

**MAYOR'S PUBLIC HEARING ON THE 2011 BUDGET**  
**November 4, 2010**

The public hearing was called to order at 10:02 AM by Mayor Frey.

Present: Councilwomen Floramo, Szukala

Also Present: Mayor Richard Frey, City Attorney Cerrie, Fiscal Affairs Officer Curtin, Treasurer Woods, Clerk, Board of Assessors Mleczeko, DPW Director Gugino, Development Director Ahlstrom, and Police Chief Ortolano.

The public hearing was held for the purpose of giving interested persons an opportunity to comment on Mayor Frey's Proposed 2011 City Budget as follow:

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General	\$14,377,107	\$14,377,107
Water	2,477,600	2,477,600
Wastewater Fund	4,320,912	4,320,912
Capital Projects	-0-	-0-
<b>Totals</b>	\$21,175,619	\$21,175,619
Amount to be raised by taxes	\$4,665,566	
Total Anticipated Tax Rate	\$16.85	
Change from prior year	\$.50 increase	

Mayor Frey advised that the City Budget is available to the public with copies located in the City Clerk's office and the Dunkirk Free Library. Mayor Frey spoke in regard to the shortfall in Fund I, stating there are set fees which he has no control over that have to be paid. Mayor Frey advised the public of health insurance costs (still negotiating), contractual obligations, and pension fund contributions. Mayor Frey thanked Personnel Administrator Roger Heyden for his work on health care insurance costs.

Mayor Frey stated that the 2010 and 2011 budget was balanced due to a tax raise of \$.50, and a two year gift of \$316,000.00 from the NRG pilot program. Mayor Frey further stated that the amount received from NRG was above and beyond the pilot agreement.

Mayor Frey advised that \$100,000.00 was taken out of the tax stabilization fund; this was the first time this fund had been touched, and that \$580,000.00 or \$590,000.00 remains in that account. Mayor Frey advised the cost of doing business in Fund I increased \$448,000.00 from 2010 to 2011 and that taxes will increase to \$16.85 per \$1000.00.

Mayor Frey advised that Fund II is in better shape, stating that \$160,000.00 was cut from the prior year's budget. He further advised there was a \$60,000.00 increase in health care contracts and pension contributions, but no increase in the water rate.

Mayor Frey stated that Fund III is the trouble area. Revenues are nowhere near what was projected, that he has been working on it everyday, and that hopefully he can find some solutions. He further stated that due to health care and pension costs the 2011 budget is \$300,787.00 more than last year's budget.

Mayor Frey advised that when the budget is prepared there are items that do not have finalized costs or what he calls "uncontrollables", such as fuel costs. Mayor Frey advised that from September 2010 to October 2010 unleaded fuel increased \$.13 per gallon, up \$.28 from last year, and that diesel fuel increased \$.18 for the same time period, an increase of \$.32 from a year ago.

Mayor Frey advised the public and Council, that it is to the point where the only way to reduce costs is by asking "What services do you want cut?" Mayor Frey advised that the Division Heads and the labor force do a great job everyday. He further stated that he will speak to the Unions to renegotiate contracts, but stated that City workers are not second class citizens, they are entitled to the same benefits as others.

Councilwoman Floramo questioned why there is an increase in Fund III if that Fund is contractually obligated to a certain dollar amount.

Mayor Frey explained that the budget could not have been balanced on the lower increase in sewer fees; there would have been a shortfall in the presented budget. Mayor Frey further stated that shortfalls used to be supplemented from Fund I; however it is no longer supplemented that way.

Councilwoman Szukala questioned if Fund III be self sustaining next year with the proposed increases.

Mayor Frey advised that he could not answer her at this time, and that he has started working on the 2012 budget with City Treasurer Woods, and Fiscal Affairs Officer Curtin. Mayor Frey further advised that there are some items coming up in 2012 that are not an issue in 2011, citing the future loss of income from NRG and the proposed loss of \$160,000.00 in revenue from the tax sharing fund on sales tax which County Executive Greg Edwards has proposed of doing away with. Mayor Frey stated that the only bright spot may be income from sales tax.

Mayor Frey advised he will be assuming DPW Gugino's responsibilities in the Public Works Department, as DPW Director Gugino will be transferred to oversee various projects at the Water Plant, Water Meter Division, and the Waste Water Plant.

Mayor Frey advised that the Recreation Center at the Fair Grounds will not open in December due to a lack of funds, it will open January 1<sup>st</sup>.

Councilwoman Floramo questioned why water rates are not being raised since it is a pay per use system which would result in a lower proposed increase in property taxes.

Mayor Frey advised that tax, sewer and water rates were raised last year, and didn't think it was necessary to raise water rates again this year. He further stated water, sewer and tipping are normally raised before property taxes because everyone in the City pays for these services. This allows the City to receive money from those individuals who do not pay property taxes because only half of the property in the City is taxable.

Mayor Frey stating that in order to use the tax stabilization fund according to the rules and regulations by State, there had to be a 2.5 percent increase in the property tax rate. Mayor Frey stated that \$.42 met the minimum 2.5 percent, but we rounded it off resulting in a tax increase of \$.50.

Councilwoman Floramo asked how much of the tax stabilization could be used, and questioned if we could use more than the \$100,000.00.

Mayor Frey advised taxes have to increase by 2.5 percent in order reach the tax stabilization.

Councilwoman Szukala asked that if you choose to tap into this tax stabilization again next year would taxes be raised again.

Mayor Frey reiterated that taxes would increase again in order to reach the tax stabilization rate stating that this was set up by the previous administration.

Mayor Frey reiterated what services do you want us to cut? These are some of the hard choices that communities have to determine. Do we mow the park lawns every other week, or not mow the park lawns at all, do you want your rubbish picked up every other week.

Fiscal Affairs Officer Curtin asked City Clerk Tuggle if any written notices were received from the public in regard to the proposed budget.

City Clerk Tuggle advised no written notices or comments were received.

**PUBLIC COMMENTS:**

No one spoke

**Public Hearing closed at 10:24 AM**

**William Tuggle, City Clerk**

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