

**MINUTES OF SPECIAL TOWN BOARD MEETING
HELD ON SEPTEMBER 30, 2015 AT 7:00 PM
AT TOWN HALL, ONE OVEROCKER ROAD
POUGHKEEPSIE, NEW YORK**

PRESENT: Supervisor Tancredi
Councilman Baisley
Councilman Carlos
Councilman Cifone
Councilman Lepore
Councilwoman Shershin
Town Attorney Nelson
Town Clerk Salvatore

ABSENT: Councilman Conte

09:30-01 PRESENTATION

2016 Budget Presented To the Town Board by Town Clerk Salvatore Jim Wojtowicz, Town Comptroller, Gave A Power Point Presentation And Supervisor Tancredi made some Comments. For a full view of the Presentation, you may visit our YOUTUBE PAGE Located on our Website

Supervisor Tancredi: The reason we scheduled this meeting tonight is because by Town Law, I have to present the Budget to the Clerk, by today at 4 PM, which I did and the Clerk has to have it to the Town Board by October 5th. Our regularly scheduled meeting in October is the 7th so that necessitated us having this Special Meeting so that Felicia can present the budget at a Public Meeting to the Town Board and I am now going to go over the highlights of the Budget, basically give a synopsis, we have one Special Consent item as well. We have an emergency repair that is going to be needed at one of our water pump stations and we will get to that after our budget. What I would like to do is to ask our Comptroller to step forward and he has a few slides to show. We will go over some highlights and I'll try to add some comments where appropriate.

Jim Wojtowicz, Town Comptroller: The 2016 Budget, it happens to be my 20th Budget and we start this process in July and it was an enjoyable experience this time around. Todd and I were on the same wave length. We started off very early. The second slide is where we had gotten some information from the Governor that they had a .73 percent levy maximum. I told Todd in July that it was going to be almost impossible, and he said, I don't want to hear it, we are going to make it work. We met with the department heads in July and then August and September. We welcome Joe Lepore to the Finance Committee. Joe has already made some good suggestions and we will miss Stephan Krakower, Jay is now the new Chairman of the Committee

Supervisor Tancredi: As you can see, as Jim mentioned, the tax cap was 2% in 2012 and 2013, 2014 and 2015 there were slight increases and for the 2016 year it's been cut to .73% and so if we want to give a 1% pay raise, we are, in order to do that, we have to find money, because our cap is .73%. So, as Jim said, that was challenging.

Town Comptroller Wojtowicz: This graph was supplied by the Governor and the cap started in 2012 and it is reduced to .73 % right now and we came in at .71% and that is 7 tenths of 1%. So we are in total compliance with the Governors request.

Supervisor Tancredi: What this slide is showing you is all the levies that contribute to the tax cap. So, each one of those item, we have to take into consideration. Street lights, sewer accounts, general accounts, etc. when we try to meet the levy.

Town Comptroller Wojtowicz: The way the legislation is written this Board controls 11 levies and they are the ones up from very small, the Carriage Hill Bridge, believe it or not, is one of the levies you control, all the way up to the tax levy that people see. Yes, we came in at .00706 less than 71% so we were in complete compliance in 2016 on this Budget and as we turn it over to the Finance Committee. This is the form I submitted to New York State, the Governor's office. This basically says that we are in compliance and you can see in your handout, that we are \$524,000 going into 2017. When you prepare your budget now, you have to think two or three years in advance. Todd was on top of that all the way! We have \$524,000 going into 2017 Budget. We are in compliance with the Governor and filed all of our forms. Now I get to the actual tax levy. This is what you folks are going to see on your tax bill. The tax levy for the Town this year is \$22,668,722 General Fund A and General Fund B, which includes our Police Department, and Highway Department. The total tax increase is less than 2/10ths of one percent.

Supervisor Tancredi: Our tax levy is going up \$40,000 as you can see from \$22,628,000 in 2015 to \$22,668,000 for 2016 so it's a \$40,000 increase and as Jim said, it's less than 2/10ths of one percent, which will be negligible for the most part.

Jim Wojtowicz: In this Budget, the Town Board is getting a \$200.00 raise. (Todd asks to go to next slide) I asked the Assessor to give me what the average home is assessed at in the Town of Poughkeepsie and that came in at \$223,000 of assessed evaluation. So what we did, we plotted the tax rates, the \$223,000 to this year's tax rate of 4.856. Compared to last year, believe it or not, our folks will see a decrease.

Supervisor Tancredi: What we based that upon is the average assessed home value in the Town is \$223,000 per the Assessor. So, for the average homeowner, based on the average assessed value, average home, we will actually see a \$26.09 decrease in their Town tax for 2016. I think that's the first time probably in many years that we've actually been able to provide a reduction, but it's an accumulative effort because everyone has worked hard towards that, I think it is very positive for the tax payers.

That was really our objective coming in, is to provide the taxpayers with some relief on the Towns end. We understand the burden many of them are under in trying to meet their financial needs.

Jim Wojtowicz: I made a pie chart, basically it goes over some of the highlights. The Police Department, Highway, Recreation and the New York pension expense completely in this budget, \$3,040,000. Our debt service is about 7% of our capacity and so we are in good shape with that.

Supervisor Tancredi: If you can see, the colors in terms of what they represent. Light blue purple color, the largest graph of the pie, that is for Police, the orange pink is Highway and then the maroon which is the rest of the government outside of the police and highway. Darkest purple is the debt service. The yellow is recreation and the lime is our pension expense, which is just over \$3 million dollars. We pay that in one lump sum, we don't term it out. The State gives us an option, but of course they want their interest, so we pay it in February and so that kind of gives you an idea of where your money is going for. Some of the items that have fluctuated, that we've moved from year to year and the one important point that I think is good to note is that there is no new revenue streams in this budget. We didn't accomplish this budget by creating a new revenue stream that may or may not work out and that is a question that residents always need to ask, "Is there any new revenue streams", because it's an easy way to maybe fabricate a sinario that may or may not end up working out and so no new revenue streams. We did adjust some revenue and expense lines based on history and projections and a couple of those are as follows: Mortgage tax last year, 2014, our mortgage tax was budgeted at \$800,000. When we put the budget together last fall for 2015, we didn't think we were going to make the \$800,000 and so we reduced that \$50,000 and by year end it ended up being way over the \$800,000 and now this year, again based on monthly projections, were also very likely above \$800,000 again in our mortgage tax. So this Budget increases that revenue line by replenishing that \$50,000 and taking it back to the \$800,000. Our tax cert line, which is an expense line, as you will recall, we increased that probably five years ago and we've been working hard to monitor that to make sure we didn't go over, but based on information that the Assessors' given us, which we talked about a few meetings ago, we are reducing our tax cert line by \$25,000, so that's a slight savings there. New York State Retirement we received good news from the State on that one rates were down 10%. It was contractually agreed upon salary increases to offset that 10% decline some but there was still a small savings there. On the revenue side again, Court revenues we're reducing by \$65,000 based on last couple years revenue figures and running totals for this year we think it is going to necessitate reducing that by about \$65,000 to try to ensure that we will have as realistic budget as possible. A couple of things, we removed a couple of things as far as expenses all contractually agreed upon raises are in here for CSEA, PBA increases are in the budget and I'm proposing that all non-union and management receive a 1% increase, which is what they received last year, as well and that's in the budget. That included elected Town Board, who is going to get a \$200 increase from \$9700 to \$9900 based on this budget. Our IT Budget, if

you will recall, last year we put \$35,000 in for a capitol plan to try to build toward new work stations and that's a three year plan. Our manager in charge of our IT, Mark Fink, was also requesting additional money's for Laser Fiche. So, because I think it's a better way to budget, we are increasing that line by another \$38,000, which will be over two years to pay for that project, which hopefully will result in, once we get it in place, will reduce some of the paper that we generate and use around the office. Last year we put \$100,000 into our drainage monies that again is in the budget this year to go toward drainage. One thing I changed slightly in this budget is our transfer station currently runs during the summer months from 7 AM to 2 PM and after consulting with the Highway Superintendent and gaging the amount of use and times people come in, this budget adjusts that slightly to have them open from 7 AM to Noon. It will allow the employees to still salvage a decent part of their Saturday. We also felt that with the flow, the people will still be able to get in from 7 to noon to get in and accomplish what they need to do and so that is represented in this Budget. Good news from the County, workers comp remains flat for 2016 and so that was welcome news. Although our gasoline price is down as reflected just in the retail pricing, I didn't change it. We left it the same. We've got budgeted \$3.25 per gallon in this budget. My feeling was that was such a volatile area and so fluid that I didn't want to reduce it and run into a problem next fall or whenever prices may go up. So, I left it the same trying to be conservative. Water and sewer rates remain flat, the same, no change there. Auto Center, if you will recall, last year, Bill Galbraith who was managing our Auto Center noted that he was going to retire and for 2015 was working a very limited schedule for half the year and I think we budgeted \$20,000 for that expense and this year he is completely retired and that \$20,000 is a savings in this year's budget. We are going to go with three mechanics there and the gentleman in charge of the Auto Center actually his request was for an additional employee, but I didn't think we could afford that. This budget reflects the three employees in the Auto Center. One change I made in the Budget, which doesn't have a huge impact on the Budget, but I think it will have a big impact in terms of our residents and what they are seeing, in 2018, we have two road bonds that are going to be paid in full, and these were 15 year bonds. One was for \$4,000,000 and change and one other about 5,000,000 totaling about \$9,000,000. They will be paid in full in 2018 and so what I am proposing in this budget is next year we take out a new \$10,000,000 road bond. I talked to the Highway Superintendent and he feels that it will probably take about three years to be able to spend that \$10,000,000 and pave the roads we need to pave with it and so the thought is, that by the time we have that fully spent out and we roll it out in a bond, these other two bonds will be coming off the books and will be replaced by the new one and the residents won't see a change in their tax amount to pay for the new bond. There will be some soft costs and bonding costs so I've taken \$95,000 out of the road maintenance line to pay for those, but the Highway Superintendent is fully in favor and he actually feels it's a good idea. We need to spend more, we obviously could spend more than \$10,000,000 on roads, but I think it will give us a real good start and get some of our roads repaved and again the residents will have more of their streets repaved and they won't see an impact on the amount of tax they pay the Town and so that is also included in the budget. The only personnel change, Jim,

correct me if I'm wrong, we have in this budget, is in the comptrollers office, we had two employee's retire and with the comptroller's support, we are going to replace one of those people, with a part timer and basically were going from one full timer to a part timer in this budget. Other than that, there is no change to our employee staffing. I think that's the highlights. Again, I'm very happy with the Budget and very happy we are able to keep the taxes where they are and hopefully most of the home owners, based on assessed value, will see a decrease in their taxes and we will continue to provide the services we are providing and maybe do a little better in terms of roads and so all and all—

Councilman Lepore: Plus hopefully the bonds will be cheaper than in the last fifteen years.

Supervisor Tancredi: Yes, hopefully they are, depends on what happens in the next couple of years. It is very likely the rate we get in the new \$10,000,000 will be less than what we paid fifteen years ago and so that's true.

Councilwoman Shershin: I'm hoping too, that when the Finance Committee gets this that they will take out the extra money for the Councilmen, because I really don't think we run for these positions due to the pay, although it is small, it's only \$200, it's really not necessary.

Supervisor Tancredi: Well, I disagree, it's always difficult in an election year to make a move like this, last year we did the same thing and I think everyone supported it and so my view is this, these positions are important positions for the good of our Town and stability of our Town Government and too often I think, when we come into election years, there is nothing happening. These positions need to be attractive positions. I don't know if an extra \$200 will do it or not, but I just think you deserve something for the work you do, the residents deserve to be able to say, "Look you are not doing this for free and you are not volunteers, we expect something of you, we expect you to do the jobs we've elected you to do", so, what you decide to do is up to you, I think it is a worthwhile investment in Town Government and that is why I put it in there.

Councilman Baisley: Todd, I want to thank you for the conservative numbers. We discussed this as we started earlier in the year and you didn't jump the gun and pull anything back and put big numbers back in like we've been caught with before, because our mortgage tax was huge at one time, but just going slowly and if the market changes positive, we end with more fund balances which goes along with the numbers that are good this year and so hopefully it keeps going that way. You didn't jump the gun and cut anything like figuring cutting out the electric. We had small electric costs a lot in certain areas, we need to save, because that electric market could change any minute and you have real conservative numbers without cutting anything and I think that's great and the fact of bonding the road after discussing that, I think is a fantastic way to do it because I think we will get a lot more and get ahead before these roads start deteriorating. We are in pretty good

shape with the bonds we've done and the roads are in great shape. It's been about 12 or 13 years since we started that and a lot of roads are holding up well. To do this, getting some of these roads just starting to fall apart, if you can get them fixed and recoated, the \$10 million will go a lot further than the ones we restructured a lot of roads and drainage, I think this is definitely a plus going forward. We didn't lose anyone or change anything drastically and so I think we are in good shape.

Supervisor Tancredi: You mentioned fund balances, the Budget does take \$200,000 out of our fund balance to meet the numbers we've met, which is consistent with what we've done in the past. Our fund balance happens to be very healthy. We're probably at between 12% and 14% for our fund balance, which is something we are pleased with. We've been able to grow it over the last few years in spite of the economy. That's something we've worked hard to do. If nothing happens in the rest of 2015, maybe it will grow a little more. But, Jay your right, we've been able to maintain a fund balance and we also have, one of the things that is a criticism of the tax gap you will hear people say is "It doesn't allow municipalities to put money toward infrastructure", that's where people cut, because it's things you can't see or feel. You ride over a road and feel a pothole, you don't know if pipes under the ground aren't working the way they are supposed to, but one of the things we are in the midst of doing, it's a lot of work, we are working a lot at it, is that we are doing some major upgrades at two of our major infrastructure projects in the Town. The Wastewater Treatment Plant in Arlington is in the midst of a very major upgrade there, the first one in about 40 years and is in dire need and also our City-Town Water Plant is in a major upgrade that will insure we have very good, healthy water to drink for years to come and so we are doing a lot of work in the underground pipes and we've probably spent about \$200,000 on that over the last year or year and a half with more to come and so we are trying not to cut on infrastructure, we are spending the money that we need to on those projects and all that is budgeted in here. You never know what kind of surprise may come your way during the course of the calendar year, but hopefully we've accounted for it as much as we can.

Councilman Baisley: That's kind of what was in the paper today. The article was actually about the things hurting the most, sewer and water, and a lot of people fix the parks and stuff because it's noticeable, but it's nice you said to do the stuff underground because it's what hurts the most when it breaks.

Councilman Lepore: Being on my first Finance Committee I want to thank you Jim and Todd, I think you all did an excellent job and made it easy for me and Jay because doing a budget for any town, city or village in New York State, it's not easy especially when New York State is looking for more money, but this budget is good and I think good for the residents. Thank you, great job!

Supervisor Tancredi: We also want to thank the Comptroller for a good job. He works hard and is here plugging away day in and day out and I appreciate all the support and work he puts in for the Taxpayers in the Town of Poughkeepsie.

BE IT RESOLVED, that the Town Board of the Town of Poughkeepsie does hereby grant Special Consent to the following item: to wit:

1. AUTHORIZE

**Emergency Situation With A
Town Owned Electrical Substation
Which Services Te Fairview Water
Pump Station**

AND BE IT FURTHER RESOLVED, that upon the objection of any member of the Town Board, an item may be removed from the list and voted on separately.

SO MOVED: Supervisor Tancredi/W. Carlos

ROLL CALL: Ayes: Councilmen Baisley, Carlos, Cifone, Lepore,
Councilwoman Shershin and Supervisor Tancredi

Nays: None

CARRIED: 6-0

RESOLUTION

WHEREAS, the Town-owned electrical substation which services the Fairview water pump station failed on September 25, 2015, and after being reactivated, has again failed, and

WHEREAS, the pump station, which serves a large number of Town users, is currently operating with backup diesel generator power, which backup generator is expensive to operate and presents the potential for a public health and safety issue if it fails because of the lack of redundancy, and

WHEREAS, the Supervisor, with the assistance of the Town Engineer and Water Department is exploring the options of repairing the sub-station, replacing it with a Town owned sub-station, and replacing it with Central Hudson owned equipment, but has not yet received the information necessary to make a choice which is in the best interests of the Town and the water users, now therefore

BE IT RESOLVED, that the Town Board of the Town of Poughkeepsie pursuant to General Municipal Law Section 103(4) does for itself and its districts and improvement areas hereby ratify and adopt the assessment of the Town Engineer and Water Department that a public emergency exists that it has arisen as a result of this unforeseen equipment failure, and that the resolution of it cannot await the competitive bidding process, and be it

FURTHER RESOLVED, that the Town Board hereby authorizes the Supervisor to receive and analyze the information which he has requested, to

thereafter determine which course of action is in the best interests of the Town and the water users, and to thereafter execute all documents necessary to effect the chosen solution, after which the Supervisor shall report his decision to the Town Board, and

BE IT FURTHER RESOLVED, that because this is a public emergency it is a Type II action requiring no SEQR review.

SO MOVED: J. Baisley/ W. Carlos

Supervisor Tancredi: Basically what this resolution is about is we have a water pump station up in Fairview which basically brings the water into the Town and there is a big electric transformer and for some reason it is blowing fuses. Last week it blew two out of three and they were replaced, which ran about between 5 and 7 thousand. We thought everything was ok, but I believe Monday, it was reported that the fuses were out again. Ray Armstrong, who is the electrician we work with often, was called in and there is something wrong with this electrical piece of equipment. It is a GE piece of equipment, it is Town owned, which is a little unusual, most of our pump stations, Central Hudson owns basically the transformers, but for some reason, this one we own. So, we have a choice. We can call in GE and have them try to fix it or we can go to Central Hudson and let Central Hudson disconnect this one, we remove it, they put theirs in and then they own it and are responsible for it and we would pay for that through our monthly billing and so we've contacted GE, which was an "adventure"! The closest repair man is in Rotterdam and GE is going to charge \$2,000 a day to come and look at it and give us a quote. We also made contact with Central Hudson and they promised to get back with us within 24 hours and so we expect a phone call tomorrow to find out what that expense would be in terms of having them bring in a new transformer, one they own, and pay for it. So this resolution is basically to give the authority, once we get this information, we need to make a decision. I don't think we should wait on this, although we have a pump up there that is in good condition and if it goes down, we can go to H.O. Penn and rent one on a truck, still it's running six hundred gallons of fuel a day, and the sooner we can make some decisions here, the better. So, this is just authorization to let those decisions be made soon.

**ROLL CALL: Ayes: Councilmen Baisley, Carlos, Cifone, Lepore,
Councilwoman Shershin and Supervisor Tancredi
Nays: None CARRIED: 6-0**

**Motion made to suspend the rules for public comments: Supervisor Tancredi/
W. Carlos CARRIED: 6-0**

Rob Casement: I would like to say that this Budget looks very good and I would like to congratulate you and thank you and your Finance committee and your Comptroller for a job well done, thanks again!

Motion made to resume the rules: Supervisor Tancredi/W. Carlos

Motion made to adjourn the meeting: Supervisor Tancredi /W. Carlos

Meeting Closed at 7:34 PM