

VILLAGE OF HASTINGS-ON-HUDSON, NEW YORK
BOARD OF TRUSTEES
REGULAR MEETING
NOVEMBER 4, 2014

A Regular Meeting was held by the Board of Trustees on Tuesday, November 4, 2014 at 7:33 p.m. in the Meeting Room, Municipal Building, 7 Maple Avenue.

PRESENT: Mayor Peter Swiderski, Trustee Bruce Jennings, Trustee Marjorie Apel, Trustee Meg Walker, Trustee Nicola Armacost, Village Manager Francis A. Frobels, Village Attorney Linda Whitehead, and Deputy Village Clerk Linda Loeb.

CITIZENS: Five (5).

PRESENTATION – 2013-2014 Village Audit

Justin Wood, Nugent & Haeussler: I would like to begin by thanking Fran, Raf, Susan, Linda, Mary Ellen, Lori, and Sherry. All the staff made it a pleasurable experience to do the audit. I know audits are not usually the most pleasurable experiences for people, but I believe we had a pretty good time while we were here.

To start, I would like to turn to page 21. Statement five is generally the income statement broken down by fund: general, capital projects, pool, library, special purpose, debt service. The general fund had another positive year, up \$43,000, despite some unexpected expenditures during the year for snowstorms. We had the retirement of three seasoned police officers, paid out their compensated absences during the year, offset by a large departmental income revenue, a big part of that due to two building permits adding up to about \$400,000. That is not the norm.

Capital projects fund ended the year with a \$440,000 deficit. That is not alarming, just due to waiting on long-term financing which, subsequent to the report being submitted, there was a bond refunding. That is going to chop down that deficit in the capital projects fund.

The pool performed excellently, made \$60,000 during the year, bringing their fund balance up to \$135,000. We have seen great progress in the pool fund over the last couple of years.

The library did have a deficit for the year, small, \$15,000. You may want to consider a larger operating transfer from the general fund, something going forward to wipe out the accumulated deficit in the library fund.

Special purpose still in excellent shape. Went up \$49,000 during the year. Interfund transfers come into the debt service fund, and then the debt payments are paid out of there. Change in fund balance, just the gain on interest, \$782, bringing the fund balance to \$188,778.

Trustee Armacost: I thought we had fixed the debt problem of the library last year.

Village Manager Frobel: We did. This is from current operations.

Trustee Armacost: This is new. And do we know why?

Village Manager Frobel: I do not recall exactly. Do you recall what caused their operating budget to go over last year?

Deputy Village Treasurer Zaratian: There was some exterminating needed, and I believe a window was broken that was unexpected. Those, with other things that went up, I think are the costs.

Trustee Armacost: So those were exceptional circumstances. It is not something that should be expected each year, windows breaking.

Village Manager Frobel: I would have to look at it. It had to be more than that. It must be something with personnel. We will take a closer look as to what caused that.

Trustee Walker: What constitutes special purpose?

Mr. Wood: The Draper fund, Betterment, River Street Parking, off the top of my head. Is there one other thing in there?

Village Manager Frobel: Those are the three top.

Mayor Swiderski: There is a pot of money that accumulates from the Verizon and/or Cablevision payments. Where is that? Which column does that sit in?

Deputy Village Treasurer Zaratian: Are you talking about the franchise fees? Or something else, the PEG fees.

Mayor Swiderski: PEG fees.

Deputy Village Treasurer Zaratian: PEG fees would be under Betterment.

Mr. Wood: So that is part of the special purpose. I would like to draw everybody's attention to page 60, supplemental schedule six. This is a schedule tracking all capital projects that are still ongoing. The last two columns to the right: "fund balance deficit May

31, 2014," and then "BANs outstanding May 31, 2014." As you follow down where you have "deficit," you will see in brackets for the projects you will be able to follow along in the column next to it, which is the BANs outstanding, that the amount of the BAN is either more than or matches the amount of the deficit, meaning that as we pay off the BAN, or receive long-term financing in this case for the BAN, those deficits will be wiped out.

I want to draw your attention to the last three items on the list: the DPW trucks 2013-14, police vehicle and Fire Chief's vehicle. On the schedule, we did not have a BAN outstanding at May 31, 2014. But subsequent to May 31, 2014, the Village had gone out for bonding that included for those three projects, too. Those deficits will also be wiped out during this year.

Mayor Swiderski: If we did not fully spend down a BAN, that is not a surplus. What happens to that money? It is just never borrowed? If you look at item number four, for example.

Mr. Wood: So you have \$454,000 BAN payable purchase of fire truck, and then a deficit of \$436,816?

Mayor Swiderski: Yes.

Mr. Wood: So once the BAN is paid off, now you will have a fund balance of about \$17,200. You can transfer that to the debt service fund to help pay down debt. You can transfer that to another capital project to help fund another capital project, maybe a smaller capital project. To me, those two would be the best options. And if the Board decides, they can transfer back to the general fund to help with general operations. It is up to the Board what they want to do. But that *will* be a surplus once the financing is there. We expected to pay out \$454,000 for the vehicle, ended up paying \$436,000. So yes, we have that \$18,000 kind of surplus once that BAN is paid off.

Trustee Armacost: Which will be?

Mr. Wood: I cannot say 100 percent if that was part of the bond refunding. Fran may know better there. But I think it was because I think it encompassed just about everything.

Village Manager Frobel: Yes, every BAN outstanding. Are we looking at the fire truck?

Mr. Wood: Yes, for example, purchase of fire truck.

Village Manager Frobel: Because a fire truck is tricky. That is a large amount to be left over. It probably means there is more equipment they need to place on the truck.

Mayor Swiderski: At what point is the expense considered closed?

Village Manager Frobel: At the end of the year, Raf, Justin and myself will sit down and we will do just that. We will analyze, and say no, we are finished. That ladder truck has got everything, and it has got \$200 left. At that time, the auditors will sweep it into our debt service fund, as an example.

Trustee Armacost: Page 21 has the debt service fund at \$188,000. So where is that coming from? Is there a relationship between that number and this page?

Mr. Wood: No, there is not.

Trustee Armacost: So that is from the prior year then.

Mr. Wood: That \$188,000 is cumulative, I am going to assume, interest revenue from the last 10, 20 years maybe even.

Trustee Armacost: But it cannot be from the last 10, 20 years.

Village Manager Frobel: In this current year, you took \$100,000 of that to pay debt. So we are using that down.

Trustee Armacost: But it is already at \$188,000 again.

Village Manager Frobel: As of May 31 this year.

Mr. Wood: As of May 31, 2014. I think subsequent to that, Fran is saying.

Trustee Armacost: But I thought we took an amount before that.

Village Manager Frobel: No, we thought we did. But it was not necessary so the auditors did not book it against it that year. So it rolled forward to the year of the budget we are in today. We are using \$100,000 today.

Trustee Armacost: So what is happening to the remaining \$88,000?

Village Manager Frobel: It will be your option. When I do the budget, when I present the budget to you, if I need to I may recommend we use it to pay down debt. Or if not, I will say let it continue to grow for the next year when you may need it to a greater degree. We will have to make that decision when we put the budget together.

Mr. Wood: I generally would suggest letting that slowly trickle down instead of taking it all at once, because then it will end up having an impact on future years' budgets. You will have a larger increase percentage-wise, especially if you do not have that available to use for debt payments.

Trustee Armacost: So, in effect, it is cash. Our fund balance is \$188,000 more, arguably.

Mr. Wood: Arguably.

Trustee Armacost: Because we can really use that for anything we want.

Mr. Wood: It is available for debt.

Trustee Armacost: For debt, but we have to pay a debt payment anyway. There is plenty of debt to use up, so to speak.

Mayor Swiderski: Right, it is fungible.

Mr. Wood: I am not sure. Now maybe with the refunding, who knows? Maybe the debt payment is not even \$188,000 for the year after the refunding. I have not seen the amortization schedules on that. I would suggest a trickle down instead of all at once, just because to budget for the follow year you might run into problems there.

Mayor Swiderski: Fran, you made a point that at the end of the year you clean stuff up. Yet there is a street resurfacing 2009-2010, two lines of it, which have not been closed out. Why is that? Help me understand what triggers cleaning up this page, page 60.

Village Manager Frobel: Just as I said, sitting down, going over analysis as to whether or not we have expended all the money that was allocated for the purpose. What we will do next year is take a look at the capital projects. I do not think this year we went through with the fine-toothed comb that we had in the past.

Mr. Wood: And generally, if there is still a BAN outstanding we will leave it on the schedule until the BAN is paid. Then when the BAN gets paid the deficit is wiped out.

Deputy Village Treasurer Zaratian: And in this case, we went to a serial bond. So most of this will be wiped out.

Mr. Wood: Yes, next year that schedule is going to look a lot smaller. A lot of these things will be wiped out. We can make a decision on some possible surpluses. We may even have some small deficit in some of these. So we will clean it all up and transfer back to the debt service or general or whatever you decide you might want to do with that.

Village Manager Frobel: I do not want to get ahead of you, but page 19 is always an interesting statement. We are all very sensitive to the fund balance and the importance that plays in our credit rating.

Mr. Wood: Page 21, statement five is essentially the profit and loss for each fund. Page 19 is essentially the balance sheet for each fund. I will draw your attention to the bottom portion of that page of fund balances. You will see that the general fund has a 1.1, give-or-take, million-dollar unassigned fund balance. The capital project has a \$3.4 million deficit. But again, we discussed how that would be wiped out with long-term financing. The pool is now up to \$135,354 which, I believe, three years ago it was into a deficit. So great job managing there. The library, after two years' of deficits, were down to a \$32,000 deficit. Special purpose we talked about before, \$820,000 to the good. And the debt service at \$188,000.

Trustee Armacost: The pool has actually doubled its deficit. Last year it was \$16,000.

Mr. Wood: Or its fund balance, the pool. Oh, no, I'm sorry, the library.

Trustee Armacost: And it is negative.

Mr. Wood: The library, yes.

Trustee Armacost: Sorry, I meant the library. Exactly.

Mr. Wood: That is OK. So the performance in '12-13 and '13-14 were actually pretty comparable as far as the library goes. Because one year they lost \$16,000, one year they lost \$15,000.

Trustee Armacost: I am confused.

Village Manager Frobel: We helped them with a debt payment, Raf? Because there was work, Raf, they had done at the park that we decided was really Village-wide.

Deputy Village Treasurer Zaratzian: Two years ago we wiped out any deficit. And then, again, there was a deficit at the end of 2012-13 and then '13-'14.

Trustee Armacost: So this is a bit of a concern because it is doubling each year.

Mayor Swiderski: No, it is increasing the same amount each year.

Village Manager Frobel: The same amount each year, for two years.

Trustee Armacost: And another \$15,000, which will ratchet up. I think we need to have a conversation about that.

Village Manager Frobel: Yes, I agree.

Mr. Wood: Again, with the budget being so sensitive, to increase your interfund transfer 2015, then you are going to take a hit somewhere else, right?

Village Manager Frobel: Very definitely. It has an impact on the taxes. Well, we are very close to our target. We are about eight percent of an unassigned fund balance. Your own policy wants between seven and ten. The credit rating agencies would like to see a considerably larger fund balance, but we are on target to getting to where I think the community should be.

Mr. Wood: Exceptional fund balance, especially with the last couple years' budget constraints. I do a dozen villages, and I have to say this is probably the highest percentage that I see of the following year.

Trustee Armacost: And it is higher because we have got the \$188,000. If you count that in, I think it brings it up to ten percent, right?

Mr. Wood: Yes, it would.

Village Manager Frobel: Well, as you see it. But Moody's and S&P do not see it that way. They look general fund. Debt service is just that. They see it that it is fine, it is growing or it is substantial. But it is dedicated for debt. They are looking for what is totally unassigned, available to you to spend at your will in your general fund.

Mr. Wood: And I am sure when you went for the bond refunding that that was very helpful to have the fund balance in what interest rate you ended up with. It probably saved you plenty.

Village Manager Frobel: Yes, sir. It was a help.

Trustee Walker: What are they looking for? You said they were looking for substantial ...

Village Manager Frobel: They are looking for upwards of 15, 20 percent. They looked at it nationwide. We tried to argue the Northeast is somewhat unique in that regard. We would never have a fund balance of that size. But they look at the numbers nationwide, and it is not uncommon. They cite examples.

Mr. Wood: It is very tough, considering the state has a law for school districts that they can only hold four percent. But around ten percent that is very good. Especially where we are now, with the possibility of having to appropriate fund balance to be able to stay within the state levy limits.

Village Manager Frobel: Can the schools, though, not set aside for special projects?

Mr. Wood: They can set up reserves.

Village Manager Frobel: Right, that we cannot. Like how they care for retirees.

Mr. Wood: Retirement reserve. Municipalities are limited to capital/repairs, which we will get into soon.

I would like to draw everybody's attention to the government-wide statements on page 17 and 18; 17 being the government-wide balance sheet and 18 being the government-wide profit and loss. On page 18, you are going to see you are changing that position at a negative \$1.1 million. Now, that sounds alarming. But, some of that is recording the actuarial number from the post employment benefits that we get every year. Now, that particular liability, which increases every year based on the actuarial report we receive, is now up to \$5.3 million. So every year, it is a \$1.1 - \$1.2 million in additional expenses. So the government-wide financial statements versus the fund financial statements take into account for long-term assets and liabilities. The fund financial statements are just short-term, under the modified accrual basis of accounting, assets and liabilities. It does not take into account capital assets, which you will see up on page 17 in the asset section, for \$21 million. In the government-wide financial statements the bonds payable are recorded there, and the other post retirement benefits payable, as I mentioned before, and the compensated absences are all put onto the government-wide to convert it from short-term to long-term. I bring this up because it be alarming when you see we had a change in that position of \$1.1 million. That is mainly because of the other post employment benefits recording, which became a requirement about five years ago.

Mayor Swiderski: Is that a real liability?

Mr. Wood: I do not ever see any village having to pay it all out at once. No, I would say that is not a real liability.

Mayor Swiderski: It is theoretical.

Mr. Wood: It is a theoretical liability, because they are dating out the health insurance liability, retiree health insurance and retirement benefit type stuff, what that liability will be over the next 30 years.

Trustee Armacost: So the employee benefits on page 22, is that what you are referring to?

Mr. Wood: Yes. So the page you are looking at, page 22, is a reconciliation of the profit and loss from short-term to long-term. The total governmental funds column on the left is the general fund, the pool, the library, the special purpose and the debt service all added together to give you your total governmental funds. Then the columns in the middle are adjustments from short-term to long-term. The \$1.27, that is the additional expense to put on the post retirement benefits.

Trustee Armacost: That is the only thing that really went up. Everything else seems to have gone down.

Mr. Wood: Yes. As far as capital-related items, we had more depreciation than we had asset purchases.

Trustee Jennings: We talked about how the general fund balance figure affects that rating and that it is advantageous to us when we borrow money to have a large general fund reserve showing in our books. Does that number that we are talking about carrying this long-term and somewhat hypothetical liability, does that hurt us? Is that a number that we carry on our books which is disadvantageous to us to carry it in this way?

Mr. Wood: Generally, I cannot speak for the bond counsels. But they are looking more at the fund financial statements, the financial statements that we started with. Like Fran said, they concentrate on the general fund itself. Unfortunately, GASB, which is the federal agency that looks over governmental audits, decided that we need to put this OPEC obligation onto the books for the government-wide. And that is why the Village has to go to an actuary and give them this information and then they come back with a number every year.

Trustee Jennings: So it is not our discretion how we carry it. I just wondered if it had any negative effect on us and, apparently, it does not.

Mr. Wood: I cannot speak for them, but I would say no. I think they are going right to page 19 and 21 for that information.

Village Manager Frobel: It came out of an effort a few years ago where certain cities were in deep financial trouble and the investors were not getting the whole picture of the municipalities' liabilities and debts and responsibilities. So they made them put a value to it, and now we carry it forward.

Mayor Swiderski: I wanted to surface one issue and get your feedback. Fran and I have had discussions over the summer. For historic reasons, neither one of which could remember why, we bond the road resurfacing. In fact, we bond for 10 years' worth of resurfacing so, effectively, why bother bonding. I questioned whether that was a useful way to pay for road resurfacing.

Mr. Wood: My opinion would be if you have the resources and you have room in your budget to do the street resurfacing with current-year appropriations, then yes, try to get it done. Because why pay interest? I always think of my own personal finances. If I can pay something out of my checking I am going to use that before my credit card.

Mayor Swiderski: It is an annual expense so it seems foolhardy to bond something that we have to do annually anyway. And the last tranche on the current bond expired last year.

Mr. Wood: So for the street resurfacing this year you are saying how can we pay for the street resurfacing.

Mayor Swiderski: Right. Either we borrow money, which seems shortsighted to borrow for an annual expense.

Trustee Armacost: Well, I cannot work out how page 60 resolved itself yet. But it looks as if we have almost \$300,000. That is not true, Fran?

Village Manager Frobel: No, that is not true. We are down to the last ...

Trustee Armacost: It is changing very incrementally. As I look at each year going back, those two lines are shifting by \$10,000, not by hundreds of thousands of dollars.

Mr. Wood: I can try to explain that. It is an oddball way the way that short-term debt and long-term debt are recorded in these governmental funds. So your short-term debt is recorded in the governmental funds; long-term debt is not. Because it is long-term, it is only recorded government-wide. So oddly enough, as you pay down a BAN you actually record a revenue to knock that BAN down. Versus when you receive long-term debt proceeds, you receive the revenue all at once for the long-term debt. That is why you are seeing it go down incrementally, because there has been a \$10,000 payment on that BAN for a year.

Basically, not to bore you or lose you in accounting jargon, the entries are I am going to debit my principal expense and I am crediting cash. But now in the capital fund I need to do an additional entry because I have to knock my BAN payable down, which is a liability in credit. So I am going to debit that account to knock the payable down, and we credit revenue. Because for short-term debt, governments recognize the revenue as they pay it off. For long-term debt they recognize the revenue when they receive the long-term debt. In '14-15 we had the bond refunding so we received this long-term debt. Now, when we receive that long-term debt, it is going to knock all those deficits down because the long-term debt proceeds are coming and being recognized as revenue.

Trustee Armacost: Is it knocking it down to zero? Like how could we see whether we have extra money there?

Mayor Swiderski: There will be \$45,000 left, roughly, if you add up the very bottom, the difference between \$3.5 million and \$3.46 million is roughly \$43,000.

Trustee Armacost: But I am talking specifically about street resurfacing. Two line items both called street resurfacing. Difficult to tell what the difference is between them.

Mayor Swiderski: The difference is \$2,000 on one, and the other one is \$50,000.

Trustee Armacost: Is that actual money that can be spent on street resurfacing? Or is there nothing there?

Village Manager Frobel: I believe we have about \$70,000 left in road resurfacing to spend.

Mr. Wood: That is accurate.

Village Manager Frobel: And that is the money we are going to use to do Main Street when we are ready, and that was our plan. So it is exhausted, as the Mayor pointed out.

Trustee Armacost: This calendar year?

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Village Manager Frobel: No, not this calendar year. This fiscal year. We hope to do it now probably in April.

Mr. Wood: Let us just take the second street resurfacing. We have BANs outstanding at \$146,684. When Fran does the bond refunding, that \$146,684 BAN gets paid off. At that point the revenue is recorded for the \$146,684, which will take that deficit of \$95,680 and turn it into a fund balance of \$50,000 that is now available for street resurfacing in April.

Trustee Armacost: So how is that recorded? If street resurfacing comes out of the budget as opposed to out of the bond, how can we talk about it?

Mayor Swiderski: Main Street essentially exhausts what is left on the \$2 million that we once borrowed. It was \$2 million for 10 years' worth of resurfacing. The original intent was \$200,000 a year over 10 years. So either we borrow new money to start the cycle up again or we pay out of general funds. It seems silly to borrow money on an annual basis for an annual expense. To me, a capital expense is something you do episodically and is something more than a year's worth of benefit.

Trustee Apel: I have a feeling that the reason it was done is we were told that the interest rates were so low, so let us borrow when we can.

Mr. Wood: Yes, and mainly there was not room in the budget for a \$200,000 street resurfacing.

Trustee Walker: When did this start, a few years ago, 2004?

Village Manager Frobel: It was 2004.

Trustee Jennings: The question you are posing is should we borrow more money for future street resurfacing, or should we try to integrate this into our operating budget on an annual basis. That strikes me as a question that can be answered only by considering which streets we are talking about in the next year or two. It is a cash flow issue. One of the reasons to borrow is to have money available that you are not going to have available because you cannot raise tax revenue on an annual basis or because of a number of constraints. So yes, you pay interest. But the logic of it is that it gets you through a cash flow crunch without disrupting a regular plan of services and expenditures. We need to ask ourselves whether we can do the streets that need to be done in the next fiscal year out of our general revenues for that year, given other constraints we have. And if we cannot, the borrowing, although more expensive in the long run, can get us over the problem of the next year. Maybe the

problems we are facing in that regard are not just temporary, but are going to be chronic. In which case, we do have a serious problem and a decision to make. But am I thinking about this the right way?

Mr. Wood: Absolutely, you have hit the nail on the head.

Mayor Swiderski: But if you borrow money with a term longer than 10 years for an expense that is annual over the course of 10 years, you are back-floating your ultimate debt.

Mr. Wood: What he is saying is, you might still be paying off debt on a street that you are resurfacing this year.

Mayor Swiderski: Yes. So you are kicking the can down the road and that is just irresponsible.

Mr. Wood: Unfortunately, it is a tricky time to try to do that because of the budget constraints.

Trustee Armacost: Yes, the one percent expenditures have to come down by. So does it matter where? If everything you borrow is not included, if that is treated as a separate set of expenses, that may argue for borrowing. But if it is included, then your point is correct. You just treat it as a current expense, which is what it is.

Mr. Wood: There is one other option, the use of capital reserve. You can move some of the fund balance that you have to a capital repair reserve and you stack the street resurfacing. When you set up a capital reserve or a repair reserve you are normally looking down the road a bit. But what you would do is, you would be using some of your fund balance for the street resurfacing. The only thing about that is, if you plan on doing it every year then your fund balance is going to take a \$200,000 hit year after year after year, whereas if it is a one-time deal, then yes, I would suggest that. But it is another option.

Village Manager Frobel: Or shorter-term borrowing: a three-year note or a five-year note. Our capacity is not there anymore. This timing could not be worse. We are under the tax cap levy, where the numbers for budgets beginning January 1 are now 1.5 percent. As Niki pointed out, we are looking at the tax freeze. So all these things are coming together just when we are looking at the expiration of our 10-year bond issue. The timing is not good. But that is what the capital reserve fund can point out. WE can begin to build that up and maybe in two or three years have enough significant money that you could fund a road resurfacing program in the future. Or go to your fund balance today. We will lay all those options out.

Trustee Armacost: And we have that \$188,000, which I am very keen on.

Village Manager Frobel: Well, only \$88,000 left.

Trustee Armacost: Well, OK, fine.

Mr. Wood: I am going to move on to the management letter, where we just had a couple of comments. A lot of this we have already discussed. At the bottom of page two, we have "other comments." During our review of paid bills, we found that many purchase orders were filled out and approved after the invoice had been received. We recommend that purchase orders are completed and approved prior to the goods and/or services being received. We also recommend increasing the threshold as to when a purchase order is necessary to be used. We found that many of the purchase orders that were filled out after the invoice had been received were for items of less than \$1,000. We did not see any instances of large equipment being purchased without a purchase order or any kind of big service contracts or anything like that. We are talking small, like maybe a trip to Staples or real small potato type stuff which is easily slipped through the cracks. The highway department needs something in a hurry and they do not have time to go through the purchase order process to get a necessary. So by increasing the threshold to \$1,000 that will avoid a lot of that purchasing without a purchase order. I believe for anything over \$1,000 Village employees are following the purchase order system properly.

Trustee Walker: It is a policy that we make, this setting the threshold?

Mr. Wood: Yes.

Trustee Armacost: What is your view on that, Fran? To me, it is checks and balances.

Village Manager Frobel: It is. I like the control of seeing every purchase, and I will continue to do that. But to give us the latitude to have it bumped up a little bit higher. Technically, I approve all the POs before any check is issued. From a practical point of view, as Justin points out, the item is already in transit or been received. But technically, I do approve those POs before the check is issued.

Trustee Armacost: So you approve them verbally, or how do you approve them?

Village Manager Frobel: On the computer. Raf has a program set up where I physically review each one, see where it is going, the cost, and check off approve.

Trustee Armacost: So then how can you have them being approved afterwards, then?

Village Manager Frobel: Because, in effect, it is afterwards. That product has already been, essentially, purchased. It just has not been paid for or approved by me. But it is either in transit, on its way here, or they have already gone to Staples and bought the binders or the loose-leaf binders.

Trustee Armacost: Then you have approved it afterwards.

Village Manager Frobel: I have essentially approved it afterwards.

Trustee Apel: How much money are we talking about has been spent this way?

Mr. Wood: Like I said, none of the ones we found were over \$1,000. I am not sure how many you have throughout the year, but we generally pick a sample of about 60 paid bills. I think about five of the 60 were purchase orders approved after the fact, all for small amounts.

Trustee Apel: And how much money are we talking about altogether?

Mr. Wood: I do not know. I would have to do some serious digging to give you that.

Mayor Swiderski: Well, if you found five and they were under \$1,000, then \$5,000.

Mr. Wood: Yes. I am saying if I was to pull every single check that was paid out in total, what we reviewed, maybe a couple hundred dollars. Not even \$5,000.

Trustee Jennings: Yes, somewhere between \$5 and \$5,000.

Trustee Apel: So this is just a matter of control.

Village Manager Frobel: Yes. I like the system we have in the sense that I do see every purchase made by the Village. But I think we should raise that threshold so there is more latitude to satisfy the auditors.

Trustee Armacost: But I think that you should see them before they are purchased. Your seeing them after they are purchased is not the correct system. If they are supposed to be going through a process with you, and they have already purchased them and then you sign off on them after, it is a bit late then.

Village Manager Frobel: You have to entrust the responsibility to the department. He or she knows the budget and knows what is appropriate and knows what is necessary. To come to me and interrupt me continuously during the day, Fran, can we get more sandbags because

we are getting low, or we are low on bullets for the police department, or some of the small items, would just be impractical.

Trustee Armacost: But then we should not have a policy of you approving it, then. If we have a policy where you are supposed to approve it you should approve it. Or we change the policy and say it is inconvenient for Fran and so therefore we are not going to have that policy.

Trustee Apel: That is why they are saying you could raise it to \$1,000.

Mr. Wood: Any considerable purchase we saw that there was a purchase order approved.

Trustee Jennings: There is a midway in between.

Trustee Armacost: But I think Fran was saying that irrespective it is being purchased before he has actually approved it. Is that not what you are saying?

Village Manager Frobel: From a practical point of view, with those small purchases, they are being effectuated before I approve them.

Trustee Armacost: But none of the big ones.

Village Manager Frobel: None of the big ones. And the further safety net is if I do not approve that purchase order, no matter how small an item, the check would not be in front of you tonight to be signed. No matter how small it is: that trip to Staples where they bought the binders, even though they have effectively picked it up, they have it, they are using it, I have not approved the issuance of a check yet.

Trustee Armacost: But then what do we do with them?

Village Manager Frobel: It could get tricky. It could be me saying I think you paid too much for it. But I am not going to violate the trust of a department head who has made that decision that it is a wise, necessary purchase for their operation.

Trustee Jennings: And if it was really significant and serious it could be returned and not paid for.

Village Manager Frobel: That is what I am saying. If it got down to that point it could be returned.

Trustee Armacost: Well, obviously we want to avoid that.

Trustee Jennings: I am a little confused, I guess, by the word "purchase." If I go to Staples and I put something on a credit card or if I write a check at Staples, then I purchased it. But this is not what you are saying. It is not purchased until you approve the writing of a check and the check is delivered to Staples. It is not paid for. We do not give our department heads Village credit cards to use when they go shopping. Everything is paid for by check.

Village Manager Frobel: Yes.

Trustee Jennings: So you do approve it before any Village money goes to any vendor.

Village Manager Frobel: Yes.

Trustee Armacost: But how can they actually get the stuff then? I do not understand.

Village Manager Frobel: We have accounts with those various vendors. Hastings Electric, we have an account there. They can run in there and buy two gallons of paint, and then they sign for it. Then that invoice comes in and the purchase order issued.

Trustee Walker: Occasionally we reimburse an employee for buying something with their own money. I have seen that, too. But those are small.

Village Manager Frobel: Right.

Trustee Jennings: It seems to me that a certain amount of discretion makes a lot of sense here. To put a dollar limit on each transaction might not be enough. We might want to try to get an aggregate limit for each department so anything under a thousand you can do it, then we will approve it in due course. But in the course of the year you should not do this more than \$10,000 worth or something like that. I do not know how to do that.

Mr. Wood: Actually, that makes sense.

Village Manager Frobel: OK.

Mr. Wood: But just raising the threshold to \$1,000 would eliminate those times where, like he said, the DPW or the Building Department needs to go out and get a gallon paint. They do not have to find Fran before they get the paint.

Mr. Wood: Number two. We recommend the use of a capital reserve in the general fund to avoid long-term financing for future capital projects. We have already gone over the capital reserve and the possible uses of a capital reserve. If anybody has any further questions or wants to discuss it any further, feel free.

Trustee Armacost: We proposed this ourselves so I do not think we are in disagreement with you.

Mr. Wood: Excellent. My next comment, I want to draw everybody's attention back to the financial statements on page 55. We had a unique year as far as general fund budget goes. Let me read the comment and I will explain. During our review of the general fund budget, we found the general fund budget had been overspent for this 2013-2014 fiscal year due to unexpected expenditures. We recommend that in the future the Village appropriate fund balance during the year and increase the budget for the account codes affected by the unexpected expenditures.

During the year the Village had three police retire unexpectedly. There were large payouts to these policemen for their sick and vacation time. We also had a terrible winter, where snow-related expenses, overtime, salt, was through the roof, well over budgeted amounts. We did do a list of budget transfers, which I believe Fran has. In doing the budget transfers, we had moved everything to the transportation line and having the transportation line as a large negative, due to the fact that the snow had so much impact on the budget in the prior year. Now, to avoid overspending the budget in the future with unexpected expenditures, what we could do, especially because you have such an abundance in fund balance, is during the year we could increase the expenditure budget and to balance the budget on the revenue side, appropriate fund balance during the year. Say it is March and we are \$100,000 over on our overtime and our salt budget and we do not have room in the other budget areas to make a budget transfer for that. In this situation, the Board could decide to appropriate \$200,000 in fund balance and increase the transportation line in the expenditures by \$200,000 to balance the budget and keep the budget from being overspent.

This past year was unique because not only did you have unexpected expenditures but also unexpected revenue. In this particular year, we could have increased departmental income by the additional building permits we received, budget-wise. We could have increased the budget for departmental income and increased the budget for transportation by that same amount in order to balance the budget. That is not going to happen every year. In a year where you have these unexpected expenditures, you are not always going to have some unexpected revenue that would offset that. That is why we are recommending to appropriate fund balance, in that case. But there are times when you have a revenue that is coming in way over. Say sales tax comes in a lot more than what we budgeted for and we had some

unexpected expenditures in the police department for whatever reason. We could increase the revenue budget for the revenues coming for sales tax, and we can increase the expenditure line by that same amount to balance the budget out and avoid being overspent.

Trustee Apel: Why would you want to do that?

Trustee Armacost: We have a contingency fund which is supposed to be used for unexpected expenses.

Mr. Wood: Yes, but it was more than even a contingency fund.

Village Manager Frobel: Even that could contain this contingency.

Trustee Apel: I am still trying to understand. It is just an accounting thing that looks good on the books? Why would we want to do this?

Mr. Wood: You want to do this because you do not want to overspend the budget. You never want to have your budget overspent.

Trustee Walker: So you do it as these expenses are incurred; you are not waiting until the end of the year.

Mr. Wood: It would have been something that would have been done during the year. It is not something we can go back and do at this point. We are bringing it up so in the future, when you know you have these unexpected expenditures coming up, ask are we having unexpected revenues, or should we appropriate fund balance for this amount?

Trustee Armacost: But that is not being straightforward about the way it was. If you budgeted in a particular way and the expenses go over, what is the one percent freeze then? It becomes complicated at that point. If you budgeted in the particular way, you have a bad year and that is the way you have to deal with it. Otherwise, it ends up being hidden in the budget in a way that becomes very difficult to see afterwards. It makes me very uncomfortable .

Trustee Apel: Is the deficit carried over to the following year?

Village Manager Frobel: Yes. Tonight's actions squares the books completely.

Mr. Wood: There is a state law that says you are not supposed to overspend the budget, that you should appropriate the fund balance or whatever it might be during the year. Imagine

you have overspent the budget and you do not have the fund balance to compensate that overspent budget, which is not the issue here. Then all of a sudden your general fund is in a deficit, and then we have issues. And that is why the state has that law.

Trustee Walker: You know this ahead of time so you are not waiting until the end of the year to discover that you are in debt.

Mr. Wood: Right. Going forward, you should try to avoid overspending the budget. And I understand your point, Nicola, where you feel like you are misleading the public.

Trustee Armacost: Yes, I think it is not at all transparent. We just got things cleaned up after a long time. It makes me very uncomfortable.

Trustee Walker: But I do not understand, Niki. You are looking at it as you go, and then realizing uh-oh, we have too great an expenditure here, we might even have to cut back on something if we do not have it in the general fund balance or the contingency. It just gives you time, then, to start to think about, well, is there a way we can reduce expenditures if it looks like you are going to be in debt. Is that the reason behind it? That you then have some time?

Trustee Armacost: But there is no incentive to reduce expenditures if you have increased the budget line.

Trustee Walker: No, but you can only increase it if you were taking it from somewhere. You are not just increasing it without revenues.

Mr. Wood: Yes, you have to offset it by appropriating fund balance. Your concern is misleading the public. It would be done here at a public session of the Board.

Trustee Armacost: Yes, but it is not in a budget session. It is not when people are focused on the budget. It is tucked away, and I am not keen on it.

Village Manager Frobel: OK, that is fine.

Trustee Jennings: I understand your recommendation to make ongoing adjustments to the budget so that you will not end up with this discrepancy at the end of the fiscal year. But I do not understand why you are recommending that we make those adjustments by drawing out of the general fund and increasing the budget, rather than going into the other expenditure lines and adjusting the expenditure part of the budget downward.

Mr. Wood: Only because the overall budget was overspent. I would always recommend that first, to do budget transfers first. But because the budget was overspent overall, then that needs to be corrected.

Trustee Jennings: But if we had made these adjustments on the expenditure side during the course of the fiscal year, it would not have been overspent overall.

Mr. Wood: I think in this particular year it would have been because of all the unexpected expenditures.

Trustee Walker: Because there is no place to pull it from.

Mr. Wood: Yes.

Village Manager Frobel: The timing, late in the year.

Trustee Jennings: If you overshoot with an unexpected thing early in the fiscal year you might be able to still cut back on other expenditures without disrupting the departments terribly much.

Mr. Wood: You may.

Village Manager Frobel: That is always our goal. Except this year, as Justin pointed out, we had those three events that were extraordinary.

Trustee Jennings: I understand the extraordinary part. I just wanted to make the point that as a general policy, when we see that we are getting a little out of whack, we do not necessarily just tap into our general reserve fund. We can also cut back on planned expenditures that have not been made yet.

Mayor Swiderski: Or go into contingency, which is the whole point of the contingency.

Mr. Wood: Absolutely, and it all falls under budget management. I wanted to get back to what you were saying about the transparency, with budget being overspent and you want people to see that the budget was overspent. But also, the other side of that coin was the revenues that came in were well over what we budgeted for revenue.

Trustee Armacost: Right, and they balance themselves out. I would rather people see that in a very clear way in a discussion which is about the budget than have it during some session in the summer when no one is around.

Mayor Swiderski: Other than the fact that we are in abeyance of state law if we do this.

Mr. Wood: Absolutely. That is the main point.

Trustee Armacost: Well, then we should stay within budget is the other side of it.

Mayor Swiderski: But that is not the way it works, Niki. You cannot say you cannot retire because you are going to exceed our budget for the police expense for that one year. That is just not the way it works.

Mr. Wood: And knock on wood we hope we have a mild winter.

Mayor Swiderski: Mr. Storm, go away because we do not want to incur the salt expense. Sometimes you exceed budget lines, and sometimes that is going to blow the budget for the year. These are extraordinary events and you cannot do anything about it. You cannot.

Trustee Armacost: By the time it gets around to April, when we are having budget discussions, we should know where we stand on these things. It is pretty much the end of the year.

Village Manager Frobel: Not really. Those two retirements came late in the year.

Trustee Armacost: But then they are exceptional.

Mayor Swiderski: That is the point, they are exceptional.

Trustee Walker: Niki, you are saying it will get hidden because we are doing it incrementally throughout the year and you would not be able to see it at the end of the year. But could we not see it at the end of the year? Could we see that we pulled from contingency at a certain point to offset an over-expenditure in salt and we would talk about that at budget time so it would not be hidden, it could be transparent.

Trustee Jennings: What we used to do is add another column, a revised budget.

Mr. Wood: You have original and adjusted, yes.

Trustee Jennings: So it is pretty visible what you are doing, even though nobody is at the meeting where you do it. But what matters is that we see it and call it to people's attention.

Trustee Armacost: In any case, maybe I am the only one who feels that way.

Mayor Swiderski: But if it is state law, then it is state law. I am not going to sit here and say let us ignore the state law. That is my point.

Mr. Wood: Understood. And that is why it is in our management letter. If it is not, and the state comptroller comes in to do a comptroller audit, we are going to get a call wondering why we did not put anything in our audit on why the budget was overspent.

Trustee Apel: On page 53 you recommended segregating functions for authorizing transactions, and it may be necessary to hire additional staff. Could you please explain?

Mr. Wood: This is a basic financial statement finding. The comptroller's definition of segregation of duties is, for lack of a better word, outrageous as far as splitting up the duties for cash. As far as the cash goes, Lori and Shelly handle most of the cash receipts, cash disbursements, do the bank recs. The Village does do a very good job of segregating duties. But it can always be done further, if there was one individual who was a payroll clerk and one individual who was human resources. But the Village just does not have the staff to have all these duties split up. So you would have to hire a human resources person, you would have to hire a new payroll clerk because the payroll clerk cannot do the cash disbursements because payroll is so related to cash disbursements. There are a lot of little control type stuff that could always be improved. But to be perfectly honest, I feel that in comparison to other villages this village is pretty well staffed and duties are pretty well segregated. It is just not to the extent that GASB or New York State wants it to be. You know they want to put restraints on the budget. So if you hired four new employees so you could segregate the duties, then you would never be able to be within budget.

Trustee Apel: So why was this put in this report?

Mr. Wood: It is a basic finding that we pretty much have in all of our reports, and for the reasons that I just said, because you do not have a human resources clerk and you do not have a payroll clerk, you do not have a different person in all of these positions.

Trustee Apel: But what I would say is then do not put it in the report if you really do not mean it.

Mr. Wood: I am not saying that I do not mean it.

Trustee Apel: But if boilerplate stuff is put in there, and I am reading this report because I am looking for your advice, and you are saying it is in here, wink, wink, then do not put it in.

Trustee Armacost: You put in a similar thing last time. But we made some adjustments to procedures the last time that you made that recommendation. There were some separations that could be made, where it was not about we just put this in everyone's statement.

Mr. Wood: Yes. I am sorry, I may have misspoken there. If you had a human resources department and you had a payroll department and you had a cash receipts department and a cash disbursement department, then that comment would not be in there. But since we are not segregating the human resources function from the payroll function, then that is why the comment is in there. I strike my boilerplate comment from the record. I stand by this.

Mayor Swiderski: You are obliged to say it, but we have a difficult time living up to it.

Mr. Wood: Yes, absolutely.

Mayor Swiderski: You are obliged to say it.

Mr. Wood: That is exactly what I am saying. And all places have a difficult time living up to it because staffing would be outrageous.

Mayor Swiderski: Right. And we have had this in every single audit finding since I have been sitting up here.

Mr. Wood: Even from other firms before ours.

Any further questions on anything? Ladies and gentlemen, thank you very much.

Mayor Swiderski: You are not excused yet. We are getting to the two resolutions.

59:14 ESTABLISHMENT OF CAPITAL RESERVE FUND

Village Manager Frobel: This draft resolution establishing the capital reserve fund was given to you in early October. The Trustees have been supportive of this for a number of years. Justin helped me prepare this. It is in compliance with state law, which gives us the flexibility to establish a fund like this. The goal is, depending upon fiscal conditions, to begin to dedicate a portion of our revenues into this fund for future capital investments to minimize the need to borrow money for the big ticket items for the projects that we like to see, or at least contribute a portion towards the cost through a cash reserve fund. Additionally, a fund like this is helpful for communities to turn to when they are applying for grants. There was a time when there were capital improvement grants available from both federal government and state governments, and when you need a cash match communities

often turned to a fund like this to say here is our contribution towards that neighborhood sidewalk project or that drainage project. When you needed to come up with, say, 25 percent of actual cash money you could turn to a fund like this. I do not think we are ready tonight to pass the resolution. We did not have the language in the motion, Mayor, to take a roll call vote. But we did want to have this on for that discussion, with Justin being here to take a lead in that conversation. Let him comment on the wisdom of this. I know it is already mentioned in the letter, but if you could add to it.

Mr. Wood: The establishment of a capital reserve will allow you to build funds in that reserve in order to use it for future capital projects such as the street resurfacing. If you were to move, say, \$200,000 to the capital reserve, and you wanted to use that for street resurfacing during the year, you would just need a Board resolution to not only put the \$200,000 into the capital reserve, but then to use the \$200,000 out of the capital reserve.

Mayor Swiderski: What is the advantage of segregating it into a capital reserve fund instead of leaving it in the general?

Mr. Wood: That is a good question. It is generally more of a long-term savings for a larger capital project. If you were to take \$100,000 of surplus every year for the next five years and put it into this capital reserve, at the end of the five years you could have half a million dollars plus all the interest you have gained on that reserve. You could say let us do these big capital projects we have been wanting to do. We have been able to stock this money away for this reserve, let use this money for this project. You would transfer it over to the capital fund so therefore it would not be part of your general fund expenditure budget because it would be, now, a capital project. It is asking money from the general fund, putting it into this capital reserve for future capital projects, for a future transfer to the capital project fund to spend on capital projects.

Mayor Swiderski: It is an explicit layaway fund.

Mr. Wood: Yes, versus having to budget a transfer to the capital project fund.

Village Manager Frobel: And it makes it more difficult for a future Board to turn to it, during difficult fiscal times, and use it for operating expenses. At least there would be an extra step you would have to take before the community to say we are going to go to this fund that we had told you was set aside for capital investments and use it for operations rather than have you faced with a tax increase or cutting services. That is how I viewed it, as that extra step where there would be that confidence that we made a conscious decision to look to the future.

Trustee Walker: Can you invest it in ways that you could not, perhaps, the general fund to accrue more interest?

Mr. Wood: Not necessarily.

Trustee Walker: Nowadays you do not get any interest anyway.

Mr. Wood: Yes, you are not getting interest really anyway. You have to establish a separate cash account for the reserve.

Trustee Walker: Can you have a policy where you say every year for the next five years we are going to put \$200,000 in, or is it something you have to decide on a year-by-year basis?

Mr. Wood: Year-by-year.

Trustee Walker: And then at what point do you decide it? When you are budgeting, or at the end of the fiscal year?

Mr. Wood: I would say more likely the end of the fiscal year. Once you know what your year's surplus was. You do not necessarily need to have a Board policy. But you could say, for the next five years all surplus we get from the general fund we are going to put into the capital reserve. This year, we had a \$43,000 surplus in the general fund; we are going to move \$43,000 into the capital reserve. We could let it sit there and build and build until the capital project we want to do comes along. We have funds to fund that capital project, avoiding long-term financing and interest payments, like we were talking before.

Trustee Armacost: On page 19, where would it show up? Under restricted, and then under capital?

Mr. Wood: No, it would be in the general.

Trustee Armacost: It would still say in general, but it would just be restricted. From a bond counsel point of view, it still looks like the same number. It is just that we have made that little amount untouchable.

Mr. Wood: Put aside, yes, unless the Board votes to touch it.

Trustee Jennings: So the restricted category, they do not disregard that amount of money when we are talking about the future borrowing.

Mr. Wood: No.

Mayor Swiderski: And what is all this talk about referendum and permissive referendum?

Village Manager Frobel: I gave you the excerpt from the handbook on public finance in New York, and I gave you some of the definitions that are often used.

Trustee Armacost: But we are not talking about the repair reserve fund or the contingency tax.

Village Manager Frobel: No. It ended right there. I could have X'd that out. I gave you the whole excerpt.

Trustee Walker: But why not a repair reserve?

Mayor Swiderski: Referendum under capital reserve fund, what do you mean?

Village Manager Frobel: When we do the bond act, in it there is a certain period of time after you pass the resolution in which a petition can be launched to require a referendum. That is why final action does not really rest with the Trustees.

Village Attorney Whitehead: Depends what the fund money was going to be used for, whether it is subject to permissive referendum.

Mr. Wood: I believe in your case, because in a municipality a capital project is not voted on by the residents, capital projects are voted on by the Board, versus in a school district the capital projects are voted on by the public. So they can put together a permissive referendum for the public against building a capital reserve saying I do not want you to put this money in a reserve, I want you to appropriate the fund balance.

Village Manager Frobel: And that is why, under the tax cap, the schools can exclude their debt in that calculation and we cannot.

Village Attorney Whitehead: Because it has already been approved by the public.

Trustee Armacost: But does the referendum apply or not then?

Mr. Wood: Not for your municipality. The budget is voted on by the Board and so are the capital projects all voted on by the Board. So it is the Board's decision only, who are voted to the Board by the public.

Trustee Jennings: So the safeguard that Fran sees as a benefit, which is we put money away under the designation of the restriction of the capital fund, but a contingency, a circumstance, arises in the future when we feel we need to use this for something other than capital projects, we need to use it for our operating budget, the Board, at that time, would have to explicitly do it.

Mr. Wood: Majority vote.

Trustee Jennings: But this provision does not trigger a petition and referendum process by the general public that could prevent that and keep that money in the restricted fund. That is not a feature of this.

Mr. Wood: No, it is not. It is ultimately the Board's decision.

Mayor Swiderski: All right, any more questions on this one?

We move on to the next. Are we renumbering these as we go, or is this shelved, 59:14?

Village Manager Frobel: That is just tabled for this evening.

Mayor Swiderski: So we maintain the numbering, and the next one is 60:14, OK.

Mr. Wood: And the language from the comptroller office, do you still have that? I think I sent it to you in an e-mail, language when you do the resolution for the capital reserve.

Village Manager Frobel: No.

Mr. Wood: This is directly from the comptroller office, so that would be the language when you guys are ready. Fill in the blank with the dollar amount. If you would like Linda to maybe read it over also. It comes right from the comptroller.

60:14 INTERFUND TRANSFERS FISCAL YEAR 2013-14

Village Manager Frobel: Normally after hearing from the auditors we do our budgetary transfers. What this does is put the budget back in balance. Some events occurred during the course of the year, which is not uncommon. This action tonight is a smaller transfer than we have had in previous years. As noted, our revenues exceeded the budget, but our expenditures exceeded the budget, as well. So although we ended up on a positive note, it is necessary to make these various transfers to these accounts.

Mayor Swiderski: And why does the money come out of transportation?

Mr. Wood: The budget was overspent. So no matter how many budget transfers we do we are going to end up somewhere with a negative. Transportation being the biggest issue of unexpected expenditures during the year, we decided that everything would be transferred and then transportation would absorb the negative payment.

Trustee Walker: We do not have to put money into transportation?

Mr. Wood: No.

Trustee Walker: So how come it does not come out of the general fund to go into transportation then?

Mr. Wood: Well, they are all general fund.

Trustee Armacost: But what is transportation? That is like vehicles?

Mr. Wood: Transportation is 5000 codes, all the DPW street maintenance, snow removal.

Trustee Armacost: And general government support, is that where the pension money came from?

Deputy Village Treasurer Zaratzian: That was contingency.

Mr. Wood: Public safety would be where most of that pension was, I believe.

Trustee Armacost: But that is so tiny. I cannot understand. Or it is only \$28,000 above.

Mr. Wood: Over, yes. Above.

Trustee Armacost: But what is home and community, which is \$123,000?

Village Manager Frobel: Home and community was repairs to our sanitary sewers; a large part of it was tree service during the course of the year.

Mr. Wood: Again, due to snowstorms.

Village Manager Frobel: Right. You are seeing more and more damage to trees, you are seeing a more aggressive effort on our part to address trees that residents believe are diseased and need to be removed rather than run the risk of any personal injury or property damage. So it is all the 800 series: sewers, central garage, street cleaning, tree service.

Trustee Armacost: But why did public safety go over? Was that because of the retirement?

Village Manager Frobel: Three police officers.

Trustee Armacost: Was it also the retirement of the Chief?

Village Manager Frobel: Yes, but the Chief was partially planned for. He stayed longer than he had indicated initially, so there were some salary issues as well. We had to continue paying him at the higher rate until the new chief took over. So a combination of Chief Bloomer staying longer than anticipated and the unexpected retirements of Sergeant Hayden and Officer Olson.

Trustee Armacost: But why would the retirements not all be employee benefits?

Village Manager Frobel: The retirement we are talking about here is the severance pay; it is for the unused vacation that the officer took when he left.

Mr. Wood: So they are paid out of public safety salary codes. I do not want to use the word "retirement." The compensated absences paid out to them.

Mayor Swiderski: And a surprisingly high pension bill is what we see in employee benefits.

Mr. Wood: Yes, the police and fire came in well over.

Trustee Armacost: And why was fire so high?

Village Manager Frobel: The length of service award program was greater than we even anticipated. I think it was over by \$15,000, the payment for that annuity.

Trustee Armacost: Is there an explanation?

Mr. Wood: There is an actuary report that gives you the amount.

Village Manager Frobel: They tell you what you are going to pay. They are going to rely on investments. When the actuaries do their numbers they look at the rate of return the company's getting.

Mr. Wood: The last five years' rates of return were not that good. When I went to a seminar for the state they explained that because investments have been improving, over the next five years these retirement system payments should go down because they use their return on investment percentage based on performance of the last five years.

Trustee Armacost: But these are numbers we are given. We do not have any control over these numbers. So they underestimated their numbers.

Village Manager Frobel: Yes.

Trustee Armacost: But everyone has the same problem on this. This is nothing special about us.

Village Manager Frobel: Yes, it is not unique to us.

On MOTION of Trustee Walker, SECONDED by Trustee Jennings the following Resolution was duly adopted upon roll call vote:

RESOLVED: that the Mayor and Board of Trustees authorize the Deputy Village Treasurer to make the following budgetary interfund transfers for FY 2013-14:

<u>Account Name</u>	<u>Transfer to</u>	<u>Transfer from</u>
Public Safety	28,502.00	
Culture and Recreation	4,789.00	
Home & Community	123,798.00	
Employee Benefits	92,345.00	
General Government Support		76,871.00
Transportation		172,563.00
	<hr/>	<hr/>
	249,434.00	249,434.00

ROLL CALL VOTE	AYE	NAY
Trustee Bruce Jennings	X	
Trustee Marjorie Apel	X	
Trustee Meg Walker	X	
Trustee Nicola Armacost	X	
Mayor Peter Swiderski		

Village Manager Frobel: Well, thank you, Justin.

Trustee Walker: Thank you, Justin.

Trustee Armacost: Thank you very much.

Mr. Wood: And if anybody has any questions, concerns, or wants any further explanations, Fran and Raf both have by contact information. I would be happy to field any e-mails or calls. Thank you all.

Mayor Swiderski: It is always refreshing to have your clear answers.

APPROVAL OF MINUTES

On MOTION of Trustee Apel, SECONDED by Trustee Armacost with a voice vote of all in favor, the Minutes of the Regular Meeting and Public Hearings of October 21, 2014 were approved as presented.

APPROVAL OF WARRANTS

On MOTION of Trustee Apel, SECONDED by Trustee Armacost with a voice vote of all in favor, the following Warrant was approved:

Multi-Fund No. 33-2014-15	\$75,863.57
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PUBLIC COMMENTS

John Gonder, 153 James Street: At the last meeting a man from Prince Street suggested something in regard to the A&P, the ordinance on bags. I have a better solution. Boycott the A&P. I know there is going to be a legal battle. But all the people in this village that support the bag ordinance should make that parking lot empty. We have a lot of other stores. So

boycott them if you really believe in this thing. I think it is a better solution than yours. Number two, this water thing. I do not see anything on the agenda about the fire hydrants. You flim-flammed the people. There was \$250,000 that was taken out of the budget which Mr. Frobel said, and zero increase. But that is not really true. We got \$250,000 as a flat tax depending on the size of the pipe coming into your home and the meter and the number of fire hydrants around the Village. We were explained that it was strictly the amount of water, and you were going to look into it. I hope you look into it and maybe correct the situation.

Village Manager Frobel: You and I spoke on the phone. I thought I explained it in a little more detail. It is based on the size line that goes into your home. If you have a 5/8-inch line you pay about \$16 a quarter. Had the Village continued to pay the rental on the 230 hydrants it would have cost all of us about \$250,000. It would have cost you, as a homeowner, about \$111 a year out of your property tax that would have gone towards paying that hydrant rental. So there is a net savings to you, as a homeowner, paying the water surcharge.

Mr. Gonder: I understand that. But at the time, it was said, and I do not think anybody did look into the record, that it was about the amount of water you use. I am an individual of one. That was not true. That was not what was explained at the Board meeting. It was like a flim-flam, a little deceit, a little politics. That is my concern.

Mayor Swiderski: Mr. Gonder, I am not going to engage in a back and forth on words here. But I am going to argue with your choice of words. There was no flim-flam or attempt to deceive you. We did not understand that it was going to be driven by the size of the pipe.

Mr. Gonder: But it was explained that way.

Mayor Swiderski: Because that is the way we understood it. We were incorrect. However, there is still a net savings to you and to everybody else in the Village, or most people in the Village, who are paying. There is a net savings to you personally.

Mr. Gonder: I do not see it. That is where I think the flim-flam is.

Mayor Swiderski: Because your tax bill is not as high as it otherwise would have been.

Mr. Gonder: Zero percent increase. That was terrific. But at the time, everybody says, yes, great. But then we find out, oh, that \$250,000, which is like 1.78 percent.

Village Manager Frobel: The \$250,000 would have been a 2.5 percent increase in your tax rate. It is a net savings to you of about \$50. And the Public Service Commission believes that it should be appropriately charged as a surcharge. Because the size pipe going into your

home reflects the level of fire protection service you require. The larger pipe requires more hydrants, greater service. That was the logic they employed.

Mr. Gonder: So you are saying we are having a savings. They are not charging us \$250,000.

Mayor Swiderski: On your taxes.

Mr. Gonder: We have 1,000 homeowners and do not have anybody that can go there and check their books? It is a foreign outfit and I do not really trust them.

Village Manager Frobel: We have to trust the Public Service Commission. They are our advocates to make certain that consumers are protected. I can tell you that schools, nursing homes, churches and synagogues are all now paying their fair share on this.

Mr. Gonder: Good.

Trustee Walker: That is why it has gone down for the homeowners, because these other institutions are paying into it that were not before.

Village Manager Frobel: And that is why we joined the 70 communities to recommend this change in the state law.

61:14 ADOPTION OF LOCAL LAW NO. 3 OF 2014 REGARDING FALSE ALARMS

Village Manager Frobel: This came from our fire chiefs. They were witnessing an increased number of false alarms. These are alarms that are triggered by faulty alarm systems in homes and businesses. We believe that this is necessary, and that now we can heighten everyone's awareness to keep their systems in good working order or run the risk of being fined. It has been through several work sessions, we have held our public hearing, and I believe at this time we are ready to recommend adoption.

Mayor Swiderski: I will read aloud the one part which is of direct impact on people, which is the fine schedule. First and second false alarm each calendar year there is no charge, but with warning. Third false alarm, a charge of \$125. Fourth false alarm, a charge of \$250. All additional false alarms, a charge of \$500 shall be made.

Village Manager Frobel: There is also an appeal to me if you can explain extraordinary circumstances that have caused your alarm system to continuously fail beyond that fourth or fifth call.

Trustee Walker: And is it the chiefs who are going to keep track of the numbers?

Village Manager Frobel: We think it is going to rest probably with the police department.

Village Attorney Whitehead: The law provides specifically that each department keeps track.

On MOTION of Trustee Armacost, SECONDED by Trustee Walker the following Resolution was duly adopted upon roll call vote:

RESOLVED: that the Mayor and Board of Trustees hereby adopt Local Law No. 3 of 2014 amending the Code of the Village of Hastings-on-Hudson, Westchester County, New York, Chapter 86, Alarms, with respect to false alarms.

Be it enacted by the Board of Trustees of the Village of Hastings-on-Hudson as follows:

Section 1: Chapter 86 (Alarm Systems) of the Code of the Village of Hastings-on-Hudson is hereby amended to read as follows (new language in **bold**; deleted language ~~stricken~~):

Chapter 86 ALARM SYSTEMS

§ 86-1. Purpose.

The purpose of this chapter is to establish standards and controls of various types of intrusion, holdup, fire alarm and other emergency signals from alarm devices that require Police Department and Fire Department responses for investigation, action and safeguarding of property at the location of an event which is reported by a signal transmitted by telephone, leased wire, radio or in any other way relayed to the Police Department or Fire Department ~~by an alarm device requiring investigation or other action by any person acting in response to a signal actuated by an alarm device, including such devices already in use within the village.~~

§ 86-2. Definitions.

For the purpose of this chapter, the following definitions shall apply:

ALARM SYSTEM OR DEVICE

Any mechanism, equipment or device that is designed to operate, automatically or manually, to transmit an audible or visible signal, message or warning ~~from one place to another location~~ **to a third party monitoring business to which the Police Department or Fire Department is expected to respond.**

FALSE ALARM

Any signal actuated through an alarm system or device to which the Police Department or Fire Department responds which is not the result of a holdup, robbery or other crime, fire or other emergency.

FIRE DEPARTMENT

The Fire Department of the Village of Hastings-on-Hudson.

POLICE DEPARTMENT

The Police Department of the Village of Hastings-on-Hudson.

REGISTRATION

~~A registration on a form supplied by the Village Clerk of the Village of Hastings-on-Hudson and approved by either the Police Chief of the Police Department or the Fire Chief of the Fire Department of the Village of Hastings-on-Hudson.~~

VILLAGE

The Village of Hastings-on-Hudson.

~~§ 86-3. Registration required.~~

~~A. No person, firm, partnership or corporation shall operate or maintain an alarm system or device without first registering the same as required by this chapter.~~

~~B. New registration is required within 30 days of expiration or change of owner or lessee of a system.~~

~~§ 86-4. Registration form; required information.~~

~~Registration of an alarm system or device shall be filed with the Village Clerk and Police Department on forms supplied by the Village Clerk. Said registration shall include but not be limited to:~~

~~A. The name and address and telephone number of both the installer and service person of the system and the owner, lessee or user of the premises where the alarm system or device will be installed.~~

~~B. The name and address and telephone number of the person to be notified in the event of the alarm system or device actuation.~~

~~C. A description of any hazards or potentially dangerous features of the premises and surrounding property where the alarm system or device will be installed.~~

~~§ 86-5. Compliance date.~~

~~All presently existing alarm systems or devices must comply with the provisions of this chapter by February 1, 1991.~~

~~§ 86-63. False alarms prohibited.~~

It shall be a violation of this chapter to intentionally or negligently cause a false alarm to be made, and any person who intentionally or negligently causes such false alarm shall be subject to the penalty provision of this chapter.

~~§ 86-74. Charges for false alarm.~~

A. Any owner or lessee of property having an alarm system or device on his or its premises on the effective date of this chapter shall pay to the ~~Court~~ **Village** Clerk, upon ~~conviction~~ **notice**, a charge for each and every false alarm to which the Police Department or Fire Department responds in each year as follows:

- (1) First and second false alarm each calendar year: no charge, **but with warning.**
- (2) ~~All additional false alarms over two in each year: not to exceed \$25, at the discretion of the court, for each and every false alarm.~~ **Third false alarm, a charge of \$125.00**
- (3) **Fourth false alarm, a charge of \$250.00; and**
- (4) **All additional false alarms, a charge of \$500.00 shall be made**

B. Failure to pay any such false alarm charges within 60 days **of the issuance of a notice**, ~~upon conviction~~, shall subject such owner, lessee or user to the penalty provision of this chapter.

C. The Police Department shall cause to be kept an up to date and accurate log of all false alarms occurring in the Village, and shall report same on a regular basis to the Village Clerk.

§ 86-5. Appeals.

Any owner or lessee who is charged for a false alarm may contest such charge, by writing to the Village Manager, within 15 days of notice of the charge, and stating the basis for the appeal. The Village Manager shall hold a hearing on the appeal. The Village Manager's decision of the appeal shall be final.

~~§ 86-86. Automatic cutoff~~ **shutoff** required; ~~penalty; installation and maintenance of system.~~

~~A. Automatic cutoff systems.~~

~~(1) Requirement of cutoff~~ **shutoff** system. No person shall install or maintain in any building, structure or establishment in the Village of Hastings-on-Hudson an external audible alarm of any type which does not also contain an automatic ~~cutoff~~ **shutoff** system or feature automatically ~~cutting~~ **shutting** off the source of power to the alarm after it has sounded for a period of no longer than 15 minutes.

~~(2) B. Penalties.~~

~~(a1) Any person who violates this section shall be deemed a disorderly person and shall be subject to a fine of up to \$250~~**500.00**. Each day on which an alarm remains in nonconformity with this section shall be deemed a separate violation.

~~(b2) The owner and the occupant~~ **or lessee** of any building, structure and establishment shall each be responsible for the conformity with this section of any alarm located on or in premises owned or occupied by him.

~~(3) Effective date. This section shall be effective immediately, but persons responsible for the existing nonconforming external audible alarms shall have 90 days from the effective date of this chapter to bring such alarms into conformity.~~

~~B. §86-7. Installation and maintenance.~~

~~The installation and maintenance of the alarm system or device permitted by this chapter, including the connections to locations designated by the Police Chief or Fire Chief, shall be made at no cost to the village. The owner, lessee or user shall be~~

responsible for the maintenance and service of their or its alarm device equipment and shall be responsible for all malfunctions of their or its equipment. ~~If it is necessary to change the location within the area designated by the Police Chief or Fire Chief to another location designated by the Police Chief or Fire Chief, the village shall not be responsible for any expenses incurred by the owner, lessee or user of the alarm system or device for reconnecting said alarm system or device.~~

§ 86-98. Penalties for offenses.

Any person, firm or corporation who does not pay any charge or fee established in this chapter or who violates any provision of this chapter shall be subject to a fine of an amount which shall not be in excess of ~~\$250~~ **500.00** for each offense. A separate offense shall be deemed committed upon each day during which a violation occurs or is committed; and such violation may constitute disorderly conduct, in which event such person shall be a disorderly person.

Section 2: All ordinances, local laws, and parts thereof inconsistent with this local law are hereby repealed.

Section 3. Severability: If any section, subsection, clause, phrase or other portion of this Local Law is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

Section 4: This local law shall take effect immediately upon filing in the office of the New York Secretary of State.

ROLL CALL VOTE

AYE

NAY

Trustee Bruce Jennings

X

Trustee Marjorie Apel

X

Trustee Meg Walker

X

Trustee Nicola Armacost

X

Mayor Peter Swiderski

X

62:14 ADOPTION OF LOCAL LAW NO. 4 OF 2014 VEHICLE IMMOBILIZATION

Village Manager Frobel: This is a new law; one that we believe will help us in our traffic parking ticket enforcement. It is intended to collect excessive parking tickets. It affects those vehicle owners that have been issued more three tickets within 18 months which are in excess of \$500. We see this as an incentive for people to stay current with their parking tickets and not to allow them to reach an excessive amount. It also is a tool that we can use for those outstanding parking tickets that have been issued to out of state vehicles. We have identified a number of those that park here on a continuing basis, probably commuters, and ignore our tickets and we have no recourse to capture that money. Our neighbor, Dobbs Ferry, adopted this a number of months ago. They have met with a great deal of success, and it is something we recommended to the Board several months ago. We have had a series of work sessions and a public hearing.

Mayor Swiderski: I am going to read aloud the segment here which lays it out clearly. The Chief of Police hereby is authorized to provide for the immobilization of any vehicle against which three or more parking summonses have been issued for a violation of this Chapter within 18 months for which fines equal to or in excess of \$500 remain unpaid, and/or vehicles that have been deemed parking scofflaws by the State of New York. The parking scofflaws piece refers to what?

Village Attorney Whitehead: The Chief and I have been looking at that. There is nothing on the DMV's website that specifies when they determine someone to be a parking scofflaw, but they do under certain circumstances. So that is why he has addressed it.

Mayor Swiderski: And is it OK to request that a fine or letter go out to everybody who owes money on this, or are we going to do something like that?

Village Manager Frobel: We were not planning on it, Mayor. I can tell you, and Raf can answer that for me, as to how frequently these outstanding ticket owners have been reminded by our comp service that they owe money.

Deputy Village Treasurer Zaratzian: We do that at least three or four times a year.

Trustee Armacost: I think it is almost monthly.

Deputy Village Treasurer Zaratzian: They come out monthly. But after four, a final notice goes out. Anybody who gets a parking ticket gets notices and notices and notices. After a certain amount of time and nobody responds, it goes into a bad file. Then we send

out file notices saying that they are going to be prosecuted and so forth. That, I believe happens once or twice a year.

Village Manager Frobel: But if you like, Mayor, we could certainly do another issuance. I think what you are hearing is that the people we are talking about here probably are ignoring us. Even the likelihood of capturing all this money is remote, obviously.

Mayor Swiderski: I am not going to ask for that if the Board does not think it is necessary.

Village Attorney Whitehead: They have had fair warning.

Trustee Armacost: I think they have received a lot of warning already.

Trustee Jennings: I think that is administrative.

Mayor Swiderski: Then never mind. I am not going to force something.

Trustee Apel: If the scofflaw person lives someplace else we are not going to be sending the police out to other places.

Village Manager Frobel: No.

Trustee Apel: So it has to be in Hastings.

Village Manager Frobel: Yes, in Hastings. We will download this information to our car, and the policeman will know if the car is in the area and will take appropriate action.

Trustee Jennings: Are we going to boot a car only when it is found to be yet again in violation, or are we going to scan license plates? And if we find them we will boot them regardless of where they are.

Village Attorney Whitehead: Yes.

Trustee Walker: So they do not necessarily have to be parked at a meter or be in violation.

Village Attorney Whitehead: On the street.

Trustee Jennings: On a residential street.

Mayor Swiderski: Not in a driveway.

Trustee Armacost: People transfer license plates from one car to the other, so are you booting the license plate, or are you booting the car?

Village Attorney Whitehead: The license plate because that is really the person's. The same person is going to own it.

Mayor Swiderski: We have a question which should have been asked into the microphone, which is can we boot outside of the jurisdiction of Hastings. The Village Attorney is indicating no.

On MOTION of Trustee Armacost, SECONDED by Trustee Walker the following Resolution was duly adopted upon roll call vote:

RESOLVED: that the Mayor and Board of Trustees hereby adopt Local Law No. 4 of 2014 amending the Code of the Village of Hastings-on-Hudson, Westchester County, New York, Chapter 282 Part 2 Vehicles and Traffic to add provisions for vehicle immobilization.

Be it enacted by the Board of Trustees of the Village of Hastings-on-Hudson as follows:

SECTION 1. Section 282-2.B. of the Code of the Village of Hastings-on-Hudson is hereby amended to add the following definitions:

Vehicle Immobilization – To apply and lock a vehicle immobilization device to the exterior of a motor vehicle.

Vehicle Immobilization Device - A vehicle boot or wheel clamp designed to immobilize a parked vehicle and prevent its movement until the device is unlocked and removed.

SECTION 2. New Article XVII is hereby added to Chapter 282 of the Code of the Village of Hastings-on-Hudson to read as follows:

Article XVII Immobilization of Vehicles.

§ 282-47 Authorization; responsibility for expense.

A. The Chief of Police hereby is authorized to provide for the immobilization of any vehicle against which three or more parking summonses have been issued for a violation of this Chapter within eighteen (18) months for which fines equal to or in excess of \$500.00 remain unpaid, and/or vehicles that have been deemed parking scofflaws by the State of New York.

B. Such vehicles may be immobilized where located, secured by the use of an immobilization device or, in the discretion of the Chief of Police, be impounded and towed pursuant to Article XIII of this Chapter.

C. Such immobilization or impound will be at the sole expense of the owner of the vehicle

§ 282-48 Notice and warning to owner.

When an immobilization device is used, the Police Department or its agents shall attach a notice to the vehicle containing the following information:

A. The location and identifying characteristics of the vehicle.

B. The date and time of placement of the immobilization device and signature of installer.

C. Notice that the vehicle will be towed if it remains in the same location for 72 hours from the immobilization.

D. Notice that any person tampering with the device or the vehicle will be subject to criminal prosecution and liable for any loss to the Village.

E. The steps which must be taken by the owner of the vehicle to obtain the release of the vehicle from the Village Justice Court.

F. Such other information, statements, notices and warnings as the Chief of Police may, from time to time, determine to be appropriate.

§ 282-49. Tampering with or attempted removal of immobilization devices.

No person shall attempt to or shall tamper with, deface, remove or destroy an immobilization device or move an immobilized vehicle as herein provided.

§ 282-50. Release of vehicle to owner.

A. Any immobilized vehicle as herein provided shall be released to its owner upon payment of the expenses of immobilization and all outstanding parking fines against the immobilized vehicle. A vehicle release must be obtained from the Village Justice Court during normal business hours. Once the release is obtained from the Village Justice Court it may be presented to the Police Department, during normal

business hours, in order to have the Police Department remove the immobilization device or release the vehicle from impound.

B. In rare instances where the owner of the vehicle may be unavailable, an original notarized letter from the registered owner or title holder may be submitted authorizing a particular person to receive custody of the vehicle. Photocopies of letters or faxed or electronic letters will not be accepted. A clearly legible copy of the registered owner's driver's license or other government issued form of photo identification must be submitted with the notarized letter. The authorized person must have no unpaid summonses in their own name or in relation to a vehicle owned by them and must possess a valid driver's license.

C. The owner of the vehicle is responsible for all towing charges and storage fees associated with towing and impound of the vehicle. Fees associated with towing and storage will be paid directly to the tow company.

D. New parking summonses may be issued to an illegally parked vehicle which is immobilized, and penalties will continue to accrue until payment is made.

E. Expired registrations must be renewed and any suspended registration must be reinstated prior to the release of an immobilized or impounded vehicle.

§ 282-51. Penalties for offenses.

A. Any person violating any of the provisions of this article shall, upon conviction, be punishable by a fine not to exceed \$250 or by imprisonment for a term not to exceed 15 days, or both.

B. The fee to release a Vehicle Immobilization Device shall be \$150.00

C. The fee to replace a damaged Vehicle Immobilization Device shall be \$600.00.

D. All the above penalties and fees shall be in addition to the payment of all outstanding parking fines and penalties.

SECTION 3. All ordinances, local laws, and parts thereof inconsistent with this local law are hereby repealed.

SECTION 4. SEVERABILITY

If any section, subsection, clause, phrase or other portion of this Local Law is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

SECTION 5. EFFECTIVE DATE

This local law shall take effect immediately upon filing in the office of the New York State Secretary of State in accordance with section 27 of the Municipal Home Rule Law.

ROLL CALL VOTE	AYE	NAY
Trustee Bruce Jennings	X	
Trustee Marjorie Apel	X	
Trustee Meg Walker	X	
Trustee Nicola Armacost	X	
Mayor Peter Swiderski	X	

63:14 AWARD OF CONTRACT FOR STUDY TO MEET OBJECTIVES OF GOVERNMENT EFFICIENCY PLAN

Village Manager Frobel: We are going to be under pressure to prepare a government efficiency plan. We are going to need to join with our neighboring communities to map out a strategy to submit this plan to the state early next year. The villages that are mentioned in the resolution are joining together and hiring this firm who has helped us in the past. In fact, this is the firm that helped me write the grant for the government efficiency grant we got. So she is very knowledgeable, and the partner is a retired manager who is very familiar with local government. The consultants are y going to do a survey of all our past accomplishments because under this law, we can go back and claim credit, for things that we have been doing as a matter of course since 2012. Through the village officials committee the mayors have taken the lead in having these communities look at joint purchasing, road resurfacing, shared services, a host of things. Before the law was passed, we were doing these things. What we want to do now is go back, capture what we have done, try to quantify it, and also begin to look at new ideas. Part of this will involve interviewing our department heads to brainstorm with them on ways they think they can save money by doing things more efficiently, either by ourselves or with our neighbors. This is a good first step. We took it up at our last VOC meeting. All the communities have endorsed it. What we are looking for is approval to authorize this relationship with the firm.

Trustee Walker: In terms of the incentive that is being provided by New York State, that is a tax reimbursement to individual taxpayers? And how much does that amount to?

Village Manager Frobel: It is a little complicated. To qualify, first the community has to live within the tax cap, which Hastings always has. And if the community had passed a resolution authorizing the ability to exceed the cap they have to reverse that. Some of the communities on this list, as you know, have exceeded it and have passed that resolution.

Mayor Swiderski: All of them but us.

Village Attorney Whitehead: All the communities passed the resolution.

Village Manager Frobel: We held firm, which was wise. And you have got to live within the tax levy which is coming up for the year starting January 1. It is 1.5. But also, you have got to come up with this plan. As near as I can figure, and I have got another work session to go to next week that is being put on, a day-long session on this law, it is going to be a freeze credit. It is going to be equal to the greater of the actual increase in the homeowner's tax bill or the previous year's tax bill multiplied by an inflation factor lesser of two percent or inflation.

Mayor Swiderski: Could you just say that one more time a little more slowly.

Village Manager Frobel: They are going to receive what is called a freeze credit. It is going to be equal to the greater of the actual increase in their homeowners tax bill, or the previous year's tax bill multiplied by an inflation factor. I cannot explain it any better. They are going to have to figure it out. This law, as I mentioned before, was quickly cobbled together and drafted by several different agencies and persons so there are inconsistencies in it. Even the forms we are supposed to use to prepare the plan have not been developed yet. So I really do not know how large the rebate is going to be.

Trustee Walker: At any rate, there is something there that is worthwhile. Otherwise, we would not be going through all of this. It is going to pay off for our taxpayers.

Mayor Swiderski: This small investment for the consultants is likely to yield a lot more. The return will be high to the taxpayer. I still do not understand this law. Fran will have to set us true what this means.

Village Manager Frobel: Right, after my session I can.

Mayor Swiderski: If your budget is \$14 million and you save one percent, are you still allowed to increase up to the tax cap amount?

Village Manager Frobel: That is going to be interesting. What becomes the base year is the budget I am going to be preparing now for next year. That levy will be the base that we tee off the one percent in the future. I thought it was the year we are in today. It is not. The next year's budget, whatever that levy is, one percent will be the number that we have to meet in the next three years.

Mayor Swiderski: Off of that?

Village Manager Frobel: Off of that; say \$106,000.

Trustee Walker: All of these things have to be recorded, and that is why you need a consultant to look through and find the places where we can create these savings within our expenditures and document them.

Trustee Apel: If you do not meet those things as you go forward, then that particular year the individual homeowner will lose the savings?

Village Manager Frobel: Right, will not get that. That will be the politics of it in those communities. And of this group that is joined together, as I mentioned most of them have already passed resolutions exceeding the cap. And some of them are not prepared to come up with a one percent cut in expenditures. They do not believe it is feasible.

Trustee Armacost: So how is it going to work to work together? That is going to be a bit strange.

Village Manager Frobel: If we join, say, with Elmsford and save a certain amount, and then Dobbs, there is going to be savings. What I am saying is, some of those communities might not make one percent.

Trustee Armacost: So we may be the ones that benefit, simply because we are better positioned than anyone else to meet the one percent target because of the way we have operated over the last few years.

Village Manager Frobel: That is what I am counting on.

Trustee Armacost: On the consultants, was there a group of people who submitted CVs, or was this a particular pair? Should we have gone through that procurement process?

Village Manager Frobel: Dobbs Ferry is the lead. This woman has a business relationship with Dobbs today. She is their on-call consultant. She drafts all their grants. I am comfortable with that relationship.

Trustee Walker: We do not have to issue an RFP because it is a small amount.

Mayor Swiderski: And it is personal services.

Trustee Walker: Is there no requirement to have an intermunicipal agreement when you are undertaking a joint project like this?

Village Manager Frobel: What you are seeing tonight is only collecting data. When we get to the next level, we are going to need intermunicipal agreements, when we finalize those relationships, to demonstrate the savings. That way we have a hard document we can turn to saying yes, we are participating in the road resurfacing, we expect it to yield this kind of savings, or some other purchase.

Trustee Walker: And then we have an intermunicipal agreement. Are these consultants also looking at our own budgets in terms of expenditures? You said the department heads are going to be looking for places for savings, as we have asked them to every year. So they are going to do it again. Are these consultants going to be doing that, as well?

Village Manager Frobel: Yes.

Trustee Walker: So they are going to look at everybody's budgets to look for separate efficiencies, separate from these potential areas where we can do joint savings?

Village Manager Frobel: Yes. We sent her our budget three weeks ago, and she is putting it on a giant spread sheet where she is going to have all the communities and all the budgets lined up showing where the different amounts are spent. She is already collecting that data. That is what is going to come out of it, looking at our budget separate from the others.

Trustee Armacost: Are capital expenditures treated separately, or do we not know yet? If we have a large capital item, will that help us or is it irrelevant because it is not included in the regular budget because it is paid for by bond?

Village Manager Frobel: The debt is included in the regular budget.

Trustee Armacost: The debt is. But I do not think it affects the debt that much if you take an item out. Maybe it affects it a little.

Village Manager Frobel: No, you are right. It would be a very small amount.

Trustee Armacost: So it is not affecting the capital plan, then.

Village Manager Frobel: It should not. Again, principal and interest, a small amount if you took out one item. Say you did not buy a garbage truck.

Trustee Armacost: Or you did not buy a fire truck or something.

Village Manager Frobel: Right, a heavy piece of equipment. I could do the math and ask her that question. See what difference that would make.

Trustee Jennings: How will the study we are hiring for now interdigitate with the ongoing study of DPW?

Village Manager Frobel: If that study were to be implemented you could easily make the one percent. All your problems will go away. Here, we are digging and trying to find every penny.

Trustee Jennings: Not so little, probably, but sharing the purchase of the asphalt for the roads?

Village Manager Frobel: We can demonstrate that savings. But a merger of the two, even in the various fashions, and you know we have the six options, any one of those would go a long way towards hitting that goal.

Mayor Swiderski: Some of them would blow it out of the water.

On MOTION of Trustee Walker, SECONDED by Trustee Armacost the following Resolution was duly adopted upon roll call vote:

WHEREAS, New York State has instituted a tax cap for local governments and school districts, and

WHEREAS, New York State has provided an incentive for local governments to stay within the tax cap for their tax levies, and

WHEREAS, the incentive provides for communities that prepare, submit by June 1, 2015, and have approved, Government Efficiency Plans

for budget years 2017-19 that show savings of 1% or more of their 2014-15 tax levies, and

WHEREAS, New York State encourages communities to form groups to achieve the required savings, and

WHEREAS, the Villages of Hastings-on-Hudson, Tarrytown, Dobbs Ferry, Elmsford, Irvington, Sleepy Hollow, and Ardsley are considering forming such a group, and

WHEREAS, local government consultants Fiona Hodgson and Michael Ritchie have submitted a proposal to conduct a study of possible savings, including mergers, shared services, or other efficiencies in order to meet the objectives of a Government Efficiency Plan and, later if subsequently authorized, the preparation of a Government Efficiency Plan to be submitted to New York State, and

WHEREAS, the Village of Dobbs Ferry has been designated as the Lead Agency, now therefore be it

RESOLVED: that the Village Manager of Hastings-on-Hudson is hereby authorized to enter into an agreement with the above named consultants to undertake such a study, and be it further

RESOLVED: that the cost of the study is not to exceed \$9,800 to be shared equally by the participating municipalities, and be it further

RESOLVED: should the Town of Greenburgh or any other municipality join the group the cost of the study will increase by \$1,400 per jurisdiction such that the share for each participating municipality will remain the same.

ROLL CALL VOTE

AYE

NAY

Trustee Bruce Jennings

X

Trustee Marjorie Apel

X

Trustee Meg Walker

X

Trustee Nicola Armacost

X

Mayor Peter Swiderski

X

VILLAGE MANAGER'S REPORT

Village Manager Frobel: The sidewalk project is moving along nicely. The weather has cooperated, we will be finished, probably, with Warburton tomorrow. We have already begun some demo work on Spring Street. They will then do the stamped concrete between the curb and the sidewalk, which will move very quickly, and we will be done with it. After that, Con Ed will be back with a paving crew to do Warburton, Spring and Main. And then we will button it up for the winter. Plans are for us to come back in the spring and look to do an overlay

Mayor Swiderski: And the overlays on Main and Warburton remains the county road.

Village Manager Frobel: Yes, Warburton and Main is county road. We are just talking Main Street.

Mayor Swiderski: And the county, at least to me, indicated until the bridge is done we should not count on resurfacing. I was told they are likely to do the whole stretch at that point.

Village Manager Frobel: Very good. That would make sense; the approach to the bridge.

We have invited the Little League here this evening. The lieutenant as president of the League has been keeping me closely informed, and with Kendra Garrison being responsible for the parks, they have fashioned some very nice improvements anticipated to occur at Zinsser. Over the past few weeks, the president and I had talked about ways to modify the budget, keep it within a reasonable ranges. I told the president I thought it could be part of a larger conversation that we are going to be having sometime before year end on the entire capital project. Money for this project is not in the operating budget. When we were putting the budget together for the current year, Parks and Rec were focusing their efforts on Riverview Park, trying to make some improvements there, doing it with our own forces and buying material. We did not know this was in the offing. But having said that, we would like to make it work. It would be a nice amenity, a nice improvement. A number of children participate in the program. It is a worthwhile endeavor. So I asked him to come here tonight and talk to you about it. I am looking for approval from the Board to overspend the line item in the parks budget to accommodate their needs; we will probably either try to adjust the budget during the course of the year, or turn to our contingency.

Dave Dosin, President, Hastings Little League: On behalf of the Hastings Little League, I would like to thank you all for having us here tonight. I am here with Sean Rooney and Mike Mitchell. They are both on the Little League board.

Mr. Dosin: I did ask Sean Connaughton to be here, but he is unable to attend. He is one of our construction consultants. What we would like to do is broken down into two phases: Zinsser Park, which is Zinsser field one, which would be the dirt softball field; and Zinsser field two on the other side which is the baseball field. Uniontown Field, which is separate, I will explain what is going on there and how we improve that. But the main components of this project will take place at Zinsser Park. There are no dugouts at Zinsser Park. We would like to have new block dugouts put in at the Zinsser one field, which is the softball field. This would be done by a precast construction company, which would bring them in a truck. It was the most affordable way to get it done. It would be \$32,000 to have them come in, delivered, installed and ready to go, for both.

Trustee Walker: Can you explain the importance of having a dugout?

Mr. Dosin: There are two main reasons why we would like to have the dugouts at both fields. Number one is a safety issue. Because currently, and it happened to me over the summer, when it rains or lightning there is nowhere to go. You have to run to your car, which is a danger to the kids. We could scoop them up and put them in the dugout.

Trustee Walker: So it has a roof.

Mr. Dosin: It has a roof, yes. The other reason we would like to do it is, it keeps kids involved in the game, makes them feel more a part of a baseball game, softball game. And it also helps us from trying to oversee them going up on the Aqueduct or going in the woods. They are in the dugout, they are involved. Those are the two main reasons, but the safety one is the main.

Trustee Armacost: There is also a gender equity reason, meaning that this is a field where it is mostly softball that is played.

Mr. Dosin: Correct.

Trustee Armacost: And the other fields, where baseball is being played which mostly has boys and softball which mostly has girls, the girls have not had the same kind of prestige, if you like. It is a perfectly good field, but it feels more special if you have got a dugout. It makes it feel more professional.

Sean Rooney, Little League Board member: I head up the softball side of things. I totally agree with that. Uniontown is a great field. But there are number of reasons that preclude playing softball there: a grass infield, a raised mound:: both of those things are not in line

with how one plays a softball game. We have a phenomenal field at Zinsser. As the head of the softball, as one of the coaches, I have traveled throughout Westchester and played other towns with our travel team. We are always playing on baseball fields in other towns. We have a dedicated softball field for a third of our membership. It is really phenomenal, but it is lacking from a safety perspective and it is lacking from that focus that Dave was talking about. There are a number of dogs that come down from the Aqueduct trail and distract everyone; there are other people that come down. There is just no place to keep everyone contained and in the game, and in line with what girls need to have when they are playing. So I totally agree with you. It is a gender equity thing. These girls are out there, they are having a great time, and they have 80 percent of a phenomenal field. We just need to bring it to the next level.

Mr. Dosin: That was the dugouts at Zinsser one. We would also like to construct, on the first base side of Zinsser one, what they call a bullpen, a safety area outside the dugout, where the pitcher and catcher can warm up safely without being interfered with the game. We would also like to run electricity, for security reasons, from the shed to these dugouts. That was my idea because I would like to put like a motion light up there to stop any criminal activity that may happen.

Moving over to Zinsser two, the fencing is in disarray. It has to be taken down. It has got holes in it, the holes are all rusty. The backstop needs to be moved back because it is not in regulation. In order to do all this, we talked to Numat Fence. They suggested we do not block dugouts at Zinsser two, but while we are doing all the fence work they could install a fenced dugout. It would also have a roof on it.

Then moving on to Uniontown field, this year we had a drainage issue on the first base line. Mike and I, every Saturday morning, would be up at 6 a.m. pumping the water so we could play the game. It just goes underwater now. It just developed. We looked at it with Rich Strobel from parks and rec; the thought was that because of the harsh winter the ground was so saturated. We would like to install a drain there to suck up the water and run out to the outfield line. Because of all this dampness on the grass, the whole infield at Uniontown has been damaged so it has to be re-sodded. We are in the process of working with the Village on that.

The total cost to do all of these mentioned projects would be \$52,950. The Little League is willing to put up \$30,000 to get the project going. We are here to ask for some help because we think this is what the community would like. Again, it is a safety issue at Zinsser. We now have taken on T-ball. The enrollment has increased, and we think it would be a wonderful thing for the community to have.

Trustee Armacost: The Little League board has committed \$30,000. My understanding was that you were requesting \$18,000 from the Village, which would leave a deficit of about \$4,000.

Mr. Dosin: Yes, and we are willing to pay the \$34,000 if you guys could help us out.

Trustee Armacost: But your request is for \$18,000. And the reason why we are having this meeting is that it is during this fiscal year rather than in the budget last time.

Mayor Swiderski: When would the work happen?

Mr. Dosin: We would like to start the work as soon as possible, before the cold and the snow arrive. Our goal is to have this ready for opening day 2015. So we would like to get this done by December to be safe with the weather.

Trustee Armacost: Let us assume we say yes to this. Are you going to come to us next year with another budget request, or are we off the hook for another year?

Mr. Dosin: No, I think it is safe to say you would be off the hook for another year. This is a major project, and we realize that, we get it and we appreciate it. If something should arise, we would be willing to raise the money to do other avenues.

Mike Mitchell, Little League Board member: I do baseball operations. This is a fairly unique year for the Little League. We had about 340 participants in the Little League this year, which is about 12 to 15 percent more than we normally have. A lot of it had to do with the fact that we put in a T-ball program, which had normally been run by the Recreation Department. We decided to take that over, with the acquiescence of the Rec Department. Our budget year does not run the same as yours, because we collect money at the beginning of the year, we pay for uniforms, we pay for a number of things; insurance and so on. At the end of the year, which is now, after the travel ball has ended, which was last week, we can see what we have in the bank. This is particularly ambitious, I think. But also, you were asking if we were going to come back next year. This is what we have been wanting to do for a number of years. We just have not had the money. In this particular year, we have something close to the money.

We would like to be able to do this, and part of it has to do with the gender equity. That is a big deal. I have girls and boys. My girls played on that field before any improvements were done, and it can be a miserable place to play. There is a lot of mud, you are looking into the sun, and so on. This is something we have been wanting to do for awhile. It is just this is a fairly unique year for us.

Trustee Armacost: Thank you. I am in favor of doing it this year.

Trustee Apel: It sounds like a very well thought out plan. It seems to me that based on your budget, you are paying for the dugouts and we are paying for the drainage. I think we appreciate the fact that you are willing to do that, too, for all our kids.

Mayor Swiderski: We do not have many partners who are willing to shoulder 60 percent of the expense.

Trustee Armacost: Absolutely, it is fantastic.

Mayor Swiderski: And while hundreds of kids benefit, it is also an amenity that is available to the community at large when the kids are not using it. And there are adults who are using those fields all the time. There are informal leagues out there. So essentially, you are helping us provide a top-notch amenity and continually improving it, while shouldering most of the cost. It is, from my perspective, hard to argue with that.

Trustee Armacost: Lieutenant Dosin is a genius at raising money, I have to say.

Mayor Swiderski: League President Dosin. He wears a different hat.

Trustee Walker: I am in agreement, but I have a question about the drainage issue. Do you think the solution you are going to find will solve the problem, or is it a stopgap measure? Was there some development that was done in the area that caused it, in addition to the bad winter? Is there anything else we should be looking at?

Mr. Dosin: We looked at the whole area. No, there was no other development in the area. I also had Gene Calamari look at it with me, and he was amazed. He has never seen it that bad before. We could chalk it up to just a bad winter, but we are afraid of having a repeat episode.

Trustee Walker: So what do you need to do to remedy it?

Mr. Dosin: What they are going to do is install a drain underneath the first base line, and it is going to go right out to the outfield. It should absorb both the water and help. The sod replacement is an annual thing we do every year anyway, but this year it really needs it because it was damaged.

Mayor Swiderski: Well, that is why we have a contingency fund.

On MOTION of Trustee Armacost, SECONDED by Trustee Walker, the Board of Trustees resolved by voice vote to allocate \$18,000 for field improvements in support of a Little League effort, involving a commitment on their end of \$34,000, for dugouts, drainage and other improvements.

Mr. Dosing: Thank you very much.

Trustee Armacost: And thanks to all of you for your y hard work for that contingent of our community.

Mr. Dosing: There will be a lot of happy children next year.

Trustee Walker: Since we are still on the Village Manager's report, you mentioned something about Riverview Park. We had allocated funds to make improvements, and I wondered what was happening with that.

Village Manager Frobel: Over the summer months the crews have done a lot of fencing around it, cleaning it up, tree trimming. They are beginning to do some grading work on the lower level. All working with the neighbors there, who have spearheaded the desire to make that into more.

Trustee Walker: But working toward the idea of having the dog park in the lower level and the people park on the upper level. Because it is still a dog park, right?

Village Manager Frobel: Yes.

Trustee Walker: I think it is time we worked toward making that accessible to the community. It really is not now. It is very unpleasant to spend any time there.

Mayor Swiderski: Do you want to ask for Kendra to give us five minutes at the next meeting?

Trustee Walker: Yes, I would really like to know how that is coming along, and at what point are we really going to see something that is an improvement for the community.

Village Manager Frobel: What I saw occur over summer, I was very impressed with what I have seen in terms of the new split rail fencing. A lot of nice work has been done with our own crew. But we will take a look.

Trustee Walker: But at a certain point it is going to get split into two parks, right?

Village Manager Frobel: I think that is the plan. I honestly do not know. I know there is large dog, small dog.

Trustee Walker: Well, at least to have dogs over there and the people over there. Let us get Kendra in. Thank you.

BOARD DISCUSSION AND COMMENTS

1. Grant Application – Coastal Floodplain Management and Resiliency Planning through EPA Building Blocks for Sustainable Communities Program

Trustee Walker: I asked to put this on the agenda. I see this is a very competitive grant. The EPA will select only up to 25 communities around the country. So it is highly unlikely we would get such a grant. But it did trigger a thought that maybe we should consider looking for monies. We want to go through a planning process soon on the waterfront. A piece of that planning process is going to be about flood resilience for riverine and coastal communities, which is one of the pieces here. And I bet you there are other monies through New York State and perhaps other sources that we could look at. So we would be doing a combination of starting to ramp up our planning, looking for planning monies, doing more community engagement process, and thinking beyond just the infrastructure piece of it, which we want to figure out very soon. But then after that, we are going to want to do more planning. We need to start looking ahead and looking for grant monies in order to do that. Or work with BP on it. But I think there is money out there, so that is why I brought this up.

Village Manager Frobel: It is an exciting opportunity. I attended the webcast and listened in on that. I got all the data on it. You are right. Whenever you mention the EPA and you are going directly to the feds it is usually big cities. They funded Buffalo, San Diego, Denver. Even though they say small rural communities are a part of the mix, in all likelihood out of the 40 applicants for each of the five tools, the areas they are going to focus their attention on, the competition will be tough. But the application is just a letter of interest. There is no money involved. It is all technical assistance. There is no grant that you are going to get. The EPA has a series of consultants lined up nationwide. They have been on board with the EPA with a business relationship for probably five years now. So someone would be assigned to come out here. You start off with a day-long self-assessment review, probably like a little charette. Is that what they are called?

Trustee Walker: Yes, it could be.

Village Manager Frobel: Then they come out with a day of technical assistance. One thing I thought, maybe the form-based zoning. They want to be very specific as to what you want their consultants to help your community focus on.

Trustee Walker: So that could be the sustainable strategy, falling under that tool.

Village Manager Frobel: Yes, sustainable strategy for small cities and rural areas.

Trustee Armacost: I do not think we are either a small city or a rural area.

Mayor Swiderski: It is a letter. I have less of a problem dedicating the resource to write a letter.

Village Manager Frobel: It is a quick turnaround. I got to have it in by November 20. I thought about this on Thursday, they announced it, which makes you think other people have an inside track.

Trustee Walker: No, this has been around for several years.

Village Manager Frobel: This is their third year.

Trustee Walker: My firm is providing technical assistance for one of these.

Village Manager Frobel: Yes, they mentioned your firm in the webcast.

Trustee Walker: So keep it in there, right? But those are not the ones I am looking at.

Mayor Swiderski: How much of an effort is it to prepare that letter?

Village Manager Frobel: I can do a draft that Meg can help me polish up. The letter has got to be very specific as to what we want them to help us with.

Trustee Walker: This is really for a community, not for a group. What if we did something with the other villages about flood resilience?

Village Manager Frobel: They discourage it unless you can show a brownfield straddles two communities, and she used that as an example, they did not seem keen on that.

Trustee Armacost: If you have the time, Fran, why do you not take a crack at the letter?

Trustee Walker: I would be happy to help in a limited way.

Village Manager Frobel: do not know anything about form-based zoning. I do not even know how to verbalize what it is.

Trustee Walker: We have to first figure out whether we think it fits within this program.

Mayor Swiderski: Flood resilience is more likely.

Trustee Jennings: Yes, I think that is the one that would fit us best.

Trustee Armacost: Yes, that whole area down there. You know who might be helpful on the flood resilience issue is Mary Jane Shimsky.

Trustee Walker: Well I know quite a bit about this flood resilience thing.

Mayor Swiderski: If we do not win the grant you can give us to it for free.

Trustee Walker: There you go. I do not know exactly nor have the technical expertise. But I know enough to put something into an application. And I know the consultants who are out there. If we need to hire somebody to help us with this there are people out there. But it is a piece of the planning that we need to look at before we do the rest of the planning.

Mayor Swiderski: I agree.

Village Manager Frobel: So what are you suggesting?

Trustee Walker: I think we should try the flood resilience. I do not know that the form-based zoning could fit in this, but I will look at this more carefully.

Village Manager Frobel: You know me. I like a lot of lead time. We will have to do a draft.

Trustee Walker: Right, immediately.

Village Manager Frobel: Tomorrow morning I was thinking. But sure, let us work on this.

Trustee Walker: We could talk on Thursday, possibly.

Village Manager Frobel: OK. But it did sound exciting, and the price is right.

2. Update on the Downtown

Trustee Walker: Our Downtown Advocate, Barbara Prisament, has hit the ground running. She is very enthusiastic. She had a meeting where she invited merchants. She has also been meeting individually with almost all the merchants in town. And she has come up with a number of great ideas, both for the holidays and for Friday Night Live. We met last week with Barb and Lisa O'Reilly and Jennifer, my Friday Night Live committee, to talk about December 5, which is the tree lighting night. Some of the ideas are to do a promotion she wants to call Destination Hastings, which would involve merchants and restaurants. Restaurants would be doing a promotion where they would give 15 percent of their take to the Food Bank. The merchants would each have a promotion. They may agree to go into this Food Bank or they may not, but they would have some kind of promotion. They would stay open late which they have not in the last few years. Then there would be something to pull people into the stores. So Barb is working on that. There would be a coupon you would buy like a passport. Each one would be worth \$4, and you would use it to spend at the restaurants. They would have a reduced rate for drinks. I have not had a lot of luck in the last few years getting the merchants involved in Friday Night Live events, particularly the holiday event when we would like them to stay open and have the ability to shop late one night. So she is working on that for December 5. We will do the tree lighting as usual, with music. But we may have additional music. She is talking to the high school madrigal group about performing even after everybody goes to the Community Center.

Mayor Swiderski: For meeting the holiday red man.

Trustee Walker: Yes, holiday red man, and having hot chocolate at the Community Center. The idea is to get more people than just the families who want to see the holiday red man downtown to shop and eat and drink and have a festive night downtown. Then we are going to meet to talk about a schedule of Friday Night Live events for next year, in which Barb would be involved to a greater degree. We would be getting more help than we have in the past, which is terrific. The Downtown Collaborative is meeting tomorrow night with Barb, and we are going to be looking for how the Downtown Collaborative can now intersect our activities and projects with Barb's activities. So a lot is happening.

Village Manager Frobel: Barb has prepared a comprehensive written report which I received today, I am going to send it to everyone tomorrow, going into all that detail you talked about, and more. One thing I would point out, and I know this is a topic I will carefully administer, there are going to be costs.

Mayor Swiderski: The expenses she has talked about, at least in my conversations, were

measurable in the hundreds of dollars, not in the tens of thousands of dollars.

Village Manager Frobel: No, but it is closer to a thousand dollars.

Trustee Armacost: But a thousand dollars is not very much.

Village Manager Frobel: But it is per event.

Trustee Armacost: We need a proper budget for the year. We cannot have a creeping, incremental thing.

Trustee Walker: That is part of the discussion with the Friday Night Live group and the Downtown Collaborative. We need to come up with a fund-raising strategy. We were not getting the funds we used to from our local corporate interests.

Trustee Armacost: When we interviewed each of the candidates we specifically mentioned that fund-raising was part of the job. So there needs to be a fund-raising plan and there needs to be a plan relating to expenses.

Trustee Walker: We are hoping we can find another way to pay for these. But the holiday event is fast upon us, and I do not know that we can come up with a fund-raising strategy. And we do not have any additional funds in the Friday Night Live account.

Trustee Armacost: I do not think it is a problem if it is \$1,000. The year is going to be week to week. That adds up to a lot of dollars at the end. Maybe, Fran, when you send us the note, or maybe in the next meeting, you can let us know where things stand in terms of the development of the work plan and the budget. Both of those things are going to happen fairly early on with you, right?

Village Manager Frobel: Yes. We talk and meet often.

Trustee Armacost: But there was going to be a written work plan developed, right? A proposed one was sent to us. But I do not think it was agreed on as a final one.

Mayor Swiderski: No, but she has got quite a few ideas going and is beginning to lay them out.

Trustee Walker: Yes, she is still gathering information.

EXECUTIVE SESSION

On MOTION of Trustee Armacost, SECONDED by Trustee Walker with a voice vote of all in favor, the Board scheduled an Executive Session immediately following the Regular Meeting to discuss litigation and personnel.

ADJOURNMENT

On MOTION of Trustee Walker, SECONDED by Trustee Armacost with a voice vote of all in favor, Mayor Swiderski adjourned the Regular Meeting at 10:01 p.m.

The Executive Session was preceded by a closed session with the Village Attorney for advice of counsel.