

PUBLIC HEARING on the proposed 2007-08 General and Water Fund budgets in the City of Hornell was held on Saturday, March 24, 2007, at 9 a.m. in Council Chambers at 82 Main St., Hornell, N.Y.

PRESENT: Honorable Shawn D. Hogan, Mayor; Aldermen Flaitz, Foreman, Shepard, Hann, and Carbone; and City Clerk Robert J. Roberts.

AND FROM THE MEDIA: Jen Carpenter of The Evening Tribune.

ALSO PRESENT: Cedar Street resident Bill Hogan.

ABSENT: Aldermen Koehler, Norton, Sciotti, Testani, Lewis; and City Attorney Joseph Pelych.

Mayor Hogan opened the public hearing

with a review of the proposed General Fund budget. There were no major increases except those related to employees: salaries and benefits. There are no new programs, only maintenance of existing ones. There is a debt service increase of about \$54,000, which the mayor said was due to borrowing in order to start projects like the River Street Bridge replacement, the East Avenue reconstruction, and the work at Shawmut Park – all work that is predominantly federal/state funded. The City will retire about \$55,000 in debt next year, the Mayor said.

Mayor Hogan discussed the pension situation, and noted the City always will be paying premiums based on two-year-old data. “The payment may reduce little, but it will not return to the 1990s level,” he said. The City now pays 18- to 21-percent of payroll for public safety pensions.

The Citywide valuation, after the Board of Assessment Review grievances, stands at \$228,322,192, up 26 percent from last year. That will lower the City tax rate from \$15.89 to \$11.74 per \$1,000 of assessed valuation. While some residents’ taxes may go up due to increased assessment, the City is not taxing people more, the Mayor noted. The increased Citywide valuation also should produce lower county and school tax rates for residents, added Mayor Hogan.

This proposed budget also reflects a 3-percent pay increase for police and fire, although those unions likely will go to arbitration in contract talks with the City. On the water budget, Mayor Hogan noted the only increase was debt service for a 20-year, low-interest loan to pay for the distribution improvement project that constructed new water towers and pump stations. The City had to add \$58,000 to the water budget to pay for this debt service, which means an increase of 7.5 percent in water bills. For flat-rate City residents, this equates to \$18 more a year.

Alderman Carbone asked about high water use. Mayor Hogan said the Shamrock Lane tank draws down quicker than it should, and the possibility of a leak is being investigated.

Alderman Foreman asked why the water budget showed no increase in revenues. Mayor Hogan said the higher revenues, due to the 7.5-percent rate hike, will be reflected in next year's budget, and that he did not include them in this budget in order to reveal the impact of debt service.

The public hearing closed at 9:21 a.m.

Shawn D. Hogan
Mayor

Robert J. Roberts
City Clerk