

RED HOOK TOWN BOARD MEETING

October 31, 2009

A budget workshop of the Town Board of the Town of Red Hook, Dutchess County, New York was convened in public session at the Town Hall, 7340 South Broadway, Red Hook at 8:30 a.m.

Present: Supervisor Sue Crane
Councilman James Ross
Councilwoman Micki Strawinski
Councilman Harry Colgan
Councilman Robert McKeon
Town Clerk Sue McCann

Also Present: Highway Superintendent Wayne Hildenbrand
Business Manager Deb Marks
Budget Officer Rose Rider
Ted Eglit, CPA

Supervisor Crane welcomed everyone to the meeting and explained that this is a continuation of the meeting that was adjourned on October 28. She opened with the Pledge of Allegiance.

SUPERVISOR'S REPORT/BUDGET ADJUSTMENTS

The Supervisor's report dated September 30, 2009 was read as follows: Opening balance - \$2,231,903.07; Receipts - \$374,132.06; Disbursed - \$533,508.81; Balance - \$2,072,526.32; Budget Adjustments, General A Fund increase in revenue - \$4,533.00; reduce appropriations - \$1,625.00; Total increase appropriations - \$6,570.00; Offset to fund balance - \$412.00. General B Fund increase in revenue - \$14,218.00; no reduction to appropriations; total increase in appropriations - \$17,542.00; offset to the fund balance - \$3,324.00; Highway DB Fund increase in revenues - \$142.00; reduce appropriations - \$25,900.00; offset to the fund balance - \$142.00; Water Works O&M Fund total reduction in appropriations - \$2,000.00; total increase in appropriations - \$2,000.00; Capital Projects Funds total increase in appropriations - \$3,038.00; offset to the fund balance - \$3,038.00.

On a motion of Councilman Ross, seconded by Councilwoman Strawinski moved to accept the report and budget adjustments as read.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Copy Attached

Supervisor Crane asked Councilwoman Strawinski or Councilman McKeon to sign vouchers. There is a stack of vouchers in the Board room that need signatures.

PUBLIC COMMENT PERIOD

Supervisor Crane opened for public comments.

Lisa Pullaro commented that on September 30th, the Supervisor proposed a budget as she is required to do. On the heels of that, immediately, on October 5th there was an article in the Poughkeepsie Journal criticizing the proposed budget and indicating that Councilman McKeon had a plan for bringing about no tax increase. On October 6th and October 13th there were two scheduled meetings of the Town Board where none of that plan was divulged to us. On October 21st and October 28th both of those scheduled Town Board meetings were cancelled by the three members of the Town Board in a decision that happened outside of a public meeting. As far as her knowledge of Open Meeting Laws, that was an illegal action. On October 26th, during the debate we also heard that Councilman McKeon had a plan, his own budget. She doesn't know how a member of the Board creates their own budget, but he created his own budget that he is going to put forth but we don't know when. The question is, is this a matter of avoidance or is this a matter of delay as we approach a crucial date on Tuesday? Her perception is that the Board is playing games and using the budget process and the people of Red Hook. It is up to the Board to change the public's perception. There was a comment in the October 14th edition of the Hudson Valley News by Councilman McKeon that said you can't have a full time job and give this your full attention, this being a community servant. She challenges that and questions how a comment like that can be made after he sat and listened to well deserved accolades at a Rotary

Citizen of the Year dinner. Clearly the behavior that has been displayed by certain members of this Board certainly wouldn't be tolerated in a work environment.

There were no further public comments.

ANNOUNCEMENTS

Supervisor Crane thanked Highway Superintendent Wayne Hildenbrand and his wife Kathy Hildenbrand. On a personal level, and maybe even speaking for the Board, she said that he has been responsive and responsible and backed us up whenever possible for needs in the Town Hall. His men have been faithful and she believes it is because of their loyalty to Highway Superintendent Wayne Hildenbrand. He served for thirty one years. She stated that she probably would not have managed her first six months without Wayne Hildenbrand. He responded to every request she made as quickly as possible. She said he set an example and thanked him from the bottom of her heart. She thanked him for his loyalty to the Town of Red Hook.

Councilman McKeon added that when Wayne gets phone calls we're pulling him away from his family in the middle of the night. He said that Wayne's children have turned out to be great community members as well. He also complimented Wayne's wife Kathy.

Councilman Ross told Wayne that we'll miss him around here.

Supervisor Crane introduced Ted Eglit, our accountant, Rose Rider, our Budget Officer and Deb Marks, our Business Manager. She asked Deb Marks to make an announcement.

Business Manager Deb Marks announced that last evening at 5:25 p.m., her daughter delivered a little girl, Alexandra Rose, 9lbs., 9 oz., 21 inches long. She is the most beautiful and alert baby to grace the earth.

Supervisor Crane announced that November 3rd is Election Day and reminded everyone to vote.

FINALIZATION OF PRELIMINARY BUDGET

Supervisor Crane addressed the concerns that were previously brought up. She is keenly aware of this budget situation and she is not amused by the delay. She is trying to understand it and work with it. She has been consulting with the Association of Town's attorney to make certain that we are able to meet our fiscal obligations as a responsible Town today. Whatever we adopt at the end of the day will be her responsibility with the Board's input. They must finish the preliminary budget so that they can have the first Public Hearing on the Thursday after the public elections by Town law. The first public hearing will be November 4th, 2009 at 7:30 p.m. here at Town Hall. It stands as noted because the Supervisor had to do a special 48 hour notice of publication. We will open a public hearing on November 4th at 7:30 p.m. By law it must be done. It provides for candidates who are running for office to take responsibility for a budget and make it known, particularly where their salaries are concerned, before the election. There cannot be changes after that preliminary budget is adopted. Furthermore the implication is that changes beyond that will occur as a result of Public Hearing. The salaries for sure have to be adopted. We will begin to take a stab at that by complying at the first Public Hearing on November 4th at 7:30 p.m. Election Law and Budget Law are fragile laws and timing is crucial.

Councilman Colgan stated that we cannot have the hearing on November 4th.

Councilman McKeon commented that we can continue to debate this.

Supervisor Crane explained that she is not going to. As Supervisor she was asked to comply with New York State Law. She has been in touch with the Association of Towns and our Attorney for the Town. She told them that she is not going to tolerate delays. We've delayed more this year than any other year.

Councilman Colgan said this Town is run by a Board of five people. She was on vacation for three weeks when the budget was first submitted. There is no law for cancellation of meetings. The law as he read it says the Public Hearing should be started on Thursday following the election. It is not a specific date. We have until the 15th to complete public hearings. It is a reality.

Supervisor Crane said the reality is that she is the Supervisor and she contacted two attorneys who confirmed to her that we must have a preliminary budget prior to the election. In so far as her vacation time, it is not an issue for her because of the people she left comfortably in your hands. She met her responsibility to the law. Everyone does their very best to meet the schedule that is required.

Councilman Ross asked if we can at least have some sort of tentative budget with the salaries for elected officials fixed so that we can go to Public Hearing next Wednesday which has already been announced. There may be changes after that and we can change other things after the opening of the original Public Hearing.

Councilman Colgan said we agreed to make it on the 10th.

Councilman Ross replied that was before any of the Board was aware that according to law it has to start no later than the Thursday following the election. We didn't realize that portion of the law.

Councilman Colgan argued that he is comfortable with the 10th. It made sense and we have until the 20th to pass the final budget. It's too important to do in any lesser time.

Councilman McKeon said first of all if we want to get through this, it's going to take a very long time. We absolutely have to set the elected officials salaries today. If we do nothing else, we have to let the public know what we intend to pay ourselves. He looked at Supervisor Crane's budget and said they have to do better. Her preliminary budget suggestion calls for a 25% increase on Village residents and a 15% on Town outside residents. Her budget does have reductions in staffing. We cannot discuss this in public. He wants to ask serious questions as to how those determinations were made. He wants to motion to go into Executive Session but he would like to set public official salaries.

Supervisor Crane asked what we were advised about that. We were told that it was not sensible to discuss anything but job titles and that is what this does. There is no need for Executive Session because we are not going to discuss personnel. We are going to discuss job titles.

Councilman McKeon thinks it is disrespectful and unprofessional for an employee to find out because of some printed document, because she is in a hurry, that this is the way he is going to be treated.

Councilman Colgan said it is a reality that if the line is eliminated, it is transparent.

Supervisor Crane responded transparency is what we are attempting to accomplish.

The Board continued to discuss how they would deal with certain line items in the preliminary budget.

Supervisor Crane agreed to set the salaries for the elected officials before going to Executive Session.

Supervisor

Business Manager Deb Marks read the suggested salaries. The Supervisor's salary was set at \$25,944.00.

Councilman McKeon wants to reconsider that salary because he thinks we should look at other communities of similar size. He suggested discussing Town Board salaries also.

Supervisor Crane told him that Deb Marks took the time to get a county wide comparison.

Councilman Colgan is quite comfortable with what is proposed.

Councilman Ross asked if they decided to freeze the salaries at the 2008 level. He is comfortable with that.

Councilwoman Strawinski is also comfortable with it.

Town Board

Deb Marks gave the figure of \$7,283.00 annually per member.

Councilman Ross asked if that was the 2008 level as well.

Deb Marks responded yes.

Councilman McKeon proposed \$6500.00.

On a motion of Councilman Colgan, seconded by Councilman Ross, moved to accept the figure of \$7,283.00 as proposed for each Town Board member.

Adopted	Ayes	4	Crane, Ross, Strawinski, Colgan
	Nays	1	McKeon

Justices

Supervisor Crane said the Association of Town's found that it would not be prudent to change the Justice's salaries while they are in office. She recommended not changing their salaries.

Deb Marks gave the Justice salaries as \$29,954.00 divided by two; \$14,977.00 each.

Supervisor Crane explained that our practice has been once these critical changes have been made to have Deb Marks run any changes agreed upon. Then look again to see where they can make reductions.

On a motion of Councilman Colgan, seconded by Councilwoman Strawinski moved to approve the Justice Court salaries as proposed at the 2009 level.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Town Clerk

Deb Marks gave the figure of \$46,830.00 as salary for Town Clerk.

On a motion of Supervisor Crane, seconded by Councilman Colgan moved to freeze that salary line.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Highway Superintendent

Councilman Ross said the proposed figure of \$55,000.00 is already a reduction.

On a motion of Councilman Ross, seconded by Councilwoman Strawinski, moved to accept the salary of \$55,000.00

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Councilman McKeon explained that health care benefits for elected officials are not appropriate. Part time employees don't receive those benefits.

On a motion of Councilman McKeon, seconded by Supervisor Crane for discussion, that health care benefits are not included for Town Board and Town Supervisor and that the budget should be amended to reflect that.

The following discussion ensued, another motion was made and a vote was taken:

Supervisor Crane said they've talked this to death for years. It is a policy on the part of Towns as an incentive to get good elected officials. It was never intended to add more to their salary. Nevertheless, in this economy, there is no question that it is irresponsible to talk about compensation of any amount for a part time elected official.

Councilman McKeon said that it is very expensive. If we all required the insurance, and they don't, it would be a significant cost to the taxpayers.

Supervisor Crane asked him not to say "us" but to refer to the position. It is about recruiting someone for the positions.

Councilman McKeon feels it is inappropriate for part time elected officials to have medical benefits.

Councilman Ross disagrees. The people on the Board, regardless of who they are, spend an awful lot of time for very little. He is strongly opposed to eliminating that regardless of who sits in this position. In this economy he suggested that the elected official be responsible for a percentage of the cost. He suggested between 15 and 25%.

Councilman Colgan said there is an element of hypocrisy here in that we don't provide medical insurance or coverage to our part time employees. There are a number of people here that don't get medical insurance. It strikes him as hypocritical. He thinks that \$7,000.00 is less than adequate salary for the work they do, but that is a different issue. In the future he thinks the elected officials should have an appropriate salary. The Town Board members are the lowest paid employees. He thinks most anyone going into that job have medical insurance elsewhere.

Supervisor Crane doesn't want to talk about what each of the Board member has for insurance because that doesn't weigh into it. She and Councilman Colgan are fortunate to have Medicare at this point with an MVP Gold policy. Who can we attract for these positions that are willing to put in the time? She can assure everyone that there are employees here that are paying COBRA who have left their position and are thankful that the medical was covering the family. We have to be careful about this decision because it is one that has long reaching affect. She doesn't disagree with all of the points made; she sincerely understands exactly what the point is. She would love to give everyone full benefits. She asked Councilwoman Strawinski to weigh in.

Councilwoman Strawinski is always concerned about people not being insured, but she believes whoever comes to this Board will have medical coverage. It is just for this 2010 budget. It doesn't mean that in 2011 we couldn't revisit the issue of medical insurance and whether or not a Town Board member needs it. She has insurance through her employer. She agrees with Councilmen Colgan and McKeon that it would be somewhat hypocritical to take insurance when other part time employees don't have the option of having it.

Supervisor Crane said the Board may revisit it in 2010.

Business Manager Deb Marks thought it would be an appropriate time to tell them that last year when this was discussed the Board considered offering a flat \$2,000 buyout. That as well would be a savings and would be attractive enough to have someone go with the buyout as opposed to the coverage.

Supervisor Crane responded that it seems like a sensible compromise.

Councilman McKeon is not going to vote for that compromise, there is nothing sensible about being hypocritical.

Councilman Ross never did this for the money, but he doesn't think someone in this position should get kicked. Justices are also part time. "What's good for the goose is good for the gander" and it has got to be the same for everyone.

Councilman McKeon said there is nothing off the table as far as he is concerned.

On a motion of Councilman McKeon, seconded by Councilwoman Strawinski, motioned that we no longer offer health care insurance for part time elected officials, the Town Board and the Town Supervisor.

Adopted	Ayes	4	Crane, Strawinski, Colgan, McKeon
	Nays	1	Ross

Councilman Colgan thinks when the economy turns around they should make appropriate salaries for elected officials.

Supervisor Crane hopes that there is a Board in 2010 that reevaluates all the decisions as they did in 2009 and if we find ourselves in an admirable position of having saved enough money to reinstate some of these cuts we will do so and in fact adjust the budget accordingly with the 2010 new Board. It is too early to know if things are looking better. She has never had employees who are so willing. She asked Rose Rider to speak about that.

Rose Rider said that all Department Heads she spoke to are very aware of the budget situation and the problems facing the Town in the coming year. They were very, very conscientious in examining each line of their budget. The Highway Superintendent cut his budget back which was a difficult thing to do. Everyone was very aware and careful about cutting back.

Supervisor Crane said they were very cooperative and were working on it months ago.

Rose Rider added that she, Supervisor Crane, and Business Manager Deb Marks have worked on it since August with many, many meetings.

Supervisor Crane asked Deb Marks to take the recommendations and doing the calculations while the Board took a break. She asked Ted Eglit to share what he sees out there since he works with other Towns.

Ted Eglit, CPA, sees pretty much the same thing that everyone is trying to keep costs down with the economy the way it is. Nothing is going on differently here than what is going on in other Towns. He confirmed that the Hudson Valley has been hit hard.

Councilman Colgan asked Highway Superintendent Wayne Hildenbrand about some of the roads that are not in great shape. How long can we stretch repaving before we pay the price for going beyond the point of reasonable return?

Wayne responded the average life span on our Town roads is roughly twelve to fifteen years. It is a roll over period of about fifteen years. We have sixty center line miles of road. If they did five miles of road a year, it is a twelve year roll over. We expect to get twelve years of service life out of the road before needing repaving. This year we reduced to 1.48 miles of capital improvement for roads. What that means is whatever road we do in 2010, you're not going to see anything done again on that road for about fifty years. If you have sixty miles of road and do a mile a year, which is just for improving what has deteriorated, it's not for general maintenance on what is already in existence. You're going backward right now.

Councilman Colgan is concerned that it could get us in big trouble.

Wayne told him that in four or five years, if you continue at that rate, you could be in trouble and could be looking at floating multimillion dollar bonds to play catch up. We haven't had to do that yet.

Supervisor Crane thanked Wayne for his help regarding our good bond rating. We are admired throughout the county for that bond rating and Wayne's five year plan directly affected that.

Wayne explained that the bulk of our capital improvements from last year as well as this year are covered by our CHIPS money which is our State aid. We don't know though if that is going to continue or not from year to year. If that is eliminated then we are down to probably less than half a mile a year.

Councilman Colgan asked what it roughly cost to repave five miles.

Wayne responded it changes from year to year. Last year they did the half of Feller Newmark from Crestwood to Hapeman Hill which is just a hair over a mile and it was \$72,000.

Councilman McKeon, in addressing Councilman Colgan, said he brought up the topic of roadway repaving which is one of many line items. What is in the budget for permanent improvements is really just some number. His criticism of the proposed preliminary budget is

that it is really just a tentative budget with many of the line items cut by 10%. While that may be doable in certain categories, there is no rhyme or reason of what these cuts are. When he met with Highway Superintendent Hildenbrand he actually discussed with him the project he is proposing for next year. That is the type of detail we need in order to come up with a budget that is both believable and one we can adopt. He suggested that we nail down something that is rationalized. He asked about going into Executive Session.

Supervisor Crane said she took offense to that and defended the work that was put into the budget. To say that the budget was casually reduced 10% across the line is the hugest exaggeration we've had here today. She won't let it pass. We all can read the numbers.

On a motion of Councilman McKeon, seconded by Supervisor Crane moved to go into Executive Session to discuss personnel issues at 9:35 a.m.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

On a motion of Supervisor Crane, seconded by Councilwoman Strawinski moved to close the Executive Session at 10:10 a.m.

Adopted	Ayes	4	Crane, Ross, Strawinski, McKeon
	Nays	0	
	Absent	1	(Councilman Colgan not in the room when vote taken)

Supervisor Crane presented the results of Business Manager Deb Marks' calculations that she ran while the Board was in Executive Session. She asked Deb to lead the Board through it.

Deb Marks brought to the Board's attention that between the last meeting and today the situation has changed regarding the General A Fund because the Highway Superintendent is retiring. She added to the revenue line, that portion of the medical insurance coverage that he will be paying for and also included that portion of the benefit of his coverage that the Town will be paying for. She held all of the elected official's salaries at the 2008 rate, except for the Town Clerk which does not include a raise. She also made the change to the Highway Superintendent. She recalculated the medical benefits with no buyout or coverage being offered to part time elected officials except for the Justices who are exempt from that. The print out showed the changes the Board was looking at.

Supervisor Crane told the Board that the printout meets the requirements by law with the salaries of elected officials that have been decided by the Town Board. She asked for a reaction to them and to decide today, so that it meets the limits of the law regarding elected officials salary. We will have a Public Hearing not later than the Thursday after the election date. She asked if the Board was in agreement of the salaries and went through them individually.

On a motion of Councilman Colgan, seconded by Councilwoman Strawinski, moved to set the Supervisor's salary at \$25,944.00

Adopted	Ayes	5	Ross, Crane, Strawinski, Colgan, McKeon
	Nays	0	

On a motion of Councilwoman Strawinski, seconded by Councilman Colgan moved to set the Council salaries at \$7,283.00 each.

Adopted	Ayes	5	Ross, Crane, Strawinski, Colgan, McKeon
	Nays	0	

On a motion of Councilman Colgan, seconded by Councilman Ross, moved to set the Town Clerk's salary at \$46,830.00

Adopted	Ayes	5	Ross, Crane, Strawinski, Colgan, McKeon
	Nays	0	

On a motion of Councilman Colgan, seconded by Councilwoman Strawinski, moved to set Justice #1 salary at \$14,977.00

Adopted	Ayes	5	Ross, Crane, Strawinski, Colgan, McKeon
	Nays	0	

On a motion of Supervisor Crane, seconded by Councilman Colgan, moved to set Justice #2 salary at \$14,977.00

Adopted Ayes 5 Ross, Crane, Strawinski, Colgan, McKeon
 Nays 0

On a motion of Councilwoman Strawinski, seconded by Councilman Ross, moved to set the Highway Superintendent's salary at \$55,000.00

Adopted Ayes 5 Ross, Crane, Strawinski, Colgan, McKeon
 Nays 0

Supervisor Crane announced that the Board officially met the requirements of the law, that the salaries of elected officials are now officially ready to be published for a Public Hearing on November 4th at 7:30 p.m.

Councilwoman Strawinski questioned the vote taken at the October 13th meeting setting a Public Hearing for the budget on November 10th. She read a section of the minutes of that meeting that took place in Supervisor Crane's absence.

Supervisor Crane was aware and understands the dynamics, the problem is trying to meet the calendar that is required of us. We can have the Public Hearing because it is *required* that we do it not later than the Thursday following the election.

Councilman Ross explained that at the time they moved on it they were not aware of that portion of the law.

Supervisor Crane asked if the Board can agree to meet on Wednesday, November 4th at 7:30 p.m. for a Public Hearing on the budget as it stands.

Councilman Colgan doesn't like that idea at all. In spite of the law, the way he reads it, and from people he's spoken to, what they originally planned makes sense. It is within the time frames and we will meet the deadline.

Supervisor Crane stated that it is not within the time frame of the law. That is why we are here on a Saturday morning.

Councilman Colgan commented that Election Day falls on anyone of seven possible days.

Town Clerk McCann explained that is why it is very clearly stated this way. It doesn't give an election date, it says the Thursday following the election.

Councilman Colgan said life functions by intent. He doesn't want a rushed budget.

Town Clerk Sue McCann told him it didn't have to be adopted on the 4th.

Councilman Colgan thinks having an appropriate budget is paramount and he feels very strongly that we should stick with the time frame they originally talked about.

Supervisor Crane stated "you're willing to risk going outside of the budget calendar law".

Councilman Colgan responded "I am". He said he felt very comfortable in pursuing the intent.

Supervisor Crane asked Ted Eglit for his recommendation.

CPA Ted Eglit said to have it on November 4th. To have it on November 10th would be a violation of Municipal County Law.

Councilman Ross stated if they have a quorum they can open the Public Hearing and adjourn it for sometime between the 4th and the 15th when they all can be there.

Councilman Colgan said what bothers him is passing a preliminary budget today. He is not comfortable that we can get through this.

Councilman Ross sympathizes with him. They've fixed the elected official salaries, the only down side is that there is likely to be more changes to the preliminary budget after the public hearing than there would be in a normal year.

Councilman Colgan asked why not have the Public Hearing on Thursday rather than Wednesday.

Town Clerk McCann answered that there is court on Thursday nights and the meeting room is unavailable.

Supervisor Crane said we are violating the law and she will not vote for doing that.

Councilman Ross understands Supervisor Crane. We certainly don't want to behave as the State does with their budget. Regardless, let's all be in agreement.

Councilwoman Strawinski asked if they could meet in the conference room on Thursday.

Councilman Ross said it would not be big enough for a Public Hearing on the budget.

Town Clerk McCann explained that it is too late to get a Public Hearing notice out to change it to Thursday.

Supervisor Crane explained the Supervisor has the responsibility of 48 hour notice in an emergency situation which this was in order to meet the law.

Councilman Ross suggested that the Board proceed and we may have to adjourn it.

Councilman McKeon said there are two issues. It seems to him that we can have a Public Hearing whenever we want to provided that we are within the legal guidelines of announcing it and providing notice. The more difficult issue is what would that preliminary budget look like and would we have it in time. It seems to him that we don't have the required time to have that preliminary budget available to the public.

Supervisor Crane, again, explained that she consulted about that or she would not have done it. It is perfectly within our scope of responsibility to have this meeting this morning, notice it on Monday as quickly as we can to all sources, and move on. Election Day is Tuesday, we will have the Public Hearing on Wednesday, and people will have an opportunity to come. We could adjourn and meet on a day they all suggest for a continuation of the Public Hearing.

The Board continued to discuss the meeting dates and/or Public Hearing dates as they relate to Election Day. The issue of changes in the budget was also discussed.

Councilman McKeon said he will not vote on a preliminary budget at that meeting.

Councilman Ross said the problem with that is that once we have a preliminary budget after the Public Hearing we can only increase it a maximum of a certain percentage. We can decrease it.

Councilman Colgan wants a good budget.

Supervisor Crane asked if he's suggesting that none of us do. She is trying to make sure to do the very best we can in order to meet the letter of the law for that preliminary budget. These circumstances today are the best they have.

Councilman Colgan said the difference between him and Supervisor Crane is that she says the "letter of the law" he considers it the "intent of the law".

Supervisor Crane said there is some flexibility but there is no mistaking about what is the proper and accepted practice that is legal within the bounds of the law. It is for very obvious reasons. It's a protection for the public so that candidates can't go out there making frivolous claims, get elected, then change their minds and do what they want.

Councilwoman Strawinski asked if we move forward with a preliminary budget ready for the 4th, since the Board did not vote on any of the changes recommended except for the salaries, will it be included in the preliminary budget.

Supervisor Crane responded they will be and they will be up for discussion by us and the public.

Councilwoman Strawinski doesn't think everyone agreed on the cuts. If we agree with it now and can't increase after we present the preliminary budget, she think they should continue the discussion on what the preliminary budget is going to look like.

Supervisor Crane explained that's what the Public Hearing is for, public input.

Deb Marks explained that what Councilwoman Strawinski was looking at is suggestions, they are not changes made at all, nor were they considered by the Board yet. The only changes are those the Board specifically directed. Hypothetically speaking they can use that as the preliminary budget. In no way do you have to stick to it, you can make adjustments and changes during the Public Hearing.

Supervisor Crane finds the difference between tentative, which she is responsible to give Town Clerk McCann, and the preliminary, which is what we are required by law to publish not later than the Thursday after the election. There is no window, the law is very clear.

The Board discussed a referendum regarding the Library funding.

Councilman Ross explained that the referendums that the taxpayers passed include two big increases, the library, and paying off our purchase of development rights (PDR) debt. With the reduction in mortgage tax and sales tax, that is what put us in this position.

Supervisor Crane asked if there are three members willing to vote for the public hearing on November 4th.

Councilman McKeon would like to tackle some of the line items now. He would be happy to share some of his line items.

Councilman Colgan referred to some issues put on the table that have not been resolved.

Rose Rider explained the secretarial amounts were voted on and that has been done.

Councilman McKeon feels it is the Boards obligation to start with last year's tax levy and stay within that so that we don't increase taxes, that we work backwards from there and decide how we want to allocate those dollars, not decide what we want to keep and see what that adds up to.

Councilman Ross explained we won't be able to do that with the library referendum the taxpayer voted for. That is \$270,000.

The Board decided to stay and work on the budget.

Supervisor Crane asked Rose Rider to begin to address the budget line by line. She reviewed and answered any questions the Board had.

Cleaning Services – the Board discussed the cost of cleaning services for the Town Hall and going out for an RFP.

On a motion of Councilman Ross, seconded by Supervisor Crane moved to put the cleaning services at \$10,000 for the year 2010.

Adopted	Ayes	4	Crane, Ross, Strawinski, Colgan
	Nays	1	McKeon

Town Board Local Law – Rose explained that the line was for writing laws for proposed Centers Greenspace plan.

Councilman Ross would like to see that number reduced considerably.

Councilman McKeon suggested cutting the figure in half.

On a motion of Councilman McKeon, seconded by Supervisor Crane moved that the Town Board Local Law line be reduced to \$5,000.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

The Board continued to review the budget line by line.

Dog Warden – The Board unanimously agreed to keep the line at \$1,500.00

Street Lighting – discussion concerning a new street light was discussed.

On a motion of Supervisor Crane, seconded by Councilman Ross moved to increase the budget line (A5182.4) for street lighting to \$15,500.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Trails – Rose Rider explained that the question on that was what the \$600.00 was for. It was for mapping or for a GPS. It was decided to leave that amount in.

On a motion of Councilwoman Strawinski, seconded by Supervisor Crane moved to make no change to the Trails line.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Community Action Agency – Rose explained there was a 10% increase, the figure being \$5,605.00. Supervisor Crane would be reluctant to cut that. They are serving families in Red Hook who need it.

On a motion of Councilwoman Strawinski, seconded by Councilman Ross moved to keep the line for Community Action at \$5,605.00.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Recreation Park Equipment – This line was lowered because they took out the scoreboard. Reducing other lines was suggested, they are tight on equipment. The amount was \$7,600.00

On a motion of Supervisor Crane, seconded by Councilman Colgan moved to approve the line for Recreation Park equipment.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Summer Recreation – salaries for the summer program were discussed. The amount discussed is \$58,000.00; Councilman McKeon wants to make sure everyone's salaries are frozen.

On a motion of Councilman Ross, seconded by Supervisor Crane moved to set the budget at \$58,000.00.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Tivoli Memorial Park – it was discussed to remove \$7,000.00 from the line.

On a motion of Councilman Colgan, seconded by Councilwoman Strawinski, moved to eliminate the \$7,000.00 from line A7145.41

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Adult Ed. – Seniors – That was cut to two trips a year instead of three. The board discussed recreation for senior citizens.

On a motion of Councilman McKeon, seconded by Councilwoman Strawinski, moved to keep it at \$3,254.00.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

NY State Retirement Increase – there was discussion regarding an increase the State has given that we are responsible for. It was decided to table the issue.

Medical Insurance Buyout – discussed and tabled

The Board moved on to the B Fund.

Red Hook Village Police – Police Department representatives asked for two additional shifts.

Councilman Ross would like to trim that.

Councilman Colgan met with a Captain from Dutchess County this past week. They discussed police coverage and the kind of police coverage that exists. He explained a grant program the Sheriff's office has. He asked the Captain if the coverage could be in the Town rather than in the Village of Tivoli. That would be an additional service Town wide where it fits more appropriately. He suggests discussing this with the Dutchess County Sheriff.

Councilman McKeon said the shared services committee met with the police. This is a classic example of how the left hand isn't able to work with the right hand. It is incumbent upon the Board to make the decision. He can't support a reduction in Village policing in a time where incidents are increasing. He would not support reducing either the Village or the Sheriff's.

Councilman Ross feels this has progressed too much and it could be cut down. He doesn't know that it reduced the crime rate. He feels the expense at the Town level has gotten out of hand.

Councilman McKeon doesn't know that we have enough information yet to make a decision on this at this time. He thinks it is the wrong message at the wrong time.

Councilman Colgan proposed taking a long look at it and sit down with the police.

Supervisor Crane thinks we are extremely fortunate to have the coverage we have.

Councilman Ross thinks having that coverage makes a difference in the way we are using it at this point.

Councilman Colgan thinks our police coverage needs to be reviewed.

On a motion of Councilman Ross, seconded by Councilwoman Strawinski, moved to leave the police coverage line at \$75,000.00

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Fire & Safety Secretary P/T – discussion ensued regarding this line.

On a motion of Councilman Ross, seconded by Councilwoman Strawinski moved to leave the line at \$1,200.00

Adopted	Ayes	4	Crane, Ross, Strawinski, Colgan
	Nays	1	McKeon

The Board reviewed lines in the B Fund.

Intermunicipal Sewer – Rose explained it was reduced but they asked for money to do mailings for public hearings.

Councilman McKeon doesn't think we need that line because it is all through Dutchess County Water and Wastewater.

Councilman Colgan told him we may have to pay for a referendum and if we want to have Public Hearings we need it.

Councilman McKeon argued that it is not our expense. It is the County Water and Wastewater Authority expense. We already shelled out money for this initiative.

On a motion of Supervisor Crane, seconded by Councilman Ross moved to keep the \$500.00.

Adopted	Ayes	4	Crane, Ross, Strawinski, Colgan
	Nays	1	McKeon

Centers and Greenspace Planner

Centers and Greenspace Attorney – Rose Rider explained the budget line.

Councilman Ross would put both of them at a maximum of half of what is presently shown. Centers and Greenspace has been moving along and they can continue to move along. A lot more public input is needed and he doesn't see a reason to budget this much for a planner. Our people themselves are experienced enough; they don't need a planner to hold their hand at every meeting. We don't need an attorney to finalize it yet either.

Supervisor Crane explained the reasoning for the figure in the budget.

Councilman McKeon explained that the \$10,000.00 grant could be used for either the planner or the attorney. He agrees there needs to be more public input. They held community outreach meetings, which is very different than having a Public Hearing.

Supervisor Crane feels we need a very realistic number there if we want to continue the work that is going on.

Councilman Colgan agrees with that.

Councilman McKeon concurs but doesn't think they need the amount of money that's been put in. He explained his reasoning. The number he has is \$30,000.00 for the Planner and \$10,000.00 for the Attorney.

On a motion of Councilman McKeon, seconded by Councilman Ross, moved that the put in no more than \$30,000.00 for the Planner and no more than \$10,000.00 for the Attorney

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Recycling Payroll and Expenses – The Board reviewed the lines.

Supervisor Crane explained that there has been a problem with people dumping during off hours, most recently a couch.

Supervisor Crane explained previous negotiations with the hauler.

PANDA – We have been negotiating with a professional consultant to PANDA and the Towns in Northern Dutchess. It was agreed to be spent.

Councilman Colgan said it is a potential revenue builder for us if it is successful.

Revenue fees/CO fees and Certificate of Appropriateness fees – Deb Marks explained it was suggested charging \$100.00 for our CO's which would double the revenue.

Councilman Ross does not want to overestimate our revenue.

Deb Marks suggested increasing the fees to \$100.00 and increase the budgeted revenue to \$15,000.00 instead of \$20,000.00.

On a motion of Councilman Ross, seconded by Councilman Colgan moves to increase the outdated CO fees from \$50.00 to \$100.00 effective January 1st.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

CO's Revenue –the Board discussed a change to the line.

On a motion of Councilman Ross, seconded by Councilman Colgan moved to change the line item on the revenue side (B1561) to \$15,000.00 estimated revenue.

Adopted Ayes 5 Crane, Ross, Strawinski, Colgan, McKeon
 Nays 0

Fire Fund – there was a question regarding the Tivoli contract PLUS. The Board discussed the issue.

Councilman Ross thinks it should be left. We have to because it is part of our contract.

Deb Marks explained we renegotiate this time next year.

Supervisor Crane doesn't think the Board has too many options because of a contract.

Councilman McKeon wanted to discuss freezing salaries across the Board.

On a motion of Councilman McKeon, seconded by Supervisor Crane for discussion moved to freeze salaries across the board.

Before the vote the following discussion took place:

Supervisor Crane wants to see the end result after Deb runs the numbers.

Councilman Ross can live with that but wants no further discussion of benefits for the Highway. If we choose to freeze salaries he would not want to charge them a percentage for their benefits. He wants their insurance paid fully by the Town.

Councilman Colgan agrees. He does not want to reduce people's standard of living.

The vote would be taken after the Board sees what it looks like when Deb takes the 2% salary increase out.

The Board took a five minute break.

The meeting resumed at 12:46 p.m.

The Board reviewed the changes Deb Marks made with and without raises.

Deb Marks explained the budget with raises and all other changes. She explained the other budget with the same date minus the raises. She briefly spoke about the newly imposed MTA Tax. With the raises, for a house in the Village with an assessed value of \$300,000, the total annual cost would be \$52.00. In the Town the taxes would go up \$114.00 a year. Without the raises, using the same data the increase for homes in the Village would be \$46 a year, and in the Town the increase would be \$103.00 per year. The difference is \$6.00 in the Village and \$11.00 in the Town.

Councilman McKeon said percentages were still too high and it is time to make difficult decisions. Regarding salary increases, he thinks we need to look at all areas and cut minimally in order to decrease the burden on any one entity. He feels strongly that it would be inappropriate to give raises. He appreciates all that they do but he still thinks it is inappropriate.

Deb Marks drew attention to the loss in the taxable assessed valuation that the Town saw this year.

Councilman Colgan commented that's a wash.

Councilman McKeon thanked her for bringing that up because what he is saying is that the tax rate is meaningless to the average homeowner. He thinks we should leave the total levy the same from 2009 and 2010 and that they could go through more line items.

Councilman Colgan looked at the budget with no raises. The modified budget is about \$3,000 more than the modified 2009 budget. It is \$275,000 less than the 2008 budget. We are seeing a substantial reduction in Town expenditures between 2008 and 2010. 2009 is still a year in progress.

Supervisor Crane said that is her concern. She is concerned that we are as lean as we can be. Good news is that we have a \$10,000 grant approved and she received word from Senator Saland that the \$90,000 grant for St. Margaret's roof has been confirmed. It will help us once that money is in hand. That is \$100,000 in revenue that we didn't expect. She said there are other factors that may be on the horizon and she thinks we shouldn't be too discouraged.

Councilman Colgan commented that if sales tax goes back to its norm, the way it looks this year it went down about \$30,000, we could conceivably get some of that revenue back next year. The big one is mortgage tax. We haven't had mortgage tax payments since June so we are living in the dark in the last six months.

Supervisor Crane commented that it is better to predict and be conservative in what we expect.

Councilman McKeon wants to work on expenditures. We need to get this budget down and we need to make significant cuts.

On a motion of Councilman McKeon, seconded by Councilwoman Strawinski seconded for discussion, moved to freeze the salaries at 2009 levels and not have a 2% increase for the employees for 2010.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

The vote was taken after the following discussion:

Councilwoman Strawinski asked if we could include in that that in six months we can revisit that.

Councilman Colgan said that depends on the revenues.

Councilman Ross said we can always modify that if things change in revenues.

Councilwoman Strawinski would like that to be a consideration.

Councilman Colgan would be happy to review this in a few months or whenever we see the revenues go up.

Councilman McKeon isn't quite sure about the Town Board Secretary.

Supervisor Crane explained that it is left there because it is allocated to do things the Town Board requests.

On a motion of Councilman McKeon, not seconded, moved to change the Town Board Secretary line to \$375.00.

Supervisor Crane suggested moving on to bigger lines.

Town Board CE – Councilman McKeon doesn't have a problem with that line and suggested that the equivalent Supervisor's line be reduced by the same percentage.

Rose Rider explained that was reduced because they took out the Association of Town's conference for everybody and in the Supervisor's line conference expenses were taken out.

Justice Clerk's CE – it was suggested to ask Judge Triebwasser about that line.

Rose Rider said they could take about \$1,000 out comfortably.

On a motion of Councilman McKeon, seconded by Supervisor Crane, moved to change the Justice CE line to \$13,000.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Court Officers - Councilman McKeon thinks we need to work hard to make sure we are using our court officers efficiently. He wants to cut that line.

Councilman Colgan told him you can't cut it. The State told them they have to do this. It is mandated. It cannot be cut.

Councilman McKeon said they can be used more efficiently.

Supervisor Crane suggested it remain the same and discuss it. They can face it at the Public Hearing on November 4th.

Supervisor's CE – Councilman McKeon asked if we are on track with the Supervisors Secretary.

Deb Marks said it is close to the 2008 figure.

Supervisor Crane strongly suggested not cutting that line.

Councilman McKeon thinks there is less of a reduction in the Supervisor's line than the Town Board's line.

Rose Rider explained because just one conference was cut from the Supervisors line. Four conferences come from the Town Board's line.

The Board reviewed the expenses in the line.

Supervisor Crane said a 42% reduction is substantial.

Attorney CE – Councilman McKeon thinks this service can be used more efficiently.

Supervisor Crane explained that the number was what they settled on in a contract. This is the retainer that we agreed upon. It included a number of committee meetings and Board meetings a month. She also agreed to attend additional meetings where she has been consulted in that retainer. She told the Board that if they wanted to reduce it they can renegotiate the contract. If it doesn't work with the current attorney maybe we can go out to bid again. She asked Councilman McKeon how much he'd like.

Councilman McKeon said there already fees relative to Centers & Greenspace which are in addition. He wanted to break out the contractual agreement on a separate line. He proposed reducing that line to \$50,000.

Councilman Ross doesn't see how we can just do that because then we'd have to go out to bid and renegotiate the contract for next year. This is based on the fact that our Attorney said she would do it at the same rate this coming year so we used that as a budget item.

Supervisor Crane said that is correct.

Councilman Colgan thought the retainer excluded Centers and Greenspace.

Supervisor Crane said it does.

Councilman Colgan thinks they should talk to the Attorney about what we should do and ask how tight she can make it.

Councilman McKeon repeated that we have to make cuts. We can discuss amending her contract.

Councilman Ross said if her contract is \$75,000.00, unless we plan to go back out to bid, he prefer cutting it to \$60,000.

Councilman Colgan, Councilwoman Strawinski, and Supervisor Crane agree with that number.

Clerical CE – Councilman McKeon doesn't know what that line is for.

Deb Marks explained it is for supplies for records management, Iron Mountain fee, etc.

Supervisor Crane would be opposed to reducing that.

Engineer CE – Councilman McKeon would not support engineering for a new highway garage.

Deb Marks explained that is not what it is for. She gave an example of it as being used for engineering advice for residents.

Rose Rider thinks there is something pending.

Deb Marks told the Board that previously it was used for an indoor air quality test.

The Board continued looking at those lines.

Councilman McKeon understands Councilman Colgan's reluctance to cut things we cannot sustain at low levels, but it is exactly what you have to do when revenues are so low. He suggested reducing the number to \$1,000.

Supervisor Crane thinks that is totally unrealistic. What will result is the transfer from the reserve which is what we are trying to avoid.

Councilman Ross asked if realistically they could all agree on anywhere between \$3,000 and \$1,000.

Councilman McKeon doesn't want to do any more than \$1,500.

Councilman Colgan thinks that's an arbitrary number.

Supervisor Crane said it is totally out of our control and she is worried about it.

The Board continued to go through the budget line by line. Building services and equipment were discussed. Utilities and energy conservation measures were also topics of discussion. The subject of maintenance of St. Margaret's home was another issue of concern. The roof needs repair, a dumpster is needed for a collapsed building and tree removal are costs related to St. Margaret's.

Rose Rider, in regard to St. Margaret's, said \$1,000 can be cut. Mowing was coming from the Rec. Commission budget.

Councilman McKeon asked if the Highway Dept. could mow the property.

Deb Marks gave him reasons why they cannot.

The Board continued with their review of the General A Fund, while Business Manager Deb Marks and Budget Officer Rose Rider answered any questions that arose.

Supervisor Crane explained that this budget, when the Board leaves today, will be the budget presented. After the Public Hearing takes place, then they can modify it. It is probable that they will leave the Public Hearing open.

Councilman Ross said looking at the proposed budget, as far as appropriation totals, it is \$270,000 less than 2008.

The Board continued reviewing the General B Fund. Some of the areas were already reviewed. They then moved on to the DB Fund. Road repaving was an issue discussed.

Councilman Ross is concerned about cutting the repaving.

Councilman McKeon recommended using only CHIPS money for 2010 and using that as the budget.

Supervisor Crane suggested the recommendation be addressed at the Public Hearing.

Councilman Colgan wants to talk to Highway Superintendent Wayne Hildenbrand.

Councilman McKeon spoke to Wayne and went over some of the projects he has planned for next year.

Councilman Ross asked Deb Marks to get the Board up to date about what was spent on permanent improvements.

Supervisor Crane said that Wayne discussed his budget with her and with Rose Rider, and she feels the Board cannot safely cut anymore and be responsible. Not without long range consequences.

Councilman Colgan said right now the budget is \$16,000 less than the 2008 actual.

Councilman McKeon is concerned about highway contractual expenses.

Councilman Ross explained that it can't be cut because that is sand and salt.

Supervisor Crane doesn't think they can do that. This has to be a reasonable budget. It will only come back to haunt us.

Rose Rider supplied information regarding the sand, salt, liquid deicer, and weather service contract.

Supervisor Crane reminded everyone that we are trying not to draw from the reserve fund by planning well. She is not comfortable reducing that line.

Councilman Colgan wants to talk to Highway Superintendent Wayne Hildenbrand before he does anything,

Councilwoman Strawinski doesn't know that they can do anything with the rest of the budget.

Supervisor Crane doesn't see how.

Ted Eglit noticed that the Board did nothing with the appropriated fund balance. He asked if they choose not to do that.

Supervisor Crane told him that they are choosing not to attempt that at this juncture. She asked him if that made sense.

Ted said understandably you don't want to do that but in the end you might have to appropriate some of it to bring the tax rate down if that is what you are looking for. He thinks they've run out of places to cut.

Councilman Ross said that they rather have a better handle on what will be left of the fund balance this year.

Councilman McKeon wanted to spend a few minutes talking about the unappropriated reserve.

Deb Marks went to her office to make the changes.

Supervisor Crane announced at 2:30 p.m. that they were concluding the budget adjustments.

Deb Marks explained the changes. She told the Board that a home in the Village assessed at \$300,000 the total annual tax increase would be \$44.00. For a home in the Town assessed at \$300,000 the total annual tax increase would be \$101.00.

Supervisor Crane announced that she thinks the Board did the best they could do under the circumstances at this point and everyone will be happy to know they worked as hard as they had. She appreciates everyone's time and energy put into the meeting. There will be a Public Hearing on the budget at 7:30 p.m. on Wednesday, November 4th. The budget will be available on Monday morning on the Town's website.

On a motion of Councilman Colgan, seconded by Councilman Ross moved to approve the preliminary budget for 2010 as it stands at this moment.

Adopted	Ayes	4	Crane, Ross, Strawinski, Colgan
	Nays	1	McKeon

On a motion of Supervisor Crane, seconded by Councilwoman Strawinski moved to adjourn the meeting at 2:35 pm.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Respectfully submitted,

Sue McCann, Town Clerk