

**Village of Buchanan
Mayor & Board of Trustees
Special Village Board Meeting
April 29, 2013**

PRESENT:

Mayor Sean Murray

Trustees Theresa Knickerbocker, Richard A. Funchion, Nicholas Zachary and Duane M. Jackson

Village Administrator Kevin Hay

Village Board Secretary Susan F. Matthews

ABSENT:

Village Attorney Stephanie V. Porteus

1. PLEDGE OF ALLEGIANCE:

Mayor Murray opened the meeting at 7:30 PM, welcomed everyone, informed them of the fire regulations and led the Pledge of Allegiance. He advised that this special meeting was to continue the Public Hearing on the budget and that will be the only business that will be conducted.

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

Al Donahue, 156 Second Street, wanted to comment on the budget. He will do so during the Public Hearing.

3. OLD BUSINESS:

Continuation of the Public Hearing on the 2013-2014 Village Budget

A MOTION to open the Public Hearing was made at 7:36 PM by Trustee Funchion, seconded by Trustee Jackson with all in favor.

The Mayor asked for comments from the public.

Former mayor Al Donahue, 156 Second Street, commented that he has been reviewing the minutes and the videos of the budgets for the last couple of years. He said that what got his attention was a comment made by Trustee Zachary at the last budget hearing where he brought up what we are paying the Hahn Engineering firm. Mr. Donahue commented that Trustee Zachary felt, and Mr. Donahue agreed with him, that at that time in April last year we paid the Engineer \$89,000. Trustee Zachary's comment to the Mayor and the Board was that for that

kind of money, we could have a full time engineer and that it was too much. Mr. Donahue feels that he was right on the money. Mr. Donahue commented that the \$89,000, which was in April of the year before, grew. Trustee Zachary was told that it would not be much more until the end of the year, as it was April and May. But that \$89,000 went to \$139,072; a \$50,000 increase. The contract was \$55,000. Mr. Donahue feels that is way too much to pay anybody, especially a part-time person. In the prior year, the contract was \$45,000. The Village paid the Engineer \$118,050. So the Mayor and the Board of Trustees, except for Trustee Jackson who was not on the Board at that time, agreed to raise the contract from \$45,000 to \$55,000. We paid him \$139,000 when we raised it to \$55,000 which Mr. Donahue feels is outrageous. He noted that for the Village Engineer for 2010-2011 and 2011-2012, we paid a total of \$257,122 for part-time.

Mr. Donahue commented then we had repairs on the Sewage Treatment Plant which he feels are ridiculous. They came to \$230,128. He said that on March 16, 2010, the Village's voters overwhelmingly voted that we would modernize the Sewage Treatment Plant and repair it. Mayor Murray and Trustee Knickerbocker were on the Board. That same day, Trustees Funchion and Zachary were elected and Trustee Jackson was on the Board. Mr. Donahue commented that we put all that money in there and yet the bond was passed for \$1.5 million. It passed almost 8 to 1. He commented that what we have been doing for some reason was like we are doing just the small repairs to the plant to justify its existence. If you take those two years, the total we paid for the Engineer and the Sewage Treatment Plant was \$487,250. That plant was voted on March 16, 2010. He feels that it should have been done. It should have been built and brought up to modern technology. He commented that that plant does not only affect the Village residents and the businesses in our community. Also dependent upon it are Trinity Boscobel Methodist Church, Saint Christopher's Catholic Church, Buchanan/Verplanck School and Entergy who has been very generous to the Village in all aspects, especially the Sewage Treatment Plant. Mr. Donahue commented to imagine if something happened to that plant and it had to be closed down and the effect that would have on the Village. Mr. Donahue had photos of the plant. He feels that there are some things we can do piecemeal. He commented that when they went to the hearings concerning the plant, the head of the Department of Health of Westchester County said the plant was a disgrace. Stephanie Porteus, the Village Attorney, was there. At the time, Tim Cronin, the Village Engineer and the Village's head of the plant were all there. They pointed out rotting I-beams and railings which cannot be repaired and have to be replaced and concrete deterioration. Mr. Donahue commented that you cannot repair the concrete. You have to replace it. If we put anything in there and we do all this work, we have to take everything out and start from scratch. Mr. Donahue feels that it was a waste of the tax payers' money and that we should be acting on that bond. On the same day that he watched the video where Trustee Zachary made a comment, someone brought up the issue of the money being spent for repairs. The statement that was made was that we will take that out of the bond money when we issue it and start moving on it. Mr. Donahue commented that you cannot take that out. That money is only going to be used for specifically what happens when we enact that

bond. He feels that was a lot of wasted money. He feels that we should start looking to the future and to get that plant done which was voted on March 16, 2010. Right now it should be a state of the art plant with modern technology.

Mr. Donahue commented that he read a comment made by the Mayor that one of the reasons that taxes are going up is because the insurance premiums went up in the Village. In December 2010, the traffic light at the B/V School was destroyed by a storm. Since that time, it has not been replaced. Mr. Donahue said that as we would all agree, the safety of our children is number one. The reason that light was put there was for the safety of our children. He wanted to know why we would pay an increase in premiums to the insurance company when they have not replaced that light. He noted that over the years 2010, 2011 and 2012, we paid over \$400,000 in premiums. He commented that if that were your house or my house and you had something that would pay for the insurance and they did not correctly repair it, he would not do business with that insurance company any more.

Mr. Donahue commented that he hopes the Board looks into and acts on these two things very shortly.

Eileen Absenger, 138 Tate Avenue, wanted to know if the Board was still looking to purchase a bucket truck, considering the way things are being slashed in the budget. Mayor Murray advised that we are still looking to purchase it. Ms. Absenger wanted to know with an Inter-Municipal Agreement [IMA], if the Highway Foreman said we could do four or five lights per hour how cost effective is it to rent the Town of Cortlandt's bucket truck. The Mayor advised that there is no cost when you are using an IMA. It is a sharing of services. There are certain conditions that the Town has put on it where we would be using the bucket truck. The truck they have is a little larger than we are accustomed to. Our people are not trained on that. The truck that we are looking to purchase is a used truck that is similar to the same system we had in the old vehicle. We are still exploring other avenues of revenue to finance that truck.

Ms. Absenger commented that we had Earth Day and she was disappointed to hear that we ended up with two Highway Department workers who ended up being paid overtime when nothing was mentioned prior. She wanted to know if there are other activities in the course of the year when we should be aware that they are necessary and that we figure that into the budget. She was surprised to learn of this regarding Earth Day. She commented that she was here when that was discussed and would not have gone along with that expenditure. Mayor Murray advised that we have money in the budget for overtime, whether it is a contingency for storms or for when we need people for special events. When we budget for that, we estimate what we did the year before and how many times we had them come in. That is how we set our overtime budget. Ms. Absenger wanted to know when the Girl Scouts put in the flowers over by Lent's Cove do they need a Highway Department employee there. She commented that to her, this was similar to when they are picking up garbage which to her should be part of their job. In the future, she would not go with overtime if we have to pay them for what they should be doing anyway.

Trustee Zachary commented that when he first envisioned the Clean Up Day, he envisioned it being all community volunteers and trying to do something that would cost the Village next to nothing. Initially, the two Highway Department workers were there because it was a contractual question of jurisdiction. Trustee Zachary wanted to note that their help turned out to be critical. He was glad that they were there because we filled two dump trucks with stuff. Much more stuff came out of there than he could ever have imagined. They were extremely helpful. He commented that we have to look for other ways to try to offset the cost in future years. But it was good that we had them there.

Ms. Absenger wanted to know if they were supposed to do that on the Village's time. She wanted to know if we got a dump truck filled with garbage and Lent's Cove is Village property, and that is part of the Highway Department's job, should not the Highway Foreman have been directing them. Trustee Zachary commented that they have done a lot of work over there cleaning up. A lot of what came out were things that washed up from storms. Trustee Zachary commented that he was not expecting this but the effort was enormous. People were climbing down to the water picking up truck tires that had washed across from the other side of the river. Ms. Absenger commented that she is not being picky about that in particular. She is looking at a 10% increase in the budget. She commented that she has watched the Board through the years go through and slash and slash. The chart shows that we have got pensions and health insurance and all the rest. All the other items are on what she considers to be a minor level of 8% or 10%. She commented that when you are talking about paying someone overtime when that is something that could be done during their regular work hours, it is another "nickel and dime-ing". She thinks that it is important that the Clean Up Day became a community involvement. But she commented, in the same breath she does not agree that we had to pay that overtime. Even though it worked out well, it came out of our pockets.

Mayor Murray advised that he had negotiated with the Teamsters Union Business Agent about this issue. We had felt that there was going to be some need for equipment. We did not need to have any of the volunteers go out and do something where they could get hurt. Not that we wanted to put our employees in danger, but they had the equipment. We supplied the bags and gloves. Our Highway Department workers brought the dump trucks. The Mayor advised that he did not agree to all the stipulations that the union requested from us and therefore did not sign the agreement. There may be some issues with that down the road. Agreement was reached to have two people come in for six hours. The Mayor noted that they did work. By moving the equipment and vehicles to areas that were not readily accessible, it did help the public perform the task that we asked them to do. The Mayor agreed that cleaning up is generally the union's job. They were willing to agree to allow people who were not in the union to come and perform their job. It was part of the negotiation. The Mayor did not agree to all the terms and stipulations the union's Business Agent put on it and did not sign the agreement with them. But it was always going to be our intention that we would have some of our Highway Department people there because we did not want to have the two dump trucks full of garbage and everything

that was taken out laying around the parking lot for the whole weekend. He commented what would have happened if another storm came or animals had gotten into it. We wanted to have everything disposed of as readily as possible. They did bring back the stuff that did not get recycled and disposed of it where it was safe, so we did not have to clean it up twice. The Mayor understood that it was an added expense but we did have a lot of manpower down there that mitigated needing to have our Highway Department employees there for a longer term. We had 15-20 people there for 3-4 hours. The Mayor advised that if we would have had to take those Highway Department workers off their route or give them another job assignment, it would have actually cost us more. It is a give and take when it comes to our contract but it is also a give and take when we have ways that we save money by having the public come out and do it and only spending a relatively small amount of money to have our Highway Department people come in. Also nobody got hurt. It was safe. Having the trucks be able to go all the way down the path to pull stuff out and have our people help out the Explorers and the others down there was very beneficial.

A MOTION to close the Public Hearing was made at 7:49 PM by Trustee Funchion, seconded by Trustee Knickerbocker with all in favor.

4. **NEW BUSINESS:**

a) **13-10 RESOLUTION ADOPTING THE 2013-2014 VILLAGE BUDGET.**

Mayor Murray read the Resolution (*copy attached*).

Trustee Funchion commented that it has been discussed that the money coming in would be greater because we are hoping to bring the water usage fees up to date. If his calculations were correct, we would come out with an increase of 7.6% with the instituting of those fees instead of the 10%-plus noted on the budget hand out. Village Administrator Hay advised that we were at 10.45% after the first Public Hearing. If we were to choose to increase the water usage fees, the estimated revenue would be about \$50,000. If we adopt it that way, it would be about a 7.6% increase.

Mayor Murray advised that during the last Public Hearing, he had asked the Village Administrator about how much our water expenditures had risen since 2008. That was the last time we increased our water rates. They have not been changed since. Since then we have incurred more costs: fuel, pension and benefits, medical and retirement and pay raises. The Mayor had asked the Village Administrator to put together a set of numbers on how much our cost increases were over the past 5 years. We had spoken about the possibility of increasing the water rates for our larger users. We have four rates. Village Administrator Hay advised that the current rates are \$35 for the first 1,000 cubic ft.; \$5.00 per 100 cubic ft. for the next 14,000; \$6.50 per 100 cubic ft. for the next 10,000; and \$7.50 per 100 cubic ft. over 25,000 cu. ft. He advised that with a \$1.00 increase per six month billing there would be increased revenue of approximately \$24,050. With a \$2.00 increase it would be twice that.

Mayor Murray advised that at the next Village Board meeting, we are going to enter into a request to have a Public Hearing about increasing the water fees by \$1.00 per cubic foot for our larger users. It would raise approximately \$50,000, if it is passed, which would be used to offset the amount of money we have to pay out of our General Fund due to the increase in medical and retirement. It would translate to an approximate 3.25% tax decrease. The budget would end up being a 7.64% tax increase.

Trustee Knickerbocker wanted to know if that would also increase the number for the first 1,000 cubic feet. Mayor Murray advised that we have four different levels. We would only increase the two highest rates. We would leave the minimum rates unchanged. The minimum is \$35.00 for the first purchase. We would leave the same rate for the second purchases.

Trustee Jackson commented that this is a projection that may be higher or lower based on the usage. Mayor Murray advised that was correct. We are basing it on today's numbers, on how much we sell our water for. Village Administrator Hay advised that it is based on the winter billing which is generally a smaller number. The Mayor advised that we bill twice a year, in summer and winter. We are basing it on the lower usage, the lowest possible number, so we will probably end up with more revenue because of summer usage.

Trustee Zachary wanted to know what usage levels this would apply to. Village Administrator Hay advised that he calculated the \$24,000 estimate based on a \$1.00 increase for each level except for the lowest one. Trustee Jackson wanted to know if when the next billing went out, we would be able to check on the income coming in. Mayor Murray advised that we have to hold the Public Hearing and change the rate.

Trustee Zachary asked to have the current rates read again, which the Village Administrator did. Trustee Zachary wanted to know how this compares to the increases that the Village has had to pay for our water. His understanding is that we have been paying more for water from the Montrose Improvement District. Mayor Murray advised that we have been paying more for our distribution. We have a fixed contract with the Montrose Improvement District. He believes it is for another 8 years. With the City of Peekskill, we came to terms with the rates two years ago. They have not changed. The Mayor advised that they do however wish to renegotiate that agreement. He believes that the Montrose rate went up 2 cents in 2010. It was minimal. The largest increase was our manpower and equipment and the distribution side of it. That is where our biggest cost was incurred. Trustee Zachary commented that basically our fees are being paid to those improvement districts. The Mayor advised that it is not. It is going toward the retirement of that person. The Village Administrator advised that in 2008-2009 the expenses including benefits and retirement were \$ 2.7 million. In 2009-2010, we got Peekskill to put us on an industrial rate so we had a decrease to \$2.03 million. In 2010, we went to \$2.6 million; and in 2011, it was \$2.5 million. In 2010-2011, we had a lot of water main breaks. Generally, the increase since 2009 has been \$500,000. The Mayor commented that we have to pay for our water distribution which included those breaks and maintenance for the valves which are \$3,000-

\$4,000 each. All that has to be factored in. It is not just the purchase of the water. The water is just a small part of it. The distribution is the bigger expense. Trustee Zachary commented that we are looking to recoup the expenses associated with the water as opposed to the water itself. The Mayor advised that was correct.

Trustee Funchion wanted to clarify that basically the water system has been subsidized from the General Fund. The fees we have been paying for the water were not covering the entire cost of delivering water. Mayor Murray advised that the amount of money that we received in revenue since 2008 has somewhat decreased because our expenses have increased and we have not recouped them. He commented to say that we do not break even with our water rates would not be an accurate statement. The amount of money we received has decreased. We want to bring it back to where it was in 2008. All of the cost increases have had to be absorbed through our General Fund. We do a fund transfer from the Water Fund to the General Fund to pay for these infrastructure changes. We have not been able to cover our increases. The Mayor commented that it is not that we have lost money on it. It is that we have not been able to cover our increases.

Mayor Murray commented that this \$50,000 if this water rate increase does not pass the Public Hearing or the Resolution, we will operate without a Contingency Fund. That fund is \$50,000. We have not used it in the last two years. If our proposed measure fails over the next two months, we will be taking \$50,000 from our Contingency Fund and use it as the offset. Trustee Knickerbocker commented that she would like to see a Contingency Fund in the budget. The Mayor believes that we have not used it for the past two years because we have budgeted correctly for the improvements that we need. We are close on all the budget lines. Over the last year or two, we have been pretty good. He does not want to get rid of the Contingency Fund either. He commented that he does not want to put all our eggs into one basket. If for some reason this measure does not pass and we cannot have that \$50,000 in revenue, we have to come up with it some place. It would have to come out of the Contingency Fund.

Trustee Knickerbocker was still hoping to get the budget down some more. She commented that she knows that we have gone through it line by line and looked and picked at everything. It has been a really tough budget this year. She commented that she knows that we got a little heated the last time we discussed the pool. She had asked the Village Administrator for the costs and benefits. Opening the pool one month later would save \$6,000. The Town of Cortlandt opens theirs just for the weekends starting on June 8 and full time starting on June 22. The City of Peekskill opens on Memorial Day weekend and then do not open again until June 22, which she found strange. There is a whole month's span where they are closed. Trustee Knickerbocker commented that she knows she has heard everybody's thoughts on this. She wanted to put that information out there. Mayor Murray wanted to know if she is proposing that we open the same time as the Town of Cortlandt, or as the City of Peekskill, or leave it as we have it now. Trustee Knickerbocker will go with what the pleasure of the Board is. She would like to try to save some more money. She commented that you just do not know. It could be scorching hot on Memorial

Day or it could be cold and rainy. The Mayor wanted to know if the recreation Supervisor has hired anyone. He noted that the Board has not approved anyone yet. Village Administrator Hay advised that would be on the agenda at the next Board meeting. The Mayor wanted to know if she gave her employees a start date. The Village Administrator did not have that information. She is putting that together for the Resolution for next month's Board meeting.

Trustee Zachary wanted to know if we are talking about Memorial Day weekend and three other weekends. Trustee Knickerbocker advised that was correct. It is four weekends in total. She noted that it was in the May Newsletter that the pool would be opening on Memorial Day weekend. The Village Administrator advised that the Recreation Supervisor asked to be advised whatever the Board decided. He advised that as requested by Trustee Knickerbocker, the attendance last Memorial Day was 50 on that Monday and 20 the day before. He did not recall what the weather was that weekend. The Saturday before that is the day when they do training for the staff.

Trustee Zachary wanted to know if we were to do this, at what point do we have to open the pool to get it ready and would be still be incurring the expense of the chlorine and maintenance for that month even if we do not hire weekend staff. Trustee Knickerbocker commented that you would open it one month later. You would have to start opening soon. But what you would do in the beginning and middle of May, you would do a month later. Trustee Zachary commented that if we are talking about \$6,000, we are talking about 0.3%. Mayor Murray noted that you are not just talking about \$6,000 because you must take into account the amount of revenue that came in; 50 people at \$7.00 each for the one day. So if you are saying that you are spending \$1,000 on a weekend and you are bringing in \$800 in revenue, how much are you really saving? Trustee Zachary wanted to know if we have a figure for what we would actually be saving. The Village Administrator advised that it is \$2,000 per month for the chemicals. It is \$200 per week for electricity and power and \$1,000 per weekend for staff. We would then have to predict how many people would come.

Mayor Murray proposed compromising and setting the opening for June 8. Trustee Knickerbocker commented that to her it was six of one and a half dozen of the other. The Mayor asked if she agreed with that or not. Trustee Knickerbocker did not. She said that she would go with the pleasure of the Board. The Mayor asked what the other Board members wanted.

Trustee Jackson wants to keep it as it is now. He commented that with the revenue coming in from the participation and not knowing what the weather will be, for this summer we should keep it the way it is.

Trustee Funchion wants to leave it as is and take a close look at it this year so that we will know for next year exactly what we spend and take in.

Trustee Zachary commented that he will feel as lousy voting for a 7.3% increase as a 7.6% increase. So he will stay with the pool being opened as planned. It does not sound to him to be a big enough savings to merit that change.

Trustee Knickerbocker commented that she was okay with that. She was just trying to find further savings.

The Mayor asked for the final increase. The Village Administrator advised that it was 7.64%.

Mayor Murray commented that in going over the audit, we had discussed one of the terms the auditor had stated in it. He had said that the long term debt service was exempt from the cap. The Mayor had a question about that because he believed that the school districts are but municipalities like the Village are not. Village Administrator Hay advised that is for the constitutional tax limit that New York State sets, not the 2% property tax cap. They are different. We have to do a constitutional tax limit which the Village Administrator believes, based on their discussion, is \$6 million and we were \$4 million. That is not the property tax limit which they just enacted.

Trustee Zachary wanted to know if the average tax bill in the Village was approximately \$1,000. The Mayor advised that it is higher. The average assessed value is \$4500. Trustee Zachary noted that the rate in 2012 was \$242. That would make the average tax bill around \$1100. The tax increase for the average homeowner would be \$81.

The Mayor asked for any other questions or comments. There were none.

A MOTION to adopt this Resolution as amended was made by Trustee Funchion, seconded by Trustee Zachary with all in favor.

5. **COMMENTS FROM THE FLOOR:**

None.

6. **BOARD MEMBER REBUTTALS:**

Mayor Murray talked about the sewer plant bond money. The sewer plant bond was passed for \$1.5 million and was not for a total revamp of the Sewage Treatment Plant. It was for a list of equipment that had to be replaced. It was not for all new concrete or all new tanks. The concrete was inspected and it passed the inspection two years ago. Therefore, we are not going to redo all the concrete. The money that we had we expended was approximately \$400,000 so far in redoing the sewer plant. We are looking into the future. In speaking with representatives from the State, we still have not gotten an answer whether we are going to have to de-nitrify. De-nitrification will cost us approximately a half million dollars because we have to change the type of aeration that we have. The Mayor commented that if we do not have to spend a half million dollars, we are not going to spend it. He is not going to ask the Board members to vote to spend

a half million dollars. The Mayor commented that it is very easy to borrow money and hard to pay it back. We have been able to bring our plant into compliance with New York State laws by not borrowing money. If we have to borrow the \$1.5 million, the short-term bond only charges 1%. When we roll it into a long-term 20 year bond, it would cost us approximately 3% interest. The Mayor does not think paying 3% on \$1.5 million is fiscally responsible if we can afford to pay for it in cash. That is what we did. If New York State changes the rules, like they changed the rules saying that we now have to take out our chlorine so we now have to purchase equipment to remove the chlorine from our system. We are currently allowed to have 0.5 to 2.0 PPM of chlorine discharged into the Hudson. We are going to have to take all of the chlorine out and be below 0.5 PPM which is going to cause us to incur more costs which were not included in the bond because it was not known that that was going to have to happen. The Mayor commented that these are the kinds of things that change every year. The I-beams that are in need of repair or replacement, that is what holds up our manual aeration system. If we are going to keep the manual aeration system, we will replace those beams. But as to spending over \$125,000 to replace those two beams, we could do it today if we had to. But tomorrow New York State might say that you have to have small bubble diffusion and that would be a total waste of money because then we would have to throw those beams in the garbage and spend another half a million dollars for that type of aeration system. Until we got confirmation from New York State, whether it is through the reapplication of our SPEDES permit, or until we get some type of guarantee that we are not going to have to waste all this money, we are not going to even think about spending it. That is one issue.

Mayor Murray noted that in 2009 the Village was fined because our sewer plant discharge was not meeting the criteria. There were several negative findings that the Village had incurred between 2008 and 2010. In all of our inspections since then, we have not been cited for anything. We have not been taken to court like we were in 2009. As far as the Mayor is aware all of our inspections have met satisfactorily with the DEC and the EPA.

Mayor Murray commented that as for Entergy being generous to the Village through the sewer plant, the agreement was made with Con Ed in the late 1980s that we would accept their waste and we would charge them a percentage of that waste for operation and maintenance costs. Just operation and maintenance, not capital costs. Redoing the entire sewer plant is a capital cost which is prohibited through that agreement. We cannot charge Entergy for that. What we do charge is what percentage of sewage they take in there. That is not being generous. It is living up to a contractual agreement that was made between the Village of Buchanan and Con Edison. We are going to continue to enforce that. We increase the amount of money that we charge Entergy every year because our costs increase. The Mayor asked the Village Administrator how much we charged them last year. Village Administrator Hay advised that last year they were charged about \$125,000. The Mayor said in the previous years it was a lot less. He wanted to know how much we charged in 2010. The Village Administrator did not have that number present but that it was less. The Mayor advised that we have more than doubled the amount of

money that we have charged Entergy since 2010 because we have better accounting practices. We take into account every nickel of increase that we have to spend. Normal accounting practices are things that are long-term bonds. We can classify certain expenditures as Operation and Maintenance when we pay for them in cash. Changing from a Comminutor to a micro-strainer is not a capital expense. That is operation and maintenance. We were able to charge Entergy for a portion of that. If we were to have an entire project put together over a long-term and long-term debt financing, it would be classified as a capital project and we would not be able to recoup those costs. That is one reason why we are paying for that. The Mayor commented that he does not believe that it should be the Village of Buchanan's responsibility to make sure the banks get 3% interest on the money that the taxpayers pay. If we have that money in the bank, we are going to pay for it and not make the banks richer. We are going to try to keep our taxes down. If we spend that \$1.5 million, we have to budget for approximately \$80,000-\$90,000 per year to repay that over 20 years. We have spent approximately \$850,000 of our road bond and we spend \$75,000 per year for interest and principal. The Mayor noted that if you add \$700,000 to that, you are way over the \$100,000 tax increase we would have to pay to take care of the bond repayment.

Mayor Murray responded to the comments concerning the engineering fees. As of April 8, we have expended \$65,362 of the \$70,000 budget. We have two more months left in this year. The money that comes out of it does not take into account the amount of money that we recoup from commercial entities. As has been stated many, many times, the Village of Buchanan charges commercial properties for their engineering fees. We passed that law several years ago. Unfortunately, it was not enforced until 2010. We have been able to get a lot of money from the commercials now. The reason that it was never enforced is because when this law was passed around 10 years ago, it was never filed with New York State. When we wanted to go after property owners because they never paid the bill, we found that it was not enforceable because it was never registered with New York State. Mayor Murray advised that one of the first things we did was to bring 6 or 7 laws that had been passed over the previous 10 years that were never filed with the State. You cannot enforce a law unless it is filed with the State. We could not go after the property owners, the commercial entities, who just decided that they did not want to pay their bill because it did not come out as what they wanted. That was pretty aggravating because the Village of Buchanan had to absorb \$20,000, \$30,000 and for one property owner over \$35,000. We could not sue them because the law was not legally in effect. It is in effect now. The way we pay out our bill is that the engineering bills come in and the Village of Buchanan pays the Engineer. What you do not see in this figure is the amount of revenue that is received. We receive it on the other end in the Revenues line. Although we might be paying \$110,000 to \$115,000, all of that cost does not come from the taxpayers. It comes from commercial properties. The Village Engineer does the work for us. The Village absorbs the cost for its residents. When a resident wants to do some work on their house, wants to put up an accessory apartment or do a site plan change, the Village picks that up for the residents because the

residents pay the taxes, so we provide that service to them. For the commercial properties, we charge them. This was agreed upon many years ago.

Trustee Zachary wanted to know if we have a way to calculate the figure for the Engineer. He knows the fees that are charged go into the General Fund. He did not know if it is mixed in on a budget line, a revenue line with other items. He wanted to know if there is a way to look at the figure and at the end of the year know the net cost of the Engineer for the year. The Village Administrator advised that he could get that information because escrow monies are kept separate in the Trust and Agency account. Trustee Zachary was not talking about money that is still in escrow or pending. He wanted to know if there is a way to tabulate that when the budget year is done. Village Administrator Hay advised that if the Board wanted that, he could do that every year. Trustee Zachary would like to see that since the real cost of the Engineer is more important than what is shown here. Mayor Murray said he understands that. It is a little difficult because we did not have escrow agreements before. We have since, over the last two years, required commercial entities to open an escrow account so we did not have to chase after them. It has worked out pretty well. We did have a person fall through the cracks, which is a \$15,000 bill. We are collecting it. That has been the only the pitfall. Although we did have the law in place, we did not have the requirement for escrow. We have included that on the Building Permit application. The Mayor has instructed the Planning Board members, Zoning Board Chairman, the Village Attorney and the Building Inspector not to put anybody on the agenda if their escrow is not up to date. He also directed them to put a 25% buffer on it. So although they might have a dollar in escrow, we do not want to have them come before us, expend a lot more money and then have them just abandon us and we then have to chase them. This is why there is also a buffer in there. Trustee Jackson commented that our check and balance on that are the fees that are coming in and having the escrow account attached to it. Mayor Murray said that was correct. Trustee Jackson noted that what we need is a way to keep an adequate count on how much those fees are amounting to on a revenue side which is going to be minused from the engineering services. The Mayor said it would alleviate some of the questions that we have had over the last couple of years.

Trustee Zachary commented that it would seem to also apply to when we use the planner. It may not be something that we keep on a separate line but he wanted to know if there is some way to start to keep track of it. It would be something edifying to the Board as they go ahead and make decisions on how they want to do things. Village Administrator Hay advised that he could do this.

There were no other rebuttals from the Board members.

7. **ADJOURNMENT:**

At 8:24 PM, a MOTION to adjourn was made by Trustee Funchion seconded by Trustee Jackson with all in favor. Mayor Murray thanked everyone for attending.