

**PUBLIC HEARING HELD BY THE VILLAGE BOARD
OF TRUSTEES APRIL 1, 2024 AT THE VILLAGE HALL
TO CONSIDER THE TENTATIVE BUDGET OF
THE VILLAGE OF MARCELLUS FOR THE COMING
FISCAL YEAR 2024-2025**

PRESENT: Chad A. Clark, Mayor See List
Timothy P. Manahan, Trustee
James P. Curtin, Trustee
Jeffrey D. Brown, Village Attorney
Charnley A. Abbott, Village Clerk

ABSENT: None

Trustee Curtin made a motion to adjourn the annual meeting and open the public hearing on the Tentative Budget. Trustee Manahan seconded the motion. Mayor Clark called for a vote. All board members voted aye and the public hearing was opened at 7:17 p.m.

Mayor Clark began the public hearing by explaining that the purpose of the meeting was to consider the tentative budget for the fiscal year, June 1, 2024 – May 31, 2025. Mayor Clark then made the following comments on the tentative budget on behalf of the Village Treasurer.

COMMENTS FROM THE VILLAGE TREASURER

Mayor Clark began by announcing that copies of the tentative budget, which has three components: The General Fund, the Water Fund, and the Sewer Fund, were available for the public and explained that the proposed tentative budget of Village of Marcellus was for the fiscal year beginning June 1, 2024 and ending May 31, 2025.

GENERAL FUND

The proposed General Fund Budget for the Village's fiscal year ending May 31, 2025 maintains the Village tax rate at \$5.89 per \$1,000 of assessed valuation. Despite no increase in the Village tax rate from last year, this tax levy will generate slightly more than \$10,000 in additional revenue for the Village, due to an overall increase in the total taxable value of properties in the Village as determined by Onondaga County. This is primarily due to the development of the Baltimore Ridge Housing project, which is now well under way. This proposed Village tax levy also will not exceed the NYS Tax Cap Limit. For the previous five budget years, the Village's General Fund has been able to maintain its trash collection rate charged at \$50.00 per unit, with no increases. However, faced with continued annual increases in costs to the Village's trash hauler contractor, stemming largely from increased fees charged by OCCRA, which the hauler must then pass along to the Village, the Village is now left with no choice except to increase its per unit trash collection rates charged to Village residents, from \$50.00 per unit to \$55.00 per unit, effective with the General Fund Budget for the Village's fiscal year ending May 31, 2025. It is essential that, to the extent possible, the Village continues to invest in improving and maintaining its network of Village streets and sidewalks on an ongoing basis. As such, this proposed General Fund Budget includes the initial funding for a new capital project for Flower Lane Road & Drainage Improvements. At this time, the Village has secured an initial \$180,000 in grant reimbursement funding under the DASNY C.R.E.S.T. Program, which requires that the Village first pay for these project expenditures and then apply for reimbursement from these grant monies. The Village has entered into a new contract with General Code to create and maintain e-codification of the Village's municipal code, something which has already been undertaken by virtually every other municipality in the State. This will be the second year under this contract, which is projected to cost the Village approximately \$10,000 for the fiscal year ending

May 31, 2025. Through the continuing efforts of the Village departments to operate as fiscally conservative as possible each budget year, departmental costs have been controlled. This has continued to benefit the Village in offsetting the cuts in State funding, as well as the increasing costs of unfunded mandates by NYS such as pension costs and health insurance. As such, the proposed General Fund Budget for the Village's fiscal year ending May 31, 2025 shows a budget surplus of \$8,283.00.

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 for the Village's fiscal year ending May 31, 2025 incorporates an interfund 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:

Although the Village's \$8 million Wastewater Treatment Plant Facility Upgrade Capital Project to remove phosphorus, as mandated by the NYSDEC, has been completed for four years now, the upgraded Plant will still require regular ongoing maintenance and repairs to its operational equipment in order to remain in compliance with its SPDES permit. In addition, some of this equipment, such as digester blowers, aeration blowers and sludge and influent pumps, is required to run continuously (24/7). Others, such as the UV disinfection system, while not required to run 24/7, are still mandated by the NYSDEC to be operational as required, and are inherently costly to maintain. As such the Village has created a scheduled long-term equipment replacement plan. This proposed Sewer Fund Budget incorporates the second year of this plan, which includes expenditures related to this replacement plan at a total projected cost of at least \$20,000. In addition, the day-to-day costs of operating this Wastewater Treatment Plant continue to rise. These include NYSDEC required laboratory testing, purchase of chemicals and supplies, sludge removal and hauling charges, water usage, and well as the costs of utilities and insurance, not to mention the ever increasing costs of unfunded mandates by the State including pension costs and health insurance. The increased costs to the Sewer Fund for purposes of this proposed budget are projected to be over \$50,000. For the previous five budget years, the Village's Sewer Fund has been able to maintain its minimum sewer rate per unit per 1,000 gallons at \$100.00 for Village sewer users, with no increases to Village, Town, or School District Sewer Users since April 2019. However, given the current financial situation as described herein, the Village is now left with no choice except to begin increasing its sewer rates to all users beginning with the Sewer Fund Budget for the fiscal year ending May 31, 2025. It is projected that the first of what should be expected to be at least several rate increases, currently in the amount of 2%, will take effect beginning with the July 2024 billing to Village sewer users, with increases to Town and School sewer users to follow accordingly. Also included in this proposed Sewer Fund Budget is an increase in the annual administrative and outside user fee contractually charged to both Town and School users, in a further attempt to offset the increased costs of operating the Wastewater Treatment Plant Facility by the Village. Despite this projected increase in sewer rates and also the increase in the rate of annual administrative and outside user fees charged to the Town and School, the proposed Sewer Fund Budget for the Village's fiscal year ending May 31, 2025 still shows a budget deficit of \$(33,462). While The Office of The New York State Comptroller strongly advises that the Village of Marcellus be able to demonstrate that it is making a continual effort to build up all of its governmental operating fund balances, including the Unappropriated Sewer Fund Balance, for purposes of this proposed budget for the fiscal year ending May 31, 2025, it does not appear that the Village will be able to comply.

COMMENTS FROM TRUSTEES

Mayor Clark asked if there were any comments from the other members of the Board. Trustee Manahan stated that the Village Treasurer, as well as all of the Village staff, work very hard on the complex budget process and have done very well to keep the Village in good fiscal standing. Trustee Manahan, along with Mayor Clark and Trustee Curtin, thanked the Village employees for their efforts.

COMMENTS/QUESTIONS FROM THE PUBLIC

Mayor Clark opened the floor and asked for comments from the public. There were no items from the floor.

VOTE ON 2024-2025 TENTATIVE BUDGET

Trustee Curtin made a motion to approve the Tentative Budget for the Village of Marcellus, for 2024-2025, and to maintain the property tax levy at \$5.89/1000 of assessed valuation. The motion was seconded by Trustee Manahan. Mayor Clark asked if there was any discussion on the tentative budget. Hearing none, Mayor Clark called for a vote. All board members voted aye and the motion carried.

ADJOURNMENT

Mayor Clark made a motion to adjourn the tentative budget hearing and open the public hearing regarding proposed Local Law #2 of 2024. The motion was seconded by Trustee Manahan. Mayor Clark called for a vote. All board members voted aye and the tentative budget hearing was adjourned, and the public hearing regarding Local Law #2 of 2024 was opened at 7:28 p.m.

Charnley A. Abbott
Village Clerk