

The minutes of the Regular Board Meeting of the Village of Haverstraw Board of Trustees on Monday, April 27, 2015, at 7:00 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL	Trustee Batista	- Present
	Trustee Bueno	- Absent
	Trustee Watson	- Present
	Trustee Dominguez	- Present
	Mayor Kohut	- Present

Mayor Kohut: The Mayor announced this was a Special Meeting of the Village Board to discuss the "Tax Cap Override" and the adoption of the 2015/2016 Budget. As required, the Mayor presented his proposed budget to the Board in March in order for them to review all the line items and for their approval. He mentioned that the Board was hopeful that there would be an interim agreement with GDC Properties regarding the outstanding \$6.5M judgment the Village had to bond for, however, that is still being worked on and the Board is not certain when a final decision will be reached. Therefore, within the budget, there is an increase of \$100,000.00 for legal fees and \$73,000.00 in statutory bond interest along with increases in utilities, workers compensation, health insurance and some minor personnel increases. That being the case, he stated that there are some amendments to be made which will increase taxes by 5.7008%. He explained that if a municipality has to go over the New York State 2% tax cap there has to be a Public Hearing held by the municipality giving the public a chance to voice their opinions. The Village held a Public Hearing for this purpose at the Board Meeting of April 20th. Within the law, the municipality has to specify the reasoning for requesting an override of the tax cap, which in reality reflects cost of living expenses throughout the State. He reported that the Village cap for the coming year, as set by NY State, was 1.62%, which is unimaginable given the amount of mandated increases that have to be carried over from year to year. The Mayor then read some of the changes the Board indicated on the Mayor's proposed budget as follows:

- 1) Increase in Statutory Bonds Principal of \$85,000.
- 2) Decrease in Statutory Bond Interest of \$108,663.00, showing a net decrease of \$24,000.00, due to refinancing of some old bond obligations.
- 3) Decrease in the Law Personnel Services of \$2,500.00.
- 4) Decrease in Fuel/DPW Garage of \$5,000.00.

The Mayor reported the total decrease in lines from his proposed budget to be \$31,163.00. He then inquired if any of the Trustees had any further questions regarding the budget.

Francisco Batista: Trustee Batista questioned the increase of \$55,000.00 in overtime expenses.

Judith Curcio, Village Clerk/Treasurer: Ms. Curcio responded that the increase includes budgeting for 2 anticipated retirements and what more closely reflects the use of overtime funds for the significant number of snow storms that have hit the Village over the past 3 years.

The Mayor explained that retirements come with buyouts for accumulated time and the Village wants to have to funds available when the time comes.

Francisco Batista: Trustee Batista then inquired about the increase in DPW buildings and repair.

Joe Modafferi, Village Accountant: Mr. Modafferi reported that the repairs are not just the DPW buildings, it is all the repairs that the DPW does to Village owned buildings.

The Mayor then informed the public that the Board is required to pass a Local Law to override the tax cap. He also mentioned that the Board did a sampling of people, both commercial and residential, which showed an average increase of approximately \$194.00, at the high end, with the low end being approximately \$105.00 for the year, based on the original anticipated 6.2% increase, therefore, the numbers will go down slightly with the changes the Board made to the budget.

Mayor Kohut entertained a motion to pass a Local Law to override the 2% State mandated tax cap.

RESOLUTION #86-2015

Motion by: Terrence Watson, Jr.
Seconded by: Francisco Batista
Motion Carries: All

Mayor Kohut entertained a motion to adopt the 2015/2016 Budget with a 5.7008% increase over the prior year's budget for a total budget of \$9,193,784.00, an increase of approximately \$9.00 per thousand, which includes an increase to County Line 9720.6 Statutory Bonds/Principal in the sum of \$85,000.00, a decrease in County Line 9710.7 Statutory Bonds/Interest of \$108,663.00, a decrease in Line 1420.1 Law Personnel Services of \$2,500.00 and a decrease in Line 1620.41 Fuel/DPW Garage of \$5,000.00 for a total reduction of \$31,063.00.

RESOLUTION #87-2015

Motion by: Terrence Watson, Jr.
Seconded by: Francisco Batista
Motion Carries: All

Mayor Kohut announced that the budget has been approved as stated above. He then mentioned that this was technically a Special Meeting, however, with nothing further to be discussed on the agenda, he invited the public to ask questions or make comments.

Andrea Cacurro, 34 First Street: Ms. Cacurro inquired how much the taxes will go up.

Mayor Kohut: The Mayor responded from the sampling that was done the residential increase would be somewhere between \$105.00 and \$195.00 per year, an increase of 5.7008%.

Andrea Cacurro: Ms. Cacurro did not realize that when the budget goes up the taxes go up by the same amount.

Emily Dominguez: Trustee Dominguez then stated the increase in taxes would average somewhere between \$10.00 to \$14.00 per month.

Joseph Modafferi: Mr. Modafferi stated that the amount given was the increase in taxes not the amount of the increase in the budget because there are certain revenue lines that lower the rate.

John Pike, Riverside Avenue, Dutchtown: Mr. Pike was interested in knowing what line had the largest increase.

Mayor Kohut: The Mayor informed Mr. Pike that the Village has seen one of the largest increases in the Workers Compensation Line, followed by Legal Fees for upcoming litigation matters.

John Pike: Mr. Pike requested an explanation of how the problem with the \$6.5M GDC issue came about.

Mayor Kohut: The Mayor explained that when the Harbors project began the Village agreed to take the main parcel through condemnation from the owner. Both GDC and the Village hired firms who appraised the property at \$3.4M, from which the Village deducted clean-up costs, which the Village is entitled to do when a municipality takes a property. The Village then paid that difference of approximately \$2.5M to the property owner. If the property owner is dissatisfied with the amount he is paid, he has the right under the law to challenge the assessment and sue for a higher amount. That lawsuit lasted approximately 9 years because there is no statute that mandates time limits. The lower court that heard the case valued the property at \$6.9M. Normally, the initial \$3.4M would be deducted from the \$6.9M and that would be the difference, however, under the statute there is statutory interest due on the difference, which runs from the "taking" in 2003 to the date it is actually paid, at either a 6% or 9% interest rate per day. When everything was calculated out, including the interest due, the difference jumped back up to \$6.5M. He then explained that when it came time to pay the bill, Mr. Ginsburg did not agree with the amount and things dragged on again with interest being added to the bottom line on a daily basis.

John Pike: Mr. Pike inquired if there was a way to immunize the Village within the context of the court judgment.

Mayor Kohut: The Mayor explained that Mr. Ginsburg is obligated, under contract, to pay the Village; however, it's a known fact that just because someone is obligated does not mean that they can be physically forced to make payment. The Village is trying to resolve these issues with Mr. Ginsburg, but if it can't be resolved, the attorney's fees will be very costly and the Village has to anticipate there being litigation. He mentioned that the Village has already incurred approximately \$35,000.00 in attorney fees trying to come to some sort of resolution with Martin Ginsburg.

John Pike: Mr. Pike inquired if the negotiations are published or how a person would find out what is going on. He would like to review the contract.

Mayor Kohut: The Mayor responded because they are legal negotiations they are private. The terms are found in the Land Acquisition and Development Agreement (LADA), the governing contract between GDC and the Village since the beginning in 2001.

Stephanie Goram, 32 Riverside Avenue: Ms. Goram requested an explanation of the override of the tax cap.

Mayor Kohut: The Mayor explained that several years back Governor Cuomo instituted a policy for cutting taxes and forcing municipalities to be more frugal. He had the State Legislature approve a 2% tax cap, which is actually 2% of the tax levy, which a municipality could not go over without passing a Local Law. A Public Hearing to hear the concerns of the taxpayers is required to pass the

override to the law. He explained that the tax cap, in reality, is basically tied to the cost of living. With consumer costs going up year after year, it is physically impossible to keep tax increases at or below the 2%. He further explained that this is strictly for this year and next year every municipality will go through the same process all again.

Stephanie Goram: Ms. Goram inquired if taxes will ever go down.

Mayor Kohut: The Mayor responded that no one knows what next year will bring and all the public can do is hope that things will improve at some point.

Sandra Nadohl, 77 Old Mountain Road, Nyack: Ms. Nadohl inquired if the tax cap would go down the following year.

Mayor Kohut: The Mayor responded there will be a new cap based upon what this year's levy was or 2% higher than what was just passed. He explained further that even if the municipality established a 1.3% cap next year's budget would still be above the 1.3%.

Stephanie Goram: Ms. Goram inquired how this information gets out to the people.

Mayor Kohut: The Mayor responded it is put on the Village Website.

Stephanie Goram: Ms. Goram said the budget meeting was not on the website calendar.

Mayor Kohut: When a Public Hearing is schedule it is published in the Journal News or the Rockland County Times and the Public Hearing is posted on our website. This is also done with any changes to the law, zoning variances, site plans, are all done with a Public Notice using the same manner for all postings.

Sandra Nadohl: Ms Nadohl wanted to know where to find the \$6.5M in the budget.

Joseph Modafferi: Mr. Modafferi responded that when the \$6.5M comes due approximately \$73,000.00 will be owed in interest and that amount is included in this budget under Serial Bond Interest, which he explained are bonds that the Village holds over the years for improvements and other such things.

Mayor Kohut: The Mayor explained that that figure is under the present year and is the revenue that was taken in to pay off that debt, which is why it only shows there.

Sandra Nadohl: Ms. Nadohl asked what that debt was for.

Mayor Kohut: The Mayor responded the GDC debt, which the Board is still working to resolve.

Rosianna Vazquez, 139 Hudson Avenue: Ms. Vazquez inquired if there is some way to stop the increases in taxes.

Mayor Kohut: The Mayor explained to Ms. Vazquez that the Board sits for countless hours trying to bring in a reasonable budget and find ways to save money and cut expenses. He further stated that the Village has a slim staff and when someone leaves and a vacancy arises it has been the practice lately to not fill that vacancy if at all possible. He again mentioned that Workers Compensation costs have gone up tremendously over the years, utility bills

continue to rise considerably and the lawsuit created another increase, which are all things the Village has no control over.

John Pike: Mr. Pike inquired if the Village itself does anything to increase revenues and cut expenses in order to contain taxes.

Mayor Kohut: The Mayor responded that the Village does both.

John Pike: Mr. Pike requested a primary example of what is done to increase revenues.

Mayor Kohut: The Mayor responded the Village is very vigilant in keeping tabs on new homes being constructed to be sure they are put on the assessment rolls. When there are building violations the Village goes after the property owners issuing fines. The Village is always submitting applications for grants to fund certain projects being done in the Village. He explained that there are no grants that help fund operating budgets except the CHIPS fund, which is funding for repairs to the roads. He explained that when grants are received they are for specific projects and cannot be used for any other Village needs. The Village is always watching current trends to see if it can receive higher revenues from Mortgage Recording Taxes or Sales Taxes, which are also budgeted for. The Village has also lost money to higher paying property owners who feel they are over assessed, grieve their assessments to have their taxes lowered and if they prevail everything has to even out by raising taxes all around.

John Pike: Mr. Pike asked if Orange & Rockland and Tilcon are taxed.

Mayor Kohut: The Mayor responded that both entities pay taxes to the Village, however the only thing O&R has within Village borders is a tank farm, which is the large cylindrical tanks that hold fuel oil, located past the electrical plant on the way to Bowline Park. He also mentioned that there was a large certiorari tax settlement against all the taxing jurisdictions which cut revenues from Bowline by approximately 80%, leaving the municipalities with small revenues of \$30,000.00 to \$60,000.00 per year from the tank farm, which is down from \$3M.

John Pike: Mr. Pike asked if the Town could do some kind of incentive with the Federal government using the Hudson River at that location for some kind of geothermal electricity. He also suggested doing some kind of project with Tilcon.

Mayor Kohut: The Mayor stated that use of the river and Tilcon is regulated by the Federal government and the Village has no say in what Tilcon can do. The energy plants have not belonged to O&R for over 15 years, informing Mr. Pike that it is now owned by a company out of Texas called NRG who are in the business of just producing energy for distribution. He also mentioned that Tilcon is in the rock business not the geothermal business. He stated when O&R owned the plants they accepted whatever taxes were assessed to them and passed those rates on to their customers but under deregulation this new company is totally different in every way and has shown no interest in the community. When deregulation went into effect the new company challenged their assessments and won leaving the North Rockland community tax payments down to \$7M per year, down from \$100M per year, which is where all the problems currently facing North Rockland taxpayers originated. The Mayor also feels if NRG thought they could make money with geothermal energy at that plant they would be moving forward in that direction. Right now they are

focusing on improving their plant functions and possibly adding a 3rd power plant in that area.

Justina Veras, 31 Fonda Drive, Stony Point: Ms. Veras came into the meeting as it was going to be adjourned and asked about the tax increase.

Mayor Kohut: The Mayor informed her that the Board just approved the 2015/2016 Budget, which was increased by 5.7008%, which equates to a tax increase on the average homeowner of between \$105.00 to \$195.00 per year.

Mayor Kohut: With no further business to be conducted by the Board, the Mayor entertained a motion to adjourn the meeting.

Mayor Kohut entertained a motion to that effect.

RESOLUTION #88-2015

Motion by: Emily Dominguez

Seconded by: Terrence Watson, Jr.

Motion Carries: All

Respectfully submitted by,

Beverly A. Swift, Senior Steno Clerk