

**Town Board  
September 22, 2010**

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 Deputy Supervisor at 6:00PM.

PRESENT: John Smolinsky, Deputy Supervisor  
Joann Dawson, Councilwoman  
Mark Hennessey, Councilman  
Mark Jordan, Councilman  
Kyle Kotary, Councilman  
Nanci Moquin, Town Clerk  
James T. Potter, Esq., Town Attorney

Mr. Smolinsky called the meeting to order and lead the Pledge of Allegiance.

**PUBLIC COMMENT ON AGENDA ITEMS-----**

Marie Capone – Delaware Ave. – Asked if the people working on the water issue were civil service and what was their educational background. She said under the republicans the person in charge was an engineer and she said you can't tell the people it's not good because it was done under the republicans.

Bob Jasinski – Bender Lane – Asked if the Town was obliged to buy a certain amount of water from Albany or can the contract be broken. He said it was nice that the Tomboys won the ball game. He wanted to know the price of the donation to the Town, will the dugouts only be used by the Tomboys, will the dugouts become Town property and are they charged for the use of the fields. He thought the Board should know the answers to those questions.

**APPROVAL OF 9/08/10 MINUTES-----**

A motion to approve the Town Board minutes as drafted was offered by Councilman Hennessey, seconded by Councilman Kotary and approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

**PRESENTATION BY THE DEPARTMENT OF PUBLIC WORKS ON FUTURE WATER SUPPLY ALTERNATIVES FOR THE TOWN OF BETHLEHEM**

Mr. Cansler, Mr. Deyoe and Dr. Daviero, a representative from Malcolm Pirnie, presented the same Future Water Supply Alternatives presentation that had been given at the 9/8/10 Town Board meeting.

Councilman Kotary asked about the difference in the initial capital costs between the alternatives. He said the total cumulative costs for each alternative come 2023 seem to be the same. Between 2012 and 2023 the Clapper Rd. alternative catches up with the others in terms of total cost. Mr. Cansler said the biggest contributor to the cumulative cost in 2023 is the Albany water contract, that is why the numbers look similar for the total cumulative costs. If the Town did buy more water from Albany the Town would be able to modify the current contract, so it would level it out a little bit more. Rebuilding New Salem incurs more debt but that starts leveling out over time. The debt doesn't increase even though the inflation increases. The chart is a little misleading because after 2023, some of the costs keep on going. The Albany contract does run out but depending on what alternative it chosen, the debt for other alternatives will continue for another fifteen (15) to twenty (20) years. If the Clapper Road alternative is chosen, in 2023, the Town can decide to enter into another contract or rebuild the New Salem plant or just continue. Mr. Daviero said the other difference is that the Albany water flows by gravity, Clapper Road requires pumping. If the Town takes more water from Clapper Road, there's an annual cost for the pumping. As energy costs increase, the cost to pump will increase. That is another item that starts to close the gap between the alternatives. In the end, the Town could be paying a fair amount of money on an annual basis to pump the water. Councilman Kotary said if you subtract the initial capital cost from the cumulative costs, starting with the Clapper Rd. alternative, the difference is 125.5 million versus the Albany alternative which would be 122.7 million, that's almost a three million dollar swing. And the New Salem alternative is 131.8. Would that energy cost increase account for that? He asked what was in the costs that would explain the large initial cost difference that evens out come 2023. Mr. Daviero said the differential is the increased cost of pumping the water from Clapper Rd. As the demand increases, the pumping increases and the energy costs increases. It is speculation as to what the energy market will do. Councilman Kotary asked if the projections of the cost of the Albany water alternative were based on the potential new contract. Mr. Cansler said for the first and third alternative, they used the existing contract because nothing new would have been negotiated with Albany. To purchase additional water from Albany, the Town would have a new contract that would place a cap on the escalation each year.

Mr. Deyoe went back to the Councilman Kotary's question about cumulative costs. When the capital costs are subtracted from the cumulative costs, there is a three (3) million dollar difference between the three (3) alternatives but it needs to be annualized over a thirteen (13) year period. The annual differential is a few hundred thousand dollars and that would be the cost to pump the water. Mr. Cansler said these numbers only run through 2023. He said all the alternatives would need a re-evaluation in 2023 depending on our demands at that time. He said the Town is required to meet the peak need of the Town. The peak is determined by the peaks over the past ten (10) years. Councilman Kotary asked if the current contract rates were used to purchase more water, how much more would that be for the second option. Mr. Cansler said the Town is currently paying about \$3.63 per thousand gallons for water from Albany. We would be obligated to purchase another 1.5 million annually at a lower rate of \$2.52. To buy 2.5 million gallons at the \$3.63 rate would be 50% to 75 % more.

Councilman Hennessey said some issues were raised by a member of the community about the utilization of the Clapper Road facility. There was a concern that raw Hudson River water was pumped into those wells. He asked if that had ever happened. Mr. Cansler said river water was used during the drought years, 2002 to 2005 and that was approved by NYSDEC. The water wasn't pumped into the wells; there weren't any wells at that point. It was when the wells were being dug. The infiltration gallery was not producing to its capacity and the Vly Creek reservoir was well below its annual average. Mr. Deyoe said the water from the river was taken and put into the infiltration gallery pump station. Mr. Cansler said since 2005 the water comes from the wells. Councilman Hennessey asked if the Town tested for PCB's. Mr. Cansler said they tested the water going into the plant and the water coming out of the plant. He wasn't sure how many times but they increased the amount of times the water is tested beyond what the state requires. To date there hasn't been an issue with PCB's. Councilman Hennessey said there was an issue raised concerning a possible dump site near the wells that contained PCB's. Mr. Cansler said Mr. Kelleher had brought that up and Mr. Cansler contacted NYSDEC and they did an investigation and couldn't find any proof of a waste site with PCB's. There was an archeological study done in 1999 prior to the construction of the wells which didn't show any signs of PCB's in the area. The area had been a series of islands that were filled in some time in the 1920's and 30's. As they dredged the river, they filled in around the islands. The fill in the area is from that time period and PCB's were not used until the late 40's. Councilman Hennessey asked if there were concerns with any other wastes. Mr. Cansler said the study and testing done prior to the construction of the well field showed nothing of concern. They wouldn't have constructed the well field if anything had been found. Mr. Cansler showed a slide that showed the testing of PCB's. Councilman Hennessey asked how the source water going to the Clapper Road plant was treated to remove the high content of iron and manganese. Mr. Cansler said the reservoir at the plant was used to settle out iron and manganese. That is a problem with the treatment process because the reservoir is not being utilized properly. The purpose of the pretreatment would be to aerate the water as it comes into the plant. They heavily chlorinate the water at the bottom of the hill to oxidize the minerals out of it. Councilman Hennessey asked where the waste from the process goes. Mr. Cansler said it settles into the reservoir and at some point it will need to be dredged. Those costs are included in the pretreatment process to clean up the reservoir. Dr. Daviero showed the slide of the PCB sampling that was done. There were twenty-three (23) samples done over a seven (7) year period of time. He said the detection method used was very sensitive. Additional samplings were done during the dredging upstream and none were detected. There was one detection of PCB's in 2008 on the raw water that was fifty (50) times lower than the safe drinking water standard. Dr. Daviero showed all the other chemicals that the Town is required to test for. Mr. Cansler said the State puts limits on all chemicals that could be found in water sources because there isn't any way to get perfectly clean water. Dr. Daviero said there is a required sampling of volatile organic compounds. EPA is suggesting that if the water supply is maintained so that the safe drinking water standard is met, then it's safe to drink. There is another list of synthetic organic chemicals that the Town needs to test for, plus additional things the Town must test for.

Councilman Hennessey asked if the post treatment by-products were the reason for the new EPA standards. Mr. Cansler said the EPA has mandated that the Town use different analysis on the disinfection by-products. The longer the chlorine is in the water, the more likely that the disinfection by-products will generate in the water. One of the advantages of opening the Clapper Road valve is the water would be fresher. Mr. Deyoe said the disinfection products are a reaction with organic compounds in chlorine. He said the difference in the surface water source in New Salem and the ground water source at Clapper Road is significant. There are almost no organic compounds in the ground water source at Clapper Rd. By using Clapper Rd. more and New Salem less, the shift would be away from the source with organic compounds and therefore less disinfection by-products in the system. The new tests will take place in the dead end places in the piping. The pretreatment process proposed in Clapper Road shifts the Town away from the heavy chlorination that is currently done. Dr. Daviero said the current system needs to be updated. The 2012 update in testing of disinfection by-products is forcing a decision now.

Councilman Hennessey asked for the entire listing of how the costs are arrived at with the different proposals. He needed that to make an informed decision.

Councilwoman Dawson asked what type of requirements would become more stringent in 2012. Mr. Daviero said it was the testing requirements of the disinfection by-products. He said the Town was required to find the worst locations in the water system and monitor it now. The presence of the organics will be monitored at a higher standard and more frequently.

Councilman Kotary asked if opening the valve at the Clapper Road interchange would help the age of the water in the system. Mr. Deyoe said the Town's oldest water is in the Selkirk area near Wemple Road because the demand isn't as high as in other areas.

Mr. Potter asked if the Albany water would have the same chlorination problems as the water from the New Scotland plant. Mr. Deyoe said the Albany water had a clearer source. Councilman Kotary said there was a period on 2005 where water was being used directly from the Hudson River and he wondered if it was used residentially. Mr. Deyoe said yes there are residential customers on that system as well as the work force in the industrial customer's facilities. Councilman Kotary asked about the source of the water supplies the Town uses. Mr. Deyoe said the sources have high iron and manganese and it's a ground water source.

The floor was opened to the public for comment.

Sue Ann Richco – Asked if the 6% average rate increase indicated in the Albany water contract that is being assumed, has been indicated by the City of Albany. She asked where the 6% came from. Mr. Cansler said they had used 6% even though the recent rate increases have been higher. She said it was a guess. Mr. Cansler said it was, it could be lower but it could be higher. Ms. Richco said with the political situation in Albany, they wouldn't go after us to not give us the water. Mr. Cansler said the rate increases for our water is tied to the residential rate increases in Albany. She didn't think they would continue to increase without a lot of fuss. She wasn't sure about the numbers. Mr. Cansler said Albany had infrastructure issues that would need to be addressed. The Town was concerned that the 6% would be low.

Bob Jasinski – Bender Lane. – Why don't we sue Albany to break the contract. He wanted to know what a law suit would cost. Mr. Potter said grounds were needed to break the contract. Mr. Jasinski said he could use the life and safety of the people and their ability to live. Mr. Potter said the options were being looked at. Mr. Jasinski said when Terri Eagan signed the Albany water contract; he thought the contract was crazy. He asked if we use all the water we purchase from Albany. Mr. Cansler said yes. Mr. Jasinski asked if we could drill more wells at Clapper Road or could we drill somewhere else. Mr. Cansler said a few other areas were identified as possible drilling sites but none of them would produce enough water. Mr. Jasinski asked if EPA is offering any help financially to comply with the new standards and he asked if Albany needed to meet the standards also. Mr. Cansler said there is no monetary help from EPA and every community in the country had to comply with the mandate. Mr. Cansler said Albany already meets the mandates because they have a better water source. They supply water to Guilderland also. Mr. Jasinski suggested to the comptroller that before this project is bonded, she find out what the bonding rate is and set limits on the bonding. Mr. Jasinski asked how much it costs to sample. Mr. Cansler said the PCB sampling was higher than the other sampling that is done. Mr. Jasinski said the Town needed more commercial business. He didn't think the Town was friendly to business. The Planning Board makes people jump through hoops. He asked if anyone in Town was actively trying to get businesses in Town. He said in five years Cogen will need to redo their water contract with the Town. They produce energy but the Town doesn't get to use it. He said one of things mentioned was the cost of the energy to run the wells. When the Town renegotiates the contract, the Town should ask for a certain percentage of the energy. Councilman Hennessey said the Executive Director of the IDA, Mr. Ritz is doing work in the area of trying to get business into Town. Mr. Jasinski said the Town Board should have all the information they need in front of them before they make a decision on the water issue.

A motion to set a public hearing on October 13, 2010 at 6:00 pm to consider the Future Water Supply Alternatives was offered by Councilman Jordan, seconded by Councilman Kotary and approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

**REQUEST FROM THE CHIEF OF POLICE TO AUTHORIZE THE TOWN SUPERVISOR TO SIGN A PROPERTY DISPOSITION SERVICE AGREEMENT WITH PROPERTY ROOM.COM**

A motion to authorize the Town Supervisor to sign a property disposition service agreement with Property Room.com was offered by Councilman Kotary, seconded by Councilwoman Dawson:

Discussion: Councilman Hennessey said in the past the Town Board had received a list of property that would be disposed of, he asked if that would continue. Officer Berben said this was property from the evidence inventory only.

The motion was approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

**REQUEST FROM THE ADMINISTRATOR OF PARKS AND RECREATION FOR ACCEPTANCE OF A DONATION OF 6 DUGOUTS FOR SOFTBALL FIELDS AT ELM AVENUE PARK FROM THE BETHLEHEM TOMBOYS**

Ms. Lanahan said the value of the donation was about \$20,000. They will be the same type of structures that are on Line Drive. They have obtained building permits and will be permanent structures and will be an asset to the Town. They do charge fees for the use of the fields but the fields are not exclusive. There is one softball league in Town.

A motion to accept a donation of six (6) dugouts for softball fields at Elm Avenue Park from the Bethlehem Tomboys was offered by Councilwoman Dawson, seconded by Councilman Kotary and approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

Councilman Hennessey asked if the prior monetary donations for other items were sent back because he didn't remember voting on that. Mr. Traylor said the money was sitting in a restricted account.

**REQUEST FROM THE ADMINISTRATOR OF PARKS AND RECREATION FOR APPROVAL OF SEASONAL PERSONNEL**

A motion to approve the seasonal personnel listed in Ms. Lanahan's 9/22/10 memo was offered by Councilman Jordan, seconded by Councilman Kotary and approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

**REQUEST FROM THE CHIEF OF POLICE TO HAVE THE TOWN BOARD AUTHORIZE THE APPOINTMENTS OF MICHAEL P. ROBERTS OR 83 UNIVERSITY STREET, SELKIRK AND JENNIFER L. HAMMOND OF 462B FEURA BUSH ROAD, GLENMONT TO THE POSITION OF ALTERNATE SCHOOL CROSSING GUARDS**

A motion to appoint Michael P. Roberts and Jennifer L. Hammond as alternate school crossing guards was offered by Councilman Kotary, seconded by Councilwoman Dawson and approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

**REQUEST FROM THE DEPUTY COMMISSIONER OF PUBLIC WORKS FOR THE TOWN BOARD TO AUTHORIZE SUPERVISOR MESSINA TO EXECUTE AN AGREEMENT WITH NYSERDA FOR GRANT FUNDING TO SUPPORT OUR ENERGY MANAGEMENT PROGRAM, PENDING REVIEW AND APPROVAL OF TOWN ATTORNEY POTTER**

A motion to authorize the Supervisor to execute an agreement with NYSERDA for grant funding to support the Town's energy management program was offered by Councilman Jordan, seconded by Councilman Kotary;

Discussion: Councilman Kotary asked Mr. Potter where the contract stood. Mr. Potter said the Town had received a grant and the contract was associated with that, he has reviewed it and it was approved. The Town Board then voted on that. There has been another grant but the contract hasn't been generated and provided to the Town so he had not had the opportunity to review it yet. He assumed it would be exactly the same as the previous contract but because of the limited timeframe for responding to the contract, the agenda item was presented in this way so it wouldn't have to wait for the next two (2) week Board cycle for Board approval. If he found the contract was significantly different, he would wait and present it to the Board. Mr. Deyoe said they had the final scope negotiated with NYSERDA. This program is supported by stimulus money and NYSERDA was aggressively trying to move the project forward.

The motion was approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary  
NAYES: none  
ABSENT: Supervisor Messina

## **PRESENTATION BY THE SUPERVISOR AND COMPTROLLER OF THE TENTATIVE BETHLEHEM TOWN BUDGET FOR 2011**

The Supervisor was not able to be present. Mr. Smolinsky presented for the Supervisor.

Mr. Smolinsky thanked the staff for helping him get ready for the presentation.

Mr. Smolinsky said he wanted to speak about the 2010 budget. The Supervisor was proposing some action to solve the 2010 projected general fund budget deficit. He had cut expenditures by \$374,000 and there was previous use of the fund balance of \$574,000. Due to economic conditions, there is an additional shortfall of \$397,000. The Supervisor proposes to apply the general fund balance to the shortfall.

Councilman Hennessey asked if the intention was to use fund balance to pay the deficit from this year. Mr. Smolinsky confirmed. He said the fund balances would remain at or above 15%. The NYS Comptroller recommends a level of 10% to 15%.

Councilwoman Dawson said the Supervisor was given this information, the use of the fund balance, as a proposal; this is not something that has been approved by the Town Board. Councilman Kotary said he had a question on the cutting of expenditures by \$374,000 for this year. Where is that? The Board had been trying to bring up the issue of trying to close the gap for six (6) months now of about a half million to a potential 1.5 million. Before they move forward, he said the Board hadn't budgeted the use of \$574,000 from the fund balance nor have they seen \$374,000 cuts in expenditures. He asked where the numbers were coming from.

Ms. Traylor said the Supervisor was intending to start the presentation by addressing the 2010 shortfall based on the presentation she had made to the Board on July 31<sup>st</sup>. At that time she had told the Board the Town was short \$300,000 to \$400,000 due to the anticipated sales tax reductions. The first slide of the Supervisor's addresses that. She said the \$374,000 came from the presentation on July 31<sup>st</sup>. It is his recommendation proposal.

Councilman Hennessey said tonight was the first time he had seen that the State Comptroller's recommendation was to hold the fund balance levels to 10% to 15%. He has been told consistently, since being on the Board, that 15% is the recommended percentage from the Comptroller's office. He said this was a major change. Ms. Traylor said she had heard those percentages from an official source at the Comptroller's office. She said that the number was a guide line and that's between 10% to 15%. 15% has been used by this Town for years but we don't have a fund balance policy. If we did, that would be our unofficial fund balance policy. We do not go below 15%. After calling the State Comptroller's office, she said they will not commit to a number. She said there isn't anything other than a publication on reserves that indicates it has to be a certain dollar. Councilman Hennessey asked what that number was. Ms. Traylor said there isn't anything that says the Town must use 10% to 15% percent. She said a member of 20/20 has mentioned that number. She said her husband, an assistant comptroller for OSC has mentioned to her and the Supervisor that a good guideline is anywhere between 10% and 15% percent. She said 15% was a Town policy and it was good government and a good way to make sure the Town always had enough money on hand. She said that 15% was 15% of the appropriations budgeted. Councilman Hennessey said his vote, just to be clear, was for 15%. That was where the Town has always been and he thought it was a sound budgeting policy. He was shocked by slide number one. Ms. Traylor said all the Board's questions would be answered.

Mr. Smolinsky said the tax levy in the proposed budget was 1.8%. That would increase the average taxable parcel in Bethlehem by \$12.85. Over the past 6 years the tax increase had averaged between 2.2 % to 7.3%. The costs have been cut while maintaining services. Expenditures have been reduced by \$801,000. The budget was already lean and then the Supervisor requested additional reductions from department heads. The result was across the Board and targeted reductions of 3% to 5%. He said the budget had new revenues of \$221,000. There are fee changes and additions, where appropriate, that amount to \$91,000. There are adjustments to cable franchise fees of \$130,000 in 2011 and \$25,000 ongoing in the future. No staff layoffs. For the past five years, staff levels have been at 240 to 243 and are currently at 241.

Mr. Smolinsky said the 2011 budget includes a capital plan. He said last year the State Comptroller suggested Town's adopt a capital plan. The capital plan includes four (4) years to the year 2014. This could save \$100,000 per year in emergency repairs and increasing replacement costs. The 2011 projected capital needs are four million one hundred and forty thousand dollars (\$4,140,000.00). The Supervisor suggests that one million one hundred forty thousand dollars (\$1,140,000) be bonded with a payback over a twelve year period. That will cost about one hundred fifty-three thousand dollars (\$153,000) per year. The balance would be funded through capital reserves and operations. The budget has a one percent (1%) cost of living raise for the employees. The consumer's price index is 2.7%. The employee appraisal program is a factor in performance. The budget will implement indirect cost allocation charge back to reflect and report costs accurately to programs. The general, highway, water and sewer funds will stand independently as revenue and cost centers. The changes in accounting follow generally accepted accounting principles and are recommended by our comptroller. The proposed budget assumes that the Clapper Road facility for the Town's water will be approved. Over fifteen (15) years, the drinking water standards have been achieved. The other alternatives are more expensive.

In conclusion, the budget is balanced and the Supervisor believes it will help the Town in the future. The 20/20 implementation committee is working on ways to further cut costs and expand revenue generating economic development, strengthen management and program performance. Committees are in place.

Ms. Traylor continued the presentations. The budget will be available on the WEB site, the 3 libraries, and in the Town Clerk's office. The supplemental section of the budget is the capital plan.

She said the 2011 tentative budget proposes to spend forty million (\$40,000,000.00), about the same as last year. That amount is spread out over the four funds. 46% is in the general fund. The general fund holds the police department, parks and recreation, the seniors, Town assessor, MIS, comptroller, and the other offices in Town Hall. Water and sewer are the department of public works and highway fixes the roads and plows them. The previous part of the presentation said the departments were asked to look at their departments several times. This is the Supervisor's tentative budget. There will be numerous reiterations of the tentative budget and then finally a preliminary budget and final budget in November. The summary of savings from the departments was: to close the landfill one day per week; a savings of \$40,000.00, the seasonal and part time employees were reduced in a variety of departments; a savings of \$77,247.00; reduction of contractual spending by 3% or more in the departments; a savings \$528,000; 2% additional cost of health benefits will be paid by the employees; a savings of \$60,632; proposed reduction of 10% in Supervisor's salary and numerous Boards; savings of \$26,943 and lastly the amortization of the excess pension expense that the Town has this year over fifteen years; savings \$67,000 in general fund. Some new revenue changes include police fees, charging for police oversight during events +\$3,000; can charge for false alarms +\$26,000; dog licensing fees +\$26,440; cable franchise fees additional +\$130,000, considering charging for notary services possible +\$12,000, and increases in various park utilization fees, pool, pavilion, program fees + \$22,000. Those are some of the revenue changes in the budget.

Ms. Traylor said the Supervisor suggests a tax levy increase of 1.8% - \$168,678. It would be a .19% tax rate increase. 62% of each property tax dollar goes to the school district, the Town receives 14 cents. The property taxes make up 15% of the Town's budget. 57% of the income comes from sales tax, cable franchise fees and mortgage recording tax. This is something we have no control over.

Last year's projection was \$9,800,000 in sale tax revenue but at the half way point the trends indicate that the Town will not end up with that amount. That is the shortfall that was spoken of earlier. The economy hasn't improved so the Supervisor's projection for 2011 is \$9,350,000. The mortgage tax revenue projections for 2011 are 1.1 million; this amount is received twice a year. And cable franchise fee will be higher in 2011.

Ms. Traylor said the forty million dollars is spent as follows: public works 34%, 22% in highway, public safety and general government support for the rest. The health insurance rate is up this year for the employees, the retirement system is up and next year's cost will be up 39%, there is a 2.5% increase for the police and a 1% COLA for the employees. The budget document explains where the capital plan money will be spent. Bonding will be necessary for capital expenditures using two million from reserve funds from the water and sewer funds and the rest would be paid for from operating costs.

Ms. Traylor said there are 34 people working in Town services, 60 in the police department, 61 in highway, 6 in senior department, 10 in parks, 11 in planning and development department and 59 in DPW. She said fund balance is the excess of the revenue over the expense. It is a type of savings. The unofficial policy of the Town is to keep 15% of those funds. \$2,708,000 needs to be kept in the bank to achieve 15%. The Town has been above that 15% for a number of years. As of 2011, with this budget, the Town will be above that amount. The Town needs \$1,064,000 in the bank for the highway fund, \$1,502,000 for the water fund and \$748,000 for the sewer fund.

Councilman Hennessey said there were a lot of items in the budget he had questions on. He asked for clarification of the amortization of pension expense increases. Ms. Traylor said she had received a notification from OSC that the Town was eligible to amortize \$144,000 of the increase over ten years. She said the Town can reduce what we normally pay to them. The Town usually prepays the coming year's bill in December because there is a significant savings in doing that. The Town will be able to reduce the bill by \$144,000 and spread that out over the next ten (10) years. In 2011 the savings is \$144,000 and from 2012 it would be \$144,000 divided by 10 years. Councilman Hennessey pointed out that it was still a liability the Town would owe. The payments would just be pushed off to a future year. He asked if there was an interest payment and what is the interest amount. Ms. Traylor said there would be a payment but she didn't have the interest amount. Councilman Hennessey said it was an off sheet borrowing that was being pushed off to another year. Councilman Kotary asked what happened next year when the increase in those payments are increased again by 39%, 40%. There is no savings, the payments are just deferred to a future year. He wanted to be careful because next year the Town would have this year's payments plus next year's increase. It sounds like a great idea from the state but when you look at it, it will cost the Town more. Ms. Traylor said it was the Board's decision but the Supervisor is recommending this. This is new legislation and we don't know how it will work. Councilman Hennessey said there was a change in the 10% cut that the Supervisor was proposing; his salary cut was still there, the Town Board's, the Planning Board's and the Zoning Board's cuts were still there but he asked if the legal staff cuts were still in the proposal. Mr. Traylor deferred to Ms. Trembley-Glassman. She said that the cuts to the legal staff remained but Mr. Potter's 10% cut was put back. Councilman Hennessey said the

Supervisor's proposal was to pick and choose who should be taking the 10% cut but the astonishing thing was that certain elected officials got a cut and certain others did not. He thought that was an interesting way to target something and then untarget it and retarget it. He asked about some of the proposals for bonding. He said last year the total of all funds was \$40,266,283. He asked if the number now was \$42,000,000. He said the numbers had changed between Friday and the numbers the Board received today. He said the thing that dropped out was borrowing that moved off balance and borrowing for retirement that's moved off balance. The total of all those funds which, given the numbers that were given to the Board tonight versus the numbers that were given to the Board on Friday has changed, at least on the bonding, from 2.140 million to 1.0390 million. Ms. Traylor said the numbers sent on Friday were labeled as draft, the budget was given to the Board yesterday. She pointed out that this was the first year that the Capital Plan was used. They were trying to give the Board a look at all the capital needs the Town has for 2011. The comptroller usually comes to the Board throughout the year and asks the public to use capital reserves and a permissive referendum starts. In the presentation by DPW, it was showed how they would use 2 million dollars of reserve fund balance which is off balance sheet. After review of that information, it was comparing apples to oranges and it was not presented in the 2010 budget. If it were, the 2010 budget would need to be increased. One slide had it in and tonight's slide took it out. The draft budget presented would not include any capital reserve funds in water and sewer. Councilman Hennessey said because of the way that budget's have been done in this Town, that slide is misleading. Ms. Traylor said this year in the budget workshop, they identified what the capital needs would be. Councilman Hennessey said the funds are hovering at a point that is not sustainable if they continue to be used. Ms. Traylor said there is a difference between fund balance and reserve balance. Reserve balances are separate self balancing off sheet accounts. There are a variety of reserve balances. Councilman Hennessey said this budget looked under every mattress to find funds, he thought it was funding today's expenditures with funds that were put there in the past and borrow money from the future to make ends meet. Having said that, he thought the budget was a shell game of borrowing, bingeing and spending. It is not reflected in the numbers, which he thought were misleading. He does not see it the same way as the Supervisor.

Councilwoman Dawson said Ms. Traylor had explained the difference between a reserve fund and a fund balance. She said in the Supervisor's message he proposes to balance the 2010 budget with the use of reserve funds. She asked if that was a typo. Ms. Traylor said yes it should have been the fund balance. She said the Board already knows they are down \$771,000 in projected revenue for this year; she asked if this 2011 budget took into account the nearly 1 million that the Town is behind. Ms. Traylor said the 40 million was appropriations for 2011. The \$2,931,000 on the slide takes into account the 1 million. Councilwoman Dawson said during the presentations when Ms. Traylor was giving the Board her best guess and they talked about solutions on how to make up that difference, she recalled being told to wait and see how it was all going to work out. Councilman Hennessey said that was only 3 weeks ago. Councilwoman Dawson remembered that the Board has been asking for a proposal to address that deficit that has not yet been put on the table. When you speak to 2011 compared to 2010, the 2010 number materialized. Ms. Traylor said the best guess is that they will have 3 million in fund balance at the end of this year. Based on this budget, that will remain at 2.9 million. Councilwoman Dawson asked how they could possibly predict that next year would be better than this year. Ms. Traylor said this is reflected in the budget the Supervisor has presented. There isn't any use of the general fund balance.

Councilman Jordan asked for a set amount that the Town will spend next year. He asked if it was the 40 million reflected on page 16 plus the 2 million in reserves plus the 1.4 in bonding and where are the operations. Ms. Traylor said the proposal is to spend 40 million dollars out of the 4 funds. Councilman Jordan asked if that 40 million included the 2 million from the reserves. She said no it did not. Councilman Jordan asked if the 40 million included the bonding. She said it did.

Councilman Kotary said at the end of August there was a final budget hearing meeting where the Supervisor presented his budget. He asked if there have been any decisions made, additional cuts, things moved around since that presentation. Ms. Traylor said in the workshop they had estimated a greater debt service than the Town will actually incur. She said they can predict better the debt service because of the information she had received from DPW. She said everything in the budget workshops have been implemented in the budget except for the debt service. She said that was a difference of \$300,000 from the general fund. He said the specific numbers being spent by the Town should be totaled. If we're spending 42 million that it should be indicated. He appreciated Mr. Deyoe's efforts in listing all the capital needs expenditures. Just so the public isn't misled; the Board hasn't seen or approved a capital plan. What the Town has is capital planning, which was always done. What he finds misleading is there are areas where the numbers have changed and how we're chopping up those numbers. For example, we have been talking about a 2 to 3 million dollar deficit. We are still spending a certain amount and he was trying to figure out where that deficit went. The deficit was using borrowing, bonding more, and inter-fund payments. Those inter-fund payments were never done before. We are bonding or borrowing from the fund balance 5.3 million dollars out of 40 million. In regards to the capital plan, that's 30 some million in the plan. We are unrealistically pushing that out to the coming years. There is no way we're going to find another 29 million or the equivalent in debt service to finance that. To keep things in perspective for the public, here's something interesting, per documents from the comptroller, in 2009 the budget was 37.7 million, the actual spending was 34 million. When the comptroller was asked if that was all that was spent, she answered no, there is capital spending that is approved throughout the year. Councilman Kotary said in 2009 there were cuts made by department heads and they continued the same level of services. He said we cannot continue to cut and

give the same level of services. Using the 40 million dollar number, the difference between the budget in 2009 to 2011 is a 15% increase. He said the way the numbers are being used or spun is that we're cutting costs. Some costs have been cut but the reality is that we are spending a lot more money than in 2009 and when the capital reserves are put into the mix, even more is being spent. He said he was looking at the 2009 fund balances from the report that was given to the Board in the July report and he added up the differences in the fund balances and there was a positive in 2009. At the end of the year, \$611,000 was put back in to the funds. The difference between spending 2.1 million and putting \$611,000 back into the fund is a large difference. He said there is 5.3 million that will be bonded, borrowed or pulled out of reserves, some off budget. He summarized by saying that everyone worked hard to try to cut spending but the reality is that this proposed budget spends more, borrows more, taxes more and uses up more savings. He said someone is trying to put a positive spin on this and he wasn't convinced. There are numbers that are inconsistent between the numbers that have been given to the Board.

Ms. Traylor said she would give the Board a summary document with all the changes and she was willing to speak with the Board about the information

## **ANNOUNCEMENTS**

### **NEW BUSINESS**

Councilman Hennessey said the Supervisor had said the agenda attachment policy would be before the Board for consideration at this meeting. He passed out the final version of the policy to the Board members and said he was ready to move on the item. Mr. Smolinsky wanted the Board to wait for the Supervisor. Councilman Hennessey said this issue has been around for awhile and he thought the public could have benefited by having more documentation for tonight's meeting. He said at 2 separate Town Board meetings, the Supervisor promised the public that this item would be on the next Town Board agenda. He has declined to do it so far. He said if this is not handled tonight or at the next meeting, he will bring it up during New Business. Councilman Kotary was disappointed that the Supervisor has delayed this item when it should have been addressed prior to the budget meetings. He said some of the documents aren't even given to the Board until the last minute. Part of the policy would make it mandatory for the attachments to be available to them earlier too. Councilwoman Dawson asked for a brief overview so the public tonight would know what they were discussing and then it could be on the next agenda for action. Councilman Hennessey said the intent of the policy is to put forth that the Town Board agendas need to be completed by the Thursday prior to a Town Board meeting for the Town Board's use. The Department heads would then suggest whether an agenda attachment should be released to the public. The Town Clerk will be the final determiner. If the attachment is not released than a checklist with the reason why not will be released in its place. These documents will be released the Monday prior to the Town Board. He had been informed that this would not be on the agenda again. He was upset because information is needed in a timely manner to consider it. The Board said they would wait for the Supervisor because he was not present due to circumstances out of his control.

### **PUBLIC COMMENT ON NON-AGENDA ITEMS-----**

Mr. Peterson suggested not stapling the agenda.

A motion to go into executive session to discuss possible real property acquisition was offered by Councilman Jordan, seconded by Councilman Kotary

Discussion: Councilman Jordan didn't think it was appropriate to go into executive session because the Supervisor was not present and he didn't think Mr. Smolinsky should be presiding over an executive session. Councilman Hennessey agreed with Councilman Jordan. Councilman Kotary said he thought this was a time sensitive issue and he said he was OK going into executive session to be briefed. Mr. Smolinsky said there was some time sensitivity. Councilwoman Dawson said because it was not clear how long the Supervisor would be unavailable, she thought they should proceed with the executive session. Mr. Potter said this would require a vote by the Board, the Deputy Supervisor has no authority to vote. He said if the majority of the Board does not want to go into executive session then when the Supervisor is available he could call a special meeting. Councilman Jordan thought the timeliness of the issue should have been communicated to the Board by the Supervisor.

The aforementioned motion was approved with the following vote:

AYES: Councilwoman Dawson, Councilman Jordan, Councilman Kotary

NAYES: Councilman Hennessey

ABSENT: Supervisor Messina

A motion to adjourn was offered by Councilman Kotary, seconded by Councilman Jordan and approved with the following vote:

AYES: Councilwoman Dawson, Councilman Hennessey, Councilman Jordan, Councilman Kotary

NOES: none

ABSENT: Supervisor Messina

The meeting closed at 9:40 PM.

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Nanci Moquin  
Town Clerk