

STATE OF THE TOWN
January 5, 2011

Good evening ladies and gentlemen,

It was a little more than 2 ½ years ago that I was first asked to seek the position of Southeast Supervisor. At first it was a request by a few and then by many. Having been a resident since 1957, I didn't need much convincing to see that a change was necessary. Almost everyone who approached me had a similar opinion - the Town of Southeast was a ship adrift at sea without a captain. Now that I am the captain, I noticed the name of the ship was the Titanic and it just hit an iceberg.

The Town of Southeast has a problem! The Town has a very serious problem! So my first official act as Town of Southeast Supervisor is to declare a fiscal emergency.

Why you ask?

- In 2004, the incoming Supervisor had a surplus of over \$ 2,000,000.
- In 2008, the incoming Supervisor had a surplus of over \$ 1,700,000.

And

- In 2012, the incoming Supervisor has \$ 94,000. However, the former Supervisor has left me with a \$373,000 deficit from last year. You don't need to be a rocket scientist to figure out that I'm starting with a negative balance of over ¼ of a million dollars.
- Last year alone, Town revenues declined drastically as a result of shortfalls in tax penalties, tax collector fees, assessor fees, recreation fees, mortgage tax fees and fines & forfeitures. Then there were the following departments; Justice Courts, Supervisor, Town Clerk, Town Attorney, Town Engineer and Facilities and Maintenance which exceeded their budgets. Some of these through no fault of their own, but it was just horrible budgeting. What's the end result?

- On October 14, 2011, Moody's downgraded and issued a negative outlook for the Town's bond and anticipation notes.
- The Town of Southeast has over 84 miles of roads. The Highway Superintendent does not have a pittance of what he needs to pave our roads, nor can he prepare a road repaving schedule.
- The Town of Southeast Highway Department's fleet of vehicles has suffered an even worse fate. Money has been deferred for years and thus the Highway Superintendent can't prepare a vehicle replacement schedule as well. The vehicles in this department take a beating. The winter months account for about 25% of the fleet's usage and about 80% of their wear and tear. For years the Department has searched the internet and literally repaired and made their own trucks from parts. That works for a while. Eventually it costs more to fix and repair vehicles than it would be to purchase or lease new ones. The Highway Department, the Highway Superintendent, the employees and you, the residents of the Town of Southeast, deserve better.

I've identified numerous problems. Now, how do we begin to solve them?

Effective Immediately:

- There will be a freeze on all spending. Prior to the purchase of any item with a value greater than \$100, the item must first be pre-approved by the Supervisor.
The item will require Purchase Order # before being purchased. Emergency purchases by the Highway Department will be exempt. However, the purchase must be pre-approved by the Highway Superintendent. If an invoice over \$100 is presented without purchase order #, the purchaser shall be responsible for the payment of the bill.
- Any and all O/T and/or Comp Time shall be pre-approved by the Supervisor, with the exception of the Highway Department. That Department's Emergency O/T and/or Comp Time must be pre-approved by the Highway Superintendent.

- I will be asking the Town Board to convene a Public Hearing as soon as possible to discuss and consider declaring a moratorium on the purchase of any open space for a minimum of one year. Even though voters approved spending up to \$5M in 2008, both the economy and the Town's financial picture have changed dramatically. To date, the single open space purchase of \$1.9M made by the Town on Pugsley Road adjacent to Tilly Foster Farm will cost the town \$163,000 in principle and interest in 2012 and every year hereafter until 2027. With a 2% tax cap, \$163,000 is currently 3.26% of your latest tax bill. Southeast taxpayers just can't simply afford any more open space purchases at this time.
 - Councilwoman Eckhart has some suggestions what the Open Space Committee can continue to do and she will bring her ideas forward later in the agenda.
- While reviewing the 2012 budget and previous budgets, I was shocked to see how much the fuel oil costs were to heat various buildings in the Town – in particular, 67 Main Street, the Old Town Hall, which is located between the Library and Eagle Eye in the Village of Brewster. In 2010 it cost over \$ 20,000 to heat this building which was only 1/3rd occupied. At the time, the SE Museum was the only occupant of the building and they were closed from December to March. That's the heating season! So basically there was no one in the building during the heating oil season. The heating cost in 2011 to date was approximately \$ 19,000. In July of this year the Town leased the first floor to the TSE Cultural Arts Coalition Association, Inc. Bottom line, I have spoken with both entities and they have agreed without hesitation to work with the Town to curb these costs. The SE Museum will require moving some temperature sensitive pieces to another heated building for the winter. The Town's Special District Administrator will be working with the Arts Coalition to regulate use of the electric heat on the first floor and turn off the oil burner. Second and third floors pipes will be drained, toilets winterized and fuel oil deliveries halted. In the spring, the water will be turned back on and it's back to business as usual.
- Over the past two months, I have visited almost every Town building, Town Park and Town Water and Sewer District with the Special Districts Administrator. While visiting the Town Recreation

Department Building at the Town Park on Pumphouse Road in Tonetta Lake, I was concerned how secluded the structure was. My first concern was for the safety of the employees who occupied the building. After further review and research, I decided to move this department permanently to 1 Main Street. Each year the building will be closed in late fall, the pipes drained and the toilets winterized. Any temperature sensitive equipment will be moved. In the spring, the building will reopen for various recreation programs. This change would not only serve as a security precaution for our employees, but there would be a fuel oil cost savings of approximately over \$5,000. There would be no electric cost savings, because the electric would remain on all year for security purposes and the electric usage by the Recreation Department at 1 Main Street would be a wash from one location to the other.

The picture that I paint is not all doom and gloom. It is a difficult time for the all the Southeast workers who were laid off in the 2011 and 2012 budget and all the private sector workers who were laid off during this same period and beyond as well. Many homes in our community are in foreclosure. The gap in short sales is growing larger. It is getting more difficult for people to live here anymore.

So what are we going to do about it?

I look forward to working with the County and other municipalities to curb costs, share services and find ways to reduce government spending. Earlier this evening, you witnessed not one, but three shared service agreements that will mutually benefit the Village of Brewster and the Town of Southeast. We plan to work on more. It has taken decades, but it's finally done. So now that we have proven even the improbable can happen, I would like to move even further ahead. The issues that we face on a local level affect all of us equally. It doesn't discriminate by political party, sex, religion or race.

- As Supervisor, I will be creating numerous Supervisor advisory committees to get as many people involved in this Town as humanly possible. I believe I can speak for this entire Town Board - we want and seek your input. While campaigning and since the election, I've had many people offer to help. You have four very dedicated people sitting here on this Town Board and we desire the best for you and

your family. There are many people in our community with a wealth of talent, ideas and knowledge who are an untapped resource that can help us. We are asking for your help. We need you and we reach out to you for your support.

- The first committee that I will create of course will be political. But with a catch. It will be made up of the political party Chairperson or designee, of each of the major political parties in the Town of Southeast; - Conservative, Democrat, Independence and Republican Parties. There are two caveats. The Independence Party has no organization in Putnam County or in the Town of Southeast. Therefore, I will designate a Southeast resident registered in this party to be a member of this committee. Also, with a large portion of the registered voters in the Town of Southeast being identified as unaffiliated voters (Blanks), who have no political structure or Chairperson, I will designate someone to represent these unaffiliated voters in the Town as well.

What will this committee do? They will sit as one and discuss the issues that our Town is facing. Their charge will be to come up with ideas on how to improve these issues. Since these meetings will be Town issue oriented and not political, I will meet with them at least once, if not twice, between January and May.

- The second committee will be similar to the first, with the exception, the person designated by party affiliation, shall be someone other than the Chair of the party. The criteria will be that the committee person shall not sit on any Board or Political Committee in the Town. Again, the goal is to discuss ways to improve the Town and not politics.
- I also plan to appoint five other Advisory Committees that you the residents will help to create.

Between now and March 1, 2012, I would like anyone interested in making the Town of Southeast a better place to live to mail or e-mail me a list of the five major issues that we need to address to improve the Town of Southeast. When you send your list, please state if you

would like to be a committee member of any of the issues that you identified.

Once the same issue has been identified by a minimum of twenty people, an advisory committee will be created. I will designate up to five committees. On March 15th, I report the results of my findings to the Town Board.

I have also accepted Mr. Al Bevacqua's gracious offer to be a fiscal oversight and budget consultant at no cost to the Town. I have worked with Mr. Bevacqua over the past several years on the Legislature, and his experience will be invaluable to me as we trim and stabilize the Southeast budget.

In closing, over the next four years, my goal, insurmountable and improbable as it may seem in these difficult economic times, is to restore the Town's credit rating, get the Town surplus to within 5 to 10% of our operating expenses and develop a road repaving schedule and a vehicle replacement schedule. It is a lofty goal, but we have four years to accomplish this. The Town of Southeast, this Town Board and I need your help. I look forward to working with you.