from June 4, 2020 Special Town Board meeting) at Richard H. Rapp Municipal Bldg. located at 933 CR 401 Westerlo, NY. Via Zoom ID # 94098054415. Supervisor Bichteman opened the meeting with the Pledge of Allegiance to the Flag.

Attending were: Supervisor William Bichteman Jr.  
Councilman Joseph J. Boone  
Councilwoman Amie L. Burnside  
Councilman Richard Filkins  
Councilman Matthew Kryzak

Also attending: Town Clerk Kathleen Spinnato and in addition approximately twenty-one attendees via Zoom.

**FINANCIAL PLANNING- BUDGET DEFICIT 2020 & HEALTH INSURANCE OPT-OUT**

Supervisor Bichteman read aloud his letter to the Town Board regarding predictions in budget shortfalls for the town in 2020 & 2021 that may result in a reduction in sales tax revenue caused by the COVID-19 pandemic. He suggested making cuts to staffing for several departments and increasing employee health insurance contributions rates as a means to lessen the fiscal deficit for the town. (see attached)

Councilman Kryzak mentioned that the data provided by Albany County is the best most accurate data the town has. There is no other choice than to make the town fiscally sound. If no action is taken the town will be out of money by November. The only fair solution is layoffs. He referenced a document he had taken off of the State Comptroller's website which basically looks at every county in NY state. Albany County is the worst effected county as far as sales tax revenue. NYC had a 23.1% decline in sales tax revenue for the month of April, we held steady at 32.3% decline. The situation in Albany County is pretty bad in comparison.

Supervisor Bichteman mentioned that Councilpersons Burnside and Filkins had previously put together several pages of suggestions of potential cuts but there would still be a shortfall. He investigated health insurance contributions made by other towns, no two are the same. Some are free and some pay a percentage. In his conversation with another Supervisor, the insurance opt-out cost is so cheap for the employee and spouse it doesn't pay but in the long run this may be an option.

Councilwoman Burnside mentioned that she had spoken to another town who had spoken with County Executive Dan McCoy's office on June 9<sup>th</sup>. He was advised the second quarter (sales tax) was 30%, third quarter would be seasonal and 4<sup>th</sup> quarter would be pretty much back to order. She was not in favor of layoffs. Councilman Kryzak mentioned the hope is all would be back to order but nobody knows for certain. Discussion followed regarding the sales tax revenue payments for the next three quarters and the impact it would have upon the town in the years 2020 & 2021, if a decline continues.

Supervisor Bichteman reported the figures he provided to the Board for the Highway Department do not include the individuals that work at the Transfer Station, Park or for Building Repair. The figures were only for the highway crew. When you do the analysis of the employees involved, \$24,000 per mile of road is an outrageous amount of money. Of what it costs per person for the 27% of the population the highway department serves we are spending 40% of the town's budget. He indicated the town highway department has too many people and mentioned it was unfortunate and nobody wants to see anyone unemployed; it is strictly a business decision and he could not justify the need to keep two people.

Councilman Kryzak mentioned that after reviewing the numbers and the information from the county, even with all the cuts, the town will still be short. Discussion followed regarding whether or not the county could reduce or eliminate sales tax revenue to the towns.

Councilwoman Burnside indicated the Town is administratively heavy. She indicated the Town Clerk's staff budget is \$90,000 and \$72,374 just for the Supervisor's two assistants. She indicated people would notice roads were not plowed over the late filing of a report. She couldn't cut a highway guy if there were no cuts made to Supervisor's office. Supervisor Bichteman asked where he could cut in the Supervisor's office, Councilwoman Burnside responded his part-time assistant for \$22,000. Supervisor Bichteman advised the Town no longer has an Assessor's Clerk and expressed a need for a Clerk in the Code Enforcement office. He mentioned she works 20 hrs. a week.

The Town Board heard public comment from a resident (zoom attendee) regarding shared services and administrative concerns. She believed the administration is heavy in the Town Hall. She also believed it was wrong and unfair that the full-time supervisor clerk who has only been here for 6 months makes almost as much as the Town Clerk who has been there for many years.

Councilman Kryzak further commented on the present and end of year fiscal situation.

A resident (zoom attendee) commented that if the Board is looking to the future and preparing for the years to come and making permanent solutions, she believed they should factor in what the highway department actually does and how much money is actually spent. She continued, if she were a highway employee she would be on the phone with union representatives for protection. She indicated that if the highway department were to go union, the town will be paying them far more and they will be doing only a fraction of the work. She mentioned, right now the highway department does a lot of things to save the town money such as the renovation to the highway garage. She would bet there is no job description with the union that says they set trusses. Councilman Kryzak recommended that the highway department does get a collective bargaining agreement with the Operating Engineers. The highway dept would be in a better situation but the Town Board would not.

When asked for his opinion, Councilman Filkins indicated he agreed with Councilman Kryzak that everything is a guessing game right now with the numbers. You don't know what will happen when the State reopens, it could be a bonus or a bust but he didn't want to lay off anyone. He would like to wait two months to see what happens until after the Town gets the second quarter sales tax revenue numbers. He realized the second quarter numbers will be down, but he believed that after the town receives the second quarter numbers the Board will have a better idea of what the third quarter may look like. He is hopeful there will be an increase as businesses start to reopen.

Councilman Kryzak indicated that based upon a prior comment made by a resident it may be better to layoff now as the employees may be entitled to the additional \$600 per week in unemployment. He was

uncertain how long it was available but thought through July 31<sup>st</sup>. If the Board waits another two months to lay off, those individuals may not be able to collect the extra \$600 in unemployment benefits, which is money out of their pockets. Either way it's terrible.

A resident asked what will happen with overtime for the Highway Department if it's a bad winter; indicating overtime alone could help save someone's job. She indicated the Board should look where they can lose people and where they should keep people. She indicated the full-time Deputy Town Clerk's hours were proposed to be cut to part time and she deals with the public which is a loss of services to the town.

A resident believed cuts made to the Highway Department is just a gateway to shared services.

Councilman Kryzak responded no matter what happens someone in the town gets hurt. Whether an employee of the town or our senior citizens can't afford to live here.

Supervisor Bichteman asked Councilman Boone for his opinion. Councilman Boone thanked the Supervisor for drafting the letter presented tonight. He also thanked Matt, Amy and Rich for their input. When Bill first brought this to light the remaining four Board members dug their heels into the sand. We did not like the idea of having to lay people off. As more information was presented and explained everyone in this room has spent the last several weeks pouring over this information to come up with any idea that would help salvage any kind of money to save where we can. It has been brought up that some of these suggestions may prove to become beneficial long term it's become clear to him that these smaller little savings may apply a short-term fix but long term are not sustainable. All the things we can scale back on will have a negative impact and will more than likely have to be reintroduced in next year's budget. The Highway Department will still need aggregate or culvert pipe in the future. It would be more of a slap in the face to strip the benefits, not just health care and compensation but laundering of uniforms and boot allowance. We have all heard the comments that we have one of the best highway crews, we all realize that. We have to go by the information given and put our personal emotions aside. I have come to realize that my job is to do the work that will benefit the whole of the town. Unless something drastically changes and we are blessed with an influx of revenue that no one has seen or can predict, cuts have to be made. There may be additional cuts that have to be made to staff positions here. We would not be doing our duty to see if there is any room for reduction but it will not close the gap. All the cuts do add up, but it's not substantial enough. Going forward for the betterment of the town I must do what will benefit the town as a whole. In order to move forward a decision has to be made and it will be difficult.

Supervisor Bichteman suggested that this is the point in time in which reflection is required. There are some things that were suggested such as staffing changes which the Board can take a look at in the future. He suggested tabling the topic for the next Town Board meeting.

Supervisor Bichteman read questions/comments posed by zoom attendee:

Q. This has dragged on for 4 weeks now. I think it's time to make a vote and give the highway guys an answer and not push this out any farther. Councilman Kryzak agreed. If they can receive something extra by collecting unemployment that might allow those people to get by until they can get other employment. It's an extra \$400 -\$600.

Supervisor Bichteman it's not that cut and dry there has to be a procedure as to who those persons would be. Several people have expressed an interest to be the first out the door if that is an option.

We have to trust the Highway Supervisor to make those choices. We can authorize him to make those choices.

Councilman Kryzak we are going to revisit the Supervisor's staff as well. If we are cutting Highway Dept. employees, he believed cuts should be made elsewhere. He indicated he owes it to the taxpayers to not force people out of town with high taxes.

A zoom attendee asked that the Town Board not look at the proposed Highway Dept layoffs as two people but instead as services to the Town. After speaking with a few of the highway employees, he advised that the snow plow routes take about 3hrs each and if you take away two guys you are adding one to two hours on to each route. He asked if everyone is willing to only see a truck plow every 5 hours? He then asked them to consider the Fire Dept, Ambulance, medical services and the two school districts that need clear roadways when making their decision.

Councilwoman Burnside mentioned this is all hypothetical at this point. Councilman Kryzak advised the there are going to be sacrifices, it's not going to be pretty

A zoom attendee mentioned that several employees were off during COVID however were still being paid. Councilman Kryzak mentioned in hind sight that was a poor decision when it comes to financial sense. The resident agreed, indicating another poor decision is being made to cut employees which would only be a savings for the rest of the year of about \$50,000. He asked if people were willing to risk the safety of their kids and family and the health of the elderly in the town over a \$50,000 savings. He believed people would prefer an increase in their tax bill. Councilman Boone indicated there have been many comments at past meetings that any increase for most seniors or individuals on fixed incomes would be devastating. Councilman Kryzak mentioned he recently went through some numbers based upon a \$ 2,000 property tax bill. A 12% increase would be an extra \$20 per month, a 15% increase would be an extra \$25 per month, a 20 % increase would be an extra \$33 per month, a 30 % increase would be an extra \$50 per month, so an individual would be up to \$2,600 a year for property tax. If the projections are right; it would require a 40 % tax increase if you do nothing. An extra \$66 per month for someone on a fixed income, increasing the property tax bill to \$2,800 per year. That's just the property taxes, not to mention the school taxes, that would force a lot of people out of the town.

A zoom attendee mentioned that only a fraction of people attend meetings and that many people don't have internet access to join via zoom, therefore he suggested holding meetings in the park to get more input from the public. Councilman Kryzak agreed.

A resident mentioned she contacted NYS regarding how layoffs should be handled and was told due to decreased sales tax revenue it was better to layoff now as opposed to waiting. She also mentioned blight properties in the Town of Westerlo which have been taken over by Albany Co. Landbank. Councilman Kryzak there is a fund balance that can't be depleted. Public comment continued. Councilman Kryzak mentioned breaking down the \$3,074,000 budget, the town has roughly \$250,000 a month to run the town. If there is a deficit of \$290,000 potentially that means we can't pay in December and a portion of November. He believed that Mr. Bichteman was conservative with his estimated deficit figures and it may be more. A news press conference tomorrow may shed more light on the subject. The data is in, it just hasn't been announced yet.

Councilman Kryzak mentioned if the Town Board does nothing, they may be looking at a potential 40% property tax increase which is astronomical. I don't think anyone would want to live here with a 40%

tax increase. He believed he was elected for being fiscally responsible and mentioned he is relatively conservative and good at finances and business. The numbers are what they are and we cannot throw a 40% tax increase on the public. I don't want to lay anyone off, but I also don't want to force the rest of the tax base onto this town. I just want to do what's fair to the taxpayer, the taxpayers elected us to sit in these chairs. Basically, I'm saying if the Town Board does nothing, we are looking at forcing a majority of the people out of this town. You will see a lot more people leaving New York State.

Supervisor Bichteman advised if the Town Board agrees he suggests that they divide the budget discussion into three parts:

1. Town Employee /Highway Department layoffs
2. Employee contributions to Health Care
3. Staffing requirements to Town Hall

He indicated, this way we can relieve the stress for the Highway guys and vote on that tonight. We can table the other two items or we can vote on them all tonight. Councilwoman Burnside indicated other members may want to vote tonight but she would like to wait until Tuesday.

A zoom attendee indicated it was very difficult to hear and suggested that the Town Board come up with an alternate solution for meetings such as the Town Park. Supervisor Bichteman mentioned according to information he has inquired about for alternate meeting sites; other than having a closed meeting here and a zoom meeting would require something that is in public in an open space. Discussion continued regarding sanitation, social distancing requirements and PA/microphone systems. The Town Clerk mentioned that the ad for next Tuesday's meeting had already been sent to the Altamont Enterprise for holding the meeting at the Town Hall however Supervisor Bichteman advised that the Town Attorney indicated the Town Board could change the location by calling an Emergency meeting.

#### **HIGHWAY DEPARTMENT STAFFING CUTS DUE TO PROPOSED BUDGET DEFECITS**

Supervisor Bichteman asked if the Town Board is prepared to vote. Councilman Kryzak indicated yes on the Highway Department. Those employees would receive up to an extra \$600 in unemployment which doesn't make it any better gives them more in their pockets. He asked if the motion would be to allow Highway Superintendent Jody Ostrander the sole discretion to cut two positions from the Highway Dept. Mr. Bichteman advised that Jody is bound by seniority rules, unless it's voluntary.

Councilman Kryzak made a motion to adopt the following resolution:

**WHEREAS:** The Town Board has recommended cuts to the Highway Dept due to the potential of a budget shortfall caused by the COVID-19 pandemic and the estimated predictions for a decline in sales tax revenue for Town of Westerlo over the next three quarters of 2020, be it hereby  
**RESOLVED:** the Town Board allow the Highway Superintendent Jody Ostrander to cut two full time employee positions from his dept., whether it be voluntary or at his discretion, based upon seniority.

Supervisor Bichteman seconded the motion, a vote resulted as follows:

AYES: Councilman Kryzak, Supervisor Bichteman and Councilman Boone

NAYS: Councilman Filkins and Councilwoman Burnside

**RESOLUTION #38-2020 was thereby duly adopted.**

Supervisor Bichteman then asked the Town Board if they wanted to vote on Health Insurance tonight or table until next week. Councilman Kryzak indicated he would like that tabled for another time to figure out what is fair to those folks. How much we can ask them to give up since we have already made them work harder with longer hours and short staff to try to keep everything we can for those employees.

Supervisor Bichteman indicated he did not believe the Town could afford to continue to pay the majority of the health insurance. Councilman Kryzak mentioned if the Board does move forward and we decide to ask these folks to not take our health insurance, we need to put more money in their paycheck. Supervisor Bichteman well that's what I'm saying but it's a separate plan proposed for insurance contribution effective now. Same thing for the proposed staffing cuts to the Town Hall we will do that next week as well.

Resident and former Town Councilman Anthony Sherman thanked and commended the Town Board for making a fiscally sound decision.

#### **TOWN CLERK RETIREMENT**

Supervisor Bichteman announced that Town Clerk Kathleen Spinnato would like to say a few words. The Town Clerk read aloud her letter presented to the Town Board announcing her retirement effective 6/21/2020. She also read another letter which included some facts regarding her employment history also as the Tax Collector, Registrar of Vital Statistics, FOIL Officer and Notary Public. She explained to the Town Board that she hadn't taken an insurance benefit from the town until this year which resulted in a savings to the town of tens of thousands of dollars over the previous two terms (eight years). She also had not received any benefits or was she compensated for time off when she served as a prior Deputy Town Clerk. She expressed the fact that she was very disappointed with the furlough of her part-time Deputy Clerk, Gertrude Smith. She received notification of this in the form of an email from the Supervisor's office on 5/20/20 the day after the 5/19/20 Town Board meeting. Apparently, the Town Board was unaware this had occurred as well. She thanked Trudy for her dedication, devotion and service to the Town of Westerlo. She also recognized and thanked former employees Patricia Boice and Claire Marshall for their dedication and service to the Town of Westerlo. It has been proposed by the Supervisor and the Town Board that the position of Deputy Town Clerk be reduced from a full-time position with benefits to a part-time position with no benefits. Although the Town Clerk's office could function it will not be at a level that I can devote the extra time that will be required/necessary or will be of the quality that the residents have come to expect of this office. The Town Board will need to consider an appointment to the position of Town Clerk. She believed Deputy Town Clerk Karla Weaver is by far the logical choice based upon her qualifications. Karla is not only an asset to the Town Clerk's office but also to the Town in general. Her work is exemplary, she is honest, hard working to the core, dedicated and most importantly has the knowledge to run the office on a daily basis. She thanked Karla. She also advised the Town Board of the upcoming Primary Election on June 23, 2020 and that the building would have to be opened for access for election inspectors that morning and closure that evening in her departure.

Zoom attendees and members of the Town Board thanked Kathleen Spinnato for her service to the Town and that she has done a magnificent job in her position as Town Clerk.

There being no further business Councilman Filkins made a motion to adjourn, Supervisor Bichteman seconded, motion carried all in favor. The meeting adjourned at approximately 8:37 PM.

Sincerely,

Kathleen Spinnato Town Clerk

## TOWN OF WESTERLO

P.O. Box 148  
Westerlo, N.Y. 12193  
Phone: 518-797-3111

**Supervisor**  
William F. Bichteman, Jr.

**Deputy Supervisor**  
Joseph Boone

**Town Board Members**  
Joseph Boone  
Amie Burnside  
Richard Filkins  
Matthew Kryzak



**Superintendent of Highways**  
Jody Ostrander

**Code Enforcement Officer**  
Jeffry Pine

**Town Attorney**  
Javid Afzali

**Confidential Administrator**  
Amber Bleau

My fellow Board members,

Commencing May 28<sup>th</sup> and continuing I have shared with you what I perceived as a serious issue that threatened the financial stability of the Town; namely the impending budget shortfall caused by the serious reduction in sales tax revenue resulting from the COVID-19 pandemic.

I have identified the revenue shortage to be approximately \$290,000 for the FY 2020 and it is supported by the estimated 30+ % shortage confirmation from the Albany County Office of Budget and Management last week and reinforced again yesterday.

As supervisor, in considering the scope of the problem, I have tried to establish as the priority balancing this year's budget and to alert the Town Board and the public to the disastrous effect the failure to control the 2020 spending will have on the 2021 budget and those budgets to follow. I cannot over emphasize the importance and imperative to balance our spending this year.

My staff and myself have prepared wage and earnings analysis for most every scenario and tabulated all the practical and reasonable cost reduction measures and presented them for consideration. With your suggestions, we investigated several more cost saving measures and together we debated each. Throughout the deliberative process we, as a Board have also considered other options as they were presented. As a group we researched the practicality and debated the merits of each new idea.

Most recently we researched the idea of a medical insurance option to provide a cash incentive for those eligible employees to transfer their insurance coverage to a spouse in return for cash in the paycheck. The "Opt-Out" option is a great idea and could save the Town as much as \$40,000 annually. Unfortunately, with most open enrollment dates occurring in October-November, in all probability the option would not be effective until 2021. Nonetheless, it is a workable idea for 2021 and we can design such a plan.

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As Supervisor, I have a perspective on the Town finances that not only allows me to be uniquely familiar with the budget process and the budget, but necessitates looking forward to ensure the financial future of the Town. Additionally, as part of the fiduciary responsibility as the Town Financial Officer, I am obligated to make recommendations that in my best judgement will provide solutions to the problem the Town is currently experiencing. Recommendations that are fiscally sound and in the best interest of the Town and its residents. It is my judgement that the Town Board should adopt the budget changes referred to as "6/4 savings" which lists the cuts in individual department lines and includes the layoff of 2 highway staff, 1 part time position ( assessor office), 1 part time position (Town Clerk office), 1 full time position to part time (Town Clerk office). It is further recommended that the employee contribution for all hourly employees be increased to 25%.

The Town cannot sustain its commitment to pay all or most of the Health Insurance package indefinitely. The price of medical insurance continues to climb annually. Virtually every employer country wide, requires employees to contribute to their own health care plan and we need to do so as well. The 25% contribution is on par with the current trend and is below the national average. Cost sharing will improve the current budget dilemma almost immediately and will help relieve budget stress in the foreseeable future as well.

The decision to lay off Highway Department employees was not taken into consideration lightly. We as a Board have discussed it and I have had several meetings with the Highway Supervisor to discuss the ramifications. However, as a practical matter a reduction in staff, especially when identifying the corresponding savings in benefits, dictates a reduction as the obvious method to reduce costs. Similarly, the recent furloughs provided a clear picture of essential services and corresponding staffing requirements at Town Hall as well.

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The highway budget appropriation coupled with Highway Supervisor compensation comprise 40.47% of the towns budget and serves approximately 26% of the Town's population. The Town maintains a little over 51 centerline miles for a whopping cost of \$24,300 +/- per mile maintained or \$3381 per residence served. Further, when a careful analysis of hours worked vs actual work week hours over the last year week by week, you can chart that of only 75-80% of the Towns highway department worked each week. The remainder of the hours are devoted to comp time, personal time, vacation and a slight amount of sick time. Considering the foregoing it could be concluded a staff reduction is justified even without the need to close the budget gap.

During our meetings we have discussed the many different options available to collectively satisfy the goal of saving \$291,000 between now and December. It is important to remember that at the end of this year and going into next, the plan must



include the mechanism to allow us to move forward as a Town. We have fallen victim to a contagion that has posed a financial threat to our town. We, like other municipalities, must deal with it. The cuts and changes in policy we are contemplating must endure for several years. They must be permanent to allow our recovery to be complete and satisfying. Indiscriminate cuts and slashes leave us with a hulk of a town with band-aides on the problems. Those types of solutions are not insightful nor helpful long term.

Going into next year the Town Board must be keenly aware and acknowledge that Westerlo will be starting with a reduction in anticipated revenue from other years past. Just as surely, we can anticipate cost increases in Health-care, Trash disposal fees, EMS/EMT costs, Debt, and Liability insurance, just to name a few. Looking forward most if not all of the line item cuts made to trim the 2020 expenditures will need to be reinstated for next year, leaving a chasm that can only be filled with tax increases or another round of painful cuts stripping the Town bare to wither. It is imperative that substantial, meaningful and permanent cost reduction are enacted now to balance the 2020 budget and open the door for responsible financial management in years to come. Please do not fail the Town.

It is my intention to propose adoption of the recommendations I have herein offered at the June 16 regular Town Board Meeting and although I remain open to any reasonable options, anything short of \$192,500 in permanent cost reductions most likely will not have my support.

*William Bichteman Jr.*

William Bichteman Jr.  
Supervisor