

Sheehan

**OPERATIONS MEETING, VILLAGE BOARD OF TRUSTEES
MONDAY, MAY 19, 2008
7:00 P.M.**

PRESENT: Mayor Bob Green, Trustees *Marc Angelillo, Kathryn Carlson, Sue Jones, Tim Lynn, Police Chief Lloyd Perkins, Village Attorney Byrne

OTHERS PRESENT: Roger and Patty Beer of Green & Seifter, CPAs, PPLC, Village Auditors

PT POLICE: Chief Perkins explained that to be competitive and attract part-time police officers, he feels the hourly rate needs to be increased to \$25. On the motion of Trustee Jones, seconded by Trustee Lynn, it was resolved and unanimously carried (4-0 in favor) to authorize payment to part-time police officers at \$25 per hour commencing June 1st, as included in the adopted budget for FYE '09.

*Trustee Angelillo arrived

SUV FOR POLICE: Chief Perkins said he has quotes for a sport utility vehicle for use in the new truck enforcement program from Warnock (bare bones Durango under state bid at \$22,000, which would then need \$4,000 in options from Warnock and installation of a light bar and other equipment here); Bombard Chevrolet (Tahoe at \$29,700); and Pirro Ford (Expedition at \$27,055). He said the Pirro Expedition is available now and if he could move ahead, he could get the light bar and other items installed and get the enforcement program started sooner. If he has to order a vehicle, it will take 6-8 weeks. He noted that \$21,000 is in the budget and Senator DeFrancisco has indicated that there will be a grant for \$20,000. He does not have a commitment letter for the grant, but is confident it will come. On the motion of Trustee Lynn, seconded by Trustee Jones, it was resolved to authorize Police Chief Perkins to purchase a Ford Expedition from Pirro Ford at a cost of \$27,055 with the understanding that if the \$20,000 DeFrancisco grant does not materialize, the Police Department will sell its Crown Victoria. Voting in favor: Trustees Angelillo, Carlson, Jones, and Lynn. Voting against: Mayor Green (who indicated he'd like to see the commitment letter on the grant). Motion carried 4-1 in favor.

AUDIT FYE '07: For the benefit our newer Trustees, Village Attorney Byrne commented that the significance of this process is that the Trustees have a statutory responsibility to audit or cause to be audited the finances of the Village. In recent years, the Board has chosen to engage the CPA's, Green & Seifter, to meet that responsibility. Trustee Carlson said she is familiar with the process as school districts do external audits all the time. Patty Beer distributed a overview handout and explained that the General Fund reported a net gain of \$33,000. Under the GASB 34 (Governmental Accounting Standards Board Statement 34), where current and non-current net assets are reported, there was a net decrease of \$935,000, primarily associated with depreciation. Roger Beer noted that proprietary funds (electric, water and sewer), operate like a business and report on a full accrual basis as opposed to the governmental (General) fund, which is modified accrual. He said fixed assets are always shown in proprietary fund financial statements. Mrs. Beer reviewed their specific findings:

- 1) In rendering an unqualified opinion, G&S identified as a significant deficiency in internal control due to the Village having no one on staff to "bridge" governmental statements to (GASB) government-wide financial statements. Trustee Jones commented that they got "dinged" for that at her work, too, and it's utterly ridiculous. Mrs. Beer said some places use Fiscal Advisors or another CPA firm rather than hire internally to meet the requirement of having someone at the entity who understand the financial statements.

AUDIT
(Cont'd):

Village Attorney Byrne said a few hours of Fiscal Advisors' time, may be a good investment. Mrs. Beer said there is a NYS requirement that the Village's LOSAP (Length of Service Award Program, a pension fund for qualified firefighters) be audited. If the LOSAP is audited as an employee benefit plan, the cost can range from an average of \$7,000 to as much as \$21,000. Alternately, disclosures regarding the LOSAP can be included in the financial statements of the Village and this will meet the audit requirements of the State. The State Comptroller's Office has indicated that OCBOA, (other comprehensive basis of accounting) modified accrual statements with the LOSAP disclosures as part of the footnotes will satisfy the audit requirements. The Beers recommended OCBOA, along with updating the Village's fixed assets with additions and deletions.

2) With regard to the G&S recommendation that inventory be kept in a secured area, VC/T Sheehan reported that the inventory is locked in a fenced area or building each night. The Village Board stated that they want the spools of copper wire moved from the landfill to the Village's wastewater treatment plant property.

3) In discussing the "combining of cash accounts" to increase efficiency, VC/T Sheehan showed a spreadsheet developed by a VC/T at another village who had combined checking accounts and was finding it less efficient to reconcile those account. It was agreed that Mrs. Beer and VC/T Sheehan will examine the consolidated-accounts concept again and convince one or the other of the best approach here.

4) The Board agreed that the Village should continue to update its inventory of fixed assets as recommended by G&S. Additionally, a physical inventory should be conducted periodically to assure that the assets are in place (perhaps every 3 years). It was noted that the Village criteria for capitalization is set at \$3,000, which G&S felt is reasonable.

There was general discussion about the benefit of preparing GASB 34 statements and Roger Beer commented that in treating the operation as a business enterprise, the "paper" depreciation, in the Village's case nearly \$1 million, should be about equal to our "actual" expense for improvements, the reinvestment we are making into our property.

Village Attorney Byrne suggested that at its June 9th meeting, the Board prepare a response to G&S and decide how it wants to proceed with financial reporting for FYE '08 (OCBOA or GASB 34).

RETIREES'
HEALTH
INSURANCE:

VC/T Sheehan reviewed how the switch from the Village's BC/BS EPO 11 plan to an Excellus-offered supplemental plan for retirees with Medicare A&B has been implemented and how she misunderstood the way the "cap" was to be utilized. On the motion of Trustee Lynn, seconded by Trustee Jones, it was resolved to allow the continued Village funding of an HRA for the six retired employees on Medicare A&B through the November contribution for December participation, but commencing in December, 2008, (the January 2009 month covered) the Village will only provide reimbursement to these individuals for the premium of their Excellus provided Medicare supplemental plan. Voting in favor: Trustees Angelillo, Carlson, Jones and Lynn. Abstaining: Mayor Green (who will be impacted by the plan in future years). Motion carried 4-0 in favor with 1 abstention.

POLICE
LONGEVITY:

VC/T Sheehan said the Police contract retains the prior schedule for longevity, but in lieu of a lump sum payment, converts that sum to its value on an hourly basis, which is then

LONGEVITY (Cont'd): added to the officer's base rate. Officers Stevens and Wawro received longevity payments in 2007, but their retroactive pay to June 1, 2007 will include the 3% increase on all earnings (less the paid longevity) and an adjustment on the FYE '08 overtime hours (Stevens at \$.72 per OT hour and Wawro at \$.44 per OT hour).

LIGHT BUDGET: On the motion of Trustee Angelillo, seconded by Trustee Lynn, it was resolved and unanimously carried (5-0 in favor) to adopt the working budget for FYE '09 as presented, with revenues and expenditures estimated at \$1,556,000. VC/T Sheehan said she needs to review with Director Hunt and Deputy VC/T Couch the E300 and E700 accounts, as well as E123 (Materials), as she is concerned with the coding of expenses. Pending a review of those allocations, but retaining the overall projected expenses, the budget will be distributed to the Municipal Board.

WEBSITE: On the motion of Trustee Jones, seconded by Trustee Angelillo, it was resolved and unanimously carried (5-0 in favor) to accept the proposal of Clickdriven Marketing Group (Dom Meccarielli) to building a new website for the Village at a cost of \$2,850, as included in the FYE '09 budget.

OFFICE HELP: On the motion of Trustee Jones, seconded by Trustee Carlson, it was resolved and unanimously carried (5-0 in favor) to authorize advertising for a full-time permanent Deputy Village Clerk/Treasurer. Trustee Carlson agreed to assist with the interviewing process. It was further resolved to authorize VC/T Sheehan to engage full-time temporary office help as soon as feasible.

VACATION BUY BACK: The Village Board discussed Director Hunt's request to buy-back two weeks of unused vacation time. It was noted that there is no provision for this arrangement in his contract. On the motion of Trustee Angelillo, seconded by Trustee Lynn, it was resolved to advise Director Hunt to use his vacation time and to arrange with Foremen Perkins and Murphy to provide back-up in his absence. Voting in favor: Mayor Green, Trustees Angelillo, Carlson, and Lynn. Voting against: Trustee Jones. The motion was carried 4-1 in favor.

SALARY ADJUSTMENTS: On the motion of Trustee Carlson, seconded by Trustee Jones, it was resolved and unanimously carried (5-0 in favor) to adjust the hourly rates for non-union represented personnel as follows: Chief Perkins (4.5% to \$32.60), PT Police Clerk Jacobs (3.5% to \$15.78), Village Clerk/Treasurer Sheehan (4.5% to \$32.19), Deputy Clerk/Treasurer Couch (4% to \$22.50), and Account Clerk Shappell (3.5% to \$20.70).

ADJOURNMENT: The meeting was adjourned at 10:40 p.m.


Sally L. Sheehan
Village Clerk/Treasurer