

Minutes of the FY 2016-2017 Budget Work Session of the Board of Trustees of the Village of Montgomery is held in the Meeting Room at 133 Clinton Street, Montgomery, NY 12549 on April 11, 2016 at 7:30 pm.

Present: Mayor Brescia, Deputy Mayor Scheels, Trustee Andolsek, Trustee Hembury, Trustee Lindner, Atty. Dowd (absent), Village Clerk Rivera-Stanley, DPW Supt. Nelson, Police Chief Walsh, Justice Court Clerk Conroy, B/I Yancewicz, CPA, Ron Clum, Don Berger, Steve Magyar, Maria Beltrametti, Rachel Coleman, Marc Devitt, John Kitchenman, Mary Ann Lindner, Paul M. Teutul

Mayor Brescia opened the meeting with the Pledge of Allegiance to the flag.

RE: CALL TO ORDER

Moved by Trustee Andolsek, seconded by Deputy Mayor Scheels, the Board called the meeting to order. Motion carried, 5-Ayes, 0-Nays.

RE: 2016-2017 BUDGET WORKSHOP

Mayor Brescia stated this is a Budget Workshop and not a public hearing to go through the budget. We thought the budget was at an increase of .0071 and it was at 7.1 over last year. On the very next day Deputy Mayor Scheels and Trustee Lindner along with several of our staff were able to make substantial amount of cuts bringing the budget below the tax cap. The tax cap is actually .0012.

The clerk received correspondence from the state indicating the tax cap for 2016 to be 0.73 percent. That is less than half of the 2015’s property tax cap. Maybrook is operating with the same assumption. The second correspondence which states that the allowable tax levy growth factor will be .73 percent for entities that operate on a calendar-based fiscal year – which includes all counties, towns, fire districts, 44 cities and 10 villages. This is for 10 villages throughout the State of New York.

The budget will need to be cut by \$186,473 to bring us to the tax cap of .0012. This is what is going to be highlighted upon tonight. The tax cap is a lot worse that it was thought to be. The changes begin as follows:

		Was to be	Now is	Difference
Appropriated Surplus		500,000	562,000	(62,000)
	-increased usage of surplus, so reduces amount needed			
Fines & Forfeited Bail	A0-2610-000	40,000	52,000	(12,000)
	-increased revenue, so reduced amount needed			
Trustees	A0-1010-100	38,868	38,059	(809)
Mayor	A0-1210-100	13,700	12,240	(1,460)
Treasurer	A0-1325-100	32,097	31,468	(629)
Clerk Contractual	A0-1410-400	14,800	5,000	(9,800)
MTA	A0-1980-400	6,618	6,321	(297)
Contingency	A0-1990-000	42,884	43,940	1,056
Police OT	A0-3120-102	52,167	45,235	(6,932)
Police Pers. Svc.	A0-3120-120	643,712	562,112	(81,600)
DPW Pers. Svc.	A0-5110-110	355,437	350,816	(4,621)
GMD Clerks Pers. Svc.	A0-7550-100	10,059	8,816	(1,243)

		Was to be	Now is	Difference
Memorial Day Cntrct. A0-7550-460		-	1,000	1,000
Pln Bd Contractual A0-8020-400		3,000	2,540	(460)
Social Security A0-9030-800		120,678	115,266	(5,412)
Medicare A0-9035-800		28,223	29,957	(1,266)
Net change – reduces tax rate by 1.01515				(186,473)
MTA F0-1980-000		356	353	(3)
Contingency F0-1990-000		14,374	15,346	972
Pers. Svc. F0-8310-100		53,452	53,113	(339)
Treasurer F0-8310-110		10,805	10,489	(316)
Clerk F0-8310-121		5,849	5,736	(113)
Mayor F0-8310-140		1,050	918	(132)
Soc. Sec. F0-9030-800		6,492	9,436	(56)
Medicare F0-9035-800		1,518	1,505	(13)
Net change				-
MTA G0-1980-400		232	230	(2)
Contingency G0-1990-000		8,060	8,848	788
Treasurer G0-8110-110		10,805	10,489	(316)
Clerk G0-8110-120		5,849	5,735	(114)
Mayor G0-8110-140		1,050	918	(132)
Pers. Svc. G0-8130-100		35,032	34,863	(169)
Soc. Sec. G0-9030-800		4,234	4,189	(45)
Medicare G0-9035-800		990	980	(10)
Net Change				-

(In audible)

The State does not have an inflation factor. An additional, reduction of \$3,124 is needed to be made to bring the budget to a zero increase. Suggestions will be taken under advisement.

Ms. Beltrametti does not understand the salary calculations as presented for the DPW. She felt the number of people just do not add up by her calculations and the average of what she has estimated the salaries to be.

DPW Supt. Nelson explained the number of personnel and the different grades of the salary pay scale as it is in their contract agreement.

Mr. Berger feels the Village should not have an attorney prosecuting traffic violations unless the case goes to trial. His thought is that it would be a less expensive option having the police officer doing this job.

Mayor Brescia stated we went this route having the attorney as the prosecutor for all traffic violations as the most cost effective means for the Village. We will certainly look at it once again.

Trustee Hembury stated just having come from welcoming five new residents to the Village. They have come from Slate Hill, New Windsor, and Bloomingburg; we have asked them why they choose Montgomery as their home. All the responses were

Montgomery is a beautiful place to live and want make their lives better. We are all very proud hearing this.

Mayor Brescia reads from the NYCOM bulletin, **Strengthen the Tax Cap**. While the tax cap has slowed the growth in property tax levies, municipal officials have identified significant unintended consequences that have developed during the local implementation of the cap. Local officials are using all available means of budget-balancing, including austerity spending, drawing down of fund balances, cuts in the size of the municipal workforce, maximization of restructured and shared services between local governments, and postponed investments in key public infrastructure. This local austerity combined with minimal mandate relief and lack of state aid has a price. The quality-of-life in our communities is suffering and local infrastructure – roads and bridges, water and sewer systems – is in arguably its worst condition in a generation.

The State has a 2% cap and ours is almost at a zero percent cap. A 2% cap is more reasonable and livable, they are pushing down hard on the Villages and the Towns are at .0073.

NYCOM Strongly believes that the tax cap should be amended to make it a true 2% cap (as is the case with the State's self-imposed 2% cap on spending), not one tied to inflation. Absent that, the State should implement a Tax Cap Equalization Aid Program that would provide aid in an amount equal to the difference between what the municipalities property tax levy would be under a 2% cap and what it actually is under the tax cap CPI calculation.

In addition, NYCOM believes there should be an exclusion for the tax cap for municipal expenditures on public infrastructure (just as schools and the State have from their respective caps) and for the self-imposed levies of Business Improvement Districts (BIDs), at the inclusion of these levies is having a significant negative impact on economic development.

Trustee Lindner reads there is one reason for high property taxes in New York is the fact that the State relies too heavily on locals to raise taxes to support the states of Michigan and Florida. New York derives 16.4 % of its revenue in local funds. The next state in the country is Wyoming at 3.9 with a national average of 1.1. New York agrees in assisting local government by leading the nation and deriving revenue from local funds.

Trustee Hembury stated is like trying to save money by skipping on oil changes and you are only going to have a blown engine.

Mayor Brescia stated we will go through the budget again at the Public Hearing. We will consider any suggestions you may have.

Mr. Berger stated his concerns with the celebrations expenditures and the revenue. He feels the parade could be shorter.

Mayor Brescia replied again, we will consider it. The General Montgomery Day has been in the black with the exception of one year. The budget line for celebrations is an estimate of expenditures and it may not be that exact amount.

RE: EXECUTIVE SESSION

Moved by Trustee Andolsek, seconded by Deputy Mayor Scheels, the Board entered in to Executive Session at 8:27 pm under the open meetings law §7 (F) to discuss the employment history of a particular individual with Treasurer Benedict and the Village Clerk Rivera-Stanley in attendance. Motion carried, 5-Ayes, 5-Nays.

RE: ADJOURNMENT

Moved by Deputy Mayor Scheels, seconded by Trustee Andolsek, the Board adjourned the FY 2016-2017 Budget work session at 9:18 pm. Motion carried, 5-Ayes 0-Nays.

Monserate Rivera –Stanley, Village Clerk