

The Annual Budget Meeting of the Board of Trustees met in the Municipal Building, 14 Baker Street, Patchogue, New York on Monday, April 11, 2022 with public viewing through video streaming on YouTube and in person.

The meeting was called to order at 5:00 p.m. by Deputy Mayor Krieger and Trustees Brinkman, Ferb, Keyes, Village Attorney Egan, Village Treasurer Krawczyk, Village Clerk Devlin, Deputy Village Treasurer Ruggerio, and Deputy Village Clerk Braile present. Mayor Pontieri and Trustee Carillo were absent. Trustee McHeffey arrived late.

The flag salute was made, and the safety message was given.

Deputy Mayor Krieger thanked everyone for attending the 2022-2023 Budget Hearing. He then asked Village Treasurer Krawczyk to review highlights from the proposed budget.

Village Treasurer Krawczyk noted that his comments would be brief since this was a relatively simple budget. Total appropriations would be \$14,220,00.00. He indicated that it was very important to note that \$500,000 had been taken from the surplus to provide some relief to the taxpayers. This would leave a total \$13,720,000 with estimated revenue other than taxes being \$4,764,000. This resulted in a balance of \$8,956,000 to be raised through real estate taxes. This would be an approximate 2.3% increase over last year which was not bad considering the over 7% inflation rate. The increase to an individual's household expenses would average approximately \$3 per month. Even with the \$500,000 taken from the surplus, there still remained over \$3 million in surplus funds which could be used in the future if necessary. Village Treasurer Krawczyk then reviewed some budget highlights. He noted that there had been a zero increase in workers' compensation policy costs, and retirement expenses were down 29% which was unusual. This was mainly due to reduced contributions from the higher tiered employees. A bond had been paid off which resulted in a \$10,000 savings for this year which when blended over the years resulted in a \$20,000 to \$30,000 savings. The Johnson Controls project should start covering its costs within two years. However, health insurance for employees was up approximately 13% increasing from \$1,900,000 from last year to \$2,100,000 this year. Salary increases were up 3% with 2% coming from union contract requirements and the other 1% from stipends for various boards and elected officials' compensation since none of these had been increased in seven years. Fuel costs had increased by 12% and computer services were up by 12% which was necessary to enhance computer systems and cybersecurity within the Village. Village Treasurer Krawczyk stated that the tax rate would be \$16.72 this year versus \$16.34 last year which was a 2.3% increase.

Deputy Mayor Krieger inquired if there were any questions from the Board on the budget.

Trustee Keyes asked for confirmation on the amount which had been taken from the surplus. Village Treasurer Krawczyk stated that \$500,000 had been taken from there which would reduce the burden on the taxpayers. He reiterated that the increase would amount to approximately \$3 per month per household. With the inflation rate at over 7% and the proposed tax rate increase of 2.3%, it was a good thing that the Village had the surplus to use in this manner and that the surplus increased every year. Trustee Keyes agreed that it was good to have a surplus in place that could be used to assist the taxpayers.

Village Treasurer Krawczyk then thanked Deputy Village Treasurer Ruggerio for her hard work on putting the budget together mostly on her own. Trustee Brinkman expressed her appreciation for the hard work of everyone in the Treasurer's Office.

Village Attorney Egan expressed his appreciation for the work done in putting together this type of budget in the face of contractual salary increases, health insurance increases, and inflationary costs. Deputy Mayor Krieger concurred that costs for everything, including all supplies, had increased tremendously. Village Attorney Egan also praised Trustee Keyes work with Johnson Controls to lessen future energy costs for the Village. Trustee Keyes thanked Dennis Smith for his assistance with that project as well.

Trustee Ferb commented that health insurance was one of the Village's biggest expenses at \$2,100,000. A 13% annual increase was outrageous. Village Attorney Egan concurred, but this was a contractually mandated expense. Deputy Mayor Krieger indicated that many municipalities were experiencing the same issue with these expenses.

Deputy Mayor Krieger inquired if anyone from the public had questions or comments regarding the proposed budget.

John Bogack, Noxon Street, asked for clarification on the increase in salaries for elected officials. Deputy Treasurer Ruggerio stated that the increase was approximately 10% to 15% based on the fact that they had not been raised in seven years. Village Treasurer Krawczyk noted that they had usually raised those salaries 1% or so a year but had not done anything with those salaries in seven years. Mr. Bogack noted that the Mayor had been earning \$50,000 per year, so he inquired as to what that increase would be. Village Clerk Devlin stated that the new salary for the trustees would be \$17,500 and the Mayor would be at \$60,000. She also noted that Planning and Zoning Board member salaries would also be increasing. Village Treasurer Krawczyk indicated that those were increasing by approximately \$500 each. Mr. Bogack stated that he had no objection to these increases as he believed everyone should be paid well to eliminate the temptation of corruption. He also felt that the Mayor and Board members worked hard to promote economic development in the Village. Mr. Bogack indicated that he felt that a \$60,000 salary for the Mayor and \$17,500 salaries for the trustees was fair for the services they provided to the community.

Trustee McHeffey arrived to the meeting at 5:10 p.m.

Mr. Bogack then continued by inquiring about leasing arrangements. He had one in front of him from the Great South Bay Music Festival and one for cable which was coming up at the Board meeting later in the evening. They appeared to be for seven-year periods with three years extension. He inquired if a ten-year lease was the standard that was used for these leases. Village Attorney Egan stated that this was not a standard, and each lease was dependent on the circumstances of the lessee. Deputy Mayor Krieger inquired if each lease was negotiated separately. Village Attorney Egan stated that this was correct. He noted that the Great South Bay Music Festival had wanted those terms for their lease in order to provide continuity for the booking of acts, equipment, and other such factors. As for the Cablevision lease, he could request additional information from their representative later in the evening, but he believed that this was a standard utilized by PSE for their leases. Mr. Bogack then inquired as to who audited these agreements. For example, the Great South Bay Music Festival agreement included the provision that Village residents receive a \$3.00 discount on each ticket. Their web site, however, listed the discount as being available for only some of the tickets, not all of them. Village Attorney Egan stated that many people checked these issues from various departments within the Village. He indicated that the amount of money paid to the Village from the organizer was vigorously supervised including funds raised from vendor participation and ticket sales. Village Clerk Devlin noted that the vendors paid at the time their applications were submitted to the Clerk's Office. Mr. Bogack reiterated his concerns that ticket prices did not reflect the \$3 Village resident discount included in the contract for all of the tickets offered. Village Attorney Egan indicated that the argument could be made that the \$3 discount was for the general admission ticket only. Mr. Bogack disagreed and indicated that the lease stated that it was for \$3 per ticket. Village Attorney Egan stated that he would check on this with Jim Faith and asked that the Village Clerk send an email to him the next day to clarify this question. Mr. Bogack thanked him since admission and service charges for this event had increased enormously. Deputy Mayor Krieger indicated that prices had increased at all venues. Mr. Bogack noted that his question about the 10-year lease period was that a lesser time period would allow for negotiation of these items on a more regular basis.

Mr. Bogack inquired if Cablevision gave the Village \$200,000 or \$20,000 per year. Village Attorney Egan stated that this would be discussed in detail at the public hearing at the regular Board meeting. However, there was a \$20,000 grant that they provided to the Village for broadcasting equipment and other similar items. Mr. Bogack inquired as to what the franchise fee was. Village Attorney Egan stated that he believed that it was 5% of gross revenue but reiterated that this would be explained in detail at the upcoming public hearing. Mr. Bogack inquired as to what this figure translated to in terms of dollars. Trustee Ferb stated that he would be asking this question at the public hearing. Mr. Bogack inquired if it would be possible to go beyond the 5% figure. Additional revenue received could be used to offset the cost of another project such as digitalization of Village records. Village Attorney Egan stated that there was a complicated process that had to be followed with the Public Service Commission, and there was only one service provider that supplied cable to the entire Village. No one else was interested in

building out the infrastructure to service the entire community. Deputy Mayor Krieger indicated that only certain areas had been built out by Verizon, such as New Village, due to the cost ratio of doing so.

Mr. Bogack then inquired if the fees for sound licenses had been increased for this year. Village Clerk Devlin stated that no fees had been increased for the Clerk's Office. Certain fees were being reviewed, but nothing had been brought before the Board. Mr. Bogack stated that he had raised this request in the past, and he believed that these fees had not been raised for 5 to 6 years. By having the clubs in the Village pay a bit more, revenue could be raised for other important items. It was not right that the fee structure was based on an occupancy level when it came to sound levels. The sound gave the business owners the right to invade the privacy of residents which was valuable, and they should have to pay appropriately for the privilege.

Dennis Smith stated that he believed the Board, Treasurer's Office, and Village Attorney Egan did a great job in putting the budget together every year with expenses constantly increasing.

Deputy Mayor Krieger then asked for a motion on the proposed budget.

Upon a motion by Trustee McHeffey, seconded by Trustee Brinkman, and unanimously carried, the Board adopted the proposed budget for fiscal year 2022-2023 as presented.

Upon a motion made by Trustee Ferb, seconded by Trustee Brinkman, and unanimously carried, the meeting was adjourned at 5:21 p.m.

vp

Signed _____
Lori B. Devlin, Village Clerk