

April 27, 2015

Budget Adoption/Regular Meeting of the Board of Trustees  
Called to Order at 8:00PM

The meeting opened with the salute to the flag and Pledge of Allegiance

**ROLL CALL**

TRUSTEE	Giordano
TRUSTEE	Quigley
TRUSTEE	Luisi
TRUSTEE	Alfasi
MAYOR	Ecklund

**PRESENTATIONS** – none

**PUBLIC HEARINGS** -none

**ADOPTION OF MINUTES**

Trustee Quigley made a motion to approve the minutes of the reorganization meeting of April 13, 2015; motion was seconded by Trustee Alfasi and upon roll call, motion was carried by a vote 4-0; Trustee Giordano abstained.

Trustee Alfasi made a motion to approve the Minutes of the Special meeting of April 20, 2015; motion was seconded by Trustee Luisi and upon roll call, motion was carried by a vote 5-0.

**CORRESPONDENCE**-none

**FIRST OPPORTUNITY TO ADDRESS THE BOARD ON AGENDA ITEMS**

**RESOLUTIONS**

- 1) Adopting the budget for Fiscal Year June 1, 2015 through May 31, 2016

Mayor Ecklund read the following:

This year's budget process has been more difficult than in past years.

Although we started our budget process back in January and we have met for special budget meetings a half dozen times since then, *THIS* year's budget actually started over a year ago.

Back in April 2014 which was just as we were wrapping up last year's budget, we decided that we needed to make some significant changes in the Village's management policies and in the Treasury department.

Back then we set out to hire the Village's first Village Administrator, which we did with the hiring of David Burke in July, and we also decided that we needed to strengthen the management of our Treasury

Department and bring back a Deputy Treasurer which provides the checks and balances that every Treasury Department should always have.

We hired a part-time Deputy Treasurer, Ryan Rueda, and in this new budget we have made provisions to move him into a full time capacity.

I made the decision to not re-appoint our former Treasurer and we are now actively seeking out to hire a fresh Treasurer with very strong municipal experience.

I mention these changes because they are significant to the overall principals as to why next year's budget calls for a tax increase in excess of the 2% tax cap.

We are taking steps in this budget to make sure that our budget lines are true and realistic. We are not fantasizing as to whether some of our expense lines which we have NO control over will come in under expectations.

We are budgeting realistic costs associated with these expenses and realistic costs associated with providing the services our residents expect which is the primary reason why they chose to live and raise their families here in the safety and comforts of Tuckahoe.

This year's budget calls for our expenses to increase by 2.55% and our revenues to decrease by 1.56% When you put these numbers together along with the slight decline we had in our Assessment Roll you get an increase in the Tax levy of 4.98% and that is what this budget calls for.

I strongly believe that any municipality or business for that matter - that has kept their payrolls and expenses low for many years will find - as we have - that attempting to stay in a 2% tax cap scenario when you have so many uncontrolled expenses increasing by as much as 5% or more per year, will force you to diminish the service you provide your residents or your customers. I don't see this as any more complicated than that.

I also believe that if you start the slippery slope of reducing or compromising **public safety** and other municipal services like maintaining your roads, parks, sanitary services, community center or library that you start to create a municipality that may not be what you bought into.

Now with this all said, I do believe that there has been some merit in Albany's 2% tax cap program which was to essentially craft a method of spotlighting the budgets of local leaders to go the extra mile in keeping their budgets in check. I feel that we did a good job before **and** after the tax cap was put into place.

I would expect that other municipalities will eventually need to make a slight correction in their budgets, as we are doing here this in this budget.

So in closing, I am very pleased that we are moving in a responsible and forward direction.

The great interest in businesses and residents to relocate within our Village or move here from outside gives me great reassurance that Tuckahoe is on a roll.

Trustee Giordano illuminated the proposed tax increase at 4.98% and explained what it means. Our Village Administrator provided the board with a break down using the Mayor's house. With a 4.98% increase it means \$20. extra per month in taxes. If we vote the budget down it would mean the default rate 6.09% would mean \$23. per month. At the 1.68% to stay under the cap, there would be an \$8.33 a month rebate; but at what cost. We must stop thinking about operating on a shoe string budget because of a cap mandated by Albany. We cannot be penny wise and dollar foolish. The Village has been in need of a Deputy Treasurer to assist with the critical stewardship of Village finances. We need to hire a new Village Treasurer. We needed a Village Administrator to facilitate our long term plans and projects that cannot be fulfilled by a part time board. We need an employee handbook. We have expenses beyond our control. Workman's compensation was an additional \$359,000. We must reverse the trend of declining property values. We must petition Senator Latimer to lobby for the 1% tax that would

come to the Village if a new hotel would be constructed. The tax would not be on the residents but on the patrons of the hotel. We must maintain our services therefore, Trustee Giordano will vote in favor of the budget.

Trustee Quigley read the following:

We often hear from residents about how great the services in Tuckahoe are – police, Department of Public Works, community center and library. We all know, however, that the level of public safety, the appearance and smooth operation of the Village, and access to knowledge and recreation that we have come to appreciate and expect come at a cost – paid for by yours and my tax dollars.

It is my sense that our residents understand that in order to maintain the level of services that are so critical to maintaining the quality of life that makes Tuckahoe special, they will pay their fair share of those taxes.

I believe that my most important role as an elected Trustee is to ensure that the types and quality of services meet not only the basic needs of the residents, but their expectations as well.

- This year I have especially attempted to ensure sufficient funds for the library which is unquestionably one of the treasures of Tuckahoe. This means not only a library that provides a wide array of cultural, educational, and entertainment programs, but one that is appropriately staffed and that is open at times and on days that serve everyone in Tuckahoe. That we were unable to agree on funding for a full-time librarian and an increase in the weekend hours is disappointing.

*The budget we are adopting tonight while higher than the rather arbitrary figure set in Albany, meets these expectations reasonably well.*

The fixed costs in our budget, such as health benefits, pensions, salaries, workers' compensations payments and tax refunds to businesses that have filed grievances over the past year for over assessed properties, require us as a Board to scrutinize every revenue and expenditure line with great care with a recognition that we also have a fiduciary duty to the taxpayers in Tuckahoe. We have also budgeted for our new Village Administrator – a short term bump in expenditures that will bring about *long* term benefits and savings.

Trust me, and I know that our Mayor and the other Trustees will agree, we have reviewed and re-reviewed each budget line in excruciating detail. Where there were disagreements among us, I believe they were made in good faith in an effort to craft a fair and responsible budget.

I believe it is a good budget – certainly not a perfect budget, but one that will serve the Village of Tuckahoe, our residents, our employees and our visitors well.

I vote to adopt

Thank you

Trustee Luisi read the following:

I'd like to begin by saying I respect and fully understand my fellow Board member's positions on this upcoming budget vote. I also appreciate all the time, effort and energy that was put forth by our department heads with our Village Administrator in presenting their respective operating models for the upcoming year. The budget before you was no easy task to achieve even at the current rate of 4.98%. The financial climate was made no less easy by the disappointing performance of our former treasurer. However, the buck stops here. This Board has already undertaken steps to improve the performance of our treasury with qualified staff familiar with municipal operations and prudent financial planning. With that being said, this does not change my current position. I have wrestled with this budget for many many weeks. Our current fund balance is now at \$155,00 which resulted in a "significant fiscal stress" grade rating from the New York State Comptroller's office. The Office defines fiscal stress as the "inability of an entity to generate enough revenues within the current fiscal period to meet its expenditures." In order to remedy this situation, we now had to borrow money to pay for completed capital projects and to replenish our fund balance back to a healthy level. So in essence we are borrowing money and paying interest to put money back in the savings bank, which we should be gaining interest on. This Board had no other option to remedy this circumstance. In regards to this budget, I remain committed to the capital improvement programs where by we budget to replace police and DPW vehicles on a regular rotation. I remain committed to ensuring fair and equitable compensation to our nonunion Village employees. I remain committed to the Village work force that is bound by collective bargaining agreements. These are just some of the necessary operating costs we must fund to maintain our Village. Over the past two budget cycles, the Board has trimmed labor costs in the Village court, police department, community center, village hall and public works. The limits on our local taxing power caused these reductions in our workforce. There are no more realistic cuts to be made in these areas. Infrastructure repair is not exempt from the tax cap. As this trend continues, some areas of our infrastructure is bound to suffer from neglect. I am well aware of how the Village was blindsided by a dramatic increase in workman's compensation costs. Which leads us back to the budget before us. A continued cap on our largest revenue stream, the property tax, must be offset by significant increases in state aid. Unfortunately, the current governor remains firm and sustainable property tax relief will remain elusive.

In my previous years on this Board, we have stayed under the tax cap. For that reason, I believe it should be the Village that should tighten its money belt, rather than exceed the tax cap and ask the individual taxpayer to shoulder the burden. The argument can and will be made, that for a single family home assessed at \$8600, the tax increase will only be \$246 rather than \$102 if we stayed under the cap. The monthly breakdown of the 4.98 % tax increase seems to be inconsequential. Remember that \$246 remains with the property owner going forward and in subsequent years will not be reduced. I considered the effect this 4.98% tax increase will have on all taxpayers including seniors, retirees on a fixed income, young families and single family households. Will their incomes rise accordingly? What will they have to individually sacrifice to make their ends meet? What guarantees do I have that the Village revenue stream will increase dramatically enough to prevent another tax override next budget cycle? Projected tax increases from a 2012 report issued by BFJ Planning expected Village taxes from the Crestwood development to increase from \$18,000 to \$51,000 upon completion. The Glenmark Project will generate \$137,000 from the current \$29,000. Our constant budget drivers such as health care and pension costs are a certain cost component. Now take into consideration the \$3,314,000 in bonds that will be issued this year and the substantial debt services cost that will now have to be

factored into our next budget cycle. Going forward, I would ask this Board to consider freezing funding for any Capital projects going forward. Is it wise to consider \$230, 000 for a Crestwood Traffic Signal upgrade? We should also consider to put on hold \$250,00 for sewer re-lining as well as \$100,000 for sidewalk replacement on Columbus Avenue. Let's take a step back and allow our revenue lines to progress to a reasonable level before proceed with these projects. We also should consider curtailing various programs throughout the Village in the interest of fiscal responsibility. Sometimes we just have to say "no", we cannot fund this activity, event or program this year.

Please forgive me for erring on the side of caution. But my principle of responsible government expenditures with what I feel in my heart, will not allow me to vote in favor of this budget.

Trustee Alfasi acknowledged the efforts of the board, village administrator and department heads and is very proud to be a part of this effort to vote on a comprehensive budget that provides the services that Tuckahoe expects and deserves. It was difficult and tonight we vote on a 4.98% increase in your taxes. Trustee Alfasi will vote no. Trustee Alfasi is glad that the board adopted his suggestion to separate the operating budget with the capital budget. It will give a clearer focus on capital projects; what projects should be done now, financing those projects and what projects can be held off. In the past the Village Board combined the Village budget, operating budget and capital improvement budget in one vote. More than likely Tuckahoe will need to bond for tax Certiorari this year as it has done in previous years. This is why we did not need to have a \$130,000 line in our Operating Budget for tax Certioraris. If we need to, this will be placed in the Capital Budget as in the past. Also, a two and a half percent decrease across the board for all Departments would have put us at the tax cap.

Next year he would like our tentative budget to be at the tax cap and work up from it instead of work down. For this reason he is voting NO on increasing your tax dollars.

Trustee Quigley made a motion to adopt resolution #1; motion was seconded by Trustee Luisi and upon roll call, motion was carried by a vote of 3-2; Trustee Luisi and Trustee Alfasi opposed.

- 2) Authorizing an increase, as of June 1, 2015, for the annual parking permit fee for all commuter parking lots as follows:

• Tuckahoe Resident	\$975
• Parkway Oval	\$675
• Non- Resident	\$1,675
• Tuckahoe Merchant	\$875
• Fisher, Lake, Thompson (pay one price)	\$1,675

Trustee Quigley made a motion to adopt resolution #2; motion was seconded by Trustee Giordano and upon roll call, motion was carried by a vote of 5-0.

- 3) Authorizing an amendment to the payroll calculation for all employees that are not specifically covered in a collective bargaining agreement or their collective bargaining agreement does not specifically require a certain payroll formula, to begin fiscal year starting June 1, 2015:

From: Annual Salary divided by 365 times 14 = Bi-weekly salary

To: Annual Salary divided by 26 = Bi-weekly salary

Trustee Luisi made a motion to adopt resolution #3; motion was seconded by Trustee Alfasi and upon roll call, motion was carried by a vote of 5-0.

- 4) Clarifying that all non-union employees hired after 1991 are required to pay 10% of the Village's cost for individual health plan coverage and 25% of the total cost of the Village's costs for a family plan Trustee Quigley made a motion to adopt resolution #4; motion was seconded by Trustee Alfasi and upon roll call, motion was carried by a vote of 5-0.
- 5) Approving a \$150 seasonal fee for a Sidewalk Café Special Permit Trustee Luisi made a motion to adopt resolution #5; motion was seconded by Trustee Giordano and upon roll call, motion was carried by a vote of 5-0.

#### **APPOINTMENTS-none**

#### **DEPARTMENTAL REPORTS TO THE BOARD-none**

#### **MISCELLANEOUS BUSINESS**

Mayor Ecklund made the following announcements:

- 1) Residents Community Meeting- Parkway Oval- Tuesday May 5th
- 2) Next Village Board meeting –May 11, 2015

#### **BOARD OF TRUSTEES MEMBER REPORTS-none**

- TRUSTEE Giordano
- TRUSTEE Quigley
- TRUSTEE Luisi
- TRUSTEE Alfasi
- MAYOR Ecklund

#### **SECOND OPPORTUNITY TO ADDRESS THE BOARD**

#### **ADJOURNMENT**

There being no further business, the Board unanimously voted to adjourn the meeting at 8:30P.M.

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Camille DiSalvo, Village Clerk