

VILLAGE OF HASTINGS-ON-HUDSON, NEW YORK
BOARD OF TRUSTEES
SPECIAL MEETING
APRIL 27, 2004

A Special Meeting was held by the Board of Trustees on Tuesday, April 27, 2004 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 Marjorie Apel, Trustee Peter Swiderski, Village Manager Neil P. Hess, and Village Clerk Susan Maggiotto.

CITIZENS: One (1).

Mayor Kinnally: The purpose of the special meeting is to adopt the budget and the tax rate for fiscal year 2004-2005. This is the culmination of approximately two months' worth of work by the Board of Trustees in reviewing the Manager's proposed budget and over four months' worth of work by the Manager and the staff in reviewing requests by the department heads, paring things down, and trying to make accommodations so that we come up with the necessary funds to operate the Village and to provide the services that we have been providing and that the community expects.

Village Manager Hess: The budget was presented to the Board and public in early March. We had a number of public budget review sessions, which all were aired on WWhoH. We had reviews with all departments coming before the Board to answer questions. The budget has to be adopted prior to April 30. I believe that we have answered all questions that have been asked of us and we recommend its approval.

Trustee Jennings: We weathered a difficult year last year and we are back to a reasonable and moderate tax increase due in part to skillful work by the staff in protecting us from very high insurance premiums that we were looking at; retaining a prudent policy in the face of the uncertainty about the state employee retirement fund; and being frugal while maintaining essential services of a high quality.

We are adding two important things, even though the budget is not increasing much above the cost of living: a full-time planner, and a second full-time youth advocate to handle problems with our young people and families that need special assistance and counseling. Those are two central functions that enhance the Village's capacity to serve our residents and maintain our quality of life. The planner is important as we look ahead to the development of the waterfront and other crucial real estate and land use decisions. I do not view it so much as a burdensome tax increase. I view it as an investment that is going to return, both in our property values in the future and in our quality of life in the Village, many fold. I cannot think of a better investment one could make.

Village Manager Hess: I received a number of comments and questions from Ms. Ryberg, 11 Riverview Place, which I responded to. The Board has received copies of the correspondence. I would like to have this made a part of the record of tonight's meeting.

Betty Ryberg, 11 Riverview Place: I appreciate your comments, Trustee Jennings, and I appreciate the work that all of you have done. I understand how important some of the expansion of services are that were proposed in the budget, and I do not disagree with that. I am concerned with the state mandates concerning retirement, and what that is going to do in the future. It seems to be an increasing effect that once you hire a full-time person, now you have to abide by whatever state mandates then come down the line.

It seems easier to increase the taxes than to raise fees for other services. One of the comments made regarding the Parks & Rec fees is that you would have to hold a hearing. I do not know that those are rights that are entitled to that kind of process. It seems like you should do that before you do the budget process, or that that should be part of the budget process, not done after taxes.

Village Manager Hess: My point was that we are taking a look at not only Parks & Rec but the whole gamut of fees. Once we complete that fee study, it will come back to the Board and they will discuss it at a work session or a public meeting. By law they have to hold a public hearing before they adopt any new fees.

Ms. Ryberg: I pay increased fees all the time, and I am not aware of hearings being held. Regarding the youth advocate, you said there was state funding, and there is an increased demand for this youth advocate. I am wondering if there is increased state funding since there is increased demand for this service.

Village Manager Hess: That is very possible. We have to apply every three years for a three-year cycle, and this year the cycle comes up again. Right now we receive about \$127,000 of the \$175,000 budget. The \$175,000 budget includes funding for the second youth advocate, but our net cost is only increasing \$5,000 because of other changes we made in that budget.

Ms. Ryberg: But those costs do not include the benefits.

Village Manager Hess: No, that is right.

Ms. Ryberg: This person is going to be a state employee. And next year you are going to have to deal with the same law. Assuming the same issue again comes up from the state, you

are going to deal with the same problems. It seems like it is going to go on forever. I oppose the increase, even though it is a relatively small increase. You came very close to keeping the budget at the same level that it was last year. If it is that small a difference maybe you could go back and make it flat.

I did not understand the surplus number in the budget. What is that surplus?

Village Manager Hess: The amount of the surplus is called a fund balance, which is assets less liabilities, leaving a fund balance. We like to keep that at 7 to 10% of the budget as a rainy day fund. I recommended appropriating \$350,000 of the surplus in this year's budget. After the assessment review board made their changes we would have had to raise \$5,800 in taxes. I recommended taking another \$6,000 of the surplus. So it reduced the tax rate by a penny as opposed to increasing it any further.

Ms. Ryberg: So there is a fund with a substantial amount of money in it.

Village Manager Hess: I would not call it substantial. It had about \$670,000.

Ms. Ryberg: And that came from leftover tax money or other revenues.

Village Manager Hess: Possibly, or just cutting certain expenditures.

Mayor Kinnally: I appreciate your comments and the work that you put into this, and we would urge you to continue monitoring the situation and seeing how things evolve. One of the problems that you have identified is that there are personnel and retirement costs. This is a service organization, and while it is almost giving in to the sirens' song to say we will outsource it, whatever you pay to an entity is going to have those built-in retirement costs. So you are paying one way or the other. It can be difficult meeting the state requirements for the retirement fund. But you are taking care of the people that are taking care of us now.

Ms. Ryberg: I do not mean to sound completely ruthless, but I have been in private industry for my entire career, both at a corporation and for a law firm, and pensions are cut regularly. A lot of people do not have pensions. I am not sure if you outsource that you are necessarily paying the same level of fringe and employee pension benefits mandated by the state. The real gist of my suggestion was to try to eliminate some costs that you do not have any control over. At least you would have control if you are paying a third party.

Village Manager Hess: We are taking a look at outsourcing one area, but we will not have a report back to the Board for from four to six months. Outsourcing requires public bidding, so we would have to go through that process.

The retirement system is tiered. If you were hired before July, 1970 you are in tier 1. If you were hired six months later, you were in tier 2. Employees hired today are hired at tier 4. You cannot retire as early. You do not get the same benefits. Social Security is counted against your retirement allowance; any money you get from the retirement system is reduced by Social Security. The pension rates were ridiculously low for many years. With 9/11 and what happened to the stock market, state retirement systems were heavily leveraged in the stock markets and they took a big hit. The New York State comptroller has been trying to recover all the lost funds all at once as opposed to doing what is called smoothing, which is averaging it over five years and having a level building amount.

Ms. Ryberg: I am just saying not everybody gets a pension today.

Mayor Kinnally: Thank you very much, Neil. I thank you, and the staff, for putting this together and for all the hard work in trying to respond to our concerns and to our queries.

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

RESOLVED: that the Mayor and Board of Trustees adopt the 2004 - 2005 Village Budget as follows:

APPROPRIATIONS

General Fund	\$9,979,826
Pool Fund	286,300
Library Fund	660,000
Draper Fund	<u>26,000</u>
	\$10,952,126

REVENUES

Property Tax	\$ 7,014,146
State Aid	439,600
Sales Tax	825,000
Re-Appropriated Surplus	<u>2,309,880</u>
	\$10,952,126

And be it further

RESOLVED: that the property tax rate be established at \$162.98 per thousand of Assessed valuation.

ROLL CALL VOTE	AYE	NAY
Trustee Michael Holdstein	X	
Trustee Bruce Jennings	X	
Trustee Marjorie Apel	X	
Trustee Peter Swiderski	X	
Mayor Wm. Lee Kinnally, Jr.	X	

ADJOURNMENT

On MOTION of Trustee Holdstein, SECONDED Trustee Swiderski by with a voice vote of all in favor, Mayor Kinnally adjourned the special meeting at 8:25 p.m.