

GAINES TOWN BOARD MEETING

September 10, 2014

A Regular Town Board Meeting of the Town of Gaines, County of Orleans and the State of New York was held at the Gaines Town Hall, 14087 Ridge Road, Gaines, New York on the 12th day of August 2014.

PRESENT: Carol Culhane ----- Supervisor
James Kirby ----- Councilperson
David Kast ----- Councilperson
Susan Smith ----- Councilperson
Douglas Syck ----- Councilperson
Ron Mannella ----- Highway Superintendent
Jean Klatt ----- Town Clerk
Andrew Meier ----- Council

EXCUSED: None

OTHERS PRESENT: Ray Burke, Jerry Culhane, Connie Mosher, Marilynn Miller, Lisa Mannella, Tibbs Ahlberg, Mary Jo Syck, David Thom, Michael Grabowski, David Allchin, Guy Smith, David Heminway, Larry Williams

Supervisor Culhane called the meeting to order at 7:30PM with the Pledge to the Flag.

RESOLUTION 60 - 14

APPROVAL OF MINUTES

On a motion of Councilperson Kast, seconded by Councilperson Kirby the following resolution was

ADOPTED Ayes 3 Culhane, Kirby, Kast
Nays 0
Recuse 2 Syck, Smith (Recusal because of absence from the
8/12/14 town board meeting.)

Resolved that the minutes of August 12, 2014 meeting are approved as presented by the clerk.

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RESOLUTION 61 - 14

APPROVAL OF ABSTRACTS

On a motion from Councilperson Smith and seconded by Councilperson Syck

ADOPTED Ayes 5 Culhane, Kirby, Kast, Smith, Syck
 Nays 0

Resolved that the bills on abstract #9, voucher #'s 950,958-1021 in the amount of \$63,069.20 are approved for payment as presented except.

Supervisor Culhane stated that Ridgeway would be repairing the check valve in their meter pit within 2 weeks and would be paying for all water that flows into their water system.

Superintendent Mannella presented the board with a printed out of the Master Meter Software Program that shows a substantial increase in the amount of water going into Ridgeway because of the faulty check valve. He stated this could have been happening for several years accounting for some of the water loss.

RESOLUTION 62 - 14

CREDIT CARD

On a motion of Councilperson Kirby, seconded by Councilperson Smith the following resolution was

ADOPTED Ayes 5 Culhane, Kirby, Kast, Syck, Smith
 Nays 0

Resolved that the following credit/debit card policy is adopted and effective immediately.

CREDIT /DEBIT CARD POLICY

PURPOSE:

To establish criteria for the use of credit cards and purchase cards issued on behalf of the Town of Gaines in the course of performing Town of Gaines business.

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BACKGROUND:

The Town of Gaines recognizes that the Highway Superintendent and/or Town Clerk are required or may be permitted to make expenditures of funds in the course of performing their functions in Town of Gaines business, including travel. The use of credit cards is beneficial to the Town of Gaines, and enables the Town of Gaines to be more effective and more efficient. Statements provide detailed purchase histories and other important record keeping and time saving information.

PROCEDURES

Business Credit Cards. The individual to whom the card is issued is responsible for the card and its proper use. The Town of Gaines board will have final approval authority on credit card issuance. The Supervisor will be responsible for verifying reconciliation of all credit card usage and charges pursuant to this policy and the Town of Gaines's travel policy.

The credit card is to be used for approved, official Town of Gaines business only. Credit cards will be issued with a credit limit of \$2,000 per card. There is hereby established a limit for any

expenditure for Town of Gaines business as follows, and as subsequently amended by resolution of the Town of Gaines:

Meals: Limited to the amount permitted by IRS regulation 1542, except with specific permission of the Board.

Travel: Lodging, parking, tickets purchased are all permitted, but the amounts shall be authorized in advance.

Equipment and supplies purchases: Permitted up to an amount established by a resolution established in advance of such purchase.

The credit card will not be used in lieu of the normal purchasing procedures of the Town of Gaines.

Personal use of Town of Gaines credit cards is strictly prohibited. In the event that personal charges which cannot be conveniently separated from appropriate Town of Gaines charges are placed on a Town of Gaines Credit Card, such charges must be reported to the Town of Gaines on the monthly reconciliation report and reimbursed to the Town of Gaines immediately.

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Sales taxes shall not be paid when possible. Sales Tax Exempt forms or the municipal exemption letter shall be utilized for every purchase whenever accepted by a vendor.

Reconciliation

Credit card activity must be reconciled as follows:

The Cardholder will submit original receipts and documentation describing each transaction. Any purchase lacking an original receipt shall not be reimbursed unless acceptable proof is submitted.

Receipts and documentation should be completed and the card returned to the Town of Gaines not later than four (4) days after use or return from the trip or visit. In the event of a lost or missing receipt, the Town of Gaines official must complete a statement explaining the absence of the documentation and confirming that the expenses were legitimately incurred in the conduct of municipal business.

The person making the purchase shall certify to the Board that the item purchased has been received or the service purchased has been rendered and that no part of the payment outstanding has been satisfied.

No interest or late payment charges shall be incurred by the Town of Gaines.

RESOLUTION 63 - 14

SCHEDULE PUBLIC HEARING FOR SENIOR CITIZENS TAX EXEMPTION

On a motion of Councilperson Kast, seconded by Councilperson Kirby the following resolution was

ADOPTED Ayes 5 Culhane, Kirby, Kast, Syck, Smith
 Nays 0

Resolved that a public hearing to hear all that wish to speak on an income based property tax exemption for senior citizens will be held on October 14th, 2014 at 7:30 PM in the Gaines Town Hall.

RESOLUTION 64 - 14

APPOINT WATER BILLING CLERK / ZBA SECRETARY

On a motion of Councilperson Smith, seconded by Councilperson Kast the following resolution was

ADOPTED Ayes 5 Culhane, Kirby, Kast, Syck, Smith
 Nays 0

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Resolved that Devin Rogers is appointed as Water Billing Clerk / ZBA Secretary at a rate of \$11.00 per hour for 10 hours per week.

Supervisor Culhane presented the board members with information regarding 3 properties that need to be demolished for their review and consideration at a later date.

The board agreed to hold a budget workshop meeting on September 24, 2014 at 7:00PM.

Michael Grabowski, Comprehensive Committee Chairman, informed the board that the committee was again holding bi-weekly meeting after taking a summer break. The committee has an estimated completion goal of the end of 2014.

Supervisor Culhane told the public that about one year ago she had discovered that the residence had been over-levied for the water district charges on their tax bill. With the help of audits from Bonadio Group and Amato Fox & Company as well as consultations with Rural Development, other state agencies, and Town Attorney, Andrew Meier she was presenting the following resolution. The resolution provide a solution to correct the problem in a way that is most beneficial to the residents.

RESOLUTION 65 - 14

OVER-LEVYING OF WATER DISTRICTS

On a motion of Councilperson Smith, seconded by Councilperson Syck the following resolution was

ADOPTED Ayes 5 Culhane, Kirby, Kast, Syck, Smith
 Nays 0

Resolved that the following resolution relating to the Over-levying of Water Districts is approved as presented.

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RESOLUTION RELATING TO WATER DISTRICT OVERCHARGES

WHEREAS, the Town of Gaines has developed 10 water districts throughout the town in the last sixty years, and

WHEREAS, the Town has incurred debt to build each district, and passed the debt service charges on to the consumers within each district through a debt service levy, and

WHEREAS, audits by Bonadio Group and Amato Fox & Company, accountants for the Town, have disclosed that the amounts charged through the debt service levies on Water Districts 2, 3, 4, 5, 6, 7, 9 and 10 were excessive, which resulted in surplus revenue to the Town, and

WHEREAS, the Town board has determined that such overcharges have occurred since at least 2006, and

WHEREAS, the same audits disclosed that since 2009, the debt service levy on Water District 8 was insufficient to fully service district debt, thereby resulting in a deficit, and

WHEREAS, the Town now wishes to (1) reimburse the taxpayers for such overcharges by applying the surplus to the outstanding debt for each district in amounts as determined by Bonadio Group and set forth on the document entitled "Analysis of Water Charges," attached to this Resolution as "Exhibit 1," (2) establish replacement reserve accounts for districts with remaining surpluses after payment of debt, and (3) direct that levies for fiscal year 2015 and beyond be reviewed and adjusted as appropriate,

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RESOLVED, that in accordance with Exhibit 1, the Town shall make a one-time principal payment towards outstanding water district debt as follows:

Water District 2: \$29,567

Water District 3: \$29,633

Water District 4: \$52,000

Water District 5: \$20,269

Water District 6: \$2,617

Water District 7: \$39,522

Water District 9: \$2,788

Water District 10: \$2,014

and be it further

RESOLVED, that except as hereinafter provided, the Supervisor is authorized and directed to execute any and all such documents in order to complete such principal payments from the water fund before the end of the fiscal year, and be it further

RESOLVED, that because the principal payment to Water District 4 will close that indebtedness, and due to the substantial overcharges assessed to Water District 4 that exceed the amount outstanding on the borrowing for Water District 4, a Repair and Maintenance Reserve Account for Water District 4 shall be established and funded from the water fund in the amount of \$53,754, such amount representing the difference between the overcharges paid by Water District 4 and the amount required to pay off Water District 4 debt; and be it further

RESOLVED, that the Supervisor shall make the one-time principal payment towards Water District 7 debt, as provided herein, at the time the existing BAN is refinanced in 2015, which amount shall be in addition to the usual principal reduction payment made annually towards Water District 7 debt at BAN renewal; and be it further

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RESOLVED, that the Town Board shall annually review the debt service levies assessed to each Water District and, commencing in Fiscal Year 2015, make annual adjustments as necessary so that the revenue raised equals the expenditures required to service district debt each year. For Water District 8, the levy shall also include such additional amounts as necessary to reimburse the water fund for district debt service that was paid but not fully collected from the district.

PRIVILEGE OF THE FLOOR

Connie Mosher - Water District #7 debt service charge in 2008 / \$223.00, 2009 / \$575.00, 2010 / \$305.00 Why the fluctuation? Supervisor Culhane said the fluctuation should only be within a few dollars from year to year. She doesn't know why it happened. It was prior to her being Supervisor. Extra dollars would will now be applied to reduce the debt and the levy for 2015 would be approximately \$165.05.

David Allchin - How can payment change? Supervisor Culhane replied it shouldn't unless the # of unit in the district changes.

Marilynn Miller - Has water loss dropped since results of water loss audit results were presented? Yes, the last water billing period had a loss of about 10%. Over the last 4 year period the loss fluctuated between 6.9% to 34%.

David Heminway - Is the water loss theft? Supervisor Culhane responded that nobody knows. The board responded that many things could account for the loss. The town buildings and cemetery do not have meters, flushing of new water lines during installation, water main breaks, the Ridgeway meter pit with the faulty check valve allowing Ridgeway to receive unmetered water, ect. all account for some of the loss. He also asked if the debt service is per property or per unit? If a property is turned into agricultural property does the debt service payment come off. Attorney Meier responded that it may or may not depending on the individual circumstances.

David Thom - If more units are added to a district does the debt service go down? Supervisor Culhane responded, yes.

Councilman Kast explained to the audience that over his years on the town board the board has relied on professional like different accounting firms to guide them in the matters of debt service like the present board does.

Sue Smith said that she was grateful to Supervisor Culhane for following through with audits and other financial matters. She appreciates the time Supervisor Culhane put into the position and thanked her for a job well done.

Ray Burke - Takes his hat off to the entire board for all of the audits being done.

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David Thom - How often should audits be done. Supervisor Culhane said we will be having an audit every year. Our accounting firm requires it.

Tibbs Ahlberg - How often are audits legally required? Attorney Meier answered that they are not legal required unless a borrowing threshold is reached.

Supervisor Culhane stated that as supervisor she is treasurer of the town and is responsible for the fiscal affairs.

Marilynn Miller - Town Law states entire board has fiscal responsibility and the responsibility does not totally fall on the Supervisor's shoulders.

Susan Smith said she felt the budget workshop meetings Supervisor Culhane has held have been most helpful to her. She feels she has learned a lot.

Ray Burke - Spoke about going into the Armed Services when he was young. He feels that taking the oath gave him his character. He wonders what is going on in this town? Where are we on fiscal responsibility? How much time is spent? He doesn't think it's about the salary everyone makes, it's about character.

MOTION TO ADJOURN

On a motion of Councilperson Smith, seconded by Councilperson Syck, the motion was

ADOPTED Ayes 5 Culhane, Kirby, Kast, Syck, Smith
 Nays 0

Resolved that with no further business, the September 10th, 2014 regular town board meeting is adjourned at 9:02 PM.

Respectfully Submitted,

Jean Klatt
Gaines Town Clerk