

Special Village Board Meeting
Wednesday, March 20, 2013

A special Village Board meeting was held on the above date at 8:00 p.m. with the following members present:

PRESENT: Mayor Dagan LaCorte
Trustee Patricia Abato, Trustee Charles Falciglia,
Trustee John Meehan, Trustee Jo Meegan-Corrigan

ALSO PRESENT: Virginia Menschner, Village Clerk
Terry Rice, Village Attorney

ABSENT: None

This is a special Board meeting for a public hearing for the 2013-2014 tentative budget.

The Mayor welcomed everybody to the 2013-2014 special Village Board meeting to address the Village Treasurer's preliminary budget. The Mayor said that what he would like to do first is to briefly highlight some of the items in the budget. First, this process began the beginning of January with the Treasurer giving each department head their budget worksheets in which they would go through it and look at what their needs and their desires for the next year are and then a process went beyond that to the point where we are here. So in terms of highlighting where we are obviously the number one concern that people have is are taxes going up and presently our increase is at 1.78%. The current proposed budget everybody has a copy of and we are very happy with that. For the second straight year we are below the state mandated property tax cap of 2%. Obviously that takes a lot of hard work and that is quite uncommon in today's environment faced with many mandates that all the municipalities face. So again kudos to everybody here for their hard work. In addition, at the end of our last audited financial results, which was May 31, 2011, the year ending that date, the Village fund stood at a \$27,000 deficit, which although a small deficit is a deficit. Currently our draft audit report which closes the year end May 31, 2012 shows a fund balance, and this number will not change as the report is finalized, of \$60,847. So now we are presently in the black. And with about 9 weeks remaining in the current fiscal year that ends May 31, 2013, once again, when the books close on 2012-2013 we expect to again be in the black adding to our fund balance. So again that is very important not only the level of tax increase but that our books are balanced and that we are in the black.

Also what the Mayor would like to do is to highlight the hard work of this Board over the last number of years in terms of how

they have been able to keep those costs under control and one major aspect of it is that currently our full-time staffing over the last three years has decreased by about 10% with no decrease in services through attrition and shifting of positions around the Village. This translates to an annual savings of \$704,000 a year and our three-year payroll sum has increased by a total of 2.4%. So that is less than 1% a year and that includes raises that are contractually agreed with both the CSEA, the PBA, the dispatchers union, as well as giving raises to our non-union department heads and other employees who are not in the union.

The Mayor said in addition he thinks an unbelievable highlight is where we are in terms of our debt and debt service. The Mayor said we have been able to reduce our debt service as a percentage of our budget during the last several years from 5.6% to 4.9%. And that represents an annual savings of previously \$850,000 a year to \$805,000 a year. So our debt service has gone down \$45,000 a year. At the same time we have been able to invest 5.48 million dollars in infrastructure improvements. And that is a pretty amazing feat to be able to reduce your debt and invest millions of dollars in infrastructure. That includes 1.4 million with 40 new roadways. We served new curbs. 1.3 million in our sewer plant upgrades. \$125,000 in water plant and water tower upgrades. \$102,000 for the DPW street garage, \$75,000 for odor control system at the sewer pump station. And currently set for this year, 2013, we plan on investing another 2.1 million dollars in sewer upgrades and an additional significant road project that we are looking at in the neighborhood of \$400,000. So again the Mayor thinks that is a tremendous feat and that everybody here deserves the credit.

The Mayor said a couple of other items - since obviously revenues are hard to come by and we live in a difficult environment, what we have asked to do is to have our large tax exempt properties in the community that really serve more than just our Village but serve the entire region but whole house themselves here in the Village of Suffern and as a result use our services, like police and fire, to ask them to voluntarily make a contribution to ease the burden on Suffern families and seniors within our Village. And the Mayor is proud to announce that already currently in the budget we have negotiated two trail-blazing agreements. One with Esther Gitlow Towers and the other with Good Samaritan Hospital in which they are voluntarily contributing between the two of them \$100,000 a year to our budget. Also, the Mayor would like to announce at this time probably the last open item that hopefully will lead to a further reduction in our tax increase. Trustee

Falciglia and he attended a meeting at the Salvation Army two days ago. They had a very open, honest and frank conversation with the people in charge there and we have gotten word that they acknowledge that the original contribution that they gave to the Village in 1978 has really been outdated significantly by inflation and that they will increase their contribution to the Village. And that we will know that number within a week. So once we hear that, if it is obviously a number that we will be happy with that we can look to obviously further reduce the levy that we are increasing from 1.78 to something lower than that.

The Mayor said the last couple of items that he would like to touch upon is two big things which is administration-inherited, as he mentioned earlier, which is the condition of the sewer plant which was really just in disrepair to a point where not only the DEC of the state but the EPA of the federal government was taking a strong look at our sewer and potentially coming down with significant fines. So immediately we addressed that issue. We plugged the holes but also created a borrowing, a long-term debt borrowing, of 3 million dollars to reinvest in our sewer plant and also this Board felt and he felt and he can feel safe talking for them that we felt that if we were going to spend 3 million dollars rebuilding our sewer plant we had to ensure that we had new staff in place to make sure that investment was protected. And so we have done great there. And potentially a sewer deficit that ran as high as over \$700,000 a year we are projecting a 22% decrease in the sewer fund deficit for the current year and per our deficit reduction plan we expect to be deficit free by May 31, 2017 in the sewer plant while investing 3 million dollars. Similarly in the water fund we had faced a deficit, a long-term deficit, of over \$500,000. Right now we are projecting 18% decrease in the long-term water fund deficit from May 31, 2010 to the end of this fiscal year and pursuant to our deficit reduction plan we will be deficit free in the water fund by May 2016.

The Mayor said the other two items he would like to highlight, and then obviously open it to the Board and then to the public for any comment, would be in terms of energy. We have saved a great deal of money by aggressively pricing our energy to take advantage of low energy prices due to a difficult economy as well as increasing efficiencies in our sewer plant that saw alone a 20% reduction in energy use just by improving our efficiencies at the sewer plant. And overall, year over year, we have decreased our energy costs by 13.5% which translates into hundreds of thousands of dollars of savings to Suffern residents. And lastly,

you can cut costs, you can create efficiencies, and you can reduce payroll through attrition but you also need to increase revenues and he is proud to say that this year, through downtown revitalization including a new anchor store, two condominium developments, a new senior tower at Gitlow and a 3 million dollar renovation to Gitlow I that we are going to have nearly 50 million of downtown construction that will expand our tax base, bring in building fees, and make downtown Suffern the economic hub of western Ramapo and western Rockland County. So again those are the highlights. The Mayor said this is his last budget meeting. He said he figured it was fitting to review what we have all accomplished together. He said first let him thank Tom Zordan, our Treasurer, who worked very hard. He said we started off rough because in their first meeting this year, within the first meeting, the Mayor actually talked about spending 10 thousand new dollars in something that he wanted to propose in the budget and Tom got very nervous that we were going to be in a spending mode. But obviously we do need to invest but we do control costs and led by Tom and the rest of our department heads he can honestly say that we employ zero based budgeting in this Village. Tom and he go through every line of the budget as well as the Board of Trustees - line by line - over 700 lines. They look at what a department head had in the previous year in the line, the previous two years in the line, what they have currently year to date and what they are looking for going forward for the next year. And unless they can justify why they haven't spent a dollar or why they need a dollar we don't just give blanket money. And that is how we have been able to control costs. So along with Tom and our department heads and this Village Board, he applauds everyone for their hard effort that Suffern really is bucking the trend of a lot of municipalities. And again thank you and he would like to open it to comment from the Village Board.

Trustee Falciglia said he is very happy that the Salvation Army is receptive to increasing their payment in lieu of taxes. One thing that he would like to see with them is maybe tying that number that we come up with to our annual increase or decrease, if there ever is going to be a decrease, so that amount keeps escalating each year and keeps pace with the amount we ask the taxpayers. Something that we threw out to them that we should consider. So if they come back at \$40,000 and then we go up 2% and we bump it to \$48,000. And compound it, of course, so that as this goes on yearly the amount keeps going up. The Mayor said he thinks that is fair and that is why we got into that situation because \$10,000 in 1978 we had a million and a half dollar budget

and as everyone sees right here, right now we are at 11.9 million dollars. So that \$10,000 hasn't gone up. But hopefully we will be able to hear back next week with a good number. Trustee Falciglia said he thinks we pointed out that if they would just increase that \$500 a year it would probably be what we are looking for now. The Mayor said exactly.

Trustee Meehan said just a point that he wanted to make - two points. One very briefly is that there is a limit in time to our contribution from Good Samaritan Hospital. It is limited to two years. And we are hopeful that it will continue on. It is based on the relationship that we have with the hospital. But this is something he has been complaining about for ages and he congratulates the Mayor on being able to achieve this to get some money from them because they provide service to a large region - half of Rockland County essentially - and a lot of northern New Jersey yet when it comes to fire and police services it is all on the taxpayers of the Village of Suffern so it makes a lot of sense for them to contribute to us.

Trustee Meehan said the other thing - the building permit line under revenues increased from \$180,000 to \$410,000 and this is because of the building that the Mayor had alluded to. But he would ask the Mayor if he could - and Trustee Meehan is aware of the components because of his conversation with Mr. Zordan - but he would like to - if the Mayor could just allude to - the Mayor said specifics? Trustee Meehan said specific projects and the specific amounts. The Mayor said sure. He can do that.

The Mayor said normally we feel comfortable, he believes, like in a typical year with stuff that we don't particularly enumerate in there that we know happens - like normal additions that people will do putting on a garage. So there are typical permits that will come up just in the normal course of business. And we feel comfortable with an amount of \$100,000 or so in a typical year. Obviously to have a number of \$400,000 we anticipate significant revenue. And again this is just a budget. So we are raising a tax levy based on what we believe our expenses will be come the end of the year and he thinks what we have done, which is good, is over the last few years, even when we had a deficit or surplus our deficit or surplus is pretty much within 2 or 1% so here we sit in March of 2013 predicting where we will be come May 31, 2014 and in the last three years we have been within 2 of 1% pretty much every year. But again we are not estimating things that we don't think are going to happen. So everything that we are talking about in the revenue has been approved. So the new

Gitlow Tower, Gitlow III, which has been approved by the planning board and is now going before the building department that, in addition to the garage that is going to go with that, is 17 million dollars and our building permit fees are 1% of the estimated construction cost. So that would be \$170,000. In addition, Gitlow I, the original building, is undergoing overhaul - new windows, new kitchens, new bathrooms in every unit and that is a 3 million dollar project. The money has been approved by HUD and they are just going through the application project and his understanding there is that should look to begin within 6 months or less. So again, the money is there. It is going to happen. It is just a matter of timing and that is 3 million dollars and that would be another \$30,000.

The Mayor said in addition we have Ace Rainbow, the new anchor store at the site of the OTB. The estimated construction there - again they are coming into the Village. They bought the property. They are moving forward. And we know that they want to be open by September. They are meeting this week with various officials in the Village to start their process. So we believe that is going to be a 2 to 3 million dollar renovation. So another \$25,000 to \$30,000 fees there. Then we have the two condominium projects. First the Wayne Avenue project of 21 units, where he believes construction there will be about 3 million dollars. So that again is another \$30,000 permit. And then the construction, and that has also been approved by the planning board and is moving forward so that is final site plan approval. And the 48 units on the site of Conserve - another condominium project. That is 48 units. And he thinks that the estimated construction there is 6 million dollars and that would be about \$60,000. So those are - if you add them up - just on those - that is \$315,000 - so whatever that number there. So again that is not including regular work. Anything else. So we feel pretty comfortable that is actually a pretty conservative estimate. So he thinks there is going to be additional fees but we wanted to keep it obviously looking, knowing what is in the hopper, but also being conservative.

The Mayor said he wanted to say one thing about Jack - because everyone does their parts. Mr. Meehan secured \$35,000 while the quarry project is in the planning stages or proposal stages that the developers agreed to put it back on the tax rolls. And he will give Mr. Meehan due credit for getting that done. So again that is continuing revenue that is in the budget.

The Mayor asked if any other Board members had any questions. The

Mayor said if anyone would like to come up from the public, please do.

Jim Giannettino of 2 Memorial Drive said using your figures of \$315,000 on building permits, you are at what - 430,000? Do you foresee that type of private development to generate that \$115,000 additional? The Mayor said he thinks that just based on these big projects we know that there is work going on in the hospital and there are a couple of other things - yes, he thinks that based on - the \$315,000 number of large projects that we know are in and based on our typical years of revenue otherwise still leaves this number to be pretty conservative.

Mr. Giannettino said okay. He will get to the reason why he is questioning it. You have \$180,000 projected this year. So far you have \$80,000. You have three months to bring in another \$100,000. So he thinks it is safe to say that you are not going to hit that mark. The Mayor said it does depend on the Gitlow project - again where that revenue falls in between. It may be in next year. It is in the budget but again he thinks it is something that we can address. If it comes in early it would add to the fund balance and then we would probably look to amend the budget to amend back some of the funding. Because again it is exactly hard to predict exactly when it comes in but he does know that there is a hospital project and there are another number of small projects and potentially another 3 million dollar project which we are just waiting on finance for the Brooker office building which is approved. It is a 3 million dollar project that has site plan approval. He is just waiting to get financing. So he is pretty optimistic that that is going to happen but that again is not budgeted. So - Mr. Giannettino said unfortunately that sign "coming soon" has been there since he has been in Suffern and he has been here 40 years. The Mayor said he understands. But just so you know where it is - Mr. Brooker has not really actively sought to move forward on the building because of the economic crisis the last couple of years and now he is and it is just a matter of the financing. So again there is potential there but that is not reflected in the budget. The Mayor asked if we know the number of what the hospital is doing because he knows that there is some decent construction that is still - the Mayor said also, sorry, we have in there and he forgot there is another project a little over a million dollars which are the 11 additional units - he asked Attorney Rice how many units up on Pavilion Road - Attorney Rice said yes - the Mayor said there are 11 additional units that already have approval and are before the building department so that is another 1.5 million. Mr.

Giannettino asked where is that. The Mayor said where Pavilion Road is - the apartments. Mr. Giannettino said where they tore down the old building? The Mayor said correct. Mr. Giannettino said they are rentals, correct? The Mayor said they are condominiums but right now they are renting them. They are condominiums though. And he is building another 11 units. And that is \$15,000 in fees that he didn't include.

Mr. Giannettino said the real reason that he is questioning building numbers is that you are not going to hit your mark this year more than likely. You may get close. He doesn't know. The previous year you were about \$200,000 off your projected building permit budget. Some of these same projects were counted in that budget and they weren't even approved from the planning board. So he doesn't know if they are going to start. And by the way he wishes they do something at 166 Wayne because there are trees that have fallen on that building and once school is out, and he was a kid and he used to love to climb trees, especially when you can just walk right up. So he wishes that would get taken care of even though that is not a budget item.

Mr. Giannettino said moving right along. The Mayor said let him just go back to that. Again these items - anything that we put in the budget based on a large project, anything which has been approved - and again we try to be conservative with revenue overall and he can just say at the end of the year if we were off on some revenues and other increased revenue came out and we are in the black so we do the best we can based on the facts we have.

Mr. Giannettino said he understands that completely but when there is a two or three year period where you are missing the mark by close to \$100,000 or more, he doesn't think you are being conservative enough. That is his opinion. The Mayor said okay, that is fair enough. Thank you.

Mr. Giannettino said he notices a big reduction in recreation and he kind of understands why but he understands you are going to hire a person to replace the director. The Mayor said correct. Mr. Giannettino said he doesn't know what you are going to start that person at but you are looking at a \$48,000 difference in your budget. Mr. Giannettino said it could be 50,000. It depends on which version of the budget you are looking at. The Mayor said \$35,000. And that is pretty much the difference in salary.

Mr. Giannettino said your inspection fees. Code enforcement inspection fees. It is at \$24,000. The last actual year on record

was 2012 and it was \$2,900. That is kind of a jump. Treasurer Zordan said in the past the code enforcement fees, which are called civil compromise, were kept segregated from court fees and in 2008 the Judge changed how they were accounted for. He wanted all the fees being credited to his account. So when Treasurer Zordan was doing 2009 this was the only information he had and he was told after the fact that they changed it. So some of those fees were actually credited to the court as fines instead of code enforcement civil compromise fines. So that is why there is such a jump. Mr. Giannettino said he always understood it to be civil compromises went to the building department and levied fines by the Judge went to the court. Did that change at all? Treasurer Zordan said that is what changed. Because even though the building department assesses the fines, the code enforcer writes out the ticket - Mr. Giannettino said puts the penalty - Treasurer Zordan said right. The Judge administers the case so he wanted that money to come through the court system and that is how it has been handled for the last - Mr. Giannettino said that is not the way it is supposed to be. Treasurer Zordan said that is how they are doing it now. He said he doesn't control the court. Mr. Giannettino said he knows he doesn't but it was always civil compromises went to the building department. Judgements went to the court. The Mayor said just so we are clear just on this issue. It is an allocation issue. It doesn't go directly to that department. It is just whose account it is credited to. It still obviously all still goes to the general fund.

Mr. Giannettino said okay. He said there is one thing in here which he is sure you took off already. It is the \$2000 bingo revenue. There is no more bingo in the Village of Suffern.

Mr. Giannettino said CHIPS money. He said he notices it is up to \$90,000. Is that what we are getting now - not \$60,000? The Mayor said correct - \$89,000. Mr. Giannettino said your FDMA line is showing \$100,000 in 2014. That's not taking into consideration the 1,084,000 for the demolition of those homes and any money that was outlaid? The Mayor said he guesses you can say how we allocated some of that in the expenses as they have gone along.

Treasurer Zordan said we haven't included that money in the budget yet. The reality is the money is going to come in and come out and until he gets the final - they say okay, here is going to be the check, then we will amend the budget. Mr. Giannettino said you haven't gotten any money yet. Treasurer Zordan said no, no, no, we didn't get any money. If it happens, it could eventually, not likely, but it could happen before, it could happen before

this year is over. It is not likely that it will happen before May 31 but it could. So he is not going to put it in for next year in case it were to happen. But if it did happen it is just going in and out and the net effect is going to be zero. Mr. Giannettino said then where do we anticipate this hundred grand coming from for this year's budget. Treasurer Zordan said we are going to be receiving money from the last storm - Sandy. Mr. Giannettino said but you may not see that? Treasurer said no, no - they actually are pretty quick. The Mayor said that is the money that we automatically get as reimbursement for fire use and refuse and that kind of stuff.

Mr. Giannettino said one other question. What ever happened to the water deal with Hillburn? The Mayor said whatever happened with the water deal with Hillburn? Trustee Falciglia said Bernie Jackson lost the election so he guesses that is the end of that. Mr. Giannettino said no, if he had won it you would have been in the same position. The Mayor said what happened with the water deal with Hillburn is it makes economic sense but a huge capital outlay is required by the Village in the building of a pumping station. And since we last built one - which he doesn't know if it was in the tail end of Mr. Giannettino's administration - it was the beginning of the previous administration and the pricing has doubled. So we went for a government efficiency grant. We did not get it. So it is still somewhat economical to do and we are still talking about it but again we want to reapply for the grant because we have some basis to believe that if we tweak our application and look at it a different way and maybe apply a different way - and he doesn't want to speak for the grantwriter - then it is worth taking another shot at. But again they still have an agreement with United Water and United Water has said that there is a willingness to let's say if we are in the planning stages which would be this summer - was it 2013 or 2014 that they were done - that they would maybe go month to month. So everyone is open to it and obviously we want to get funding to make it more economical. Mr. Giannettino said they had also applied for a grant for that too, didn't they? The Mayor said we did it together. And he thinks that each one was allowed \$250,000 so we were asking for a total of \$500,000 which would essentially cover 90% of the cost. And we didn't get the grant. So again it is a decision whether - how much we want to spend and how long it comes out. So we are going to reapply and then we will see where this grant comes in this summer and if it looks good then we will move forward. Mr. Giannettino said it makes sense if it can happen.

Mr. Giannettino said G1990 contingency - \$50,000. Treasurer Zordan said what that is is where we are starting our deficit reduction plan. So built into the rate is \$50,000 worth of revenue so we have to show - there is no deficit reduction line in the New York state budget code. So we have to come up with an account so we put it in as contingency and that money will be used to reduce our deficit. You will see the same line item in the water fund which is \$70,000. Mr. Giannettino said that was next. We think alike. Mr. Giannettino said his question is - did that money come out of the general fund? Treasurer Zordan said no. The Mayor said that is built into the rate. Treasurer Zordan said it is built into the rate. Mr. Giannettino thanked them for the information.

Adam DeStefano of 19 Prairie Avenue said he just had a few questions with the current budget. The first is under departmental income - under public safety. Why are we predicting a \$98,000 revenue from that when in the past we only predicted \$10,000. Treasurer Zordan said what happens is, as the Mayor had said, Gitlow Towers and Good Sam had decided that they are going to give us some extra money and what it entails is that they are giving us money because they use our fire services and our police services so we call that revenue for use of public safety. So that is where we put it. Trustee Falciglia said so you are putting that money there instead of payment in lieu of taxes. Treasurer Zordan said yes. Because first of all we haven't signed what they call a PILOT program - Trustee Falciglia said a memorandum of understanding - Treasurer Zordan said yes. We didn't sign one of those and they are just saying that they will just give us the money. Treasurer Zordan said we had went to them and said we never said to give us money instead of taxes. The Mayor said just so you know - in terms of and Jack has dealt with this and we talked about this when we initially had discussions with Gitlow is that PILOT programs under HUD are only permitted in New York city so the way we did it is to build into any future housing that a non-profit would erect in the Village so that they would have a life and maintenance fee that would be built in and that would be \$250 per unit per year and that is how we get the amount of the money with Gitlow and again on the second tower. So again if the Salvation Army or another non-profit - Mr. DeStefano said the Gitlow expansion - the Mayor said well Gitlow made a voluntary contribution and we made an agreement for the second building. The hospital is a unique situation. If any non-profit built new construction residential in the Village they would be required by our local law to pay a \$250 per unit fee in perpetuity. Trustee Falciglia said so the Salvation Army would

not go into payment in lieu of taxes? The Mayor said no, he thinks it would go into the same - Treasurer Zordan said that the Salvation Army right now has a PILOT program where they are giving us \$10,000. So he thinks what happens is we will amend that and increase that line item - actually he did put \$10,000 - if you look at the second line of the budget - it is \$155,509 now. So that was the extra \$10,000 minimum that they are going to give us. The Mayor said that Tom had had that out until after we met with them because we were afraid if it backfired they may not only increase it but they would take away the \$10,000.

Mr. DeStefano said another question he had and he was hoping that one of them has it because he couldn't get it in time. For last year's budget we said for other compensation we were expecting \$300,000 and he presumes that was for the sales of the property from the year before. The Mayor said correct. Treasurer Zordan said no, no. The Mayor said it was Mahwah - what happened was and again part of it is saving money but obviously you have to bring in money to accomplish it. So last year we were fortunate in the budget we have an agreement where we have a settlement with the Mahwah mall. Mr. DeStefano said okay, yes. The Mayor said that is just a one time thing. And the other thing you are going to bring up is 120 Orange Avenue and yes. Mr. DeStefano said yes because they are so close in price. That is why he wondered. The Mayor said what is pretty amazing about that is that it was in the budget for \$300,000. We did not sell it. So presumably that would create a \$300,000 hole. Other unanticipated revenue and savings enabled the Village to fill that \$300,000 hole and on top of it have additional money that kept us in the black. So theoretically if we were to sell that building now again it would be \$300,000 in additional income. So he thinks that is pretty amazing. And look, he is not - in terms on how we looked at that property, there is a risk there. And if you have a one shot like that and you put it in the budget if it doesn't work out it creates a hole. So going forward he thinks it is something when that is a big ticket item and we were fortunate that it worked out but we should also - all municipalities - should be very careful that when you sell an asset and you plan to sell it that it actually happens. With the county and the hospital - Mr. DeStefano said several times they put it in the budget and - the Mayor said and then it doesn't happen. You build a deficit. We are fortunate theoretically that if everything else went perfectly right - no dollars less or more - we would have a \$300,000 hole in the year ending May 31, 2012. But we were able to make it up with additional revenue that even with that we are going to be in the black and if we do sell the property which we plan in the future

there will be further revenue which we will realize. Mr. DeStefano said we are going to get that eventually.

Mr. DeStefano said the other question he has is on the transportation CHIPS. Normally we have been making \$60,000. Is there any new transportation in the area that we changed it and we believe that we are going to make \$90,000 in income? Treasurer Zordan said the amount we receive is told to us by the state. Mr. DeStefano said okay, so that is what we are going to get. Mr. DeStefano said that is good to know. He said the reason that he is bringing up a couple of these issues is the one where you mentioned in the previous budget out of the \$180,000 we expected \$100,000 from the Gitlow Towers for revenue. His concern right now is out of the \$410,000 we are predicting for building permits \$100,000 is also from the same Gitlow Tower, correct? The Mayor said no. Mr. DeStefano said it is from a different one? The Mayor said yes. Mr. DeStefano said the way you made it sound before it sounded like we were double-dipping in the same project. The Mayor said no, no, no. The only thing is if the permit comes in early - before May 31, which actually he thinks today is not going to be - we are looking at more like June or July. If it were to come in early, that \$170,000 would bring us way over the budget. Because again we estimate revenue. And typically revenue comes after. But if it comes in early we would then obviously realize a huge amount of money before May 31 this year which would easily take us over our budget and put us in a huge amount of surplus on top of what we expect. So then what would happen is obviously looking at that \$400,000 for next year - if \$170,000 came in early, then obviously we are not going to be able to make that up so what we presumably do is amend the budget and take some of the extra money in our fund balance - Mr. DeStefano said and use that and it would reduce the tax. The Mayor said again we don't know exactly - Mr. DeStefano said it is a rough estimate - the Mayor said based on that sale of 120 he thinks we have been very conservative in terms of how we place revenue. So anything that is in there has been approved.

Mr. DeStefano said the other question he has is for police services. We predicted \$110,000 for the 2013 budget. We currently are only at \$42,000 - the Mayor said for - Treasurer Zordan said the county is supposed to be reimbursing us so we will have two reimbursements - one for \$25,000 and one for \$18,000 that they owe us. Mr. DeStefano said okay. The Treasurer said so we have outstanding approximately \$43,000 in reimbursement requests. Mr. DeStefano said then the odds of getting \$20,000 we should break even. Treasurer Zordan said yes. Mr. DeStefano said the reason he

brings up a couple of these issues is if we didn't receive the FEMA aid in 2012 for \$670,000 we would currently have a deficit of \$630,000 in revenue. Treasurer Zordan said the FEMA revenue is basically a reimbursement of money that we spent. If we didn't have the hurricane, we wouldn't have spent the \$600,000 and we would be in the same boat that we are in. We couldn't predict that we were going to spend \$600,000 because of a hurricane so it is not in the budget. This is just a reimbursement of money we had to spend because of the storm. If FEMA didn't reimburse us, yes, we would be missing \$600,000 but it was because there was a storm. Not because we budgeted bad or we wasted money. There was a hurricane that cost a lot of money that we can't get reimbursed for but FEMA came along and reimbursed us and made us whole. Mr. DeStefano said what he is looking at from the one budget we lost \$270,000 in building permits because we did not reach the \$483,000 goal. The Mayor said the property, as you know, from Orange Avenue did not sell which left us in sales and property and equipment a \$287,000 deficit in that area along with a couple of other areas which add up to a couple of thousand. But those are the two main ones. The FEMA aid almost perfectly off-balances that that is why when looking at it it doesn't make sense considering we lost over half a million dollars in those two predictions let the FEMA aid was able to - Mr. DeStefano said he is confused over that. The Mayor said we can explain this at another time. He thinks he is missing again what it is. Yes, there was one that sale of the property - Treasurer Zordan said we spent money. We didn't make the revenue we wanted to - Mr. DeStefano said but we were able to cut the spending. Mr. DeStefano said it is so close. He said he does hope that we can hit the \$410,000 because the same thing - we have a pattern of three years right now where we have come under by a significant amount and he is hoping that because these are in front of the planning board - the Mayor said they are all approved. Mr. DeStefano said since they are all approved he really does hope that they do end up building them as soon as possible so that we can make that revenue. The Mayor said that would be the purpose.

Jean Hennelly of 135 Wayne Avenue said in regards to the capital projects fund she asked if we could specify exactly what will the money of \$73,000 be used for the fire equipment - what is being purchased. The Mayor said the capital budget is that there is the roof on the firehouse - Mrs. Hennelly said that is separate. This is the various equipment. The Mayor said okay, sure. Treasurer Zordan said each year the fire department gives him a list of various items that they have to purchase. They have circular saws that they use for cutting concrete and other saws for cutting the

cars up and different things. New hoses that are very expensive - these 100 foot, 200 foot hoses are expensive. They give him a list and that is the total of what it is. If you want a copy of that he can e-mail it to her if she wants. But basically it is equipment that they need every year because things break or get old or so on. But he can get her the list. Mrs. Hennelly asked about the \$100,000 for town hall here. Treasurer Zordan said what happens is the capital budget that you have right here has not been finalized. Because this was the original budget that they requested - the projects that they wanted to do based on the fact that we try to maintain a level of a borrowing amount each year of \$500,000 so we don't have spikes up and down. Because whenever you have a spike that goes up you have to raise the taxes and then when it goes down, you don't give the money back. You just incorporate it into the tax rate. So what we want to do is keep it level so our debt is always the same. So what happened was they came to us and said these are the things we would like to do. And then we said okay, we have to do this, this, this. We have a certain amount of money but we would like you to do something else. So we haven't finalized this. He is hoping that we can get this cleared up within the next week. The Mayor said the situation there - Treasurer Zordan said the total dollars is not changed. The Mayor said he would explain. He said what we are looking to do is again we have \$500,000 in the capital that is going to be consistent. We have an additional \$25,000 that is in the water fund directly for capital and then we have the CHIPS money which is \$90,000 and then we have another \$90,000 in old road projects that we are going to allocate back. So essentially our total capital budget for this year should be around \$700,000 - \$500,000 that we are going to do our typical \$500,000 borrowing and \$200,000 from CHIPS and any old projects and other stuff that is budgeted. The items that he talked about for the fire house and the roof. And then we have \$50,000 for an ionize study which is part of the overall sewer project. It is a long-term study of our sewer delivery system. Then there is \$50,000, half of which is going to be for the water budget and another \$25,000 for the capital budget to do two repairs on wells and then the long-portion right now that we are backing into is we want to do another large road project. We have done over 40 roads so we are looking at a couple of large significant projects in the Village and based on what we preliminarily budgeted out for as being our top priority that could be anywhere from let's say from \$350,000 to \$400,000 and so if there is anything left over Charles Sawicki, Superintendent of Public Works, has a couple of items that are next on his list including we need in our sign shop we need a new sign machine and a couple of things. So depending on

where we are with the roads we will do as much as we can and then if anything is left over there then he is going to go down - and, oh, there is one police car. The Mayor said that what we are trying to do with the police cars is that we want to keep that consistent also where we have a municipal finance - like if Tom said we want tax stabilization so that we don't spike up put in 50 grand for a car in one year in the budget and then next year we don't need a car we have 50 grand more built in. And even if you keep taxes flat you just raise taxes \$50,000 a year forever. So we are trying to get municipal finances to keep our payment solid but this year we had one extra car so we put in the capital budget just to pay it off in one year so that we were not building in another car payment every year into the taxes. And he thinks that is pretty much everything.

Mrs. Hennelly said one thing that she did ask and she didn't hear him mention is that \$100,000 for the Village Hall. What money is going into - Treasurer Zordan said we are not going to do it. It is out. Mrs. Hennelly asked what was it going to be. Trustee Falciglia said we renovated it - the painting. Treasurer Zordan said they were going to put in a new heating system because it doesn't work too well. Mrs. Hennelly said it seems to be working very well this evening. The Mayor said it depends where. Treasurer Zordan said it works at night not in the daytime. The Mayor said it starts working in this part of the building around 4:00 p.m. Mrs. Hennelly said okay. The Mayor said it is a matter of prioritizing and we wanted to do one major road project again this year so that is where we are committing pretty much everything that is not absolutely necessary. Treasurer Zordan said the numbers are going to be basically the same at the end of the day. It is just how we reallocate it. Mrs. Hennelly said that 2013 capital projects - have they all been completed or is anything not on the table? The Mayor said sorry, he can't - Mrs. Hennelly said has anything been put on the table from last year? Treasurer Zordan said no, no, no. Mrs. Hennelly said whatever was in last year's budget you received it. Treasurer Zordan said correct. We took care of everything. The Mayor said the capital budget is pretty clear. We look to borrow \$500,000 every year. Treasurer Zordan said when we release the budget it will have whatever is in there - that is what we are going to do. This is just the preliminary budget. The Mayor said realistically - legally it is when we go out to borrow the money that is when we actually have to say exactly what we do. Attorney Rice said of course. You have to have the items in the bond resolution. Mrs. Hennelly said as far as the curbside solid waste - she noticed that it has gone up once again this year. And the estimate it

seems that you are going to be in the shortfall unless this is a typo. She just noticed it coming in. The revenue versus the appropriations. \$30,000 off. Treasurer said no - there is 846,000. Mrs. Hennelly said this is your expenses and this is your - the Mayor asked her what page she was on. Mrs. Hennelly said SR1-22. The Treasurer said the top line - sale of recyclables - \$30,000. It is right here. That is \$30,000 revenue. Mrs. Hennelly said okay. Treasurer Zordan said \$30,000 plus what we charge them. Mrs. Hennelly said okay, alright. That is not clearly marked but that is alright. She said the actuals for 2012 - where does the extra revenue go. The recyclables for 2011 was 38 versus 726 - that is 756 and allocations are 714. The Mayor said this is just one item. Do you want to just discuss - we can figure this - Mrs. Hennelly said she is just saying - she is wondering why the cost is going up so much basically. Treasurer Zordan said what happens is that the six men that work there we have to pay their pension too so and then their medical insurance. Everything is going up for these guys. We are doing our best to keep - the Mayor said what did we raise it last year. What was the percent. Mrs. Hennelly said it went up \$24 and then another \$22. The Mayor said that is the situation that is pretty much again to a large degree what our costs are. Mrs. Hennelly said okay. She said she again would like to reiterate what the people before her spoke about. She hopes the money that you anticipate does come in because it just seems like you are making it look pretty. The Mayor said at the end of the year we closed our books on 2011 - we were in a hole by \$27,000 which is 1/3 of 1%. So that would mean if you had \$100 that was your entire budget we were off by 33 cents - just in terms of the percentages. The Mayor said in 2012, which we just got the draft budget - we were in the black by \$60,000. So that was \$60,000 which would mean on a budget of \$100 we were up about 80 cents. And this year, with eleven weeks left, we are going to be in the black again. So yes, does everything work out perfectly? No, but the end of the year when our books are closed and audited we have been within 1/2 of 1% of what we estimated 14 months before the year closes. So we will get there. That is what he goes to sleep every night being concerned about. And we will continue to fight for you every day. Mrs. Hennelly said she wishes there was something on the capital budget for the emergency crossing to the West Ward. That keeps getting pushed off to the back burner. She said she thinks that instead of making everything look good in the black that we should - the Mayor said that would not affect the capital - it would be capital. And as he said, and this is important, the capital budget is consistent. So yes, if you believe that that should be an item that is prioritized in the

\$500,000 that is a valid concern and they have looked for funding for that. Mrs. Hennelly said she understands that then other items could go to - the Mayor said to let him just finish. Let him finish. So what would happen in that situation is it would have no effect on the budget. It is just a question of being prioritized of where it is. So it wouldn't affect the rate. It would just effect whether we did as many roads this year. So the capital budget, other than the consistent debt payment, which we keep consistent, has no impact on the levy or whether we are in the black or the red. He said he just wants to be clear on that. Mrs. Hennelly said that she thinks that the money that we got from Mahwah should have gone towards the West Ward intersection. She thanked them.

Roy Tschudy of 16 Lonergan Drive said that his question is, and it is a little touchy because this is what he did for a living - but he would like to know what percentage of the budget is our police department. The Mayor said in terms of what - personnel or - Mr. Tschudy said no, in monetary. The Mayor said the police department - he is going to give it with just salaries and their actual department - without healthcare and benefits - it is about 4 million dollars. Plus healthcare and everything else - the Mayor said it is the biggest single - he said he will give the chief a lot of - the chief's budget is about 4 million dollars and we are not including healthcare and pension - just salaries and what he does - of that budget about \$300,000 of it or \$400,000 is his actual operating expense, which he keeps extremely consistent every year. In terms of purchasing new equipment we are always going for grants. He is very aggressive in that. But yeah, it is expensive. But he thinks that relative to other surrounding municipalities we get a much better service from our police on a salary scale - we are not comparing it to South Carolina - he said he always says to people if you think your taxes are too high then you should move out of this area. But as between living in Suffern or Montebello or Airmont or Mahwah or any of the surrounding areas, he doesn't think that you will see better services than you have here in the Village. Mr. Tschudy said he would never question the integrity of our chief or anything like that - the Mayor wasn't saying that - Mr. Tschudy said he has the greatest respect for that. But just on the numbers. He is looking at 12 full time police officers and 7 sergeants. So that means basically 1 sergeant for every 1.2 police officers. The Mayor said we do have - he said he echoes the concerns that he believes is a matter of policy that police officers to the extent possibly that we want to see them put feet on the ground in the neighborhoods fighting crime. So yes, that

is something. Mr. Tschudy said he is just a little confused with the disparity of so many sergeants as opposed to so many less police officers. Because he knows - you can say apples and oranges - but he will take New York City because that is what he knows best and it is 1 for 12. 1 for 1.2 is a little - the Mayor said and then you have 5 part-timers. He said he doesn't disagree with him and he thinks it is an issue as we go forward we will look at. Mr. Tschudy said that is all he asks - if they could keep that in mind and visit that when they have to do budgetary constraints. Trustee Falciglia said if it is any solace he has spoken to Clarke - the police department is sort of like a college team - latent with seniors - and 50 year seniors and hopefully over the next few years the number of sergeants can decline and the number of police officers one can increase. Mr. Tschudy said he gets it. He understands the ballpark. He understands.

Jim Giannettino said he saw in the budget 2 part-time building inspectors. The Mayor said correct. Mr. Giannettino said he knows that you are anticipating all this building. If we hire these people and they don't build for six months, we are tied into two salaries for six months. The Mayor said this is something that was really - if you look at the budget it is a big change. We have two part-time building inspectors. We have had them for a while. And one has been working very part-time. The other Joe Jacaruso. The Mayor said he thinks with the amount of work and it is just even in the preparation for these projects because they are really moving forward - even the pre-construction, even all that, he didn't think it would be appropriate to budget \$400,000 in fees and not to say okay, for bringing in all this revenue we would be spending more money on - Mr. Giannettino said that makes sense - the Mayor said he thinks we would cover the same thing if you say well you are expecting \$400,000 of revenue and you are keeping the same budget in your personnel. Mr. Giannettino said he agrees. But his problem is the way construction is they may not put a shovel in the ground for six months. You are tied into two part-time salaries that are quite generous. The Mayor said actually the salaries - in terms of the rate that we pay of \$35 an hour compared to a recent advertisement in the Village of Montebello which was \$40, he thinks that we actually are on the lower end but he thinks that a good testament to everybody here that people want to work in Suffern and actually it commands a premium - it is not just about dollars. But he thinks that unfortunately that he felt less if we end up paying them which he doesn't think we will do because he thinks they will be busy and they will be working but he just didn't think it was appropriate.

On the other end if you came back here and said the other end where you have \$400,000 and you are going to be busy and you haven't increased the line. So we will see. And he said to the Board here. Going forward - you have to realize, we are going to have 180 more units at Gitlow, between the two condominiums another 70 units so going forward plus the construction and the significant building now at 30,000 square feet on two floors where the OTB is that going forward there is going to be more fire inspections. And right now our fire inspector is part-time and busy so he would think at some point one of our building inspectors gets certification and starts doing - the Mayor said he thinks we are going to have enough work. Mr. Giannettino said he is not questioning if you get the building you are projecting that you are going to have work. His question is when are we hiring the second one for 19 1/2 hours a week or is it going to stay - the Mayor said we have two of them now - Mr. Giannettino said that one of them is making approximately \$5000 which means he is not working a heck of a lot. The Mayor said he has been very recently as things are getting built - the Mayor said he is in the business of trying to keep expenses low but he just thinks it is a prudent thing to do. He will just leave it at that. We will see - the work hours are not guaranteed - but he does think that they are going to be - Mr. Giannettino said then they are not guaranteed 19 1/2 every week - the Mayor said 19 hours - Mr. Giannettino said no, 19 1/2, it is a 40 hour week. The Mayor said they may not be working it but he thinks that they will.

Mr. Giannettino said okay. He said his last question and he should have asked Tom this when he was bobbing up and down how much did we take out of the general fund to augment the tax increase. Did we transfer money from the general fund into the 2014 budget. Treasurer Zordan said no. Mr. Giannettino said none. Okay. Fine. Glad to hear it. The Mayor said he thinks what is appropriate and he mentioned it and Tom and he has talked about this in the past when we have a significant fund balance we do believe we should allocate it. The Mayor's feeling is that you want to be - right now we are sitting at \$60,000 plus we are in the black and again with the Salvation Army coming in we may get a further decrease but he thinks some of that money will go to the fund balance. Mr. Giannettino said that is fine. Mr. Giannettino said a fund balance is a good thing. The Mayor said he would not want to allocate unless we have at least over a 100,000 something dollars in a balance for a rainy day. Mr. Giannettino said okay. Thank you.

A motion to close the public hearing was made by Trustee Abato,

seconded by Trustee Meegan-Corrigan. Upon vote, the motion was carried.

A motion to adjourn the meeting at 9:20 p.m. was made by Trustee Abato, seconded by Trustee Meegan-Corrigan. Upon vote, the motion was carried.