

Village of Buchanan
Mayor & Board of Trustees
Public Hearing:
Budget Meeting
April 15, 2014

PRESENT:

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

ABSENT:

Trustee Cesare Pasquale (vacation planned prior to election)
Village Attorney Stephanie V. Porteus

1. PLEDGE OF ALLEGIANCE:

Mayor Knickerbocker opened the meeting at 7:30 PM, welcomed everyone, informed them of the fire regulations and led the Pledge of Allegiance.

2. Comments from the Floor: (agenda items only):

None

3. Public Hearing on the Budget:

At 7:31 PM a MOTION to open the Public Hearing was made by Trustee Funchion, seconded by Trustee Jackson with all in favor.

Mayor Knickerbocker said that at the last Workshop, the Board went through the budget line by line. She wants to do that here so that the residents are aware of some of the changes and things that they did. She wants everyone to understand that it was a very tight budget.

Ref. Page 2:

Mayor Knickerbocker said that the Village Administrator had asked if the Board members were going to the conference. Village Administrator Hay advised that he added a little money to Board of Trustees–Other Expenses for the video recording of the meetings, training and anything like that the Board may want to go to. He advised that when you figure in the meetings, it leaves \$400 so the Board want to add a little more if they want to go to NYCOM. Trustee Zachary wanted to know why the \$4,000 would not be enough. The Village Administrator advised that

after the cost for video recording the meetings, there is only \$400 for training. Trustee Zachary commented that he finds NYCOM to be valuable and definitely would like to go.

Trustee Funchion wanted to know what is under Part Time. The Village Administrator advised that is for the Secretary to the Village Board.

Mayor Knickerbocker noted that the NYCOM meeting starts on May 4 and that May 5 is our Board meeting. Trustee Zachary said that he was going to sign up. He wanted to know if we should change the date of our next meeting. The Village Administrator advised that would come out of this year's budget. He is referring to if the Board members go next year. The Mayor said that we do not need to add anything to this line.

Ref. Page 3:

Mayor Knickerbocker would like to do is move the \$5,000 from Village Attorney-Other Expenses to Per Service and eliminate the Other Expenses line. She commented that our Village Attorney has been with us for 6 years. She is a very important part of this team. She does a lot of work for the Village and goes above. We have a lot of things coming up this year. There are a lot of negotiations. We are talking with Entergy. We have union negotiations. There are a lot of things before the Planning and Zoning Boards. The Village Attorney has not had a raise since she has been with us. \$5,000 would be less than a 2% raise over the six years. The Mayor wants to add that in. She wanted to know what the other Board members thought.

Trustee Zachary noted that the Village Attorney works for the McCarthy law firm. He wanted to know if we contract with the firm and pay them and the Village Attorney is paid by them. The Village Administrator advised that we pay her. Trustee Funchion concurred with the Mayor's proposal. Trustee Zachary wanted to know if this is the salary for all the meetings she attends. The Village Administrator advised that is correct. It includes the Village Board, Planning and Zoning Boards and any other events. Trustee Zachary commented that he knows that Village Attorney Porteus puts in a lot of time when she is not here. She will research matters for the Board, whether it is for writing a motion or informing us. He feels that for what she does, this proposal is fair. The Mayor commented that she is always available for the Village. Trustee Jackson wanted to know how many years it has been since this position had a raise. The Mayor advised that she will have been with us for 6 years in June. Trustee Jackson wanted to know if the salary we are paying her is comparable to other local village Attorneys. The Village Administrator advised that it is less.

Trustee Zachary wanted to know what might come under the Other Expenses line that we might need to budget for. He noted that there were \$2500 in expenses in 2013. He wanted to know what comes into that line that we need to budget for 2013. The Village Administrator advised that was for specific types of work that she would do. Trustee Zachary wanted to know if that

line would be left at zero. The Mayor advised that currently there is nothing that is coming up. If there is a large item that the Village would have to litigate it would not be something she would be doing. Most times the insurance carrier would pick up if it is a large item. The Village Administrator advised if someone filed a law suit against the Village, our insurance carrier would pick up the case.

Ref. Page 4:

Trustee Jackson commented that he had been speaking with the Village Administrator about Village expenses in terms of supplies and different things that we need. He wanted to know how we might be able to work with the Town about buying in bulk. He noted that currently we buy our oil through the State contract. He would like to look at how we might be able to arrange a joint system to buy products. He commented that it is a good number. Over the years we have been buying as we go along. We might want to look at buying in bulk at the beginning of the fiscal year. Maybe partner up with another municipality who is buying the same products.

Mayor Knickerbocker advised that we have several inter-municipal agreements with the Town. She wanted to know if Trustee Jackson was referring to the budget line Supplies. Trustee Jackson said he was referring to Other Expenses and Supplies; overall purchase agreements for supplies that we use here in the Village and that other towns also would.

Mayor Knickerbocker advised that Other Expenses, which would include paper supplies, is \$19,000. She wanted to know what else it includes. The Village Administrator advised that would be paper supplies and services that we would have to bring in. It is mostly paper goods and supplies. Mayor Knickerbocker said it is something we need to look into.

Trustee Zachary commented that he is still pushing a five year plan. We need to look ahead and not just budget one year at a time. We need to understand that we are going to have to buy a garbage truck and pave some roads. We are now trying to change to LEDs. He commented that there are a lot of things that work into the formula when you look out over five years that do not come up in a single budget. He commented that an isolated budget is like paying your bills at home but ignoring your credit card debt. He feels that we need to look at the long term and budget accordingly. He believes that one thing we can do that with here, not on this budget but going forward, is the Power line. He noted that it is \$19,000 for the Village Hall. He commented that at the Workshop the Board talked about updating the lights at the Village Hall. He believes that if we did a lot of conversions to LEDs or to the newer, more efficient type fixtures, we could save money in the long run. He does not think we can have it in place in time for this budget but he thinks that despite all the work the Board has done on it, a budget that is part of one year plan, not a five year plan, has some flaws.

Mayor Knickerbocker asked the Village Administrator to report on his meeting with the representative from the LED vendor. Village Administrator Hay advised that the person looked through the building and noticed that we have the old type of fluorescent lights. He advised that over time as more people get away from them, the product will get more expensive. He recommended retrofit kits which are more efficient. What he looked for in the building were rooms and areas that are used more than 20 hours per week. He advised that we would not see significant savings where the usage was less than that. He identified the Village Clerk's office and the Police Department as areas where we would see savings. Trustee Zachary commented that we would not save as much as we would with street lights but that it is certainly worth a look.

Ref. Page 5:

Trustee Funchion thinks that the Police-Overtime is out of control. He noted that it has been increased by \$25,000 without any explanation. The Village Administrator advised that it is because of vacations and sick times. He advised that he spoke about this with the Police Chief. Village Administrator Hay commented that we are at the point where for \$135,000 do we look at hiring another person. It would not reduce the overtime completely. He advised that we do get reimbursed between \$40,000 and \$50,000 from Entergy for doing the crossings. So the number is not as high. It is something to consider going forward. Trustee Funchion commented that after looking at it again following the Workshop, he is still trying to determine the reason it went up so much. It is a significant increase which sounds to him like something catastrophic should have occurred. The Village Administrator advised that part of it was that we were probably under budget last year. Each time the salaries go up the cost of paying overtime goes up. He knows that the Police Chief works hard to try to get them to take shifts at time and a half versus double time. Village Administrator Hay said that Chief Tubbs has been making a diligent effort to try to reduce or limit it as much as he can. Mayor Knickerbocker commented that she and the Village Administrator are establishing department head meetings. The first will be on Monday. This will be one of the conversations we will have. She will come back to the Board with what is going on with that. She agrees that \$25,000 is a significant increase in one year.

Trustee Funchion questioned the Holiday Pay. He noted that according to the March Expense Control report they had only expended 48%. The Village Administrator advised that it was half of it. There are two payments; one in December and one in May. They get paid out twice for the holidays. It should use the budgeted amount. Mayor Knickerbocker wanted to confirm that we do not expect any overage on that. The Village Administrator advised that it usually comes in at about \$34,000.

Trustee Zachary commented that we cannot control the police overtime completely. If somebody calls in sick or goes on vacation, you have to have someone else come in and cover for them. We cannot control the snow. We know that is overtime in the Highway Department.

But from the Board's discussions, what we want to do is find ways through scheduling or planning to minimize the overtime as an expense to the Village.

Ref. Page 6:

Mayor Knickerbocker commented that she knows we had a really bad winter. She wanted to know what the overages were on our salt and our Snow Removal–Overtime. The Village Administrator advised that we were \$26,000 over Overtime and around \$20,000 on salt. The Mayor commented that it was an exceptionally bad winter.

Trustee Zachary commented that we have started the process of looking at LED lights. He believes that we can probably save about 75% on power and reduce our maintenance costs. But they are not in place now so it will not affect this budget. He said that the Board was talking about budgeting some start up money for the expense. He noted that we are showing \$20,000 under Lighting-Other Expenses. The Village Administrator advised that the cost of doing the lights is about \$10,000. Trustee Zachary commented that we budgeted \$40,000 last year. He wanted to know how we were putting in seed money for LEDs when the budget line is being cut in half. He wanted to know if this line included light maintenance. The Village Administrator advised that it does. Last year we put \$30,000 into that line to buy a bucket truck. But we have not yet been able to find one. Trustee Zachary wanted to know if we are budgeting that again and if we are still trying to find a bucket truck. The Village Administrator advised that we are still looking. Mayor Knickerbocker commented that there are other possibilities. She advised that she has a few conversations going on concerning that. She noted that we have \$30,000 budgeted for a bucket truck. It would be a used truck. She asked the Village Administrator to report on what we found when we looked for one. Village Administrator Hay advised that we found one in that price range but it was too big. We looked at two others that were in the \$10,000-\$15,000 range but they were in poor condition. The Mayor commented that we do not want to purchase a problem, which had happened in the past. Trustee Jackson referred to a memo from George Smith from last June that talked about a utility truck with a crane. He wanted to know if that was different from the bucket truck. The Village Administrator advised that it is different. The Mayor said that we have \$10,000 start money for the LEDs. Trustee Zachary wanted to confirm that we are not budgeting anything toward a vehicle in the Lighting-Other Expense line. The Mayor advised that we are not, for the bucket truck.

Trustee Zachary wanted to confirm that the \$20,000 was \$10,000 for LED lights and \$10,000 for maintenance. The Mayor confirmed that was correct. She believes that the \$10,000 will cover the LEDs for the decorative lights. The Village Administrator advised that the vendor believes we can do all our decorative pole lights for around or under \$10,000. The Mayor wanted to know where we are in that process. The Village Administrator advised that he will give the vendor the wattages. We are going to do three or four outside of the Village Hall leading up to the intersection of Ketchum Avenue. That pilot program has been approved. We are going to

move forward with it. The Mayor advised that we will see how that looks for us and then continue on with it. She knows that Trustee Zachary would like to do the whole Village in Cobra lights. Trustee Zachary commented that it takes planning. We need to research funding for it. He knows that there are a lot of municipalities that have gotten funding for this through NYSERDA and other sources. This contractor advised that he can point us in the right direction to obtain funding. Trustee Zachary said that this year we need to get a sense of what money is available and if we can get it. We do not want him to just steer us to a loan. He commented that we know that we are going to have to spend some money. We may have to pay for half of it. The initial expense is very large but it is like refinancing a mortgage. If you are lowering your mortgage rate by a certain percent, you are going to lay out some closing costs and some money initially but you are going to recover it very quickly. He commented that from what he has seen, the average time to recoup is 5 years. Trustee Zachary thinks that we have to be long sighted and invest that money knowing that we are going to be cutting our power bill by 75%. Mayor Knickerbocker advised that there is a grant application that must be in by the 24th of this month for power savings. She is working with the Village Administrator to see if we can get that in by the deadline. The Village Administrator will also be contacting NYSERDA.

Trustee Jackson wanted to know, concerning the snow removal, if we ran out of salt this year. The Village Administrator advised that there were times when we were very close. He believes that we were pretty much out. At times we were mixing it with sand to spread it out. In response to Trustee Jackson's question, he advised that we buy it under the State contract.

Ref. Page 7:

Trustee Funchion noted that the Day Camp has been increased by \$3,000. He feels that something could be taken off that. The Village Administrator advised that this includes the cost of camp and the shirts. Because this year's camp starts before the next budget year begins is why we came up short and why the Recreation Supervisor has to have more put into it. Trustee Jackson wanted to know if an analysis was done on how much it might bring in if we raised the fees. The Village Administrator advised that we just raised them a few years ago. He does not believe the Recreation Supervisor looked at raising them this year. It is something to consider going forward; to do an evaluation to see where our camp compares to others. Trustee Funchion wanted to know why there was a \$3,000 increase. The Village Administrator advised that we had it in there in previous years. When we cut it out last year, we did not have enough to buy supplies for the upcoming camp year. He explained that camp does not start until the beginning of June so you have to start preparing for the next camp now, in this budget year. We have to buy the new supplies. He noted that the Expense Control report shows that we went over. He commented that we could look to trim it. Trustee Funchion would like to make it \$9,000. Mayor Knickerbocker commented that she and Trustee Jackson had talked last week. They have to work out some of these events. Trustee Jackson agreed with Trustee Funchion that it could be put in at \$9,000 and then see how it goes. Then look in an itemized way at what could be cut

down. He feels we should look at raising fees. Trustee Zachary was fine with \$9,000. The Mayor directed to make it \$9,000.

Trustee Funchion questioned Park Maintenance-Lent's Cove. He noted that as of the March Control report only 2.7% had been used. The Village Administrator advised that is to buy clay and supplies for the field and most of that work is not done until Spring. He commented that we need to maintain the field. We use it for the Town softball league. He noted that in years past, we have gone way over in supplies we have needed. Mayor Knickerbocker commented that she saw them working on it this week. Trustee Funchion commented that we always have discussions on the recreation money and what is maintenance versus capital improvement. The Village Administrator commented that it has to do with expanding services. Doing the roof at the pool for example, would not be an expansion of services but if you expanded the pool house the money could be used for that. The Mayor believes that maintenance is repairing and painting. The Village Administrator advised that is a question for the Village Attorney. She has advised that the language is very specific and comes from the State. Trustee Zachary commented that the reserve fund for Recreation can be used to expand recreation programs which implies new facilities and new items as opposed to fixing a roof or putting clay on a ball field. Trustee Funchion commented what about doing the path out at Lent's Cove. He wanted to know if that path was left to become overgrown and then a new path was to be created would that be considered something new. The Village Administrator advised that is a grey area. Trustee Funchion commented that the Recreation Fund was created with the intention of when new houses were built in the Village there would be more recreation facilities for people. He commented that if we did not keep a roof on the pool house for example, there would be less facilities. He would like to find a way to use some of that money in order to keep taxes down. He feels that we have to be more intelligent about looking at what is actually maintenance and what would pass as doing something new; using the Recreation Fund instead of taxpayers' dollars. Trustee Zachary wanted to know if expanding the back area at the pool and putting in tables and barbeques is coming out of the reserve fund. The Village Administrator did not believe it is. He advised that we could use it for expanding the services but replacing a table that is already there is maintenance. Trustee Funchion wanted to know if you replace a table that cost \$200 with a better one that costs \$1,000, is it an improvement. He feels that is not maintenance because you are putting in something new and better. The Mayor said that this is something that must be discussed further. Trustee Zachary agreed that it needs to be discussed. He thinks that the criterion is whether you are expanding or creating new components to the recreation program.

Mayor Knickerbocker commented that a yearly question concerns the pool. She has always favored opening it when school closes. That would be more toward the end of June instead of Memorial Day. Trustee Jackson commented that last year we chose to open it early and that was timely because it got hot early. The Village Administrator advised that the Recreation

Supervisor has already pushed it back to June 14. Trustee Zachary commented that you cannot push it back too much to when the weather is warm because you have to fill it ahead of time and maintain it with chlorine. The Mayor commented that if it were opened on Memorial Day, you would start working on it in the beginning of May. If it were the middle of June, that would be another couple of weeks. She noted that she read a forecast in the newspaper today that it is going to be a very hot summer. We will go with the date set by the Recreation Supervisor. Trustee Zachary wanted to confirm that we will save money on the lifeguards as opposed to the chlorine. The Village Administrator advised that was correct because you still need to open and prepare the pool the same way.

Ref. page 8:

Mayor Knickerbocker advised that she wants to take \$1,000 from Historian. She knows that Trustee Jackson's Historical Committee is looking to do an Open House. Trustee Jackson advised that they would be fine with that amount and agreed with the Mayor.

Mayor Knickerbocker commented that Treatment Plant-Other Expenses includes the expense for Camo. She advised that we have an employee who has been with us for many years and who ran our Sewage Treatment Plant (STP). He is retiring at the end of the month. Currently, we have one person who has a license and one who does not. When the licensed person is on vacation or out sick, we must bring in a company called Camo to cover until we our second person becomes licensed. The Village Administrator advised that Camo comes in to do the required testing and whatever maintenance needs to be done on the weekends. It is four hours at a set rate of \$110 per hour. They do not do the pump stations. Our employees would still do that. The Village Administrator advised that \$10,000 in this line is to cover Camo's services from May to December to keep us in compliance with the Westchester County Board of Health.

Trustee Funchion wanted to know what was included in Zoning-Per. Ser-PT. The Village Administrator advised that is the Building Inspector's salary and part of the salary of one person in the Village office for her work on property searches and that type of work. Trustee Funchion noted that the Control report shows that under Zoning-Other Expenses there is \$2,000 that is unused. The Village Administrator advised that is whatever equipment and supplies they might need. Something could possibly be trimmed from that line. Trustee Zachary noted that Planning-Other Expenses is way over. The Village Administrator advised that is what we pay out for the planner but that money comes back. Trustee Funchion commented that if we are budgeting money that is not being used perhaps we could reduce Zoning-Other Expenses. It was agreed to reduce it to \$1,250.

Ref. Page 9: No comments or changes.

Ref. Page 10:

Mayor Knickerbocker advised that on Debt Service we have another 2 years to go. \$5,453 will pay it up. That was a 20 year emergency service line. The lines above that are what have been budgeted to pay back the road bond. The principal is \$50,000. The interest will be \$15,570. So \$65,570 is in the budget to pay back the road bond.

Ref. Page 11:

Mayor Knickerbocker said that the Board had questioned Engineering-Planning Fees. The Village Administrator advised that is the engineering and planning fees money brought in from escrows. We keep it in a separate account until the projects are over. If it is a long project, we will transfer it at certain points. The Village Administrator advised that he estimated this based on what kinds of projects are before the boards. We still have AAA in front of us. We also have the potential Griffin project. It is just an estimate of what we could receive.

Mayor Knickerbocker wanted to confirm that Traffic Control is money we receive from Entergy for our police services there for traffic control. The Village Administrator advised that is mainly where that comes from.

Mayor Knickerbocker advised that concerning the CHIPS funds there was a \$40 million state-wide allotment. In Westchester County it was \$1.2 million. That was for pothole repair but it is going to be in our CHIPS program. The Village's share will be \$5,514.66. She commented that she wished it were a lot more but we will take it.

Ref. Page 12: No comments or changes.

Ref. Page 13:

Mayor Knickerbocker advised that Transmission & Distribution-Other Expenses includes \$35,000 for the meter in Peekskill that needs to be replaced. We also have some repairs. Repairs-Equipment includes the Entergy pit where the two valves need to be serviced and repaired. After these two things are done, our water system will have been upgraded. It had not been done for many years. Last year we did a lot of work on that and this money will finish that up.

Ref. Page 14: No comments or changes.

Ref. Page 15: No comments or changes.

Ref. Page 16: No comments or changes.

Ref. Page 17: No comments or changes.

Mayor Knickerbocker gave the breakdown of the increase. \$40,000 is from a decrease in our Special Franchise Assessments. Con Edison was our biggest hit; also Verizon cable. There was a \$25,000 increase in police overtime to cover sick time, vacations, training and holidays. There was a \$25,000 increase in health care benefits. We added \$33,000 to the Water Fund to replace the aforementioned water meter in the Peekskill water pit and to refurbish the last two water valves on Broadway which is the Entergy water pit. The Special Franchise values are set each year by the New York State Department of Taxation & Financial Office of Real Property Tax Services. That decrease caused a loss to our budget of \$40,000. The Mayor noted that we were down \$40,000 even before we started the budget. She commented that this was a very tough budget and a very tight one. The Board has gone over it page by page and looked at everything. Trustee Jackson wanted to know if the \$63,000 for the retiring employee was included in that breakdown. The Mayor advised that is coming from this year's budget because the retirement will be by the end of this month.

Trustee Zachary commented that for those watching this hearing on t.v. it may seem like the Board went through the whole budget in 10 minutes. He wanted to convey that they went through it line by line last week at the Workshop. Tonight they were summarizing some of the discussions that took place at the Workshop. He commented that as they have done for the last four years, they have trimmed everything they can from the budget. Every year the budget has gotten leaner. We have unavoidable expenses that we can do nothing about. He commented that if we are going to be a village, provide services and programs and pay people to keep the Village going, there are going to be expenses. He thinks that we have eliminated the unnecessary things and trimmed wherever we can. Every year we are asked to stay within a New York State tax cap. It is called a 2% tax cap but it is calculated every year by the State Comptroller. This year it is 1.67%. He commented that as the Mayor stated, at the same time there are expenses that come in every year that we cannot avoid. He noted that if you take the 40% that we are losing in our taxes from Con Edison, then add in a few key items like health care benefit costs, increased overtime costs – which he noted we are going to try to minimize – and projected repairs to some of the water pump stations, we are talking about a 6%-7% increase in our budget before we even look at anything. He commented that it is a battle. He thinks that we have to look at other things because when you budget for one year and ignore the inevitable, he thinks that he is not doing his job. When you ignore expenses that you know are coming up for the sake of trying to make this budget as low an increase as possible.

Trustee Zachary advised that we have an assessment from the Village Administrator, working with the department heads, of the various vehicles the Village owns and are used in doing the work of the Village. They are in the Police and Highway Departments. If you look through all these vehicles and their projected life, including the leaf vac, there are five or six that will have to be replaced within the next 5 years. He commented that we have vehicles that are on their last legs that we keep resurrecting with parts and welding. But you can keep them going just so long.

With the six vehicles that have been listed as needing replacement in the next 5 years, we are looking at \$325,000, even if we find a used vehicle in some cases. It includes a garbage truck, a dump truck, a police car, a police SUV and the leaf vac. He commented that is \$65,000 per year that we would need to budget. Trustee Zachary thinks that we did have some money in the budget for vehicle replacement. Mayor Knickerbocker said that we did talk about putting it into the Capital Fund. She advised that we did have a discussion about this at the Workshop and she directed the Village Administrator to do this review of all our equipment. She noted that one vehicle at the STP is in very bad shape. That will be replaced in this budget. We are going to be working on replacing that this year. In response to Trustee Zachary's question, the Mayor advised that is in the Capital Fund because we will be using that money. The Village Administrator advised that he did not make the changes because he was waiting until the Public Hearing. The Mayor advised that when they discussed this at the Workshop, it was \$22,000. She commented that at this time she does not want to put \$22,000 away. She would be more comfortable with less, perhaps \$15,000. She asked for the Board members' opinions. Trustee Zachary commented that \$65,000 is a big chunk. It is another 3% increase to the budget to pro rate the vehicle expenses. He feels that we have to put more up front because if something goes in the first year, we will not have accumulated enough money by putting away \$22,000 per year.

Trustee Zachary also feels that this money should not just go into a Capital Fund. He wants it specifically in a special reserve fund. He commented that the way our money works in the Village is that there is money committed to certain things specifically and can only be used for certain things. They are called reserve funds which we can set up. We currently have one for Recreation. Money from developers has gone into this reserve fund specifically only to be used for recreation expansion and nothing else. Then there is uncommitted money in the budget that can be used for whatever the Board wants. Trustee Zachary commented that he feels that this is going to be a fact of life in the Village for as long as the Village exists. He noted that the Fire Department has a Vehicle Replacement Fund. We put \$25,000 per year into that. He commented that the reality is that they probably need more than that so they do fund raising. But at least that money is accumulating. He commented that fire trucks cost more than the SUV you bought last year. He is sure that the Fire Department would like more but that is what we are able to do. Trustee Zachary thinks that we need a fund specifically for the Police and Highway Departments as well. He thinks it should be a reserve fund only for that purpose. He said that he appreciates that if we leave it in the General Fund we can use it if other emergencies come up. But these expenses are not going to go away. He commented that nothing may break down this year or next year, but three vehicles may break down the year after that. He likes the reserve fund because he believes it should be something set up in the Village that will outlive this Board and this Administrator. He commented that if somebody else comes in they should not be able to say that here is this money and use it for whatever they want. He thinks this budget needs to reflect money set aside and that \$22,000 is not enough. He said that he could probably live with it if the Board met him half way, at \$40,000 or \$45,000. He thinks that we have to be realistic

about this. He commented that he knows it is not politically expedient but he does not care. This is what he thinks is right. He commented that everyone has the right to vote. If someone does not like it, in two years they can vote him out. He said that unfortunately it raises the budget more but it is what he feels is right.

Mayor Knickerbocker commented that Trustee Zachary brought up some good points and these are things that the Board needs to talk about. We cannot hide our heads in the sand. That is what has happened over the years. The Mayor thinks that we all agree on some type of a five year plan and planning for the future. She commented that this is a very tight, a very tough budget, and it is going to get worse. She said that she has to look at the whole picture. She has to be considerate of people in these tough economic times who are not working. We have people who live here on a fixed income. The Mayor said that she is trying to be considerate of everyone and trying to also have some kind of vehicle replacement without having an exorbitant amount of tax increase for it. We do not have the luxury of a large budget, so it is very difficult to have things earmarked in a capital fund, because if something comes up like a roof repair for example, to tie our money up is difficult. The Recreation Fund is specifically earmarked because that was the agreement that was made when these developers came in, so that money is supposed to be used a certain way. Mayor Knickerbocker commented that she understands what Trustee Zachary is saying, that these items have to be replaced. We have seen what happened with the Sewage Treatment Plant and with the roads. We were not planning for the future.

Mayor Knickerbocker advised that we do have money in our budget to do some road repair. It is not as much as the Mayor would like but each year we will be looking at that. She commented that she will be walking with the Village Engineer and Highway Foreman soon to see which roads have to be addressed first this year.

Trustee Funchion feels that whatever we put into vehicle replacement has to be in the Capital Fund. He commented that the best example of why is that we have our hands tied with the Recreation Fund. He commented that he does not know the legal premises of why and how this agreement was written between the Village and the developer who developed those houses; and he does not know the legal outlay of how it would be written down to have a fund specifically for vehicles. He understands what Trustee Zachary is saying, that these are things we need and have to have. But Trustee Funchion does not like tying up money specifically in one fund. He thinks that our General Fund would be able to cover that. He believes that we could do it on our own accounting without having to make a specific fund that may prevent us from using that money in case of an emergency. He thanked Village Administrator Hay for preparing the list and commended him for his excellent work. Trustee Funchion asked if anyone has ever looked at how many vehicles we actually need. He commented that only the department heads can say that specifically. He commented that obviously we need a garbage truck. As for a dump truck for example, or the number of police vehicles, he does not know how much of a loss we would

feel if we retired them and did not replace them. He thinks that for a five year plan for the future we need to listen to the people who work out there and ask them what it is we actually need. He wanted to confirm that on the vehicle list prepared by the Village Administrator the prices were for new vehicles. The Village Administrator advised that was correct. Trustee Funchion commented that perhaps we can look at other sources like Federal government auctions or certified used vehicles. The Village Administrator advised that we do shop around to see what used equipment might be available. We do run into problems as we did when shopping for a bucket truck. We have to look at the quality of the used vehicles. Concerning the dump truck, he noted that at different times it is used for different things. In the winter it is plowing. Sometimes it is in conjunction with the leaf vac. He agrees that the Board should talk with the department heads. Trustee Funchion said that he is comfortable with \$15,000 to the Capital Fund. Village Administrator Hay advised that the Board discussed this at the Workshop but that they would determine the amount at this hearing.

Trustee Jackson noted that in looking at the memo from George Smith from this past June 24, it notes \$47,000 for a utility truck. Trustee Jackson commented that the replacement cost goes up each year that it is not replaced. He agrees with Trustee Zachary as to the amount to be put into this fund. This memo says the life expectancy for the utility truck is day to day and that was in June 2013. He would like to put \$47,000 in this fund just in case we have to do this. Mayor Knickerbocker commented that this truck has to be replaced this year. The truck's body is rusted. She commented that the Board had discussed replacing it with a pickup truck with a plow. The Village Administrator advised that he had spoken to Mike Baisley who felt that a pickup truck would work for their needs. It has enough vehicle weight that they could possibly transfer over the winch to it and they want a truck that they can also plow with. The Mayor wanted to confirm that right now the cost for that is estimated at \$32,000 including the plow. The Village Administrator advised that was correct. Trustee Jackson noted that when they first looked at it a year ago it was \$28,000. He thinks that \$22,000 is not enough. It needs to be increased.

Trustee Zachary commented that he does not take lightly the spending of this money but he also does not take lightly the responsibility to this Village. He commented that there is a General Fund. There is a fund balance, some money that the Village has. He is not sure what the figure is but there is enough there that we could subsidize every one of these increases in expense and pass a budget with a 0% tax increase. He thinks that would be fiscally irresponsible because you do not deplete all of your reserve money. If the Village has problems, things that could come up over the next few years, then you need some reserve money there. He is not happy about having to increase the taxes. He thinks that what we are looking at right now could mean an increase to the average home of around \$80-\$100 per year. The Village Administrator advised that right now it would \$106 per year to the average assessed house, which is \$5,000. Trustee Zachary commented that this is not something that we really want to do but he does not think that we

want to put the Village in a fiscally compromised position. He commented that some people have suggested to just eliminate the pool. That will knock 2% off the budget increase. He said but what makes this a village to him are the programs and the quality of life issues like the recreation program, the pool, the Seniors' club. Each one by itself might not be that much but if you add them all up it adds up to a larger amount. He thinks that what makes this a village is the quality of services and the quality of life. Unfortunately, we have to pay for that. Trustee Zachary commented that one of the reasons he supports having a dedicated fund instead of just putting it into our General Fund where it could be used for anything is that if somebody else is on this Board in a few years, they could pass a 0% increase budget by using the money that was set aside for vehicles. It is politically expedient but in his opinion fiscally irresponsible.

Mayor Knickerbocker commented that the Board she has worked with over the years has been very fiscally responsible. They have taken this job very seriously. They have looked the budget over and trimmed it up. She said that we have all done our homework and tried to do the right thing with the budget; cut back where we could; buy where we could; do roads and repairs where we could. She commented that as Trustee Zachary said last year, it is just going to get tougher and tougher. She commented that a lot of these things had not been done. There was no planning for the future. There was no vehicle replacement. There was no maintenance. Now as time goes on, as Trustee Jackson said, things get more expensive. Mayor Knickerbocker thinks that if there is a way that we can buy this utility truck outright this year without breaking the budget that is something the Board has to talk about. She would like to do that. That would take it off this list. Concerning the police vehicle, she advised that she knows that the Police Chief has been very successful in getting grants for police vehicles.

Mayor Knickerbocker noted that we have two Board members who want to leave this Capital Fund at \$22,000 and two who want it to be \$15,000. Trustee Funchion commented to maybe split the difference. Trustee Zachary commented that the projected number comes out to over \$65,000 per year if you pro rate it for 5 years. He commented that one of the reasons why he does not think that we have to go quite that high is that somewhere between the \$15,000-\$22,000 being talked about and the \$65,000 is the fact that the police sometimes can get funding for a vehicle; the fact that we might be able to buy a used vehicle. But he feels that anything less than \$40,000 is not very realistic. The Mayor does not want to go that high. She commented that this is the first year that we are starting this fund. She feels that we can replace the vehicle in the poorest condition and then set things up to go ahead. She noted that \$60,000 would be an increase of another 3% on the budget. Trustee Zachary commented that the compromise figure would be \$40,000. The Mayor commented that \$22,000 was the number discussed at the Workshop. Trustee Zachary said that \$15,000 was proposed tonight. He noted that right now there is no amount in the budget. He wanted to know where it would go in there. The Village Administrator advised that it would be under Transfers, line 990-500. It would be the Capital Fund. He advised that we can get the logistics of whether it ends up being specifically vehicle

replacement. He advised that concerning future Board members, you cannot transfer from a Capital Fund to the General Fund. Trustee Zachary wanted to know if the Capital Fund is a reserve fund for specific uses. The Village Administrator advised that it is only for capital purchases. Trustee Zachary wanted to know if it would carry over and accumulate. The Village Administrator advised that it would. Trustee Zachary commented that is fine.

In response to Mayor Knickerbocker's question, the Village Administrator advised that we are now at 8.5. The Mayor advised that we have \$80,000 from an unfilled position that we could potentially use to move into our budget. Trustee Jackson thought we were at 7.64. Trustee Zachary wanted to confirm that this was currently in the proposed budget and that we were discussing unfunding that position. The Village Administrator advised that was correct and was what the Board had to decide. The position has been unfilled since before he started with the Village. Trustee Zachary commented that we could use half of the unfunded position to create the Capital Fund and use the other half to offset the budget increase. The Mayor asked the Village Administrator to recalculate, first with \$58,000 taken out. The Village Administrator advised that would be a tax rate of 5.4. The Mayor asked him to recalculate with \$65,000 taken out. The Village Administrator advised that would be a tax rate of 5.03. The Mayor advised that if we do not come to an agreement tonight, we have until the end of April to pass a budget. We would have set a special meeting.

Trustee Jackson proposed a compromise of \$18,000. Trustee Funchion would agree to that. Trustee Zachary commented that it has now gone down from \$22,000. Trustee Jackson noted that the Mayor wanted to take it down to \$15,000. Trustee Zachary commented that the Board can put into the Capital Fund what it decides and then we can vote on the budget. Mayor Knickerbocker said that if the Board wanted to again look at this or anything else in the budget, she will set up another Public Hearing before the end of the month to finalize the budget. She believes that everything else other than what to put into the Capital Fund is resolved at this point.

Trustee Jackson commented that if the Mayor and Trustee Funchion will agree to \$18,000, he would vote for it. Trustee Funchion commented that he feels that we have a lot of variables coming up such as union contracts, Entergy and their under payment to the Village for our being host to a nuclear power plant, the West Point Partners and Spectra projects which may involve contributions from the affected communities for possible law suits. He commented that he fully understands what Trustee Zachary wants to do and the concept behind it. But he is apprehensive about the future, especially when it comes to what we are going to owe to different places and how much we will be getting coming in. He is hoping that we will have a lot more coming in from Entergy than they have been giving to the Village. Then the discussion we are having tonight would be moot. We would be able to buy several new trucks.

Trustee Funchion commented that concerning the recreation, he does not know how many Village employees were working for the Village when these new areas were built. He believes that some of our vehicles are used to maintain our recreation services. He would like the Village Attorney to take a close look to see if the Recreation Fund could be used for that. He feels that it cannot be said that no recreation things changed when these huge developments came in. That is what that fund is for. He commented that there is a blurred line between what is capital improvement and what is maintenance. He wants to know if we may have had to buy new trucks because of the increase in people using our recreational facilities. He commented that maybe one of these vehicles should be constantly dedicated from that fund. Trustee Zachary believes the vehicles are mostly used for garbage pick up, road repairs and police vehicles. Recreation would be to some extent when they do maintenance at Lent's Cove or at the pool. He believes it is a relatively small use of the Highway Department vehicles.

Mayor Knickerbocker commented that the Board has a lot on its plate. This is going to be a challenging year, not only with the budget but as mentioned, the Spectra gas line, the West point Partners. She commented that the biggest thing is Entergy. We are negotiating to put them back on the tax rolls or whatever is in the best interests of the Village. That is a key point this year. The Mayor commented that her thought going into this budget is that she wants to maintain the Village, do repairs, more road work, more crack sealing for which we have money in there, and vehicle replacement. She wants to do these things but keep the tax increase as low as possible. She knows that we have a lot of residents who are struggling, who are not working or on fixed incomes. It is still a tough economy. She is trying to be fair to everyone and not over tax anyone.

Mayor Knickerbocker said that she would like to stay at \$15,000 for the Capital Fund. She will schedule another meeting prior to the end of the month. Trustee Zachary wanted to know if the purpose was because there is more to develop. He commented that if it is just a matter of whether we agree or disagree, he does not feel there is a need for another meeting. The Mayor advised that whether we put in \$15,000, \$22,000 or \$40,000 will make a difference in our budget. Trustee Zachary commented that if three Board members think that it should be \$15,000 or \$18,000 to do it. He does not have to agree. The Mayor commented that we do not always agree but we talk about it. We explain our points. Trustee Zachary commented that this is getting a lot of attention but it is one point. He agrees with 99% of the budget. The Mayor advised that we are also going to speak with the Village Attorney on a few items. She asked for comments from the other Board members. Trustee Jackson commented that he has offered a compromise. Trustee Funchion said that he would agree to that compromise. The Mayor said that she wants to keep it at \$15,000. Trustee Zachary said that he would come down to \$30,000.

COMMENTS FROM THE FLOOR:

Eileen Absenger, 138 Tate Avenue, commented that she highly suggests the Board have another meeting. She commented that to her, they need a little more information concerning recreation and whatever figures they are looking for.

Trustee Funchion noted that April 30 is the hearing on the West Point Partners project. Mayor Knickerbocker advised that it will from 2:30-11:00 PM at the Morabito Center in the Town of Cortlandt. There will be a presentation, followed by another presentation later on, followed by comments in the afternoon and evening. More information will be coming out. The Mayor believes that Town Supervisor Puglisi will be sending a letter to the Village and information will also be in the Newsletter. Trustee Funchion encouraged everyone to attend. This will have a huge impact on our area. There would be a buzzing going on 24 hours per day, 7 days per week, 365 days per year and a building the size of a football field. He commented that it will destroy our community and put our property values down to bad lows. He commented that if you look at what a nuclear power plant has done to our property values and now they are asking us to take on bigger gas pipe lines and this huge electrical line. He remarked that he does not know where it is written that the Town of Cortlandt is supposed to be the Grand Central Station for energy but that is not good.

Mayor Knickerbocker asked the Board if we could meet on either April 28 or April 29. Trustee Jackson advised that the Historical committee is scheduled to meet on April 28. The Mayor advised that the Board would meet on April 29 at 7:30 PM.

Reed Outhouse, 249 Westchester Avenue, commented that the Fire Department has some experience with vehicle purchases. He wanted to know if the Board has explored municipal leasing. He commented that he knows we do not like to take on debt but that it can be useful. He commented that over the years the Fire Department has made several purchases of fire apparatus using municipal leasing. There are different terms available at very low interest. He commented that he works in the utility business, with bucket trucks and the like. He commented that it is a tough to find used equipment. He noted that you may find a bucket truck that looks great but one that may have been idling at the side of the road for 15,000 hours. It may have 20,000 miles on it but the motor may have been idling at a job site and you do not know. Then you are also looking at the maintenance cost of trying to maintain it. He commented that if you get something new you should be good for 20 plus years. He knows that municipal leasing is available to municipalities. Mayor Knickerbocker wanted to know what types of vehicles for the Fire Department they do that with. Mr. Outhouse advised that the last piece of equipment they bought was a rescue truck and they are currently in a lease agreement with it. He advised that they get the \$25,000 allotted by the Village and put it into a fund. Basically, they use that as a down payment. Then the lease payments for the year are taken out of their operating budget. He commented that is why they have not raised their budgets in some time and have been able to

acquire several pieces of equipment while still staying within that budget. The Mayor thanked him for this information.

Trustee Jackson wanted to know if we could put together a committee with Mr. Outhouse, perhaps Bobby Wheeler and a member of the Village Board to see what the pros and cons of this might be. Mayor Knickerbocker advised that would be fine. She commented that we have found that bucket trucks are a premium product and very desirable. When people get rid of them, they either need a lot of maintenance or upgrade, or it is not worth it. It is really important that we get a new one. She is working on that.

At 9:10 PM a MOTION to adjourn the Public Hearing until April 29 at 7:30 PM at the Village Hall was made by Trustee Funchion, seconded by Trustee Jackson with all in favor.

At 9:11 PM a MOTION to adjourn this meeting was made by Trustee Funchion, seconded by Trustee Zachary with all in favor.