

TOWN BOARD
SEPTEMBER 27, 2006

A regular meeting of the Town Board of the Town of Bethlehem was held on the above date at the Town Hall, 445 Delaware Avenue, Delmar, NY. The meeting was called to order by the Supervisor at 5:30 p.m.

PRESENT: Theresa Egan, Supervisor
Tim Gordon, Councilman
Samuel Messina, Councilman
Kyle Kotary, Councilman
Kathleen A. Newkirk, Town Clerk
James T. Potter, Esq., Town Attorney
ASBSENT: Daniel Plummer, Councilman

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The Supervisor welcomed everyone to a regular meeting of the Bethlehem Town Board and invited them to join in the pledge of allegiance.

Supervisor Egan stated that Chris Hanifin was one of the Town attorneys who submitted his resignation and shortly after was deployed as part of a National Guard Unit. Chris has been in and out of Kuwait and Afghanistan for over a year and has been relocated to Wurzburg, Germany where his family has been able to join him. About a month ago the Town received a package from Chris. It was a flag that was flown in honor of the Town of Bethlehem on June 20, 2006 during Operation Enduring Freedom VII. This flag was actually hung at his installation in Afghanistan on behalf of the Town of Bethlehem. This will be displayed at Town Hall. The Supervisor took a moment of silence to remember those that are over their and those that have lost their lives the National Anthem sung by Anthony Garguila.

The Supervisor asked if there were any public comments on agenda items and asked that any non-agenda items be held until the end of the meeting.

Mrs. Capone stated that if fluoride is put in the water people that are on dialysis cannot use the water. She said fluoride has a tiny portion of arsenic.

The Supervisor asked if there were any other comments on agenda items and there were none. The motion was made by Mr. Kotary and seconded by Mr. Messina to close the Public Comment period. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.
Noes: None.
Absent: Mr. Plummer.

The first item on the agenda was to approve the Town Board minutes of August 23, 2006.

The motion was made by Mr. Kotary and seconded by Mr. Messina to approve the Town Board minutes of August 23, 2006 as submitted. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.
Noes: None.
Absent: Mr. Plummer

Supervisor Egan said the next item was a request from the Chief Executive Officer of IDA for consideration of a Public Approval Resolution for issuance of civic facility revenue bond in relation to the American Housing Foundation, Inc.

project (Van Allen Apartments). The Supervisor stated there was a public hearing held by the IDA, and the IDA Minutes were attached, indicating no one testified.

The following resolution was presented for adoption:

Councilman Gordon offered the following resolution, and moved its adoption:

RESOLUTION NO. 38

RESOLUTION APPROVING THE ISSUANCE OF CERTAIN CIVIC FACILITY REVENUE BONDS BY THE TOWN OF BETHLEHEM INDUSTRIAL DEVELOPMENT AGENCY TO FINANCE A PROJECT FOR AMERICAN HOUSING FOUNDATION, INC.

WHEREAS, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 582 of the Laws of 1973 of the State of New York (herein collectively called the "Act"), the Town Board of the Town of Bethlehem, County of Albany, New York (the "Town Board") has heretofore appointed members of Town of Bethlehem Industrial Development Agency (the "Issuer") and has duly caused to be filed in the office of the Secretary of the State of New York the certificates required by Section 856 of the General Municipal Law of the State of New York; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue civic facility revenue bonds to finance the cost of the acquisition, construction, reconstruction and installation of one or more "projects" (as defined in the Act), to acquire, construct, reconstruct and install said projects or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in September, 2005, American Housing Foundation, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (the "Company") submitted an application (the "Application") to the Issuer, which Application requested that the Issuer consider undertaking a project (the "Project") consisting of the following: (A) the acquisition of an interest in an approximately eighteen (18) acre parcel of land located at 790 Route 9W in the Town of Bethlehem, Albany County, New York (the "Land"), together with the existing building located thereon containing approximately 112,000 square feet of space (the "Facility") and the machinery and equipment located therein and thereon (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a senior housing facility and any other directly or indirectly related activities; (B) the refinancing of certain civic facility revenue bonds previously issued by the Issuer with respect to the Project Facility; (C) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to not exceed approximately \$8,000,000 (the "Obligations"); (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales and use taxes, real property taxes and mortgage recording taxes (collectively with the Obligations, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Issuer, by resolution duly adopted on October 18, 2005 (the "Preliminary Inducement Resolution"), indicated its approval of the Project and offered, subject to certain conditions, such as compliance with Section 859-a of the Act, to assist in the undertaking of the Project and to assist in financing such undertaking of the Project by the issuance of the Obligations; and

WHEREAS, the New York State Division of Housing and Community Renewal ("DHCR") has requested that the Company create a separate New York limited liability company to own and operate the Project Facility, with such New York limited liability company to have as its sole member American Housing Foundation, Inc. and therefore controlled by American Housing Foundation, Inc.,

and American Housing Foundation, Inc. is considering such request (such New York limited liability company and American Housing Foundation, Inc. are hereinafter collectively referred to as the "Company"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Issuer on September 19, 2006 (the "SEQR Resolution"), the Issuer determined that the Project constituted a "Type II action" (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, the Town Board has been advised by the Issuer that the Issuer proposes to issue, subsequent to the adoption of this resolution, its civic facility revenue bonds from time to time in a principal amount sufficient to fund all or a portion of undertaking the Project, together with incidental costs in connection therewith, which principal amount is presently estimated to be in an amount not to exceed approximately \$8,000,000; and

WHEREAS, the Company has requested that interest on the Obligations be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to Section 145 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless, among other things, pursuant to Section 147(f) of the Code, the issuance of the Obligations is approved by the "applicable elected representative" of the Town of Bethlehem, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; and

WHEREAS, pursuant to the authorization contained in the Preliminary Inducement Resolution, the Executive Director of the Issuer (A) caused notice of a public hearing of the Issuer (the "Public Hearing") pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to hear all persons interested in the Project and the financial assistance being contemplated by the Issuer with respect to the Project, to be mailed on August 14, 2006 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be published on August 18, 2006 in The Times Union, a newspaper of general circulation available to the residents of the Town of Bethlehem, Albany County, New York, (C) conducted the Public Hearing on September 19, 2006 at 8:00 o'clock a.m., local time at the Auditorium at Town Hall located at 445 Delaware Avenue in the Town of Bethlehem, Albany County, New York, and (D) prepared a report of the Public Hearing (the "Report") which fairly summarized the views presented at the Public Hearing and distributed same to the members of the Issuer and to the Town Board of Town of Bethlehem, New York (the "Town Board"); and

WHEREAS, pursuant to Section 147(f) of the Code, the Town Board desires to allow the interest on the Obligations to be treated as excludable from gross income for federal income tax purposes; and

WHEREAS, Section 870 of the General Municipal Law of the State of New York specifically provides that neither the Obligations nor any other obligation of the Issuer shall be a debt of the Town of Bethlehem, New York, nor shall the Town of Bethlehem, New York be liable thereon;

NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town of Bethlehem, New York as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Obligations for exclusion from gross income for federal income tax purposes pursuant to the provisions of Section 145 of the Code, the Town Board, as the elected legislative body of the Town of Bethlehem, New York, hereby approves the issuance by the Issuer of the Obligations, from time to time in a principal amount sufficient to fund all or a portion of the cost of undertaking the Project, together with incidental costs in connection therewith, which principal amount is presently estimated to be an amount not to exceed approximately \$8,000,000; provided that the Obligations, and the premium (if any) and interest thereon, shall be special obligations of the Issuer and shall never be a debt of the State of New York, Town

of Bethlehem, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, Town of Bethlehem, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

Section 2. This resolution shall take effect immediately.

The resolution was duly seconded by Town Councilman Messina and adopted by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.
Noes: None.
Absent: Mr. Plummer.

The next item was a request from Chief of Police, Louis Corsi, for appointment of Ryan W. VanAmburgh as Police Officer at salary of \$43,855.00. Supervisor Egan stated that Mr. VanAmburgh was part of the original group of three that was discussed and agreed to back in May and July. Mr. VanAmburgh had civil service items that had to be straighten out, she said they have been and he is ready to start.

The motion was made by Mr. Messina and seconded by Mr. Kotary to approve the appointment of Ryan W. VanAmburgh as Police Officer at salary of \$43,855.00 as requested by the Chief of Police, Louis Corsi. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.
Noes: None.
Absent: Mr. Plummer.

The next item on the agenda was the presentation of the Assessor's Department draft IMAC report.

Mr. Leafer thanked everyone on the IMAC committee noting it was a very good experience.

Councilman Messina commended Mr. Leafer and his staff for a sense of equity and fairness. The Assessor collects and records parcel data, collects and records sales and transfer data, maintains accurate assessment rolls, processes exemptions, training and communication of stats internally. The Assessor and a small staff totaling three and a half people work closely with everyone and serve the operation well. It should be noted if there are any emerging priorities many of them come from the New York State Real Property Tax Laws and changes might be invoked there. The office has stayed on top of technology and embraced it. Mr. Dammeyer did an assessment of MIS technology and the assessment was positive. The office also uses the building permit process and it integrates building permit information into the assessment data. They use the New York State supplied Real Property Tax Systems, the RPS, to manage activities. These interfaces are used to promote information sharing between departments and eliminate the need to manually input the information into multiple systems.

With regards to the budget and financing, the 2006 budget is about \$271,000, which is mostly salary and fringe benefits. There is between \$10,000-\$60,000 depending on an assessment year of revenues that go to offset the net cost that is about \$210,000. When a comparative review was done from communities with similar population their staff ranged from six to seven positions so the Town is doing a good job with a minimal amount of staff.

Overall recommendations would be to work on implementing an operation manual, work on management succession and staffing, and work to put the RPSV4 Data system on line for the public. There are also other opportunities for manual process improvements, and a digital parcel photo system.

Councilman Kotary stated he appreciated the fact that they listen to the residents suggestions regarding information on the web. This was a positive step towards communicating more and there was more communication as a Town government in terms of explaining the process and walking people through. With regards to computerization and automation, he asked what are the thoughts of where the Town is going. Also, he asked how could the department get to the point where you have more data automated so that you are getting a true market value. For example, as data comes in you can update and the numbers will change immediately. He asked what the priorities are for software and hardware to allow the staff to do these things. Mr. Leafer stated the office of Real Property Services has the automated program in place. There are opportunities through ORPS, however, they would like to see people doing reassessments annually. The fear is that you would not have enough sales in a given year to really be able to get to that type of accuracy. Mr. Leafer stated he felt every three years would be a good target goal.

Councilman Kotary asked if they are collecting the data that would make the assessment any easier. Mr. Leafer stated that type of automation would always be a benefit. At this point it is helpful and there are several report options within the program that allow an analysis on assessments of properties when being reviewed. The last assessment was based on the evaluation date of July 1, 2005. The next reassessment will be in three years and they will use sales between 07/01/05 and the next evaluation date. This will determine what has taken place over that course of time. Mr. Leafer said that automation is moving quickly and they are working with ORPS towards aspects of the reassessments process and improvements on the process. Mr. Leafer stated he was open to any type of automation that would help him do the job better, more accurate and more efficiently at a lower cost.

Councilman Kotary questioned about the thirteen thousand households and how many went through the informal and formal grievances. He wanted to get a sense for how it was narrowed down and how they resolved issues to get to the conclusion. Mr. Leafer said this was done by eliminating those which the state provides values for and this was about eleven thousand parcels. Out of those there was about 1,900 informal hearings, and 1,400 grievances and they are now processing about 253 small claims and there are probably about 15 or so certioraris. That is not out of line when doing a reassessment during a year when the market was taking off.

Mr. Gordon asked if there was anything preventing dividing the Town in sections so that the reval could be done every year. Mr. Leafer stated when assessments are broken down you have more complications with other residents filing a complaint based on selective assessment. Despite the work it is much easier to do it all at once and everyone is reassessed at the same time. Using the other method, he felt, they would have a larger number of grievances and small claims. Citizens will always be complaining and/or concerned about the reassessment.

The next item on the agenda was a presentation of 'Excellence in Equity Award'. Supervisor Egan stated in the Business Review State, Awards were made to Bethlehem and New Scotland for Tax Reassessments. ORPS, which is the Office of Real Property Services was quoted in the article saying, 'The goal of reassessment is to make sure that the property tax burden is spread fairly across all property owners according to the value of their holdings.' Bob Aikens, Northeast Regional Director of ORPS, presented Mr. Leafer and staff an Excellence in Equity Award. This award goes to municipalities that conducted reassessments and meet the state standards of equitable assessments. Mr. Leafer and his staff are commended for meeting the high standards for the assessments.

The next item on the agenda was a presentation by Dr. Joseph Hart in regard to fluoridation of a public water supply.

Dr. Hart stated he has been before the board three times under various administrations asking the Town to consider adding additional fluoride to the water. The last water quality report stated that the water that was being imported from Albany had an average of 1 part per billion of the mineral fluoride. When the 2002 water quality test was done and the same water source was being used it had 180 parts per billion. The recommended amount of fluoride that the Dental Association and Medical Associations would like to consider is 1 part per million. He stated that fluoride should be supplemented over a lifetime not just for children. Fifteen million people in this country are living with fluoride in the water in the levels suggested or greater and this is natural. In a survey of fourteen dentists that were practicing in the Town in 2003 over five million dollars was being charged to their patients for work that was totally a result of decay.

Councilman Kotary asked Dr. Hart what the top three reasons for adding fluoride in the water were and also to give areas for health concerns. Dr. Hart stated that fluoride is very effective for preventing tooth decay and the consequences of tooth decay and this takes place over a lifetime. Councilman Kotary questioned the benefits of fluoride. Dr. Hart stated with the fluoride received over a lifetime, people have fewer cavities, less loss of teeth and less restored dentistry needed.

Councilman Kotary questioned the medical concerns. Dr. Hart stated the negatives are very vague but still in the works. Not directly related to water fluoridation but the fact that children are getting fluoride in toothpaste, mouth rinses, and having the dentists apply fluoridation. The medical concern is the combination and the amount of fluoride one receives. Dr. Hart also stated that thirteen states have fluoridation by law and it is mandatory. One negative aspect is that it violates people's rights.

Councilman Kotary questioned the measurable amount of fluoride from our current water source. Dr. Hart stated the Albany water system does not add fluoride.

Supervisor Egan stated there would be no action taken this evening. There is a tremendous amount of things to be reviewed and having this on the agenda has created a flurry of e-mails, submissions and drop offs that have been provided to the Town Board. Councilman Messina stated at the right time this should be considered. The health, cost and feasibility, timing with other water projects, and other proprieties he feels extends due diligence on this issue. Councilman Gordon stated that regionalization of water is something that is basic and we should be working towards.

Next item on the agenda was a request to consider setting a public hearing regarding the 2007 Bethlehem Section 8 Housing Choice Voucher Program. Could advertise October 4, 2006 and hold hearing December 13, 2006 at 5:45 p.m.

The motion was made by Mr. Kotary and seconded by Mr. Messina to advertise October 4, 2006 and hold the hearing December 13, 2006 at 5:45 p.m. for the 2007 Bethlehem Section 8 Housing Choice Voucher Program. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.
Noes: None.
Absent: Mr. Plummer.

The next item on the agenda was a request from Nan Lanahan, Administrator, Parks and Recreation Department for approval of appointment of seasonal personnel.

The motion was made by Mr. Gordon and seconded by Mr. Kotary to approve the appointment of seasonal personnel as requested by Nan Lanahan, Administrator of Parks and Recreation as listed in the Memorandum dated

September 27, 2006 at the titles and salaries listed. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.

Noes: None.

Absent: Mr. Plummer.

The next item on the agenda was a presentation of the Department of Economic Development and Planning draft IMAC report.

Mrs. Kehoe stated the Department of Economic Development and Planning led by Mr. Leveille evolved and has combined the Building Department and the Planning Department into a single department. This is to help foster appropriate commercial growth within the Town of Bethlehem. A lot of the initiatives Mr. Leveille has led streamlined the development and review process to help make it easier for commercial businesses to site in town. Mr. Leveille had a consultant come in and look at process mapping and recognizing that you are taking two different departments and blending them together for a unified purpose. The review was instrumental in helping the department look at how to do things better. Mr. Leveille has tried to instill in the department that change is our friend. Some of the recommendations were to enhance communication by sharing the high volume of information that is generated from the different departments.

Mrs. Kehoe said part of this is communicating to the community what the newer projects are in the development pipeline. This is to create a project status summary report that can be included on the web page. They are working on some wireless technology for the code enforcement for the Building Department so that they are able to be on line with the review of the project and status.

Mrs. Kehoe stated the financial and budgetary overview shows this is a service department and again most of the cost associated with the department is in the professional level. With the smaller departments where the bulk of the costs are in personnel services the quickest way to save money is through staff reduction. She also stated that they are not advocating for that, however, they are identifying the situation that they are dealing with.

One of the recommendations was to consolidate the Zoning Board of Appeals and the Planning Board secretarial functions. This has taken place and Nancy Moquin has been serving in both of those roles. There have been a number of changes in the revenue stream through the use of Town designated Engineers. We have been able to expand the staffing levels through the use of Engineering Consultants and this is funded entirely by the applicants.

Another recommendation was for the Planning Board. Right now there are five members and they ask that the Board consider possibly amending the legislation so that we could transition seven members to five members. This would still provide consistent levels and appropriate review of the projects. This would create a savings for the Town in the range of about \$15,000-\$20,000 between salaries and training costs.

Supervisor Egan asked if there were any questions of the report.

Council Kotary stated this Department has a really good track record and the changes that the Department has made are heading in the right direction towards good government and working in step with the community. He questioned the HTE and what will be the cost projection. Mr. Leveille said that the Comprehensive Plan pointed to the need for additional planning efforts in our community. The Department and the prior Planning Department had really become a land use processing and regulatory agency by default. The community demanded growth and we had built to capacity. The advantage of the HTE system is it will create additional capacity by reducing the number of repetitive movements that are made between the divisions regarding specific applications. There will be more data available on a more streamlined basis. He said these efficiencies would free

up more time to engage in more activities that will prepare towards moving forward. This is really about capacity building. Economic Development is a long-term initiative and it will take a number of years before you will see a benefit. He also stated in the meantime the need is to refine our future vision for the community.

Supervisor Egan stated that most complaints are items that fall through the cracks. This planning module will create consumer satisfaction.

Mr. Leveille stated there are about two dozen projects in the pipeline for the Planning Board, at least six for the Zoning Board of Appeals and there are dozens of applications in front of the Building Department. Many times these projects are related and at different stages within different departments. The fact is we have to make sure that the information flows smoothly from one step to the next so that there is no break down in the data.

Councilman Gordon questioned if the people in the community have been taking advantage of these meetings that are being held. Mr. Leveille stated that applicants meet and communicate with Mr. Morelli before they apply. They try and cut through some of the issues of the Development. He said the Planning Committee has been very effective in allowing residents to vent concerns about perspective projects before they become applications and go to the Planning Board with a better product. These meetings have been real beneficial in improving the process.

Councilman Gordon asked how often the Planning Development Committee meets. Mr. Leveille stated they have a regular monthly meeting and once in a while when the need arises they will have an informal meeting. They are well attended and people participate in these meetings as well.

Councilman Kotary questioned Mrs. Kehoe regarding page 5 of the report in the Budget Summary under the Zoning Contractual, noting there is a huge jump from 2005-2006. Mrs. Kehoe stated in 2006 they knew they had grants and those grants required matching dollars so they provided contractual dollars for that. Part of those costs are offset by the \$200,000 Service Agreement that the Town has with the IDA and that is a mutual goal of Economic Development. She said it is appropriate that it be funded. This is an increase in cost and an increase in revenues.

The next item on the agenda was a request from the Director of MIS, Jeffrey Dammeyer for a Resolution authorizing expenditures for implementation of a Planning and Engineering software system from the General Fund Capital Reserve Account.

Councilman Messina questioned if there was any investment made towards the Consultant Study and the Recommendations that were done. Mr. Dammeyer stated yes it was approximately \$5,000.

Supervisor Egan stated that in Councilman Plummer's absence he asked me to express that he is in full support of this. The purchase is a tremendous amount of value to the Comp Plan and to the entire department.

The following resolution was presented for adoption:

Resolution No. 39

RESOLUTION AND PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the Town Board of the Town of Bethlehem in the County of Albany, State of New York has on the 27th day of September 2006, duly adopted, subject to a permissive referendum, a resolution as follows:

WHEREAS, the Town Board of the Town of Bethlehem has determined that it is necessary to fund the purchase of a Planning/Engineering software system, and

WHEREAS, it is estimated that the costs of said work will not exceed \$44,500; and

WHEREAS, in recognition of these needs, funds for such purpose are in the General Fund Capital Reserve Fund; and,

NOW, THEREFORE, BE IT RESOLVED that it is in the public interest to complete the purchase of the software as described above; and

BE IT FURTHER RESOLVED, that the Town Board authorizes the expenditure of the reserve moneys to fund this project up to a maximum amount of \$44,500 and,

BE IT FURTHER RESOLVED, that the Town Comptroller is authorized to expend from the General Fund Capital Reserve Fund the funds necessary up to \$44,500 in said reserve fund; and

This resolution shall be subject to a permissive referendum, as permitted by law.

The motion to adopt the resolution was made by Mr. Messina, was seconded by Mr. Kotary and duly adopted by the following vote:

AYES: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.

NOES: None.

ABSENT: Mr. Plummer

DATED: September 27, 2006

The next item on the agenda is a request from the Highway Superintendent, Gregg Sagendorph to set a public hearing for the installation of stop signs at eight locations throughout Town.

The motion was made by Mr. Messina and seconded by Mr. Kotary to set a public hearing for October 25, 2006 at 5:45 p.m. to consider amending the code of the town of Bethlehem for the installation of stop signs at eight locations throughout the Town as requested by Highway Superintendent, Gregg Sagendorph. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.

Noes: None.

Absent: Mr. Plummer.

The next item on the agenda was a request from Supervisor Egan for consideration of DOT request for an additional deposit of \$6,135.00 for betterments on Route 85 extension.

The motion was made by Mr. Messina and seconded by Mr. Kotary to approve the request of DOT for an additional deposit of \$6,135.00 for betterments on Route 85 extension as requested by Supervisor Egan. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.

Noes: None.

Absent: Mr. Plummer.

The next item on the agenda was a request from Supervisor Egan for approval of submission of a Bicycle and Pedestrian Spot Improvement Grant Application.

The motion was made by Mr. Gordon and seconded by Mr. Kotary to approve the submission of a Bicycle and Pedestrian Spot Improvement Grant Application as requested by Supervisor Egan. The motion was passed by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.

Noes: None.

Absent: Mr. Plummer.

Supervisor Egan stated the Town has submitted the application for the ORPS Grant Real Property Tax Administration Technology Improvement Grant. This is not a cost to the Town and has been submitted.

For an update on the charette, she said it was two days of creative thinking with a mix of consultants, employees, residents and stakeholders.

With regards to the HAVA and the Election, the County Budget is scheduled to be introduced October 10th and the unfunded mandate is being pushed to the Town of Bethlehem.

The Daisy Tech Building was an IDA project she said there was an article was in the Business Review about a Boston Warehouse opening a distribution center in Selkirk. This is a partial reuse of the Daisy Tech Building.

Next item on the agenda was the 2007 Budget presentation to the Town Clerk.

The four operating funds are the Highway, General, Water and Sewer. General and Highway Funds have been challenged mostly due to economic changes.

The Supervisor said the goal going into this budget process is to hold expenses as tight as possible and try to increase revenues so that our revenues exceed our expense so that we can work on the deficit. As of now we have been able to hold the total expenditures for the Town across the board to less than 1 percent. As a result of that we have still addressed employee needs, planning needs, direction from the Comp Plan, been sensitive to the taxpayer needs and limited the taxes to be raised. She said the net increase in all four funds would be approximately 2.75 percent. The need is still close the deficit to stay in a healthy financial condition.

The chart regarding Town, Highway Water and Sewer Funds of which the Town has control over amounts to approximately 17 percent of the entire property tax bill. The school tax is about 57 percent and that is a blended rate across all three districts Bethlehem, Guilderland and RCS. Then you have Fire and Ambulance, the County tax and the Library Tax line. Supervisor Egan stated the Town tax is the only tax that the Town has control of and again that is 17 percent.

An example is the Town proposed a 1 percent increase across the board. One percent of the General Fund on a \$250,000 house is only a \$1.26. People are always saying keep the property tax down, when you look at what the Town really has control over the property portion of the tax bill is fairly insignificant. The General Fund Tax dollars provides Police protection, Park and Recreation Programs, Senior Services, the planning and economic development initiatives, administrative support.

The Highway Fund is the maintenance of Town roads, leaf and brush pick-up, plowing, salting, and sanding, she said they take care of the entire maintenance of the Town fleet of Police Cars, Engineering cars, as well, as the Highway Trucks and then all the equipment to do that job. Those two funds fund a significant portion of the services provided by the Town. General Fund Reserve sources are Sales Tax and Franchise Tax, which make up 62 percent and Government Aid is 11 Percent. Between those two items it is about 73 percent of the source of the revenue that we have absolutely no control over. This is really a factor of economics in the area. Property tax makes up only 8 percent of the revenue stream for the general fund.

Economic factors are 73 percent of the General Fund, Revenues have leveled off and expenditures are steadily increasing. It is those non-discretionary costs like retirement, fuel and energy, health insurance, HAVA, storm water management program, asphalt and other paving materials. A couple of years ago

the retirement went from 1 percent of our salary and fringes to 11 percent. These are items that create a significant hit to the General Fund.

Comptroller Kehoe stated our first goal is the budgetary goal. This goal is to be fiscally responsible and make sure the plan we have in place makes wise decisions now and for the future. There are also benefits when you go to market your credit rating would be better. The underwriters and the bond market are more willing to issue debt and at a more attractive interest rate if we show them we have good financial practices and the money is managed effectively. Comptroller Kehoe stated that our second goal is to be fair to our taxpayers. We are in the business of providing services and we want to make sure that they are good services at a reasonable cost. Comptroller Kehoe stated our third goal is to keep the best and the brightest employees as part of our work force. With regards to the General Fund we need to do something to close the gap and that is why the IMAC Committee was formed. In looking at various departments there wasn't any one solution to close the gap, no magic answer for correcting the deficit. The fund balance is currently strong and this is why we are able to absorb these deficits without disastrous consequences. The plan to close the gap is simple. We have to hold the line on expenditures and have our revenues growing at a rate faster than our expenditures. If this is done the deficit will shrink.

The Supervisor stated some of the General Fund highlights would be the use of the fund balance as a funding source but trying to reduce this. Sales tax and Mortgage Tax are about a 3½ percent growth rate. The fund balances are savings accounts that we are drawing from to supplement our General Fund expenditures. The unofficial Comptroller's recommendation to be fiscally sound is at least 10%-15% of that fund should be in the fund balance or savings account.

The same analysis for the Highway Fund is to trim costs. The Highway Department has four vacant positions, and saved about \$140,000 with paving reductions. These savings will be used to offset the deficit in the Highway Fund. The Highway Superintendent has been working with a reduced force and the Board Members have talked about eliminating those positions. The Superintendent feels very strongly about keeping the 60 positions.

Keep in mind that there is no one answer to this deficit in one shot and any of the savings must be sustainable. We have to avoid the one shot deals and next year it is deferred so you have not solved the problems. Some things to consider are: a. charging for the use of playing fields; the school district is doing this; b. reduce the hours of the pool; c. change the fee structure for seniors that are ran by the Parks Department; d. reduce programs for seniors; e. cut back on leaf pick; f. cut back on snowplows and can we still provide acceptable levels of service; g. talk about reduction in the DARE Program; h. withdraw support for flowers; i. reduce staff positions; j. continue to create a more flexible and fluent work force that allows us to do more with less.

The Water and Sewer Departments have moved from a taxation basis more to a user fee basis. Overall tax rate for the Town has allowed us to reduce property taxes.

Highlights for 2006 the Porco Case, the Maple Ridge Park opened; the spray park opened; and the reassessment was successfully finished. The Citizens Advisory Committee on Conservation was formed; Zoning Amendments adopted; on Target for the 2008 Storm Water Management; Development of Capital Project Report and Spending Plan; Facility Needs Analysis, and Economic Developments.

Workshops are due to be held October 5, 2006 at 5:30 and October 11, 2006 immediately following the Board Meeting and then October 25, 2006 for the Public Hearing at the Town Board Meeting. Then the Board is scheduled to adopt the 2007 Budget at the November 8, 2006.

Public Comment on non-agenda items.

Linda Jasiniski said regarding Dr. Hart's presentation in this time of organic, and items being natural, let's not add anything that we don't need. She suggested thinking about what you are doing to the water. Supervisor stated nothing would happen without a tremendous amount of public meetings. There was no action being taken in regards to fluoridation to the water.

Discussion regarding the skate park took place with a few students. He stated that Bethlehem needs a skate park, it has been band all over Town and is something a lot of kids do. He also stated the skateboard park the Town was interested in purchasing is now free. He said all we have to do is find a way to get it here and a place to put it. Supervisor stated that Nan Lanahan, Administrator for Park and Recreation has been working throughout the summer and continuing to work with Bob Salomone and Scott Johnson is looking at different ways that this might happen. Mr. Salomone was going to talk with the school district because based on the demographics, the Middle School has the most accessibility to where it might be placed. Another student stated that not all students play sports and they would like to be supported by the Town. A mother of the boys stated they have started to do some fund raising so they are serious about this and really need a place to go so that they do not destroy anyone's property. They want a place specifically for skateboarding and they have a lot of parental support. The Supervisor said stay involved and the Town is working on this.

Councilman Kotary stated several residents have made statements regarding the issue of Halloween decorations and this has been addressed before. There are several lawns with decorations which are way over the top with one including a headless toddler that is very upsetting to young children on Cherry Avenue. Supervisor Egan stated this is a freedom of speech issue and we do not have a legal basis to change that. She noted contact has been made with the homeowner to express the concerns.

The motion was made by Mr. Messina and seconded by Mr. Kotary to adjourn the regular Town Board meeting at 7:53 p.m. The motion was carried by the following vote:

Ayes: Ms. Egan, Mr. Gordon, Mr. Messina, Mr. Kotary.

Noes: None.

Absent: Mr. Plummer.

Town Clerk