

WORK SESSION

A Village Board Budget Public Hearing and Work Session Meeting was held on Wednesday, January 24, 2024, at 7:00 P.M. at Village Hall, 9 Fairlawn Drive, Washingtonville, New York.

PRESENT:

Mayor Thomas DeVinko; Deputy Mayor Susan Walski; Trustee Donna Jacaruso; Trustee Vernon Coleman.

ABSENT:

Steve Presser.

ALSO PRESENT:

Village Clerk Christine Shenkman, Treasurer Leslie Tillotson, Brendan Kennedy from BST Auditing Firm; Police Chief Brian Zaccaro and Department of Public Works (D.P.W.) Superintendent Christopher Martino, and H2O Water – Sewer Senior Manager Operator Chrisopher Finnegan.

PLEDGE OF ALLEGIANCE TO THE FLAG:

Mayor Thomas DeVinko led the Pledge of Allegiance to the Flag.

PUBLIC HEARING – AMENDING THE VILLAGE CODE AT CHAPTER 280 (TAXATION) TO ADD ARTICLE V GRANTING EXEMPTIONS TO VOLUNTEER FIREFIGHTERS AND AMBULANCE WORKERS – LOCAL LAW NUMBER 1 OF THE YEAR 2024:

Trustee Jacaruso made a motion, seconded by Deputy Mayor Walski and adopted to open the Public Hearing regarding the above referenced Local Law; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

Mayor Thomas DeVinko explained the purpose of this Local Law is to add a new Article V to Chapter 280 (Taxation) of the Village Code to authorize an exemption of up to Ten Percent (10%) of the assessed valuation of the primary residence of qualified Volunteer Firefighters and/or Volunteer Ambulance workers in accordance with Section 466-a of the New York State Real Property Tax Law.

Mayor DeVinko stated audience comment will now be received:

Village resident Paul Lang of 10 Patriot Lane questioned the exemption and how it works and what are the requirements. Mayor DeVinko responded the Law reflects there are rules and regulations that must be met in order to qualify for the exemption.

Trustee Jacaruso made a motion, seconded by Deputy Mayor Walski and adopted to close the above stated Public Hearing; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

WORK SESSION

PUBLIC HEARING – AUTHORIZING A PROPERTY TAX LEVY IN EXCESS OF THE LIMIT ESTABLISHED IN GENERAL MUNICIPAL LAW 3-C – LOCAL LAW 2 OF 2024:

Trustee Coleman made a motion, seconded by Trustee Jacaruso and adopted to open the Public Hearing regarding the above referenced Local Law; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

Mayor Thomas DeVinko explained the purpose of this Local Law is to override the limit on the amount of real property taxes that may be levied by the Village of Washingtonville, and to allow the Village to adopt a Budget for the fiscal year commencing March 1, 2024 that requires a real property tax levy in excess of the tax levy limit as defined by General Municipal Law Section 3-c.

Mayor Thomas DeVinko stated audience comment will now be received:

There being no comment:

Deputy Mayor Walski made a motion, seconded by Trustee Coleman and adopted to close the above stated Public Hearing; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

RESOLUTIONS:

182 – RESOLUTION- ADOPTION OF LOCAL LAW NUMBER 1 OF 2024 - AMEND THE VILLAGE CODE AT CHAPTER 280 (TAXATION) TO ADD ARTICLE V GRANTING EXEMPTIONS TO VOLUNTEER FIREFIGHTERS AND AMBULANCE WORKERS:

Trustee Coleman made a motion, seconded by Trustee Jacaruso and adopted to approve the following Resolution:

WHEREAS, the Village Board of the Village of Washingtonville, New York (“Village Board”) from time to time reviews its Laws, rules and regulations to be certain the same are consistent with all current lawful practices as well as best practices to protect the health, safety and welfare of Village residents; and

WHEREAS, the Village Board desires to adopt a Local Law to Amend the Village Code at Chapter 280 (Taxation) and to add Article V Granting Exemptions to Volunteer Firefighters and Ambulance Workers; and

WHEREAS, upon notice duly published and posted a Public Hearing was held on said Local Law on January 24, 2024 wherein public discussion was heard concerning the merits of said Local Law and after hearing from all those present wishing to speak and acknowledging that no written comment had been received, the Village Board declared the Public Hearing closed.

NOW, THEREFORE, BE IT RESOLVED by the Village Board as follows:

Section 1. All “WHEREAS” paragraphs are incorporated herein by reference as though set forth in full.

Section 2. The Village Board hereby adopts Local Law Number 1 of 2024 entitled, “A Local Law to Amend the Village Code at Chapter 280 (Taxation) to Add Article V Granting Exemptions to Vounteer Firefighters and Ambulance Workers” in the form presented to the Village Board.

Section 3. The Village Clerk is hereby directed to enter said Local Law into the Minutes of this meeting and in the Local Law book of the Village of Washingtonville, and to give due notice of the adoption of said Local Law by filing the Local Law in the Office of the Secretary of State in the State of New York.

Section 4. This Resolution shall be effective immediately.

Mayor DeVinko put said Resolution to a vote and the results were as follows:

WORK SESSION

182 – RESOLUTION- ADOPTION OF LOCAL LAW NUMBER 1 OF 2024 - AMEND THE VILLAGE CODE AT CHAPTER 280 (TAXATION) TO ADD ARTICLE V GRANTING EXEMPTIONS TO VOLUNTEER FIREFIGHTERS AND AMBULANCE WORKERS – (CONTINUED):

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mayor Thomas DeVinko	X			
Deputy Mayor Susan Walski	X			
Trustee Donna Jacaruso	X			
Trustee Steve Presser				X
Trustee Vernon Coleman	X			

The Resolution was thereupon duly adopted.

183 – RESOLUTION- ADOPTION OF LOCAL LAW NUMBER 2 OF 2024 – AUTHORIZATION OF PROPERTY TAX LEVY IN EXCESS OF THE LIMIT ESTABLISHED IN GENERAL MUNICIPAL LAW SECTION 3-C:

Trustee Jacaruso made a motion, seconded by Trustee Coleman and adopted to approve the following Resolution:

WHEREAS, the Village Board of the Village of Washingtonville, New York (“Village Board”) duly noticed and held a Public Hearing on January 24, 2024 concerning a Local Law concerning a property tax levy in the Village; and

WHEREAS, during the Public Hearing the Village Board solicited public comment and all interested persons were afforded an opportunity to be heard; and

WHEREAS, the purpose of this Local Law is to authorize the Village Board to override the limit on the amount of real property taxes that may be levied by the Village, and to further allow the Village Board to adopt a Budget for the fiscal year commencing on March 1, 2024 that requires a real property tax levy in excess of the tax levy limit in accordance with General Municipal Law Section 3-c.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. The above “WHEREAS” clauses are incorporated herein by reference as though set forth in full.

Section 2. The Village Board hereby adopts Local Law Number 2 of 2024 entitled, “Authorizing a Property Tax Levy in Excess of the Limit Established in General Municipal Law Section 3-c” in the form presented to the Village Board.

Section 3. The Village Clerk is hereby directed to enter said Local Law into the Minutes of this meeting and in the Local Law book of the Village of Washingtonville, and to give due notice of the adoption of said Local Law by filing the Local Law in the Office of the Secretary of State in the State of New York.

Section 4. The Village Clerk and any other Village officer, employee or consultant as directed by the Mayor shall take any and all actions necessary to carry out the provision of this Resolution.

Section 5. This Resolution shall be effective immediately.

Mayor DeVinko put said Resolution to a vote and the results were as follows:

WORK SESSION

183 – RESOLUTION- ADOPTION OF LOCAL LAW NUMBER 2 OF 2024 – AUTHORIZATION OF PROPERTY TAX LEVY IN EXCESS OF THE LIMIT ESTABLISHED IN GENERAL MUNICIPAL LAW SECTION 3-C – (CONTINUED):

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Mayor Thomas DeVinko	X			
Deputy Mayor Susan Walski	X			
Trustee Donna Jacaruso	X			
Trustee Steve Presser				X
Trustee Vernon Coleman	X			

The Resolution was thereupon duly adopted.

184 – RESOLUTION- PUBLIC ASSEMBLY PERMIT - KIWANIS CLUB OF WASHINGTONVILLE - FLAGS FOR HEROES - FIREMEN’S MEMORIAL PARK:

Trustee Jacaruso made a motion, seconded by Deputy Mayor Walski and adopted to authorize a Public Assembly Permit to the Kiwanis Club of Washingtonville for Flags for Heroes to be placed at Firemen’s Memorial Park; the Flags will be put up on March 18 and will be removed on July 6; the Ceremony to honor the Heroes will be held on Saturday, June 8; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

185 – RESOLUTION- INTER MUNICIPAL AGREEMENT REGARDING VEHICLE MAINTENANCE - VILLAGE OF WASHINGTONVILLE AND TOWN OF BLOOMING GROVE:

Trustee Jacaruso made a motion, seconded by Deputy Mayor Walski and adopted to authorize an Inter-Municipal Agreement regarding Central Garage Vehicle Maintenance, Vehicle Repairs and Preventative Maintenance Services between the Village of Washingtonville and Town of Blooming Grove effective January 1, 2024; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

186 – RESOLUTION- POLLING PLACE FOR VILLAGE OF WASHINGTONVILLE ELECTION:

Trustee Jacaruso made a motion, seconded by Deputy Mayor Walski and adopted to authorize the polling place for the Village of Washingtonville Election on Tuesday, March 19, 2024, to be held at Village Hall, 9 Fairlawn Drive, Washingtonville, New York. The Polls will be open from 12:00 Noon to 9:00 P.M; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

VILLAGE BUDGET PUBLIC HEARING:

Trustee Jacaruso made a motion, seconded by Trustee Coleman and adopted to open the Public Hearing regarding the 2024 - 2025 Village of Washingtonville Budget; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

WORK SESSION**VILLAGE BUDGET PUBLIC HEARING – (CONTINUED):**

Mayor DeVinko opened the Public Hearing by thanking the audience for attending the meeting, and introduced Brendan Kennedy of BST Auditing Firm and Village Department Heads.

The Mayor reported that the following issues were identified as of April 3, 2023 when the present Village administration took office:

Previous years invoices from Budget years 2021 and 2022 and approximate year to date amounts paid out of the 2023 Budget were \$1.3 million dollars in General A Fund, \$427,000 out of Sewer Fund and \$38,000 out of Water Fund for a total of \$1.6 million dollar checks written in two (2) weeks.

All invoices were not approved and paid by the previous Mayor with no Resolutions to approve payments.

It was calculated that the Village would run out of cash by October 2023.

There was no Treasurer or Accountant for the past six (6) years.

The financial computer system was abandoned approximately six (6) years ago for paper documentation and Quick Books was utilized for printing checks.

Lack of documentation is delaying annual Audits for General, Water and Sewer Funds and AUD submission to New York State Comptrollers.

Audits and Annual Update Document (AUD's) were not done for 2020, 2021, 2022 and 2023.

Lack of Budgets and State reporting to New York State Moody's had removed the Village Bond rating in 2020.

Cannot obtain a credit card from local Banks due to no financials over three (3) years.

Department Heads were not part of the Budget process, and the entire annual Budget was completed by the previous Mayor/Budget Officer and Village Board.

Rental of a Generator for the Sewer Plant was not needed at \$6,000 a month for five (5) years totaling \$360,000.

The 2023 – 2024 Budget increase was three percent (3%). The Village Treasurer has recommended a minimum starting tax increase of twenty-five percent (25%) for the reason that there was no increase over the past six (6) years.

Revenue amounts were overinflated and Expense codes were under the actual expenses.

Planning Board Escrow Account does not balance and is not up to date.

Grant monies were co-mingled in the General Fund. Separate Accounts should be created.

General, Water and Sewer Funds have been co-mingled. For example, Water Fund invoices were paid from Sewer Fund.

There was no Bidding on Capital Road projects, and the Procurement Policy rules were not enforced.

There is \$800,000 from the Sewer Plant expansion project that EFC (State Agency) will not release due to the former Mayor not submitting quarterly Sewer Plant Project Reporting from 2020.

WORK SESSION

VILLAGE BUDGET PUBLIC HEARING – (CONTINUED):

ARPA (Covid Money) in the approximate amount of \$600,000 was received in two payments in 2021 and 2022 and it cannot be identified what the money was spent on.

One Million Dollars was borrowed for Road Pavement projects and the money was deposited into the General Fund in 2018.

Mayor had handwritten checks to vendors which were not entered into Quick Book desktop application. No accounting principles were followed.

The adopted 2023 – 2024 Village Budget could potentially be short approximately \$1.291 million dollars in the General Fund, \$38,000 in Water Fund and \$303,000 in Sewer Fund for a total of \$1.632 million dollars. This is due to under estimating Expenditures as well as over estimating Revenues.

Additional items should have been budgeted for in 2023 – 2024 equals approximately \$243,000. Items include a new Police vehicle, dump truck and generator for the Sewer Plant.

Approximately \$1.615 million dollars in checks was processed the last two (2) weeks in March that were related to the 2022 – 2023 Budget. Another \$50,000 of checks being paid in April and May related to the 2022 – 2023 or prior Budgets.

The Village has inquired with our Attorneys on other alternatives for financing, however, since the Village is behind on having external Audits performed (last Audit was completed for fiscal year ending February 29, 2019) deficit financing is the only option.

Based on the above information, the Village is working with New York State and has received deficit financing for an amount not to exceed \$4.5 million dollars. The Village will only borrow what is needed.

The amount financed was \$4.4 million dollars. The New York State Controller's Office will perform an audit to verify borrowing. The loan is for ten (10) years.

The Mayor explained that actions taken to date are as follows:

The Village needs to obtain an additional Auditing Firm to assist with compiling information for the Village Auditing Firm of PKF O'Connor – Davies.

Department Heads are now responsible for approving all invoices for payments and following a Procurement Policy.

Weekly Department Head meetings are held to review financials and priorities.

Analyzing Water and Sewer billing system data entry and policy software inconsistencies.

Findings – Excessive estimated meter readings, inaccurate data entry into the billing system, lack of processing quarterly exception reports before bills are created. Software parameters are inaccurate.

Replacement of seventy-five (75) defective water meters. There are approximately three hundred (300) to three-hundred fifty (350) water meters that need to be replaced. Replacement of meters done by the Department of Public Works staff to save money.

Met with Bond Counsel regarding Sewer Bond payments and approximately \$300,000 of overdue past invoices from 2016 – 2019. Remaining loan balance of \$1.2 million dollars will be paid off in 2035.

WORK SESSION

VILLAGE BUDGET PUBLIC HEARING – (CONTINUED):

Scheduled meeting with H2M Sewer Plant designer and Project Manager to review all Contractors that walked off the job due to lack of payments by the Village (2016 – 2020). There is incomplete work for electrical and possible other areas.

Currently reviewing all Vendor Contracts for any possible savings. Also audited all Utility Accounts for accuracy. Found many discrepancies with Utility bills which have now been corrected.

To prevent co-mingling of Grants and Revenue deposits separate accounts will be created.

Grant and EFC monies reimbursed to the Village.

Did not fill two (2) Clerk positions that were vacated the day before the present administration took office.

Attempting to secure \$800,000 from EFC (State Agency). This money is owed to Village, but the Mayor never completed reports to be reimbursed.

The Office of the State Comptroller is conducting an Audit – Risk Analysis of the 2022 and 2023 previous Budgets.

The Village hired BST Auditing Firm to compile the Budget data for the years 2020, 2021, 2022 and 2023.

The priority Budget year to audit is 2020.

Modified Treasurer responsibilities to handle all daily financial activities.

Purchased the Edmunds Financial Software Suite.

BRENDAN KENNEDY FROM BST AUDITING FIRM presented an update regarding Accounting and Reporting practices.

Auditor Kennedy reported he is working with the Mayor and Treasurer to rectify the Village's accounting and financial reporting delinquencies. The accounting system currently in place for the Village is Quick Books which is a good product for a smaller, less complex organization but not specifically designed for a Municipality.

The accounts of the Village are organized on the basis of funds which are General, Water, Sewer and Capital Project funds.

Mr. Kennedy is working on financial reporting errors in the 2020 accounting records. There were a significant number of unpaid past due invoices regarding past Budget years.

The Village has been approved for deficit bond financing.

All of the items outlined previously by Mayor DeVinko which the past administration created has put the Village of Washingtonville in the situation they are in today.

Auditor Kennedy stated looking forward the Village will have a new financial software program in February of 2024.

The Village needs to enhance its internal controls over financial reporting.

The Mayor and Village Board should consider additional training, and involvement in professional organizations such as New York State Conference of Mayors (N.Y.C.O.M.).

Mr. Kennedy concluded his presentation with there is a light at the end of the tunnel.

WORK SESSION

VILLAGE BUDGET PUBLIC HEARING – (CONTINUED):

Treasurer Tillotson indicated the original Village Budget that was submitted to the Mayor and Village Board reflected an increase in taxes of 36.62 percent. The Mayor AND Village Board worked diligently going through each line item for each Department to reduce costs. By doing this, they were able to reduce the tax increase down to 21.14 percent.

The increase is reflective of minimal to no tax increase over the past six (6) years.

If there had been an average increase of three (3) – five (5) percent over the past six (6) years the 2024 – 2025 tax increase would be in that range.

The 2023 – 2024 current Village Budget year is projected to have a shortfall of approximately \$698,000 due to overestimating non-property tax revenue.

PUBLIC COMMENT:

Audience member Vincent Lang suggested the Village should hire a Village Manager.

Cathy Acevedo stated the Village Board should look into the costs of holding community events, and the Revenue the Village Court is obtaining.

An audience member questioned what is the interest rate on the deficit loan, and Auditor Kennedy responded seven and one-quarter (7 & ¼) percent due to the fact there were no audits done.

The majority of the audience including residents of High Grove Development in the Village expressed concerns about the 21.73 tax rate increase.

Mayor DeVinko expressed thanks to the audience for attending the Budget Meeting, and the Village Board welcomes all questions and comments.

ADJOURNMENT:

Trustee Coleman made a motion, seconded by Trustee Jacaruso and adopted to adjourn the January 24, 2024 Village Board Budget Public Hearing and Work Session Meeting; said Resolution passed by a unanimous vote of the Village Board. 4 Ayes, 0 Nays, 1 Absent.

RESPECTFULLY SUBMITTED,

CHRISTINE SHENKMAN

VILLAGE CLERK