

TOWN BOARD – TOWN OF NORTH SALEM

Public Hearing

Town Hall Annex

December 7, 2010

Re: 2011 Preliminary Budget

PRESENT: Supervisor: Warren Lucas
Councilman: Stephen Bobolia
Councilman: Peter Kamenstein
Councilwoman: Mary-Elizabeth Reeve
Councilwoman: Amy Rosmarin
Town Clerk: Veronica Howley

ABSENT: Attorney for Town: Roland Baroni

OTHERS PRESENT: Attached List

The Notice of Public Hearing appeared in the November 29, 2010 issue of The Journal News and was read by the Supervisor.

Supervisor Lucas called the Public Hearing to order at 7:35 P.M.

Supervisor Lucas thanked everyone for coming and explained the budget process and the reason for the proposed 7.2% tax increase.

He said about 40% of the budget comes from fees and other revenues we receive such as sales tax, mortgage tax, fines from V&T tickets, and Building Department fees all of which were down this year. He said sometime in June or July he realized that we were about \$200,000 in the hole on revenues we receive which he believes was the result of unrealistic revenue projections in the 2010 Budget.

In the 2011 Budget he reduced the mortgage tax we receive from \$315,000 to \$200,000, bails and fines from \$175,000 to \$120,000, Building Department fees from \$250,000 to \$200,000, the Croton Falls parking lot fees from \$165,000 to \$130,000, interest from \$40,000 to \$28,000 and all the money in the Cemetery Designated Fund (\$43,000) was used last year, so that's at zero this year.

He said on top of that the State increased the amount we have to pay into the retirement system and health insurance went up about 14%.

In an effort to keep the tax increase at a minimum, staff was reduced in a variety of ways including not replacing an employee who is retiring, reducing a full-time position to half-time and eliminating some part-time positions. In addition, there will be no pay raises again this year for employees and elected officials and the police budget, the library budget and the Hammond Museum all have been reduced.

Supervisor Lucas asked if there were any questions or comments from the public.

Bernard Gordon, Treasurer, Hammond Museum said the Hammond Museum was not reduced it was totally eliminated from the budget and asked the Board to reconsider restoring some of the funding back to them.

Pat Malanchuk spoke in support of the Hammond Museum.

Lorraine Laken, Hammond Museum Director explained that the funding the Hammond receives from the Town affects other funding they receive, therefore, if the museum loses its funding from the Town it will lose funding from other sources.

Helen Powers spoke in support of the Hammond Museum and asked the Board to consider at least restoring some of the funding.

Cynthia Curtis spoke on behalf of the Ruth Keeler Memorial Library and asked the Board to restore the \$20,000 that was cut from the library.

Pat Malanchuk spoke in support of the library.

Peter Bliss thanked the Board for their work on the budget and spoke in support of restoring money to the library.

Kevin Hordern spoke against the proposed 7% tax increase.

Cathleen Dolce spoke against the proposed 7% tax increase.

Debra Haggerty spoke against the proposed 7% tax increase.

Ms. Malanchuk asked if the employees were paying towards their health benefits.

Supervisor Lucas explained that the employees do pay toward their health benefits and that the Town changed health plans a year ago to save money.

Police Chief Howley responded by saying that the policemen do not receive any benefits because they are per diem employees.

Mr. Hordern asked if it's a smaller budget, why according to the Journal News was it the largest tax increase in the area.

Supervisor Lucas explained that the tax rate in North Salem has not changed in 17 or 18 years. He explained that last year the fees the Town collects were increased to balance the budget but were not realistic.

Francis Schell spoke in support of the library and explained that he didn't think they could make-up the shortfall through donations.

Nancy Welo asked if she would be allowed to submit written comments to the Board and what the procedure would be.

Supervisor Lucas told her she should submit her comments to him before the Town Board meeting on December 14th.

Ms. Powers asked if everything that was not a necessity was cut.

Councilman Kamenstein explained that cuts were across-the-board. They weren't only quality of life issues, they went to every department in Town; it wasn't merely the library or the Hammond Museum or any type of cultural institution, it was across-the-board, shared pain.

Councilwoman Reeve said there have been cuts everywhere and if there was a possibility of finding some money, as far as they could tell, it has been found. She said that it has been a real effort to reduce the cost as much as possible and spread the pain out as much as it is necessary to keep the increase as low as possible.

Councilwoman Rosmarin said it's pretty tight but services have not been cut. The police budget was cut but their budget was cut to what they use. So there are no less services, it's just the budget is correct for what they use.

Supervisor Lucas said we hope there are no less services. I've told Tom to please go out and schedule everything.

Ms. Curtis said looking at the numbers where everything is staying the same, it looks like you found a little excessive fat and took it away but you haven't cut services and you haven't really made cuts because we are still going to deliver the same services. You didn't give a salary increase but everyone's benefits are staying the same. You just went and found a little fat and Warren's done a great job of finding things that weren't being used or were excess and has taken them out but the library is being cut, the Hammond is being cut. I mean that is a real cut and there is real pain.

Mr. Gordon explained why he felt it was very important not to eliminate the Hammond Museum from the budget.

Councilman Bobolia said the contingency budget for the previous year was \$83,500 and we've basically cut it in half; it's now \$40,000 and there is a concern about the huge number of certioris and small claim filings on tax grievances. I just hope we have enough in there to cover that because that line is not just for that, it's for other things as well.

Supervisor Lucas said we are not going to have enough in there to cover it because a lot of it is unknown and my expectation is that we will have a fair amount of bills in that area.

Councilman Bobolia said my point was it's a very tight budget.

Ms. Malunchuk thanked the Board for their work and also thanked Police Chief Howley for the work the Police Department does.

Chris Brockmeyer said as of July you have not used any of the \$83,000 in contingency nor have you used any of the \$200,000 in fund balance, is that still the case?

Supervisor Lucas said no, the fund balance and the \$83,000 is going to be gone by the end of the year and explained how he has tried to control spending and save money over the year.

He also said that the library budget has gone up 18% in 2 years. It went from \$275,000 to \$300,000 to \$325,000 over the last 2 years. The Highway Department is down two positions; some of the flowers for next year have been cut. We have cut down on literally a ton of stuff. It's not that we just brought everything down a percent or two here and there, we took things out.

Mr. Hordern suggested having volunteer organizations plant the flowers.

Highway Superintendent Ward Hanaburgh explained that they have had help in the past from the Improvement Society with planting the flowers but the problem is the continued maintenance of them.

Rosemary James stated that the employees haven't had a raise in two years and are happy to have jobs but it should not be unrecognized that that is a cut. The cost of living has certainly gone up in the last 2 years. She said, I think every Town employee understands why there are no increases in salary, and are fine with that but that it is a cut for the employees.

Marion LaFranco explained that the Highway Department lost a position last year, she has cut her hours with an 18% cut in salary and Warren's salary is only at the same as the Town Supervisor's was in 2003.

Supervisor Lucas reiterated that this is the first time taxes have gone up within the last 18 or 19 years.

Supervisor Lucas asked if there were any other questions or comments. There were none.

There being no further comments and all those wishing to be heard, having been heard, the public hearing to consider adopting the 2011 Preliminary Budget was declared closed at 8:45 P.M.