MINUTES
BOARD OF FIRE COMMISSIONERS
Public Hearing – 2024 Proposed Budget
October 17, 2023 – 7pm – Station 2

ATTENDEES: Chairman Marc Komorsky
Commissioner Anthony Pignataro
Commissioner Barry Ward
Deputy Chief Anthony Champion
Treasurer Mark Pozniak
Commissioner George Burns *(via Teams)*
Commissioner Rich Sassi
Chief Tim O'Connor *(absent)*
EMS Administrator Michael Benenati
Secretary Bria Le

At 7:00 pm, Chairman Marc Komorsky called the Board of Fire Commissioners' Public Hearing on the 2024 Budget to order for Tuesday, October 17th, 2023.

Roll Call:

Commissioner Barry Ward – Present
Commissioner Anthony Pignataro – Present
Commissioner Richard Sassi – Present
Commissioner George Burns – Present (via Teams)
Commissioner Marc Komorsky – Present

Komorsky also noted that the following individuals were also in the room for the Hearing.

EMS Administrator Michael Benenati
Deputy Chief Anthony Champion
Treasurer Mark Pozniak
Secretary Bria Le

Next Chairman Komorsky led the Pledge of Allegiance.

PUBLIC HEARING ON BUDGET

- **BUDGET DISCUSSION:**
  Komorsky read a notice on the budget hearing that noted when and where notice of the hearing was posted (affidavit attached). Treasurer Mark Pozniak reviewed the proposed budget (attached). He summarized the proposed changes from the prior year's budget and the appropriation percentages then he briefly touched on the Board's commitment related to the SAFER grant that the District was awarded in 2022.

PUBLIC COMMENTS:

At 7:10 pm, Komorsky opened the hearing for public comments and reviewed the procedure for an individual to make comments. Brief discussion held on the time remaining in the SAFER grant commitment.

- Ron Schulz - I guess it is not a comment but a question so I can understand it better. I see where you are budgeting money to the SAFER fund, as you said, to smooth out the increases it looks like you have six and a half increases for the next couple of years, so when the SAFER grant ends, it is correct for me to assume that you are going to use that SAFER fund or whatever to basically contribute to the cost of these nine new individuals in the future and that we will still see kind of like six and a half kind of percent increases? Is that a safe assumption?

Pozniak – That is the concept. If we hadn't done this, we would have had lower increases in years one, two, and three, but then we would have a sharp jump up in years four, five, and six. So we are trying to smooth that out. The commitment is the 6.42 over 6 years, so the surplus that we create, the transfer to safer surplus, is going be used to maintain that level when the safer reimbursement - the safer grant - goes away.

Schulz – Given that 6.42%, is it safe to say that by – you tell me - when will the tax rate reach $6 per $1000 of evaluation? It seems to me like within maybe four years, is that right?

Pozniak – I don't have that, I haven't done the math, but it seems somewhat reasonable. It's a 6.4% increase each year.

Schulz – So I should just write that based on what it is now and I should be able to predict close or reasonably close when we will reach six dollars rate. Is that correct?

Pozniak - We have a plan and that would that would align to the plan, yes.

Schulz – Alright, that sounds fine. Now, given a reasonable house valuation in LaGrange, which seems unbelievable, but it's an excess of $350,000. The average house is going to be paying over $2000 in fire tax within the next, I would say at best four years. I hope you are aware of that.

Pozniak – Yeah, the house assessment have been going up significantly, and while those House assessments are going up, the tax rate is actually decreasing slightly. It doesn't mean you're paying less. At the end, you are probably paying about 6.42% more each year, and that's what I'm talking about. Not necessarily the rate because the rate is a function of what we collect and what the assessed value is. So, when everyone's assessed value goes up by 10% and say our levy goes up by 5%, your tax rate will actually go down at that point by roughly 5%, if that makes sense.

Schulz - So yeah, even on the assessments now, even if they don't go up and the terms of the how much taxes are taken and I don't think that goes up by more than what maybe a percent a year, something like that.

Pozniak - I guess what I'm trying to say is I would look at what you're actually paying an increase that by 6.5% each year and that's going to give you a better idea.

Schulz - Alright, so I think that my $2000 estimation is pretty reasonable for an average home in LaGrange.

- Dave Lewison (via chat and read by Pignataro) - What happens after the SAFER grant runs out on year 3 and the "smoothing" runs out on year 6? Will there be a sharp increase in taxes at that point?
  Also, line item 7140 "Hospitalization" is a huge expense line item and a large increase for 2024. What does that represent?

  Pozniak – Hopefully in year six, there is a lot of guess work between now and then, my hope I'll say, was that we actually return to our normalized assumption of 5%. So I don't think there is going to be a sharp increase in year seven. If all goes well, we would return to roughly a 5% per year increase, which was the pattern that we had been seeing prior to SAFER.

  Pignataro – Which is also, to add to your point, consistent with what we see in terms of the salary and fringe benefits.

  Pozniak – In terms of health insurance, yeah, it is a big number. Health insurance is expensive. We are taking a guess at the increase for next year, we don't get our rates until November - end of November. I've heard talk of increases of about the 7% we are projecting here, so that is what we used. There was a couple of years ago where the health insurance only we up by like 1%, but this year, we're thinking more like 7% and I would say 5 – 7% is pretty normal, looking back since 2013 or 2014.

- Ron Schulz – Have you looked at the retirement expenses going forward for the next five to ten years? That's a percentage of the budget, but retirement expenses in LaGrange are still relatively low. I looked at it, it looked like it was only like 4% of the budget. In Arlington, it is already like 16% of the budget. Seems to me like at some point in the future we've got a big retirement bomb ready to drop on the taxpayer. So have you looked at that in any detail and tried to estimate what's going to happen going forward in the next six to ten years?

  Pozniak – So ours is closer to 10%, it's over $1,000,000 of an $11,000,000 budget, a little under 10% is our pension.

  Schulz – We are paying out that much already in retirement benefits.

  Ward – He is talking about the retirees.

  Schulz – Yeah, I'm talking about retirees.

  Ward – Not pension, retirees. So we have that section for retiree benefits, the only thing there is for those that don't reach social security, it will be medical, dental, vision with NYSHIP. Then that reduces.

Pozniak – Where in the budget are you looking?

Ward – It is not in the budget, there is not a specific line item for it. This is just a hypothetical question – have we considered when people retired.

Pozniak – He said that ours was 4%, I don't know where that came from.

Schulz – I might have done that incorrectly. I just took what appeared to be retirement money spent out, given out to former employees as a percentage of the total budget. And maybe that is not the way to do it, but I only came up with 4.5% and when I did that for Arlington, I came up with like 16%.

Pozniak – There are a couple of different retiree expenses. We pay right now for active employees – we pay to the NYS pension fund and that represents a little under 10%. There is a line item in the budget.

Schulz – OK, that is not what I am talking about. I understand that. What I mean is actual retirement benefits paid out to people already retired. I just got that off SeeThroughNY where it gives you the total amount of retirement monies given out to retirees from both Arlington or LaGrange. That is where I came up with our numbers.

Pozniak – We don't have anything to do with that, right. That is all of the state pension. We don't pay retirees, we make a contribution while they are active employees. The only thing we do with retirees is offer health insurance benefits. That's what we pay for retirees while they are retired. While they are active employees, we're making contributions to a retirement fund but once they retire, they are off of our books, other than health insurance. The pension payments that they receive come directly from the state. The contributions that we make are based on the current staff's salaries, it is also based on the tier that they belong to, so the more recently that they joined, the benefits they are committed to are lower so the contribution rate is lower. The other big factor is actually the stock market returns. A lot of what funds the pension, they put money in the stock market, the stock market does well, then we actually have to contribute less and when the stock market does poorly, we have to contribute more. It is something that's calculated year by year. We have benefited a little bit from a fairly good market over the last few years and from having more employees in the most recent tier, which is tier six, so they have a far lower contribution percentage. I think the market is likely to have poor results in the coming years and that will probably increase our costs over time. I do think our pension costs will go up. It is a little bit hard to predict, but that is based mostly on my assumptions that the stock market is going to have poor returns for the next year or two.

Ward – Our retiree expenses, his original question, is 2.3%.

Pozniak – Is that based on health insurance?

Ward – Yes, just our retiree expense. It has nothing to do with pension.

Pozniak – I don't think that is what he was asking.

Ward – I thought it was.

Pozniak – I think he was talking about pension payments.

Ward – I think that is what he was looking at, but it was the wrong number.

Pozniak – No one has the number he is talking about.

Schulz – I agree, that number - what I was looking at – is not the number. What we are actually paying now is around 2.3% but even that number is going to go up as people accrue more time in the system.

Pozniak – Not necessarily, again I say it is way more to do with the stock market than anything else. Otherwise, it would likely go down some as we move people from Tiers 1 and 2 to Tier 6. It doesn't really have to do with who retires, in fact, when people retire right now it helps us. It reduces our expense, we have already paid for them, for the pension expense.

At 7:25 pm, Komorsky declared the public comments period of the annual budget hearing is now concluded and asked if the members of the Board of Fire Commissioners had any additional responses or further questions. The Commissioners had no more questions and the Treasurer had no other comments.

Brief discussion held about the Commissioner running for re-election in December.

CLOSING:

At 7:26 pm, upon a MOTION made by Commissioner Pignataro and SECONDED by Commissioner Sassi, the Board RESOLVED close the hearing. Burns – Aye, Pignataro – Aye, Sassi – Aye, Ward – Aye, Komorsky – Aye. **Motion Carried**.

Komorsky stated that this public hearing regarding the 2024 proposed budget is declared closed.

Respectfully submitted,

Bria Le – District Secretary
Approved by the Board of Fire Commissioners on 10/24/23

Please note that this meeting was conducted in person at 504 Freedom Plains Road in Poughkeepsie, NY AND open for public viewing and/or listening via the video conferencing platform MS Teams.