

Village of Buchanan
Mayor & Board of Trustees
Budget Meeting
Thursday, April 15, 2010

PRESENT:

Mayor Sean Murray
Trustees Richard Funchion, Theresa Knickerbocker, Brian Smith and Nicholas Zachary,
Village Administrator Kevin Hay
Village Attorney Stephanie V. Porteus

ABSENT:

Village Secretary Susan F. Matthews (to transcribe from tape)

1. PLEDGE OF ALLEGIANCE:

Mayor Murray opened the meeting at 7:30 PM, welcomed everyone and informed them of the fire regulations.

2. COMMENTS FROM THE FLOOR: (agenda items only)

None.

3. PUBLIC HEARING ON TENTATIVE BUDGET FOR JUNE 1, 2010 – MAY 31, 2011

A MOTION to open the Public Hearing was made by Trustee Zachary, seconded by Trustee Knickerbocker with all in favor.

Village Administrator Hay advised that this budget has a 4.13% increase. The largest part of the increase is for pension contributions and medical insurance. They tried to keep everything else level and flat. They kept the sales tax revenue from the County the same as last year because they made it last year. He lowered the mortgage tax from their goal of last year because they did not make it and were short of their revenues on that tax. Village Administrator Hay advised that he kept everything else solid to keep the tax rate as low as possible.

Mayor Murray noted that there were mandatory increases from the State for our employees. Nothing can be done about. You cannot tell the State that we will not pay the insurance and the retirement. Mayor Murray commented that last week the contracts were settled with a 2% retroactive increase and 2% increase this year. This is a 4% increase just for the salaries. It also impacts the amount of money that has to be paid for retirement.

Mayor Murray noted that there were things that former Mayor Donahue took out of the budget. One major thing Mayor Murray would like to have put back in the budget is the fund for vehicle replacement for the Fire Department. It was taken out of the preliminary budget last year. Mayor Murray commented that he is a strong advocate for saving for the future. He felt that taking that money out is irresponsible. Fire Department vehicles are very expensive. The last one that was replaced was a 1955 Chevy. The one to be replaced is a 1975 rescue truck. They get a lot of use out of these vehicles. He felt it was very appropriate to continue to finance this in the way that it has been financed. The Fire Department has been very responsible with their budgets. Their budgets have not increased for many years even though all costs have increased such as fuel and electric costs. Through creative budgeting, they have been able to maintain their requirements. They did not have to increase the amount of money they wanted re-appropriated. He recommended putting the \$25,000 back in the budget.

Trustee Knickerbocker asked about a 1975 vehicle that the Fire Department was going to replace. Mayor Murray advised that it is already bid for and is in production. The Fire Department is using the Vehicle Replacement Fund that has already been contributed to. They

did not have to come to the Village to ask for any money. They were able to do it out of the budgeted money.

Trustee Knickerbocker wanted to know how much money was in the fund. Mayor Murray advised the Vehicle Replacement Fund gets sent to the Fire Department and it gets reinvested in a separate account. It can only be used for a vehicle replacement. The Village has a contract for \$186,000 for fire service and there are other insurance costs associated with that. It gets put into a separate vehicle fund by the Fire Department.

Trustee Funchion wanted to know if any of the money under Other Expenses could be shifted over for the vehicle replacement. Mayor Murray advised that the \$186,000 has been the same since 2004. He did not recommend taking any money out of that because they reduced their budget in 2004 at the request of the Village. They have been creative and saved money. Fuel, insurance and maintenance costs for the building go up and they have still been able to provide an excellent service for the Village. He was not in favor of transferring any of that money and cutting their costs. Mayor Murray commented that we were lucky to have a dedicated department. It saves a lot of money by not having to finance a department as other communities do, which is to finance it through taxes or have a separate taxing district. We are able to use monies from certain businesses outside of our fire protection area to help pay for this. The insurance is mandated by New York State. The service awards program was passed many years ago by the residents in a referendum to give a \$10,000 life insurance policy for active members who make their points and also \$20 per year per service when they retire at 65. Mayor Murray advised that Mr. Taube is working on ways to save money on the service awards. The previous insurance company did things that were fine but costly. The \$26,000 budgeted for the service awards might be less or it might be the same. He wants to keep that in there until they get Mr. Taube's information.

Trustee Funchion commented that the vehicle replacement would be a new cost. Mayor Murray advised that the vehicle replacement is not in the budget now but was since the late 1990s. It started as \$10,000, then \$15,000, and has been \$25,000 since the early 2000 time frame. It helped in keeping equipment up. Replacing the 1955 vehicle in 2003 would not have been possible without the Vehicle Replacement Fund. They have a 1975 emergency piece of equipment on which some of the maintenance costs are becoming prohibitive. He felt it was a reasonable expense to have this fund.

Trustee Zachary wanted to know what a new vehicle would cost. Mayor Murray did not have the figures. The Fire Department is financing the vehicle. They are not asking for a loan through the Village. They are only asking to maintain the replacement fund for the costs of the vehicles. Trustee Zachary wanted to know if the reserve fund was solely for purchasing new vehicles. Mayor Murray advised that the reserve fund was solely to buy a new vehicle and could not be used for anything else. Trustee Zachary wanted to know if there were enough in there, would they just buy the vehicle outright instead of financing it.

Don Zern wanted to know if they had a ball park price for the vehicle. Mayor Murray advised that the president of the Fire Department was present and has been very active in purchasing the vehicle.

Robert Outhouse, the President of The Buchanan Engine Company, advised that the current apparatus is costing \$280,000. He commented that if they had to buy it without anything in the bank, they would have to come to the Village and say that they need \$280,000. They are using the money in the Capital Vehicle Replacement Fund and it works. They used the fund for one half the cost. The rest they are financing themselves. We have to continue to do this because the next vehicle would have to be replaced within the next five years. He commented that this fund program, which was also in question last year, helps the Village immensely. They put the money in a CD which earns 2% at the bank, making money until they need the money for a replacement vehicle.

Trustee Knickerbocker commented that she voted for it last year and understands the benefit of doing it. She feels it is a good idea to continue this.

Mayor Murray commented that in order to pay for the vehicle, the Fire Department finances half of it. Half of the finance cost, interest payments and all the other payments come out of their yearly budget. There is no extra cost to the Village.

Joseph Tropiano wanted to know why it was taken out this year. Mayor Murray advised that he did not take it out. This is the budget submitted by the former mayor on March 20. Mayor Murray wanted to use it as a template. It was taken out last year and was then put back in. It was taken out of this year's budget and Mayor Murray wanted to try to get it back in. Mr. Tropiano commented that it has been in the budget for the last 15 years for \$25,000 a year.

Trustee Smith wanted to know if there was any harm if this could be deferred for a year. He feels torn by this. He commented that although it is a great idea and the Village gets great benefit from it, and it is obviously being managed properly. It is not being squandered. But he wanted to know if it could be deferred for a year.

Mayor Murray commented that if it was deferred, they would have to put in \$50,000 for vehicle replacements next year. Next year, there will be a large impact on the budget since they have to start paying back the bonds and their interest which is 15% to 16% just for bond payments. With \$43,000 interest payment which is being projected for next year, they would be looking at \$100,000 just for those two items. Mayor Murray wanted to put some of the bond interest money into the budget this year to lessen the impact for next year, but it has been the recommendation of counsel and other municipalities whom they have spoken to that if you do not spend the money this year, you cannot budget for it this year. You cannot take the money in for a bond that will not have to be paid for this year. We probably will not have to pay for it this year. For these reasons, Mayor Murray thought it would be better to put in the Capital Vehicle Replacement Fund for the Fire Department this year.

Trustee Smith wanted to know if when they went through the line items in the budget, could they revisit this. Mayor Murray advised that they could.

Angelo Iacomini commented on the payment of the bonds and specifically on the Sewage Treatment Plant. He wanted to know if the Village would be putting the money from Entergy, which is for repair and maintenance, in a special account so it can be used to pay off the bond. The same would be for the money received from the Cook contract, which was to be for the operation of the Sewage Treatment Plant (STP). He commented that looking back at the records; the amount varied but averaged \$60,000 from Entergy. He believes that since that money was to be used for maintenance of the STP, it should be put into a separate account and used toward paying off the bond. The Cook money was supposed to be \$100,000 per year. It has not been that. But he feels the money from those two items should be used to defray the cost to the residents concerning at least that one bond.

Mayor Murray commented that it was a good idea. The Village is setting up a separate account for the calculation of the revenue from Entergy for the STP. It was previously stated that Entergy had to pay 20% for repair and maintenance. That is not correct according to the contract. It is calculated by what Entergy puts in and by what the rest of the residents put in. That is divided it by 2 and you come up with the percentage that Entergy is charged for operation and maintenance. In the contract, it specifically states that that money is not to be used for capital expenditures under general accounting principles. The Village is incurring a capital expenditure. Mr. Iacomini commented that he understood this but it was because of lack of repair and maintenance that this expenditure occurred. Mayor Murray advised that it was very clear in the contracts dated 1987 and 1989. It specifically states the monies exclude capital expenditures. The money we get is specifically for operation and maintenance costs.

Mayor Murray advised that the Village is changing the way we are taking in these bills. Everything that is being used for the STP, whether it is chemicals or the contractor that has to be brought in for the license, is being put into a separate account. This was not done like that before. We have not had a separate account. We are tightening up on accounting. They do not have the numbers yet since they are in the middle of the fiscal year. There were metering issues that were being repaired. We were not getting accurate amounts. The Mayor believes that in 1989, we were getting the same amount as this year. He does not think the metering and other things were done correctly. This is something they are trying to rectify. The numbers cannot be put in right now because they do not have them.

Mr. Iacomini commented that repair and maintenance money in the future from Entergy and Cook should go into a separate fund. Mayor Murray advised that the money goes into the General Fund because operation and maintenance comes out of the General Fund. It can be used for paying the insurance and salaries for employees and some basic equipment at the STP, which is operation and maintenance. There are different lists under the sewer plant. If they put all the money in one line, every time they paid anything out of that line, they would have to do a budget transfer out of it. There a way to put in a percentage in one line. Mr. Iacomini commented that in the past, things resulted in the STP needing major repairs to have both halves working. That is why he feels that the money should be put in a separate line for repair and maintenance because that is specifically what it is needed for. Mayor Murray agreed. They have to get the estimates together. They are working on developing policies which they have not had, to have better accounting. Village Administrator Hay has been working on this. Mayor Murray noted that this administration has only been in office for 9 days. They do not have the numbers now but are working on it.

Trustee Knickerbocker commented that going forward; this was something that was mentioned at DEC meetings. A lot of the other municipalities have capital funds. It is the proper way to do it so that over the years when you need to do maintenance, you will have money in the capital fund so you do not need to go to taxpayers again and ask for huge bonding. For maintenance going forward, it is important to pay attention to what needs to be done at the plant to avoid these exorbitant costs.

Mr. Iacomini wanted to know asked if it was the same with the Cook monies. Mayor Murray advised that it is done under a different contract. The money comes in and goes into the General Fund. Mr. Iacomini commented that a part of that money should also be applied to maintenance and repair on the facility because Cook uses the facility and there is wear and tear on it as a result. Trustee Zachary believes that this is just part of an accounting technicality. His analogy was if 5 different people give you \$20 and then you to go to the store to buy \$40 worth of groceries, you still have the money coming in and money coming out of Groceries. Which \$20 bill you use is not the issue. It is that you have the income and it goes into the balancing of the budget. There is a similarity to be careful of, such as the fire truck reserve fund and the money taken in for operation and maintenance. You cannot keep letting things go and suddenly get hit with these major catastrophes. They have to budget for the expenses that we know we will have. For example, we know that if you are driving a 35 year old fire truck, it is just a matter of time, and we know that the STP is going full tilt for 20 or 30 years, it will need some upgrades. These need to be funded a little at a time so we do not get hit all in one shot.

Mayor Murray recommended putting the Capital Vehicle Replacement fund for the Fire Department back in the budget.

Mayor Murray commented that last year the budget hearing was very long. A couple of different people went through each line on their own. This year his goal was to go line by line with everybody's comments, questions and input being given at that time. If they had to go back, he would.

Trustee Zachary wanted to know if there need to be a Motion on any line that needed to be changed. Mayor Murray advised that there was no Motion needed. Changes would be written in at that time and then the budget would be voted on as a whole. He wanted a consensus on each line. If there was not, he would make the decision as to whether to write it in and then the Board will decide if they want to vote on the budget entirely.

Trustee Funchion wanted to make sure the Board noted which page and line they were discussing to make it clear for the public.

Page 2:

Line 1010.460 Board of Trustees: Trustee Funchion commented that with two new Trustees on the Board, the training budget of \$1,000 may not be sufficient. Trustee Zachary commented that this would be for the item under "Other Expenses" (line 3) which are to be used in part for attending conferences and training. Mayor Murray wanted to know what training they were referring to. Trustee Knickerbocker wanted to know if this was what came out of the budget line for attending the NYCOM conferences. Mayor Murray explained to the public that New York State has training sessions through NYCOM for newly elected officials. There are also mandatory training sessions for the Planning and Zoning Boards - 3 hours per year required - unless there is a special resolution passed by the Board to exempt any individual from it. The majority of the training sessions are free. Westchester Department of Planning has seminars every couple of months that are free. There is a conference in Saratoga which is not free which the Village would cover expenses for at a travel rate of 50 cents per mile. He wanted to know what a reasonable amount would be. The NYCOM is infrequently held in Westchester County. They are usually held up state. Trustee Zachary commented that from his experience on the Zoning Board, there was \$4,000 budgeted for mandatory skills updating conferences which are required unless exempted. Mayor Murray advised that last year \$4,500 was budgeted, and previously expended was \$2824. This year, they are recommending \$1,000. He wanted to know did the Board want to increase that or budget the amount which was modified for last year. Trustee Zachary felt that there should be enough in the budget to enable each Board member to attend one training event per year. He feels the training is invaluable. For \$4,000 per Board member, it costs the average resident \$5 a year in taxes. He felt that \$4,000 was a good number. It is money well spent to be able to interact with professionals in the field and other officials. Trustee Knickerbocker commented that last year \$2800 was expended. She had been off the Board for 14 years and even though she could only attend for one day, there was a lot of information for her at the conference. She commented that the training is important especially for the new Board members. The more they know, the better they can serve the residents. Trustee Knickerbocker plans to attend the meeting on Monday. She noted some of the things on the agenda such as innovative strategies to reduce health care insurance, ethics codes and different seminars throughout the day as examples. Mayor Murray was in favor of attending the Westchester Municipal Officials meetings and Westchester County Planning seminars and had no problem with putting in \$4,000 for that. The Board was all in favor.

Mayor Murray commented on the Clerk Treasurer line 1325.104 and why \$1800 is budgeted. He realized it is longevity pay.

Page 3:

1325.476 Employee Screening: Trustee Funchion understood that it is necessary for law enforcement but wanted to know is it necessary for other employees. Mayor Murray advised that anyone employed in the Village who is over 18, including all part-time summer help, has to go through drug screening. The D.O.T. has mandatory random sampling for CDL drivers. Trustee Funchion understood where there is a nexus with drug use with the job but we may be testing people that it is unnecessary to be testing. Village Administrator Hay advised that this was passed by resolution in a hiring policy. The Board would have to change the resolution to modify it. Mayor Murray commented that the Resolution would have to be changed. They

were not going to do that right now. The Board could put it on the agenda if they wanted it to be changed and then transfer funds out of it. Since we expended \$7700, we do not know how many people would need to be tested for the summer camp or if the screening would be more expensive. It is only a \$300 increase over last year. Right now, they have to budget for it since it is Village law.

1325.490 Telephone: Trustee Funchion commented on this line and the line that goes through the budget on telephones. He commented that we are still paying telephone bills that are being allocated according to the 1980s. We are paying by the minute. He feels that paying \$30,000-\$35,000 for telephones for a small village is outrageous. If the Board is looking for money to move over for more productive things, he recommended that every line for Telephones should be cut in half. Mayor Murray commented that they do not yet have a plan. Trustee Knickerbocker noted that Village Administrator Hay is looking at getting a different phone system. Trustee Funchion commented that he had talked to him also. Mayor Murray asked Village Administrator Hay what percentage could be saved by consolidating our phone services. Village Administrator Hay advised that he reached out to several firms. They could probably take one-third out. Mayor Murray suggested a decrease of 20% for the Telephone line of 1325.490. Trustee Zachary commented that throughout the year, they might see more ways to do things more economically. Mayor Murray advised that they had to be careful about hypothetical savings because it might not come to fruition. Research has been done by Trustee Funchion and Village Administrator Hay. Mayor Murray advised that they would change the \$8,000 line to \$6,700, which is \$1,000 more than was expended last year.

1440.461& 1440.462: Trustee Zachary commented on Engineer's Fees. Last year's and the new budget shows \$55,000 for the engineer but he understands that there is additional money spent when there is project supervision. He did not recommend changing this line, but as the year goes forward he recommends looking at the fees to see where he is really needed. Mayor Murray noted that this year they changed Village Engineers from Cronin to Hahn Engineering. Mayor Murray commented that he had discussions with the previous mayor at the last two budget hearings. They have never met the goals on their engineering fees. The only time they came close was in 2007 when they expended approximately \$75,000. This fiscal year from June 10 to January 11, the Village has been billed \$88,000; \$30,000 for the sewer plant and \$19,000 for the Planning Board. We have never met those goals. Mayor Murray advised that our engineer right now, Mr. Hahn, has agreed to the same rates that Mr. Cronin agreed to, which were rates from 2007. There are different billing practices. There will be different accounting the way that the projects will go. They are setting up a better understanding of charging commercial applicants. He did not have much confidence that they will achieve this goal, but by doing different accounting and billing practices, we should be able to come close. Some of the accounting will be going to the roads and sewer plant which can be billed out of the bond. Currently, \$30,000 for the sewer plant may come out of the bond also. Mayor Murray did not recommend cutting anything out of this line. We will work with the Village Engineer. He is cautiously optimistic.

Don Zern wanted to know if we will have to start from square one with a new Village Engineer. Mayor Murray advised that Village Administrator Hay and Village Attorney Porteus are setting up a meeting with both engineers so that there is a proper turnover. Before, he did not think there was a proper turnover and we may have been "double engineered" for some things. There are no hard feelings between anybody and nothing political. They are going to keep things above board so that some of the things that were paid for will be able to be used. Mayor Murray is cautiously optimistic.

Page 4:

Trustee Knickerbocker had a general question on retro fees. She wanted to know how this is computed in the budget with this year's salaries. Village Administrator Hay advised that the salary lines are estimates and there is enough room on most of those lines to cover the raises.

Line 1640 Buildings-Central Garage: Mayor Murray asked about this line and where the plows and vehicles are. Village Administrator Hay advised that they are in Street Maintenance and Snow Removal.

1620.498 – HVAC Maintenance: Trustee Zachary and Mayor Murray questioned the line concerning the budget amount versus the amount spent last year. Village Administrator Hay advised that he left the money in the line because in the Senior Center some of the air conditioning units are not working. At some point, there was a problem with the generator. They will have to replace some of the units, which are expensive, in the Community Room. Mayor Murray noted that it is for the entire community, not just for the Seniors, and they do have events there. Village Administrator Hay advised that Michael Baisley did get the estimates.

1640.492 - Central Garage – Power: Mayor Murray questioned the increased amount. Village Administrator Hay advised that NYPA is expecting a small increase. He did not know what the final numbers would be. Mayor Murray did not think NYPA was going to increase us that much. He recommended changing the amount to \$7,000 from \$8,000. This will still give us a cushion for an increase.

1990.460 - Contingency Fund: Mayor Murray advised that last year it was \$25,000. He is recommending increasing it to \$50,000. This is also called an undesignated fund. The State frowns upon people having large undesignated funds. They usually set an administrative limit of 10% of the designated funds, although that is not a law. This fund is for things we cannot foresee. The Mayor commented that you cannot run out of money and have nothing in the bank. If the Village expends money for the bond and has to make an interest payment, they can take this money out. This is for emergencies not budgeted for. In previous administrations, there were larger Contingency Funds. Last year, it was for \$125,000 and \$100,000 was immediately taken out to lessen the tax impact. That impacted the ability to replace emergency equipment at the sewer plant. Westchester County mandated that the Village change a piece of equipment which cost \$35,000 and we could not pay for it. We made an agreement with them through the bond and the capital improvements to pay for that. He commented that the Village had to jump through hoops to not receive a violation. If we can save for the future, we will not run into that problem. That is why there is an increase in the Contingency Fund.

Trustee Zachary commented on the bond process. He wanted to know if there is a realistic chance the Village will be making interest payments before the end of this year. Village Administrator Hay advised that after talking to the Bond Counsel, if these projects do not move within this fiscal year, meaning before June 1, we will not have to make a payment - the first year being interest payments - until the following budget year. Without any of the engineering or that type of work done, that is not likely to happen.

Mayor Murray commented that if we have to charge some of the engineering fees before June 1, they will have to use some of the Contingency Fund. But they do not anticipate this. There will be engineering costs incurred now as the Village Engineer is immediately working on the projects. But there is no way we are going to replace the roads or work on the sewer plant now. It does not have to be done until next year. There is going to be a serious tax impact next year. The estimates are that it will be 12-15% just for the repayment. It does not take into account any of the mandatory fees that will increase from the State for the retirement or medical system. Mayor Murray spoke to the bond counsel, attorneys and other municipalities. Everyone recommended not setting money aside for this. He will take the advice of the professionals although he thinks it will hurt us next year. In case they need to spend some of the \$50,000, so they could do it.

Page 5:

3120.108 Public Safety: Trustee Funchion asked about this line. Mayor Murray noted that according to the law enforcement officers' shifts and according to where their schedules fall,

they may have to do their mandatory training on overtime. We cannot guess if someone is sick or out hurt. It is a large increase over last year. Mayor Murray commented that they may be able to cut it down. Police Chief Tubbs had recommended the extra training money. Trustee Funchion commented that he talked to Chief Tubbs and found that there is a type of training, National Intelligence training, that our law enforcement officers has not had. Since our law enforcement officers do not have that now, we are not eligible for any Federal funds from the Department of Homeland Security. If we do get that training for the officers, we could be eligible for funds from those funds. Since we have a nuclear power plant, it seems logical to Trustee Funchion that we should be able to garner some funds from it. This could be paid towards law enforcement for certain types of equipment and training. Mayor Murray wanted to know if the \$5,000 would cover it. Trustee Funchion commented that Chief Tubbs would have to be asked. Village Administrator Hay advised that this line item is for the mandatory training and the National Intelligence training course. Trustee Funchion commented that we are the only law enforcement officers in Westchester County who do not have this training.

Don Zern advised that you get certified in the State of New York and it may save insurance costs. Mayor Murray requested the Village Administrator to get more information on this. This line will be left as it is.

3120-109: Public Safety - Retro-Pay: Mayor Murray commented that there was nothing that they could say about the \$9,800 as it was locked in by the contract.

3120.460 – Public Safety – Other: Trustee Zachary noted that everything else for the Police Department is itemized so he wanted to know what was included under this line “Other”. There is a large increase in this line. He wanted to know what has been spent under this line YTD. Village Administrator Hay will look at the budget control report. Mayor Murray suggested taking \$6,000 off the line to bring it to \$10,000.

Don Zern commented on line 3120.200 – Equipment. He suggested not having any more used cars. Those cars go 24 hours a day, 7 days a week. Mayor Murray commented that they had ideas for the vehicle which would be discussed later.

3410.410 Fire Department – Insurance: Mayor Murray asked about the increase in the insurance line. He wanted to know if that was for life insurance, medical insurance or the whole insurance. He noted that the Village has more employees than last year. Village Administrator Hay advised that the insurance line is the breakdown of the whole policy the Village pays for insurance. He will look into it. Trustee Zachary wanted to know if the insurances were purchased separately for every department. He was not referring to Workmen’s Compensation but liability insurance and other insurance. Mayor Murray advised that the Fire Department has several different insurance policies because of the way they are set up. The Village pays some of their insurance and they pay some out of their budget. Certain vehicles are covered differently. Village Administrator Hay explained that payment for the pension is made in one separate payment. There is one separate payment for the police and one separate payment for the non-uniform employees. For the health care plan, it is paid to them on a monthly basis. It is listed in the Benefits section under Health Care Benefits. This is personal liability for the Police Department. Mayor Murray wanted to confirm that health insurance would not be under this item. The Village Administrator advised that it was not. He believes this is personal liability for the police officers. He will check this further.

Mayor Murray commented that this is a preliminary budget hearing. The budget will not be passed tonight. The State requires a public meeting about the budget. The Board is trying to work together to work this out. So if it appears that they are trying to hash things out, that is the purpose of this preliminary hearing. It is to allow every member of the Board to give their input. They are not allowed to do anything without the public.

This item will not be changed right now to allow the Village Administrator to check further.

Trustee Zachary suggested that insurance could be looked at during the year to shop for more economical insurance. Mayor Murray advised that they can put together bid packages for next year. The Board is working with what they have right now.

Mayor Murray commented about vehicles. In the original budget, there was money for vehicle replacement to purchase new vehicles. Police Chief Tubbs came up with the idea to ask some of the larger companies in the Village to donate new vehicles for the Police Department. He suggested speaking with Entergy. The Mayor has not yet done so. He wanted to hear from the Board on this and if whether it would be okay if “donated by Entergy” was put somewhere on or in the vehicle. Mayor Murray feels “50/50” on that. He does not know if the Village should be advertising for a company in that way. There are other municipalities that have done it in the past. Trustee Zachary was not in favor of having advertising on the Police Department vehicles. There should only be what is necessary on them. Trustee Knickerbocker commented that she understands the Mayor’s mixed feelings. The Village could get a vehicle at no cost. But it is an official vehicle. Mayor Murray commented that his initial reaction was absolutely “No”. Then when he thought about it, he remembered seeing it on some things. They are not going to budget to replace a vehicle right now. Village Administrator Hay advised that Chief Tubbs has applied for a grant to get a new vehicle and hoped to be successful. The Mayor commented that we do want to get a new vehicle for the Police Department. They were trying to find different ways to do it without going to the taxpayers. They will think about it. Maybe they could get examples of what it would look like with advertisement. Mayor Murray commented in response to Don Zern’s previous comments that he believes the Board all agrees that new vehicles are preferable over used vehicles but they are not going to budget for it right now.

Mayor Murray explained that Village Administrator Hay is putting in the numbers now to get a better estimate. In the past, it was done by hand and sometimes the numbers did not come out as accurately as they would have liked. Now, the Board will have a better grasp at the end of this meeting of what they are looking at. There will be some final refinements once they have the insurance costs. The number today should be relatively accurate within a couple of percent. That is what the Village Administrator is doing with the lap top computer.

Mayor Murray commented on Street Maintenance, line 5110.

On the question by Mayor Murray, Village Administrator Hay noted that the vehicle is in the Equipment line. The plow is in Snow Removal. The Street Maintenance has the refurb of two vehicles but is not in the budget right now.

Line 5110.200 on Equipment. Mayor Murray commented on the Highway Foreman’s request. A lot of our vehicles have not been maintained and are falling into the same classification as the infrastructure such as the Sewage Treatment Plant. Vehicles are different than the roads and sewer plant in that once they fall apart, they are gone and you cannot do anything with them. The Highway Foreman suggested a maintenance plan. Where a couple of our vehicles are in dire need of maintenance right now and in order to prevent further deterioration, he put together a package for 2 vehicles: one for \$17,000 and one for \$13,000. He had a single vendor. The Comptroller suggested going out to bid for anything in that price range, which is what the Board requested the Highway Foreman to do. They do not have those numbers. The Mayor asked the Village Administrator to state which vehicles they are and what the cost was for individual maintenance.

Village Administrator Hay advised that the two that the Highway Foreman wanted to refurbish were the large Mack trucks. One is a 1986 and one a 1992. It was to work on the undercarriage and to get the rust off them. One was estimated to cost \$17,000 and one \$11,000. It would give us a lot more durable pieces of equipment for the winter when we need them. They take a beating from the salt in the winter. Mayor Murray noted that these trucks are the snow plows with the salters in them. Salt is very corrosive. Part of the bidding is to take the bodies off; sandblast them; get all the corrosion off so it does not eat into the frame; undercoat; paint and

protect the metal of the frame. Once the frame is gone, the truck is worthless and we would have to spend \$150,000 to get a new truck. Mayor Murray felt that to spend \$13,000 to \$15,000 to get a few more years out of these vehicles is money well spent. The Mayor asked for the Board's input.

Trustee Funchion commented that at this point, it is worthwhile to put money into what we have. He recommended spending the money.

Trustee Zachary referred to the letter from Mr. Tiernan where the sandblasting for undercoating would be \$18,000. He commented that if you are doing that kind of work, you should try getting prices from other places but there are not other people around that do this. There is only one person in this vicinity who does it.

Mayor Murray advised that they asked Mr. Tiernan to go out to bid because the Comptroller had suggested that we do that. If for some reason you have to have a sole source purchase in that amount, the purchasing agent has to write a letter as to the rationale why it was that amount. There are certain reasons why the State allows you to do sole sourcing. There are reasons to do it. The Village has worked with this company many times before. There were estimates years ago and they were the cheapest. We were just going on past practices. We have to change some of our practices. If we cannot fund all this right now and do it all at once, it can be done on a revolving basis so that we do not keep incurring the costs. They could ask the Highway Foreman to do the truck this year in the most need of repair and then do the other one next year. The Mayor is agreeable to whichever way the Board decides.

Trustee Zachary noted that obviously they cannot go out and get all new police cars, fire trucks and highway vehicles. They should see which repairs are necessary to be able to clear the snow next winter. They can talk to the Highway Foreman to see which vehicle will not make it through the winter. Trustee Zachary commented that they should also look at setting aside a reserve fund for vehicles for the Highway Department the same as they do for the Fire Department because then they would have this money. That way the money could build up and be used as needed in the future for repair or replacement. Right now, he was in favor of budgeting enough money to fix the vehicle to be able to clear the snow this winter.

Mayor Murray wanted to know if Mr. Tiernan had any flexibility. Village Administrator Hay noted that Mr. Tiernan did have flexibility and he advised that if only one could be done this year that he would pick out the one that needs the most work this year.

Trustee Knickerbocker commented that they had to do something to maintain the vehicles. We cannot afford to buy new ones. And we need a snow plow. We need to do the repairs.

Mayor Murray commented that they should budget for the most expensive one and hopefully, Mr. Tiernan can hold off on the other one. If there is a difficulty in the future, perhaps they can take something from the Contingency Fund. The line will be set at \$18,000. Hopefully, the bid will come in under \$17,000. This will be put on a revolving maintenance program. This is under Street Maintenance. They will verify with the Highway Foreman if this is feasible. The line gets increased from \$2,000 to \$18,000.

Line 5110.420 – Gasoline: Mayor Murray wanted to know why it is increased 100%. Village Administrator Hay left the number the same as last year since he did not know what was going on with the price of fuel. Mayor Murray suggested putting it at \$7200. Trustee Smith wanted more taken out. The Board agreed to take it from \$11,000 to \$8500.

Line 5110.490 – Telephone: Mayor Murray did not want to change the line because in this line under Street Maintenance, they are under budget. They spent \$9500 last year and budgeted \$4,000. Trustee Zachary wanted to know if this was for the highway garage. Mayor Murray did not know. The Village Administrator will check this.

Line 5110.480 – Repairs-Equipment: Mayor Murray noted that there was a broken snow plow which required extensive repairs this year. There were extraordinary efforts to keep this working. The Highway Foreman and workers did an exceptional job taking care of the broken equipment. To not have to go through those heroic efforts this next year, the Highway Foreman recommended purchasing a new plow to put on the truck. That is why there is the \$10,000 there. Last year, it was not put into the budget. It should go out to bid as it is near the \$10,000 mark. Trustee Knickerbocker wanted to know how old the plow was. Mayor Murray did not know but noted that there are more welded pieces on it than there are new pieces from the original plow. Trustee Smith noted that the reason for this is because of the terrible condition of the roads and that is why the plow takes a beating. He commented that it is the price to pay for a weak infrastructure. Mayor Murray said that hopefully that is why they are going to fix it this year so the new plow will not be destroyed in six months. The Board was in agreement.

5110.470 – Street Repairs: Trustee Zachary noted there was \$77,000 spent on street repairs in 2008-2009; \$25,000 in 2009-2010; and \$35,000 is budgeted currently. He wanted to know if this was for specific repairs or a general fund for repairs that may come up. Village Administrator Hay advised that this is for breakages in lines, drainage water and things like that which may occur. It is hard to predict. Trustee Zachary wanted to know how this is affected by the road bond if it passes and we do the repairs to the roads. Mayor Murray advised that a lot of the money that was expended was for emergency repairs. Some of the roads, like on Bleakley Avenue, had water main breaks too. Hopefully when they spend the money on the bonds and replace these roads, they will not have to do these emergency repairs. This is a conservative estimate. The emergency repairs are what impacted this. When you get deep pot holes, you have to fix them. We had a \$950,000 bond that was passed. Once we expend that money, we will not have to do emergency repairs but we still have to keep some money in this line. There is a 50% reduction in the budget from last year. It is hard to estimate broken mains and needs like that.

On a question by Trustee Smith, Mayor Murray noted that it was 0 and it was put it at \$10,000 for the snow plow. Village Administrator Hay advised that it was for General Equipment. He was going to add to it. The budget was at \$10,000 in past years. Mayor Murray wanted to know why they did not expend the money. Village Administrator Hay advised that it may be an accounting issue on where they took things out of. There had been equipment spent. We can use it as it is and use it for the plow this year. Mayor Murray advised leaving the \$10,000 in the budget, spend it on the plow and they will check on the accounting practices.

5110.471: Mayor Murray noted that this is for an increase from the Power Authority. On a question by Trustee Zachary, Village Administrator Hay advised that is for street lighting and the increase for power usage. Trustee Zachary wanted to know if there is any kind of comparable technology like the compact fluorescents for your house, to which the Village could switch to cut down this amount. Mayor Murray advised that they did have an energy audit. Trustee Knickerbocker headed it up. Unfortunately, the cost to change everything over in the infrastructure was such that we would never get our money back in 20 years. Trustee Knickerbocker looked in the building itself. You could change the bulbs. They are not cheap. But you would not get the same brightness and wattage. This is especially needed in the office area and hallways. They are more energy efficient but we could not bring down the lighting. Mayor Murray said that they looked into all aspects including the HVAC. The State did an audit for us and gave us the cost and projected savings. It was not cost effective. Trustee Smith advised that he spoke to the HVAC person about those units. They need to be replaced. They are the original units from 1976, are on the roof and are energy “pigs”. When they replace the system, they will save money and have a more efficient system of powering it. But it is a large expense. Mayor Murray noted that they had a lot of estimates and as it comes up, they can look at replacing it. They cannot go with everything being energy efficient right now because the cost would be so huge. The numbers were outrageous.

Mr. Iacomini wanted to know if there was any stimulus money available for this. Trustee Knickerbocker advised that there is no stimulus money but there was money available. She had a meeting with Mike Baisley and the people from NYPA. They went over the whole report. Everything came into play - going green, solar, etc. Mayor Murray was struck with the amount of money that they wanted us to spend. Our savings on a year-to-year basis was only about 15%-20% of what would have had to have been spent. It was not explored further.

5142.460 – Other Expenses: Mr. Tropiano wanted to know what the \$30,000 was for. Village Administrator Hay advised that it was for Atlantic Salt. This comes off the New York State bid. Mr. Tropiano noted that the year before, it was \$52,000. Mayor Murray advised that this is how much was expended. It was not what was budgeted for. Worse winters mean more salt.

Trustee Smith commented that the new salt shed is larger and holds more volume. That means the Village can get a better rate per ton. In the past when they needed salt, it was delivered, so it cost a lot more. We should see a savings going forward. Mayor Murray noted that since it is covered now, there will not be a lot of product loss from precipitation. We will save money by the product being kept dry. Although they spent a lot of money, they hope to recapture it through the new structure. Trustee Knickerbocker commented that a warm winter would help. Mayor Murray commented that it would reduce our oil costs too.

Page 7

Mayor Murray commented about a Parks and Recreation Fund. We have a Recreation Fund that was set up by contractors when they put in developments to contribute to the increase in use of our recreation facilities. We have a Code for that. Over the last couple of years, there have been some debates on the interpretation of the Code. The Code states that the money is to be used for the equipping, maintenance and acquiring of new park equipment. Some people say it is for a buying new playground only. The Mayor did not think that was the intent of that law. They did research and found that there is \$225,000 in the fund. Unfortunately, it is only getting 0.1% interest. Mayor Murray feels that is ludicrous for almost one quarter of a million dollars. It is only \$25.91 a month in interest. He requested the Village Administrator to put that money into a CD. He researched on the internet and some CDs get up to 1.9% on \$100,000 and can get different rates. The Mayor suggested moving the money into a CD for one year and one day, then use the interest to pay for some of our emergency equipment replacement for our playground, park maintenance and our municipal pool. This is just for emergency replacement, not for general maintenance. He believed the intent of the law was for increased use causing increased breakdowns. It is a small amount of money. Each one is budgeted for \$1,000 and \$1,500. Under Equipment for Park and Maintenance, he wanted to know how to designate the \$1,000 not coming out of General but out of the Recreation Fund. Village Administrator Hay will look into this and see how the money can be used for that. Mayor Murray noted that the \$225,000 is not in the General Fund. It is set aside under a special law because some of these developments on smaller lots could not have their own playground facilities. \$2,500 will be taken from the budgeted Playground Equipment and the other \$2,500 from the Recreation Fund.

7110.200 Park Maintenance for Equipment: 0 was expended last year. There is \$1,000 budgeted for and \$1,000 budgeted for this year. Mayor Murray wanted to use \$1,000 out of the Recreation Fund and use it for that. Make this 0.

7140.200 Playgrounds & Center for Equipment: Take 50% out of this. 0 was expended and \$5,000 recommended. Mayor Murray wanted it cut in half down to \$2500 in the General Account and take the other \$2500 from the Recreation Fund for Emergency Repairs. This is not for General but only for Emergencies that may come up.

7180.200 Municipal Pool for Equipment: They expended \$4600 and it is budgeted for \$1500. Mayor Murray wanted to take the entire \$1500 out of the Recreation Fund and make this line 0 also.

Trustee Zachary suggested staggering the CDs. He wanted to know if the Recreation Fund is targeted for any particular use. Mayor Murray stated that it is specific in the Village Code what it can be used for. It cannot be in the General Fund. If we can get \$2,000 or \$3,000 a year in interest on the \$225,000, which the Mayor feels we should be able to get, it can be used for what it is needed for and the fund can stay forever. He felt that it should have been done years ago. There is no reason the bank should only give 0.1%. Trustee Zachary noted that it is standard money market interest these days. He suggested staggering it; to start with a 6 month CD and after the 6 months to change it to a 1 year. Then every 6 months, half of the money is due and that way if the money is ever drawn on, you would have a reduced chance of incurring an interest penalty.

Mayor Murray noted that they are not going to take the money out right now. When it comes up, when they get the interest, they can do the money transfer. They will not have to tax anybody for it right now. There is flexibility in the time frame. They are not going to take it right now. They can take it from the Contingency Fund. They can take it from another line and then replenish it from the interest money. You can get more money for a one year/one day CD than you do for a 6 month one. Village Administrator Hay is going to look into all of this. Mayor Murray commented that we need to try to get some interest out of the money, which should have been done a long time ago in his opinion.

7180 – Municipal Pool: Trustee Knickerbocker commented that last year we had a horrible summer. It was a rain wash out. A lot of municipalities are opening their pools a little later. Once we open the pool, the chemicals have to be maintained and keep it through the month of June when the kids are still in school. She wanted to know how the Board felt about opening it a little later. Mayor Murray wanted to know what impact that would have on employment and permits. Village Administrator Hay did not think there would be a problem with the permits. They would just have to start the lifeguards later. Mayor Murray commented that we have not yet hired anyone so we do not know what that impact is. The Village Administrator advised that they have started the interviewing process for the camp and the pool. He did not have a final number. Mayor Murray wanted to know how much could be saved by changing the opening date. Trustee Knickerbocker commented that the only problem is that we take about a \$50,000 hit. She noted that she loves the pool. It is beautiful, and a plus for the Village. She wanted to check with the Town of Cortlandt and other places. We can open for Memorial Day and we can open for weekends in June. But we are then maintaining a chemical level at that point. Mayor Murray requested that Trustee Knickerbocker put together an estimate of savings, and if we could allow the chemical levels to go down and then bring it back up to code. He also commented that we are going to be hiring people and if they are told to start later, they might not want to be employed. Also what would be the increased chemical usage needed to bring it back up and how long that would take?

Seniors – Playground & Center Line 7140-469: Mayor Murray wanted to know if the number was changed from last year. He believed it was \$20,000 last year, not \$16,000. Village Administrator Hay believed that the combination was \$20,000. Mayor Murray saw that it was the Special Events line and agreed.

Trustee Zachary wanted to take one of the Budget Committee recommendations concerning the pool. He thought that one of the reasons the pool is not popular is that in other places in the area such as the Cortlandt Yacht Club and the Premiere Athletic Club they have other amenities. It might be a good idea to look at setting up a concession stand where they could serve snacks and drinks and perhaps the Village could franchise that out for the summer, receive a flat fee and let somebody operate it. He recommended looking into what it would cost to see about this and maybe recoup some of the money spent on the pool. He commented that you do not like to spend money where you are not getting money back in. The pool is a nice service for the Village. Mayor Murray advised to talk with the Recreation Supervisor about that. She is open to new ideas. She wants to increase the usage of our facilities. It is a good idea. She would have

to interface with the County to see what kind of Health Department permits and stipulations would be required.

Mr. Iacomini commented that the Senior Citizens use the pool for water exercises and other activities. That is another factor. Trustee Knickerbocker commented that at the end of May, it is still kind of chilly to be getting into the water.

Mayor Murray commented that a cost benefit analysis will be put together for the Board to review. If it is only going to cost \$2,000 or \$3,000, maybe it is not that wise to switch it around. If the savings are going to be \$10,000 or \$15,000, maybe it should be.

Trustee Zachary commented that at the Peekskill stadium, there is a small concession stand that is open during games. It is very nice. He is thinking of something like that. Mayor Murray commented that the Town of Cortlandt also does something like that. The Board can look at other municipalities and discuss this idea with the Recreation Supervisor.

Page 8:

Park Maintenance, Line 7110.460, Other: Henry Hrdlicka commented on the amounts shown in this line. The Village Administrator advised that it could be lowered. He believed it is for the camp, for other expenses that they come across. Mayor Murray recommended reducing it by \$1500. The Board agreed.

Municipal Pool, Line 7180-460: Mr. Hrdlicka commented on [bottom of the page] the Pool Expense. He wanted to know why the amount was double the previous year's expenses. The Village Administrator advised that it was because of the chemicals and things like that. It could be lowered. Mayor Murray recommended decreasing it to \$10,000. The Board agreed.

Playgrounds & Center 7140: Mr. Tropiano commented on the line for Playground. He noted that we have a new playground for which the Village received grant money. He wanted to know if that was the playground referred to in this line. Mayor Murray advised that it was not. It refers to the Recreation Fund. It is to be used for new equipment for recreation, for equipping playgrounds. They are going to use it for the matching grant for the estuary grant, which is something it can be used for. He advised that the reason he reduced it to \$2,500 was because he wants to use the other \$2,500 from that Recreation Fund. They are still going to keep the \$2,500 in the budget for maintenance of the equipment. They can take the other \$2,500 out of the Recreation Fund. Mr. Tropiano felt that it could be reduced more because the playground equipment is new. Mayor Murray commented that it is still a 50% reduction. He believes the new equipment dates from 2006. There is other equipment and there are things at Lent's Cove they can do. Every year there are new regulations concerning the equipment we can use. If the State comes up with new mandates, it could cost the Village a lot of money.

Page 8

Home & Community Services, Zoning Board, Line 8010.490: Trustee Zachary wanted to know about the Telephone – Zoning Board. He commented that he was a member of that board for 10 years and never saw a telephone. The Village Administrator advised that he believed the previous year's expense was for the secretary in the Village office. Mayor Murray advised that this would be checked further. It has been reduced by 50%.

Trustee Funchion commented on Other Expenses - Planning, Line 8020.460. He wanted to know what those expenses are and why that has been increased. Trustee Zachary commented that under Zoning – Other Expenses, Line 8010.460, he took that to be for training. They do training and go to annual conferences. He wondered if Planning Board members do the same. Mayor Murray commented that Planning Board members do go to training once a year. Mr. Iacomini commented that in the past couple of years, the Village has utilized the free training that is available. Mayor Murray commented that the County Department of Planning has Planning and Zoning Board conferences. They are scheduled intermittently throughout the year.

You must attend two during the year. They are two hour sessions and you are required to have three hours. There was a stipulation in NY State law that you did not have to go to that if you went to the conference, so some people opted for that. It is up to the individual. The Village Administrator advised that some of the expense is for legal postings, but he will check as to the rest.

Mayor Murray advised that residential fees for the applicants are absorbed by the Village. Commercial fees are passed on to the applicants. So there are no other engineering fees under the Zoning and Planning Boards. The Planning Board requires a lot of engineering; more than the Zoning Board. The Zoning Board goes along with the laws. The Planning Board works out the plans and reviews with the engineer. The Mayor speculated that maybe we did not have a lot of applications requiring the engineer. He recommended decreasing the Planning – Other Expense line to \$10,000. Trustee Zachary wanted to know where the Village Attorney comes in. Mayor Murray advised that the Village Attorney is under contract. She is on a salary, not an hourly rate. The Village Engineer, according to what type of services, has different rates. Trustee Zachary noted that the Zoning and Planning Boards require the Village Attorney to be there. Mayor Murray advised that the Attorney is on another page in the budget with her entire salary. Part of her contract is that she is required to attend those meetings, regardless of how many hours. Trustee Zachary wanted to know why there is \$60,000 under Zoning – Regular Personnel, line 8010.100. He assumed that to be the attorney. Trustee Knickerbocker noted that the expenditure in the previous year was \$16,000. The Village Administrator will look into that. He advised that we have to pay the members of that board. Trustee Zachary believed that to be the part-time, the \$6,000. That would be approximately \$10,000 for the five Zoning Board members. The Mayor advised that this line would not be reduced until they have this information.

Mayor Murray recommended decreasing Planning – Other Expenses to \$10,000. The Board agreed. Trustee Zachary would like clarification on what that line represents as well.

Mr. Iacomini wanted to know if the \$60,000 may have been something that has just been carried over from year to year.

Mr. Hrdlicka commented on Treatment Plant – Other Expenses, line 8120.460. He wanted to know why it has been increased. Trustee Smith advised that as of late, there have been a lot of failures occurring at the lift stations. It is going to add up. He is recommending that the amount be left in the budget in anticipation, until the system can be rehabbed and the bond taking care of it. Mayor Murray concurred. In the preliminary estimate for the bond, they are going to include that in the repairs. The repairs will not be just at the Sewage Treatment Plant but at the lift stations also. In response to a question from the audience, Trustee Knickerbocker advised that new motors will also be addressed. Mayor Murray commented that right now he would like to keep this amount in the budget rather than having to go into the Contingency Fund if a need arose and risking it being left without funds. Trustee Knickerbocker commented that the upgrade to the STP is not going to happen in the next couple of months by the time the engineering, the SEQR, all the processes that have to be gone through before construction can be started. She noted that there was a failure just a few weeks ago on the Albany Post Road. Trustee Smith noted that it was an expensive one.

Trustee Zachary commented on Sewage Treatment Plant – Personnel, line 8130.101: He commented that it was not clear to him as a new member of the Board. He wanted to know if the \$42,000 was for half a person's salary and the other half was under Treatment Plant, line below. The Village Administrator advised that it was a portion of somebody's salary. Mayor Murray advised that under the Treatment Plant, the employees have factored in an amount for overtime because it requires having people come in at different times to take readings at the pump stations. Although it does not show that in their pay in their contract, when they have to come in on a weekend, they get paid overtime. There is a monthly or quarterly statement showing who worked the overtime, how many hours and on what days.

Trustee Zachary asked if he could receive a listing of the Village employees and their jobs. The Village Administrator will get one to him.

Page 9:

Trustee Zachary commented that there are a lot of expenses associated with the Sewage Treatment Plant. He wanted to know if the repairs are done in the next year or so, will some of these budget amounts be reduced, going forward, and if any of them higher because of the condition of the plant. Trustee Smith believes some are dramatically right now. He advised that probably two years after the plant is back in full operation, we will have a good indication of what the operating costs are. Then the Board can put together a reasonable budget for them. Right now, it is to do whatever is necessary just to keep the plant working.

In response to a question from the audience, Mayor Murray advised that sludge removal is governed by a contract. It was put out to bid and the Board selected the lowest bidder. The Mayor did not have the contract with him. He advised that the County increased the rates for the tipping fees.

Refuse Collection, Lines 8160. Mayor Murray commented on Refuse Collection. Although the tipping fees increased last year, there was no increase this year. He wanted to know there was an increase in this line. The Village Administrator advised that it could be decreased. The mayor recommended making it \$35,000. The Board agreed. He recalled that at the time the Board received and signed the contract with the County, two months ago, he confirmed with the Village Attorney that the fees had not increased this year. The reason for the increase last year was because the County closed the ash it and now had to ship the ash further away which increased the cost.

Mr. Tropiano wanted to know if there were bids for sludge removal. Mayor Murray advised that the Village did have bids for sludge removal. They came in a couple of months ago. Cook won the bid. There were three bids and Cook was the lowest bidder by about a \$30,000-\$40,000 difference. There was a public meeting concerning that and the Board did enter into a contract at a public meeting.

Line 8160-491: Trustee Smith commented on decreasing Recycling Costs. He recommended making it \$11,000. The Board agreed.

Employee Benefits, Line 9062-806: Mayor Murray wanted to know why there was a 33% increase in Dental Insurance. The Village Administrator advised that it was based on what was paid in the monthly payments. It could probably be reduced a little. He recommended making it \$55,000. The Board agreed.

Mr. Iacomini wanted to know if that included the Police Department personnel who retired and the two new personnel who replaced them, and if that also applied to the Medical. Mayor Murray advised that he did not believe it did. When they retire, they go to the State. The only thing the Village pays is the Medicare which is \$96.00 per month. The Village does not continue to carry the full benefit package as if they were still active employees. They go back to the State which is why the Village contributes to the State for their retirement. Whenever a police officer retires, the Village does not have to pay them \$18,000 or \$20,000. Village Administrator Hay will look into that. He believes the Village may pay for them longer, until Medicare takes them as their primary which is age 65. The Mayor commented that this will be looked into.

Page 10

No comments.

Mayor Murray advised that currently he and the Village Administrator are setting up a different schedule of fines, fees, road opening payments and other items related to revenue. They are looking at a lot of different ways to generate revenue without having to increase the cost to the

taxpayer. One example is a road opening fee mostly used by Con Edison and utility companies. The Village does not charge them anything. The Village will start charging them. It is hard to estimate at the moment because the policies are not yet in place.

Trustee Knickerbocker noted that Franchise Fees have decreased. Mayor Murray advised that he had a discussion with the representatives from Cablevision during the Public Hearing. The franchise fees can be charged anywhere from 3%-6%. They are then allowed to be passed on to the taxpayer. So for anyone who has a television, if the Board were to increase the franchise fees, it would be a roundabout tax increase. The Mayor noted that until that conversation with Cablevision, he was not aware of that fact. If the Franchise Fees were increased, it would have been passed along to the taxpayer. That is why they are not increased here, even though they could have been.

Mr. Tropiano commented on the County Sales Tax. He understands that they did very well this year. Mayor Murray commented that it could be a plus but the Board cannot estimate that. Last year, there was a reduction in what the Village received. Two years ago the goal was met. They feel that they will do so this year.

Trustee Zachary wanted to know what line contained the Sewer Flow charge (?). Mayor Murray advised that Cook does not generate that much money. Trustee Zachary noted that the Village took in \$68,000 and the budget is showing estimated revenue of \$125,000. The Mayor believed the \$68,000 was what was received from Entergy. The Village Administrator advised that the increase was based on the previous budget recommendation. The Board agreed that based on past income, these estimates were correct.

Trustee Zachary wanted to know what the income of \$95,000 in line 3501 represents. The Village Administrator advised that this is the money the Village receives from CHIPS. Trustee Zachary noted that it was showing only 1/3 of what the Village normally gets. Village Administrator Hay advised that it is better to estimate a lesser amount rather than miss the target because the State does not give out money as readily as it has in the past. Mayor Murray commented that New York State has not given out money as it has in the past and that the Board has estimated we will receive 60% in some of our aid.

Trustee Zachary wanted to know, ref: line 2401 – Interest Earnings, why a higher amount than previous years is being shown when interest rates are currently at rock bottom. The Village Administrator advised that he lowered the amount by \$5,000 from the previous year. He believes we will come close to that. Mayor Murray commented that the Village has millions of dollars it puts into the bank, from the Water Fund, the Regular Fund and some CDs. This is the interest on those millions. The Village puts this money into CDs which earn interest. The Mayor asked the Board if they wished to reduce this number. Trustee Zachary commented that he trusts the Village Administrator's estimate. He was only questioning how it was determined given the current low interest rates.

Trustee Funchion wanted to know what the amount in line 4910 - General Aid represents. The Village Administrator will check this.

Mayor Murray wanted to know if the Village was planning to do \$250,000 in Inter-Fund Transfers. The Village Administrator advised that what is normally done is to transfer from the Water Fund until the tax revenue comes in. That is what is represented there.

Page 12:

Mayor Murray wished to remind residents that the Village does not set the water rates. They are what the Village is charged by the water suppliers: the City of Peekskill and the Montrose Improvement District. This is what the Village must pay. In turn, the Village charges the residents through metered sales.

Page 13:

Mayor Murray wanted to know, ref: line F2144 - Water Sales, what does the \$10,000 represent since there was nothing expended. The Village Administrator will look into it and report at the next Board meeting. The Mayor commented that he did not believe the Village would be increasing the charge for water.

Mayor Murray wanted to know why Interest & Penalties is now showing \$8,000 when it was \$1,791. He noted that this was for people who did not pay their water bills. After a certain time frame, the Village attaches those water bills to their property taxes. The Mayor does not believe there will that much of an increase in those revenues. The number will be reduced to \$6,000.

Village Administrator Hay advised that when he printed out the copies of the budget for this meeting, he did not have the new salaries. They will be in the budget when he prints it again with the amendments. Mayor Murray advised that the only salaries that increased were those of the union personnel. All appointed and elected positions remained the same.

Mayor Murray advised that there is one loan pertaining to the purchase of a fire vehicle. Before we had the Vehicle Replacement Fund, the Village would acquire the financing for the vehicles. There was a long term loan taken in 1998 at 2.5% which is still being paid off. If the Village had had the Vehicle Replacement Fund in place at that time, we would not be paying this. He feels it is a great idea that the Fire Department finances this through their budget and the residents do not have to through their general tax increases.

Mayor Murray asked the Village Administrator to advise everyone of the adjusted total budget. The Village Administrator advised that it now 4.306. He noted that it was not changed that much with the reductions and additions.

Mayor Murray asked if the Board wished to keep the budget as now proposed or to make changes in any other areas.

Trustee Knickerbocker commented she feels that they first need some of the answers to questions raised tonight. She noted that the way they redistributed some of the money to put it into the plow, back into the fire house, for example, did not increase it.

Mayor Murray commented that he would like the Board to consider increasing the Contingency Fund so that they limit the impact of repaying the bond next year. He knows that we do not have a large Contingency Fund. The State guidelines allow up to 10% in that fund. He understands that it is "undesignated" money but they do not recommend having a line for repayment of the bond if the Village is not going to actually repay it. The Mayor would like the Board to consider increasing the Contingency Fund to defray some of that cost next year because it will be a large increase. He is making this as a suggestion. He will leave it to the Board's decision. He would have liked to have put \$43,000 on a separate line for interest repayments next year. But it was the advice of counsel to not do that.

The Mayor reminded that this is a preliminary budget hearing. There are other answers the Board must get, so he does not wish anyone to take this as the final budget. It will not be set until the Board votes at its May meeting.

Trustee Knickerbocker wanted to know what it would be if they increased the Contingency Fund by \$25,000. The Village Administrator advised that would come out to 5.99.

Mayor Murray advised that the final adjustments will be made at the May 5th Village Board meeting. He reminded residents that the Board cannot discuss this except at a public meeting and that will be the next such meeting.

Trustee Knickerbocker wanted to know regarding the health benefits for Village employees, if there was way to keep the same benefits and do an audit on it and the Village's other insurances to get a better rate. Mayor Murray asked the Village Administrator to determine if the Board

could put together a bid package or if they were required to use the same vendor for the Village employees.

Mayor Murray called for any Comments from the Floor. There were none.

8. **ADJOURNMENT:**

At 9:25 PM a MOTION to adjourn this meeting was made by Trustee Smith, seconded by Trustee Knickerbocker with all in favor.

9. **AUDIT OF BILLS:**

General Fund: _____ Water Fund: _____

Capital Fund: _____ T&A Fund: _____

See Abstract of Audited Claim Vouchers for details.

Kevin Hay