

Mayor & Board of Trustees
Village Board Public Hearing on the Budget
April 9, 2019

PRESENT:

Mayor Theresa Knickerbocker
Trustees Richard A. Funchion, Duane Jackson, Cesare Pasquale and Nicolas Zachary
Village Administrator Kevin Hay
Village Board Secretary Susan F. Matthews

ABSENT:

Village Attorney Stephanie V. Porteus

1. PLEDGE OF ALLEGIANCE:

Mayor Knickerbocker called the meeting to order at 7:30 PM. She led the Pledge of Allegiance and informed everyone of the fire regulations.

Mayor Knickerbocker announced that this is the Workshop for 2019-2020 Village Budget. It is the last budget before the Entergy closing. We have had a preliminary meeting.

At 7:32 a MOTION to open the Public Hearing was made by Trustee Jackson, seconded by Trustee Funchion with all in favor.

The Mayor called on the Administrator to go over the highlights of the budget. It will start with revenue and expenses and then we will take questions on the general budget and other items.

EXPENSES:

The Administrator reported the following:

It is currently an 11.5% tax increase. Our special franchises have been reduced this year by approx. \$91,400 of assessed valuation which translates to \$25,950 of real money value. Because we are starting with a lower assessment than last year we are starting with a bit of a deficit. A good thing is that the pensions for the police and employees went down a little over \$5,000. Mayor Knickerbocker asked if that decrease is a normal amount for the special franchises. The Administrator advised that it is extremely high. We have had losses and gains bigger than that. It goes up and down over the year. There is nothing we can do about it. The amount is set by the NYS Office of Real Property. They send a tentative first and then a final. The Administrator just did the property tax cap filing. We are \$148,000 over the property tax cap.

Both labor contracts are expiring this year. We are working with the PBA and working to set up a meeting with the Teamsters' Union.

REVENUE:

The Administrator reported the following:

It is increased by 2.8% over the previous year's budget. Our PILOT payment increased by \$54,211. We had a good increase in our Sales Tax numbers. We are still waiting on the County to see if there will be an increase with the 1% increase in the Sales tax. Currently we have an appropriate number in the budget or where we usually end up. We added a Gross Utility Tax and are expecting another \$85,000 in revenue. Mortgage Tax decreased a little. Our infrastructure agreement with Entergy went up 2% this year. It is a little over \$260,000. We are purchasing a new garbage truck. Usually the older truck gets a decent value so we put some money in the Sale of Equipment.

EXPENSES:

Expenses increased 4.5% over last year. Our largest increase is Employee Health Care which increased \$55,000. Trustee Funchion wanted to confirm that based on what he reads we are paying about \$1 million for health care. The Administrator advised that is correct. There are 26 full time employees plus retirees who have not reached 65.

The garbage truck is in need of repair. Our newest truck is a 2005. On a finance plan of 7 years that is a \$35,000 contribution for the budget for the next 7 years.

Wastewater Treatment Plant: we have had a lot of significant needs so a lot of those Equipment and Repair lines increased. We have projects that we need to be done there including new gates. We need to replace a check valve at the Albany Post Road pump station and problems with the panel there. This year we had to replace a pump there at a cost of \$10,000 which is in this budget. Increasing those lines are a necessity in this budget. Going forward we have to replace the gates that direct the flow to each side of the plant. We need backup pumps and chlorine manifold.

The budget still has the pavilion steel. We have not gotten to that because other needs took priority. We will get a de-icing and pre-wetting system for the Highway Department. That will help with our salt usage and winter road clearing. We had to increase our Salt numbers because the storms we have had in the last couple of years made us go over budget. We were under on Overtime and over on Salt by about \$12,000.

We put in for the TRAC system for the Police Department. Our new Police Chief suggested that we do 2 cars because we never have more than two on the road at any one time. He also asked that we replace our radios to let us communicate with Westchester County police organizations. Our current system allows us to communicate with Peekskill P.D. This one will allow us to communicate with the State and County Police. Reducing the third car will cover the cost of the radios.

We looked into the cameras for the Village Hall and pavilion. It is a good idea to have the facilities protected. It was budgeted for. There is money for new chairs and computers. Microsoft will no longer replace our current operating system. They have to be upgraded.

On the Water side, there were significant increases in the budget. We need a new vehicle. Our current one is a 2002 with 95,000 miles. We need confined space equipment and other items to maintain our system. Mayor Knickerbocker commented that we really get our money's worth with the truck. She wanted to know if the new one is going to have a lift on it. The Administrator advised that for the Water Department we put in enough money for a utility body. But we will shop around.

Those are the significant increases in the budget. With the increases, the average tax value is \$1,426. That is an increase of \$147.20 per year or \$12.27 per month.

Trustee Funchion had a question on the schedule for the Salaries and Wages under Police. He wanted to know if we are budgeting for an additional police officer. There are currently 6 officers. The Administrator explained how the salaries are broken out in the budget. Trustee Zachary asked if we changed the number on the budget for the Police Chief for part-time salary. The Administrator advised that it was budgeted.

The Mayor noted that we increased the Contingency to \$230,000. She thinks that it is a healthy place to be. She described how when the Administrator first started with the Village and she and now former mayor Sean Murray were Trustees, they were fighting to put \$25,000 into the Contingency when the mayor at the time and others on the Board thought it should be zero. She believes that you do need something in there because as we have seen, things happen that were not planned for, like the sewage treatment plant. She would like to see more but she does not want to raise the taxes any higher than they are. Last year's budget came in at 5.36%.

The Administrator noted that the paving budget is up to \$250,000. The Mayor noted that we have about \$70,000 left over from last year. The State projection is about \$70,000 this year. So we have a budget of approximately \$400,000 for road work. She, the Administrator, Highway Foreman and Village Engineer will be going out to look at the worst roads to address what we can. In reply to Trustee Zachary, the Administrator confirmed that we increased the budget for roads.

The Mayor commented that this is the second time we are going through the budget. She asked if the Board had any suggestions or any ways to cut this.

Trustee Jackson asked if the \$400,00 for the roads would go down with any co-projects with the Town of Cortlandt. The Administrator advised that the budget reflects our share. Trustee Zachary asked for a breakdown of where the \$400,000 is coming from. The Mayor reminded that Route 9A, the Albany Post Road, is not a Village road. It is a New York State road. The State will be starting in June to repave the whole section of that road from Welcher Avenue south through the Village. So we will have a whole new road. It is not coming out the Village budget.

Trustee Zachary commented that this is the last budget where we have no loss of revenue from Entergy. Anything that comes up in the future will be more drastic and difficult. His feeling is that we need to get our house in order; that anything that has to get done or that we anticipate that we need to budget for and do should be done now because it will only get harder. He does

not want to make up things to spend money on. But he does not want to ignore things that need to be done like repairs that we know are going to come up. We should budget for this now. He commented that it is a lot of work for the Administrator and he does a great job. Trustee Zachary had a list for the Board to discuss to see if we are covering them.

He noted that the Board had discussed putting up new signs entering into the Village. The Administrator advised that was an item in the Sign line. He added money to get prices.

Trustee Zachary asked about pool repairs and getting somebody to assess that. Right now if the pool is running overnight, we lose about 3 feet of water. We want to avoid that because indirectly we are paying the Montrose Improvement District for the water. It affects the rates. He wanted to know if that has been addressed. The Administrator advised that we were looking at it. Trustee Zachary knows that we will not know completely until it is dug up at the end of the season but he wants to make sure we are budgeting something realistic. Mayor Knickerbocker advised that we had a discussion about that and are having the Highway Foreman speak to a contractor. The Highway Foreman felt that it would be simpler and less expensive if we just put a separate filter for the kiddie pool. He advised that there is a contractor at the pool right now. He has already dug up all the valves. We will wait until we get water in the pool because the plans are not helping us with what we have. We think that might be a simpler fix than anticipated. Until we get water in the pool where we can operate it to see what is really happening, it could be just a broken valve. We have everything uncovered right now. Trustee Zachary wanted to know if this would come out of Other Expenses. The Administrator advised that it probably would.

Trustee Zachary thinks having \$230,000 in the Contingency is good and he is very comfortable thinking that some things can go into the Contingency because that is what it is for. But a lot of things can come up where the Contingency can get eaten up. Last year we were at \$250,000. More came up than was in the Contingency. If it turns out to be a bigger repair he is okay saying that is for the Contingency but you cannot say that it for everything. He remarked it is Murphy's Law. Mayor Knickerbocker agreed.

Trustee Zachary talked about Lent's Cove. He sent an e-mail to the Board pointing out that the stone work is collapsing. Wooden steps need to be fixed. Landscaping is rotting. A concrete bench is laying on its side. He thinks that Lent's Cove Park is a mess. He likes to tout our park but is afraid to because it is in bad shape. We would like to get a grant to get stairs and maybe a paddle boat landing. Maybe get grant money for the maintenance and safety of the park. The Administrator advised that we have \$10,000 in the budget for Lent's Cove. Repairing the stairs and fence work at the park is incorporated. Trustee Zachary asked if we need an outside contractor to do the stone paving. The Administrator advised that we could look at what we can do ourselves and we may need a contractor. The Mayor advised that we are with the Town of Cortlandt. There was money given out to form a Local Waterfront Revitalization Plan. Trustee Zachary commented to just talk about the safety issues like the stonework and bench. The Mayor wanted to know how long was the wood broken and benches. Trustee Zachary was not sure. The Mayor advised that we will address the dangerous things first. She is not looking to bump this budget up.

Trustee Zachary asked about striping cross walks. The Administrator advised that we have a striping machine, paint and other items in the budget.

Trustee Zachary asked about pay outs to employees with banked hours. He commented that we always get surprised with this but every year that he has been on the Board it is not in the budget. He believes we are getting hit for \$30,000-\$40,000 each year on the average. The Mayor asked if the Administrator felt comfortable with the Contingency. The Administrator does not think that we have another retirement for 2 years, then we could have a significant number after that. We try to anticipate. People change their plans. They sometimes retire a year before we expected. Trustee Zachary commented that we went over on this last year. The Mayor advised that with the one retirement, the contract ended on May 31 which would have fallen in a new budget year. The former Police Chief retired earlier than that and got paid \$100,000.

Trustee Zachary commented that since he has been on the Board, he has said that we should view the budget as a 5 year thing. There are things you cannot always anticipate, like repairs, maintenance, retirements and banked vacations. He commented that if we are not doing that, we are putting our heads in the sand and not fully being fiscally responsible because we are ignoring the other stuff because we are afraid of raising taxes. We need a longer range plan. He does not want to raise taxes if we do not have to. He does not want to see the Village to fall apart either. He does not want budget deficits when we can anticipate things. The Mayor thinks that we have been fiscally responsible for the last several years and that we run a tight ship. She believes that we trimmed the fat. Trustee Zachary agreed but thinks that we have been hesitant to factor in long range things that we can anticipate.

In reply to Trustee Zachary the Administrator confirmed that roof repairs to the pavilion and security cameras are in the budget.

Trustee Zachary commented that a Tax Stabilization in a year when we are getting a bigger increase may help a little bit. He feels that only \$25,000 in there is peanuts. We know that next year we are going to lose \$450,000 in revenue from Entergy. He commented that is a 22% increase. He feels it would take a little of the pain away by putting more in the Tax Stabilization this year. He explained that this is a tax reserve fund where the money is set aside specifically to offset large tax increases that we know will come up in the future.

Mayor Knickerbocker advised that we had gotten feedback from some of our residents that they did not want to increase their taxes or put that money aside ahead of time. Trustee Zachary commented that it is allegorical. He commented that when we did a survey last year, we had 170 responses which is more than talking to just a few people. The Mayor commented that she talks to more than just a few people. She is out [in the Village] all the time. People call and e-mail her. She is not here just two meeting per month. She is very active in the community talking to people and they are talking to her. Trustee Zachary commented that to him it is still allegorical. The survey results were split between residents who wanted to start phasing in the tax increases in 2018-2019, more than one third; those who wanted it to start in 2020-2021; and those who wanted one tax increase at the end. Trustee Zachary commented that we cannot do the last

because we are going to start losing revenue before all the plants are closed. He reiterated that he wants a little more added to the Tax Stabilization Fund.

Trustee Jackson agrees that we have to be prudent about how we increase our budget and our taxation. Residents that he has talked to want a phased in approach. He commented that we know what our losses are going to be when the first plant closes. He thinks it is prudent to be proactive right now in terms of increasing what that shortfall is going to be. He would favor adding another 2% to the Tax Stabilization Fund in this budget. The Mayor advised that we have been doing \$25,000. She will leave it open to the Board. 2% is \$40,000. There is \$25,000 so \$15,000 would be added. Trustee Jackson wanted to look at what that increase meant. The Administrator advised that every 1% is \$20,000 in the budget. Trustee Zachary would like to add another \$25,000. In reply to Trustee Jackson the Mayor advised the tax increase would be 13.5%.

Trustee Funchion thinks that we are already high at 11.25%. He understands the logic but thinks that we are making a decision based on the assumption that we are really going to be in a lot of economic trouble but that is not definite. We may not be. Trustee Zachary commented that we will be losing \$450,000 in income which is about 22% of our budget. So unless Entergy starts paying us more money or we get State aid in 2022 that is a 22% tax increase.

Trustee Funchion commented that it is very difficult with our Village budget. The elephant in the room is the school tax. He commented that he does not know about anybody else but he has heard nothing from the School Superintendent about saving money. He does not know how much the school tax is going to do up. He commented that we are talking about 65% of an individual family's taxes. It is difficult decision for us to say that we should adding "this" to "here" [in our budget]. He wanted to know if anyone on the Board has heard from the Superintendent of Schools about what they are going to do to save money. Trustee Funchion has heard, although not directly, that he has said that we should be paying what everybody else in Westchester is paying. That could raise some people's school taxes significantly. Trustee Jackson thinks that there was a special school fund set up for areas like ours who are affected by these closings. The Mayor advised that is the Cessation Fund. We have to lose a certain percentage before we are allowed to draw from that fund. The big fight with the State budget this year was that no money was put into that fund this year. The Cessation Fund is being drawn down by other communities like coal plants and different other energy companies. There are things being worked on and she hopes that it gets funded for the school district, the Town and for us to pull from that fund. But the Village is not eligible until 2022. Trustee Jackson thought that for the school district the amount they could get and when they could get it was more pronounced. Trustee Zachary has read that they were exploring other funding options that we do not have. The Mayor commented that she is not privy to their budgets and did not want to speak for them but they are negotiating between the State and other places. If they are considered a poor district they will get more funding. The Mayor thinks that when they lose 35% of their income, they will be.

Trustee Jackson thinks it would still be prudent for us to put a little more aside. He noted the differences between what Trustees Zachary and Funchion think the amount should be and asked if we can find something in the middle. Trustee Pasquale proposed adding an extra \$10,000 which would make it a 13% increase. The Mayor noted that we have \$25,000 budgeted for this year and \$25,000 in there from last year. The Administrator confirmed that if we are talking about \$30,000 it would make a tax increase of 12.98% instead of 11.5%.

Trustee Zachary understands that the school situation is not in our control. There is nothing we can do about the school budget. He commented that this [the Village] is our house and we have to control the budget in our house.

Mayor Knickerbocker commented that there are things being worked on but nothing is in cement yet. So we are going on the information we have. She commented that we have really done some major work over the years. We have gotten our Highway Department garage roof done. We have put a lot of money into replacing our old equipment. We did a lot of work and are fortunate to have had the money so we could stabilize a lot of things. The new windows at Village Hall have saved us substantially on the heating. The LED lighting is a huge savings.

Trustee Jackson added, and the new water meters. Mayor Knickerbocker commented that some people are not liking their water bill. The Administrator advised that other than about 50 the new water meters went in. There have been some complaints. All the meters were all bench tested. Some were running slower. We are also finding that in some cases the remote reads on the outside of the house were not operating properly. Some people might be seeing a larger bill on this cycle. This is the roughest cycle because of the transition. Going forward, it should be very smooth. We will go out and see if there is a significant issue. Meters do not run faster. A lot of meters on people's houses are older. Some had been replaced. The Mayor advised that if anybody feels there is a problem with the meter they should contact the Village office and they will send someone out to look at it. Trustee Pasquale noted that there is an app that people can use. The Administrator advised that you can logon and check your water usage that way. It is a good option. It is a great way to see if there is a leak. He noted that when they investigated one complaint about the new meter it was found that there was a leak in the house. It is good for all the residents to sign up. From time to time it allows you to monitor our usage.

RUMORS:

Mayor Knickerbocker commented that as we go forward the rumor mill is very active here so anything she sees or hears, she needs to address to everyone. The Mayor was disappointed but not surprised in one posting that was sent to her.

It said that SPECTRA is giving Buchanan \$2 million to let them do more pipeline work here near Indian Point. It asks why the Mayor fought the pipeline and turned around and sold us out. Mayor Knickerbocker commented that this is not true. This came from an environmentalist. They are not happy that the Citizens Advisory Panel is being done differently. We are not getting \$2 million. SPECTRA is not looking to put another pipeline in. There have been no conversations, no meetings, no discussions nor permits whatsoever. The Mayor thinks that this is a reckless statement. She is disappointed in it. That is not what is happening here. Going

forward she hopes that the environmentalists and the Citizens Advisory Panel can work together. It is for the benefit of the community. There were a few FOIL requests put in. There is nothing happening with that pipeline. If there was, there would be a discussion with the Village Board and we would inform the public about what was going on. We will not be adding \$2 million in this budget.

Trustee Zachary commented that he considers himself to be an environmentalist. He thinks that we need environmentalists now. We do not need [people who make things up]. There are environmentalists who are truthful too. This statement is lies and not all environmentalists are liars. The Mayor commented that we are all environmentalists. We all like clean water, air and beautiful trees and grass but we do not go to extremes either.

COMMENTS FROM THE FLOOR:

Eileen Absenger, 138 Tate Avenue, had a question about the property before the baseball field at Lent's Cove. There were a lot of trees taken down. Highway Foreman Wheeler advised that 2 weeks ago a big tree fell down.

Ms. Absenger wanted to know about the story about having something up here similar to the system used in Valhalla with the "pooper scoopers" who go down to Valhalla and unload their waste products at our sewage treatment plant. Mayor Knickerbocker advised that if she is referring to the sludge removal, we are working with the County on some shared services. Ms. Absenger was referring to the septic tank cleaning services who have to go Valhalla today. If they could unload at our sewage treatment plant, it would be income for the Village. The Mayor advised that is all still on the table. We have gotten a grant for \$40,000 to look at the necessary upgrades to our Sewage Treatment Plant. She is not sure we could do what Ms. Absenger is referring to right now with our system. It is one option we are looking at for revenue. We are looking at what is done in other communities. We are talking to the Town of Cortlandt and Montrose Business Association. They would do the infrastructure and tie in for a fee. There are other communities that potentially could tie in to ours. We have some upgrades to do. First we need to see exactly what we need to do before we start the upgrade. There will be money available in the next couple of years either through New York State or grants. One of the things we are going after is the \$15 million fund from Entergy to do our Sewage Treatment Plant over because it is considered an environmental. In our area, we have one company on the Hudson River with a septic system. They are in the Village so they would tie in with us. Around Lake Meahagh, a lot of those communities have septic. We would not be paying for any infrastructure. The people who hook up would be charged a fee. Another option is to have the septic cleaning companies come here and pay a fee instead of going down County. It is a potential option that we are going to pursue. When we talk about the upgrades to the plant, it is going to be substantial.

Ms. Absenger asked if the NRC says that Entergy cannot close, what happens to the PILOT and the loss of \$450,000. Trustee Zachary advised that if they do not close, there is no loss. Proportionately when the first plant closes, the taxes from that plant goes down 30%. That is one of two plants so it is actually 15% of the total income from Entergy in the first year. Each plant

accounts for \$1.5 million. The tax revenue phases out after they close. Mayor Knickerbocker advised that it is not the NRC's decision. The NRC has given them the extended license until 2014. Unit 2 is scheduled to close operations next April. But they have to know pretty quickly because it takes a year to get the fuel. If the fuel is not ordered by April, the plant ceases operation automatically.

Ms. Absenger commented that Entergy talked about selling it to the decommissioning company at the end of the year. She asked if the decommissioning company has to keep Unit 1 operating and just decommission Unit 2 if it shuts down. The Mayor advised that the decommissioning company will not purchase until Units 2 and 3 are closed. Trustee Zachary advised that only when it is completely shut down could it be sold. The decommissioning company will take possession only if there is no nuclear operations.

Ms. Absenger commented that the Village Board has a liaison to the school district. She wanted to know who is the contact person at the school who should have been giving updates to the Village Board members. Ms. Absenger commented that the President of the School Board is always available to talk to people. She wants the liaison from the Village Board to be able to update the residents and keep us informed. Trustee Jackson will follow up on that. Ms. Absenger commented that parents in the district received a letter about the school budget. She thinks that as tax payers everyone should have gotten it. Trustee Zachary commented that the School Board's hands are tied. To override the tax cap the Village Board needs 3 out of 5 members to vote in favor. School districts must have a public vote and with 60% of the public in favor. In government it is a majority on the board. In school districts, it is the majority of the public.

Ms. Absenger wants to know what the School Board is doing to curb the budget. They may stay within the tax cap this year. Next year they may not. Trustee Zachary commented that they will still have to have 60% of the public vote in favor to approve to override the tax cap. Ms. Absenger thinks that if Trustee Jackson gets the minutes of the School Board and highlighted it that would help.

Mayor Knickerbocker commented that there are negotiations that continue to go on. These are some challenging times. This is one. If we talk about the history of the Village, one of the big things was the amusement park [at Indian Point], then in the 1950s Con Edison bought the property and subsequently units going on-line beginning in 1962. The closing of these power plants is another huge event. There are challenges ahead. The Mayor reiterated that we are working on things. On May 2, we are going to have a State Of The Village meeting. She encourages everyone to attend. There have been rumors spread around. She will answer as much as she can and will have information handouts. She will answer everyone's questions. She noted that if it involves something currently in negotiation, she cannot respond. She will talk about what is coming and what we are trying to do to mitigate what is happening.

ADJOURNMENT:

The Mayor announced that this Public Hearing will be held open and will resume again on April 30, 2019 at 7:30 PM. The Board will vote on the budget at that meeting. It must be passed by May 1.

At 8:40 PM a MOTION to hold the Public Hearing open and adjourn this meeting was made by Trustee Funchion, seconded by Trustee Jackson with all in favor.