

Minutes of a Public Hearing held by the Town Board of the Town of Riverhead, held in the Riverhead Town Hall, Riverhead, New York, on Thursday, January 14, 1993, at

Present:

Joseph F. Janoski,	Supervisor
James Stark,	Councilman
Frank Creighton,	Councilman
Harriet Gilliam,	Councilwoman

Also Present:

Patricia Moore,	Town Attorney
Barbara Grattan,	Town Clerk

Absent:

Victor Prusinowski,	Councilman
---------------------	------------

Supervisor Janoski called the meeting to order at and the Pledge of Allegiance was recited.

Supervisor Janoski: "Well, when you last tuned in, we were in the midst of a Hearing concerning the senior citizens exemption and the existing proposal to raise that exemption by 3%. The idea was put forth that many people who are senior citizens don't like to drive in the evening, so that we should continue the Hearing during the daytime today. So that is what we are doing. The subject of the Hearing is the proposed increase of the senior exemption of 3%. The thinking behind the proposal is that it would make sure that anyone presently receiving the exemption would not lose it because of the recent increase in Social Security. However, the state legislature has allowed the exemption to go up to \$21,300 and I'm sure that some people will want to address that aspect of it also. So, having said that, I will recognize anyone who wishes to be heard. Now Joe you spoke at the last time."

Joseph Sikora: "My name is Joseph Sikora and I'm from Riverhead. I just want to thank Mr. Janoski and the Town Board for having this Public Hearing so the people could come today. And, can I say something? I would like to see it raised more than 3% because there's a lot of people, even with the 3% increase

will not be able to make the minimum. Thank you."

Supervisor Janoski: "Thank you. Anyone else present wishing to express their thoughts on this subject? Just stick your hand up and, how about my buddy here? Don't you want to answer this? Is there anyone else who wishes to-- yes?"

Rose Cerney: "My name is Rose Cerney and I'm the Treasurer of the Mobile Home Association. I agree with Joe that 3% is not enough. That's all I can say. Thank you."

Supervisor Janoski: "And that says a lot. Usually when you come right to the point, it's better. Is there anyone else wishing to address the Board on the subject of this Hearing? Don't be embarrassed. I don't understand why my pal, Steve, doesn't have his hand up yet."

Steve Haizlip: I spoke at the last Meeting, Joe."

Supervisor Janoski: "Yes, you did. I think in this kind of Hearing-- because most of these folks don't come to Town Board Meetings, and I guess somebody is going to have to like start it off. Of course, once it gets going, you have trouble stopping it. Yes, come on up."

Pat Bland : "I'm Pat Bland. I live here in Riverhead. I have a lot of (inaudible) and I agree with Joe, 3% is not enough. Thank you."

Supervisor Janoski: "Is there anyone else wishing to address the Town Board? If no one says anything, I have to close the Hearing. Yes, sir?"

Stanley Walters: "Stanley Walters, Riverhead. One thing I would like an answer for. The state has set a certain amount which they consider appropriate as an exemption for senior citizens. Why does the Town set an exemption figure that is so much lower? What's the justification for it? It's one of the few Towns on Long Island which has such a low exemption (inaudible). I believe there's one other, what is it-- Southampton is the other one?"

Supervisor Janoski: "Southold."

Stanley Walters: "Southold. The two are the very lowest on Long Island. And you can't say it's because of the recession. They're all in the throes of the recession right now. And yet they justify a larger exemption."

Supervisor Janoski: "Yes. I can point out the situation I think that can probably correspond to this. That a Town's wealth is measured in its assessed value. And that's the assessment on all the property in the Town. Riverhead has the lowest property wealth of any Town on Long Island, with the exception of Shelter Island, and that's only because it's a much smaller Town. Southold, which does have an exemption level which is lower than ours, its wealth is two and a half times the size of Riverhead. So that's the dilemma that we have, that Riverhead is not a wealthy Town as far as its assessed value, and it is through that assessed value that we generate revenue. Riverhead has, over the years, adopted the exemptions and increased them on a regular basis, but we've always acted within what we thought our ability was. And that's the case here. This last year, Riverhead, instead of growing in its assessed value, actually declined \$14,000,000 or \$15,000,000. I see both figures bandied about, but it was at least \$14,000,000, and what that means is that if you increase the exemption to a large extent, let's say to a maximum, then that amount of exemption or loss of assessed value is going to go down even further. Right now, we're working our little hearts out to try to get some things going in this Town as far as, you know, the development of some businesses which will help pay taxes. These things have not yet been approved but if we were to go to the maximum, whatever we would gain by approving these projects would immediately be wiped away, like it never existed. That's the concerns that some members of the Board have expressed and it's a question of what you can afford to do. And that's the subject of Hearings. And that's why we have Hearings to hear what people have to say. Now the person that receives a tax exemption certainly is in favor of it. But the hard reality is that tax burden would be transferred to a certain extent to other people in the Town, including other senior citizens, because every senior citizen does not get an exemption. As a matter of fact, it is a small percentage, even at the maximum that would qualify. So these are things that are on my mind. I'm sure any member of the Board can express their thoughts. I saw, yes, just let me finish up here-- I saw a projection, an estimate, because we

can't really be exacting in projecting what would happen if we were to enact this, but the loss of revenue to the Town is estimated to be at a maximum above \$200,000, which is a lot of money to us. How would we cut that from the budget? Very difficult because we just removed a million two from the budget. How will we-- that represents a little bit more than a 2% tax increase to make that up, to other people. So it's not a very simple discussion or consideration. There's a lot of things that we have to think about. For some people, it's easy because you know what? It would be very popular to just enact it and everybody would be happy, at least those people receiving it, and we could all be heroes within that part of the population. So, the Board is considering this. That's why we are having the Hearing and everybody has the ability to tell us what they think. Harriet?"

Councilwoman Gilliam: "Just in response to what Supervisor Janoski has just said, a couple of points. First he spoke about if this maximum were to be implemented, that the burden of implementing this increase would have to be spread throughout the Town with the other taxpayers. There are a couple of converse arguments to that. If you are talking about burden being spread, I think you should also look at the possibility of the benefit that would be spread in terms of your families. Your children or your grandchildren, may see some relief if you as a senior citizen experience relief. That there would be an impact on the extended family in terms of extending the benefit that you realize by some additional savings you would have as a result of your taxes being reduced. Secondly, in terms of a projection, the Supervisor stated a maximum of \$200,000 impact or a shortfall within the budget if this were to be implemented. And I have here a memo from Leroy Barnes our Chairman of the Board of Assessors dated January 13, 1993, which I would like placed in the record for this Hearing, which gives as a minimum projection-- a minimum revenue loss of \$67,665 to our operating budget. And there's a big gap in there between \$67,000 and the \$200,000 that the Supervisor mentioned, and I think it's clear that no one can really pinpoint what the exact impact will be, but you can see that there's quite a range there. And when you talk about this \$67,000 impact, that's based upon an assumption that there would be a \$3,000,000 increment or increase in the exempt value based on the exemptions. So, that's-- even with that \$3,000,000 estimate, that's a pretty sizeable value in terms of an exemption

right there and that translates into a \$67,665 impact on the budget. The other issue that I think you should be aware of as the gentleman mentioned here is that Riverhead is one of the few Towns that does not recognize the full exemption and, again, you have to look at the full picture in terms of really being responsible and looking at to whom you are being responsible, and I submit that we have a responsibility to all of the people of the Town and we have a responsibility to seniors if there's a way that we, as a Board, can come or arrive at some agreement where we can give some additional relief above and beyond the 3% because that's eaten up in your Medicare, your prescriptions, cost of living, food prices, everything. You don't even-- you probably don't even really realize the 3% that you get from your cost of living increase in Social Security. So, I would hope that we as a Board, can come together and move towards giving you some additional relief."

Councilman Creighton: "At the first half of this Public Hearing, I think that I revealed some frustration with the lack of the kind of information that I would certainly like to have to make a reasonable decision in this, and I think in retrospect my frustration had to do with the fact that I having worked on the 1990 census, was aware that the kind of data needed to make an estimate of exactly what this might cost the Town and also exactly how many additional citizens might benefit from it, are available in these census statistics. The census data did collect how many people live in Riverhead and even in what parts of Riverhead by age and sex and so forth. Also, by type of ownership of property so you can determine if, in fact, they own their houses or renters, and also by income. So what I've learned since then is perhaps some of us were not aware that these kind of data were available so that we can make a reasonable quantification of how many people-- additional people-- might benefit from it and exactly or very closely estimate what impact financially it will have on the Town. And I believe that as we have become aware of that, that we now have staff researching these data in order to come up with some hard facts in that regard so that we can make a sound decision, at least based on good estimates of the dollars involved here, and to this point we really have not had that available to us. So I'm pleased to know that we are on track to getting a better handle on that and I think it will help us a great deal. I don't think anyone on this Board would not love to go to the max and benefit as

many senior citizens as possible. The only reservation we have is can we do it in a sound fiscal manner and if we can determine that, in fact, we can, I think you are going to get support for Harriet's proposal but we have to really look at the numbers and I think we can now have some confidence that we will have those numbers."

Supervisor Janoski: "Okay. But this Hearing is your opportunity to express yourselves and tell us what you think. Steve?"

Steve Haizlip: "Steve Haizlip, of Calverton. I want to see if I understood you right, Joe, when you was giving an analysis there about the \$14,000,000 tax loss. Now, every senior citizen that goes onto this tax exemption and that qualify, this is having an affect on the State Equalization and Assessment Board, and causes them to give us a lower rating and-- because I didn't think I heard you right or understood."

Supervisor Janoski: "It wasn't a \$14,000,000 tax loss. If it were, we would be in very deep trouble."

Steve Haizlip: "\$14,000,000 assessed value?"

Supervisor Janoski: "Yes. Right now, the Town of Riverhead is fully one-third tax exempt. The property in the Town, one-third of it either wholly or partially is tax exempt."

Steve Haizlip: "Which means about 35%?"

Supervisor Janoski: "In that area."

Steve Haizlip: "Okay, all right."

Supervisor Janoski: "Now, what I was saying was that during the year of 1992, the assessed value of all the property in Riverhead dropped-- what is the exact number Leroy?"

Leroy Barnes: "About \$14,000,000."

Supervisor Janoski: "\$14,000,000. So that creates a certain negative position for us to be in already because as you understand, tax revenue is generated from the assessed value.

So if your assessed value goes down, then the amount of money generated goes down with it unless you raise taxes. What we did, was to dramatically cut spending 1.2 million dollars, and still the tax rate went up, I believe it was 1.2%, which was small, but even though we cut spending that much, the tax rate still went up. So what we are saying is, that when you expand an exemption then more property value comes off the tax roll. It becomes partially exempt."

Steve Haizlip: "That's the first time that I have known about this, that I, for an example, go in and ask for an exemption and I'm approved and then some of my-- instead of being assessed we'll say \$35,000, I become assessed now at \$32,000 or somewhere in that neighborhood?"

Supervisor Janoski: "The way that the property tax exemption works for veterans and senior citizens, is that a portion of your tax liability is forgiven up to 50%. Okay. But, in our eyes as we look at it, it is an exemption of property from paying taxes. And they exist, I believe there is 200 exemptions or more in the State of New York which are allowed, one of which is the farmer exemption, which we have a great deal of. And for a very good reason. The thinking is that by providing a tax break to farmers, you keep the farmer in business. Which is better than having that land developed into houses because houses cost you even more to provide services for. Now, what we're holding a Hearing now is that there is a senior citizens tax exemption. It was raised last year to its current level. The state, as it does just about every year, increases that maximum."

Steve Haizlip: "Yeah, the last one if I remember was at (inaudible). Am I correct Harriet?"

Councilwoman Gilliam: "It was at \$19,800."

Steve Haizlip: "Yeah, it come through on the bill, Assembly bill 89248."

Supervisor Janoski: "Well, there's always a Senate bill, too. So that's the discussion here and-- "

Steve Haizlip: "Yes, I understand. Well, I just wanted to find out for myself and some of these people, if we apply,

how does the value go down. Now you've explained it and I understand."

Supervisor Janoski: "Is there anyone else who wishes to address the Board? Yes, Florence."

Florence Sikora: "My name is Florence Sikora and I live in the Town of Riverhead. I agree with Councilwoman Gilliam. Also you talk about the farmers getting subsidized for not growing things."

Supervisor Janoski: "That's not what I said."

Florence Sikora: "No, you didn't say that, but there is. There's the idea of it."

Supervisor Janoski: "Oh, sure."

Florence Sikora: "If there can be a compromise for us to get a little bit more out of this, and what little bit more we get, then that can be spent in the area that we live in. The more money that we have in our hands, that means that we can spend a little bit more, otherwise if we don't have it, we can't spend it and then we have to do without also. So, I think that probably what could be done is a compromise between what Councilwoman Gilliam and the Town has, that would be to satisfy both people. And we could have a little bit higher than what is on the list. Because, like I said before and I'll repeat it. The more we have, and we live in this Town, there's quite a number of senior citizens that live in the Town, they do stay here, they do spend in the Town. They help the merchants out. So if they have that much more money in their hands, they can give out more in the Town itself. And, like I said the other night, too, and I'll repeat it. If we had a little bit more, how can I put it-- plants or whatever, something, businesses that would come in and give more jobs out, maybe then the other parties wouldn't be hurt because we would get more revenue in the Town then that way there. But I would like to see a compromise being made though. Thank you."

Supervisor Janoski: "Thank you. Is there anyone else present wishes to address the Board on this subject of the senior exemption? Then I will declare the open part of this Meeting

closed. The Meeting, the Hearing, I'm sorry, is held over-- open-- the Hearing is held open for written comment until the close of business, which is 4:30 tomorrow afternoon, Friday. Well, Jim, you missed it."

Councilman Stark: "Please excuse my lateness, but I was attending Vic's grandmother's funeral and gathering after."

Supervisor Janoski: "Let me point out that Councilman Prusinowski is not present because he lost his grandmother just the other day and it is a very sad occurrence because his grandmother raised him, and his grandfather. So it's a tremendous loss for him. So I thank you for all coming and I have to interpret your presence here as being supportive of a point of view and that's how I will recognize it. And if you want to write us a letter, get it into us, and we will accept it and make it a part of the Hearing. If you don't want to stand at the microphone, you can put down your thoughts in writing and get it to us by tomorrow, 4:30. Thank you all."

Public Hearing adjourned:

Barbara Lathan
Town Clerk