

**PUBLIC HEARING UPON THE 2010 PRELIMINARY
BUDGET OF THE TOWN OF NEW HARTFORD, NEW YORK
HELD AT THE PERRY JUNIOR HIGH SCHOOL, WESTON ROAD
NEW HARTFORD, NEW YORK ON THURSDAY,
NOVEMBER 5, 2009 AT 6:00 P.M.**

The Town Supervisor called the meeting to order at 6:00 P.M. and led those in attendance in the Pledge of Allegiance to the American Flag. The roll was then taken with the following Town Officials and Department Heads being present during the progress of the meeting.

TOWN BOARD MEMBERS PRESENT:

Councilman Robert A. Payne III
Councilwoman Christine G. Krupa
Councilman David M. Reynolds
Councilman Richard B. Woodland, Jr.
Supervisor Earle C. Reed

OTHER TOWN OFFICIALS PRESENT:

Director of Budget Heather Mowat
Town Clerk Gail Wolanin Young

Thereafter, a quorum was declared present for the transaction of business.

The Town Supervisor opened the Public Hearing at 6:00 P.M. The Town Clerk had available the Notice of Public Hearing, Affidavit of Posting and Proof of Publication (October 30, 2009 edition of The Observer Dispatch), in addition to the Special Assessment Rolls for various sewer and water districts and copies of the Budget for public dissemination. Also included in the budget are rates for street light districts and fire protection districts. The purpose of the Hearing is to offer the citizens an opportunity to speak for or against or to comment upon the Budget as a whole, or any part thereof.

Director of Budget Heather Mowat explained she was hired to determine where we were, where we are and where we're going in light of the draw down of the General Town fund balance to \$250,000 and the submission of an unaudited financial statement for 2008 to the State Comptroller. She noted there were numerous reimbursements owed the Town for 2008 that were not received until 2009. There were eight (8) years without a Comptroller and no oversight. The Town Board watched. There was no stealing; she didn't find any and didn't see it; the auditors didn't either.

The Town Board was not receiving timely monthly reports from the Bookkeeper. In June 2009 the Town Board received the January 2009 report – we have a great Bookkeeper but no comptroller.

With regard to sales tax revenue, the Town had been overestimating what they thought they'd get. Historically, sales tax revenue had been increasing but then there was a slow

down over the past couple years....assessments going up suddenly weren't there. A shortfall of \$500,000 over the past three (3) years meant a loss of \$1.5 million.

Fund balances started being used for everyday expenses – it was being budgeted, being used....domino effect....not enough sales tax revenue, assessments not increasing, put all together and you have a big problem. Probably started in 2008 but didn't have figures when preparing the 2008 budget. In 2009 the Town budgeted to use \$1.2 million of its fund balance and was already \$2 million behind. All the monthly reports have been brought up to date and department heads are now receiving copies so they know how or if they can spend. The Town Board cut the 2009 budget in Summer 2009 – hiring for all intents stopped. No more employees today than 10 yrs ago.

Property owners only paid \$29 more in Town taxes over the past ten (10) years. Price of diesel increased, health insurance increased, etc. and the tax rate increased from \$2.00 per one thousand dollars of assessed valuation to \$2.19 per one thousand dollars of assessed valuation over ten (10) years. It is expected that as of December 31, 2009 the Town will have a fund balance of about \$150,000extreme fiscal stress. The Town is having cash management issues; big bills are being paid in whole instead of installments (insurance, library, etc.). The Town might have payroll problems like ten (10) years ago when she was comptroller. The final 2009 sales tax revenue check from Oneida County will be received in February 2010. Changes in accounting affected the police budget and the New York Mills property owners. Advice from the State Comptroller in 2003 to then-Supervisor Ralph Humphreys had gone unheeded.

Questions for the Town Board - do you want to layoff people, cut employee benefits, etc.?

Director Mowat then reviewed various charts:

- comparing taxes among the school district, Oneida County and the Town, the majority of which goes to the school and has nothing to do with the Town tax. The projected 54% tax increase would result in \$3.38 per one thousand of assessed valuation, compared to the current \$2.19 per one thousand of assessed valuation.
- break out of total appropriations by town departments; lot of assets to take care of... parks and police, etc. Crime statistics have increased and services have been offered with the same level of employees.

Director Mowat had met with Highway Superintendent Sherman, Planner Schwenzfeier and the Mayors of New York Mills and Whitesboro to find other ways to cover the \$40,000 Town reduction in funding for the Sauquoit Creek Basin Intermunicipal Commission. Monies might be available through the GEIS. Additional money is being looked at for the library.

Supervisor Reed then asked if anyone present wished to come forward to speak on the budget. Those who spoke were:

- Richard Pugh, Whitesboro Village Mayor and Chairman of the Sauquoit Creek Basin Intermunicipal Commission, who, in behalf of said Commission and its member municipalities, requested that the Town Board continue funding the Town's equitable portion of the Committee's initiatives for 2010. He cited past activities that included flood mitigation, addressing related damage through removal of excessive gravel accumulations, erosion control and stream bank stabilization. What happens water wise affects people downstream, down Commercial Drive and impacts on the Village of Yorkville and Whitesboro.
- Robert Maciol, New York Mills Village Mayor, who noted that the Village of New York Mills lies half in the Town of New Hartford and the remainder in the Town of Whitestown, cited various agreements with the Town of New Hartford such as sewer rehabilitation funds and sewer credits, fuel and ice control mix that offer the lowest price and sewer service for 17 homes on New Hartford Street; charter members of the Sauquoit Creek Basin Intermunicipal Commission through which a massive project on Pietryka Park would not have been possible without New Hartford's help. He also mentioned use of the Department of Public Work's truck, New Hartford Police always being available to assist the New York Mills Police in emergencies or scheduled events, New York Mills firefighting services and EMTs; Senior Center. Mayor Maciol said the budget is not about what we do, but the projected 54% tax increase and projected 1600% tax increase for New York Mills, which he said is unacceptable and outrageous. He cited layoffs in the area; increases in health insurance for employees; sanitary sewer consent order/NYS Department of Environmental Conservation. The tax increase only compounds the problem. He suggested the Town Board consider drastic cuts to the proposed 2010 budget and to include Supervisor-elect Patrick Tyksinski in the budget process.

Councilwoman Krupa stated that, in addition to the proposed 54% increase, the Town needs to borrow about \$1.4 million. Director of Budget Mowat clarified that the referenced \$1.4 million capital plan is not part of the budget, not part of the increase.

- Mark Cianciolo – the Town Board had been entrusted to be good stewards of their tax dollars. Consider effects of increase on county, school, etc.; the age of property owners here is over 50 and soon people will be on fixed incomes. He mentioned the out flux of high- income people from New York State, businesses leaving, less homes being built. Cutting a mere \$5500 from the budget is pathetic. Too much being put into golden benefit plans. He's mad as hell. Come up with realistic budget and put it out to vote by the public.
- Kathleen Glenn, Deputy Receiver of Taxes - I feel your pain, I collect your money. With regard to school taxes, the school budgets go for public vote and the residents have the opportunity to vote a budget down and while she understands

that school taxes are high, tonight we're only dealing with the Town of New Hartford tax. People are thinking that their entire Town and County tax bill will be subject to the 54% increase; that's not true. She explained the various line items on the Town and County tax bill; for instance, a Town and County tax bill of \$12,000 will not see an increase of \$6,000....look at your tax bill. The top line is the Oneida County tax; the next line is the Town tax (\$7.00); the 54% increase would be on the \$7.00. Also there are special districts like fire, water, sewer, lighting. But on your tax bill check the town rate – not the bottom line – she's not in favor of the 54% tax increase – the Town's checks and balances weren't there. It was their (Town Board) screw up, not intentional. Overestimated sales tax – did you do that in the 2010 budget too?

- Rodger Potocki – a conglomeration of taxes and increase that throws the budget out of whack. Suggest the town initially request a freeze on all salaries and wages for one year and he understands the Town has union contracts. One year would give breathing space. Add a couple community volunteers to assist in the effort. The perception in town and outside and in the immediate area is a loss of faith in responsibilities; try to restore that. He suggested that in the future, the Town Board adopt a zero-based budget for future years. Once you do that, the Town Board should give serious consideration for consolidation of services.
- Ed Rowan – complimented the Director of Budget on updating him at the October 2009 Town Board meeting. He mentioned the increase in retirement expenses in 2010 and suggested the consolidation of the Town's Emergency Dispatch Center, which has a \$680,000 budget, with Oneida County's 911 System. The Town Supervisor has talked to the County Executive today to start the process of looking into it. Mr. Rowan noted that the taxpayers are paying for County 911 services through the Oneida County portion of their Town and County tax bills and paying for New Hartford's as well. He objected to funding to the library. With regard to the Town's declining fund balance, he asked where the \$3 million dollars went; the Director of Budget explained that for the past three (3) years the Town had lived off their fund balance, did not cut employees or services. The Town Board went into the cash savings account instead of raising your taxes and maintained the level of services.

Of the approximate ninety (90) full-time employees, Mr. Rowan suggested that the Town Board ask those who are eligible, to retire; to consolidate the Town's dispatch services with the County; to cut the library budget by 25%.

Councilwoman Krupa said she had made that suggestion at the November 4, 2009 Town Board meeting.

- Kevin Kelly – speaking for himself tonight, said the New Hartford Public Library has five (5) full-time employees, 21 or 22 part-timers, and three (3) to five (5) paid by Oneida County. Referring to petitions containing 462 signatures that had been submitted at the October 28, 2009 Town Board meeting, Mr. Kelly said library patrons come from bordering areas and outside the area and may stop to

shop in New Hartford. He stated that the library budget for 2009 is 10% lower than the prior year. A reduced budget for 2010 would affect library services offered to the public.

- Robert Calli - told the Town Board they have a dual responsibility – to restore faith and confidence in Town government and to take responsibility for their actions. All of you should stand up and take ownership and be true leaders; until you do, it's a dereliction of duties. In response to a question directed to the Director of Budget, Ms. Mowat stated that the greatest line item increases include employee benefits and borrowing. He suggested that the Town Board consider becoming self-insured for health benefits and save hundreds of thousands of dollars. With regard to the collective bargaining units – go back and ask to reopen discussions in terms of wages and health benefits.
- David Corr – there is a need for accountability but get past it and look ahead. Safe neighborhoods are the most important issue and often taken for granted. Our police and firefighters are out there and need our support. Safe school, future growth, safe community – we need these. The Police Department has 26 police officers and we need more, citing the crime including transient crime. Cutting a police officer position would be short sighted. Look at essential safety issues...don't cut police and fire services.
- Jack Jones – he sees the budget as a management problem. He said he was dissatisfied with Town services and cited an alleged incident where he applied for his father's-in-law death certificate only to be told that this record was locked in a fireproof, steel filing cabinet and the Town Clerk, who had the key, was on vacation. Also, he cited the Town's arrangement with the Bookkeeper to be paid an extra \$9,000 to perform payroll duties and she wasn't supposed to get overtime; but the Town paid her over \$70,000 in compensatory time. He says timesheets are antiquated and there's room to cheat; where he works he signs on and off a computer. Last, did the Town have to join other municipalities and go with a dog run?
- Carol Gillette – medical benefits must be cut; employees must pay toward premium. Pensions – no one contributes? Look at cheaper plan for health insurance or go with self-insured like the school. Consolidate 911. The Library is beautiful but can we afford a library like that?
- Kevin Copeland – a couple years ago, a survey was done and the biggest concern of residents (92.3%) was public safety. With regard to the projected 54% tax increase, people have the idea it never goes away. He talked about a flat user fee.....equal basis around the Town.
- Kim Hubbard – understand the Library's concerns, but she has a quality of life matter in her backyard as a result of the construction of the Consumer Square shopping mall and resultant flooding, and her Royal Brook Lane neighbors as

well. Feels a double whammy because of tax increase and then heard the Town is not going to fund the \$40,000 contribution to the Sauquoit Creek Basin Intermunicipal Commission; need to have this money in place. Raspberry Restaurant is also affected. Think the Town Board should be accountable for decisions they made with the taxpayers' money.

- James Messa – ran for the First Ward Councilman seat. The common thing seen – the need for better management and oversight and accountability. Must have great teamwork and put everything on the table. A 54% tax increase is very extreme, stay focused and try collectively to work this out. Public safety very important, need protection of home and family. Essential – plowed/sanded roads. Said he is willing to work for free if he's elected; don't know how others (Board members) feel.
- George Hubbard – flooding issues on Royal Brook Lane, New York Mills, has ducks swimming in his tomato plants. Why do we need the New Hartford Library when New York Mills has their own. He wants Town Officials to spend 15 minutes to look at this problem.
- Les Koury - talking about the fund balance – we didn't know about this; were any articles published to inform the people? Director of Budget Mowat responded that she wasn't here 3 – 4 yrs ago; probably not. Mr. Koury said the people need more communication from town leaders. People don't like taxes.
- Cynthia Donachie – previously lived in a different town that had a full-time Supervisor who was responsible for managing the Town in addition to a full-time comptroller. She was a councilperson. New Hartford needs someone here everyday, might be costly in the beginning but worthwhile to look into. Also, she's working with Director of Senior Services Eileen Spellman to keep the Adult and Dining Activity Center at its 1 Sherman Street location. In Utica, each senior citizen pays \$25 fee for being a member of the senior service organization. Ms. Donachie also mentioned that in another municipality a few years ago, salary increases were deferred for one year (questionable whether they had a union).

She complimented Supervisor-elect Tyksinski who (in a newspaper article) said he'd perform the functions of Supervisor and Comptroller, but she said there's only so much one person can do. The Town Supervisor and Comptroller are responsible for municipal funds.

Director of Budget Mowat stated that the 22 non- union employees would have no pay increases. The Police contract and the Dispatch contracts expire at the end of 2009; two (2) others will expire in 2010.

In response to Mr. Potocki's suggestion earlier in the hearing, Director Mowat stated that the 2010 Preliminary Budget is a zero-based budget.

- Chris Cirillo – had land up north – he told the people “...you’re running the show not them (Town Board).”

There being no one further to speak in the matter, the Supervisor closed the Public Hearing at 7:45 P.M.

Respectfully submitted,

Gail Wolanin Young, Town Clerk