

MINUTES – Alfred Village Board of Trustees Public Hearing

April 1, 2014

Present: Mayor Grigg; Trustees Prophet (left 8:05 p.m.), Rasmussen, McDowell; Clerk-Treasurer Koegel; and approximately 28 members of the public

1. **Meeting Opening** – Mayor Grigg opened the public hearing at 7:15 p.m.
2. **2014-15 Tentative Budget** – Trustee Rasmussen summarized the long-term village budget situation and, together with Mayor Grigg, explained the current year situation. Key points were:
 - a. Revenue not keeping up with expenses
 - i. State Aid hasn't increased in several years
 - ii. Garbage contract now at end of 3-year period; last time bid went up 26% from 55k to 70k, and if that trend continues the bid could be 90k.
 - iii. Employee costs have risen; significant aspects include employee service longevity and increased contribution for retirement.
 - iv. Much of property value is tax exempt 90-91%
 - b. Tax rate held steady for years despite increased costs
 - i. How? Some minor employee turnover, voluntary downgrade in police medical insurance plan, 10% cut in operating costs village-wide, creation of commercial water rate with transfer of revenue to general fund, careful monitoring of overtime and scheduling.
 - c. Current year situation
 - i. Operating costs continue to increase.
 - ii. Removed all major capital purchases from tentative budget, including police car, tractor, street sweeper, paving, and maintenance on water and sewer tanks.
 - iii. Most major changes in revenue/expenses would need to occur over longer time-span due to contractual obligations and service implications; garbage service is under discussion due to its status as a contracted service up for renewal, and goals of waste reduction and equitable cost-sharing.
 - iv. There are limits on how much revenue the village can raise through taxes; the state is instituting a rebate program that restricts the ability to override the 2% tax cap; the tentative budget is at 86% of the constitutional tax limit and considered to be in a caution zone. The village will lose its flexibility in how it can manage its budget with these constraints added to the extremely high portion of tax-exempt village property.
3. **Garbage Service Options** – Mayor Grigg distributed information and talked about three alternatives: garbage service with PAYT (Pay-As-You-Throw) revenue, no garbage service, unchanged garbage service. The information included service cost ranges to consumers and the associated tax impact of each alternative.
4. **Questions & Comments** –
 - a. Q. If garbage service is removed, will recycling service still be available?
 - i. A. No.
 - b. Q. Could a neighborhood pool together to reduce costs of private garbage service?
 - i. A. That would be up to the residents in that neighborhood to investigate.

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- c. Q. Could the village garbage service cost be high due to abuse of large trash day? Could the village ask for bids without including bulky trash pickup?
 - i. A. The village did procure such bids three years ago, and the difference between service with and without bulky trash was negligible.
- d. C. Kevin LaForge reported to the public his previous offer to extend the garbage contract for one year with no increase, and to continue for the second additional year at a 2% increase. He stated he is the only independent contractor left in Allegany County and the offer stands. It was noted the board is limited by state competitive bidding requirements on such service.
- e. C. If we cut garbage service it is the equivalent of a tax increase.
- f. Q. How much does the garbage service cost vs. the police service?
 - i. A. Approximately \$70,000 vs. \$600,000.
- g. Q. How much do the colleges contribute to the police budget?
 - i. A. Alfred University contributes \$65,000 plus some payments for the Cohen and Fasano buildings, pays taxes on some properties and pays the commercial water rate. SUNY does not make such payments but contributes via the commercial water rate.
- h. Q. Is it too simple to cut the police budget by the amount of the garbage service, in order to maintain such service?
 - i. A. Yes. There are contractual obligations with the police union and there has been much inquiry over a long span of time into the involved process of how to manage police costs.
- i. C. Are we growing by design and putting ourselves in a corner, with raises for the public sector when the private sector economy is declining?
- j. C. The village should ask Alfred State College for more contributions.
- k. C. If the village has public safety costs because of the schools, it should raise the water bill and keep garbage service; if it can't do that, the village should find a way to cut the police budget.
- l. Q. Why does the new Alfred State College president refuse to pay the cost of one police officer? Does he understand how it would affect the ability to attract students without a local police force?
 - i. A. It might be concern over establishing an agreement that would set precedent system-wide. SUNY police can only go off campus a certain distance unless their presence is requested by the village police. There seems to be no leverage without something radical. There is no law stating Alfred State College cannot pay via student service fees or through its educational foundation.
 - 1. C. If we have a unique population density and tax-exempt property situation, we could put a cap on those unique circumstances and limit any precedent.
- m. Q. Do other SUNYs contribute to their host municipalities?
 - i. A. No.
- n. Q. Is the amount of state aid affected by the number of students?

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- i. A. We don't know the exact formula, but certainly yes.
 - o. Q. With cuts over the years and the high portion of tax-exempt property, has the village considered dissolving, especially with recent encouragement of such actions by the state?
 - i. A. It is an option considered one of last resort; a study on the subject concluded there would be very little savings, and training sessions in recent years taught that services of two municipalities must be similar and redundant for mergers to be advantageous.
 - ii. C. The state wants fewer governments and is encouraging approaches to streamline services. During the six month study with the state financial restructuring board, we may receive a recommendation that we grow or go, if we are too small for the types of infrastructure we need to maintain in present times.
 - iii. C. The village can say they are quitting, and the town would have no choice but to take on the responsibility for municipal operations.
 - iv. C. The ideal would be a reconfiguration of the village rather than cutting.
 - 1. C. Before we dismantle services, the village should consider negotiating with SUNY at a higher level within that system. Leverage could come from additional prominent public news articles.
 - p. C. There is a committee researching what costs village residents are paying for in the town budget, and there are conversations among village, town and campus officials about contributions, service sharing, collaborative investment to increase our tax base, and incentives for employees to live in the village.
 - i. C. It would be helpful for some college administrative officials who deal with student affairs to live in the village, in order for better awareness of the experience of non-student village residents.
 - q. C. No matter how much we address issues related to expenditures, it will remain a problem if we have stagnant revenue.
- 5. Garbage Service – Request for feedback
 - a. Mayor Grigg asked for those in attendance to send their thoughts on garbage service to the village board via email, for consideration at the special meeting they will hold the following week to finalize the budget.
- 6. **Adjournment** – The public hearing was adjourned at 8:50 p.m.

Respectfully submitted,

Kathryn L. Koegel, Clerk-Treasurer