VILLAGE OF JOHNSON CITY

MUNICIPAL BUILDING
60 LESTER AVENUE, JOHNSON CITY, NY 13790
(607) 798-7861
www.Villageofjc.com

Minutes of the Public Hearing on the 2026-2027 Budget of the Johnson City Village Board held on Tuesday, April 14, 2026 6:00pm, Village Hall Board Room, 60 Lester Avenue, Johnson City, New York

Present:	Christina Charuk, Mayor John Walker, Deputy Mayor Clark Giblin, Trustee Mary Jacyna, Trustee Lori Thorn, Trustee
Absent:	None
Also Present:	Keegan Coughlin, Legal Counsel Kim Cunningham, Clerk/Treasurer

Mayor Christina Charuk called the meeting to order at 6:00 p.m.

Mayor Charuk led the attendees in the Pledge of Allegiance and took roll call and advised where the fire exits are.

Mayor Charuk made an opening statement.

Thank you for coming. This public hearing is an opportunity for residents to review and comment on the proposed Village budget. She wants to begin be being direct about the financial position we are in. The current budget is the reflection of fiscal and faulty decisions that have been enacted over multiple years both inside and outside of this Village. Issues including rising costs, particularly with employee benefits and contractual obligations, as well as prior decisions that did not fully account for long term financial impact need to be considered.

As the current Administration and Board continue to work through this process, we do so with a commitment to transparency and fiscal responsibility. This means taking a closer look st spending patterns, identifying inefficiencies and ensuring that future decisions are made with full understanding of their long-term consequences. It is important to note that this budget is not being built in a vacuum, it is shaped by commitments and cost structures that have been established in prior years and those factors limit how quickly changes can be made without impacting our staff, our projects and most importantly the services we provide for our residents and guests.

Our goal is to stabilize the Village's financial position while maintaining essential services and treating our employees well. That requires difficult decisions, thoughtful input and a willingness to approach this process perhaps differently than in the past. But we welcome public input tonight as part of that effort.

Mayor Charuk reminded everyone of the decorum policy and highlight specifics in a different way in hopes of having a productive public hearing. No interrupting, speakers should not be interrupted by the public, speakers should not engage with individual members of the public or the public as a whole. Comments must relate to the proposed budget and related fiscal matters. Please no shouting individual or personal attacks or disruptive behaviors. Failure to comply, may result in a loss of speaking privileges. During public comment, the public speaks uninterrupted. She is here to facilitate; the Trustees may choose to respond but may ask clarifying questions or discuss potential amendments. This is not a debate forum, it is just for public comment, but not dialogue.

Mayor Charuk stated at this time we welcome the public to comment on the proposed budget.

Jeremy Hauze

Mr. Hauze Statement

Before I start with talking about the budget, John, congratulations to your daughter on her educator Excellence Award.

I wanted to discuss some things related to the budget. I have some comments that he I would like to make about a few specific line items. I do want to talk a little bit about process and history as well. I hope it's welcome. I have a bunch of things to say, and I would happily engage more beyond just talking about them, but we'll see where we end up.

This probably could sound sensational, but I would say that in a very fundamental way, the budget that we were given here, which I believe is again, before any modifications have been made over the upcoming budget season is, is in unfortunate and real ways, probably the best budget that has been put forward in the past four or five years. I don't mean that in the sense that it is a good budget for upcoming tax rates or the appropriated amount that was proposed in the initial statement of the budget, but it reflects what appears to be the ongoing financial reality of the Village up until this point. There are concerns on that in general that largely feed into just a general discussion on the relative expenses and revenues of the Village historically that to speak on it this year, we have a number of line items that in last year's budget were significantly overstated, specifically on the revenue side of the equation.

If we look year's budget many items were, in my opinion, significantly overstated, if that is specifically on the revenue side of the equation. There are a number of them that were above historical numbers or deeply optimistic, and I do recognize that in budgeting, budgets are estimates. They are guiding documents and guidelines. But there, my estimation, based off of the numbers that were presented there and historical data, at least $500,000 to $750,000 of revenues that the Village is very unlikely to collect. In addition to that, there was appropriation of fund balance of approximately half a million dollars, if I recall correctly, that occurred last year. While the previous two years had many before that had many line items that were very optimistically estimated, there were significant issues with the combination of one time revenue items, and, in many cases, appeared, did not occur, and similar items in terms of the sale of real property, as well as a number of unclassified expense items that were used to budget from what I was able to see, no real one-time expenses. They were used for the purposes of balancing against ongoing operating expenses for the Village.

On the expenditure side of the matter, and this is something that the trustees and everyone at this point is very well aware of, there are issues that we have encountered on the expenditure side, namely, in terms of benefits, frankly, as well as salaries, that are very difficult to deal with. That said, I believe, it ended up being 16% likely increases in health care costs that have been discussed at the board meetings up until this point were not the beginning of those issues on that side of things. I believe that in the budget four years before this; I don't remember the exact amount that was estimated in the budget, but the actuals that were provided to the public were somewhere around the order of $8.1 million for benefits alone. By the time that last year's budget was passed, there was anticipated they was would be $9 million already and that is an increase over four years of approximately a million dollars, a little bit shy of it, or a year-to-year increase of a quarter of a million dollars, slightly less on that alone, and that is before we consider the incredibly high spike that we are experiencing that has taken a problem into a crisis.

On top of that, it's hard to say for many of the departments off the top of my head, but if we look at police and fire considered together, you have nearly $9 million of guaranteed contract mandated expenses in terms of salaries, most of which come down to items that will increase year to year, either due to direct increases in salaries or things that proportionately occur because of an increase in salary, like increases in overtime amounts and the like. Those numbers are going up and if we just look at it as a fundamental 3% increase, I believe most of our contracts are negotiated at, you're looking at $260,000 of expenses there, and with back of the envelope math, I've just given you $500,000 in year-to-year expenses that have been building and known and anticipated, and that half a million dollars is already a 4% increase in the Village's tax levy based off of current tax revenues. That is so incredibly unsustainable, and that leaves no room for any emergencies. That takes the discussed carousel or repairs that are required, it takes all of the park renovations, and there is no room in the budget, if you just consider the things that we are contractually obligated to do and handle that. Those numbers aren't exact. There are good years and bad years. We have a lot of retirees in a single year. People come in early on in a pay schedule that increases over five years to those amounts, but most of your year-to-year expenses on salary lines and benefits line up with that, and probably give you a real range on that number, looking at it from $400,000 to $500,000 and this is a problem. I know you've known it is a problem. I just want to put it in frank terms here. This is like the kind of problem that probably three years ago needed to be addressed as a crisis to prevent us from getting here.

There's a lot of talk that's occurred about renegotiating benefits and the like, and I'm encouraged by the fact that some of the unions have said that they are willing to come to the table, but that's probably a conversation that should have been occurring two years ago, minimum. I believe that there was a renegotiation of union contracts that happened last year, that ideally the negotiation would have happened two years ago. That would have been in practice, and then we would be at a solution to our benefits problem. It doesn't address the full magnitude of that, because even if we cut benefits down and their rising costs by a significant amount, salaries are still a real issue. And I would like to just point out with that as an actual consideration for this particular budget, with that all in mind that I know that we're going to probably try to ask the unions to come to the table and discuss things, but that's not going to be enough. Like that will stem the tide, but unless we are, in fact, going with multiple year to year increases of tax rate, tax rates on the order of six to 10% we're not going to fill the gap entirely. It's going to require a massive consideration, with meetings in every department to actually figure out what can be scaled back, what positions can be reduced, or whether or not salaries can be cut in some significant way, even though there are no obligations to have that happen at the moment, and that is a troubling problem to find ourselves in, that we have an ongoing revenue issue where we've either used one-time expenses or very optimistic projections to balance out growing, known ballooning costs that we at this point can't control in many fundamental ways.

This is a major issue. It is a problem. I would like to say that if you have not already considered it, you should strongly consider reaching out to the comptroller's office from the discussions that happened at these previous budget meetings. There are many things that were said that would lead me to believe that you would benefit greatly from an audit. There are problems with some of our fundamental accounting practices in the Village. It was brought up by Keegan earlier on in the previous meeting before this, that other municipalities have monthly reconciliations of their bank statements that are presented to the board, and in addition to that, fund balance is provided for all funds that is not just a good thing to do. That is standard practice for municipalities with a functioning budgeting system, that is something that needs to be occurring all of the time. And it was both difficult for you to get that information, and I was independently trying to get that information as well from the Clerk-Treasurer, and it simply wasn't available because you do not have the structures to do that. The problems with using these one term spendings are things that your past two clerk treasurers should have been urging you to consider further. You should have had guidance that came to you and said that you cannot, in long term ways, use one time funding sources, which I believe in most cases did not even come through like they never happened in the actual realize of the budgets in order to balance your budget, those are things that if you're budgeting for should have been conservative estimates below the amount of the actual, hopeful, anticipated sale of the property. And given the fact that we seem to have a operating fund balance of approximately $2 million which covers a single month of expenses, best practice on fund balance for a municipality is two to three months of your operating budget in each fund. More than that would be irresponsible, as you are not spending the taxpayers' money and less than that puts us in the situation where we're at here, where an unexpected expense and unmitigated issues lead us to potentially appropriating fund balance that may cause us to be fiscally insolvent at some points in the upcoming year. That should have been advice and information you were given, that is information you were not given that is these are things. I have read many audits at this point from the comptroller's office. That is information that they would give you. I can give you these numbers, but at that point, I would essentially just be doing an audit for you, and you have resources with the state that will do that much better than I can, because they will have access to your systems and experienced professionals who can do this.

There have been problems with the transfer of information. There have been problems with documentation of processes. These are things that, again, should have happened and should have been discussed, the level and growth rates of expenditures, frankly, should have been considered alarming and a fiscal crisis that you talk to the public about and deal with. You don't have an obligation, but you absolutely would have had both your revenue and expenditures called out by the comptroller's office if you had a proper audit done. On top of that, you will note, if you look at many of your previous things, not only are you overestimating your revenues, you're overestimating your expenses in many significant ways. You're aware of this that comes up in every single budget meeting where people discuss overspending on particular line items, or the fact that many of our line items are functionally acting as contingencies for emergency situations. The real problem with that is those two things lead to your expenses also being significantly off. Not only are your revenues often one to $3 million off, your expenses are often one to two to 3 million off as well. You have been fortunate that some of your fiscal discipline in terms of many of your hiring decisions for some positions, as well as what actually is from what I've observed discipline from a number of your departments on not spending all of their line items have kept you with revenues that are largely above your expenses, despite Massive misestimations in both directions. They are estimates. I'm not saying that they should be normal, but the level of some of those estimates being as far off as they are individual line items of small revenues of 200,000 often being closer to 100,000 that sort of thing, that stuff that the comptroller's office will also note on an audit that is a problem, especially when it adds up and you are lucky, it has not been worse up until now.

Not to be rude, I would like to say that I know that this Village has a history of hiring Clerk-Treasurers and former clerk treasurers as deputy treasurers. I would strongly recommend you not do that with Chuck Shager Or your previous clerk, treasurer, while they may have, at least, from what I have heard in the budget meetings, for Chuck Shager, good knowledge of best accounting practices, there are a number of problems with his choices on how to inform you of information the reports he was giving you, and the discipline that he showed in allowing last year's budget and several other things to happen, the fact that he provided no good transition for your teams, and the fact that he did not document the processes and changes he is making mean that even if he is an excellent auditor or an excellent accountant, he is not someone who is looking out for the Village's fiscal responsibilities. And I do not mean to say that in a rude way, but I do not want to see him anywhere near this Village again, because he frankly, has not treated you in a way that makes this Village beneficial. Another major concern I would like to just add on to all of this is that you will have in the coming months a lot of hard choices, and the frank issue with a lot of those hard choices is that those choices will involve your expenditures needing to be cut, and you will probably need to do that on terms of people with jobs, and it's going to be very easy to do that with people who don't have a union contract, or people who have a department that is historically underfunded and understaffed, you have a lot of positions that you fill with retirees with low rates of hire there, and it's going to be incredibly easy to make those cuts, and you will probably need to make those cuts over the next year in preparation of next year's budgeting, if you want to pass a budget that does not leave us insolvent. I highly recommend that you consider that even though those expenses cannot be cut, that you develop a fiscal plan that does not leave departments understaffed.

I would also like to add because I know it was discussed multiple times at the meeting, I know that there was a request for a position change and raise for your Director of Public Affairs, Allison Button, I believe it is, and she has her fingers in every single project that you are doing bond or grants for. She knows those projects and if you lose her, that will be incredibly bad, but her position in choosing not to give her a raise this year is going to be incredibly easy, because that's a cut you can make because you're allowed to make it, but that's how you lose talent. That's how you have Village Hall understaffed long term. And so you should be coming out every single firing and hiring choice in the next year, not with the lens of where can we easily make our shortfalls disappear at but where you can make those shortfalls into ones that do not leave the Village in a precarious situation long term, as you lose skilled talent and frankly, the ability to operate more than just the things that maintain the status quo of the Village, your highest two departments should be fire and police. That is so true. But you also need to invest in the things that fix the Village, that make your homes more habitable, your code enforcement, that bring new people to the Village, that approve the multi-million dollar plans that you're getting more of each year.

You need a planner that that's another thing that made this year's budget less bad than it could be. You didn't have a planner, but you need a planner, or someone there, I have said a lot, and I apologize. I know that much of it has not been on the budget, and there have only been a few things I would say in addition to that, there are a number of revenues that you probably should consider cutting further than you have based off of historical data. That's incredibly tough to ask you to do, but it's just something to consider, and possibly for next year, no one wants to hear you should be making your revenue estimates more realistic at a time which you can make more revenues. But that is something to consider, or strongly consider going forward. That is all. If you have any questions, I'd be happy to talk to you. I would be happy to discuss any of this, but I've taken so much of your time, I apologize.

Jeff Orechovsky

I've owned a house here for 30 years in Johnson City. I am not going to be long winded as my young and brilliant friend is here, but you hit everything. You did a wonderful job. You're very proud of yourself. And I do not have the knowledge he has on these subjects, but I will say this, I came prepared with some information in my head, but he again, hit everything. So, with that said, part of my life, what I did for a large part of my life, was run portions of large corporations, and you're always your biggest expense. And most people here understand it is payroll. You know that's going to be your biggest expense. The budget long term is not sustainable. I mean, anybody with common math can figure this out. So, I implore everybody to look very hard. I know it's not easy. Lay people off, fire people. I get that. I've done it a lot of my life, but sometimes in situations, this is what is needed. In the time of high inflation, NYSEG is going through the roof, water bills are going up, everything's going up. Food is going up. We have senior citizens that have gone very fixed incomes in this area. They can't afford these increases and that's just a simple fact, they really can't. Many, many years ago, some of you recall we had the dissolve the Village vote, and it came down to very few votes. It might have been one. I don't remember the numbers anymore. It was extremely close. Mr. Dodge, who I grew up with, was a patrol man at the time, stopped by my house, and we talked about and I was pro dissolve. He talked me out of it, and I voted to keep the Village. Tell you what, if we don't figure something out, and if that vote came up again, I'd be on the other side and I hate to say that, but it's reality.

Thank you all very much for your time. I appreciate it. Thank you for coming.

Joe Picalilla

He thanked the previous speakers. He stated there was a lot of passion and heart and knowledge in everything that was said thus far and he really appreciated everyone who has spoken up here already.

Mr. Picalilla's statement was added to the record.

As I said during the last Village board meeting, I attended a week ago, these budget hearings are enlightening and I encourage people to attend them.

What is interesting about the meetings, to me are three things:

How the budget was voted on and approved in the past, and how those discussions happened.
How the budget is currently being discussed and worked on in the present.
What this all means for us, the residents in the future.

What seemed to have been done in the past was a slapdash approval of non-renewable revenue sources, such as one-time sales of Village property. It gets worse. The reported revenue from sales of property that were overvalued, accounted for, but never actually sold. Furthermore, revenue streams such as that from cannabis sales, from dispensaries within the Village bounds were overestimated, to the point of estimating revenue on a second dispensary that did not come to fruition.

What is happening in the present, with the exception of our new Mayor, is a lack of focus on taxpayer monies. Trustees must be stewards of the money of the Village, and it should be the most important activity that they oversee. Watching these budget meetings, it feels as though the 4 Trustees have never been through this process before, perhaps this is a fault of former leadership.

A Trustee's job is to be well informed of all expenses and revenue and to portion it appropriately to departments while maintaining a certain portion to be used for unexpected expenses. They are the stewards of the Village. What I have seen, is a lack of focus, lack of duty performance, and a gross lack of responsibility. This is negatively impacting all of us as the budget gets balanced. Worse yet is a lack of foresight. Wholly unaware of the budget decisions that were made today, affect the future of the Village.

What's that mean for the future of the Village? Higher taxes for all of us. Loss of personnel. Loss of community projects. Loss of Village, vehicles, tools and other resources. All due to a complete lack of necessary and responsible oversight. There is only one person on the board who hasn't voted on previous budgets to get us to where we are today. There are four people on the board who have had the experience of voting and creating these budgets in previous years and are responsible for the disaster that led us to where we are today. Because let me be clear, this is not a budget that should make anybody happy or proud.

To wrap this up…since we deserve an answer…how did we get to this point? Can someone tell me specifically what has gone on in the past two years in regards to Old Village Hall?

Thank you.

Trustee Giblin responded it has been on the market, trying to sell. We looked at hiring a new realtor to look at it.

Mr. Picalilla asked if people could speak more than once.

The Board was fine if anyone wanted to speak again.

Mayor Charuk questioned Attorney Coughlin if people could still send comments after the public hearing is closed. He said the Board could keep it open or they could close it and still accept comments, they wouldn't be part of the budget hearing record, but they would be part of the Village record up until the budget is passed.

Mayor Charuk asked for a motion to close the public hearing. Trustee Giblin motioned and Trustee Walker seconded to close the public hearing.

Mayor Charuk thanked everyone for coming and wished them a safe trip home.

<u>ADJOURNMENT</u>

The meeting was adjourned by Mayor Charuk at 8:12 pm.

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Kim Cunningham
Village Clerk/Treasurer

Recordings of the Village Board meetings and work sessions
are available for review through the Village Clerk/Treasurer's Office.