

Bedford Hills, New York
December 7, 2010

A public hearing to consider the preliminary 2011 Budget was held by the Town Board of the Town of Bedford on December 7, 2010 at the Town Offices, 321 Bedford Road, Bedford Hills, New York. The meeting was called to order at 7:30 P.M. by Supervisor Roberts.

Present:	Lee V. A. Roberts	: Supervisor
	Peter Chryssos	: Councilman
	Francis Corcoran	: Councilman
	Chris Burdick	: Councilman
	David Gabrielson	: Councilman
	Lisbeth Fumagalli	: Town Clerk
	Joel H. Sachs	: Town Attorney
	William Heidepriem	: Supt. Of Recreation and Parks
	Amy Pectol	: Receiver of Taxes
	James Genovese	: Building Inspector
	Thomas Polzella	: Assessor
	Edward Ritter	: Comptroller
	Kevin Winn	: Commissioner of Public Works
	William Hayes	: Chief of Police
	Joan Gallagher	: Director of Personnel
	Jeffrey Osterman	: Town Planner
	Marcy Marchiano	: Asst. to Supervisor

and approximately fifteen (15) resident/observers.

Proof of Publication was presented and ordered filed. The public notice was published in the Bedford Pound Ridge Record Review on December 3, 2010.

Mrs. Roberts read the following statement:

“Before I open the hearing to public comment, I would like to take this opportunity to outline some of the highlights of the 2011 budget and the factors that played a part in the 2.56% proposed tax increase. The Board started our budget deliberations last February in an effort to find economies in the 2010 budget and then to begin working with the department heads to cut anticipated spending for 2011.

Recognizing that our residents were suffering in the economic downturn and hoping that 2010 would see a return of consumer spending, the Board allocated one million dollars of fund balance to attain a .6% tax increase in 2010. Our collective bargaining unions; the Blue and White Collar Teamsters had previously agreed to a negotiated 0% wage increase in 2009 along with the supervisory personnel and elected officials. All departments of the town in turn, reduced their budgets as they have in the past three years.

As we approached our 2011 budget, we faced a recurring dilemma. The revenue streams upon which our budgets had always been built had not come back as we had hoped. The mortgage transfer tax, while rebounding slightly, was still down from a peak of \$2.3 million to slightly more than \$850,000. It seems evident that this revenue stream will never be as robust as it once has been due to changes in the way mortgages are structured. When you realize that each \$100,000 represents a one percent tax increase, you begin to see how punitive this loss of mortgage transfer tax revenue has been to our budget.

Sales tax revenue, which never reacted as erratically as the mortgage transfer tax, seemed to hold its own and even rebound slightly. In fact the Sales Tax is expected to exceed projections by over \$300,000 at \$2.1 million. On the other hand, interest income on investments fell to a point that it was barely discernable.

Because of a marked reduction in ticket writing by the State Police, court revenues fell dramatically to what is projected to be almost \$250,000 under budget. The court has recently

increased their sessions in an effort to clear some of the backlog of cases and this should help revenue projections for 2011.

Coupled with the reductions in revenue, the Town faced mandated increases into the State Retirement system for the police of \$69,595 and general workforce of \$153,479 for a total pension cost of \$2,033,927. Our health insurance premium for all employees rose from \$3,059,332 to \$3,299,903 for 2011. The Town was also forced to shoulder the mandated MTA tax which is \$.34 per \$100 of payroll.

It became evident during the Board's discussions that the expectations of revenue on which our budget had always been built were no longer viable and our budget was structurally unsound. While our revenue streams had contracted dramatically, our expenses for personnel and delivery of services had continued to become more expensive. In past years the Board had filled this disparity by using fund balance at a rate of between \$850,000 and \$1,000,000 a year to avoid dramatic tax increases and maintain services.

As I mentioned earlier, the Board recognized that the fund balance could not be tapped again this year without jeopardizing our stable AAA bond rating. A long hoped for economic rebound did not come to our rescue, so we began to institute changes that not only impacted personnel but also increased fees for town service.

Over the course of the year, three and one half positions were vacated and not filled; one each in finance, building and one and a half positions in the court. The police has a reduction in the number of sworn officers and we are minus one DPW worker. All departments cut their use of supplies and items such as printing and voluntary educational conferences. Four secretaries to our boards and commissions will no longer be employed for that work and we have asked our three libraries to take a 10% reduction in their annual allocation from the Town. These were neither easy nor popular decisions.

We have also reached out to all our consultants and contractors and asked them to consider reducing their fees for the coming year. Many of them have responded positively. As you may have read, the Town is now passing on the cost of police personnel and DPW services to organizations sponsoring special events. In the past the Town had covered the overtime cost of personnel. But after receiving advice from our attorneys that it was not legal to give taxpayer funded service to specific groups, no matter how worthy, and coupled with escalating costs, we decided that these expenses should be borne by the sponsoring organization. We recognize that this is an added burden to many not for profit organizations and we are willing to work with the community to try to use on duty personnel whenever possible.

The Town Board has reviewed all of our fees including; parks and recreation, planning and building, DPW, parking, and wetlands as well as dog licenses and use of the community house and dog park. In many instances we have increased our fees not only to bring us to levels charged by neighboring communities but also to pass along the cost for specific services to the users of that service.

The new fees include small increases for pool memberships and 8% camp fee increases in an effort to make them self sustaining. The Board has already agreed to modest increases in our commuter parking lot permits. The Building and Planning Departments will also see increased fees for such things as building without a permit and landlord registry.

The 2011 budget has a combined total of \$25,194,571 in expenditures. The general fund accounts for \$18,333,963 and the DPW fund accounts for \$6,860,608. The DPW's healthy fund balance made it possible to mitigate some of the impacts of our inability to use General Fund balance and allowed us to limit the combined tax increase to 2.56%. This translates into a cost of \$29.38 per \$1000 of assessed valuation.

The Town Board for the third year in a row has decided not to give raises to any elected official, or supervisory personnel. We have recently concluded negotiations with the Police Benevolent Association which provided a four year contract with a 2% average increase-far less than what we were seeing in other arbitrated PBA contracts. The Town had been in mediation with the police union and after careful consideration, decided to come to an agreement rather than go to interest arbitration and risk having a much higher award handed down. Going to arbitration

probably would have limited the contract to two years and incurred additional ancillary costs for attorneys and arbitrators.

In addition, the Town recently reached an agreement with the Blue Collar Teamsters with that unit accepting a zero wage increase for 2010 & 2011, remitting half the contribution to the welfare fund, as well as their safety equipment allowance and further agreeing not to be paid for ten holidays. The five least senior employees will receive a 15% reduction in pay. These meaningful givebacks prevented the layoff of three workers. While we are deeply appreciative of the extraordinary concessions made by the Blue Collar members, we all understand that these are temporary measures that do not go to the structural deficiencies of the Town's budget. Next year we anticipate being in a similar if not more challenging position. The White Collar Teamsters are currently in negotiations with the Town.

Insurance is another major factor in the Town's budget. We are fortunate to have recently received a competitive bid from the Spain Agency on behalf of NYMIR that will reduce the cost of our commercial package by \$73,000. This was a major factor in helping to reduce our preliminary tax increase of 4.4% to our anticipated tax increase of 2.56%

Despite the daunting economic news, the Town has had many success stories this year. We recently saw the completion of the water storage tank at the end of David Lapsley Lane in Bedford Village on property the Town purchased from the Penningtons in 2003. This water storage tank will provide much needed fire protection for historic Bedford Village and safeguard our water capacity for those water districts in the Village.

The long awaited bicycle paths and repaving on Bedford Center Road also came to fruition. We are now on our way to connecting the hamlets and providing safer cycling for recreation as well as transportation. In addition, we are completing our plans for the final piece of sidewalk on Valley Road that will connect to our Cherry Street sidewalks and permit safe pedestrian access into the village of Katonah and to the elementary school.

As always, our biggest and most important news is water! At long last, we have begun preparing for construction of our new water filtration plant that will serve the Consolidated Water District. The plant will be built on the corner of Route 35 and 22 and will look like a barn. If it seems like a long time in coming, it's because the Town had originally awarded the construction bids last December in an attempt to receive stimulus money.

Unfortunately, despite many attempts, to date all efforts to obtain grant money or stimulus financing have been unsuccessful. In the meantime, the Town has been required to obtain over 30 permits before construction could begin. We owe a deep debt of gratitude to Kevin Winn for his endless patience and perseverance on this project. The Town anticipates having the plant operational in eighteen months.

Another amazing success story is the Department of Energy's grant award to the Town for \$2.5 million to model a Home Energy Retrofit Program. Our Energy Advisory Panel and the new not for profit "B2020" have worked together with our partners in the Northern Westchester Energy Action Coalition to make this program a reality. While this money is reserved strictly for this purpose, we hope all residents of Bedford will take advantage of the opportunity for low cost loans to make you home more energy efficient and save money in the process. More information can be found on the Town's website www.bedfordny.info.

One of the most painful parts of our budget process has been to have to cut our three libraries' funding by ten percent. For three years we have asked our department heads to cut their budgets while leaving the libraries' allocation level. This year we were unable to avoid making reductions to their budgets. We appreciate the wonderful service the hamlet libraries provide and we thank them for their understanding of the Town's difficult financial circumstance. We know this places a burden on each of them to work even harder than they already do to raise funds. We support them in every way that we can and we appeal to their patrons to be generous.

I would like to acknowledge Ed Ritter, our Comptroller, for all the time he has put into our budget preparations and all the Department Heads for their extraordinary efforts at paring expenses and finding the best ways to deliver services. I would be remiss if I didn't also thank

the Town Board members who have met continually to craft this budget over the past ten months.

Every town, County and State government is facing the same challenges felt in Bedford today. Multiple factors have converged to put pressure on our municipal budget and these circumstances are not likely to change in the foreseeable future. Health insurance and pension contributions are sure to rise along with unfunded mandates such as the MTA Tax. Revenue streams that we counted on to mitigate the property tax are no longer reliable and in fact may never return to the levels they once were. It is our job to find ways to operate more efficiently within a smaller budget.

Despite our financial constraints, Bedford is blessed with enormous resources and extraordinary people. We will not be daunted by economic challenges and we will continue to look for ways to serve our residents in the most efficient and cost effective manner. It will take all of us, working together to achieve the balance that best serves our community. Whatever the obstacles that confront us, I know we are up to the challenge.”

Ed Ritter, Comptroller for the Town of Bedford, gave a slide presentation showing the changes in the budget, tax rate and fund balance for the last five (5) years.

Mrs. Roberts opened the floor to public comment.

A resident of Sunset Drive in Bedford Hills, suggested that leaf collection be discontinued and the residents should be encouraged to mulch the leaves in to their lawns, thereby providing nutrients for the grass and soil. She added this would be an added saving for the Town and that there should be information available on composting for the residents. Kevin Winn, Commissioner of Public Works responded that the composting of leaves at the Beaver Dam Road site was low cost and that under the MS4 regulations leaves were required to be picked up within 3-4 weeks.

Another resident felt that the Town should charge for leaf pickup service.

Ed Baum, representing the three (3) hamlet libraries, thanked the Town Board for the support provided to the libraries by the Town and requested that the Town Board consider restoring the 10% cuts in the funding to the libraries in the future.

There being no further discussion the floor was closed for public comment.

Mrs. Roberts noted that the 2011 fee schedule had been presented to the Town Board. On a motion by Mr. Burdick, seconded by Mr. Corcoran, the following resolution was ADOPTED

Ayes: Roberts, Chryssos, Corcoran, Gabrielson, Burdick
Nays: None
Absent: None

RESOLVED that the Town Board does hereby adopt the 2011 Fee Schedule as presented.

On a motion by Mr. Burdick, seconded by Mr. Gabrielson, the following resolution was ADOPTED

Ayes: Roberts, Chryssos, Corcoran, Gabrielson, Burdick
Nays: None
Absent: None

RESOLVED that the Town Board does hereby adopt the 2011 Budget with a reduction of \$611,730.00 from the Tentative Budget as submitted by Edward J. Ritter, Town Comptroller as follows:

General Fund: - \$189,971.00
Highway Fund: -\$251,717.00
Consolidated Water District: -\$35,019.00
Cedar Downs Water District: -\$1,701.00
The Farms Water District: -\$115.00
Old Post Road Water District: -\$131.00

December 7, 2010 – Public Hearing – continued

Bedford Village Park District: -\$74,807.00

Bedford Hills Park District: -\$26,032.00

Katonah Park District: -\$32,237.00

On a motion by Mr. Corcoran, seconded by Mr. Burdick, the following resolution was
ADOPTED

Ayes: Roberts, Chryssos, Corcoran, Gabrielson, Burdick

Nays: None

Absent: None

RESOLVED that the Town Board does hereby close the public hearing to consider the
2011 Town of Bedford Budget.

The hearing was adjourned at 8:15 pm.

Lisbeth Fumagalli, Town Clerk