

**PUBLIC HEARING
VILLAGE BUDGET
APRIL 4, 2013**

The Village of Gowanda Board of Trustees Public Hearing on the proposed 2013-2014 Village budget meeting was called to order by Mayor Heather McKeever at 7:30 p.m. at the Municipal Hall. The pledge of allegiance was recited.

Present: Mayor Heather McKeever
Trustee Carol Sheibley
Trustee John Certis
Trustee Dale DeCarlo
Trustee Paul Zimmermann

Village Employees: Village Clerk Kathy Mohawk, Treasurer Cindy Schilling

Media Present: Samantha McDonnell, Observer

Public Present: Jacqueline Hovey, Gowanda Free Library, Ron Clabeaux

Motion 12-13. Motion by Trustee DeCarlo, seconded by Trustee Sheibley to open the public hearing at 7:30 p.m. Motion carried 5-0.

Mayor McKeever read her budget message:

“Preparation of the village’s budget for 2013-2014 brought many considerations. It is my goal to ensure a continuation of the services that the residents have come to depend on in a manner that is both comprehensive yet fiscally responsible.

I would like to note that the assessed valuation in the village has been steadily declining. In Erie County we have seen a drop of approximately \$72,000 over the past five years. In Cattaraugus County the decline is \$260,020 for the same period. Obviously, spreading the necessary spending over a smaller tax base presents the difficulty we face in keeping tax rates low. For the past two years we had over-estimated our sales tax revenue from Cattaraugus County. At the same time, the Erie County sales tax revenue has steadily grown thereby created even more disparity in the levy between the two counties. In this year’s budget, we were able to increase revenue by 6% and only increased spending by 1%. We are able to save money on health insurance benefits and retirement costs due to the retirement of several senior employees. We plan to use CHIPS money for an emergency replacement of a large piece of equipment in the Highway Department saving us from having to dip into our fund balance for this. However as we look ahead it is clear that we will need to replace other equipment in the near future. It is with that in mind that I am budgeting money to be transferred to a reserve for a new police car when necessary.

My goal in looking ahead is to create a more effective, efficient and compliant government. Our increased dependency on technology makes for a much more efficient use of our staff but also requires manpower to keep this technology updated and running smoothly. In an effort to generate more long term revenue, I have budgeted for a new

business incubator program that will utilize existing village space in an effort to save costs and create economic development opportunities within the village. It is also mandatory for us to stay in compliance with all state and federal training regulations so I am including a stipend for an appointed training supervisor to cover all departments. The cost of all of the above in the budget is \$6000. To do so, I had to look deep into our expenditures to see what could be eliminated. It is immediately apparent that the village taxpayers are paying for some duplicate services that the towns provide. These services include assessment and animal control which total \$8500.00. Eliminating these will be my recommendation to the board of trustees which would be followed with the necessary code revisions.

As a result of the review of our 2012 fiscal year, our auditors have recommended that we give serious thought to an increase in our water and sewer rates. With the loss of the hospital as a large consumer along with other factors, we are becoming increasingly dependant on fund balances to run these departments. Not having had an increase in rates since 2003 in the Water department and 2006 in Sewer it is clearly time to take such action. Noting that operating costs have increased over the past ten years and in an effort to maintain compliance and integrity of our infrastructure, rate increases are critical. I have not reflected an increase in the budget but it is urgent to address this as the auditors have advised. With this in mind, I would like to recommend the establishment of a water committee comprised of our Water Supervisor, the village engineer, a representative from the Cattaraugus County Department of Health as well as a representative from the fire department residing in the village, and another village resident. This committee would be charged with understanding our current state of affairs and developing recommendations on how to assess our rates, maintain our infrastructure, and plan for future capital improvements.

In three of the past six years, we had two years with no tax increase in Erie County and one with just a 1% increase. In Cattaraugus County, we had one year with a 0% tax increase, one year with a 1% decrease and one year with an increase of 2%. This put us even further behind the ball at a time when revenue increases did not keep up with spending increases. That being said, I feel very confident that this budget reflects a thorough consideration of our needs both immediate and going forward. I have worked hard to hold the line on spending at a time when it has become necessary to fund the staffing, training and technology changes that we are faced with. At the same time I am presenting a budget that currently increases our levy by only 2% in an effort to stay as close to the state's property tax cap as possible.”

Mr. Clabeaux asked why the tax rate has gone up each year at least 3%. He asked about the costs of the Zoar Valley Park and whether the Village has received compensation for the costs involved. Treasurer Schilling replied that she is still working on the spreadsheet since the original information as presented was incorrect.

Mr. Clabeaux asked about the high cost of the pension payments to the retired employees. Treasurer Schilling indicated that the Village will not have those payments now that the individuals have retired. Treasurer Schilling advised that the budgeting process involves anticipating what the revenues will be and what the expenditures will be. The difference

is what needs to be raised by taxes. The difference between the two counties is because Erie County provides more sales tax revenue than Cattaraugus County does.

Treasurer Schilling also advised that the Village is looking forward to upcoming years by setting aside monies for a new police car this year so it isn't necessary to come up with the whole amount in one year.

Mayor McKeever also spoke about establishing a Village Court. It is necessary to determine whether the Court will bring in enough money to support the Court plus offset some of the costs of the police department.

Mr. Clabeaux commented about losing properties that come off the tax roll

Jackie Hovey was present to thank the Village for continuing to support the library. Treasurer Schilling reminded her that it is necessary to turn in a budget and balance sheet each year.

Motion 13-13. Motion by Trustee Zimmermann, seconded by Trustee DeCarlo to close the public hearing at 7:50 p.m. Motion carried 5-0.

Respectfully submitted,

Kathleen V. Mohawk
Village Clerk