

TOWN BOARD
OCTOBER 20, 1993

A special meeting of the Town Board of the Town of Bethlehem was held on the above date at the Town Hall, 445 Delaware Avenue, Delmar, NY. The meeting was called to order by the Supervisor at 7:30 p.m.

PRESENT: Kenneth J. Ringler, Supervisor
Frederick C. Webster, Councilman
Charles Gunner, Councilman
Sheila Fuller, Councilwoman
Kathleen A. Newkirk, Town Clerk

ABSENT: M. Sheila Galvin, Councilwoman

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SUPERVISOR RINGLER: Good evening. Welcome to a special meeting of the Bethlehem Town Board. Tonight's public hearing on the proposed 1994 Tentative Town of Bethlehem budget. I ask the Town Clerk to read the call of the hearing.

NOTICE OF PUBLIC HEARING
UPON PRELIMINARY BUDGET

Public
Hearing
Preliminary
1994 Budget

NOTICE IS HEREBY GIVEN that the Preliminary Budget for the fiscal year beginning January 1, 1994 has been completed and filed in the Office of the Town Clerk at the Town Hall, 445 Delaware Avenue, Delmar, NY where it is available for inspection by any interested person during office hours.

NOTICE IS FURTHER GIVEN that the Town Board of the Town of Bethlehem will meet and review said Preliminary Budget and hold a public hearing thereon, at the Town Hall, Delmar, NY at 7:30 p.m. on the 20th day of October 1993 and that at such hearing any person may be heard in favor of or against any item or items therein contained. Disabled individuals who are in need of assistance in order to participate should contact David Austin at 439-4131. Advance notice is requested, and

BE IT FURTHER RESOLVED, that pursuant to Section 108 of the Town Law, the proposed salaries of the following officers are hereby specified as follows:

Supervisor, \$61,034.00; Councilmen (each) \$8,520.00; Town Clerk, \$41,581.00; Superintendent of Highways, \$58,521.00; Receiver of Taxes & Assessments, \$41,207.00, and

BE IT FURTHER RESOLVED, that such Notice shall be published once in the following newspapers: THE SPOTLIGHT, the official newspaper of the Town on October 6, 1993 and the TIMES UNION, an Albany newspaper, on October 13, 1993.

BUY ORDER OF THE TOWN BOARD
TOWN OF BETHLEHEM
KATHLEEN A. NEWKIRK
TOWN CLERK

Dated: September 27, 1993.

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STATE OF NEW YORK
COUNTY OF ALBANY

KATHRYN OLSEN OF THE Town of Bethlehem, being duly sworn, says that she is the bookkeeper of THE SPOTLIGHT, a weekly newspaper published in the Town of Bethlehem, County of Albany, and that the notice of which the annexed is a true copy, has been regularly published in said THE SPOTLIGHT ONCE A WEEK FOR 1 WEEK consecutively, commencing on the 6 day of Oct. 1993.

/s/ Kathryn Olsen

Sworn to before me this 19th
day of October 1993.
/s/ Catherine T. Picarazzi
Notary Public, Albany County

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STATE OF NEW YORK)
COUNTY OF ALBANY) ss.:

KATHLEEN A. NEWKIRK, being duly sworn, deposes and says that she is the Town Clerk of the Town of Bethlehem, Albany County, New York and that I posted on Oct. 6, 1993 a Notice of Public Hearing, a copy of which is hereto attached, on the sign board of the Town maintained pursuant to subdivision six of Section thirty of the Town Law.

/s/ Kathleen A. Newkirk
Town Clerk

Sworn to before me this
19th day of October, 1993.
/s/ Catherine T. Picarazzi
Notary Public

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SUPERVISOR RINGLER: Thank you, Kathy. Motion to indent.

The motion was made by Mr. Gunner and seconded by Mr. Webster to indent the Notice of Public Hearing, Affidavit of Publication and Affidavit of Posting on the minutes of the meeting. The motion was passed by the following vote:

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Mrs. Fuller.
Noes: None.
Absent: Ms. Galvin.

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SUPERVISOR RINGLER: Tonight's public hearing will give residents an opportunity to comment on the proposed Town budget for 1994. Earlier this month, budget workshops were held with the Town's department heads to answer questions. The budget's official adoption will occur on or before November 20, 1993.

We have attempted to prepare the budget in a fiscally responsible manner. Similar to how individuals desire to limit their personal spending to their available resources, we have always tried to limit our spending as well, seeking to avoid the need to incur debt, which ultimately costs us more money. We have considered the Town's obligation to maintain its infrastructure, from its water and sewer systems, to its recreational facilities. We have tried to anticipate both current and future needs, and have sought to create reserves to fund these needs as they arise.

I would like to take a moment to recap some of the events affecting our Town's finances. Anticipating a reduction in sales tax revenue in the Fall of 1993, it was a relief to hear of the County's decision to continue the 8% sales tax through all of 1994 and into early 1995. Different government entities are still attempting to pass additional costs to the Town, or to reduce our revenues. Investment interest rates remain at very low levels, and we do not expect significant improvement in 1994. Without the continued 8% sales tax, we would have been faced with a significant increase in the General Fund tax rate, or a potential decrease in Town services.

The sales tax monies could have been treated as a windfall, creating an atmosphere for imprudent spending; however, in fairness to our residents, we wanted to keep the general and highway fund taxes at or below the 1993 levels. We also wanted to apply the monies from the additional 1% sales tax to items that would provide a long term benefit to our residents. To minimize our need to incur debt for capital items, we opted to create reserves for future capital needs, and to proceed with overdue maintenance and repairs that had been deferred in prior years due to lack of funding.

We continue to advocate a management style of "Total Quality Government", where we are constantly seeking ways to operate more efficiently, thereby making the most of tax payer resources. To enable us to continue to deliver the services our residents expect, certain personnel changes are recommended in 1994.

An additional police officer is recommended to alleviate the case load for the detectives. There were three detectives in the early 1970's, and there are still only three detectives in 1993. This creates a burdensome situation given that their investigatory duties

have almost doubled in this time frame. Two part time telecommunicators are recommended due to the increased demands on the Town as a PSAP for the E-911 system. Given the greater technical skills that are required, it is no longer feasible to use police officers as substitutes. One additional part time animal control officer is necessary to relieve demands created from the rabies outbreak. This will restore us to the previous staffing levels that were in place before reductions were made during the fiscal crisis several years ago.

A part time Outreach Worker is needed in Senior Services. The increase in our senior population has placed a greater demand on this office, and there is continued demand to help our low income and rural residents access the programs and services to which they may be entitled.

The Department of Public Works needs one additional Engineering Aide to handle the increased volume of field inspections, surveying and drafting work. A new plant operator is required to staff the soon-to-be constructed water expansion facilities.

Due to the pending completion of LUMAC's report, the staffing in the planning department will be decreased from four full time employees to three. Other departments will work at existing staffing levels, coping with the increased demand for their services by working more efficiently, including automation of many activities.

The budget provides for an increase in Town employee salaries of 4.5%, which represents the estimated increase in the 1994 cost-of-living. Note that over the last two years, the total increases to Town employees have been less than the current inflation rate.

By judiciously using the additional sales tax monies for the benefit of our residents, the tax levy in the General Fund will decrease approximately \$103,000, from \$1,037,618 in 1993 to \$935,000 in 1994. Although the tax levy in the Highway Fund will increase 2.5%, because of the decrease in the General Fund, there is an overall decrease in the town wide tax levies of approximately \$37,000. There will not be a change in the tax rate for Water District #1. There will be a modest increase of approximately 2% in the Delmar-Elsmere Sewer District and district extensions. Note that the Highway, Water and Sewer funds do not share in the sales tax revenues.

With the Town Board's repeal of the homestead law on September 22, 1993, there will be a return to uniform tax rates for both residential and commercial tax payers. The uniform tax rate in the general fund will approximate \$.49 per thousand of assessed valuation, and the uniform highway fund rate will approximate \$1.44 per thousand. To put these figures into tangible examples, if an individual's homestead property is assessed at \$130,000, their 1993 taxes (excluding county taxes and special districts) were \$395.11, versus \$411.69 in 1994, representing a 4.2% increase.

If a non-homestead property is assessed at \$130,000, its 1993 taxes (excluding county taxes and special districts) were \$454.20, versus \$411.69 in 1994, representing a 9.4% decrease.

I would now like to ask our Budget Director, Judi Kehoe, to provide some of the highlights in the various funds.

MRS. KEHOE: Appropriations in the General Fund will increase by approximately \$637,000, or 7.6%. This increased cost is due to the following considerations:

Personnel costs have increased approximately \$346,000, which represents 54.3% of the increase in appropriations. This is comprised of the 4.5% raise plus increments, plus the net increase in positions as described earlier.

Nonrecurring expenditures, for deferred maintenance, capital improvements and the creation of reserves, increased approximately \$348,000, which represents 54.6% of the increase in appropriations. This consists of the following:

For Reserves we have:

Remarciting pools at Elm Avenue Park -- \$130,000
Retirement System reserves -- \$100,000

Deferred Maintenance: \$86,000

Capital Investment: \$32,000

For a TOTAL of: \$348,000

Note that other expenditures for contractual items actually decreased approximately \$57,000, or 8.9%. These three items combined represent the net increase of \$637,000.

Within Personnel Costs, note that despite the fact that Workers' Compensation rates have risen 14.4%, the Town will actually incur a decrease of 7% in 1994 due to its excellent safety record.

Within Reserves, as we discussed last year, the New York State Retirement System lost the law suit with State Unions, therefore, requiring them to forego the Projected Unit Credit funding method which resulted in a lower contribution to the retirement system, and resuming use of the previous funding method where contributions more closely related to actual benefits earned by its members in a current year. New York State is appealing the decision, but it is likely that municipalities will be forced to pay sizable contributions to reinstate the fund to the levels that would have been achieved if the State had not changed the retirement funding in 1989. It is estimated that the contribution required by the Town to make up for this shortfall will exceed two million dollars. In anticipation of this significant pay out, the Town has created a reserve to partially fund this bill when it is received, in hopes of minimizing our financing requirements. In the unlikely event that the State's appeal is successful and we are not required to make a retroactive contribution, the Board may elect to designate this reserve for other more appropriate needs.

The proposed recommendations by the Capital Projects Committee has been factored into the 1994 budget. These recommendations include the creation of a reserve for the remarciting of the pools at the Elm Avenue Park in 1995, equal to \$130,000; payment of \$156,000 for improvements of municipal training facilities; containment of \$25,000 for pool covers at the Elm Avenue Park to reduce wear on pool surfaces and ultimately to save money by requiring the remarciting to be done less frequently. One of the committee's recommendations is to proceed with the creation of a yard waste composting facility. It is anticipated that the design process and permit and procedure will move forward in 1994 and that land for this facility may be purchased in 1994 at an estimated cost of \$100,000. This purchase will be financed through the issuance of a bond anticipation note which will not directly affect the proposed 1994 budget since the repayment of this note will not be required until 1995 at the earliest.

In the Highway fund, appropriations have increased by approximately \$114,000 or 3.4 percent. There are no major increases of significance in the Highway appropriations. The increase is based upon the proposed salary increase and inflationary increases in operating the department. Some expenses and revenues will have to be adjusted in the highway fund if the State of New York does not provide the anticipated monies through the CHIPS program or the dedicated highway program. This is still unknown, however, if these funds are lost a contingency plan will be adopted and the Superintendent will have to reduce the amount of paving work to be done in 1994.

Water fund appropriations show an increase of approximately \$288,000 or 8.6 percent. This increase is primarily due to increases of water rents paid to the City of Albany of \$115,000. Due to an increase in the volume of water purchased and also an increase in water rates. Debt service costs for interest during construction of the major water facility have increased due to the additional amounts borrowed as construction progresses, equal to \$149,000. The increase in appropriations will be funded by the requested increase in the industrial water rate from \$1.07 per 1,000 to \$1.14 per 1,000

gallons. There is no increase in the general water district tax which will remain at a rate of \$.75 per 1,000 of assessed valuation. There is also no increase in residential water rates.

The Sewer budget appropriations have remained relatively constant showing a decrease of \$1600. The increases in personnel costs due to the cost of living adjustment plus increments have been largely offset by reductions in the purchases of equipment. However, due to the decrease in non-property tax and user charge revenues of \$29,000 there will be a slight raise in the property tax and the water use surcharge rate of approximately 2 percent for both the Delmar/Elsmere Sewer District and the Bethlehem Sewer District extensions. The decrease in non-property tax revenues reflects a declining balance in the debt service reserve fund. The tax rate in the Delmar/Elsmere Sewer District will be approximately \$.48 per 1,000 versus \$.47 in 1993 and the rate in the extensions will approximate \$.53 versus \$.52 per 1,000 in 1993. The water use surcharge rate will be approximately \$1.36 per 100 cubic feet versus \$1.33 per 100 cubic feet in 1993.

SUPERVISOR RINGLER: Thank you, Judi. As I said at the beginning of the budget message, the Town Board has been meeting for several meetings and workshops asking questions of Department heads and so forth, what happens now is it is time for the public to ask questions, any that they would like. We have our staff here, our Budget Director so we can answer anything that you might like to ask. Then we will open it up after questions to anyone who would like to speak in favor or in opposition to the budget. Once all this data is collected and the Board reflects on the comments that are made here tonight, the budget will either be modified or passed as I said, by law before November 20th.

If you are going to speak tonight, I do ask that you come up to the front, use the microphone and identify yourself for the record. Anyone like any questions at this point? Judi, would you turn that mike around for me, please.

Questions?

MR. GROVES: I am Maurice Groves, 4 Brockley Drive and I have a question about the salary of the new Supervisor. The present budget for 1993 proposed 3 and 1/2 percent cost of living increase and that was in accordance with the expected increase for this year. The proposed budget calls for a 4 and 1/2 percent salary increase for Town employees in 1994. The Supervisor's salary this year was \$56,431, am I correct, sir?

SUPERVISOR RINGLER: I don't think it was. I think I made a little more than that. Judi, check for me.

MR. GROVES: That was what was proposed in at the budget hearing last year.

SUPERVISOR RINGLER: No, maybe 2 years ago.

MRS. KEHOE: And, that would have been prior to the raise. I believe it was \$58,000 in 1993.

SUPERVISOR RINGLER: In any event, it has gone up to 4 and 1/2 percent.

MR. GROVES: In 1994 it is proposed at \$61,034. This would be an increase of 8 percent above the \$56,431 and my point is, that also that the salary of Council members would be increased to \$8520.

I feel that elected and appointed employees should receive salary increases of no greater percentages than those of other employees.

SUPERVISOR RINGLER: And, they are.

MR. GROVES: That is strictly?

MRS. KEHOE: And, they are. The Supervisor's salary in '93 was \$58,406 and the 4 and 1/2 percent above that is \$61,034. So, that is exactly 4 and 1/2 percent.

MR. GROVES: Okay.

SUPERVISOR RINGLER: I wouldn't have the nerve to face the employees in Town Hall and do that, sir.

MR. GROVES: And, that of the new Supervisor should be held to that of the incumbent rather than raised. Rather than raised anyway. Thank you.

SUPERVISOR RINGLER: Thank you. Any other questions?

MR. DAVIES: Sherwood Davies. I have 2 questions. Do I understand correctly that following this public hearing there will be another public hearing just for the Sewer District?

SUPERVISOR RINGLER: Yes.

MR. DAVIES: So, all you would want now is comments for everything except the Sewer District.

SUPERVISOR RINGLER: I think that would be appropriate.

MR. DAVIES: Is that correct?

SUPERVISOR RINGLER: We can be loose on that. If you give us some comments on that now as well we can...

MR. DAVIES: Well, I have one question. I noticed in your budget it says association dues, contractual expenses \$1,100. I have attended a number of meetings and I know that it exceeds \$1,100.

SUPERVISOR RINGLER: No, that is for the Association of Towns, which is one shot deal.

MR. DAVIES: And, where is the other figure can be identified?

SUPERVISOR RINGLER: Other figure for what, Mr. Davies?

MR. DAVIES: Well, dues for employees.

SUPERVISOR RINGLER: They are within the departmental budgets.

MR. DAVIES: I see and it is not covered separately.

SUPERVISOR RINGLER: It is covered separately in each of their budgets, each department's budget has to budget that.

MRS. KEHOE: There is a separate account code within each department for the organizations they belong to.

MR. DAVIES: I see. This is... it is much greater than this figure of \$1,100., is that correct?

SUPERVISOR RINGLER: Yes, that is just membership in one organization, the New York State Association of Towns.

MR. DAVIES: Okay. Would there be any idea what the total might be?

SUPERVISOR RINGLER: Judi.

MRS. KEHOE: No more than \$3,000.

SUPERVISOR RINGLER: Any other questions? Is there anyone who would like to speak in favor of the proposed budget? There were none. Is there anyone who would like to speak in opposition to the proposed budget?

MR. DAVIES: Could I speak in regard to some comments about the budget?

SUPERVISOR RINGLER: Certainly, Sherwood.

MR. DAVIES: All right. Ken and members of the Board, the general town budget is a detailed document consisting of, I believe, 167

pages yet only 20 and 22 pages respectively are devoted to the Sewer and Water budgets. The water and sewer costs for an average residence averages from \$350 to \$400 per year compared to the general town tax of \$65. I suspect that the media headlines tomorrow will likely put the spin on holding the line on general town taxes yet sort of overlooking a larger cost to the property owners. Our sewer and water budgets total over \$6.4 million dollars. The Commissioner of Public Works establishes water and sewer tax rates, assessments, water and sewer rents with minimal oversight by the Board. Our annual bonded indebtedness payments of over \$1.9 million represents a substantial level of bonded indebtedness.

Method of funding the new water treatment plant is not discussed in the water budget. I wonder if the bonds will be issued this year or next year or whether the Town will not be funding the cost of construction of the \$10 million dollar plant. Excluding bonded indebtedness, which is a substantial sum, our water fund operating budget will increase 11 percent this year and since 1990, we have over a 40 percent increase. I believe much greater detail should be provided as well as oversight on these multi-million dollar budgets.

Now, some specific comments on the general town budget. The Town may owe in excess of 2 million for retirement funding. How much money has the Town set aside and could the windfall from the County sales tax be used to cover these retirement costs?

Two, in 1993, the Town contracted to reduce the ANSWERS tipping fee from \$65 to \$55. Should this 15 percent reduction in the tipping fee be passed along to the customers? Could the Town do a little more arm twisting?

Three, in 1991 the Town signed an agreement with Cablevision. It provided for increase in cable tv fee from 3 percent to 5 percent. The Town presently will be receiving \$120,000 spending only \$3,000 to administer the program. Recently senior citizens had a recent rate increase in basic cable tv of over 10 percent. Why should cable tv customers support Town government to the extent of \$120,000 per year? Could the rates be reduced if the fee were dropped? Why does Bethlehem cable tv rates greatly exceed other Cablevision franchise areas?

The general budget reflects revenue of \$106,000 from fees for safety inspections, zoning and planning board. The expenditure for these operations amounts to a little less than \$500,000. The Town collects less than 25 cents on every dollar expended. Why should the taxpayers support these services to this extent?

Thank you.

SUPERVISOR RINGLER: Thank you. Is there anyone else who would like to speak? There were none. If not, I will entertain a motion to close the public hearing.

The motion was made by Mr. Webster and seconded by Mrs. Fuller to close the public hearing at 7:50 p.m. The motion was passed by the following vote:

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Mrs. Fuller.
Noes: None.
Absent: Ms. Galvin.

Kathleen A. Newkirk
Town Clerk

SUPERVISOR RINGLER: By law we can't start our other public hearing for 6 minutes. We have to start at the strike of 8 so we will take a 6 minute recess.

Hearing began: 8:00 p.m.

SUPERVISOR RINGLER: The hour is here. The next item on our agenda is a public hearing on the 1994 assessment roles for the Bethlehem Sewer District. I ask the Town Clerk to read the call of this hearing.

PUBLIC NOTICE

WHEREAS, 1994 assessment rolls have been prepared for the Bethlehem Sewer District and it is necessary to hold a public hearing with reference thereto, NOW, THEREFORE, BE IT RESOLVED, that the Town Board hold a public hearing with reference thereto, at 8:00 p.m., on the 20th day of October 1993, at the Bethlehem Town Hall, and

Public
Hearing
1994
Sewer
Assessment
Rolls

BE IT FURTHER RESOLVED, that the Town Clerk be and she hereby is authorized and directed to publish a notice of such hearing in THE SPOTLIGHT, a newspaper published in Albany County and having a circulation within the Town of Bethlehem, on the 6th day of October 1993. The foregoing resolution was presented for adoption by Mrs. Sheila Fuller, seconded by Mr. Charles Gunner and was duly adopted by the following votes:

Ayes: Mr. Ringler, Mrs. Fuller, Mr. Gunner, Mr. Webster.
Noes: None.
Absent: Ms. Galvin.

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STATE OF NEW YORK
COUNTY OF ALBANY

Kathryn Olsen of the Town of Bethlehem, being duly sworn, says that she is the bookkeeper of THE SPOTLIGHT, a weekly newspaper published in the Town of Bethlehem, County of Albany, and that the notice of which the annexed is a true copy, has been regularly published in said THE SPOTLIGHT ONCE A WEEK FOR 1 WEEK consecutively, commencing on the 6th day of October 1993.

/s/ Kathryn Olsen

Sworn to before me this
19th day of October 1993.
/s/ Catherine T. Picarazzi
Notary Public, Albany County

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STATE OF NEW YORK)
COUNTY OF ALBANY) ss:

KATHLEEN A. NEWKIRK, being duly sworn, deposes and says that she is the Town Clerk of the Town of Bethlehem, Albany County, New York and that I posted on October 65, 1993, a Notice of Public Hearing, a copy of which is hereto attached, on the sign board of the Town maintained pursuant to subdivision six of Section thirty of the Town Law.

/s/ Kathleen A. Newkirk
Town clerk

Sworn to before me this
19th day of October, 1993.
/s/ Catherine T. Picarazzi
Notary Public

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The motion was made by Mrs. Fuller and seconded by Mr. Webster to indent the Notice of Public Hearing, Affidavit of Publication and Affidavit of Posting on the minutes of the Town Board. The motion was passed by the following vote:

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Mrs. Fuller.

Noes: None.

Absent: Ms. Galvin.

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SUPERVISOR RINGLER: By State Law we have to have separate public hearings here although I have never been able to figure out the rationale behind that but that's what the Law is and tonight we are also going to have a public hearing on the Assessment Roles for the Bethlehem Sewer District. Prior to opening to the public, I would ask Bruce Secor to make a brief presentation.

MR. SECOR: Kathy, do I have to move that microphone.

TOWN CLERK NEWKIRK: Just take the pa mike, you can pick it off.

MR. SECOR: Okay, just to recap something that Judi has already read but on the budget that has been presented, the net bottom line is that the total requested appropriations are \$1638 less than last year. I have presented the Board with both an expenditure plan and a revenue plan. We are projecting to continue with our program of infiltration of inflow abatement in the old part of the sewer district here, especially in the Delmar/Elsmere area. We have continued with our tv camera to inventory the problems. We have also increased the budget a little bit for sludge disposal because that gets trucked up to the Albany County Sewer District and we anticipate a rate increase from them.

The impact of what I am proposing, just to use a couple of the graphs which the Board has already seen, I just thought I would point this out. This is a graph which shows the history of the ad valorem tax rate in the Delmar/Elsmere Sewer District and I have a separate one for the extensions. Basically, we have had about a 2 and 1/2 percent increase average from 1977 to 1992. Most recently because of reval, the rate structure has changed and what we are dealing with now is... it was stated in the budget message, the rate last year was \$.47 per 1,000 and this year we are projecting a rate of \$.48 per 1,000, which is about 2 percent. So, we have had about 2 percent average and then you have to take certain things into account because of the change in the assessment basis.

In the extensions, tax picture has been a little different and the reason for this is and I put a note on here, from 1977 -- which is when all the major extensions were created, the tax rate was \$9.62 per 1,000 -- it was \$7.93 per 1,000 in 1992 which is a decrease of about 17 percent. In the extensions when the major trunk sewers were built and the purification plant was built and everything else was done, there was a certain amount of debt service and cost assigned to the extensions. What has happened over the years is that the tax base in the extensions has grown more rapidly than the tax base in the Delmar Sewer District which is basically fairly well developed at the time this district went in.

It has always been cheaper to live in Delmar/Elsmere Sewer District and pay taxes than in the extensions because in the extensions you are paying the ad valorem, water use surcharge and the front footage rate. The front footage rate was paying off debt service on the federally aided sewers. But, if you added them up, you will always save money to live here in Delmar/Elsmere District. The rate now in the district... in the extension of the district is \$.52 projected as \$.53 and you have to compare that to \$.48 for the Delmar/Elsmere Sewer District for next year. So, it is still Delmar/Elsmere Sewer District would be down here.

The water use surcharge -- the other portion of the revenue stream -- again, this is a graph showing from 1977 through what is projected for 1994, we have averaged about 3 percent per year, some year's rates went down, other years they went up. Right now, we are projecting \$1.36 per 100 cubic feet and that is the history of this rate. In the 1980s when inflation was 10 and 12 and 14 percent, we were still average... able to average this out and keep the rate at about 3 percent. So, the growth rate has been about 2 percent in the DESD and about 3 percent in the water use surcharge rate.

And, that.. the basic revenue package. I have given the Board a copy of the entire rates. There is a number of individual contracts, portions of Delmar -- sewers were put in under individual contracts and I think there were 53 contracts at one point and you have a rate sheet for those. I have also given you all the other rates that are in the budget. There are a number of other items that are in there.

Basically, that is it. The revenue and tax expenditure picture, the Board has the budget figures, the budget write-up I gave you and the budget numbers. I would be happy to answer any questions.

SUPERVISOR RINGLER: Thank you. Once again, we will answer any questions. Bruce can answer any questions or Judi or... before anyone gives of any opinions. Does anyone have a question at this point in time? There were none. Does anyone wish to speak in favor? There were none. Anyone who wishes to speak in opposition?

MR. DAVIES: Sherwood Davies. I am in the same position. I have some comments, if I might make them.

SUPERVISOR RINGLER: Okay, good.

MR. DAVIES: I think it would be rather enlightening. You indicated, Ken, that you didn't understand why we have a separate public hearing for the sewer district. And, it should be very obvious. That this Board sitting here is not representing the Town of Bethlehem.

SUPERVISOR RINGLER: Pardon me.

MR. DAVIES: This Board here sitting here is not representing the Town of Bethlehem but the Sewer District. The Sewer District does not include the whole Town of Bethlehem. So, I would hope that you would look at it in the light of the benefits, the pluses in so far as the residents are concerned in the Sewer District.

SUPERVISOR RINGLER: We always do.

MR. DAVIES: And, that is one reason why I don't think positions can be shifted from the Town to the Sewer District and Sewer District to the Town, back and forth too easy.

I understand that this is a hearing, public hearing, to consider expenditures and revenues for sewer funding in 1994. Sewer fund projected expenditures of 2.8 million include 1.18 million to cover our annual bonded indebtedness payment. The abbreviated budget, compared to the general Town budget fails to address amounts of revenue from ad valorem tax, front footage assessment, or the sewer rents -- referred to sometimes as water use surcharge. It also fails to identify specifically the revenue source and as to whether it applies to sewer collection, sewer treatment or bonded indebtedness.

The taxes and assessments are really inequitable and not consistent with the November 2nd 1988 public hearing which established for the first time a water use surcharge or sewer rents for residents of the Delmar-Elsmere Sewer District. It was then stated that this charge referring to the water use surcharge, the sewer rent, pays for the costs of treating the waste water at the sewage treatment plant. Actually, the water use surcharge revenues amounts to 1.23 million dollars exceeding by \$570,000 the sewage treatment plant operating costs. I believe that the purpose of the water use surcharge or sewer rents is not consistent with the intent of the Board's approval in 1988. Recovery of cost for sewage treatment plant operation would reduce the sewer rent charges and more appropriately the bonded indebtedness should be based on an ad valorem property tax. Including sewer rents as a property tax might put in jeopardy a number of tax payers which include the reduction as a Federal reduction in their Federal income tax.

I wondered if the Board has a copy of the charges here. I would like to refer to them. I think it is more meaningful for the Board to consider some of these things rather than maybe 10,000 or 11,000 different charges there. The ad valorem Delmar-Elsmere Sewer District tax rate is \$.48 per \$1,000, \$.53 per \$1,000 for extension. This represents about 27 percent of the total revenue. If all costs

were supported by a property tax, this rate would be approximately \$1.75 to \$1.90 per \$1,000.

I would refer you to the unsewered areas in the extensions and this represents hundreds of acres. It is within the Bethlehem Sewer District but it is unsewered. In other words, there are not sewers in the street front. You are charging there \$.17 per \$1,000. Now, those properties benefit greatly from the fact that there is a sewage treatment plant available to them. There is a pump station and there are main sewers. It would seem to me that \$.17 or 1/10th is really what the sewer assessed valuation would be is pretty low and should be looked at.

I would urge that the Board in behalf of all Bethlehem Sewer District taxpayers to carefully review the tax rates, assessments and sewer rents and to recover costs on some stated rational basis particularly recovery of all bonded indebtedness costs from an ad valorem tax.

Thank you.

SUPERVISOR RINGLER: Thank you. Is there anyone else that wishes to speak? There were none. If not, I will entertain a motion to close the public hearing.

The motion was made by Mr. Gunner and seconded by Mr. Webster to close the public hearing at 8:12 p.m. The motion was passed by the following vote:

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Mrs. Fuller.

Noes: None.

Absent: Ms. Galvin.


Town Clerk

SUPERVISOR RINGLER: The Town Board will take these comments into consideration, review this matter and the budget will either be modified or adopted, as I said, by law before November 20th. I would entertain a motion to adjourn.

The motion was made by Mrs. Fuller and seconded by Mr. Webster to adjourn the special Town Board meeting at 8:14 p.m. The motion was passed by the following vote:

Ayes: Mr. Ringler, Mr. Webster, Mr. Gunner, Mrs. Fuller.

Noes: None.

Absent: Ms. Galvin.

SUPERVISOR RINGLER: Thank you all for coming.

Kathleen A. Newbark
Town Clerk