

Overview of Water Fund:

In 2007, the Village entered into a long-term Inter-municipal agreement with the Town of Marcellus whereby the Village makes a fixed annual payment to the Town to share in the cost of maintaining the Limeledge Water District, the Treasurer explained. The Village is also required by OCWA to pay for the annual maintenance of the fire hydrants in the Village. There is no independent source of revenues in the Village's Water Fund since OCWA took over Village water service. As a result, the funding for these expenditures in the proposed Water Fund Budget comes from an Interfund Transfer from the Village's General Fund.

Overview of Sewer Fund:

Treasurer Provvidenti stated that once the sewer system consolidation capital project between the Village, Town, and School District has been completed, the Village will take over full responsibility for the operation and maintenance of the entire sewer system, as well as the collection of all sewer rents from users of the consolidated sewer system. The Village will also then be eligible to receive reimbursement for the costs of this project from the NYS Local Government Efficiency Grant it was previously awarded. Receipt of this grant money will provide an immediate benefit to the Sewer Fund, by allowing the Village to finally pay down the significant amount of debt it incurred in order to finance the project.

In addition, the Village has been waiting for several years for reimbursement from New York State for the sewer plant composting project – a figure in excess of \$400,000. When the State finalizes its payment to the Village, the sewer fund will improve even further by enabling another substantial pay down of its debt.

Until all of these events take place, the Village's Sewer Fund will have no choice but to "limp along" in order to financially survive. Due to these circumstances, it will be necessary for the Village to use a portion of its Unappropriated Sewer Fund Balance to pay for operating expenditures.

Treasurer Provvidenti said that in terms of being able to follow the benchmark from the Office of the State Comptroller, the projected Sewer Fund Balance at the end of this upcoming budget year would not even cover one month's worth of expenditures.

Treasurer Provvidenti then turned the meeting back over to Mayor Curtin.

Comments by Mayor on Tentative Budget:

Mayor Curtin made the following points during the hearing:

Loss of sales tax revenue – continue to affect the Village budget. The Village received some 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.

Reduction in Assessment – the County Finance Department provides the amount of total assessment for all Villages and this year, the assessment went down by over \$200,000, as well as an increase in tax exemptions of about \$200,000. The decrease in assessed valuation and the increase in tax exemptions has resulted in a loss of significant tax revenue.

An increase in the tax rate is proposed – from \$6.50/1000 of assessed valuation to \$6.63/1000 of assessed valuation. Instead of a \$650 tax bill on a \$100,000 home, the assessment will now be \$663. This does not represent an increase when County and Town taxes are considered in the total mix. This small increase also stays within the state mandated property tax cap.

Property tax revenue will increase – from \$550,300 to approximately \$560,000, which represents approximately 52% of the total revenue received by the Village.

A 1% increase in salaries – for all employees, full and part-time, except the Mayor and Trustees, is included in the budget. Village employees received a 1% raise last year. It was not much, but reflects the on-going financial concerns that the Village faces. The benefit package remains the same with Village employee contributing 10%, while the Village provides 90% of health coverage. This surpasses similar arrangements when compared to benefits offered in the private sector.

Employee Benefits – some of these, including retirement, health insurance, unemployment insurance, and workers compensation continue to remain beyond Village control.

Debt Service – continues to be a very large item in the budget and it cannot be overemphasized. It is always the gorilla in the room and one that would not go away even if there was complete dissolution of the Village – residents would still pay the debt.

State Regulations and Unfunded State Mandates – continue to compound budget problems for the Village, items over which there is again no control by the Village. Two 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 the plant operators because of the high cost to implement this unfunded mandate. The Village WWTP is the only one other than METRO that comes under this directive and the Board must meet a 2016 State mandate. The cost has been estimated at over \$6,000,000. The Village was able to secure an engineering grant of \$30,000 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 the Board is hopeful that these cuts won't affect service too severely. The Board also hopes to set aside monies for road repairs to Hillside, Baker, Orchard Circle and Highland Circle, as well as some sidewalk repair that was put off from last year.

Eliminate Police Department – some continue to argue that if there is a need to cut services, the Marcellus Police Department should be eliminated. The Board is unanimous in the decision that the Village needs a police force. 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. The Village doesn't have major crime because the 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 the 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 the 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. The 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 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 different and each should address the issue of police protection in light of its own particular circumstances. At present, the Village Board is committed to maintaining a police presence in the Village of Marcellus – a force that has become 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 the two funds.

The Village Attorney – is no longer considered an employee of the Village, but a contractor, hired by the Village, and the costs have been reduced somewhat in the 2014 – 2015 budget.

Code, Fire, Zoning Inspections – are now performed by Village employees, Bill Reagan and Kurt Field and their efforts have been extremely helpful as the Board implemented a new Rental Registration and Inspection Law. In addition, the Board is under increasing scrutiny from the DEC to meet mandatory storm water regulations, and Village Code officers have been exceedingly effective in 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 – is no longer being eliminated, and monies have been 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 \$6,000 each year.

The Sewer Fund – the Village Treasurer addressed the seriousness of this part of the budget, and of the need to build the fund balance and be prepared for unexpected emergencies.

The Compost Project – the Treasurer also addressed this project, and the need for the State of New York to reimburse the Village with the grant monies promised.

Sewer Consolidation Grant – a NYS Local Government Consolidation Grant to improve the Village sewage collection system was awarded in the amount of \$600,000 and these monies are being used to make repairs to the entire sewer system – Village, Town and School District. The Village, however, had to first borrow the money and wait for State reimbursement. The Board is now in the final stages of the project and it is expected that by the end of December, the entire system will be under the direct control and responsibility of the Village.

Comments from Trustees

Mayor Curtin asked if there were any comments from the other members of the Board.

Trustee Cox wanted to reiterate that the Village Budget remains well managed and thanked all of the Village employees for their dedication.

Comments/Questions from the Public

Mayor Curtin opened up the floor and asked for comments from the public. There were none.

Vote on the Tentative Budget for 2013 – 2014

Trustee Tallman made a motion to approve the Tentative Budget for the Village of Marcellus, for 2014-2015, as well as a motion to approve an increase in the property tax levy from \$6.50/1000 of assessed valuation to \$6.63/1000 of assessed valuation. The motion was seconded by Trustee Cox. Mayor Curtin called for a vote. All board members voted aye and the motion carried.

Motion to Adjourn

Trustee Cox made a motion to adjourn the tentative budget hearing. The motion was seconded by Trustee Tallman. Mayor Curtin called for a vote. All board members voted aye and the meeting was adjourned at 7:24 p.m.

Dawn O'Hara
Village Clerk