

VILLAGE OF HASTINGS-ON-HUDSON, NEW YORK
BOARD OF TRUSTEES
SPECIAL MEETING
APRIL 29, 2003

A Special Meeting was held by the Board of Trustees on Tuesday, April 29, 2003 at 8:10 p.m. in the Meeting Room, Municipal Building, 7 Maple Avenue.

PRESENT: Mayor Wm. Lee Kinnally, Jr., Trustee Michael Holdstein, Trustee Bruce Jennings, Trustee Peter Swiderski, Village Manager Neil P. Hess, and Village Clerk Susan Maggiotto.

ABSENT: Trustee Marjorie Apel

CITIZENS: One (1)

43:03 ADOPTION OF BUDGET AND TAX RATE - FISCAL YEAR 2003 - 2004

Mayor Kinnally: After the first of the year input from department heads was collected and reviewed by Village Manager Hess, Deputy Village Manager Maggiotto, and Deputy Treasurer Zaratzian, resulting in a budget that the Board began reviewing for the purposes of understanding and paring. This has been unlike any other year of budget review; it was extremely difficult. We have been hurt on both the expenditure and revenue sides of the budget, with the further surprise of the uncertainty of the amount of our state pension fund contribution, which is still not resolved. Our debate has been whether we should budget aggressively or conservatively. On the advice of the Manager we decided to be conservative and budget sufficient funds to cover the full amount of the contribution increase so that we do not come up short next year.

Village Manager Hess: I want to compliment the Board on their extensive review. This was the most difficult budget in my 33 years in this business. I found the Board attentive, questioning, and desirous of reaching conclusions that would benefit everyone in the Village. The Board reviewed every possible alternative to the increase. The Board through this budget has maintained the high quality of services our residents deserve. Even with the increase, the Village remains one of the lowest taxing Villages in the county. We remain financially sound, and this budget will meet the needs of our residents into the future. The budget adjustments totaled \$45,000 in increased revenues and reduced expenditures; the tax rate is \$154.70 per thousand of assessed value. Village taxes are approximately 21% of total property taxes, with the rest going to the school district, town and county.

The items that have not been finalized include a list of Village-owned properties that the Board can review in the months ahead; a request of a Village resident that the Village institute an income tax, which is being explored by the Village attorney; and the setting up of a homestead program to separate residential from commercial properties, which would require a 100% value in assessment and reassessment of all properties.

Trustee Holdstein: At the outset of this process I said that this would be a real challenge and we would have to get to as close to an austerity budget as possible. We tried to make as many cuts as we could without sacrificing services or financial stability. Many items are out of our control either by contract or obligation. Our next challenge is to look at capital expenditures and long term bonding. We may need to run a little lean for a few years until the economy recovers. I commend the Manager, the department heads, and my fellow Board members for a thorough analysis. We have come to as good a place as we could be this evening.

Trustee Jennings: I had several goals: keeping intact the finest Village staff team who do such a professional job; maintaining programs and services, some of which help the least affluent and most of which improve the quality of all our lives; maintaining fiscal integrity this year and beyond; and minimizing the tax increase we knew we were facing from day one, with decreases in revenues from sales tax and the downturn in the economy, and pension fund increases. We have achieved all these goals including holding down the tax increase as much as we could. We hope that next year will not be as large. Some surrounding villages appear to be playing Russian roulette, hoping the pension fund contribution will not be so severe. Our policy is prudent; if we get good news, we will be in a stronger position next year. I applaud the Manager and staff for a sound budget. We did not rubber stamp; there was close questioning throughout. There is not an ounce of fat in the budget, but it is a healthy one and will serve us well.

[Mayor Kinnally read the following statement from **Trustee Apel**]:

Reviewing this budget has been an arduous task; this was a very tight budget with expense mandated from outside, the biggest expense being the state pension fund. There has been much talk that the state will reduce the contribution to 4.5%; however, this has not been voted upon and it would be irresponsible to reduce the proposed budget based on a possibility, thereby leaving the Village in a vulnerable position and short of funds. In addition, no one wants to cut the excellent level of services we have come to expect. Instead, we have worked long hours to find a few areas to cut to bring the rate to \$154.70. It has not been easy. The county is seeing financially difficult times and the Village is no different. I would have loved to have brought a lower budget rate to the people of Hastings, but it is not possible in this year of economic downturn. It is my hope that future years will bring a better economy and lower tax rates.

Trustee Swiderski: The budget review was a baptism by fire and an experience for me. I was struck that the budget meetings were not well attended, although there seemed to be interest. I looked at every line possibly to cut with the people on fixed incomes in mind. Prudence drove us not to assume that the pension contribution will be lower; if it is, this will put us in a better position next year. We can only hope that next year will be easier. We are suffering from the negative aspects of trickle down economics.

Mayor Kinnally: I commend the staff; they have already taken money out of their budgets for the current fiscal year to add to surplus. The burden falls on them to make adjustments, as well as on the taxpayers. This is a realistic and honest budget. These are tough times, and we would rather have the funds and flexibility to allow us to provide services. This will build up our surplus so we will be in good shape when the economy turns around. When better times arrive, we will be ahead of the curve.

On MOTION of Trustee Jennings, SECONDED by Trustee Holdstein, the following Resolution was duly adopted upon roll call vote:

RESOLVED: that the Mayor and Board of Trustees adopt the 2003 - 2004 Village Budget as follows:

APPROPRIATIONS

General Fund	\$9,834,899
Pool Fund	275,100
Library Fund	637,150
Draper Fund	<u>26,000</u>
	\$10,773,149

REVENUES

Property Tax	\$6,708,869
State Aid	440,100
Sales Tax	760,000
Surplus	9,550
Other	<u>2,854,630</u>
	\$10,773,149

And be it further

RESOLVED: that the property tax rate be established at \$154.70 per thousand of assessed valuation.

ROLL CALL VOTE:	AYE	NAY
Trustee Michael Holdstein	X	
Trustee Bruce Jennings	X	

Trustee Marjorie Apel	Absent
Trustee Peter Swiderski	X
Mayor Wm. Lee Kinnally, Jr.	X

EXECUTIVE SESSION

On MOTION of Trustee Holdstein, SECONDED by Trustee Jennings with a voice vote of all in favor, the Board scheduled Executive Sessions for Wednesday, Apr. 30 and Thursday, May 1, 2003 to discuss personnel and litigation.

On MOTION of Trustee Jennings, SECONDED by Trustee Holdstein with a voice vote of all in favor, the Board scheduled an Executive Session immediately following the Regular Meeting to discuss personnel and litigation.

ADJOURNMENT

On MOTION of Trustee Holdstein, SECONDED by Trustee Swiderski with a voice vote of all in favor, Mayor Kinnally adjourned the Regular Meeting at 8:35 p.m.