Special district administrative fees
Considerable time was spent discussing how much money the refuse, sewer, and water districts should be charged for providing administrative services to the districts. The Supervisor's Tentative Budget originally charged the water and sewer districts 5% of their budgets and the sewer district (only the Hallocks Mill district) 12% of its budget because more staff funded by the general fund provides services to the district. However, during the budget review process, he upped the amount to 7%, generating an additional $354,217 for the general fund.

Supervisor Grace said the increase was equitable and that in addition to being charged for the services of the Finance, Tax, Assessor and Legal Departments, the districts should also pay a share of the general fund's utility costs as well as other services such as the police. He said the general fund should not be subsidizing the districts.

Councilmen Bianco disagreed and said that the 7% charge looked like the supervisor wanted the districts to subsidize the general fund. He called the 7% charge "grand larceny in the 1st degree." He said that the supervisor was taking money from the special districts because they had money and "you're broke." He noted that about two thirds of the town's taxpayers paid into the water district.

When Councilman Bianco offered an alternative approach that would have charged the districts 5%, plus an additional 5% of the increase in the 2013 general fund budget, Supervisor Grace rejected idea because he said it did not cover retroactive costs, especially for the PBA and CSEA contracts, back at least four years that he said the districts should have paid. He said the undercharging was the fault of prior Boards. Councilman Bianco then said that if the general fund needed more revenue, it should be taken from the fund balance.

Councilman Patel agreed with Councilman Bianco that the 7% charge was too high. Councilman Murphy had no problem with the 7% charge and Councilman Paganelli suggested a 6% charge.

Votes on changes in the Supervisor's Budget
Following the discussion on the special district fees, the Board voted to accept the following changes in the Supervisor's Tentative Budget. All the votes were unanimous except as noted below.

1. Special district charges: To charge the special districts 6% of their budget. Councilman Bianco said he was voting for the higher amount in the spirit of compromise. This added approximately $183,744 in revenue to the general fund.

2. Other revenue and expense changes: A list of about 20 changes in expenses and revenue in the general fund and special district budgets (See attached list). Some changes, such as the addition of $60,000 in the general fund budget to hire a junior attorney were added as a place holder and without any discussion of if or how that person would be used. It was also not clear if the $60,000 was just for salary or included benefits. (Note: the attached list does not appear to include the Board's decision to reduce staff in the Finance Department by not backfilling the vacant position created when the former comptroller resigned; the assumption was that the current deputy comptroller would become the new comptroller. It was not clear to the CIY observer if there was a separate vote on this.)

3. Fund balance: Added approximately $400,000 from the general fund balance to the revenue line. (Note: For the observer, there was some confusion over the exact amount.) Supervisor Grace said that the current general fund fund balance is about $4.1 million and that the Board's goal is to keep 15% of the budget in fund balance, which would be $3.75 million.

4. Salary increases for department heads. Without any discussion, the Board approved a list of salary increases for department heads that had been prepared by the supervisor. See attached. Some department heads will be receiving a 3% increase (the same as the CSEA received through 2011) and others will be receiving an additional "bump" because they have taken on added responsibilities. The supervisor noted that while Yorktown is the second largest town in the county, our department head salaries were among the lowest. Councilman Patel voted against the raises.

5. Salary increases for elected officials: See attached list. Councilman Bianco said he was withdrawing his earlier request for increases as there appeared to be no support. Supervisor Grace said that someone has to show leadership on the issue even if they get tarred and feathered. He said that appropriate compensation for elected officials was important for the Town's long term stability and that the Board would be negligent if it adopted a magnanimous position. He said that he couldn't do the job of supervisor if he didn't have a separate law practice. Councilman Paganelli said he agreed that the salaries should be raised but expressed concern about voting for them in the current economy. Councilman Patel voted against the raises.

Vote to adopt a Preliminary Budget
After the above separate votes, the Board voted to adopt a Preliminary Budget that will be the subject of a public hearing on December 5.

The budget increases the ADL tax rate increase (which Councilman Bianco says is shown on tax bills as the "Yorktown Town Tax") is 4.18%.   For the typical homeowner with a $10,000 assessed value, their total town tax bill will decrease by $62.94, of minus 2.56%, if they have water and sewer; if they don't have water and sewer, their bill will decrease by $1.05, or minus .6%

Councilman Paganelli noted that some of the overall decrease was the result of one time savings in the garbage contract but Supervisor Grace disputed that notion saying that the contract was for two years.

Supervisor Grace also explained that this year's tax levy (for all funds) was $1.4 million below that allowed 2% cap and that this amount can be rolled over to the 2014 levy calculation. (Note: it wasn't clear if the entire amount, or a portion of it, could be rolled over.)