

Annual Meeting and Budget Hearing – April 4, 2016

The following are updates from the Annual Meeting and Budget Hearing, held on April 4, 2016. If there are any concerns or a need for more information, please call (673-3112) or email (marboard@twcny.rr.com) the Village Office.

Annual Meeting - the Board held its Annual Meeting on April 4, 2016, for the purpose of making appointments, designating official newspapers and official depositories, establishing regular meeting dates of the Board and other matters to come before the Board.

Appointment of Deputy Mayor – the first appointment was that of Trustee Sara N. Tallman to serve as Deputy Mayor of the Village of Marcellus. In the absence or inability of the Mayor to serve, the Deputy Mayor is vested with all of the powers of the Mayor.

Set Date & Time of Regular Board Meetings – the date and time of the regular Board Meeting was set for the 4th Monday of each month, at 7:00 p.m., in the Village Hall and for Board Workshop Meetings to be held on the Thursday prior to the Regular Meeting at 3 p.m., or on the Friday prior to the Regular Board Meeting at 10 a.m. in the Village Hall. The Workshop Meetings may be canceled or changed at any time by the Mayor, with appropriate notification to the media and other members of the Board of Trustees

Set Date & Time of Special Board Meetings – the Board approved a motion to allow the Mayor to call Special Board Meetings when necessary, at a time and date to be decided, and to authorize the Village Clerk to notify each of the Trustees (as soon as reasonably possible) as to the date, time and place of Special Board Meetings. The Village Clerk will also post the appropriate Public Notice and notify the media as to the time, place and reason for the Special Board Meeting

Establish Rules of Procedure – the Board agreed to conduct Village Board Meetings pursuant to Rules of Procedure that have been in effect in previous years, a copy of which is on file, for inspection, in the Village Office.

Official Banks – the Board approved a motion to adopt a resolution designating Solvay Bank Corp as the depository for regular accounts, and as the depository for capital and investments, and that all monies received by the Village Treasurer, Village Clerk, and Receiver of Taxes be deposited in said depository.

Official Newspapers –The West Onondaga County Journal, The Eagle Observer and The Post Standard were approved as the official newspapers for publication of official Village notices.

Appointment of Village Employees – with Board approval, the Mayor appointed the following Village Employees, all of which were one-year appointments, from April 1, 2016 to March 31, 2017.

Village Attorney	Jeffrey D. Brown
Custodian, Part Time	Katherine Welsh
Highway Department, Full-Time	Harold Muncy, James LaRose, John Holmes

Waste Water Treatment Plant	Greg Crysler, Ryan Riefler
Police Chief, Part Time	Robert A. Wicks
Police Captain, Part Time	Bernie Podsiedlik
Police Sergeants, Part Time	Keith Gates, Earl Smith
Police Detective-Sergeant	Robert Pitman
Patrolman, Part Time	Jeffrey Fortino, Matthew Hayes, Raymond Herrick, Chris Rowe, Shannon Ray, Michael Graham, Edward Bragg, Leonard Richer, John Scanlon, Gabriel Storto, Peter Heise
School Resource Officers	Raymond Herrick, John Scanlon, Matthew Hayes
Police Clerk, Part Time	Brenda Giacchi
School Crossing Guard	Katherine Welsh
CEO/Fire Inspector	William Reagan
Deputy CEO/Fire Inspector	Kurt Field
Dog Control Officer	James LaRose

Review of and Approval of Salaries and Benefits – the Board approved a motion to continue to provide to Village employees, the same benefits (holidays, vacation days, sick leave, bereavement leave, extenuating circumstances, health benefits, retiree health care coverage, clothing and equipment allotment) that have been in effect for the previous year, accompanied by a 2% salary increase for most employees, except for the Mayor and Trustees. A copy of employee salaries and employee benefits is on file for inspection in the Village Office.

Execute Bond for Village Employees – a motion to notify the public that the Village, having secured property and liability insurance coverage, has executed surety bonds for all Village employees in the amount of \$50,000 and in the amount of \$100,000 for the Village Treasurer and Village Clerk and that the expense of this undertaking has been a charge to the Village was also approved by the Board.

Appointment Village Committees – additional one-year appointments were made, including:
 Chair of Senior Housing Committee – Robert J. Wilson
 Marcellus Betterment Association – an extension of the Marcellus Betterment Association

Appointment of Village Engineers – with Board approval, the Mayor made a motion to utilize the services of and solicit competitive bids, when appropriate or deemed necessary by the Village Board, from several engineering firms including Barton & Loguidice, MRB Group, and TDK Engineering.

Appointment of Village Historian – the Mayor also made a motion to appoint Peg Nolan as Village Historian for a period of one year, 4/1/16 to 3/31/17.

Appointment to Planning Board – the Board approved a motion by the Mayor to appoint Gabriel Lutwin to a full 5-year term as a member of the Village Planning Board – from April 1, 2016 to March 31, 2021.

Appointment to Zoning Board of Appeals – the Board also approved a motion by the Mayor to re-appoint Maribeth Rayfield to another full 5-year term as a member of the Zoning Board of Appeals – from April 1, 2016 to March 31, 2021.

Annual Contracts – with the Marcellus Historical Society, and the Marcellus Health/Loan Closet we approved and the Board agreed to table the Marcellus School District SRO agreement, until a future Board meeting.

Annual Resolutions – the Board approved the following resolutions:

Authorize Mayor To Sign Checks – in the absence or inability of the Treasurer or Trustee

Advanced Approval of Claims – for public utility services, postage, freight and express charges

Set Mileage Allotment – and reimbursement at the rate of .54 cents per mile

Authorize Organizational Meetings – a motion to authorize municipal officials and employees to attend schools, conferences and seminars conducted for the benefit of the local government, a copy of which is on file in the Village Office was approved.

Review and Approval of Procurement Policy – having reviewed the procurement policy adopted in 1993 and that updated in 2002, and again in April 2016, the Board agreed to continue that policy governing the procurement of all goods and services which are not required to be purchased pursuant to the competitive bidding requirements of General Municipal Law Section 103, a copy of which is on file in the Village Office.

Reject Nine Mile Creek Walk Bids – heard back from our engineers regarding the recent bids for construction of the creek walk, and upon their recommendation, the Board approved a motion to reject those bids submitted on March 9, 2016, and to examine the possibility of phasing the project over a longer period of time.

Announcement of Earth Day Participation – the Board approved a notification to the public that the Village of Marcellus will again participate in the Earth Day observance. This observance will take place on April 22, 2016, in conjunction with 2nd grade students from the Marcellus Central School District. The 2nd grade students will gather at the Village Hall after policing the area and the streets north of Main Street, where the Village will provide refreshments and its thanks for all of the work that they provided. The Board of Trustees would like to thank all of the students as well as MCS staff members, as well as our own staff for their help in this matter

Adjournment – following a motion to adjourn the Annual Meeting, the Board approved a motion to open a Public Hearing on the Tentative Budget.

Public Hearing on Tentative Budget – April 4, 2016

Comments from Village Treasurer – the tentative budget of the Village of Marcellus, copies of which are available for the public, has three components: for the fiscal year beginning June 1, 2016 and ending May 31, 2017

General Fund – Two factors used in the calculation of the NYS Tax Cap for the fiscal year ending May 31, 2017, are based on the rate of inflation and the amount of new construction in the State, and are at the lowest levels in the past five years. Consequently, it will be impossible for the Village to raise any additional tax revenue for the upcoming fiscal year without an override of the Tax Cap. Therefore, the proposed General Fund budget includes an increase in the Village tax rate, from \$6.72 to \$6.85 per \$1,000 of assessed valuation. While this represents only a 1.93% increase in the tax rate, it has become necessary to override the Tax Cap Limit dollar amount, which will generate about an additional \$12,000 in tax revenue for the Village, and, as a consequence, will negate the receipt of any Property Tax Freeze Credit by Village residents. The Village does intend to keep its trash collection rates unchanged for the upcoming fiscal year, at \$45 per unit. The Village greatly values the work performed by its employees, and will be giving employees a 2% raise in this new budget. Through the efforts of the Village departments to be as fiscally conservative as possible throughout the current budget year, departmental costs have been controlled, which has benefited the Village in offsetting the costs of unfunded mandates by NYS such as pension costs and health insurance. The upcoming Village budget also reflects the fact that the Village has less of a burden of debt service, since the receipt of the substantial portion of New York State grant reimbursement monies in this past year. As mandated by NYS, the Village must continue to work towards building up its Unappropriated General Fund Balance. Therefore, the proposed General Fund budget will be a balanced budget for the fiscal year ending May 31, 2017.

Water Fund – Pursuant to an Intermunicipal Agreement with the Town of Marcellus, the Village shares in the cost of maintaining the Limeledge Water District, in the form of a fixed annual payment to the Town. Also, the Village is required by OCWA to pay for the maintenance of the fire hydrants in the Village, also on an annual basis. In the absence of revenues from water usage charges since OCWA took over water service to Village residents, the revenues section of this proposed Water Fund budget incorporates an inter-fund transfer from the Village's General Fund in an amount equal to the amount of expenditures that will be required for the upcoming fiscal year.

Sewer Fund – The receipt by the Village during this past fiscal year of substantially all NYS grant reimbursement monies it was due, relative to its capital projects for the compost facility and sewer system consolidation, has put the Sewer Fund in a healthier position financially for the fiscal year ending May 31, 2017, as it now carries close to \$1 million dollars less in debt on its books. However, the Sewer Department's operating costs will continue to be significant, especially now that the Village has full responsibility for the operation and maintenance of the entire sewer system in the Village, Town, and School District. As with the case of the General Fund, the Sewer Fund will also continue to be faced with the costs of unfunded mandates by NYS, in particular the demand that the level of phosphorus in the treatment plant effluent be reduced to 1.0%mg/L. In order to prepare for this very costly mandate (estimated by our engineers to be over \$5 million), it will be necessary to raise sewer rates at the beginning of April 2016, with the new minimum sewer rate charge increasing to \$75.00 per unit for Village residents. In a continued effort to restore the Unappropriated Sewer Fund Balance to a level that will be acceptable to NYS, the Village anticipates a \$26,000 budget surplus for the proposed Sewer Fund budget for the fiscal year ending May 31, 2017.

Comments by Mayor on Tentative Budget

- Loss of sales tax revenue – continues to affect the Village budget. The Village continues to receive infrastructure monies from the County, which have helped to offset this revenue loss, but it by no means has made up what the Village once received.
- Increase in Assessment – the County Finance Department provides the amount of total assessment for all Villages and this year that assessment went up slightly. Most of the increase in assessed valuation came about because of a decrease in tax exemptions
- A slight increase in the tax rate, of about 1.9%, is proposed – from \$6.72/1000 of assessed valuation to \$6.85/1000 of assessed valuation – or about 13 cents. Instead of a \$672 tax bill on a \$100,000 home, the assessment will now be \$685, which represents no increase when County and Town taxes are considered in the total mix. It also stays within the state mandated property tax cap, but not the property tax freeze.
- Property tax revenue will increase – from \$568,500 to \$581,000, which represents approximately 55% of the total revenue received by the Village.
- A 2% increase in salaries – for all employees, full and part-time, is included in this budget. Our employees received a 2% raise last year, and the Board felt that a 2% raise was not out of line again this year. This is not much, but reflects on-going financial concerns that the Village faces. As was mentioned, the benefits package remains the same – the Village employee pays 10%, while the Village provides 90% of health coverage. This, I might note, is much better when compared with similar arrangements in the private sector
- Employee Benefits – many of these, including retirement, health insurance, unemployment insurance, and workers compensation have stabilized, but continue to remain beyond Village control.
- Debt Service – continues to be a large item in the budget and it cannot be overemphasized. It is always the gorilla in the room and one that will not go away even if there was complete dissolution of the Village – residents would still pay this debt
- State Regulations and Unfunded State Mandates – continue to compound budget problems for the Village – items over which, there are no controls by the Village. Four years ago, Coon's Pond was an example, and an even more recent example is the requirement from NYSDEC, which has ordered the removal of phosphorus down to a 1.0-mg/L level so as to stop the pollution of Onondaga Lake. This is of major concern to the Village and our plant operators because of the high cost to implement this unfunded mandate. Our WWTP is the only one other than METRO that comes under this directive and we must meet a 2018 State mandate, the cost of which has been estimated at over \$5,500,000. We have been able to secure a grant of \$80,000 to plan for this eventuality, but the Board is very concerned as to how to pay for the implementation of the mandate.
- Department Cuts – there have been savings in each department, but we are hopeful that these cuts will not affect service too severely. We do hope to set aside monies to make road repairs to Orchard Street and Austindale Ave as well as some sidewalk repair that was put off from last year.
- Police Department –
 - A newer police car was purchased this year – a 2014 Ford Taurus, which replaced the 2008 Durango, which would have required a lot of repair work. Five years ago, we thought of selling it, and we were offered \$7,000. Thanks to the efforts of one of our

police officers, the Durango, which was driven for another five years, sold for \$14,300 and helped to offset the cost of the newer Ford. The department also saved to purchase this vehicle, from equipment repairs and maintenance items and grant money. The Village has no lease on the vehicle.

- Some continue to argue that if there is a need to cut services, the Marcellus Police Department should be eliminated. Our Board is unanimous in its decision that our Village needs a police force, and I would like to address that issue once again. The absence of major crime in our Village has given rise to some complacency as well as questioning the need for a police force. The absence of major crime is not just a piece of good fortune. We don't have major crime because the mere presence of a police force acts a major deterrent to crime and causes the criminal element to move on to other communities – ones that would provide less scrutiny and not hinder illegal activity as much. The criminal element prefers to be as inconspicuous as possible. Some claim that our police department could be easily absorbed into a larger police entity (e.g. the County Sheriff's Department) without losing the level of protection that the community currently enjoys. While the Sheriff's Department provides much assistance to our village, including use of its many resources, it is doubtful that the Department could answer 300-400 extra calls a month adequately, since it would not be able to dedicate a car to the Village on a regular basis. The Sheriff's Department, like all policies agencies, is stretched to the limit with its own budgetary concerns. Our village would be safe, but quality of life issues (a hard-to-define concept made more conspicuous by its absence), ones that are important to village residents, would be seriously compromised. Some point to the 2009 merger of the Clay Police Department into the County Sheriff's Department as an example of police consolidation – a merger that promised to save millions of dollars. However the taxpayers in the Town of Clay are still waiting for the savings to begin. In addition, the Town of Clay is not an urban center like a village. It is a community made up of neighborhoods that are bisected by a number of major highways. Therefore, merging a highway patrol, such as the Clay PD, into the Sheriff's Department was not as difficult as it would have been, had the community been an urban, settled community where people live much closer together, where businesses are more concentrated and issues are more challenging than highway street patrol. Each village is, of course, different and each should address the issue of police protection in light of its own particular circumstances. At present, our Board is committed to maintaining a police presence in the Village of Marcellus – a force that continues to be increasingly professional in recent years and a model for others in the county.
- Clerk and Treasurer – the salaries and benefits of the Village Clerk and Village Treasurer are divided between two funds – the General Fund and the Sewer Fund – since the duties and work activity of both employees is often equally divided between these two funds.
- The Village Attorney – is now considered an employee of the Village, not a contractor hired by the Village, and that cost has been reduced somewhat in this budget.
- Village employees, Bill Reagan and Kurt Field, now perform Code, Fire, and Zoning Inspections – and their efforts have been most helpful as we implemented a new Rental Registration and Inspection Law. In addition, we are under increasing scrutiny from the DEC to meet

mandatory storm water regulations and our Code officers have been most effective making sure that the Village was in full compliance, following recent DEC audits.

- Culture and Recreation – parts of the budget include some monies, in the form of contract agreements, for the Health-Loan Closet and the Marcellus Historical Society, since these organizations provide a service to the Village and its residents.
- The Water Fund – remains but has no revenue, and monies are allocated from the General Fund to supplement this Fund, primarily to pay for hydrant inspections by OCWA and to pay for the annual Limeledge Contract of approximately \$10,000 each year.
- The Sewer Fund – the Village Treasurer has addressed the seriousness of this part of the budget and there is a need to continue to build this fund balance and be prepared for unexpected emergencies and mandates.
- The Compost Project – has been most successful, and NY State has reimbursed the Village with most of the grant monies promised. About \$38,000, or 9% of the monies promised are still being withheld by the State.
- Sewer Consolidation Grant – In 2015, the Village, Town and School District combined their sewer districts into a consolidated sewer system, under the control and responsibility of the Village. Monies from the grant were used to make repairs to those portions of the collection system that are jointly used by the Village, the Town and the School District, effectively addressing the inflow and infiltration of storm water into the treatment plant, as well as address the new DEC requirement for phosphorus removal at the plant and to bring about targeted improvements to several parts of the sewer system including the Orange Street Pump Station. Now that the project is completed, the operation, maintenance, repair and billing of the entire sewage system have led to a consolidated arrangement, under the sole ownership and responsibility of the Village. The WPCP is now responsible for about 70,000 feet (14 miles) of sanitary sewer in the consolidated sewer system. While the sewer rents were stabilized for a short period of time, it is now necessary to raise sewer rents in order to pay for a DEC mandate of reducing phosphorus in the plant's effluent – a total upgrade to the plant. The cost of this upgrade is in excess of \$5 million, and we are in the process of having our engineers prepare a design for the upgrade. The design phase alone will be in excess of \$300,000.

Motion to vote on the Tentative Budget for 2016-2017 – the Board approved a motion to approve the Tentative Budget for the Village of Marcellus, for 2016-2017, as well as a motion to approve an increase in the property tax levy from \$6.72/1000 of assessed valuation to \$6.85/1000 of assessed valuation.