

**Special Village Board Meeting
Friday, April 24, 2015 - 10:00 a.m.**

A special Village Board meeting was held on the above date at 11:30 a.m. with the following members present:

PRESENT: Mayor Patricia Abato
Trustee Frank Hagen, Trustee Robert Morris
Trustee Edward Markunas

ALSO PRESENT: Virginia Menschner, Village Clerk
Attorney Terry Rice

ABSENT: Trustee Matthew Byrne

The Mayor said this is a special Village Board meeting of the Board of Trustees on April 24, 2015 to vote on the tax cap as well as the water and sewer fund increases. She said before we begin she just wants to be clear because she believes there has been some confusion. She has been receiving a lot of e-mails and phone calls from residents who don't understand that this increase reflects only your Village taxes. It does not reflect your taxes on the whole. And so before we start she said she would like to let them know that based upon the proposed rates that in the water fund, water taxes, it would be an increase of \$7.84 per month and that would equate to about a \$1.82 per week. She said that is based on consumption. She said we must all understand that water is based on consumption and consumption is a variable. So you have to prepare for that variable. And in doing so Mr. Genito took that into consideration and with the deficits reflected that into the increase. So again it would be \$7.84 a month, \$1.82 a week per household based on consumption. That was based on 39 units of consumption. She said they took kind of a medium number of consumption.

The Mayor said on the sewer fund. The sewer fund is based on consumption of the winter months of the water. So you have to use a historic number on that. Again a variable. So it is very hard. We can't say Mr. Smith we are billing you for 100 units of water per year and after you use that 100 units of water you have to turn your faucet off. That is not the way it works. The Mayor said so those increases would reflect \$10.89 a month or \$2.53 a week, again based on consumption and they used 39 units as a number. So she just wanted to be clear with regards to the increases that were proposed.

She said she thinks there are two issues going on here. One is that we have water and sewer rate increase proposals in the tentative budget but we also have something that the Treasurer built in which was to propose these rates but they would be included in the May

billing. It was proposed that way by the Treasurer to add some additional revenue to the water and sewer. So it was part of the proposal and she wants everyone to understand that. That is why it was imperative to have this meeting this morning because the Treasurer's office needs that number this morning. The Mayor said unfortunately she couldn't do it in the evening. The Mayor said she was told that we would receive information after the meeting concluded yesterday with regards to the recommendations from the other Trustees. She said we did not receive that information until 8 o'clock on Wednesday night. So the Treasurer's office had to work on that yesterday, has it all prepared for this morning, however, we have to have it done by today. We have had several meetings with regards to voting on this in the evening. Unfortunately, the Trustees were not comfortable at that time and needed more information so now we were at the eleventh hour and she had no choice but to make this meeting at 10 o'clock in the morning. Again, she has offered to have evening meetings after our morning meetings and the Trustees have not taken her up on that. So here we are. So we will place the first item on the agenda to be the water rates proposed at 12.2%.

Trustee Morris said he would like to make a statement if it's okay. He said number one it is a little disingenuous for you to say that you had no response from the Trustees. The Mayor said she did not have a response to have the meeting at night. Trustee Morris said excuse me. I didn't interrupt you. The Mayor said she wanted to clarify what she said. Trustee Morris said don't clarify what he is saying because he hasn't said it yet. The Mayor said okay. Please, by all means. Trustee Morris said you said your Treasurer had no contact with us. Trustee Morris said from 1 o'clock to almost 4 o'clock your Treasurer was exchanging e-mails with them concerning their proposals on the water rates. Trustee Morris said he has the e-mails and he is sure the time is stamped on them. So if anybody told you that he wasn't in contact with them. The problem stems from the fact that we have a difference of opinion. The rate he is proposing and you are seconding is a lot higher than what we feel it should be. He said you glanced over the fact that well, we are going to bill for May 1. What in fact that means is that you are going to bill people for six months at a new rate. In other words, if your rate was \$4 a gallon, just to make the numbers easier so everybody understands - it was \$4 a gallon. That rate should have been in effect from November to May. What the Treasurer and the Mayor, with the Mayor's blessing, was doing is backdating the raise in rates. So instead of paying \$4 per gallon, with the rate going into effect, it would have been backdated and you would have been paying \$5 a gallon for a rate that you were already charged \$4 a gallon. So what they are doing is backdating the rate so you are paying a higher fee than what you should have been paying. Trustee Morris said they are not comfortable with that, not at all. He said he won't say - he said he won't go into it, but based on the information that they found out and what else they are looking at

they are going to make a motion to table any vote. And just to clarify the billing issue. The billing issue for water and sewer starts May 1. Whatever the rate increase may or may not be that billing would start May 1. Any billing that goes out at the beginning of May should be predicated on your old rates. So it makes absolutely no difference when these rates go into effect - when they get onto the computer and get adjusted. Because you should be billing at the old rate. So whatever rate is or isn't passed here today should have no effect on your billing from November to April. So he just wants to kind of clarify how it really works.

Trustee Markunas said he would like to echo on Mr. Morris' sentiment and if the Mayor could actually elaborate on the billing cycle and that we are back-charging the residents from November to May 1 with this newly proposed increase is totally unfair to every Village resident. You are being billed on the rate, the new rate, that we are trying to establish now, which they are forcing down, forcing us to adopt and we are going to back-bill that rate on the water you used already at the rate they established last year. He said he believes it is totally unfair and he makes the motion to table this until we come up with a better way of billing.

The Mayor said we have a motion on the table already but you asked her to elaborate. She said what she would like to explain to him is that is the way the Treasurer prepared the water rates and that is the way it reflected in the tentative budget. For Mr. Morris to insinuate that it had my blessing, that she agrees with it - she does not agree with and she has made that clear to the Treasurer. However, that was in the tentative budget. Trustee Markunas said you made that clear to the Treasurer that you don't agree with back-billing for the last six months. The Mayor said yes, after we - Trustee Markunas said and the Treasurer is aware of this. The Mayor said yes, the Treasurer is aware of this - Trustee Markunas said okay - the Mayor said she does not agree with back-billing. So to speak for her, Mr. Morris, she would appreciate that you would at least speak to her in advance of that to let you know that indeed she doesn't agree and she would have voted no to any back-billing. However, this vote needed to happen to make sure that there was no back-billing. Therefore the Treasurer's office needed that portion of that information in order to put out the bills with the present tax rate going forward. Trustee Markunas said there is no vote needed to put out the bills May 1 because we haven't established a rate. The Mayor said right, but the number that was included in the proposed tax increase reflected that billing. Okay. So you have to establish, which she thinks we are all in agreement for once, that there should be no back-billing. So therefore if you choose to table the tax increase that is fine. But we needed to clarify that there will be no back-billing. And that is why at the eleventh hour she is making sure that she came to say that she doesn't want any back-billing and apparently the rest of the Trustees don't want any back-billing so therefore we can go ahead

with the old rate and have the bills sent out in a timely fashion to give the Treasurer's office a chance to prepare the bills.

Trustee Markunas said this was done last year too. The same thing under your Mayor - being the Mayor you proposed it. They back-billed the Village residents last year. The Mayor said okay. In lieu of the fact of where we are financially in this Village and that there needs to be tax increases she has looked it over with Mr. Genito and it is her opinion that there should be no back-billing because of the increase going forward. Trustee Morris said then he finds it amazing again 3 o'clock, 3:30 yesterday afternoon that Mr. Genito wasn't aware of this. And if he is not mistaken, you are the chief fiscal officer - the Mayor said that is not true. She is the chief executive officer. Trustee Morris said the chief executive officer. The Mayor said he is the chief financial officer. Trustee Morris said and he is an employee of the Village so he finds it amazing that he did all these things and we questioned this at various meetings with him and you and it was never mentioned that you knew that there was back-billing going on. You never said anything to us. So he is finding it incredulous now that when we bring it up now everybody is against back-billing. The Mayor said okay. She said you are arguing over the fact that we are agreeing. Trustee Morris said no he is arguing over the fact that - the Mayor said so anyway let us get straight that Mr. Genito is the chief financial officer of this Village and she is the chief executive officer of this Village. She said she just wants to make that perfectly clear. However, in lieu of the fact that this Board is not in favor, we have a motion and a second to table the vote on the increase on the water rates. Trustee Markunas said he would like to add just one more thing. The Mayor asked if she could just finish - Trustee Markunas said he thought she was. He is sorry. The Mayor said that's okay. She said she thinks we need to also vote on the fact that - she said she thinks first we have to reflect that whatever the new rate may be we have to vote that it is going forward and not to be back-billed. In other words when your bills come out on May 1 it will reflect the present rate. So she thinks that a motion for that needs to be made first so then we would be fiscally responsible to table the tax rate increase. She asked if anybody would like to make a motion that we do not back-bill on the new rate. Trustee Morris said why do you need a motion to do something that is blatantly dishonest. The Mayor said because it was included in the budget. Trustee Morris said the budget hasn't been approved, has it. The Mayor said no - she said you are not understanding. Trustee Morris again - the Mayor said we are doing a good thing here. We are saying we are not back-billing and you are still arguing with me. Trustee Morris said no he is not arguing - the Mayor said she thinks for the process to go forward in the fashion which is good for the residents we need to pass a motion stating that we are not going to reflect the new water rate and sewer rate in the May billing. She asked if she had a motion for that. Trustee Markunas said we are not done discussing it. Trustee

Morris said we will make that motion. The Mayor said okay, then we will go to the second portion to table the new rate.

Trustee Markunas said if he may. The Mayor said sure. Trustee Markunas said once again the outcry from the public and the Village with this 10 o'clock meeting to him is ridiculous. The Village residents need to be made aware of the misguided budgeting practices that have been in place from last year to this year - the misguided billing practices of water and sewer from this year to last year. It's unacceptable. And he is sure that everybody that walks out of this room today is going to be surprised that they have been misled in this fiscal time. That we are in where this Village is in fiscal straits here and we are just going to put it right on the taxpayers back without them even knowing is disgusting. That is what he needs to say. The Mayor said okay, Mr. Markunas, this is not a new issue. This is meetings that have been held in the evening, they have been held in the daytime today because of the reasons she has just stated to him. Trustee Markunas said okay. The Mayor said okay, thank you. She asked if she had a motion to that effect.

Trustee Markunas said he makes a motion to table this meeting. He said he makes a motion to table this meeting to another time that is made available so the public may attend and we will revisit all of the subjects that we discussed today. Attorney Rice said let's just be precise on the motion. A motion either to table a vote on a specific local law or a motion to adjourn the meeting. Attorney Rice said he was suggesting don't table the meeting. If you want to adjourn the meeting that is fine. If you want to make a motion to table a vote on a local law that is the motion.

Trustee Markunas said he would make a motion to adjourn the meeting. The Mayor said you have another motion on the table. Trustee Hagen said what is the other one. The Mayor said Mr. Morris' motion. Trustee Markunas asked what was his motion. The Mayor said you made the same motion. Trustee Morris said he would clarify it. He said to let him make it easy. He said he would make a motion to adjourn this meeting and to resume it at 7:30 - he said well, he guesses he has to change the meeting date. He said the first thing we will do is make a motion to change the Monday meeting from 10 o'clock in the morning until 7:30 at night when the public can attend. The Mayor said there is no meeting Monday at 10 o'clock. Trustee Markunas said yes there is. The Mayor said oh, the Orange Avenue project you are talking about? Trustee Markunas said yes. The Mayor said that is at 7 p.m. The Village Clerk said that is at 7 p.m. Trustee Markunas said 7? The Mayor said yes. The Village Clerk said that is what it has been advertised at.

Trustee Morris said he will make a motion that we continue this at Monday's meeting at which time the public will have a chance to participate in it. Trustee Markunas said he seconds that motion to adjourn the meeting until Monday at 7:00 p.m. Upon vote, the motion

was carried, with the Mayor voting no. Trustee Markunas said you vote no? The Mayor said she votes no that she doesn't believe - she believes that we should pass the motion to not back-bill our residents so therefore she feels that that should have been taken care of at this meeting. Again, we are stagnating the budget process and the Treasurer's office and their billing and she doesn't think that is responsible. Trustee Markunas said the billing can still go out at the established rate. Trustee Morris said the billing can go out today. Trustee Hagen said why can't it go out - the Mayor said because it reflects that the bills will go out with the new rates. She said she doesn't think you are understanding. Trustee Morris said why would the bills go out with the new - Trustee Markunas said no budget. The Mayor said right, so pass the motion that there will be no back-billing - that the bills that we are sure will go out at the old rate. That is all she was asking for. Trustee Markunas said the rate is established. The Mayor said then the Treasurer's office can't do the billing. Trustee Morris said that is ridiculous. The Mayor said so that is done. Let us go on with the tax cap. Trustee Markunas said we adjourned the whole meeting. The Mayor said you want everything adjourned. So no - excellent.

The Mayor said we have a zone change at 7 for Orange Avenue so we would have to put it on for 7:15 but it may be after that.