



budget for the Village's fiscal year ending May 31, 2021 shows a deficit of \$(62,069.76). The unappropriated fund balance, however, will enable us to deal comfortably with the deficit.

#### 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 which will be required for the upcoming fiscal year.

#### SEWER FUND:

The very costly upgrades to the Village's Wastewater Treatment Plant as mandated by the NYSDEC, in the amount of \$8 million, have now been completed. The \$5.2 million interest free construction loan from the NYS Environmental Facilities Corporation (EFC) has now entered repayment. The annual cost to the consolidated sewer system users in the Village, Town and School District for the debt service on this EFC loan will be \$173,000. In anticipation of this EFC loan repayment event, the Village has already increased the minimum sewer rate per unit from \$75 to \$100 (a 33.33% increase), which became effective with the April 1, 2019 billing. This additional sewer usage revenue will serve to build up the Village's Unappropriated Sewer Fund Balance. This is essential, not only to be able pay for this EFC debt service over the next 30 YEARS, but also to cover the increased costs of running the Village's Wastewater Treatment Plant. Based on this, the Village's proposed Sewer Fund budget shows a \$74,075 budget surplus for the fiscal year ending May 31, 2021

#### **Comments by Mayor on Tentative Budget:**

Mayor Curtin then made the following points during the hearing:

Loss of sales tax revenue – continues to affect the Village budget. The Village continues to receive infrastructure monies from the County, under an agreement between Onondaga County and the Village called the Village Infrastructure Improvement Program (VIP). It has been now been extended for another ten years, until 2030, and includes multiple increases in the amount of financial assistance to the Village over the next ten years. This helps to offset this sales tax revenue loss.

Increase in Assessment – the County Finance Department provides the amount of total assessment for all Villages and this year the assessment went up slightly. Most of the increase in assessed valuation came about because of a decrease in tax exemptions.

We expect to keep the tax rate at \$6.85/1000 of assessed valuation – which means that the assessment on a \$100,000 home, will continue to be \$685 a year. It also stays within the state mandated property tax cap.

Property tax revenue will increase – from \$594,300 to \$596,997 (approximately \$2,655), which represents approximately 55% of the total revenue received by the Village from property taxes.

A 3% increase in salaries – for all employees, full and part-time, is included in this budget. Our employees received a 3% raise last year, and the Board felt that another 3% raise was not out of line this year, since they are working with one less person in the Highway Department. 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. The debt for the WWTP upgrades will continue to be very significant for many, many years to come – until 2050.

State Regulations and Unfunded State Mandates – continue to compound budget problems for the Village – items over which, there are no controls by the Village. The most 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 2019-20 State mandate, the cost of which is now almost \$8,000,000. We have been able to secure some grant money as well as a no-interest loan to cover this cost, which can only come from sewer rents. As a result, sewer rents have increased significantly in recent years.

Department Cuts – there have been excellent savings from our merger of the Highway and Sewer Departments into a single DPW and our Superintendent and Deputy Superintendent are always very sensible in planning for each budget year. Monies have already been set aside from the previous budget to complete highway resurfacing on First Street, the installation of new light poles on Orchard Circle, and a new pickup truck. The new DPW budget calls for fiber micro paving on Reed Parkway and Maple Street, along with sidewalk repair on First Street, a continuation of street sweeping and repainting of crosswalks, assisting MCS students in the development of the Green Gateway Project and examining in more detail a changeover from head-in to parallel parking on the south side of East Main Street. A major concern for a future budget year is a capital improvement project on Meadow Street which will require a significant investment, not only for reconstruction of the road itself but also for significant storm drainage reconstruction. Also, as a result of a successful application to Community Development, an award of almost \$80,000 will enable the Village to refurbish the two municipal parking lots – one in back of the Village Hall and the other on West Main Street.

Police Department – The budget for the Police Department has remained stable this year and Chief Podsiedlik continues to hire excellent part-time officers. In addition, a new School Resource Officer was appointed for the KCH Elementary School at the beginning of the school year and this too has been an excellent decision. The MPD has also been able to provide SROs, as well as their supervision by Chief Podsiedlik, for the Onondaga Central School District and the Lyncourt Free Union District. There is no cost to the Village for this service and provides a way for school districts that do not have a local municipality to obtain the services of a school resource officer. The department's budget remains stable this year, and the purchase of a new police car in 2018-19 (by virtue of savings from equipment repairs and maintenance items and grant money last year) will be non-repeating in the 2020-21 budget. The Chief reports that the successful closure rate (identify and arrest suspects) is far above the national average. 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 significant 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 patrol 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. 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 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 equally divided between these two funds.

The Village Attorney – is now considered an officer of the Village, not an employee hired by the Village. Our Board continues to greatly benefit from his advice and counsel.

Village employees, Bill Reagan and Dave Weber, now perform Code, Fire, and Zoning Inspections – and their efforts have been most helpful as we continue to enforce the Rental Registration and Inspection Law as well as the Vacant Registration Law and Building Code Regulations. 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. Monies are allocated from the General Fund to supplement this Fund, primarily to pay for hydrant inspections by OCWA (\$4,000) and to pay for the annual Limeledge Contract (\$6,000) for a total of \$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 expected and unexpected emergencies and mandates.

The Compost Project – continues to be most successful.

Waste Water Treatment Plant Upgrades – the \$7.7 million treatment plant upgrades mandated by NYSDEC to remove phosphorus from the plant's effluent is virtually complete. There will be some site restoration as well as paving and sidewalk construction that will not be completed until the spring of 2020. The financing package which the Village has been able to secure includes a \$5,202,600 short term (30 year), interest-free hardship loan and a \$1,379,900 WIIA Grant (formerly called a NYS Water Grant) along with an \$80,000 WQIP #11 grant, a \$1,000,000 WQIP #14 Grant and a \$250,000 SAM (DANSY) Grant.

Increase in the sewer rates – this has meant a minimum quarterly sewer rate, for Village sewer users, of \$100.00 (from \$75.00), a minimum annual cost of \$400 (from \$300) and an average annual cost of \$547.47 (from \$413.13). Keep in mind that this is an average estimate, since sewer rates are based on water usage in the Village and that fluctuates. The annual cost for outside users (Town and School District) is anticipated to be \$686.84 (from \$516.41), given that outside users pay an additional 25% over that of the average Village sewer user – an increase of about \$160.00 per year, beginning in 2019. In order to prepare our Treatment Plant for operation well into the 21st century, these increases, while hefty, are unavoidable.

### Comments from Trustees

Mayor Curtin asked if there were any comments from the other members of the Board. There were none.

### **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 2020 – 2021**

Trustee Manahan made a motion to approve the Tentative Budget for the Village of Marcellus, for 2020-2021, as well as a motion to keep the property tax levy the same as last year – \$6.85/1000 of assessed valuation. The motion was seconded by Trustee Tallman. Mayor Curtin asked if there was any discussion on the tentative budget. Hearing none, Mayor Curtin called for a vote. All board members voted aye and the motion carried.

### **Motion to Adjourn**

Trustee Tallman made a motion to adjourn the tentative budget hearing. The motion was seconded by Trustee Manahan. Mayor Curtin called for a vote. All board members voted aye and the meeting was adjourned at 7:23 p.m.

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Charnley A. Abbott  
Village Clerk