

**WAIVER OF NOTICE AND CONSENT
OF SPECIAL MEETING**

We, the Undersigned, being all members of the Riverhead Town Board of the Town of Riverhead, County of Suffolk, and State of New York, do hereby waive notice of the time, place, date and purpose of a meeting of the Town Board of the Town of Riverhead, to be held at the Town Hall, Riverhead, New York at 11:00 P.M. on the 20th day of November, 2000 and do consent to the holding of such meeting for the purpose of:

RES. #1001 THE ADOPTION OF THE 2001 BUDGET OF THE TOWN OF RIVERHEAD

Dated: November 20, 2000

**Town Board Members
of Riverhead, New York**

Robert F. Kasprisin
Supervisor

John D. ...
Councilman

Philip ...
Councilman

James ...
Councilman

...
Councilman

**Media Notified: Town Board Meeting November 16, 2000
By Supervisor's Office
Suffolk Life
Times Review
Long Island Traveler-Watchman
Newsday
WRIV & WRCN**

SPECIAL TOWN BOARD MEETING

November 20, 2000

**Present: Supervisor Kozakiewicz
Councilman Densieski
Councilman Cardinale
Councilman Kent
Councilman Lull**

Also Present: Town Clerk, Barbara Grattan

Supervisor Kozakiewicz: "The Special Board Meeting which was previously noticed for 11:00 a.m., Jack what we are discussing is the budget, we're talking about the final budget adoption and some of the changes we talked about. First was to change the budget in buildings and grounds from thirteen full time and six seasonal to fifteen full time and two seasonal. The 2000 budget had included fourteen full time and this year budget and six seasonal, is that correct? Okay."

Jack Hansen: "Correct."

Supervisor Kozakiewicz: "And the impacts of that are approximately thirty."

Jack Hansen: "Thirty thousand dollars increase to buildings and grounds budget for one additional person."

Supervisor Kozakiewicz: "Okay, this is in the general fund and we had a discussion about bond indebtedness."

Jack Hansen: Bond indebtedness for the general fund will go down approximately forty thousand dollars."

Supervisor Kozakiewicz: "Okay, and that is due to the fact that there was a bond sale."

Jack Hansen: "Correct."

Supervisor Kozakiewicz: "Okay."

Councilman Kent: "It was \$37,300, am I correct?"

Jack Hansen: "\$37,300 is going to be the increase in buildings and grounds. Debt service is going down \$47,700, it's roughly \$10,000. Ten forty to be exact."

Supervisor Kozakiewicz: “Okay, then the other issue we talked about highway funds.

Jack Hansen: “Highway funds. That debt service is going up approximately \$40,000.”

Supervisor Kozakiewicz: “And again, just part of the discussion here that was due to the fact that there were equipment purchases throughout the year, is that right?”

Jack Hansen: “It is reflected of debt services increased based on equipment purchases.”

Supervisor Kozakiewicz: “Okay, alright, and the only other change that we talked about which will have no impact on the budget was the idea of transferring three equipment, I mean three mechanics from highway, incorporating them into municipal garage and you felt that because municipal garage fund is based upon revenue as if it was a business operating business.”

Jack Hansen: “Operating business.”

Supervisor Kozakiewicz: “It will not have any impact.”

Jack Hansen: “It will not have any – a short term (Inaudible)”

Supervisor Kozakiewicz: “Okay, and then I think the final questions, best estimates, based on everything that being discussed this morning was discussed this morning, what the increase or decrease from the preliminary budget that was previously adopted by the board.”

Jack Hansen: “It’s higher than the preliminary, and it’s going to be less than the tentative.”

Supervisor Kozakiewicz: “Okay, any other questions?”

Councilman Cardinale: “Could you elaborate on the garage as being run as a business and what does that mean?”

Jack Hansen: “Garage runs its business every repair is billed out to the department based on the hours of work of the mechanics and at the end of the year, we break even or in the black.”

Councilman Cardinale: “But it only does business within the town.”

Jack Hansen: “All the vehicles of the town, right.”

Councilman Cardinale: “All the departments, I can’t bring my car there.”

Jack Hansen: “It will raise the rate and..”

Councilman Cardinale: “So if a private—it’s not available to private citizens. My point is —“

Jack Hansen: “As far as running a business (Inaudible)”

Councilman Cardinale : “Are you saying if we had three more people hired there, who didn’t do anything for example, that it would not have any impact?”

Supervisor Kozakiwicz: “Well, that’s not what we’re proposing though Phil.”

Jack Hansen: “You only bill back the hours of work that they do to their vehicles. So three guys you’re saying don’t do anything, there aren’t any billable hours. So at the end of the year, there will be a deficit in that fund.”

Councilman Cardinale: “To the other departments, there may be no billable hours but to the garage there is an expense to holding those three people.”

Councilman Lull: “Those three people.”

Jack Hansen: “But they won’t bring a revenue on the other side.”

Councilman Kent: “The result of this you know what will happen there will be a much larger bill back at the highway department, now that we moved it out of the highway department to a contractual.”

Supervisor Kozakiewicz: “Which there currently is none.”

Councilman Kent: “Now the highway department can be paid the municipal garage a lot of money.”

Supervisor Kozakiewicz: “That’s right.”

Councilman Cardinale: “The theory is that’s assuming the work is necessary. That it is necessary.”

Councilman Lull: “There are five people in the highway department that do nothing but repair equipment.”

Councilman Cardinale: “Right, nothing.”

Councilman Lull: “Three of them are repairing vehicles, working on vehicles, those are the people who will be working with municipal garage as vehicle repair, the other two work on other kinds of equipment, there are not vehicles. So they will stay in the highway department.”

Councilman Cardinale: “So there are no new people.”

Supervisor Kozakiewicz: “No, it’s a transfer.”

Councilman Cardinale: “Okay fine.”

Councilman Kent: “What impact it might have on the general fund or other departments that’s close to the highway department. These three guys salary are greater than the amount that we charge back to the highway department. The highway department budget will actually go down. The general fund budget will go up. It’s all our money anyway, so it doesn’t really matter.”

Councilman Cardinale: “I get it.”

Jack Hansen: “The general fund won’t go up. You’ll just have deficit..”
Because the bill based on the hours of work, so at the end of the year they don’t have enough hours billed (inaudible)

Councilman Kent: “These guys salary (inaudible) Just for arguments sake, say these guys salary is \$30,000 each the highway department is billed for \$90,000 Now if they go work with...”

Jack Hansen: “Part of the highway department budget.”

Councilman Kent: “we don’t charge back the highway department \$90,000, that \$90,000 is the difference of what they charge back to the highway, there \$90,000 salaries they come from somewhere else.

Jack Hansen: “If they are billable hours.”

Councilman Kent: “Right.”

Jack Hansen: “Whether they be general fund, water, sewer, street lighting or any other department.”

Councilman Kent: “The argument is for now the availability of computerizing all the vehicle, more guys working in the system.”

Jack Hansen: “Preventive maintenance.”

Supervisor Kozakiewicz: “And the highway believe will also become a part of the rest of the...part of this preventive maintenance and the ability to track it.”

Jack Hansen: “That’s what I said, the long term effects should be more positive, there is no effect in the year 2001 because it’s going to take awhile to get all those vehicles up to snuff, but over time, the preventive maintenance will prolong all the lives of the vehicles.”

Councilman Lull: “Also not included in the budget, what so ever but the buildings man that we’ve been working on the highway whether it goes highway or doesn’t make any difference because (inaudible) municipal garage then it will be extra days. The highway department more of there valuable equipment will stay inside and not deteriorate.

Supervisor Kozakiewicz: “That’s what the highway superintendent is trying, saying all that. Any further discussion?”

“Ready to take up the vote?”

Resolution No. 1001

THE ADOPTION OF THE 2001 BUDGET FOR THE TOWN OF RIVERHEAD

COUNCILMAN LULL offered the resolution, which was seconded by **COUNCILMAN KENT**.

The **Vote:** “Densieski, discussion.”

SUPERVISOR KOZAKIEWICZ: “I just asked if there was any further discussion.”

COUNCILMAN DENSIESKI: “I’m just explaining my vote. I think if you had any one of these five guys up here do the budget, I think there probably be five different budgets. Definitely in Phil’s budget it would be different. Well let’s comment on the budget. I have advised the Supervisor in writing verbally that I think that we should have an Office of Economic Development in town. I feel strongly about that. I think he may be wise not doing it at this time because he doesn’t want to pass the tax increase to the people in Riverhead and I applaud him for that, but I think at this point , I need to be on record as saying I think an Office of Economic Development should have been included in this year’s budget and I am going to pursue during the year and I am going try to have at least put in next year’s budget ; and also I think we should have included and I never said this to Bob, but I think we should have a capital improvement budget included here. When we need such things as roofs and small repairs and things, we don’t have to bond everything.

So those are my two comments the main one being the Office of Economic Development, so that said, I'm going to support the Supervisor and I am going to vote yes.

CARDINALE: "Jack taught me the first year of the three painful budget processes I've been through, that the budget intended as a guide or blueprint for spending for the coming year and nothing more. I take solace in this year as I did in the last two that the adoption of a budget doesn't require that we expend the money. On the other hand, I'm wise enough to realize that we will. I believe that as a guide or blueprint this is unreliable and unhelpful to the town this particular budget that we're voting on. I believe it is as usual and I say that without partisanship because it was this way when Vinnie was here, the Supervisor's budget. The rest of any meaningful, any meaningful impact were from the Town Board and I think that is reflected in the numbers which I will recite. The tentative budget that Bob gave us after working for awhile with Jack called for spending up 7.26%, property taxes, 8.41 up, tax rate 4.52 up. Our enormous changes having worked literally 40 to 60 hours on this budget resulted in the following:

Tax spending would only go up only 7.15

Property taxes would go up 8.22

Tax rate up 5.22

These changes are miniscule and now ironically in the final budget we've basically gone back to the tentative figures for the tax rate property's taxes and spending. So we've gone full circle which may be inapt analogy for this town's government in general. We have gone back full circle to the tentative numbers. The problem I see is that these numbers were way to high to begin with. I believe that this budget and the budget process in this town reflect an attitude and approach that is inadequate and wrong headed enhance produced a budget, a blueprint, a guide, that is as indicated unreliable and unhelpful. Unreliable, for example, there is no capital improvement budget, so as I discussed with Ed, we would have to bond even if we had a capital improvement budget, however, we would at least prepare or guide or have a guide for when this would occur and what we would need. It's not present, I asked that it be present, I have spoken about that. The other issue is the Grumman parcel, I don't think that the Grumman parcel is realistically projected and I say only this about that. This budget says that if the sale goes forward it will have no effect on the budget. This budget also says if the sale does not go forward with Burman, it will have no effect upon the budget, I think that's honest face ludicrous. I believe that if the sale doesn't go forward we will have a short fall somewhere around three to five hundred thousand and I believe that if the sale does go forward we will have more money, but that is not what this says. I believe it is unhelpful in addition to being unreliable because it betrays a tenuous and inadequate effort to control municipal spending. During the year, I repeatedly asked do we need to fill this job. Everytime I've asked, yes we need to spend money and fill this job which could be left open by attrition. At budget time, I asked about numbers of positions because most of our money is in personnel. Again we cannot afford to cut back anywhere is what I've been told. We have inflation around 3%. We have a tax rate that is going to go up under this over 5%. We have taxes that are going up over 8%

spending up over 7% and as a extra added attraction added from the tentative to the preliminary stage, we have our salaries of elected officials going from 7 to 19% up. The worst offenders being the councilmen. I think I should be stoned if I vote yes on this budget. I'm the guy that's sitting here telling the CSEA people because 2% that year, so how the heck am I suppose to pass a budget that gives elected officials 7 to 19%. I vote NO for the reasons stated and also for self preservation."

COUNCILMAN KENT: "I'm not trying to disagree with anybody or make any grandeaun statement but I do want to put a couple of things on the record. First of all, on the Grumman's sale I think that the budget should be taking up some consideration from the sale of the property, whether we sell it or not, maybe it should be a contingency one way or the other. I think what we will realize upon the sale will be a great surplus to the town, and hopefully, it will happen during our term while we're still here and we can control how that money is spent and how it is dedicated for budgetary purposes. Secondly, I agree with still that this is the Supervisor's budget, but I believe that is probably the way it should be. He, the Supervisor is the budgetary officer of the town, the town board, basically are policy makers. We decide how the money is to be spent within the Supervisor's plan. As far as the capital program goes, I have actually talked about this since I've been on the board, it shouldn't be part of the operating budget, it should be a separate budget, that maybe we look at in the spring. It's a budget that really is just a plan of how we spend capital expenditures. It will not save us money by doing the budget not that I can see, we'll still have to bond it, but it will at least side what direction what projects have priority. It can be done over a three year term, where we plan how to make capital improvements to the town over three years and we decide whether they are going to be done in year one, year two or year three with some long term goals for capital improvements. I've been a part of those type of budget processes, when I worked at the county and I think we can do that in the town. We could and should do that with the town that way we can at least know what capital improvement town priority. On the phase this budget is fairly reasonable. I am a person who believes that you have to spend money to provide services to our constituents. I don't think we offer enough as a town as it is now. But the way to do that is not to increase spending, just portionately with the ways we can increase revenues and I think that is the real impact of this budget. I think as a town, we have to find greater ways to generate revenues and not be so caught up with controlling spending. We do control spending responsibly but then we have town residents who need the services, so we can't cut off our nose to spite our face, but we should be doing if finding better ways to generate revenue and I think the Grumman property is the perfect example of a tremendous opportunity to generate revenue for the town and I think if we continue moving on development sale or development of that property, we'll have enough revenues to provide the services that our constituents deserve. Right now, I don't think we provide enough services so try to keep the budget under control and at the same time providing the services that the people deserve is a great responsibility for us and it is tremendous of being pulled into two different directions for town board members, but as a whole I think this budget is responsible, I think it does continue the services that we have to

provide to the public and it does so without a tremendous increase in taxes. So I am going to VOTE YES and I want to dedicate this fourth year of my service to the town in trying to come up with

1. To develop a capital plan for the town and
2. To develop ideas of generate greater revenues for the town so that we do not have to cut services and at the same time we can keep a level budget.

One last item on that I've noticed in the past that the town generally increases the budget in off election years and tries to either maintain a zero increase or a reduction in non-election years. I've noticed in the past in non-election years the budget increase is greater than what we're showing here so maybe if it is only 5% and I say that knowing that in the past in election years it has been zero, you balance it out on the rate of inflation if we go up 5% every two years, you really maintaining a 2.5% increase in average per year, so we are really pretty much staying with the rate of inflation, but I still feel very strongly that we have to come up with ways of generating greater revenues, that way we can maintain a fairly low budget percentage increase each year and increase the services that are provided by the government of the people of the Town of Riverhead. So I am voting YES on this budget and dedicating my next year to try to increase revenues.

Councilman Lull: "None of the issues that I will make comment on here, don't have anything to do with my vote on this budget. My vote on this budget, is a vote on the first budget put together by this Supervisor, this town budgetary officer, and I will hope to see it as a budget that will represent over the course of a year, his approach to governing this town. I too, as Chris, has mentioned we need to examine our revenue stream, but our revenue stream is contingent at this point whether it's the Grumman property, whether it is a 75 million dollar project on Route 58, whatever it might be, there are contingencies out there that are hanging prior so that they are going to add a tremendous amount to our revenue stream when they begin to become available to us; and we will hope that we will see a building at the Swezey project something done at Mill Road and Route 58 and of course something done at Grumman. Those are projects, which certainly are going to change our revenue stream, but we can't count them as part of this budget, they certainly are contingent item. Secondly, I guess I am the fourth person who said it and I know that I have been saying it now to three supervisors that we should have a capital projects committee and if not a capital projects budget certainly a capital projects coordinating committee which does in fact give a priority review each year on our capital projects for the town and finally in reaction to Phils, I think serious comment about manpower, I just would like to call attention to the fact that ten years ago, the highway department had forty-five employees, they now have, I believe, thirty-four, and we just upped that to thirty-five which is in this budget, but one way or the other it is no where near of what it has been in the past. The cutting back is a saving on various jobs and that's not the only department in town that is where it is that way, but in fact the cutting back has been done over the years by reasonably conservative approaches to budget; so that I believe that we are on the right track as far as that concern. We have a budget that is as I said the first budget of this Supervisor so that he will have to work with this budget and (Inaudible)

vertime a serious decision comes up in his office because he has proposed a budget under which (inaudible) , but I believe it is a good one and I believe he can live with it and move forward with his approach to town policy, YES.”

Supervisor Kozakiewicz: “Is there any tape left? It’s been a lot of comments made with regard to the budget, certainly it’s been a process and at times a not too easy process. Regarding the (inaudible) it’s been pointed out that it does not anticipate or does not include revenue from the sale should the Burman deal go forward and the reason for that I think quite frankly is that, that’s the responsible thing to do for the tax payers. We are moving forward the majority of the board that is to get the sale to the point where it closes, however; I do not think it would be proper to anticipate the inclusion of those monies in the event something should occur for which it does not result in that closing taking place. I note that there has been a lot of discussion of a capital budget or a capital plan, certainly something that I believe we should look at, and consider in light of the consensus of this board, that this is something we should plan out over a year, two year, three year period. So that is something I will take under advisement. Otherwise, I’m not going to get into a long discussion about this, I’m going to vote YES for the budget with the changes which were discussed earlier this today. Thank you.”

There being no further discussion on motion and vote, the Special Board Meeting adjourned at 12:31 p.m.

Barbara Gutton
Town Clerk