

Town of Johnsburg Newsletter

Supervisor's Report

Narrative Town Budget—2012

Railroad Boom!

Cynics once called it the train to nowhere. For a time it was thought to be the poster child of bad government. Supporters were publicly condemned and the media's ridicule was relentless.

Flash forward to just a few months after Warren County's contract execution with Iowa Pacific Rail for operation of the Saratoga-North Creek Railroad and the line is not just successful, but it is exceeding expectations and changing our community.

While the rail company is making gains in freight operations around the region, the true public face of the operation is passenger service. Not only does the rail line deposit a multitude of visitors into our community, but it is now doing so at what was once the beginning of a shoulder season.

Consider the numbers for one week of operations in mid-October:

10/7—289 passengers
10/8—500 passengers
10/9—731 passengers
10/10—455 passengers
10/13—288 passengers
10/14—207 passengers
10/15—317 passengers
10/16—288 passengers

This winter will add reinstatement of the snow train for the first time since World War II. Public reports have indicated that potential extension of the operation to Tahawus for surface mining of waste materials perceived to be intricate to the processing of coal in the Eastern United States. Other expansion efforts are being investigated by the rail company in both the freight and passenger arenas.

Two closing thoughts for the cynics and critics: First, those of us committed to the region knew all along it was a train to somewhere, and secondly, can you believe the operation has been in existence for less than five months?

This year's budget has been one of the most difficult ones I have prepared since becoming Supervisor. Set against the back drop of recent New York State legislation that set a tax cap of 2%, this budget is constructed at a time when inflation is at 3.8%. Put simply, the increase in the cost of things exceeds the budget cap by 1.8% before we even look at the books.

Now for the hard part. Expense lines associated with health insurance have increased by more than 21%. Expenses associated with worker's compensation have increased by nearly 100%. State required retirement contributions have increased by approximately 10%. Add the challenge of several weather related disasters and an economy that is at best struggling and at worst heading into a double dip recession and it becomes quite clear that a new reality is upon us.

The budget before you is one that intends to circle the wagons around essential services. Other areas have been subjected to heightened review and reductions are found in lines from the library to the Depot Association to HHHN. Additionally, our insurance carrier will not allow the Town to pay 100% of employee insurance deductibles and so 50% of that deductible will now of necessity be covered by employees. Reviewing and comparing our plan against other municipalities confirms that even with the deductible change, our employee health insurance is the most cost effective around. It is difficult for example to even find another Town in the region that pays 100% of the premium without employee contribution. Some neighboring towns require employees to pay 25%. The highway budget sees a slight increase in the summer and winter budgets and there are small increases in the budget line dedicated to cemeteries and building maintenance. There is also a small increase in the line funding EMS as it appears due to vehicle insurance reconfiguration, EMS has been forced to take a fairly significant hit over the last two years.

As a watch word to the future board, the Town's ability to continue to absorb annual health insurance

(Budget, cont. on back page)

New Bookkeeper to Start at Town Hall

The Town board has appointed Sherry Williams as bookkeeper for the town. Sherry brings with her a wealth of financial experience in the private sector as well as with not-for-profits. She will be doing some training in October and her anticipated start date is November 1, 2011.

Transfer Station

The Town board is moving forward with efforts to rebuild the transfer station and related improvements. Work should be underway shortly and is being covered by insurance proceeds. The station was destroyed by fire after a lightning strike occurred in late Spring. More information on the exact schedule for the work and completion date will be available shortly.

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increases in excess of 20%, accompanied by a 2% tax cap is highly suspect.

My final budget as Supervisor continues to acknowledge that in times like these, government cannot saddle the tax payer with huge tax obligations. Over the years, the tax situation is as follows per \$1000 of assessed value.

2012 - up 1.98%
2011 - down 3.19%
2010 - down .03%
2009 - down .09%

Thus in 4 years your Town taxes have decreased by 1.33% per one thousand dollars of assessed value, despite the implosion of state government and the national economic crisis. This is a philosophy that has protected tax payers and challenged us to continually think outside the box. It is one that has been painful as well at times. In the end though, we have fundamentally shifted gears. Between 2000 and 2008 the amount raised by taxes increased by nearly 100% while the surplus was eroded and new debt was incurred. I leave government with taxes decreasing for the four year period, no debt whatsoever and a budget that continues to prioritize and protect essential services.

One final note. This year in particular, the hard work of Candace Lomax and Don Green has been most appreciated. Whether crunching numbers or bouncing ideas off each other, their commitment and professionalism have been of great service to me and of much benefit to the Town. Cherie Ferguson has also worked hard to secure insurance numbers and quotes for plans that covered town employees in a fair and cost effective manner.

Tannery Pond Signage

The Town of Johnsbury Town Board recently voted to approve a signage change to the exterior of the Tannery Pond Community Center building. The existing sign will soon contain additional wording to denote the presence of the Widlund Gallery therein. It is thought that this addition will make more people aware of the gallery and the opportunities in the Center. For example, the sign will be clearly viewable to those visiting on the train or passing at the Main Street/28N intersection. Costs for the sign are being donated by the Widlunds.

Future Budgets—Some Thoughts

There was a moment in late September, while preparing the 2012 budget, when I felt like we were about to crash into the wall. We have made tremendous strides in recent years in controlling costs and protecting taxpayers, but the world around us is in seeming freefall. State government in New York is in many ways a disaster engaged in a never ending game of shifting blame. In the end, the State might have to change its motto to "The buck never stops."

Health insurance costs are spiraling out of control as are worker's compensation issues. A recent proposal to move Medicaid costs over an 8 year period, away from your county tax bill to New York State income tax has now been quashed by the Governor. Thus, the long proposed mandate relief is apparently dead on arrival.

So the question becomes, what happens next year, in 2 years, in 5?

If the current trend on health insurance expenses continues, coupled with New York State retirement issues and other employee expenses like worker's compensation, the wall that has long been averted will be coming at us rapid fire. Future boards will struggle with (and should start planning for) the pressures to come. No doubt, the way our town has been able to handle employee benefits will be under strict review and at some point may be subjected to fundamental shift.

Over the past several years, Johnsbury has been viewed with admiration as an example of progressive economic growth within the blue line. While we have made great strides, in many ways we remain a tiny, rural, economically challenged town that is unrepresented in the decision making process in Albany and Washington. Big issues like health care, retirement and mandate reform are ones that could cripple our budget but also are also ones that we have little say in.