

DATE OF MEETING: April 17, 2023

PLACE OF MEETING: Village Hall, Pawling, New York

MEMBERS PRESENT: Mayor Lauri Taylor
Trustee John Burweger
Trustee Jerry Locascio
Trustee Tom Meyer
Trustee Arthur Guzzo

The meeting was called to order at 7:00 P.M. with the Pledge of Allegiance.

The Mayor announced the Board was continuing the Public Hearing on the Tentative Budget for fiscal year 2023-2024.

Mr. Steve Goldberg, a resident of 63 Oak Shadow, commented on the Tentative Budget (see attached).

MOTION by Trustee Meyer to close the Public Hearing on the Tentative Budget for fiscal year 2023-2024 at 7:12 P.M. **SECONDED** by Trustee Burweger. There was no discussion; all were in favor and the motion carried.

MOTION by Trustee Burweger to approve the minutes from March 20, 2023 and April 3, 2023. **SECONDED** by Trustee Locascio. There was no discussion; all were in favor and the motion carried.

Mayor Taylor appointed Arthur Guzzo to the position of Village Trustee to fill the vacancy created by Dan Peters' resignation. (Trustee Guzzo abstained from voting at this meeting.)

MOTION by Trustee Burweger to consent to the Town of Pawling serving as Lead Agency for the West Mountain Woods LLC Project. **SECONDED** by Trustee Locascio. There was no discussion; all were in favor and the motion carried.

MOTION by Trustee Meyer to approve the Metro North Treasurer's Report for March 2023. **SECONDED** by Trustee Burweger. There was no discussion; all were in favor and the motion carried.

Mr. Dan Stone, a representative of LaBella, reported a resubmittal was made to the Department of Health and they were optimistic they would receive an approval for the Lower Baxter project. He said there were minor comments received and he felt LaBella adequately responded to them. He stated the Village Board was working on water rates and there was a discussion the prior week at the Pawling Joint Sewer Commission meeting about wastewater rates. He reported he thought there would be a list of steps for the Boards to follow on how to adopt the rates at the May meeting.

MOTION by Trustee Meyer to approve payment of the April 4, 2023 prepaid bill in the amount of \$55.00. **SECONDED** by Trustee Burweger. There was no discussion; all were in favor and the motion carried.

MOTION by Trustee Burweger to approve payment of the Metro North bills in the amount of \$1,290.19. **SECONDED** by Trustee Locascio. There was no discussion; all were in favor and the motion carried.

Mayor Taylor announced that the village received a Community Development Block Grant in the amount of \$150,000 in order to put a new water main on Anderson Way. She stated that is the first step in rehabbing that road and once the new water main is put in the village would be going back to repave the entire road and put in new sidewalks.

MOTION by Trustee Meyer to close the meeting and go into Public Comment at 7:16 P.M. **SECONDED** by Trustee Burweger. There was no discussion; all were in favor and the motion carried.



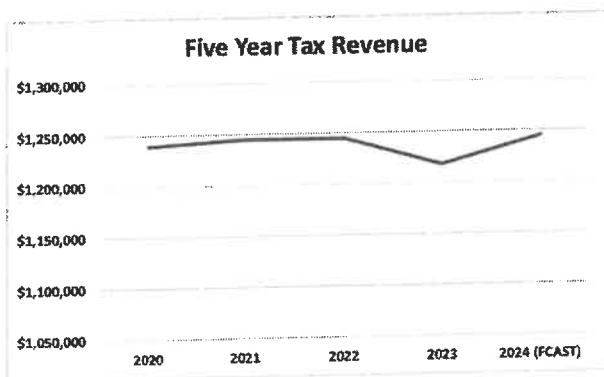
Village Clerk

The Public Budget Presentation That Never Happened

Village of Pawling
Budget Year 2023-24

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The Tax increase is not a big deal

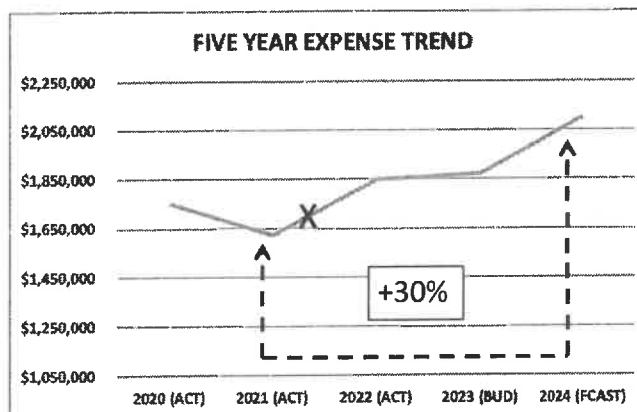


- Taxes are flat over 5 Years and only up from last years budget
 - Last year the Mayor was running so lowering taxes was (cynically) "kind of expected"
- If you live in a \$500K House with an Assessed Value of \$250K it is about \$8/month
- There is nothing wrong with the small tax increase being proposed
- In fact, the higher tax revenue is **LESS** than the *decrease* in Sales Tax Revenue from the County
- But Focusing on the Tax is truly missing the Forest (EXPENSES) for the Trees

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But...Expenses are far from flat*

- Year over year expenses are projected to increase by 12%
 - Compared with a Tax increase of just 2%
- Since 2021 expenses have increased by almost 1/3
 - This has coincided with the change in mayors (marked by the "X")
- This has **nothing to do** with "the cost of fuel and energy" as Trustee Meyer mistakenly asserted
 - Those are mostly in the "service" budgets
- Let's look instead at some selected costs



*Note: Expenses **do not** include ARPA and Zoning Grants

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What is driving costs?

Cost	2020 (Budget)	2024 (Budget)	\$ Change	% Change
Building Inspector	\$ 38,000	\$ 172,500	\$ 134,500	354%
Legal Fees	\$ 68,000	\$ 300,000	\$ 232,000	341%
Clerk/Treas/Mayor/Board	\$ 148,000	\$ 174,250	\$ 26,250	18%
Street Crew	\$ 109,000	\$ 123,700	\$ 14,700	13%
Garage	\$ 60,000	\$ 62,000	\$ 2,000	3%
Benefits	\$ 276,800	\$ 282,100	\$ 5,300	2%
Sheriff	\$ 300,000	\$ 300,000	\$ -	0%

A VERY BIG DEAL

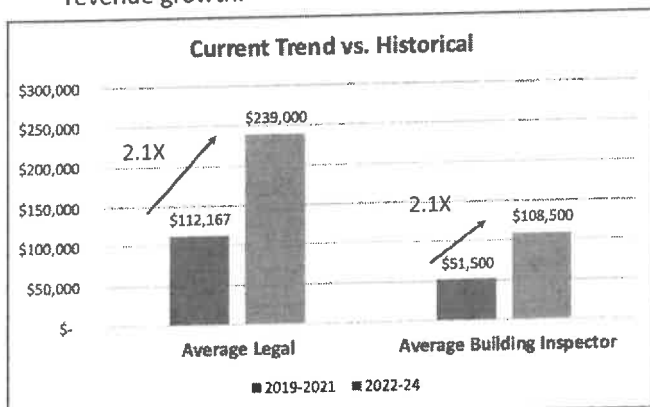
NOT A FACTOR

- The key items driving overall costs are Legal & Building Inspector. This is very problematic.
 - Legal & Building Inspector were 11% of Tax Revenue in the 2020 Budget and **38% in 2024 Budget**
- Despite the 3.5X increase for the BI, Permit Revenue is expected to be only \$15,000 higher
- Unlike employee benefits and Community Safety costs these two costs can have large discretionary swings

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Why is this especially problematic?

- First, and most importantly, Budgets are “forward looking” not a report on the past.
 - So, these forecasts show either a misunderstanding of the situation or a lack of ability to control costs
 - It is absurd to think past spending must be a precedent for the Village’s ever growing Legal bills
 - Permit revenue is down 56% (since bringing on LaBella.) It is clear this will not result in meaningful revenue growth.

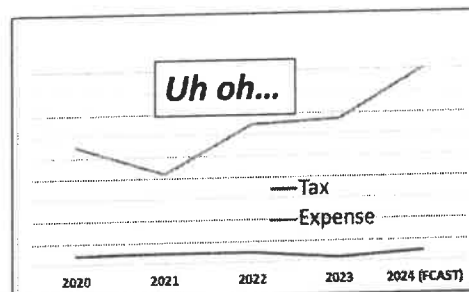


- Second, these “exploded” costs seem to be a specific phenomenon of the current leadership.
 - A look at the most recent three year’s and the three prior show this clearly
 - In both cases these costs have more than doubled
- The current budget makes clear that no one is serious about cost control

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What would good cost managers do?

- When Taxes look like this: →
- And Expenses look like this: →



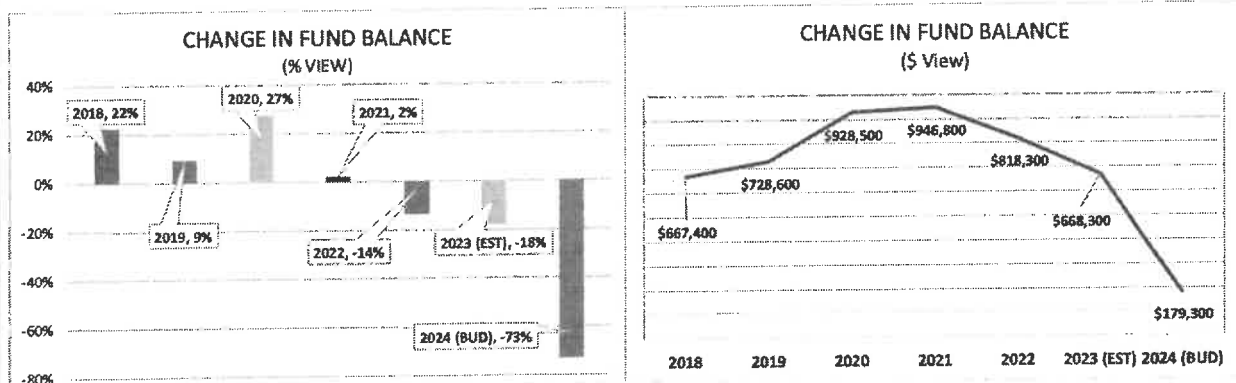
SUCCESSFUL COST MANAGERS FOLLOW A PLAY BOOK:

1. They *isolate* discretionary versus non-discretionary cost drivers
2. They *remember* that Consultants and Vendors **CAN READ** Budgets
3. They also remember that Consultants and Vendors **“Bill to the Budget”**
4. **THEN, THEY TAKE APPROPRIATE ACTION**

BAD COST MANAGERS DO NOTHING AND RAID THE PIGGY BANK
That just “enables” bad actors

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Enabling Bad Actions by Raiding the Piggy Bank



VERY BAD.

IN FACT, WITHOUT CHANGES IN POLICY OR SPENDING CAPS IT IS UNSUSTAINABLE.

This simply can't continue

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Recap

What is being done

- ⊗ Budgeting that enables vendors
- ⊗ Staying stubborn about policies
The Building Inspector experiment isn't working
- ⊗ Sticking with litigation policies
Complex Appeals, sloppy law drafting, Refusing to compromise, predatory investigations and lawsuits.
- ⊗ UNPRECEDENTED FUND BALANCE APPROPRIATION
Unsustainable and irresponsible

What could be done

- ✓ Budget lower to set a tone
- ✓ Explore cost savings
Revisit the IMA for Building Inspector or replace LaBella
- ✓ Change the legal game plan
Simplify, consider costs vs. consequences of your own actions vs. actual community benefits, and just stop being mean.
- ✓ CUT THE PROJECTED FUND BALANCE APPROPRIATION IN HALF
Don't bankrupt the Village over pride

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