

**Village of Buchanan
Mayor & Board of Trustees
Public Hearing
Annual Budget Hearing
Tuesday, April 8, 2013**

PRESENT:

Mayor Sean Murray
Trustees Theresa Knickerbocker, Richard Funchion, and Nicholas Zachary
Village Administrator Kevin Hay

ABSENT:

Village Attorney Stephanie Porteus
Village Board Secretary Susan F. Matthews (sick)

1. PLEDGE OF ALLEGIANCE:

Mayor Murray opened the meeting at 7:30 PM, welcomed everyone to the Budget Hearing for the Operating Year 2013-2014, informed them of the fire regulations and led the Pledge of Allegiance.

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

There were none.

3. NEW BUSINESS:

PUBLIC HEARING ON 2013-2014 BUDGET:

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

Mayor Murray proposed going through the budget in order by page and that the Board and the public could comment on that line item at that time so that any changes could be made at one time.

Trustee Zachary commented that he wished there were more people present. He thanked those who did come out. He commented that when you come onto the Village Board, the budget process starts almost immediately afterward. He has been on the Board for three years now, so he has gone through this process three times. Each time, this Board meticulously went through the budget line by line shaving what they could and finding ways to skim any fluff they could. It

was a very, very thorough process. Last year, he started to feel that they had gone as far they could with that. This year, he felt that line by line was almost pointless because we already have a very lean budget. He feels that as a Board, we have already got it down to that point. We have skimmed the fat. He commented that his feeling right now is that he will be glad to hear what anybody has to say about any particular line and their suggestions to knock off an amount. But he thinks that we are now at a point where it is no longer a line by line analysis that is going to do us any good. He feels that we are now at a point where we have to look at the big picture. We have to look at long range, at what kind of expenses this Village is going to incur. We have to look at pretty much more of a big change type thing. He does not think that line by line is going to do much more. We have to really plan. If this continues, particularly the increases we have been getting in medical and pension costs, certain State mandated costs that just keep going up, we are not going to solve the problem by going line by line. He welcomes the process but thinks we have to go beyond that and do some longer range planning and projecting, and exploration of options.

Mayor Murray asked the Village Administrator to briefly present what our costs from the State are - pension and medical increases - that had previously been discussed.

Village Administrator Hay advised that the pension increases, between the police and non-police union was \$64,000 and \$50,000 for the non-police, over what we budgeted last year; \$115,000 between the two. It was one of our largest increases. Salary increases are approximately \$23,000 for the Teamsters and \$48,000 for the police which included two employees who were having their last step increase. Trustee Knickerbocker wanted to confirm that was the 2% salary increase. The Village Administrator advised that it was 2% just for the Teamsters because there is not a step system there except for the labor step. The police have multiple steps on their contract. We pay \$55,000 per month for the medical benefits. Their fiscal year runs from January to December so every year we have to estimate an increase for the medical benefits. Village Administrator Hay advised that he had gone over the last few years and it came out to around 6.5. He has estimated it at 7 for the last five months of the year. That would be an increase of \$60,000 over what we budgeted last year. Trustee Jackson wanted to confirm that was for benefits across the board. Village Administrator Hay advised that was correct. Mayor Murray wanted to clarify if the \$60,000 was for the last five months or the whole year. The Village Administrator advised that it was over the whole year. He noted that among the large purchases put into the budget was \$12,000 for a salt spreader. These were the largest increases.

Trustee Zachary noted that the Expense Control sheet is showing what has been expended year to date as of April 8 which means that there are about seven weeks left on the current budget. Last year's budget for the State retirement was \$245,000 and we have already expended \$262,000 for this year. He wanted to know if there are any more payments to be made for this year or if that was complete. He also wanted to know if that was true for the fire/police retirement. The Village Administrator advised that it was. Trustee Zachary noted that last year we budgeted \$140,000 and have spent \$206,000. He wanted to know if that was complete for

the year. The Village Administrator advised that it was. It was one payment. Trustee Zachary wanted to know if that was also true for the medical. The Village Administrator advised that the medical was monthly. Trustee Zachary noted that we budgeted \$600,000 for the year and have spent \$546,000 so far. He estimates that with another monthly payment of \$50,000, it will end up being around \$600,000.

Mayor Murray advised that the mandatory increases mean that we are looking at a 15% increase even if we did not do anything to the budget. The police pension, non-police pension and salary increases and medical benefits comes to an increased bill from New York State of \$245,000. To get \$16,000 in tax revenue is a budget increase of approximately 1.0%.

The Mayor asked the Board how they wished to review the budget. Trustee Knickerbocker favored page by page.

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Ref: Judicial - Other Expenses: Mayor Murray wanted to know why we budgeted \$15,000 last year and this year it is only \$7200. The Village Administrator advised that was because they changed the way they were billing us. We put it into a separate account and then it is transferred over. That is why we did not need all that money in that account. The Mayor wanted to confirm that we are not going to run out of money in that line. The Village Administrator advised that we will not.

Ref: Board Of Trustees: Trustee Funchion wanted to know about the \$400. The Village Administrator advised that was also the Secretary to the Village Board. He believes we were close on that line. There is an added amount for the cost of the meetings as well as the Secretary. Trustee Funchion wanted to know if Other Expenses was for training. The Village Administrator advised that it may include the video. The Secretary is under Part Time – 5400. The Mayor advised that the \$4,000 is what we budgeted for last year. We just recommended the same budget for this year. We spent \$3123. Right now, we are at 90% of what we budgeted with a couple of months left to go.

Trustee Funchion noted that for Clerk/Treasurer Salaries we show \$127,550. He wanted to know if that was for two or three positions. The Village Administrator advised that it was the two positions in the Village office and that the third position was partially funded. The Mayor advised that previously we had budgeted \$70,000. Last year, we went down to \$35,000. Trustee Funchion commented that this was \$35,000 we might possibly take out of the budget. Mayor Murray commented that if we did, it is never coming back in.

The Mayor commented that one thing he wants to do, if we want to get the \$35,000 for the part-time in the Village office, is to use it for a one time purchase so that we can put it back. If we take it out and eliminate that position, we will never get that position back. We do not have any other cushion. Trustee Funchion commented that he understands but he is very concerned about

this 11% increase. We have to cut somewhere. Trustee Zachary wanted to confirm that this includes two full time and one half time positions. The Mayor advised that was correct. It used to be three full time positions. We cut one position in half and used it to offset a tax increase in a previous budget year. Trustee Zachary wanted to know why we would lose that position if we stopped funding it. The Mayor advised that you would have to increase the taxes to put it back in. If you are going to take the \$35,000 to offset a tax increase in other areas, you are never going to get it back. If you use it for a one time purchase, once that purchase is completed that money comes back in the following year if you keep it in that line. Trustee Funchion wanted to know what would be the one time purchase. The Mayor advised that if we were to take the money for the lights, which we budgeted \$15,000 for Street Maintenance, expended \$21,000 and last year we budgeted \$12,000. If we take that \$12,000 and the \$35,000, or a portion of it, and purchase a bucket truck and not pay for a contractor to redo our lights. Once that purchase is done, you keep that same budget number for next year and have another half position funded. Trustee Zachary commented that the Mayor is basically talking about line to line transfers to cover other expenses. The Mayor said that was correct. If we were to take that \$35,000 and try to offset a pension fund for example, that pension fund is not going to go down. It will keep increasing. So in order to offset it for next year, we would have to take that \$35,000 again and money from somewhere else. We would never be replenishing that line.

Trustee Zachary commented that he would like to see that line stay there for other reasons. He feels that with a staff of two and the Village Administrator that all the Village's work gets done. But for anything that comes up that requires research or grant writing, for example, we need an assistant there who can take on some other assignments. He does not think that everything he would like to see get done is getting done. He feels that the two people who are there are very consumed with the day to day operation of the Village and the Village Administrator has his hands full. Trustee Zachary would like to leave the option open to have another half time position. Mayor Murray commented that last year when we cut this salary in half, one of the reasons was that we were going to have someone in the office retire and we wanted to bring someone in during a transitional phase. The Mayor had negotiated with the union for a certain time frame and had an agreement to have somebody there as a part-time employee. We were going to use that money to transition that over. If we were to cut that out and this person does retire, we would not be able to hire someone until they were gone. In response to a question from Trustee Zachary, Mayor Murray advised that in the negotiation with the union, there was a time limit on that agreement. Trustee Zachary wanted to know if we have two people, neither of whom intends to retire, can this fund a part-time position on an on-going basis. Trustee Funchion noted that we have a line item in the budget for \$10,000 for a part-time person. He wanted to know if we are going to have two part-time people. The Village Administrator advised that the \$10,000 was what we originally put in for the part-time person. When it was discussed, it was only going to be for a few months and that amount would have covered it. Trustee Zachary wanted to know if a part-time person was included in the 100 line or if it was only the two salaries. The Village Administrator advised that it was the two salaries and part of

another salary. Trustee Zachary wanted to know approximately how many hours per week or what percentage of a week did the partial salary cover. The Mayor noted that the maximum for a part-time employee is 17 hours per week.

Mayor Murray wanted to know if the Board would like to take \$5,000 out of the other part-time line. He commented that he would really like to try to get that bucket truck. Trustee Zachary commented that he very much wants that line to remain and to have a discussion with the Board. We do not have to discuss how we would spend that 17 hours worth of salary. We can do that at a Workshop. We do have to decide tonight whether or not to leave it there. At another Workshop we can discuss how we want to fill that and what we think the needs are in the office.

Trustee Knickerbocker would like to see a bucket truck. She referred to page 5 of the Budget Control Report, the 4th line up, and wanted to know if those are the monies that we have been using to have the lights changed in the Village. The Mayor directed everyone to the line where that expenditure was reported. He noted that it was 213% of the budgeted allotment. Trustee Funchion wanted to know the cost of a bucket truck. The Mayor advised that the used ones he has looked at are around \$35,000-\$40,000. Trustee Funchion wanted to know if we would then have to have an electrician do it. The Mayor advised that we would not. Trustee Knickerbocker wanted to know if would just be for changing the lights when they blow out. The Mayor advised that was correct. Trustee Funchion commented that he could see the need for that \$35,000 if it is eventually going to save us money. Mayor Murray commented that is the reason why he does not want to take it out. Plus it is one way we can replenish the line in a future budget.

The Mayor commented that if the Board wanted, we could take something out of the other part-time line. If we have \$35,000 and \$10,000 there, we could take \$5,000 from the part-time line and reduce it to \$5,000. The Board agreed.

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Ref: 1325460: Mayor Murray noted that in 2011-2012, we had expended \$27,000 but this year we are budgeting only \$19,000. 2012-2013 is not yet closed out but it is estimated to be \$20,000 and the Budget Control Report shows that we are currently at 100% of that amount. The Mayor wanted to know if we are under-estimating that line. Village Administrator Hay advised that there were some one time purchases and that he felt we could find some savings by reducing this line. Trustee Jackson wanted to confirm that there was not \$7,000 left over from this line. The Mayor advised that was correct because we were over budget on it in the previous year. Trustee Zachary noted that we were budgeted for \$19,000 in 2011-2012.

Ref: Shared Services – Village Hall: Trustee Funchion noted that we have a full time salary, a part time salary and overtime. The Village Administrator advised that there is a full time caretaker. The overtime line is for other special events that run in the building where they have to come in and for snow removal. The part-time line is for the part-time caretaker. Trustee Funchion wanted to know if there was a way to save money between those three lines. He

wanted to know if the part-time person could take out some of the overtime. The Village Administrator advised that we would have to look at the contract. Trustee Zachary noted situations where overtime was necessary and so needed to be budgeted for.

Ref: 144.461 & 144.462 – Engineering: Trustee Zachary noted that we budgeted \$80,000 and the amount expended year to date has dropped significantly. He wanted to know if the higher amount from the previous year was specifically from sewer and road work. The Village Administrator advised that some of the planning projects had escrow set up for them, so some of that money came back in through the applicants.

Mayor Murray wanted to know if most of our consultants' fees come due to the commercial construction. He noted that in 2010-11, we only spent \$11,000. This year, we are only at 12%. The Mayor proposed reducing this item by \$5,000. The Board agreed. Trustee Zachary commented that there is still some room in the regular Engineer's line to cover some bills that have come in. There is still \$5,000 left there.

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Ref: 1620.492 – Power: Mayor Murray noted that we spent \$13,000 in 2011-2012 and are asking for \$19,000. He did not feel that this could be reduced. Trustee Funchion proposed possibly reducing it by \$1,000 unless that would make it too close. The Mayor recommended leaving it as is.

Trustee Funchion wanted to know if we are all right with the fuel, considering the price. Mayor Murray noted that our spending is at 84% so it should be left as is.

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Ref: 3121 01 – Public Safety: Mayor Murray noted \$11,000 in 2011. We spent \$115,000 and we are at \$110,000. Village Administrator Hay advised that Police Chief Tubbs had asked for an increase in the overtime because generally, we do run over. We now have a full force.

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Ref: 5110.490 – Telephone: Trustee Funchion wanted to know why this went from \$5,000 to \$8,000. Village Administrator Hay advised that it was based on where we were ending up each year. That is for the lines for the water pits. They are still on Verizon lines because at the time, Optimum was not able to change them over. The Village Administrator will check with them again to see if they now have the capability to do that.

Ref: 5110.101: Mayor Murray noted that we had budgeted \$5,000 but have only expended 40% of that to date. He wanted to know the reason. Village Administrator Hay advised that the storms we had last year took up the cushion we had in there. That is why he left it at \$5,000. In

the previous budget year, we ended up at almost \$11,000 but that was due to Hurricane Irene that year. So he left it where it was.

Ref: Snow Removal – Equipment & Other Expenses: Trustee Funchion wanted to know what that included. Village Administrator Hay advised that the Equipment line is what we were planning for the salt spreader and the Other is the salt. He reduced it in anticipation of our having a better winter as one area where we might find some savings. Mayor Murray wanted to know if we know that the salt spreader will cost \$12,000. The Village Administrator advised that all the quotes we got were in that area. The Mayor wanted to know if it might be possible to put that off until next year and instead put that \$12,000 toward a bucket truck. The Village Administrator advised that he has been advised that the spreader we have now is very old and will need a significant amount of maintenance. The Highway Foreman asked for the salt spreader which is stainless steel. Village Administrator Hay is not sure if our current one is stainless steel. He will find out. Trustee Funchion commented that this is something that we cannot do without.

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Trustee Funchion wanted to know if we are progressing to where the pool will eventually pay for itself. He wanted to know if we are making any money from the pool or if it is static or going backwards. Village Administrator Hay advised that we are holding where it is. He noted that in most municipalities, pools are not money makers. In Hastings, for example, they never broke even. It is more of a service being provided. Pools entail a significant cost, such as lifeguards for example. You would then have to get a significant amount of memberships. Mayor Murray commented that one of the things the pool has been used for is the day camp. We have had a significant increase in participation in the day camp. Revenues at the day camp have increased approximately \$4,000-\$5,000 per year since Nancy Bayer took over as Recreation Supervisor. We have been using that money to more or less offset the operation of the pool. Trustee Funchion wanted to clarify that he was including the day camp. He meant both of them. The Mayor advised that we are not breaking even but our losses are a lot less than what they were. Each year we have had more participation in the camp. Nancy Bayer has been good with her budget. Every year, she changes a little the way she has the counselors coming in. She changes the numbers and their duties so it is a little more efficient. So we have been able to increase our revenues.

Trustee Funchion wanted to know if we would make a dent in anything if we did not open it until July 1. Mayor Murray did not believe it would because we would only be keeping it open for two months. The camp starts before July 1, so the kids would not be able to use the camp. We have to stabilize the chemicals so we usually open it on the weekends in order to get everything going. If we were to wait that much longer, we probably would not be able to hire the people because they would not want to wait until the first week in July to start working. Trustee Funchion said he was just trying to think of areas where we can save. The Mayor said he knows

and appreciates that. Village Administrator Hay commented that the only thing you might save is a little in salary. For the first few weekends, staff costs are about \$800 per weekend. Trustee Jackson commented that they were getting an increase in population and usage anyway. Trustee Knickerbocker wanted to know what it costs per month for the chemicals when we first open up the pool. The Village Administrator advised that the up front costs of the chemicals are significant. He did not have the exact cost numbers on a weekly basis. Trustee Knickerbocker wanted to know what is the amount we are currently losing on the pool each year. The Village Administrator did not have that number with him. Trustee Knickerbocker commented that at one time it was \$50,000. It sounds like that is coming down. Trustee Zachary advised that in 2010 the income from the pool and Recreation fees was about \$11,000. Now they are around \$24,000. That is a jump of \$13,000, more than double, from 2010 to the 2011-2012 year. Trustee Knickerbocker commented that she loved the pool. It is beautiful. But it is something that they have to look at. She wanted to know if there is another way to increase revenue there. Trustee Funchion would like to look at it in the whole with the camp because with the pool you are definitely losing money but, he noted, as the Mayor pointed out in previous meetings, it also supplies employment for a lot of young people in Buchanan which has a very positive effect. He commented that as Trustee Zachary pointed out, if we are going towards the positive, he would rather keep going down that road. He understood what Trustee Knickerbocker was saying because people at some point are saying "Do I want to pay 10% more taxes and have a pool or get rid of the pool?" Trustee Funchion feels we are heading in the right direction with that whereas maybe four or five years ago, we were not. Trustee Knickerbocker wanted to know from last year where we ended up with that, just so we know. Trustee Zachary noted that if you take out the pool fees collected, the difference that we spend on the pool is \$40,000 or about 2% of the budget.

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Ref: Zoning Board – Salary: Trustee Funchion said that he has asked about this before but for clarification and for the public, on the first line, he wanted to know why the Zoning Board salary is \$65,000 and the Planning Board salary is \$10,000. Village Administrator Hay advised that it includes the Building Inspector, the Fire Inspector and the members of the Zoning Board.

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Trustee Zachary noted that we are projecting an increase in the sludge removal budget and wanted to know if that was based on what we actually paid out this year. Village Administrator Hay advised that it was on the contract that we bid out. The numbers went up a little bit because we have been going through more sludge than last time.

Trustee Zachary wanted to know where we stand on the major expenses on the repairs and improvements to the Sewage Treatment Plant. He knows we had some high expenses there in the last couple of years. He wanted to know if we are anticipating any major expenses there this

year or are we pretty much done with the expensive work there. The Village Administrator advised that a lot of expensive work has been done. He will check with the Village Engineer on what is our next progression.

Mayor Murray advised that we have come in compliance with what the Board of Health had wanted. We took care of the micro-strainer and had the sludge conveyors replaced. We could have taken that money out of the bond but we paid for it out of the General Fund so we did not have to expend that money. In response to a question from Trustee Zachary, the Mayor advised that we did not replace the manual aerators. We repaired them. Trustee Zachary wanted to know if they were rusted out and were they re-welded. The Mayor advised that they were. Trustee Zachary wanted to know if that means that they will not need replacement now. The Mayor advised that they will need replacement. New York State has sent out information to other municipalities that operate their sewer plants that have still talked about de-nitrifying the waste. They are also possibly putting a mandate on us of taking out the chlorine. We will have to change the level of chlorine that we have. They are cutting our maximum chlorine discharge from a maximum of 2.0 PPM to 0.5 PPM, so we may have to purchase other equipment for that which we did not know about. But the aeration system is still contingent upon the de-nitrification. Trustee Zachary commented so we are unclear as to what we will be faced with. The Mayor said that was correct. But we are in compliance with all our SPEDES permits and all of our consent orders.

Ref: 950805 - Unemployment Insurance: Trustee Jackson wanted to know if our cost is based on more having to be paid into the program or the usage of it. Village Administrator Hay advised that it was because the amount of people we have to pay Unemployment Insurance for. We have added a couple of staff members, so it has gone up.

Trustee Funchion wanted to know if the Pension figures matched the ones the Mayor had. The Mayor confirmed that those were the numbers the Village Administrator had.

Trustee Zachary commented that he looked back at every budget figure that he had in his file at the changes to the retirement payments that the Village had to make - both the regular retirement, and the police and fire retirement - as well as health insurance, and charted it from 2007 to now. He commented that this is what we all know is driving everything. There has been an increase of 115% in our payment to the retirement fund from the budget year 2010-2011 to the current proposed budget. The police and fire retirement is an increase of 177%. He commented that they say that statistics can lie and he thinks that one lies a little bit because for some reason what we had to pay in 2010-2011 dropped for that one year. So the percentage increase may be a little inflated. But it still is a 177% increase from 2010-2011 to now. The increase in medical insurance for that same period is 18.7%. If you add up all three, we went from \$767,000 in 2010-2011 to the current proposed budget of \$1,167,000. That is an increase in those three years of almost \$400,000 and 51%. He commented that this is what is killing us. That right there, you would have to increase your budget just to stay even. That \$400,000 amounts to roughly 20% of

our budget. It would have taken a 20% increase just due to those three factors in those three years. Trustee Jackson wanted to know if that included the mandated expenses. Trustee Zachary confirmed that they were all mandated. (Trustee Zachary handed out copies of his analysis to the Board). Trustee Jackson commented that it goes back to the Trustee Zachary's suggestion that looking forward we do the budget line by line. Trustee Zachary feels that there is a little bit we can do line by line but we have to look elsewhere.

Mayor Murray asked for questions and comments from the public.

Angelo Iacomini, Donahue Court, had a question on the employee benefits. He commented that when you look at the employee benefits on the overall expenses, the revenue that goes to the Open Book, the Controller's Office, employee benefits are 14.35% of the budget. He noted that is the budget of 2011. That is the third largest single item in that particular year. It has fluctuated a bit from 2010. He commented that in essence, it is really just 14% or \$1,177,163 for that particular budget. He commented that the Board was throwing out a lot of numbers. But it is 10-15% of the budget overall. He commented that there were other areas that he would ask about. Utilities is one. According to the pie chart available on the office of the Controller's web site, in 2010 and in 2011 utilities on the overall budget, amount to 32.85% or \$2,611,302 of that budget for that particular year, or of the expenses. Trustee Zachary wanted to know if that included the Water Fund. If you look at the total budget outside of the budget, outside of the Water Fund it is in the \$5,000,000-\$6,000,000 range. If you look at the total budget with the Water Fund expenses in there, it is closer to \$8.5 million. He wanted to know if Mr. Iacomini was counting the utilities with the Water Fund; otherwise he did not know how Mr. Iacomini got that figure. Mr. Iacomini advised if you look at the pie chart, it says that you take expenses and you look at revenues. Trustee Zachary commented of course it is going to be an enormous number if they are including in the utilities the Water Fund. Mayor Murray advised that our Water Fund is \$3 million. We have approximately 2.7 of that million is in gross receipts. Mr. Iacomini said again that the utilities number in the 2011 budget was 32.85%. Trustee Zachary noted that the number Mr. Iacomini quoted has to include water. There is no way it could be true unless it included water which is considered a utility. Mr. Iacomini commented that when you talk about employee benefits, it is 14% of the budget. Trustee Zachary noted that it is 14% of the budget but it is a large percentage of the increase and it is the increase that makes the tax increases. Outside of water which is a prime utility in that figure, he would say, the single biggest thing in our budget, as in most municipal budgets, is manpower. The Village budget is manpower intensive. That is what it takes to run the Village; the Highway, Police, and Sanitation Departments and the Village office. Mr. Iacomini said Public Safety is 13%, Sanitation is 12%. Mayor Murray commented that he was including the resale of water in that. It is not a true number. The resale of water is over \$2.5 million. Our budget outside of the water is only \$5.3 million dollars. So the numbers Mr. Iacomini is using are skewed because it is including the resale of our water. Mr. Iacomini commented that those are the State's numbers. Trustee Funchion commented that to be fair to the public that Mr. Iacomini has to define

“utility”. Mr. Iacomini commented that is what the Board should define. Trustee Zachary asked Mr. Iacomini if he had picked up a copy of the current proposed budget. Mr. Iacomini confirmed that he had it. Trustee Zachary referred him to page 1. He noted that the total budget is \$8 million. But \$2.5 million is shown as water. The general budget is \$5.5 million. Everything that we are talking about now concerning increases has to do only with the money raised by real estate taxes. It does not include the money we get from Entergy. It does not include the money that has to do with water. So when we talk about a certain percent increase, it only on the tax levy that is real estate taxes. Mr. Iacomini commented that perhaps this is where he misunderstood. To him, revenue is revenue and expense is expense. Trustee Zachary said we are only looking at that tax levy, the portion that is raised by real estate taxes, which is just under \$2 million.

Mr. Iacomini commented that if he was correct, the budget does not reflect what we have in the coffers of the Village. It is what we want to spend or what we try to spend. He wanted to know if there is currently any surplus left in the coffers of the Village. Trustee Zachary advised that the Village has a General Fund. The Village does not operate from pay check to pay check. Everything is paid out of and into the General Fund. You cannot operate without some money in the General Fund, some reserve. Mr. Iacomini wanted to know what that reserve was. Mayor Murray advised that it is currently \$895,000. Trustee Zachary noted that was not enough to run the Village for 6 months. So you have to keep that reserve of money even though it sounds like a lot. The Mayor advised that that \$895,000 includes our liabilities which are the loans, the \$550,000 bond that we have. Trustee Zachary commented that it is the municipal equivalent to how you are advised to always have a reserve in case you lose your job. We have a reserve for six months if we suddenly stop taking in any money. He noted that it may sound like a lot of money but it is not. Mr. Iacomini commented that his budget is what he has in his wallet. It has nothing to do with what he has in his bank account. Trustee Zachary said that is what our General Fund is. What Mr. Iacomini has in the bank is like what the Village has in the bank. It is the reserve, the savings, the back up. Mr. Iacomini said that he needed that clarification. When he took the expenditures to revenue for 2010, according to his numbers we overspent \$203,031. In 2011, we overspent \$372,846. The expenditures in that year were \$8,100,000 and change and the revenues were \$7,727,000; a difference of \$372,000. He was looking at the numbers we sent to Open Book. He asked the question that we overspent two years in a row. He did not know what Utilities was but he saw that it was 32%. Trustee Zachary commented that from what Mr. Iacomini has said, that was all the more reason we cannot be dipping into the General Fund. We have to budget our money to run the Village. It is not like we have surplus money somewhere. We have to maintain that General Fund. What Mr. Iacomini said meant that the General Fund was depleted by a fair amount of money.

Mayor Murray commented that when you do an audit, whether your liabilities increase or decrease, ours increased because we did the roads. Even though we did not have to take that out of the General Fund, it comes up as a liability against our assets. If one year you have two

million dollars, for example, and you spend a one million dollar bond, even though you did not take a million dollars out of your General Fund it is shown as a liability. He commented that some of the other things Mr. Iacomini was talking about are water main breaks that we had to spend over \$85,000 on and which were not budgeted for. We had a \$90,000 pay out to one of the employees which we did not budget for that we took out of our General Fund. Because if we budget for one-time uses like paying out the \$90,000, for example, and the tax increase, it is a one-time purchase. Then we would be taxing somebody for something that we are not spending it on. That is one reason why our fund had gone down, because we did not get that revenue back. Mr. Iacomini said he asked the question because of the utilities. He commented that you cannot really look at Open Book and say this is the state of our affairs. Mayor Murray advised that over the last two years they have changed the way that we have to account for things. It is very confusing when you talk about assets and liabilities, what you have in the bank and what your pension liabilities are. For instance, if we were to cease operation right now, over the lifetime of our pension fund we would owe over \$10 million. But that is just because of the way that they are requiring us to report so that we know what the health of our budget is. Just to say that you have the liability of \$10 million you have to put money aside, it is not so because that is just if the Village was to stop operation immediately. If we would have to combine with another municipality, they would have to assume that \$10 million cost over a lifetime of what our employees have. New York State has changed the way they report things and the way you report things, and sometimes it makes it more confusing. Over each year that we have spent money on the bond to do road paving - the first year we spent around \$350,000; the second year was \$200,000 - if you go to that same report you will see that we have an increased liability of \$522,000 with \$25,000. It looks like it was not budgeted for. But that is not correct because it was budgeted for. But it was an increase in liabilities so that is why it is shown as a negative number even though we budgeted for the repayment of that. The first year we budgeted for that repayment. After we spent it, we did not have to re-budget for it the next year. We factored out what the \$950,000 would be to include interest and principle and we never have to change that. But our numbers as we spend it will show it is an increased debt, even though it is not actually. These are reporting requirements that New York State had put on over the last two years because a lot of municipalities are not saying that. They were saying basically what Mr. Iacomini was saying; that we have \$5 million in the bank; we budgeted for a certain amount of money to pay it back; so people were thinking they were fine. But it was not taking into account what your liabilities are. So it comes against your total assets. Plus you will see that there is a depreciation value every year that is charged against your assets also. We have less assets or value of our assets, so it would appear that we are going over budget. But some of those numbers are for depreciation also.

Mr. Iacomini appreciated the Mayor's explanation on that. He wanted the Board to understand where he is coming from on this. It is the fact that when you look at these Open Book numbers, we are actually a year behind. The Mayor noted that last year, we were 3 years behind and Mr. Iacomini pointed that out. The Village Administrator had been working on them. We have to

close out the year, get the audit done, review the audit and then put it in the computer. If our budget year ends in June, the auditors come in and start working on it in mid-summer after all of our bills come in because we have to be assured that all of our bills have come in. Sometimes it is two or three months after the close of the year. We might not get all of our bills until July or August of the following year. Once all those come in, then the auditors come in and they go through it for two or three months. Then we recalculate or reassign what they feel should have come out of which line. Then we get the final audit around December or January of that year. Once we get that final number is when the Village Administrator can put it in to the State of New York. For it to be only one year behind, the Mayor thinks is pretty good if you look at the other municipalities that are in the same boat. Some of the villages run June to June. Everybody has different years. Mr. Iacomini commented that Croton has last year's numbers in. He commented that the only reason he says that is because there is a time frame in those laws as to concerning posting of those numbers. They should be posted 120 days after the close of the fiscal year which is May 31. If you have some sort of hardship, they allow you another 60. That puts you around the December time frame where these would be available and we can see this well before this comes around and ask more intelligent questions. The information he is talking about or trying to analyze is a year old; actually more. Trustee Zachary wanted to know the last one we have in there. He noted that Mr. Iacomini cited 2011 and wanted to know if that was the 2010-2011 or 2011-2012. Mr. Iacomini advised that Open Book shows 2011 as the last one. 2012 has no date at this point. This is the one that you are sending in. The Mayor noted that as Mr. Iacomini knows, on all of our budgets we have two years because we run from June to June. We do not run from December to December, the calendar year. All of our budgets say 2011-2012, for example. That is why he wanted to know the one Mr. Iacomini was referring to. Mr. Iacomini wanted to know if we are adhering to the guidelines. The Mayor advised that they have to ask the Village Attorney what the interpretation of that law is. The Mayor believes that it is that we have to have an audit and there are time lines when we have an audit. He does not have the law in front of him. He would have to refer to the Village Attorney for that interpretation. Mr. Iacomini said the 120 days puts us in the December time frame and we would have seen more information. Right now we are dealing with information that is a couple of years old. We should be at the 2012 numbers to help understand things and help ask questions about things. He thanked the Mayor and Board for their comments.

Page 10:

There were no comments on Page 10.

Page 11:

Trustee Funchion noted on line 2001 Parks and Recreation Fees that our fees have gone down. Village Administrator Hay advised that the fees were over-estimated and he was trying to get a number that was more realistic.

Trustee Funchion asked about Inspection Fees and Police Services. Village Administrator Hay was trying to get a number that was realistic.

Trustee Funchion commented on Interest Earnings being down \$10,000. Interest is non-existent any more. Trustee Zachary remarked that there is no interest any more.

Mayor Murray wanted to know how much we received in County Sales Tax this year (Line 1120). Village Administrator Hay advised that we received \$74,000 per quarter. He believed that we hit our target. It is about \$296,000.

Trustee Funchion wanted to know how much we are paying for Cintas. Village Administrator Hay advised that it was around \$15,000. Trustee Funchion commented that he looked at the contract and there is nothing in there that states that the Village has to do laundry. Village Administrator Hay believed that it states that we have to provide a uniform of our choosing; raincoat, boots and gloves. He did not have the contract in front of him. Trustee Funchion noted that the union would have to be contacted to see whether it would be considered a change of practice, etc. He did not think that it would be asking that much and that it would save the taxpayers \$15,000. He wanted to know how the rest of the Board felt about that.

Mayor Murray commented that when this was brought up last year, he was in favor of putting a washing machine in the garage; to get rid of the service and buy a \$300 washing machine and do the clothes there. He commented that for some reason, it all fell through. Trustee Funchion and Trustee Knickerbocker were in favor. Trustee Zachary wanted to know what line this was on. He commented on it being taken from each department and they said that Village Administrator Hay said the total was about \$15,000. Trustee Zachary wanted to know what we are actually spending and how is it paid out. The Village Administrator advised that it was a monthly payment. Cintas picks it up and drops it off. Trustee Zachary did not like the idea of having a washing machine at the Highway Department garage and people washing their clothes there. He thinks they should drop or keep the service. He was a member of a union with excellent benefits and excellent pay and he had to wash his own clothes. Trustee Jackson commented that when they were having this discussion before, they talked about looking at what some of the other municipalities do in terms of a stipend or something to go to the employee. He thinks that should be fleshed out a little more in terms of "x" amount of dollars for that particular purpose as was discussed in the Workshop. The employees need the right garb. The cleaning of it is necessary but he thinks in other areas there is a stipend or some money given directly to the employee for that upkeep and he would be in favor of that. The Mayor advised that was a negotiated thing. We are not going to put in stipends outside of the contract. Trustee Funchion commented that he worked in a union job for 35 years and they cleaned their own uniforms. There was a uniform allowance. They would have to talk to the union and see what they say about it but he does not see it being a big deal. He commented that you throw it in with your wash at home and it would save the Village \$15,000. Mayor Murray disagreed, saying that he worked out in the field for many years, soaked in oil, soaked in everything, and that there is no

way he would bring his fuel oil soaked, lube oil soaked or chemically soaked clothes home and put it them in his washing machine. If he got sprayed with garbage, he would not bring those clothes into his house. Or if he worked with asbestos or anything hazardous, such as the sewer pipes which are asbestos, there is no way he would take those clothes into his home. He did have an issue with \$15,000 and would like to find a happy medium. But he does not think bringing home hazardous waste into your house, into your washing machine, is the way to go to save \$15,000. He has had uniforms. The plant had a washing service. They cut it out but they gave a \$250 stipend to the people who worked in the control room because they had to wear ties and dress shirts, and then they just gave them washing machines for that purpose. It worked out well. If somebody is on a break or comes in from lunch and before they leave throws it in the dryer and you are finished. He knows that Trustee Zachary and some of the other members had some issues in that they thought there would be abuse; that people were going to be sitting in the Highway garage for 2 hours sitting around doing wash. The Mayor commented that his take is that it is up to the Highway Foreman to designate his people the way he sees fit. He cannot have the guys sit around for 2-3 hours because we can take them out just as easily as we can put them in. The Mayor wanted it to be a self-policing kind of thing. We would be able to save the \$15,000. We would only have to spend \$500 or \$600. We put it on the onus of the men and their leadership. If that did not work, we would take it out and we would not have anything. He commented that this is how he left it and he did not know why it stopped. The Mayor commented that he was sorry he disagreed on that point but working out in the environment and all kinds of chemicals and other things, you do not want to bring it home. Trustee Funchion commented that he can agree with Mayor Murray on the washing machine and that a couple hundred dollars spent on that is a valid expense. He respectfully disagreed with the Mayor on the other thing and he did not think it was fair to ask the taxpayers to pay for people to do their laundry. He knows it is chemicals and this and that, but it is not always. There are a lot of people who have jobs that are just as dangerous and do their own wash. If this was the time of Con Edison when the money was coming in and they just passed along the expense to everybody else; but we are coming close to about one percent that we are asking people to pay so that somebody does not want to throw their shirt and pants into a washer at home. Trustee Funchion commented that he could not in all good conscience go along with that. If that \$15,000 is still there, he could not vote in the budget like that.

Former Mayor Al Donahue, 156 Second Street, commented that he agreed that he did not want to bring his clothes home all filled with oil. He wanted to know if the \$15,000 was in the contract or was it just something that the Village decided to do for the employees. Mayor Murray advised that it is in the contract that we have to supply them with their protective clothing, with their uniforms. It has been in every budget that he has ever been involved with that the Village has paid for. It is \$15,000 on an average. It is not written in the contract that we have to clean their clothes. On a question by Mr. Donahue, Mayor Murray advised that it does not say anything about cleaning in the contract. They budgeted \$15,000 because that is what the bills are. Mr. Donahue said that he still did not understand. He commented that when he was with the State

Police, their uniforms used to go out. They had a contract with people to clean the uniforms and it was in the contract to do that. He wanted to know, if there is no \$15,000 in the Teamsters contract is it just something that the Village does. The Mayor advised that it was in the contract that Mr. Donahue negotiated and that was in there. Mr. Donahue commented that he did not negotiate it and that they were negotiated long before. The contracts did not change much over the years. Mayor Murray commented that they did not change at all. The \$15,000 was in there. It was there when he was Mayor and also when Mr. Donahue was mayor. Trustee Funchion noted that just for edification he read Article 13, Working Clause, Section 1: "The employer will provide, at its expense necessary rain gear, boots, gloves and uniforms to be chosen by the employer." Section 2: "The employer agrees to reimburse up to a maximum of \$125 per fiscal year the purchase of safety work shoes and it agrees that the employees will wear both uniforms and work shoes at all times." Trustee Funchion noted that that is the entirety of Section 13 on working clothes. Trustee Zachary commented that the thought of people doing their laundry at the Highway garage is a little bit crazy, but he was not thinking in terms of clothes drenched in oil and people may not want to take them home and put them in their regular wash. He thinks we are at a point where we can get a little concession on something. It is not a big overall amount but he thinks it is reasonable to ask for it and to stop providing the cleaning service. But in view of the fact that there might be some stuff that is too nasty to throw in with your kids' clothes and that kind of thing, he thinks maybe they reconsider and, as crazy as it sounds, go with a washing machine down there. It will not be \$200. A good heavy duty washing machine now is around \$1,000 for a commercial model. He did not know what you need if you are doing greasy, dirty clothes but it is theoretically a one-time expense.

Mayor Murray requested that the Board come to a consensus because he did not want this to drag on for months like it did the last time. They sat and talked about this for two or three Workshop meetings. He wanted to put it to bed right now. He wanted to know if they were going to buy a washing machine and take out the \$15,000. Trustee Funchion was in favor of buying the washing machine and taking the \$15,000 out. Trustee Knickerbocker was in favor of taking the \$15,000 out and to check into the price of the washing machine. Mayor Murray wanted to take the \$15,000 out and buy the washer. They will get the specifics.

Page 12:

Mayor Murray noted on Page 12 that our inter-fund transfers have declined significantly from the Water Fund. We have not raised our water rates since 2008. That was confirmed by the Village Administrator. Consequently, our water expenses have gone up, whether it is the maintenance of the lines or the maintenance of the valves. The Mayor commented that as everyone knows and as he alluded to before, we have had a lot of water main breaks two years ago that we had to pay a lot of money for. When we went through the history of the maintenance of the valves, we found that our pressure maintenance valves had not been maintained since the mid-1970s. That was causing a lot of our valve seats to be worn out and we were having equalization and water hammer issues. One of the reasons why this line has been going down is

because we have been paying for the repairs that should have been budgeted for over many years. We were paying for these repairs over the last couple of years. Consequently, and we are going to have to continue to do so in the future, we took the emergency repairs out of the ones that were causing the most problems but we still have some that we have to work on. We are working on that. We want to set it up on a yearly basis as a maintenance kind of issue; because of that and because of our salary and retirement increases for the Water Department. We only have one person in there right now. But sometimes we have to take other people in there to help him out. The Mayor wants to explore increasing the water rates. He asked the Village Administrator if he had any figures on a percentage basis. He did not have the final numbers and is working on it.

Trustee Funchion was under the impression that we pay for the water, whatever we use, and that includes the repair, pipes and everything else. If we use 10% of the water, then we pay for 10% of the water and 10% of the water repairs. Mayor Murray commented that is what he thought too but he sat down with the Village Administrator and went through the numbers. That was not always so. Over the years, we have had some water rate increases from the City of Peekskill. They were charging us a lot of money. We brought it down to a reasonable rate. It is still over what the Montrose Water District charges us. We have a minimum amount of water that we have to buy from Peekskill at the reduced rate. Those rates were set in 2009. That was confirmed by the Village Administrator. The Mayor advised that the 2009 increase from Peekskill did not take into account what our minimum charges are. These charges have not changed. The amount of money that we purchase the water from increased so what we have to pay increased but our rates did not. Trustee Funchion wanted to know why we did not increase them. The Mayor advised that when he looked at some of the audits and saw what was going on, that is when he asked the Village Administrator to put together the numbers and find out the last time it was raised so we could try to recoup some of this money. He wanted to see it come as a revenue line.

Trustee Zachary wanted to know what the procedure was for changing the water rates and did it require any public process. Village Administrator Hay advised that he discussed this with Village Attorney Porteus who advised that we put together a fee schedule and it can be changed by Resolution. But he did not know if we included the water rates in the fee schedule.

Trustee Jackson wanted to know were they not saying that part of the problem was the water main breaks that we had and the funds came out of the General Fund. Mayor Murray advised that funds came out of the Water Fund and you see that the inter-fund transfers from the Water Fund have decreased from \$750,000 or \$550,000 over the last three years. This year is \$150,000 and that is because we do not have enough cushion to take up for all these other expenditures that were not budgeted for. The maintenance was not budgeted for. He thought it was too. But when you look back in the records and see that the last time the valves were taken apart is 1974, it is obvious that it was not taking place. The parts are now not only obsolete and hard to get, we have to more or less do a lot more work which is a lot more cost. In order to stop us from having

these issues, we wanted to try, we have to, recoup our costs. Mayor Murray wanted to know when the Village Administrator can have those numbers and that he would have them for the next Workshop. The Mayor said it was another thing they had to talk about. The next Workshop is next week. The Mayor said that we cannot increase any of our funds there.

Trustee Zachary felt that we could drop \$15,000 in one spot and \$5,000 in a couple of other spots. He wanted to know if the Village Administrator was doing real time on the computer. This budget was seeking an 11.76% increase. He wanted to know if the Village Administrator had a real time figure with those changes we have made so far or does it have to be calculated. Village Administrator Hay has to still take every uniform line as it is not in one spot. Mayor Murray noted that \$15,000 is 1%. Village Administrator Hay noted that it is at 11.2% now. We only took out \$5,000 and \$5,000. Trustee Zachary noted that it was down around 10% now and it helps a little.

Al Donahue commented that it was comical that we are going to buy a washing machine. He wanted to know are we going to buy a dryer too, and the soap and everything else. You have to have a dryer in November, December and January. Mayor Murray advised that there would be a washer and dryer. As long as they get the policy down, they can work out the details at the next Workshop. As long as the policy is in place, we can work with it. Mr. Donahue commented that at the next Workshop they have to announce and send a notice out for a Public Hearing that they continue the Budget Hearing. Even though there is a Workshop, they have to send a public notice out that they are continuing the work on the Budget Hearing. They cannot just bring it in to the Workshop. If they are going to discuss anything with the budget, they have to put out a public notice that they are continuing the Budget Hearing. Mayor Murray advised that they would ask the Village Attorney. He appreciated Mr. Donahue's interpretation. Mr. Donahue remarked that he thinks he knows a little more about the law than the Village Attorney about the Village.

Page 13:

There were no comments on this page.

Page 14:

There were no comments on this page.

Page 15:

There were no comments on this page.

Page 16:

Trustee Funchion wanted clarification on the Village Justice. He noted that the Village Justice is here every Tuesday. Mayor Murray advised that the Village Justice sets the calendar for the

Acting Justice. The Village Justice is the elected official. The Acting Justice is appointed to fill in when the Village Justice cannot hold court. Trustee Funchion wanted to know how necessary is it to have an Acting Justice. Mayor Murray advised that it was necessary if the Village Justice is not available for an arraignment, arrest or court dates. The Acting Justice would have to take her place. On Trustee Funchion's question on whether it is the yearly salary and whether it matters how many hours worked, Mayor Murray advised that it was a yearly salary and that she is not paid by the hour. Trustee Funchion wanted to know if there was any way we could change it to an hourly rate. Mayor Murray did not know what the State laws specify. There are separate laws that pertain to the courts.

On a question by Trustee Funchion about whether the Building/Plumbing Inspector (part-time) is one person and Mayor Murray advised that it was one person, Barbara Miller. Trustee Funchion wanted to know if for all these positions do we have any vacancies. Mayor Murray advised that there are none to the best of his knowledge.

Mayor Murray advised that he has spoken to the Fire Inspector who is willing to take a little bit of a pay cut. So we can reduce that by \$2,000.

Bucket Truck:

Mayor Murray wanted to return to the matter of coming up with a way to finance a bucket truck. He noted that there is no line for that. Trustee Zachary wanted to know what would the bucket truck be used for other than changing light bulbs that would benefit the Village. The Village Administrator advised that it would be used for tree maintenance. Trustee Zachary commented that this has come up every year and that he has asked that we look into getting it at different points. In terms of light changing, we are currently paying a contractor, Morabito, \$125 to change each light bulb. So it seems obvious to him that we have our own bucket truck. He wanted to know if this would be a problem in terms of the manpower we currently have. He assumes that there would two men going out on the truck. He wanted to know, in terms of pay, if it will be cheaper. The Mayor said that was the main issue that he had. With salary and benefits, he believes we are around \$75-\$80 per hour. So if we have two people out there, that is \$150 per hour. He believes we are paying \$125 for street lights and \$150 for other types of lights. The Village Administrator had spoken to the Highway Foreman who assured us that he could do 2-3 lights per hour. If he can do that, it would be economical for us. If we only do one light per hour, it is not. Even if we are doing one light per hour, we are at the break even point. If we can use the truck for ancillary purposes, it would be beneficial. The Mayor commented that it has always been his issue that there is no reason to do it if the amount of work that can be accomplished in that hour does not exceed what our costs are. But if he can do 2-3 per hour, it is beneficial.

Trustee Zachary feels that there are certainly other uses for it and that it is a basic vehicle that a highway department should have. He relates it to the question of street light conversion. He

feels that we need to stop thinking about just changing light bulbs and get some LEDs. In five or ten years, we will not have a choice. We will not be able to find an incandescent light bulb anywhere. He commented on why we are going to wait when we could be saving something like \$70,000-\$80,000 per year on power. He feels that we have to find a way to finance this because the sooner we do it, the more we save. Then they will not even have to go out to change light bulbs because those bulbs will last 10 years instead of 1 year. He believes they last 7 times longer and use less power. He remarked that we could buy five bucket trucks with what we would save in power. Mayor Murray commented that we are talking about what we need to do today. Trustee Zachary commented that what he wants to do today is to get a bucket truck. What he wants to do over the next year is to come up with a plan. We have to research this. We have to find grant money or some way to start the conversion, whether it is \$10,000 or \$40,000 per year, enabling us to change a certain number of lights per year, so that in the course of five years it is done. We have to research the options. He knows that the prices are coming down because they are making more of them. Half the municipalities around Westchester have done it. He commented that this is why he does not want to take away the funding for that half time position. He feels that we need an assistant in the Village office who can pull all the information together and do the research when we come up with something like this. Trustee Zachary has tried to do that himself. He does not have the time to put into this. He feels that we need someone in the Village who can do that. He commented that the next time he votes on a budget, he would like it to be part of a 5 year plan, not an isolated budget. He is pushing that once this budget process is complete that they come up with a 5 year plan, and that the next budget is part of that plan and includes things like LED lighting and an analysis of where we are going with these mandated State expenses. Mayor Murray commented that we have that. Trustee Zachary commented that for him, it is a bigger picture than just a bucket truck. That is connected to bigger things. Maybe we are not going to keep getting hit as hard on the State pensions because a lot of that stems from the Recession we had in 2007 and 2008. The State pension funds lost a lot of money. He commented that Di Napoli is doing a great job as Comptroller up in Albany. He has determined how much money he needs to put into these funds to keep them financed at appropriate levels. Trustee Zachary gives him a lot of credit. He is keeping those pension funds solvent for a lot of people around New York State like teachers, highway workers and police. Trustee Zachary commented that they have passed all this expense along to the municipalities at the same time telling us that we cannot raise the tax rate more than 2%. They are doing a great job balancing their budget because they are just passing all this expense down. Trustee Zachary said to get a bucket truck.

Trustee Jackson wanted to know if we are under contract with the service corporation.

Mayor Murray advised that as long as we have the money in other lines, then we can discuss if we should or should not purchase it. But as long as we leave that \$35,000 in there, and that other \$10,000, if the Board wants we could take that \$12,000 out of the Light line, get rid of that, and

say that we are going to buy it out of the Part-Time line in the office. Or we could take that Light line and buy LEDs with it. Or we can just leave it the way it is.

Trustee Jackson commented that he understands Trustee Zachary to be saying that if we look at LEDs, we need to make sure that we have the right analysis of what our up front costs are going to be to start the conversions and the replacement, and that we need someone to look at that. Trustee Zachary commented, that and to talk with other municipalities to see how they have done it and financed it. People have gotten grants for this. Every few months, he sees articles in the Journal News that another municipality has done this. He has found articles on the internet about municipalities around New York and New Jersey that have switched over. Mayor Murray wanted to know where they got the money from. Trustee Zachary advised that some used grant money and some have paid for it themselves. The Mayor commented that most are paying it themselves. Trustee Zachary commented that it is expensive up front but the typical recoup time is 5-7 years. He commented that when you are making .01% interest on your money in the bank if you can recoup anything in 5-7 years and then start saving, that is what he is talking about with long range planning. We need to do this as soon as we can. We are going to have to do it eventually. There is not going to be another way. In response to a question from Eileen Absenger, Trustee Zachary commented that he believes that the LED bulbs last 10 times as long as an incandescent bulb; or possibly it was 10 years.

Mayor Murray commented that the discussion was moving away from the budget. He wanted to know if Trustee Zachary wanted to set money aside for his goal. This budget hearing is to determine what money will go where. He wanted to know if Trustee Zachary wanted to move it to a different line, or get rid of it. We are not going to solve things like what grant money or contractor in this hearing. Trustee Zachary said that he understood. He commented that for him, getting a bucket truck now and long range planning are all connected. That is why he brought it up. He does not know if we need to set aside a lump sum of money right now. He thinks we need to research it and find out what it is going to cost, how much we have to set aside and to look for other ways to finance it. There might be some grant money available.

The Mayor said that we will not change anything along those lines.

Village Administrator Hay suggested that if the plan is to take the Salary line and move it to pay for it, they should probably move it to a line that they are actually going to purchase from, possibly the Lighting line, and that is where we would actually buy the piece of equipment from because we would have to make a budget transfer at some point anyway. Mayor Murray noted that we are not sure if we are going to do that. The Village Administrator advised that we would make the budget transfer at a later date then. The Mayor asked the Board if they wanted to move the \$35,000 part-time position in the Village office line to a Lighting line. The Village Administrator advised that it could be done either way.

Trustee Knickerbocker commented that every time we pay this \$125, it is like we are throwing money away. Somehow we have to recoup this money or stop the bleeding with it. She commented that either way you look at it the lights have to be changed.

Continuation Of Budget Hearing:

In response to a question from Trustee Jackson, Mayor Murray advised that we must approve a budget by May 1. Our next regular Village Board meeting is May 7. Our Workshop meeting is next week. Trustee Zachary noted that we must set up a continuation of this hearing prior to May 1 at which point we can vote. Mayor Murray advised that we should set it up now. He noted that this hearing will be televised so that will give us more time to announce it. Trustee Knickerbocker wanted to know if Monday, April 29 would be cutting it too close to May 1. The Workshop is April 16. The Board agreed on the April 29 date.

Mayor Murray directed that there would be a special meeting of the Board of Trustees on Monday, April 29 at 7:30 PM to approve the budget. The meeting will open with a continuation of the Public Hearing, then we will vote on the budget.

The Mayor asked for any other comments on the budget. Trustee Knickerbocker noted that the Village Administrator had prepared a pie chart that showed what the increases are. She thanked him for that. She noted that out of the tax break down, pension payments is 43%, salary increase is 27%, benefit costs is 22%, other cost increases are 8%. The Village Administrator advised that the other increases are across the board increases. Trustee Knickerbocker commented that this spells out in pie chart form where our increases are coming from. Trustee Jackson wanted to know if this is or will be available to the public. The Mayor advised that the budget is and that copies of the pie chart can be made available at the Village office. Trustee Funchion wanted to know if there was a way to show the pie chart on the Buchanan Channel t.v. screen. The Village Administrator advised that there was not. It can be put onto the Village web site.

Mayor Murray wanted to know what our exempt amount is. The Village Administrator advised that we were exempted approximately \$7,800 for the police pension payment and none for the non-police. Because we were under the tax cap, we had a carryover from last year of \$19,700. The levy we need to reach to be under the 2% property tax cap is a tax cap levy of \$1,818,177. Trustee Zachary understood that to mean in order for us to say within the 2% tax cap levy, we need to come in somewhere between 3%-3.5%. The Village Administrator advised that it is more of a levy. Trustee Zachary noted that for the total increase, a 2% cap on the tax levy plus the exempt costs would wind up being roughly a 3% increase. So we are still 6.5-7% above that. He wanted to know was there nothing else that would get us closer to that figure. Trustee Funchion commented that the only next step would be to take away services. Mayor Murray wanted to know which ones. Trustee Funchion commented that that was the question because one person wants to do away with one thing and another person with something else. He thinks that if it keeps going as it is, it is going to come down to that. He commented that an increase of

\$70, \$80 or \$90 to use an example, might not be outrageous to someone who is working. But if you are trying to live on Social Security or a fixed income, these increases are not just coming from the Village. There are proposals out there to lower the cost of living allowances in Social Security which will also hurt. He commented are we going to start pushing people out of the Village because of the expenses. Mayor Murray asked him what he would like to cut. Trustee Funchion commented that we would have to lay off someone. The Mayor said that we are not going to lay anyone off. Trustee Funchion commented that he is not speaking about this budget but we cannot keep going like this from year to year. He agrees with Trustee Zachary that we must have some kind of a look down the road and possibly say that if it takes a certain number of people to do a job now, it may have to be done by fewer people. He commented that even though he hates to say it, municipalities in this country go bankrupt. The Mayor commented that is why we are doing this budget, so that we only spend what we take in, so that we can keep the services and keep the employees. He is not going to propose that we lay anyone off. He would rather get rid of a salt spreader or something else. Trustee Funchion commented that he is not saying to get rid of a person. But if there is a retirement, we have to seriously consider not filling it. The Mayor agreed. Trustee Funchion commented that when we have a vacancy, we are going to have to consolidate services somehow.

Trustee Zachary commented that Assemblywoman Sandy Galef is very involved with trying to get people to merge, offering grants to people so they can study how to merge with other municipalities and eliminate duplication of services. A lot of times, you have to do a study of that kind of things because it might seem like you will save a lot of money but you might not save anything because you end up paying taxes to someone else for that service as opposed to paying it and providing it yourself. He feels that anything to do with mergers is very tricky and probably not likely to save as much at the outset as you might think. Trustee Zachary thinks that in general, people want to maintain the services in the Village. He does not want to hit people with high taxes. Trustee Zachary commented that his tax is right at the average assessment. His Village tax is around \$1,000 per year. For him, a 10% increase means \$100 more per year or \$8.50 per month. He knows that for people on fixed incomes, every dollar counts. But residents have told him that they would rather pay that \$10 per month more and see those services maintained. He knows that it is going to be tight for some people. We have Seniors on fixed incomes and it is something we do not want to do. But because residents want to maintain those services, we have to find the most economical way to do that.

Trustee Knickerbocker commented that as we all see, the money that we bring in is pretty much flat and the expenses are increasing. So this is going to be a continuous problem. She commented that although she knows it may not be the appropriate time, what she is going to ask does have to do with the budget. She noted that six or seven years ago, we had a budget committee. It was a group of residents from different backgrounds who brainstormed and came up with recommendations. She would like to see that come back again. Mayor Murray noted that some of those recommendations were adopted. Some were not legal, like one to allow our

police force to patrol in other districts. Some were rejected. One was to close the pool. We decided not to do that. Others were adopted. The Mayor recalled that another recommendation from that group was to increase the fees. Trustee Knickerbocker commented that it is now six years later and even though the Board is on top of this, she would like to have other eyes take a look at it.

Trustee Jackson commented that he was sitting on the public's side of the table as a tax payer and resident for 19 years when we hit the big increase six years ago. He said that his position then was that we have to look at some sort of balance that we do not put the entire burden on the tax payer. We went up 102% in one swoop. He wants to make sure that we do not go down that same road again. He feels that we have to think outside of the box and look at some other sources. He thinks that Trustee Knickerbocker's suggestion of a budget committee might be one area that we can look at again. He appreciates former Mayor Donahue giving some of his expertise in terms of what we need to do as the Village to go forward for our Seniors, our young families moving into the Village. He commented that we got a horrendous bite at the high school for our school district. By the same token, it cannot always be on the tax payer. We have to put our heads together and come up with that balance. Former Mayor Al Donahue commented that he was here when that budget committee presented. They walked out. The Board did not want to hear anything about it. They all walked out. Trustee Jackson said that he has been on that side of the table as a tax payer and when that increase hit, it doubled his taxes. He thinks that as we go forward in this process, not only with this budget but in general, it is incumbent upon us as a Board and as citizens to come together and resolve some sort of balance. That is one of the reasons why we are all here today.

The Mayor asked if there were any further comments or questions on the budget. There were none. The Mayor announced again that the Village Board will hold a special meeting on April 29 at 7:30 PM to continue this Public Hearing on the budget and to vote on the budget on that date. The budget must be voted on by May 1 which is not a regularly scheduled Board meeting date. That is why we will hold the special meeting on April 29. We will still hold our regular Village Board meeting on that following Monday.

A MOTION to continue the Public Hearing on the budget until April 29, 2013 was made by Trustee Zachary, seconded by Trustee Funchion with all in favor.

At 9:29 PM a MOTION to adjourn was made by Trustee Funchion, seconded by Trustee Jackson with all in favor.