

VILLAGE OF CORNWALL-ON-HUDSON BOARD OF TRUSTEES

January 27, 2011

The Special Meeting of the Board of Trustees was called to order at 6:00 P.M., at 325 Hudson St., Cornwall-on-Hudson, N.Y.

The following Board Members were in attendance:

Mayor Joseph J. Gross
Trustee Barbara Gosda
Trustee Mark J. Edsall
Trustee Douglas Vatter
Trustee James P. Kane

Also present were: DPW Superintendent David Halvorsen, Water Superintendent Robert June, Police Chief Paul Weber, Village Treasurer Stephen Auffredou, and Village Clerk Jeanne Mahoney

NEW BUSINESS

2011-2012 PRELIMINARY BUDGET DISCUSSION

Village Treasurer Auffredou presented a revised budget to the Village Board with a 4.5% proposed increase in the village tax rate, no increase in water rates, and a 3.81% increase in sewer rates. It also includes a column with revised numbers from departments showing 5% and 10% cuts on their discretionary line items.

Trustee Edsall stated that the 5 and 10% cuts were made to the “total budget”. Contractual items, such as salary and benefits, debt service, taxes, and state mandates cannot change, so these reductions were taken from “discretionary items” and are unrealistic.

Treasurer Auffredou agreed that these cuts are unrealistic and the departments would not be able to function.

Mayor Gross reminded the Board that the proposed line item for legal fees is the same amount as last year (\$55,000.00 in general fund and \$10,000 in water fund). This has been an “item of contention regarding the Village Attorney vs. the Boards Attorney”. He advised the Board that if they intend to have a “Boards Attorney” perhaps they need to take a closer look at that line for next year.

Trustees Edsall asked about a new line item (A1420.410) for Litigation. Mayor Gross responded that it is a “general item”.

Trustee Vatter asked if the Mayor was splitting the retainer fee plus general transactions (i.e. grievance, etc.). Mayor Gross responded yes, and that historically we have run above the \$65,000 budgeted. The extra \$30,000 should cover the additional litigation/personnel issues that are not generally covered in a retainer fee.

Trustee Edsall stated that in his opinion the legal expense is “Village legal expense” and not directed toward any specific person nor is there any discreet difference between what the Mayor refers to as a “Board Attorney” and what is Village legal expense.

Trustee Vatter requested clarification from the Mayor statement. Was he just reflecting the historical record over the past few years? The Mayor replied yes.

PUBLIC HEARING 2011-2012 PROPOSED BUDGET

Proof of Notice and Publication having been furnished, and copies of the budget having been distributed, the Public Hearing on the 2011-12 Budget was called to order at 6:18 PM by Mayor Gross.

Eric Baal of 5 Holts Lane stated that his property taxes have increased significantly since 2003. He asked if the Board has any current initiatives or any in the near future that will bring future savings (i.e. energy savings).

Mayor Gross replied that the Village has been working with an engineer to generate electricity from falling water at the Black Rock Forest; however that cost would need to be offset by future savings, and we currently don’t have the money to invest. We have been seeking grant money for this. We are pursuing other energy saving ideas for current infrastructure and equipment replacement. In addition, we are in the process of “hopefully redesigning the DPW building, with an eye toward energy savings there”. Discussion followed.

Trustee Gosda stated that she spoke with Central Hudson and learned that not only can we bid for electric use at our buildings, but also for street lighting which is a significant expenditure for us.

Marilyn Berson, Esq., Attorney for the PBA, asked for confirmation that this budget includes 2 full time police positions and if adopted the unit can rest assured that our 2 full time officers will be here for the 2011-2012 year.

Chief Weber replied that “everything is still included”.

Ronald Tulloch of 5 Stillman Avenue asked how a 5% increase will affect taxes. He believes Trustees should look into “furloughing people or a reduced workload per week” so that in the future they can speak to it. With regard to the police department, he encourages the Trustees to work closely with the Town to see exactly what dissolution of the Village’s police department

would cost and be prepared to give that information to both the Town and Village taxpayers. We need to move away from the emotional issue of having a very well respected police department, take a hard look at the costs, and then put it to a public referendum.

Clerk Mahoney responded that the proposed 4.5% tax hike will increase the tax rate from \$8.95 to \$9.35 per \$1,000.

Mayor Gross replied that two years ago he invited the Town Board to sit down with the Village Board and look at the 2 operations to find ways to work together. The Town's response was basically to abolish our force and they would take over. There appeared to be no room for discussion or any willingness to do so. With the change in economic climate, perhaps we can talk about that again, but there has been little public support for elimination of the Village force.

Jan Smith of 45 Clark Avenue stated that the Board needs to look at expenses and how we can save in the future (i.e. a total part-time staff). She then presented them with a copy of her questions regarding the proposed budget. She had a question regarding the different amounts budgeted over past couple of years for unallocated insurance. She does not see a reduction in the Village Clerk expense line from last year when new software was purchased. She questions the need to budget for an outside auditor considering that the NYS Comptrollers' Office may soon do a "full blown audit". There is a \$5,000 line item for consultant, is that something the Village needs. General fund expenditures and revenues do not balance. The total revenues exceed total expenditures by \$351,000.00. The real property tax line shows an increase of \$481,000 from last year. If that increase is offset by the \$351,000 in excess revenue, that would reduce it to \$130,000. She asked the Board to look at that when they balance the budget for this year. The water fund has "the exact opposite problem". The line item for metered sales shows an increase of \$242,157.00 from last year. The Board is proposing no rate increase this year, and she questions where this additional income will come from. The total expenditures and total revenues for the water fund do not balance.

Trustee Edsall replied that some of Ms. Smith's comments are "parallel to the comments" made by the Board to the Treasurer including having a balanced budget. In addition, the reduction in the Village Clerk expense line is reflected in the revised budget. He stated there are quite a number of items that have been "cleaned up". With regard to Water fund projected meter sale revenues, it should be a called "reasonably accurate dart board". Yearly water consumption can only be assumed by the Board at budget time. A substantial water rate increase was adopted for the current fiscal year and resulted in revenues exceeding projections. Next year it could be opposite.

Trustee Kane reported that the line for unallocated insurance was split this year between General and Water.

Mayor Gross stated that the \$5,000 line item for consultant is for the grant writer. A bill has recently been submitted for his work to date. The NYS Comptroller has been looking at Village records, performing a "risk assessment", and he has been told verbally that they will do a full

audit. If they do not, he believes we are obligated to have one done because it has been several years since we have been audited.

Trustee Vatter added that audits are used by bonding agencies to determine our ability to borrow money. We are currently “one step away from junk bond status” and, to move forward, it will be important to have “liquidity”. We need to have “cash on hand” or we won’t have access to capital. The Board is addressing this problem through contingency funds and we are now moving in the right direction. Although he would like to use a state audit as an “audit opinion”, he is doubtful that can happen since they are auditing for different things. He further stated that any surplus in the water fund will be used to pay down the RAN’s.

Having no one further speak for or against the proposed budget, Trustee Edsall made a motion to close the hearing which was seconded by Trustee Gosda and upon a vote of 5 ayes and 0 nays, the Hearing was closed at 6:50 PM.

2011-2012 PRELIMINARY BUDGET DISCUSSION

Board discussion took place regarding finding ways to improve the draft budget that will result in a “soft increase” in taxes, while making some progress on paying down the Revenue Anticipation Notes to show “fiscal responsibility”. Discussion/consideration was also given to a proposal from Albany to impose a 2% property tax cap next year.

Trustee Edsall made a motion to recess at 7:15 PM in order for the Village Clerk and Village Treasurer to recalculate the draft budget and determine rate increases, if applicable, which was seconded by Trustee Vatter and carried by a vote of 5 Ayes and 0 Nays.

Trustee Vatter made a motion to reconvene the meeting at 7:55 P.M. which was seconded by Trustee Edsall and carried by a vote of 5 Ayes and 0 Nays.

Treasurer Auffredou reported that based on Board recommendations:

1. The Sewer Fund Operations and Maintenance (O&M) line item was decreased by \$30,000 to a total of \$263,300.00. That adjustment will allow a 0% increase in sewer rates for this budget.
2. The pay down of the RAN in the general fund was reduced from \$146,102.18 to \$73,051.09 (50%). That change in expenditures reduces the tax rate increase in general revenue to 1.01% with \$9.04 per thousand in assessed value.

2010-2011 BUDGET ADOPTION RESOLUTION

Trustee Edsall introduced the following resolution and moved for its adoption.

A RESOLUTION ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING MARCH 1, 2011 AND ENDING FEBRUARY 29, 2012, MAKING APPROPRIATIONS FOR THE CONDUCT OF VILLAGE GOVERNMENT.

WHEREAS, the tentative budget for the year commencing March 1, 2011 and ending February 29, 2012 has been duly presented to the Board of Trustees of the Village of Cornwall-on-Hudson by the Budget Officer and a duly advertised Public Hearing has been held thereon,

NOW, THEREFORE, BE IT RESOLVED, pursuant to Section 5-508(4) of the Village Law, that the tentative budget as amended and revised, be and hereby is adopted as the budget and all amounts set forth in Statement 1 as required for the payment of principal of and interest on indebtedness be and are hereby appropriated for the objects and purposes specified effective as of March 1, 2011.

The foregoing resolution was seconded by Trustee Vatter and carried by a vote of 5 ayes and 0 nays.

TAX LEVY RESOLUTION

Trustee Edsall introduced the following resolution and moved for its adoption.

A RESOLUTION LEVYING THE TOTAL TAXES AND OTHER CHARGES EXTENDED AND LEVIED AGAINST EACH PARCEL OF REAL PROPERTY SHOWN ON THE ROLL PREPARED AND VERIFIED BY THE ASSESSOR FOR THE 2011-2012 FISCAL YEAR.

RESOLVED, that there be levied and assessed against the real property of the Village of Cornwall-on-Hudson the following sums for village government and other charges for the fiscal year 2011-12 with a tax rate of \$9.04 per thousand of assessed valuation:

<i>General Fund</i>	
Total taxes for Current Budget	\$2,067,534.86
Delinquent water rents & charges	50,741.66
Delinquent sewer rents & charges	38,721.67
Delinquent garbage charges	43,919.35
Total Relevy	133,382.68
Total Real Property Taxes and Other Charges on Roll	\$2,200,917.54

The foregoing resolution was seconded Trustee Gosda and carried by a vote of 5 Ayes and 0 Nays.

MS4/STORMWATER COMPLIANCE – DEPARTMENT OF ENVIRONMENTAL CONSERVATION AUDIT

DPW Superintendent Halvorsen reported that the Department of Environmental Conservation has served him notice for a full comprehensive audit of the MS4 program beginning on February 15th at 9:00 AM in the Village Hall. He requests permission to contact the engineer that prepared the report in order to schedule a meeting to prepare for the audit.

Trustee Vatter made a motion authorizing DPW Superintendent Halvorsen to contact Mr. Brady of Brady Engineering and schedule a meeting to prepare for the February 15th DEC audit. In addition that DPW Superintendent Halvorsen must notify the Mayor if it will require more than 1½ day time to prepare. The motion was seconded by Trustee Gosda and carried by a vote of 5 Ayes and 0 Nays.

Having concluded the business set before them, Trustee Edsall moved to adjourn the meeting at 8:05 P.M. which was seconded by Trustee Gosda and upon a vote of 5Ayes and 0 Nays, the meeting was adjourned.