

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, which have helped to offset the revenue loss, but 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 the assessment went up slightly. Most of the increase in assessed valuation came about because of a decrease in tax exemptions

No Village Tax Rate Increase – means that the assessment on a \$100,000 home will remain \$685 for the 2018 – 2019 fiscal year, which is within the state mandated property tax cap.

Property tax revenue will increase – from \$585,000 to \$589,000, which represents approximately half of the total revenue received by the Village.

A 3% increase in salaries – for all employees, full and part-time, is included in the budget. Village employees received a 2% raise last year, and the Board felt that a 3% raise was not out of line this year, since there is one less person working in the Highway Department. It is not much, but reflects on-going financial concerns that the Village faces. As was mentioned, the benefits package remains the same – full time Village employees pay 10%, while the Village provides 90% of health coverage. Mayor Curtin noted that the health benefit is much better when compared to similar arrangements in the private sector.

Employee Benefits – many of the benefits, 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 cannot be overemphasized. Mayor Curtin explained that even if there was complete dissolution of the Village – residents would still need to pay the debt.

State Regulations and Unfunded State Mandates – continue to compound budget problems for the Village – items which are beyond the control of 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 to stop the pollution of Onondaga Lake. The mandate is of major concern to the Village and the plant operators due to the high cost to implement the unfunded mandate. The WPCP is the only one, other than METRO, that comes under the directive and the Board must meet a 2019 State mandate. The cost of the mandated has been estimated at over \$7,000,000. The Board was able to secure some grant money, as well as a no-interest loan to cover the cost, but the Board is very concerned as to how to pay for the implementation of the mandate which will need to come from sewer rents. Sewer rents will become massive in size.

Department Cuts – there have been excellent savings from the merger of the Highway and Sewer Departments into a single DPW. Both the Superintendent and the Assistant Superintendent have been very prudent in their planning for the next budget year. Monies have been set aside to complete highway resurfacing on Dunlap Ave and Wilson Drive, as well as chip seal on South Street and fiber micro paving on Reed Street, along with some sidewalk repair.

Police Department – The current budget for the police Department has remained stable. During the past year, the Board has hired some outstanding new police officers, at the request of Chief Wicks. At the start of the school year, a new School Resource Officer was also appointed for the High School, another outstanding choice. Next year, the department will require a new police car which the Chief expects to pay for with unspent money in the Equipment Repairs and Maintenance line items of his budget, as well as grant money. Mayor Curtin also recognized that Chief Wicks is also very prudent with his budget.

Chief Wicks reported to the Board that successful closure rate for the Department (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. The Board is unanimous in its decision that the Village needs a police force. Mayor Curtin addressed the issue again. The absence of major crime in the Village has given rise to some complacency, as well as questioning the need for a police force. Mayor Curtin explained that it is not just by chance that there is an absence of major crime in the village. The Village does not have major crime because the mere presence of a police force acts as 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 easily be 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 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 different and each should address the issue of police protection in light of its own particular circumstances. Presently, the 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 the two funds.

The Village Attorney – is considered an Officer of the Village. Mayor Curtin expressed that the Attorney's advice has been invaluable to the Board.

Village employees, Bill Reagan and Dave Weber, now perform Code, Fire, and Zoning Inspections – their efforts have been very helpful as the Board continues to implement the Rental Registration and Inspection Law as well as the Vacant Property Registration Law. In addition, the Village is under increasing scrutiny from the DEC to meet mandatory storm water regulations and the Code officers, along with former Deputy Codes Officer, Kurt Field, whose services the Board continues to utilize, have been very effective in making sure that the Village was in full compliance, following recent DEC audits.

Culture and Recreation – parts of the budget include some funding, in the form of contract agreements, for the Health-Loan Closet and the Marcellus Historical Society, since the 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 the Fund, primarily to pay for hydrant inspections by OCWA (over \$4,000) and to pay for the annual Limeledge Contract of approximately \$10,000 each year.

The Sewer Fund – the Village Treasurer addressed the seriousness of the Sewer Fund and the need to continue to build up the fund balance to prepare for unexpected emergencies and mandates.

The Compost Project – continues to be very successful.

Waste Water Treatment Plant – at its January 23, 2018 Meeting, the Board authorized the Mayor to sign the following contract agreements for construction projects at the Waste Water Treatment Plant.

- 1) The General Contract price, base bid only, of \$5,395,611.00 awarded to Blue Heron Construction Company of Jordan, NY.
- 2) The Electrical Contract price, base bid only, of \$739,000.00 awarded to Myriad Construction of Syracuse, NY.
- 3) The HVAC Contract price, base bid only, of \$79,263.00 awarded to King & King Mechanical, Inc. of Auburn, NY.

The awarding of the bids remains contingent upon the permissive referendum and the bonding timeline. The new maximum authorized cost of the project, and the maximum amount of obligations authorized to be issued is \$7,700,000. The period of probable usefulness is forty (40) years, computed from the date of the first bond anticipation note. The bonds are payable from amounts to be annually levied on all the taxable real property in the Village. Because the bids that were received on December 5, 2017 for the WWTP Phosphorus Removal and Upgrade were disappointing and greatly in excess of the amount that was initially anticipated when the original bond resolution of \$6,000,000 was approved in 2013, the supplemental bond resolution was necessary. The Village Board decided to move ahead with the construction of the project because the DEC expects the Village to get moving on the project, and because the Village would like to take advantage of the zero percent (0%) interest rate offered by the Environmental Facilities Corporation. The Board and the DEC will continue to look for more funding to offset the cost of the project, but the Board expressed that any further delay will result in even higher costs, as well as possible fines for lack of action.

Increase in Sewer Rates – in an attempt to offset excessive sewer rates, the Village has been successful in its endeavors to secure partial funding, including WQIP awards of \$80,000 and \$1,000,000, an EPG grant of \$30,000, and zero percent (0%) financing from the Environmental Facilities Corporation, to help meet the NYSDEC mandate to upgrade the treatment plant. The Board is hopeful that additional funding can be

secured to help meet the DEC mandate. A potential SAM grant of \$250,000 is pending, as is a WIIA grant estimated in excess of \$1,000,000. In spite of this, the plant upgrade of now over \$7,000,000 and will need to be funded by sewer rate increases, if no further funding is established. The Board had hoped that the recent sewer rate increases would be sufficient to meet the expense involved but because the bids received were disappointing higher than anticipated, it is likely that the Board will need to raise rates again, this time in excess of 30%. Village sewer users currently pay \$413.23 annually, based on an average bill. A 31% increase of an average bill will increase the average rate up to \$541.39 per year, which is a quarterly increase of about \$128.00 per year, or \$32.00 per quarter. The increase for Town sewer users will be even more, given that outside users pay an additional 25% over the average Village sewer user, which equates to \$676.74 annually, an increase of about \$160.00 per year, beginning in 2019.

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.

Vote on the Tentative Budget for 2018 – 2019

Trustee Tallman made a motion to approve the Tentative Budget for the Village of Marcellus, for 2018-2019, 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 O’Hara. 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 O’Hara. Mayor Curtin called for a vote. All board members voted aye and the meeting was adjourned at 7:30 p.m.

Dawn O’Hara
Village Clerk