

**VILLAGE OF HASTINGS-ON-HUDSON, NEW YORK**  
**BOARD OF TRUSTEES**  
**REGULAR MEETING**  
**TUESDAY, JULY 14, 1998**

The Regular Meeting of the Board of Trustees was held on Tuesday, July 14 at 8:05 p.m. in the Meeting Room, Municipal Building, 7 Maple Avenue.

**PRESENT:** Mayor Wm. Lee Kinnally, Jr., Trustee James B. Keaney (8:06 p.m.), Trustee Elsa C. DeVita, Trustee Michael Holdstein, Trustee Anthony Gagliardi, Deputy Village Attorney Brian Murphy, Village Manager Neil Hess, and Village Clerk Susan Maggiotto.

**CITIZENS:** 25

**PRESENTATIONS: ANDRUS SENIOR RESIDENCE**

**Mayor Kinnally:** There is a proposal that is about to be made to the Village Board for rezoning for the Andrus Senior Residence, and the lawyers and developers for that site have asked for ten minutes to make a presentation this evening.

**John Kirkpatrick:** I am an attorney with Kirkpatrick and Silverberg, LLP in White Plains. We practice land use and environmental law throughout the Hudson Valley. I am here tonight representing the John E. Andrus Memorial Home and Beth Abraham Health Services. As we go along we will give you a little more background on that particular partnership. But as the mayor said, we are only looking to make a brief introductory presentation tonight. We have met a couple of times with the neighbors, we have had a presentation for the residents of the Andrus Home, and we would like to bring you up to date at the same level. We are hoping within a couple of weeks to make an application for a zoning amendment to create a floating zone for a continuing care retirement community. This is a specific type of continuing care community under Public Health Law Article 46 of New York State Law.

With me here tonight are Mike Bialek from Beth Abraham Health Services, Nancy Randall from Beth Abraham, Bob DeVito from the Andrus Home, Dick Kaeyer from Kaeyer, Garment and Davidson Architects, Peter Shaffer from the DiMella Shaffer Architects, and Dave Schiff from Saccardi and Schiff.

**Mike Bialek:** I am the senior vice-president at Beth Abraham Hospital. I am also a director on the board for Andrus, and the project manager for this project.

Beth Abraham was selected from over 20 other applicants to manage and operate the facility at Andrus. We are also charged with looking at a 10-year-old plan that they talked about and designed but did not formally file with the Village for 120 units at the north end of the property. When you walk into the building you are struck with some old splendor and grace, but as you get involved you see that it is a bit worn and dated. It was built in the 1950's by Helen Benedict for

the elderly residents of Hastings and the surrounding Rivertowns to retire, and as they age in place health services would be provided. So what we have now is an old structure on the hill which has 250 beds. Each room is approximately 225 square feet with a private bathroom. There are market forces out there, demographics, with the elderly population growing almost exponentially, and other market forces of projects being planned and developed in and about Hastings: new retirement housing communities. We are looking ahead and seeing how we can place Andrus in the 21st century.

We want to take the 200 rooms in the existing facility and make it into 80 one- and two-bedroom apartments for independent living. You will see in the site plan that the architects will present an additional 125 to 130 units of independent living units, plus a new state-of-the-art building for 48 or so skilled nursing units, and 20 to 25, maybe 30, units of assisted living; all working together; all contiguous to the cruciform shape of the existing facility. The feeling is that if nothing is done the building itself would stand, mis-placed and perhaps kind of a white elephant, or a dinosaur, that needs to be addressed. That is our plan today, is to go forward with the Village to see if we can develop this into something that we can all be proud of.

**Dick Kaeyer:** We are the architects who did the Orchard School at the Julia B. Andrus Memorial which you may have visited. You may have noted that the new facility so closely matches the existing one it is difficult to see where the old stops and the new begins. We hope that that is the same kind of thing that can be done again here, so that there is a happy marriage between old and new. I would like to call on Peter Shaffer, who is a specialist in housing design and will take us through the concept for this project.

**Peter Shaffer:** I am from DeMella Shaffer. We are architects in Boston. We have an expertise specifically in designing facilities for seniors.

There are some photographs here. It is a beautiful site; beautiful landscaping; very handsome building. It is a little old on the inside. There is some repair work on the outside that is being done now. But generally the building is in good shape. As a comparison between those photographs and the rendering next to it, you will note that there is very little on the exterior that is being suggested to be changed. Whatever is suggested to be changed would be compatible, with the same materials and same general forms as the original building.

The cruciform in the middle represents the existing structure, which sits up on the hill. The other L-shaped buildings which are attached to the cruciform step down the slope. The highest of those buildings starts at the lowest level of the cruciform. There are five residential buildings. They are purposely done as smaller residential buildings. There is one building which is for skilled nursing and assisted living. The whole notion was to sympathetically have these smaller buildings nestle into the hillside. They are all physically connected to the main building because

that is where the services come from. The last picture will give you an idea of what that looks like in terms of its general massing..

**Mr. Kirkpatrick:** We are trying to get together a formal application. If we wanted to make the August 11th meeting what would be our submission deadline to you? At that August 11th meeting, by the way, all we would be hoping is that you might refer it to the Planning Board and start the lead agency process.

**Village Manager Hess:** We would need the application by Thursday, Aug. 6, eight copies of your petition for that evening and an additional 12 copies for referral to the Planning Board.

**Trustee Holdstein:** What is the current zoning?

**Mr. Kirkpatrick:** The current zoning is residential. I believe that is R-20. It is an existing nonconforming use, in the R-20 zone.

**Ken Tuccillo, Edgewood Avenue:** I was interested in the tax ramifications of the project; whether there are going to be payments in lieu of taxes.

**Mr. Bialek:** We are hoping to finance this through the Westchester County IDA. There is a mechanism called the "PILOT -- Payment In Lieu Of Taxes," that is up for consideration.

**Mayor Kinnally:** That was one of the issues that came up in the prior application. There was no provision for payments in lieu of taxes. I have had two meetings with the representatives from the Foundation. They have indicated to me that that is one of the substantial differences in this application, that they are talking about PILOT's.

### APPROVAL OF MINUTES

On MOTION of Trustee DeVita, SECONDED by Trustee Gagliardi with a voice vote of all in favor, the minutes of the Regular Meeting of June 16, 1998 were approved as presented.

### APPROVAL OF WARRANTS

On MOTION of Trustee Gagliardi, SECONDED by Trustee Holdstein, with a voice vote of all in favor, the following warrants were approved:

Multi-Fund No. 8-1998-99	\$ 55,776.12
Multi-Fund No. 10-1998-99	\$ 4,646.73
Multi-Fund No. 11-1998-99	\$ 14,270.52

Multi-Fund No. 12-1998-99	\$217,828.13
Multi-Fund No. 14-1998-99	\$ 97,693.84
Multi-Fund No. 16-1998-99	\$465,744.57

**47:98 AWARD OF BID - STREET RESURFACING**

**Village Manager Hess:** We received three bids on our 1998 street resurfacing program: Columbus Construction of Mt. Vernon in the amount of \$46.74 a ton and \$2.20 per square yard for milling...in other words, grinding down the road surface...for a total cost of \$69,602.88; County Asphalt from Tarrytown was \$48.94 cents a ton and milling at \$2.05 a square yard, for a total of \$69,995.00; and Yonkers Contracting of Yonkers at \$48.50 per ton and milling at \$2.72 a square yard, for a total of \$77,212.64. The low bidder being Columbus Construction; we recommend the bid be awarded to them.

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

**RESOLVED:** that the Mayor and Board of Trustees award the bid for 1998 street resurfacing to Columbus Construction Corp. 711 South Columbus Avenue, Mt. Vernon, NY 10550 in the amount of \$69,602.88.

<b>ROLL CALL VOTE</b>	<b>AYE</b>	<b>NAY</b>
Trustee James B. Keaney	X	
Trustee Elsa C. DeVita	X	
Trustee Michael Holdstein	X	
Trustee Anthony Gagliardi	X	
Mayor Wm. Lee Kinnally, Jr.	X	

**48:98 AUTHORIZATION OF PURCHASE -- DUMP TRUCK**

**Village Manager Hess:** In the 1998-99 budget we had replacement of a small dump truck. This would replace our current truck Number 8, which is a 1990 Chevrolet dump truck. We are purchasing this under New York State Contract 40570, which bids out vehicles on a state-wide basis. This was the lowest bidder, Robert Green Truck Division of Monticello. Our pre-bid estimate was \$40,000 in the budget, and the total cost is \$36,549. I recommend approval.

**Trustee Gagliardi:** Mr. Hess, have we had experience with this bidder before?

**Village Manager Hess:** No, but he has the State contract. The State pre-qualifies all bidders. Even though he is in Monticello we can take it to any Chevrolet dealer for warranty or servicing work.

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

**RESOLVED:** that the Mayor and Board of Trustees authorize the purchase of a dump truck, body and salt spreader from Robert Green Truck Division in Monticello, New York and plow and assembly from Ortiz Welding in Hawthorne, New York, under New York State Contract No. 40570 as approved in the 1998-99 Capital Budget as follows:

Truck, body and salt spreader	\$34,349.00
<u>Plow and Assembly</u>	<u>2,200.00</u>
Total Cost	\$36,549.00

ROLL CALL VOTE	AYE	NAY
Trustee James B. Keaney	X	
Trustee Elsa C. DeVita	X	
Trustee Michael Holdstein	X	
Trustee Anthony Gagliardi	X	
Mayor Wm. Lee Kinnally, Jr.	X	

#### **49:98 SALARIES OF PART-TIME PERSONNEL**

**Village Manager Hess:** These part-time personnel who work for the Village are evaluated on an annual basis and recommendations are made to the Board concerning hourly rate increases. Each of these personnel have been reviewed by the appropriate staff and Village Board and I recommend approval of these rates.

**Mayor Kinnally:** These salaries were reviewed by the Board, with the manager. We took into consideration certain recommendations he made, and appraisals and assessments of the work performed by the people who are in these positions.

On MOTION of Trustee Keaney, SECONDED by Trustee DeVita, the following resolution was duly adopted upon roll call vote:

**RESOLVED:** that the Mayor and Board of Trustees establish the following part-time salaries and/or hourly rates effective July 13, 1998:

Deputy Building Inspector	\$12,750
Senior Outreach Worker	12,150
Fire Inspector	10,200
YES Director	10,500
Deputy Village Clerk	4,000
OSHA/PERMA Coordinator	3,150
Meter Repairman	\$11.00/hr.
Senior PEO	\$10.00/hr
Junior PEO	\$ 6.75/hr.

<b>ROLL CALL VOTE</b>	<b>AYE</b>	<b>NAY</b>
Trustee James B. Keane	X	
Trustee Elsa C. DeVita	X	
Trustee Michael Holdstein	X	
Trustee Anthony Gagliardi		Abstain
Mayor Wm. Lee Kinnally, Jr.	X	

**Village Manager Hess:** I should point out for the record, during my discussion and recommendations Trustee Gagliardi recused himself.

**50:98 SALARY PAYROLL/PERSONNEL CLERK**

**Village Manager Hess:** This is a full-time position in the finance department: payroll personnel clerk. It is based on an evaluation that I did and the Board did of this position. It is recommended that the annual salary rate, effective June 28, would be \$30,000 per annum.

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

**RESOLVED:** that the Mayor and Board of Trustees establish the following salary effective June 28, 1998:

Payroll/Personnel Clerk	\$30,000
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<b>ROLL CALL VOTE</b>	<b>AYE</b>	<b>NAY</b>
Trustee James B. Keaney	X	
Trustee Elsa C. DeVita	X	
Trustee Michael Holdstein	X	
Trustee Anthony Gagliardi	X	
Mayor Wm. Lee Kinnally, Jr.	X	

**51:98 SPECIAL MEETING - JULY 21, 1998**

**Mayor Kinnally:** We will have a presentation of a proposed tax settlement later in this meeting. The settlement is structured through what is known as a tax trust agreement. New York State law provides for that. Before we can have a particular tax trust agreement we must enact a local law which allows tax trust agreements in general here in the Village. We try to have a public hearing on one evening, and passage or consideration of the proposed local law on another evening. We do not have a next regular Board meeting until the August 11. We would like to have this law in place before that time, so we are proposing a Special Meeting next Tuesday night of only the tax trust agreement and the proposed tax settlement on the waterfront.

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

**RESOLVED:** that the Mayor and Board of Trustees schedule a Special Meeting for Tuesday, July 21, 1998 at 8:00 PM to adopt Local Law No. 3 of 1998 Authorizing the Payment of Eligible Delinquent Taxes in Installments and to approve a tax trust agreement with Harbor at Hastings.

<b>ROLL CALL VOTE</b>	<b>AYE</b>	<b>NAY</b>
Trustee James B. Keaney	X	
Trustee Elsa C. DeVita	X	
Trustee Michael Holdstein	X	
Trustee Anthony Gagliardi	X	
Mayor Wm. Lee Kinnally, Jr.	X	

## **BOARD DISCUSSION AND COMMENTS**

### **1. Update on the Waterfront**

**Mayor Kinnally:** The option between Mr. Kheel and the Earth Pledge Foundation and the owners of the Anaconda site expired without the option having been picked up and without there being a contract for purchase of the property. I have spoken with Mr. Kheel and with some people from F.C. Hastings. While the option was not picked up, my sense is that people continue to discuss it. I have had other people approach me about the possibility of acquiring the site, and I have told them to get in touch with the people who are in charge of the day-to-day administration and operation of the site. Only time will tell whether or not Mr. Kheel and F.C. Hastings can come to some agreement, or if somebody else will take over the property.

I have had discussions with Commissioner Cahill of the DEC about ARCO's position. The DEC is quite disappointed at the inaction and the position taken by ARCO throughout this entire process. I am continuing to have discussions with the DEC about a number of initiatives we have undertaken with the DEC on the waterfront and there is promise there. We may have some more announcements.

There is quite a bit of activity in Building 15. I would estimate, aside from the fine material that has been screened and put off to the west side, that there remains 5,000 cubic yards, which is still 5,000 cubic yards but is a world from where we were a year and a half ago. The deadline for removal of all the debris is September 1. My discussions with Wayne Smith from F.C. Hastings and with Jerry Festa and the other people who are involved at the site indicate to me that that building is going to be empty by that time and the owners in full compliance with the court order entered into two years ago.

We also have a report from the DEC about the administrative order and the consent order which were entered into by the owners of the site for the cleanup of the areas surrounding Building 15. Quite a bit of progress has been made. They have identified those areas that still have to be addressed and none of them seem to be particularly daunting, having to do with above-ground tanks, below-ground tanks, and some oil storage barrels down there. Substantial progress is being made in that area. I would expect that at our first meeting in September we should have a final report on cleanup of the site. We are going to see that what we set out to do a number of years ago has finally paid off and we are going to have that building completely free of debris and the surrounding site cleaned up to the levels, at least above-ground, that the DEC had mandated. This has nothing to do with the ARCO cleanup. It just has to do with the cleanup of the site of the present owners.



## 2. Grant Announcements

**Mayor Kinnally:** I am in receipt of a letter of June 23, 1998. This is happenstance that it comes the same night that we had a presentation by people from Andrus. I had made an application earlier this spring to obtain a grant from the Surdna Foundation for our new ambulance, which came in a little in excess of \$93,000. Let me read a letter I received from the Helen A. Benedict Foundation:

"Dear Mayor Kinnally: This letter is to inform you that the request to the Andrus Retirement Community for assistance was forwarded to the Helen A. Benedict Foundation. I am very pleased to inform you that the Board of the Helen A. Benedict Foundation has approved a grant of \$93,000 for the funding of an ambulance for the Volunteer Ambulance Corps for the Village of Hastings.

As you know, Helen A. Benedict, the founder of the Andrus Retirement Community, was a long-time resident of Hastings. The Andrus family, in her memory through the Helen A. Benedict Foundation, is pleased to continue her legacy of support, and interest, in the Village. The Andrus family support of Hastings dates back to 1954, when the cost of a new ambulance for the Village was \$3,500."

I am happy to report that we have a grant. Final paperwork is being processed. We will be in receipt of a check for \$93,000 within the next couple of weeks: payment in full for the ambulance. I thank the Surdna Foundation and all the people in connection with the Andrus community for their generosity once again.

We also have received notification of an award of \$50,000 from Senator Spano's office to be used toward the purchase of a police computer system and a fire alarm system here in the Village.

In addition, we are in receipt of a \$1,250 grant from the New York State Records Program for records disposition, a program we started a number of years ago.

All in all, it has been a rewarding month, with almost \$150,000 of grants. My congratulations to all who participated in that.

### **3. Report on Tax Settlement - Harbor at Hastings**

**Mayor Kinnally:** we have been in litigation with the owners of the site, not just F.C. Hastings but the predecessor owners. We have been in litigation on tax certiorari in Supreme Court, Westchester County. It covers the tax years 1992-1997. In addition, there is one other year that they have been in default, 1991. However, that was not part of any tax proceeding pending in the Courts. We had, over the past few years, a number of discussions with counsel, with special counsel, and with environmental counsel, addressing the pendency of that lawsuit and addressing the pros and cons, the risks and rewards, and the bottom line.

Some of my comments tonight are going to have to be circumspect because we have the attorneys for F.C. Hastings with us. While we have a proposed agreement it is not an agreement and either side can back out of it.

Preliminary discussions began with some trial balloons floated at the end of 1997. We discussed it with Mr. Murphy, with the Manager, and with special counsel and environmental counsel.

One of the difficulties with this site, as everybody knows, is that it is contaminated. The New York Court of Appeals, a few years ago, came down with a case that essentially said that where a site is contaminated the owner of the site can use the contamination to his benefit in a certiorari proceeding. The owner can say that because it is going to cost an amount of money to clean up the site, that should lower the value of the site in any certiorari proceeding. One of the arguments that we have is that the owners of the site, for the most part, do not have to pay for the cleanup of the site; that is ARCO's responsibility. That is why ARCO has been front and center with the DEC trying to negotiate a consent decree.

One of the items before the Court of Appeals also was whether or not the owner of the site, even if that owner was not responsible for the cleanup of the site, could take credit for the amount of money that a third party would have to pay to clean up the site. Indeed, the Board of Appeals said that they can. Even though they are not paying for it they can take the benefit of that, which puts a municipality, i.e. Hastings, in a more difficult position in a certiorari proceeding.

I also spoke to attorneys throughout the state (the Corporation Counsel's office in the City of New York) to review our options and what the likelihood of success and what our bottom line would be if we took this case to litigation. We had to weigh the costs incurred in preparing for, and going to, trial. We assessed those costs: a remediation expert for valuation of the property, special counsel for the tax certiorari proceedings, and all other trial preparation, and our assessment is that that could be in the area of \$250,000. I am not going to discuss what our assessment was on the outcome of the litigation, but certainly all of these factors came into play when discussions started informally, and then in a more formal structure, in March and April of

1998. We had two meetings with myself, the Manager, counsel, and Trustee Keaney at one meeting and Trustee Gagliardi at the other, and we had spirited back-and-forth discussions with the owners of the site and with their counsel and with some of the principals from F.C. Hastings. Recently an agreement in principle, or a proposed tax settlement, has been arrived at between counsel for the Village and F.C. Hastings.

We had some discussion previously about a tax trust agreement. The state has said that a municipality can enter into a tax trust agreement but first must pass a local Law: enabling legislation that says the Village can enter into tax trust agreements.

A tax trust agreement is a vehicle by which the municipality and the delinquent landowner, or taxpayer, can structure a settlement which would run through a two-year period. The requirement is that upon execution 25% of the back taxes would have to be paid. Repayments could be structured over a 24-month period. With that framework in mind, there was quite a bit of give-and-take on how payments would be structured, when payments would be paid, and in what amounts.

We had not only the litigation pending for the years '92-'97 but also the outstanding tax due for 1991, for which there was no tax grievance and no litigation. So 100 cents on the dollar was due on that.

The tax settlement proposal would have an effective date of August 15, 1998. It would set an assessment for the property for the years in question, '92-'97, plus the current year '98 and the years during which the tax trust agreement would be in effect, going through the year, at \$450,000. As it is structured, the Village would receive a total of \$585,851 under the tax settlement by the end of calendar year 1998. The full amount of the settlement is \$795,334.46. That number will increase over time because interest will run on the outstanding balance from the date of the settlement at 1% per month. The payout schedule that we have set forth is as follows: There is approximately \$400,000 that is due for the tax years in dispute. Under the law, 25% of that would have to be paid at the time of the execution of the tax trust agreement. So on August 15, 1998 the Village will receive \$100,000...the 25% down payment...plus the first half of 1998 taxes on the site at the \$450,000 assessment plus penalties and interest on the amount that is due for 1998, the first half. Taxes and penalties would be approximately \$27,076.93.

Following that, we would be in receipt of \$395,787.42 on October 15, 1998. That represents the total amount of taxes due, without reduction, plus penalties and interest, for the 1991 taxes at the full assessment of \$2,327,000. At the end of 1998, like any other taxpayer, the taxes for the second half of the 1998-1999 Village tax year become due. On or before December 31, 1998 the landowner, the taxpayer, would pay the Village the second half of the 1998 taxes of \$25,544.27.

Thereafter, quarterly payments would be made of approximately \$37,443.38 on February 1, May 1, August 1, November 1 of 1999, and February 1, May 1, June 1, and August 1 of 2000. I do not have the exact figures because those amounts will be accruing penalties and interest at 1% per month.

In addition, the settlement agreement and the tax trust agreement would provide for the timely payment of taxes in 1999 and 2000 (the first half of 2000) at the assessment of \$450,000. At the end of the term of the tax trust agreement the Village would be in receipt of in excess of \$800,000 on the back taxes, plus be current on the Village taxes, however they are levied, in the years 1999 and 2000.

In addition to the payment provisions as outlined, the owners of the site have agreed that if there is a default without a cure within a 30-day period following written notice that the Village may commence foreclosure actions on the property and the owners of the site will assert no defense to foreclosure. In other words, other lienholders and other people who have an interest in the site may raise objections to the foreclosure. The owners of the site may not, and will not, raise any objections.

There were also discussions about the possibility of assigning the tax trust agreement to a third party. The Village and the owners have agreed that the Village will agree to an assignment provided that there be an accelerated payment made to the Village of \$150,000 of the amounts that would then, at the time of the assignment, otherwise be due and owing to the Village. It is not an additional \$150,000. It would take the \$150,000 that would be the farthest-due under the agreement and accelerate it. It would be payable at the time of the assignment. Then the normal payments that would be due following the assignment would continue on until such time that all of the money had been paid to the Village. There is a requirement under the proposal that all taxes must be kept current. In the event that there is a default in the payment of the installment payments due under the tax trust agreement, the assignment, or the current taxes in '98, '99, or 2000, that is an incident of default. In the absence of a cure, foreclosure proceedings would be started by the Village.

Page 3 of the handout puts in perspective the Village's proposed settlement with that of the Town off Greenburgh. For the assessment year 1991 the Village is getting full payment without any reduction being made in the assessment. The town tax roll is different from ours and the negotiations between the owners of the site and the town were different from ours. As you can see, the taxable value for the Town is considerably less. The taxable value, the assessment that the town has agreed to, is \$408,500. For the Village for that same period, 1992-94, we are set at \$450,000. As was said, that will be the assessment in place through the end of the term of the tax trust agreement. But because of the tax equalization rate, and the terms of the settlement between the owners and the town, there are significant differences for 1995-1998. In 1995 the

town assessment is \$399,800. Our assessment continues at \$450,000. In 1996 it is \$171,400 versus \$450,000. In 1997 and 1998 the town assessment is \$214,250; our assessment is \$450,000.

For 1991, the town's agreed market value would \$4,800,000; ours would be almost \$5,300,000. In 1993 the town's comes out to \$4,359,000, ours comes out to \$4,800,000. In 1994, \$4,300,000 and \$1,800,000 for the town and \$4,756,000 for the Village. In 1995, because of the tax equalization rate again, \$4,590,000 for the town, \$5,166,000 for the Village. In 1996, \$2,000,000 for the town, \$5,250,000 for the Village. In 1997 \$2,500,00 for the town, \$4,843,000 for he Village. And in 1998, \$2,500,000 for the town, \$4,843,000 for the Village.

Page 4 shows the impact that the proposed settlement would have if the current assessment were held in place. There is no change In 1991. But in 1992 it drops from \$368,000 (again, I will round off) to \$71,000. In 1993, \$360,000 to \$69,000. In 1994, \$361,000 to \$69,000. In 1995, \$343,000 to \$66,000. In 1996, \$322,000 to \$62,000. In 1997, \$309,000 to almost \$60,000.

On pages 5 and 6 are the breakdowns per sheet and parcel number for each of the tax years with an aggregate at the end.

**Mr. Tuccillo:** I don't know whether this is a good settlement or not, but I do think that the schedule for dealing with this is far too accelerated. We are in the middle of the summer. Very few people are even in town to be aware of what is going on. All of Hastings should know that we are agreeing to give up about \$1,300,000 in taxes that are owed us, maybe for a very good reason, and this may wind up being a very good settlement. I don't know, because I don't have the text of the settlement to judge whether there are good provisions in it or bad. In the same year that we are spending about \$1,500,000 on renovating the Municipal Building we are also going to give away \$1,300,000 that is owed to us. Maybe we need to give it away because we are not going to win the tax certiorari action, but it is just too fast to deal with it in one week.

**Mayor Kinnally:** Your concern is well-taken. Unfortunately, the nature of what we have been doing cannot be done in public. I understand that it is accelerated. However, I have been on TV for the last week telling people that we are going to have this proposal presented to the Village. I have said that we have comments tonight. We will take written comments. We are not going to sign anything off for awhile. There is no question about it, there are problems with the summer. One of the things we are looking to do is to get as much input as we can to see whether or not it is a good settlement. We have had the benefit of discussions with counsel, with Mr. Hess, and with other people looking at what our exposure is, what the likelihood of success is, what we will have to pay (as is said, we are looking at \$250,000), and the likelihood of what will happen when we go to court.

**Arthur Riolo, 2 Fairmont Avenue:** I think it is a little bit ironic that in 1976 we could have bought the Waterfront for \$800,000 and now we are doing a settlement on the tax issue for \$800,000. I firmly believe that we should take the waterfront into our own hands and do it that way through a foreclosure proceeding. There are many of us that feel this way. I have talked about it before. I know what the pitfalls are. But you have also talked about a foreclosure proceeding if, in fact, they default on this settlement, and that they will not fight us. I bring it to your attention one more time in saying, If you could take over this property and develop it an LWRP that we are working on with the developer I think that is the way to go.

**Vanessa Merton, 111 Pinecrest Drive:** It is virtually impossible to have any reaction to the substance or the merits of the proposal. It may well be that it makes sense. A couple of questions would be helpful in trying to make some assessment of it. You mention the cost of experts, and trying to avoid the cost of experts, as part of this process. Do I take it, then, that the Village did not commission an independent appraisal of the present value of the property?

**Mayor Kinnally:** The Village did not commission an independent appraisal for the value of the property.

**Village Manager Hess:** We did use an independent appraiser the town used.

**Mayor Kinnally:** We had access to what the town had. But we did not take the next step to supplement that because it did not cover all of the years in our dispute. We did not do it in a vacuum, but we did not retain an expert.

**Ms. Merton:** What about in terms of getting the information on the actual rent rolls, the actual income, that has been flowing to the owners? Do you have those business income tax returns?

**Mayor Kinnally:** No, I do not have any tax returns. Yes, we have information of the tax rolls. One does not necessarily impact on the other. But we did get information in the course of discussions about the rent rolls and the income of the property.

**Ms. Merton:** What form did that information take?

**Mayor Kinnally:** It was shown to us and discussed. We did not retain copies of their rental income.

**Ms. Merton:** Isn't that a principle basis for assessment of commercial property?

**Mayor Kinnally:** Yes, and the information they made available to us was something that we took into consideration in reaching our conclusion. It was consistent with some of the appraisals

that have been done, although situations have changed. But the amount, the size, of the income was not substantially greater.

**Ms. Merton:** Was there some reason we didn't ask for the business income tax returns?

**Mayor Kinnally:** I never said we did not ask for it. I said it was shown to us and was given back. The information was not left with us.

**Ms. Merton:** Did we attempt to keep a copy?

**Mayor Kinnally:** Well, when people say, We want it back, I didn't think it was right to attempt to keep a copy.

**Ms. Merton:** Did you ask the judge if you could keep a copy?

**Mayor Kinnally:** It has nothing to do with the judge. These were settlement negotiations. We saw the information, we digested the information; we do not have copies of the documents that the information came from.

**Ms. Merton:** This is a fairly complex proposal. When you presented it for the first time none of the Board members had any comments about it, so it would seem likely that the Board members have been privy to at least its outlines for some period of time.

**Mayor Kinnally:** The Board members have been privy to not only the outline and the discussions with the other attorneys, but we have had substantial discussions among ourselves since earlier this year.

**Ms. Merton:** Why did the Board choose not to make the outline of the settlement available to the rest of us.

**Mayor Kinnally:** Starting on April 7 of this year we have had discussion of our tax settlement discussions at every single Board meeting. We would not have a presentation. We wouldn't negotiate in public.

**Ms. Merton:** I am not suggesting you negotiate in public. There was a point when you began to reach closure around these numbers.

**Mayor Kinnally:** Closure was reached after our last Board meeting. I made a tape of the announcement of this meeting last Monday night. The earliest that I could have done that was either the 1st of the month, or the 30th, so it happened the last week of June that I believe we had

an agreement in principle and we still may have had some outstanding items. But I would not go on TV about it until we had the substantive items buttoned down.

**Ms. Merton:** Why do we have to rush through this in a week? We have had six years of work on the problem and six years in which the taxes have not been paid. There must be a reason that you are intent on finalizing this within one week, when most people are either away, or distracted, or just not in a position to be able to analyze the pros and cons of this approach.

**Mayor Kinnally:** We had looked at an earlier date, but the negotiations were protracted so things got pushed back. We have an effective date now of August 15. Could it be pushed back? I don't know. I will have to discuss it with my colleagues on the other side. One of the issues is whether or not we have many meetings in the summer. We do not have a full Board in August. We would like to get some money. Your point is well-taken. Ken Tuccillo indicated it, and we will take that under consideration.

**Ms. Merton:** I just want to make sure I understand. This is our offer. We are putting this on the table to First City.

**Mayor Kinnally:** This is a proposed settlement agreement that the Board and the landowner have arrived at, not agreed to. This is what the parties have put on the table. This is not the Village's proposal to the landowners. This is the result of months of negotiations with the principals and the attorneys for the site.

**Ms. Merton:** What I am trying to say is this: We are the ones that, technically speaking, are compromising our claim.

**Mayor Kinnally:** No. We are not compromising our claim.

**Ms. Merton:** Our claim is for \$2,000,000.

**Mayor Kinnally:** We are settling a lawsuit that the taxpayers brought. We do not have a claim, per se. They are saying, Your claim is invalid; we are contesting the amount of the assessment. On paper, we are owed "X" number of dollars. Given some of the elements that I discussed earlier, I do not think we are going to get 100 cents on the dollar. Nor do I think that the owners of the site think that they are going to walk away from the site scot free. So, given those two poles that stand miles apart, we started discussing settlement of the tax litigation.

**Ms. Merton:** Another approach would have been to consider foreclosure as a technique, perhaps trying to extract a little more cents on the dollar.



**Mayor Kinnally:** It is one of the things that we discussed.

**Ms. Merton:** In April you had indicated that you were asking for a full report on the pros and cons of the foreclosure option to be presented to the Board. What happened to that report?

**Mayor Kinnally:** We had a number of discussions with counsel, also with environmental counsel, with Rick Turner of the Town of Greenburgh; and other people concerning foreclosure. As you know, you are part of the foreclosure committee in the Town of Greenburgh. We have exchanged thoughts with, the Town of Greenburgh on this.

**Village Manager Hess:** We also talked to the Commissioner Cahill and we received a letter from him, which was made public, last year on that also.

**Mayor Kinnally:** We may not have had a formal, open report on it. But certainly the Board solicited the advice and counsel from a number of different sources and received that.

**Ms. Merton:** Is that summarized in any document, or is it accessible?

**Mayor Kinnally:** I cannot say that it is. A lot of this was given as advice orally. Certainly, anything that I got from Rick Turner was not in writing. It was oral. I talked to Paul about this also. It was an assessment and it was a coming together of divergent approaches and interests to come up with this proposal.

**Ms. Merton:** The actual text that deals with the issues such as the no-defense assertion and the assignment option. Is the text of the agreement available?

**Mayor Kinnally:** We had some drafts. The proposed local law is there. It is not a very elaborate document, but we had a proposal yesterday that had to be changed. Unfortunately we had depositions today on the Knapp McCarthy lawsuit so time was taken up on that. As soon as it is ready for circulation among the parties it will be made available to the public.

The actual document is going to incorporate exactly what I went through. It is just putting it in a legal document. I have seen the draft and there is nothing arcane in it. It is very straightforward. We will make it available as soon as we have it. It has not been made available to the other side. If it was it would be a public document.

**Ms. Merton:** That underscores the theme here which is that this may be a very sound path to take, but I cannot understand the need to rush into it. We have lost so much. This is a very significant decision for the community, and if I were in your shoes I would want to have as much thoughtful analysis and input from as many people in the town as I could get. If you could put the documents out and whatever information you can provide, about the financial situation...

**Mayor Kinnally:** That is not going to be made available. We do not have that information. You have the outline, the proposed text of the tax trust agreement, and the legal documents that would be executed by the parties. One thing that I hope we do not get into is revising and renegotiating the actual documents in public. What we are talking about is structuring a tax settlement.

**Ms. Merton:** Having recently seen such a document where somebody forgot, as a drafting error, one of the parcels in question, even the best job can benefit from a critical examination.

**Mayor Kinnally:** Absolutely, and that is why I say that once we get the documents available we will put them out there. I want to elicit as much comment as I can now, and written comment in the next week, and we will look at the situation within that time period. The outline of the agreement, the proposal, is not going to change in the week. The numbers are there. That is what we are talking about. It is a substantial amount of money.

**Ms. Merton:** Is that actually interest and penalties, or is that just interest?

**Mayor Kinnally:** Yes, it is 1% per month, penalties and interest. The penalties are incorporated in the \$400,000. The interest will continue to run at 1%. Penalties will not continue to accrue. Interest continues to accrue at 1% per month.

**Village Manager Hess:** If you take a look at page 5 of the handout you will see the percent column. Those percentages stay the same. Even though the assessment changes the percentages stay the same. Those penalties and interest run to the date of the agreement. After that it is going to be interest at 1% a month, or 12% per year, on the outstanding balance.

**Ms. Merton:** How would I go about getting a copy of the draft agreement when it is available?

**Village Manager Hess:** It should be available Friday afternoon.

**Village Manager Hess:** It a total of 10 pages, between the stipulation and the agreement.

**Ms. Merton:** Some of us might have other things to do over the weekend.

**Village Manager Hess:** I do not think the town had theirs even available to the public when they voted on theirs, if I recall. We never got it ahead of time.

**Tom Brown, Overlook Road:** The first question is about the option of foreclosure, which I know you had mentioned that you had considered but apparently at this point you do not want to foreclose, or you do not see it as the most viable option?

**Mayor Kinnally:** We are not exercising our right to foreclose at the present time.

**Mr. Brown:** Is that because it is too costly, too difficult, too long?

**Mayor Kinnally:** I cannot say that there is any one particular item. I do not know how the Town Board deliberated, but certainly the Town Board opted for the same thing: not to foreclose. We are looking at getting money in hand, and leaving open the possibility of foreclosure in the future.

**Mr. Brown:** If they miss any of these payments we can begin the foreclosure process?

**Mayor Kinnally:** If they miss any of the payments, and they fail to cure within the 30-day time period after written notice of default, then we can commence a disclosure action and they have no defense.

**Mr. Brown:** There is perhaps a better way to do that you might want to look at. It is called a deed in lieu of foreclosure, where they sign over the deed and you do not even have to go through the costly litigation process; you automatically have it.

**Mayor Kinnally:** We had discussions about that, and because they are not the only lienholders to the site it would not give us very much. I will defer to counsel on that.

**Village Attorney Brian Murphy:** A deed in lieu of foreclosure will not cut off other lienors. You will acquire property that has other liens, considerable liens.

**Mr. Brown:** That would be true if you foreclosed as well.

**Village Attorney Murphy:** No, if you foreclosed you would cut off all junior liens.

**Mr. Brown:** But it would be longer and more costly.

**Village Attorney Murphy:** If you foreclosed successfully you would acquire title to the land and cut off all other lienors.

**Mayor Kinnally:** Our advice was that the Village is better served with this provision than with the other provision.

**Mr. Brown:** If you did have to foreclose, how long do you estimate that it would take for this process to go through?

**Mayor Kinnally:** Probably a couple of years at least.

**Mary Jane Shimsky, 35 Ashley Road:** It is a lot to digest in one night. I, too, was interested in the “option to foreclose” provision of the agreement. I do not expect you to divulge future strategy, obviously...if it came down to the fact that there were payments in arrears on this, what considerations would you use on deciding on whether or not to foreclose on the property?

**Mayor Kinnally:** I wouldn't touch that one. I certainly would try to get as much information as I could from the people who advise us on a regular basis.

**Larry Apel, 111 Rosedale Avenue:** Where are we in court at this moment on the tax certiorari?

**Mayor Kinnally:** It is on the suspense docket until December. It will be placed back on the docket at that time. And it would be, probably, a whirlwind. They would move it fairly quickly.

**Mr. Apel:** If we went to judgment...now we are already collecting, or we should be collecting, the penalties and the interest that has accrued over the years...but now there is interest on the judgment. Is that 9%?

**Village Attorney Murphy:** The judgment would either reduce or support the tax figures. We are not going to collect anything until the court determines what, if any, the proper valuation of the land is. At that point the issue of interest pursuant to the real property tax law..the State sets that rate.

**Mayor Kinnally:** We are not suing to collect the taxes. They are suing to get a reduction in the assessment. That is why the normal judgment with running interest does not apply.

**Mr. Apel:** I am aware that there is no protection for property owners not to pay taxes all along. They certainly have the right to commence a certiorari proceeding, but there is no right not to pay the taxes over the years, which apparently they have done. Apparently the assessment that has been agreed upon has been \$450,000. Could you tell what the components were in reaching that?

**Mayor Kinnally:** A number of things went into it: an assessment of what the tax rolls are and would be; the condition of the property; the existence of the settlement with the Town of Greenburgh does not help our position. It was something that the Village Board, in discussion with the owners, had to overcome. I told them that if they were looking at the town settlement as a ceiling we will see you in White Plains. We looked at it as a floor and went from there. Our hand would be substantially strengthened had there not been a settlement reached by the Town of Greenburgh and then re-reached by the Town of Greenburgh after a court fight.

**Mr. Apel:** I am sure you are probably right on that. Undoubtedly the condition of the property with respect to the PCB's played a role in this.

**Mayor Kinnally:** The condition of the property with respect to all the contaminants played a role, not just the PCB's.

**Mr. Apel:** General Electric has taken a very aggressive stance now and says that the mere existence of PCB's are not as bad as everybody is making it out. I am wondering if, over time, the assessed figure would not rise.

**Mayor Kinnally:** I have seen the nonsense that GE has put out in the press. They did a beautiful PR job here, and it is really a snow job. I do not care what their assessment is, the DEC's assessment is if there are PCB's there get them out. I spoke to John Cahill about this two weeks ago, and they are not budging one inch.

**Mr. Apel:** With all due respect, John Cahill is not a chemist. There is no hard evidence that PCB's will cause the apparently incredible damage he is thinking will occur with the thing.

**Mayor Kinnally:** This Board will not sign off on any consent decree for the site on the waterfront without removal of the PCB's. We were talking about valuation of the property. The presence of PCB's, or petrochemicals, of heavy metals, or garbage in Building 15: all of this negatively affects the value of the site. The amount of money that has been paid to remove the debris from Building 15 can be argued by the owners of the site to bring down the value of the property so the Village's assessment is nonsense. Those are some of the elements we are faced with when we are not only negotiating with the owners of the site but talking among ourselves.

**Mr. Apel:** Is it your feeling that, given experts on both sides, accord would reach a \$450,000 assessment?

**Mayor Kinnally:** It is speculation, but the agreed market value under our settlement proposal would assign a value to that property of close to \$5,000,000 at the present time. The town says it is worth \$2,500,000, so we are doing all right. One of the attorneys for F.C. Hastings said to me tonight, You know, Mayor, you have a damn good settlement here. I told him he is getting paid a lot of money by his client, but it is a damn good settlement for the Village.

We weighed a lot of variables here. There is a lot that we do not know would happen when you go to court, and there is a lot of expense. One of the factors that goes into the equation is the \$250,000 just to go into court. A number of things went into our weighing this proposal. Certainly the agreed market value coming around \$5,000,000 was one of them.

**Mr. Apel:** I just figured that this \$450,000 was a low assessment. What we are faced with, apparently, is a transitory condition within the ground, from the standpoint that the various experts seem to have different opinions as to the severity.

**Mayor Kinnally:** The experts are in pretty close unanimity on this one; even the assessment that we had from the Town of Greenburgh did not paint a rosy picture for this site. I have no idea what the Town of Greenburgh assessed this on because there was no comment or discussion at the Town of Greenburgh at this level. None.

**Mr. Apel:** Did you use experts at all on reaching this particular figure?

**Mayor Kinnally:** We did not retain any independent experts. We used what the Town of Greenburgh used in their partial appraisal and we discussed it with counsel, with environmental counsel, with the corporation counsel's office, NYCOM.

**Mr. Apel:** Would you have any idea whose expert the Town used?

**Village Manager Hess:** Lane Appraisals. The Town Attorney's office shared that information with us, and we used that.

In terms of the proposed Village assessment market value versus the town's, I find it unusual that the Board has been chided for well over a year now that they did not jump on the town's bandwagon in terms of their settlement. The Town of Greenburgh represents 80% of your tax bill. There was discussion that, under the Town's settlement, the Town of Greenburgh was receiving all sorts of money under that settlement. In fact they are receiving money from the taxpayers of Hastings through the school. The school had to pay back \$1,200,000 to the Town of Greenburgh. So the money that the Town of Greenburgh was receiving is out of your pockets. Under this settlement, which is anywhere up to 163% higher in terms of assessment and market value than the town's settlement, the taxpayers will be receiving \$800,000; it will not be paying back. I believe it is a very good package.

**Ms. Merton:** In addition to looking at foreclosure, did the Board consider the possibility of proceeding with a settlement on some of the parcels and eventually foreclosing on one parcel, which would put the Board in position, perhaps, of significant control in terms of future development of the site?

**Mayor Kinnally:** We have been talking about looking at different portions of the site in a number of different forms. I will talk to you about it later, but I do not want to discuss our strategies in public.

**Ms. Merton:** If we do not think that the town's settlement was a very good one then why did we rely on the town's information? Why didn't we get our own information?

**Mayor Kinnally:** Because we had some information. We had more information than the town had because our information was more current. It came after the town settled. For instance, information about the tax rolls was current information. The town did not have that because the time had not occurred yet. There is no way they could have known what the tax roll was going to be in the beginning of 1998. We had some current information. Did we rely upon what the town gave us? Certainly it went into the equation. Did we incur the cost of getting an appraisal? No, we did not. I am not questioning whether the town had the right information. I am saying that ultimately we chose not to go along with the town's settlement because we did not think it was in the Village of Hastings' best interest on the settlement.

**Ms. Merton:** That still does not answer the question of why we did not get our own experts involved in developing our own information base; an information base that could now be available to the public as well as to you.

**Mayor Kinnally:** Part of it was a cost factor. Part of it is that we saw the information that was available and discussed what we might get going beyond the tax years. I do not want to go any further than that. It goes into strategy. We have been forthcoming on all the terms of this, but you are asking us to go beyond the terms, and to tell you what our tactics and strategies are. These guys are licking their chops back there waiting for us to divulge this information. I am not going to do it.

**Ms. Merton:** I do not think they are worried.

**Mayor Kinnally:** I am not saying they are worried. They are not worried. We are worried.

**Ms. Merton:** The tax payments that the property owners for the Harbor of Hastings will be responsible for on an annual basis are roughly \$52,000?

**Mayor Kinnally:** That is the current. We do not know what the future is going to be. It depends on the tax rate, and it only goes through 2000. After 2000 all bets are off. The assessment remains in place until the end of the tax trust agreement, which would be in mid-year. So the next time that we would come around to assessing would be in the year 2001.

**Ms. Merton:** You mentioned a concern about the PCB's and our learning in June that we are looking at potentially greater concentrations of PCB's than had been anticipated. That is a countervailing factor to the enhancement of value of the property because the Age Carting debris is gradually disappearing. It is sort of ironic. That issue, as affecting the value, is diminishing but this other value of...

**Mayor Kinnally:** Not really. It is like a balance sheet. The material goes out. The value of the property somewhat goes up but the cost of remediating is an offsetting factor in the valuation of the property.

**Ms. Merton:** In terms of the PCB's, as far as I have been able to find out, the people who work at the PTI plant still have not been advised of the fact that there is a high concentration of PCB's in the immediate vicinity.

**Mayor Kinnally:** I have no idea of that. But we are getting way off the point of the tax trust agreement.

**Ms. Merton:** It is not completely unrelated in the sense that it has to do with the property.

**Ms. Merton:** I want to know whether you have any contact with the County Health Department or taken any affirmative steps to make sure that those people are notified of their risk. Everything I have been able to find out is that they still have not been apprised. As Dr. Nealon told us that night in the DEC meeting there are pregnant women on that line; there are people who are at great risk if, in fact, there is dust contamination of PCB's.

**Village Manager Hess:** Dr. Nealon who is with the New York State Health Department, not the County Health Department, said they were going to be the lead agency, which they are in this case to deal with that.

**Ms. Merton:** Right. But they have not done it is what I am bringing to your attention. They notified the First City and they notified the employer, and they indicated...

**Village Manager Hess:** That does not have anything to do with the tax trust agreement, though.

**Mayor Kinnally:** We have not notified any of the employees down at PTI.

**Ms. Merton:** I would like the Board to start thinking about this issue because there is potential risk to the Village if, in fact, you are aware of the risk; you do not take any steps to notify; the county is in the same position, even though you are absolutely correct, Neil, the state indicated that they were going to take responsibility for it. I am informing you. I am just letting you know that I spoke to Dr. Nealon as recently as the end of this week.

**Mayor Kinnally:** What steps is the state taking to notify the people?

**Ms. Merton:** Nothing. All they have done is call the employer and the property owners and left it up to them. They are going ahead with air sampling in the next couple of weeks to try to



ascertain whether there are ambient PCB's in the atmosphere. I just think you should be aware of that, and follow up on it if possible.

**Village Manager Hess:** There is air monitoring being done at this building at the present time.

**Ms. Merton:** That is not what Dr. Nealon told me.

**Village Manager Hess:** Your original question was what the state or county Health Department had done in terms of notification, based on the meeting a month ago. Then you said you just talked to Dr. Nealon who indicated that they were going to do the notifications. So if you talked to her that recently and you said that she notified the owners of the property and the owners of PTI about the potential problem, then I do not understand your question. She said they were going to do the notification. They did it to the property owners and to the owners of the site.

**Ms. Merton:** Not the employees. Not the people who are exposed; not the people who are at risk; not the people who are on that floor.

**Ms. Shimsky:** What other options might the Village have of enforcing the agreement should it decide not to foreclose?

**Mayor Kinnally:** It is getting into advice to counsel. I do not know, at this point. Certainly we have built in some things. I do not know what steps we would take at that point. And we have the other side sitting here. I do not want to get into that if I can.

Let me point out some irony here. We are talking about the heightened findings of concentrations of PCB's and ambient PCB's on the site on the one hand, and people are saying why doesn't the Village foreclose and take over the site? It is unbelievable. The responsibility the Village would have in that situation is of a magnitude I really do not want to consider. But we take all of these things into account when we make proposals. I know the Town of Greenburgh talked a good talk about foreclosure, and it is July of 1998 and they have not done anything about it.

**Ms. Shimsky:** I feel confident asking because it has been a matter of public debate in Hastings. At least one member of the current Board of Trustees did take a position during the last campaign. I just hope that we have all our ducks in a row just in case something comes unstuck.

**Mayor Kinnally:** We have not given up any of our rights under this agreement, and the right of foreclosure is still there.

**Trustee Keaney:** It is late, Mayor. And of course the topic on tonight's discussion was the tax trust agreement itself. So I think I am going to reserve my comment until next week.

**Mayor Kinnally:** We have heard the concerns about the timing. I think there will be concerns about the timing no matter when it comes to the fore. I do not say that to denigrate anyone who has concerns about it. It is something that we also took into consideration. I would ask everyone to use the time to give us their input into the agreement. We will endeavor to get the draft legal documents to you, but they will shed very little light because we have outlined, more than bare-bone outline, the substantive terms of this agreement. I thank everyone for participating in this.

### **PUBLIC COMMENTS**

**Mayor Kinnally:** There are some young people in the back of the room who have been waiting very patiently. I would ask them if they want to speak, please come up to the microphone.

**Fred Lent, 109 Southside:** We are having a small problem, much smaller than the problems you have been talking about all night. I am with a group of people who feel like our life-style and maybe our way of life is trying to be stricken from Hastings. We are more like blue collar workers compared to yourselves, and maybe we live a little different after work. We like to socialize, and gather in big groups. We enjoy each others' friendships and companionship. We have been having problems with the local authorities scrutinizing us and surveillance and stuff like that. I do electrical work, and I do a job. If the inspector doesn't look too close he won't be able to find too many problems.

We're lacking a place to gather and hang out and socialize. Speaking of the waterfront, that used to be one of our places where we used to gather. That got turned into a drug zone or something. We got involved in some kind of big involvement. Maybe we just need a regular place to hang out; someplace safe. I've had friends who've been injured. One girl, specifically, Lynette Shelly, became paralyzed hanging out in a place that was very unsafe. We were told to go there by the authorities, and that turned into a big lawsuit which is probably still going on now.

That's basically all we're trying to ask for. We're like a small minority in this town, but I think we should be listened to fair and square.

**Mayor Kinnally:** The place where these people have been meeting in the evenings is in the commuter parking lot close to the Southside Club. I have received some complaints during the last month about the congregation. When people complain we look into it. In this instance we asked the Police Department to respond to see if there were problems. There have been problems with noise, with littering, some sanitation problems. I do not know what the most recent situation was, but I think what we are trying to do is to balance the rights of the people

who live in the area who do not want to have noise, do not want to have littering, do not want to have unsanitary condition, do not want to have consumption of alcoholic beverages there.

You have our assurance that nobody is going to be over-scrutinized, but the Village is responding to certain complaints that have been lodged. People have concerns about certain things that have happened in that area.

**Mr. Lent:** What are these situations?

**Mayor Kinnally:** Well, people have complained that there has been loud noise at night, that soiled diapers have been left in the area, that beverage containers have been left in the area and broken. Someone was caught last night, I think, drinking beer down there.

**Mr. Lent:** We understand that a lot of complaints come from the same person. When we used to be down on the riverfront the same man used to call every night. I understand that now that we are in the commuter parking lot under the bridge the same lady is calling every night. Is there any way that these peoples' comments can be weeded out or narrowed down a little bit? Instead of a police officer wasting his time in showing up over every little comment by the same person, wouldn't that be more to the taxpayers' interest that they report on sporadic complaints rather than singular ones?

**Village Manager Hess:** We have to investigate every complaint. In terms of the commuter parking lot, I have received them from three different sources in the area. In terms of the waterfront, we did receive several calls. You know very well we made a number of arrests at the waterfront for various issues. As recently as last night we made an arrest.

**Mr. Lent:** I, myself, was arrested last year in a confrontation that could be termed entrapment, but I didn't want to get into that.

**Village Manager Hess:** No. I did not want to mention names or make comments. When the Village receives complaints we have to follow up on those complaints, and take a look at them.

**Mayor Kinnally:** Let me make a suggestion. You made a comment earlier that you like to get together after work in large groups. Why don't I try to bring the people together down there? It sounds to me that there may be legitimate concerns on all sides. I would be happy to broker some sort of discussion or whatever. But I am not going to tell the cops if they get a complaint don't respond to it.

**Mr. Lent:** Our crowd is a mixed age. Our ages range from maybe 18 to 30, 31, whatever. As far as I know we're not breaking anyone's windows or breaking into anybody's cars, and not doing any criminal stuff.

**Mayor Kinnally:** If complaints come in about noise, if complaints come in about drinking or littering or sanitary problems, we cannot turn away from that.

**Mayor Kinnally:** If these complaints can be addressed by all concerned I would be happy to bring everybody together. Let me see if I can't do that.

**Ms. Shimsky:** The way you handled this individual situation, Mayor Kinnally, is very commendable. I might suggest since this is a problem in a community as diverse as ours, that as we undertake our comprehensive planning processes in the Village we should make sure we address the question of having a gathering spot for younger people so they have someplace to go.

**Mayor Kinnally:** They are looking for an outdoor spot. Outdoor spots are always going to be where people live. That is the difficulty. We have gathering spots in all the parks but they don't allow people in there at night because of noise considerations. But certainly we will look into it.

**Rich Mullen, 111 Southside:** The river used to be a big hangout for everybody. Why can't it be a hangout anymore?

**Mayor Kinnally:** One of the reasons is that the owners of the site are afraid of any additional liability. Someone mentioned someone being paralyzed. It is private property. They do not want people on the private property. The liability component to this is much, much too big. We have talked to them. They do not want trespassers. It is dangerous down during the day, but at night it is even worse.

**Mr. Mullen:** What about the parking lot right along the river?

**Mayor Kinnally:** On River Street? We had problems there last year and years past, culminating in the drug bust down there. Every night kids are down there. They are noisy. There are broken bottles. If the kids congregate and there are noise problems they are going to be moved. Down there, unfortunately, if you have a regular conversation it gets amplified to the people who are living in this area.

**Mr. Mullen:** Which it does, that's true. But just like any other town all the kids always hang out down there. All along the river that's like one big place to hang out for a lot of people.

**Mayor Kinnally:** There is no problem with hanging out. It is the noise, the drugs, the drinking, the littering, the sanitation problems. The real problem here is that you are not coming here with a clean slate. There is a history here.

**Mr. Mullen:** I understand that. I'm just trying to point out one thing: we're the only town along this river...every other town does the same things as we do down there and we're not allowed to be there any more...but every other town is allowed to.

**Village Manager Hess:** You mean every other town allows drugs and drinking on the waterfronts? Is that what you are saying?

**Mr. Mullen:** They allow people to hang out at the river just as well as we used to, but now we can't be down there.

**Mayor Kinnally:** If they don't shut it down then they're doing something wrong. Why don't you get some responsible people to talk to the cops? But you're not coming in without problems, and there are significant problems here.

#### **EXECUTIVE SESSION**

On MOTION of Trustee Holdstein, SECONDED by Trustee Gagliardi with a voice vote of all in favor, the Board scheduled an Executive Session on Thursday, July 16 to discuss personnel items.

#### **ADJOURNMENT**

On MOTION of Trustee Keaney, SECONDED by Trustee DeVita with a voice vote of all in favor, Mayor Kinnally adjourned the Meeting at 10:05 p.m.