

Bedford Hills, New York  
December 6, 2011

A public hearing to consider the preliminary 2012 Budget was held by the Town Board of the Town of Bedford on December 6, 2011 at the Town Offices, 321 Bedford Road, Bedford Hills, New York. The meeting was called to order at 7:00 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  
Steve Fraietta : 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

\*arrived 7:13 pm

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 November 18, 2011.

Mrs. Roberts read the following statement:

“Good evening ladies and gentlemen, I would like to call to order the public hearing on the 2012 Town of Bedford Budget. Ms. Fumagalli do we have proof of publication? Before we take questions or comments from the floor, I would take this opportunity to outline some of the considerations that went into formulating the budget and the factors that led to the 2.78% proposed tax increase for 2012. This increase represents a change from the tentative budget as we learned yesterday that our health care premium increase would be less than what we had originally been told.

As most of you know, New York State imposed a 2% tax cap on municipal and school district budgets beginning in 2012 and continuing for at least a period of five years. There was a great deal of misinformation surrounding the imposition of the cap and what it would mean for our community. Initially, it was unclear whether the cap would include capital projects and what the “growth factor” as determined by the NYS Controller would be for each town. Knowing that we had already authorized and bonded financing for our new water filtration plant but had not yet begun to charge our water district customers, we knew we would have to override the cap.

The requirement for the override of the tax cap was that at least three of the five Town Board members must vote to exceed the cap. Since an override required legislation and the accompanying public hearing, the thinking was that we would remove it from the immediate budget process and vote to override in September. The Board confirmed the override unanimously. Beyond the need to exceed the cap for the water district, the Board felt that your local officials should be responsible for deciding what was in the best interests of the residents of Bedford and make local determinations on our own financial future- including our budget.

The State promised that the 2% tax cap would be accompanied by meaningful mandate relief. After all, the huge increases in pension contributions and Worker’s Compensation, not to mention the MTA Tax and punitive work rules, are the factors that drive our tax increases. The tax cap without mandate relief is a recipe for disaster. Between escalating costs for health care

and pensions, depleted revenue streams from mortgage transfer and sales taxes, declining assessments and the tax cap, I foresee municipal bankruptcies in the not too distant future. The State must respond.

Bedford's 2012 Budget remains within the 2% tax cap. The 2% cap is on the total levy or cost for everything in the budget. This sum is then divided by the assessed valuation of the entire town to produce the **tax rate**. Because the assessed valuation of the Town continues to fall as a result of tax certiorari and assessment appeals amounting to 1%, the tax rate is driven higher. This results in all properties having to bear a greater share of the total cost. So even though the NYS Controller's office ruled that we could increase the levy by 2.76% (the 2% cap plus a growth factor of .76%) the Town Board agreed that we would only raise the levy by 1.65%. In other words, we are well under the State mandated cap.

For three years we have made cuts and received concessions from our bargaining units but our expenses continue to rise. In fact the Town faced almost \$1.3 million in new expense in 2012 even before we factored in the rise in costs for everything from fuel and electricity to police cars. Our increases in pension contributions and health insurance alone exceeded \$350,000. All of the previous concessions made by our Teamster bargaining units had expired and the White and Blue collar contracts had to be negotiated.

We are grateful to our white collar office workers who just this afternoon ratified a three year agreement with the Town. This agreement includes a health care contribution for each year of the contract of 12%, 15% and 18% respectively. White collar employees will receive an off schedule payment of \$800 in the 2012 and a 1.5% wage increase in 2013 and a 2% raise in 2014. There will be no payment into the white collar welfare fund for any of the three years of the contract. Any new white collar hires will be required to pay 20% of their health care premium. The Town Board believes this contract represent a fair and equitable agreement and appreciates the employee's recognition of the Town's financial situation.

Unfortunately, a negotiated settlement has not been achieved as yet with the Blue Collar Teamsters who represent DPW, Recreation and Parks and our Custodial workers. Because of our failure to reach an agreement in time to have a meaningful effect on our 2012 budget, we are forced to lay off two blue collar workers. This is the first time in Bedford's recent history that this action has been necessitated and it is personally very painful for me and the Board. We did not take this action lightly or without a great deal of effort to try to avoid job loss.

The truth is that we need to make structural change to our budget. We have to live within the new reality of a tax cap, falling revenue streams, increased mandates from Albany for pension contributions and worker's compensation and a work force whose benefit costs have outstripped our ability or willingness to pay. Even though there has been no wage increase for three years, ancillary personnel costs continue to grow and we all have to contribute more toward our health care benefits.

Through a fluke in the way the Open Space Fund was set up, the \$500,000 expense in the General Fund for this item became a battleground. The public hearing on the suspension or reduction of the Open Space Fund became unnecessarily contentious. The immediate question was resolved by the Board voting to take a 1% contribution or \$174,452 out of fund balance and remove any tax implications on Open Space contributions for the coming year. We also agreed to have a referendum in November 2012 on the financing of the Open Space Fund. In the coming year we will hold a public hearing on making the Open Space Fund a special fund with its own dedicate revenue and expense line. This will remove any confusion within the general fund accounting.

As we sought ways to close our budget gap, we met with each department head and questioned them on how to reduce expense and possibly increase revenue. With the exception of the Police Department, no one has had a raise in three years. Administrators and Elected Officials had been making contributions toward their health care for one and two years respectively. We had not replaced retiring employees in the finance, court, police and DPW departments. This month, our long-time assessor, Tom Polzella, has decided to retire. We will miss him but feel gratified that we were able to replace him with a competent and respected assessor, Harry Girdlestone. In other areas, the Board decided not to renew the lease on the Court St. lot in Bedford Village. This lot was underutilized and the rental expense far exceeded the receipts from the multi-space

meter. By the same token we were determined to maximize the number of parking meters at our lots, hoping to raise an additional \$50,000.

Our Building Inspector, Steve Fraietta was able to introduce new safety inspections for home and office gas and for installation of propane gas tanks and permanent generators. These permits will generate modest additional income from the Building Department. We are looking at instituting operating permits for gas stations as well as permits for all new fence installations.

Our DPW Commissioner, Kevin Winn also proposed meaningful changes in service, some of which will require a public hearing to change an existing ordinance. We considered items like requiring homeowners to remove snow on residential sidewalks. This is quite common in most municipalities and the savings is substantial -in the neighborhood of \$30,000-\$50,000 in labor and materials. The Board will be exploring this option in the coming year.

Another area for potential savings would be the elimination of bulk leaf pickup in the hamlet areas and the implementation of a charge per leaf bag pickup. We are working on an educational campaign with Leave Leaves Alone to encourage mulching leaves where they fall rather than raking or bagging. We believe we have to do more work in familiarizing our residents with the benefits of this concept.

With our partner, B2020, and the local carters, we are examining our Town refuse and recycling practices and how we can increase recycling and reduce our garbage stream. Working together we believe that we can move toward single stream recycling and more environmentally favorable practices of garbage disposal.

Our Recreation and Parks Superintendent, Bill Heidepriem was also creative with his suggestions for modifications in how he delivers recreational services. In some areas such as the summer concerts and special events we will seek to obtain private sponsors. Additional changes in staffing and program are anticipated to save the Town over \$35,000 in the coming year.

Through painstaking efforts the Town has rebuilt its fund balance. We have learned the hard way that to deplete our savings is to expose ourselves to a challenge to our coveted AAA bond rating and the subsequent threat of having to pay more for our capital borrowing because of a downgrade. We have already agreed to use fund balance for the Open Space Fund this year and we know that unanticipated expenses necessitate keeping this at between 8% and 10% of our budget.

While our revenue streams have stabilized at a lower level than in years gone by, we were actually \$15,000 over budget with our mortgage tax receipts. However the sales tax revenue came in almost \$47,000 under budget and interest income on savings continues to be almost non-existent. Parking receipts are up almost 12% with income approaching \$875,000. Court revenue from fines and bail is also robust with a projected 32% increase in income.

The 2012 budget has a combined total of \$25,584,986 in expenditures. The general fund accounts for \$18,721,612 and the DPW Fund is \$6,863,374. The DPW has faced huge challenges this year with Hurricane Irene and the October surprise snow storm wreaking havoc on their budget. A majority of Irene's cost may be covered by FEMA as Westchester was included in a Federal emergency declaration but October's snow storm, which was arguably much worse for Bedford, has not been declared an eligible disaster. This means that the considerable expense that continues to be incurred might have to be bourn by the residents of Bedford.

Our DPW staff has been depleted over the last several years through attrition and illness and the new layoff will further hamper their operation. We have asked the highway department to do more and more-projects in-house with less staff. We all have to recognize that there is a direct correlation between service and staff and that service will, by necessity, suffer in the coming year.

On a brighter note, our new water filtration plant is on schedule and on budget despite delays in the permitting process which we knew might happen. Thanks to a tremendous effort by Kevin Winn and his staff, we anticipate that the plant will be completed next summer.

We continue to work on a dual path toward an analysis of a potential waste water treatment plant upgrade in partnership with the Department of Corrections and diversified wastewater treatment options that would be potentially less costly for our residents. You will be hearing more on this in the coming year.

Bedford is also part of a newly formed East of Hudson Watershed Corporation whose mission is to reduce phosphorus in storm water runoff in the watershed and achieve compliance with the MS4 requirements applicable to our community and 17 other municipalities in Westchester, Dutchess and Putnam County. Through our joint efforts and the combined \$40 million in anticipated funding, we will all obtain five-year MS4 compliance through installation of the most efficient retrofits. However, the following years will present an ever greater challenge as grants and other sources of funding are depleted and phosphorus reduction becomes more and more difficult to achieve.

I want to thank Ed Ritter for all his help in compiling the 2012 budget. He spent many long hours at work sessions with the Board and our department heads including his birthday! The Department Heads all came up with innovative ideas to cut spending and save money. Their assistance was invaluable and I thank each of them for their help.

The financial health of the Town is sound but we face a daunting challenge in the coming years to achieve compliance with the tax cap and at the same time deliver the services our residents expect. We will be called upon to demonstrate that we can work more efficiently with less staff and fewer resources. Our department heads are outstanding and the staff in Bedford is second to none. They have all shown that they will rise to meet any challenge and I know they will do it again in 2012.”

She asked Town Comptroller Edward J. Ritter to present an overview of the budget and the budget process. Mr. Ritter advised that he had been working on the changes to the budget right up until an hour before the meeting, due to the ratification of the contract with the White Collar Unit. He discussed the increase of 2.78% and what cost factors caused the budget increase.

Mrs. Roberts opened the floor to public comment.

Van Kozelka, Director of the Katonah Village Library, thanked the Town Board for their support and for not cutting the appropriations for the library. She noted cost cutting changes that the library would be making for the coming year.

A resident of Katonah expressed her concern that two (2) employees were being laid off.

Mrs. Roberts advised that the Town Board had received the premiums for the New York State Health Insurance Program (NYSHIP) that is one of the healthcare providers for the Town of Bedford and that the increase was lower than had been anticipated. She noted that the tentative increase was 3.1% and the actual increase was 2.78%.

Frank Zipp addressed the Town Board and explained that he was one of the Town employees to be laid off; he noted the hardship this presented to his family and asked the Town Board to try and find the money so that there were no layoffs of Town staff.

On a motion by Mrs. Roberts, 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 Town of Bedford 2012 Budget.

Mr. Burdick and Mr. Chryssos both expressed that it had been a difficult budget process and that the Town Board did not take it lightly that layoffs were occurring.

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

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

RESOLVED that the Town Board does hereby adopt the Town of Bedford 2012 budget as amended, with a lower than anticipated cost for health insurance from the New York State Health Insurance Program (NYSHIP) and a tax increase of 2.78%.

There being no further discussion, the hearing was adjourned at 7:35 pm.

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Lisbeth Fumagalli, Town Clerk