

BOARD OF TRUSTEES MEETING

October 16, 2023; 7pm

AGENDA

Call to Order:

First Public Comment (limited to 15 minutes):

Departments and Committees Reports:

>Building Department: Building Inspector, Erin Reis.

>Police Department: Acting Chief J. Alessi; Police Commissioner Pete Minahan.

>Fire Department: Chief P. Rideout; Fire Commissioner Melony Spock.

>DPW: Foreman P. Genovese; Wastewater/Water Commissioner Ralph O'Mara-Garcia, Streets & Snow Removal Commissioner Karyn Schassler.

Approve Minutes: September 11, 2023.

Approve Budget to Actual Report: October 2023.

NEW BUSINESS:

Resolution 122 of 2023 – To approve the use of **Water Line Replacement Reserve Funds** to cover payment of **Hudson Avenue Water Main project** invoices which were submitted and paid for in **July/August 2023**, in the total amount of **\$4,614.36**, and applied to Budget Line 83402 (Transmission Equipment).

Resolution 123 of 2023 – To authorize the Village Clerk to transmit to the county board of elections a **certificate setting forth each Village office to be filled**.

Resolution 124 of 2023 – To establish the Tracy Memorial Hall, 77 Main Street, Chatham, NY as the **polling place** for the **Village elections on Tuesday, March 21, 2023 from 12:00 noon until 9:00 p.m.**

Resolution 125 of 2023 – To authorize the Village Clerk to **publish a notice** designating the **Village offices to be filled**, and terms thereof.

Resolution 126 of 2023 – To move **\$250K from assigned funds** into the **Water Line Replacement Reserve** for the purpose of water line replacement.

Resolution 127 of 2023 – To Establish a “Specific” Capital Improvement Reserve Fund to be Known as the “Village of Chatham Sewer Reserve Fund”

WHEREAS, pursuant to Section 6-c of the New York State General Municipal Law, the Village of Chatham is authorized to establish, fund and make use of a Reserve Fund for capital improvements; and **WHEREAS**, pursuant to such law, a capital reserve fund may be established to fund a type of capital improvement or a specific capital improvement; and **WHEREAS**, the Village Board of Trustees reasonably has identified a need for funding two specific capital improvements in connection with the Village sewer system and finds that it is prudent and a matter of responsible planning to set aside funds to be used for such capital improvements; **NOW, THEREFORE, BE IT RESOLVED**, that pursuant to Section 6-c of the General Municipal Law, as amended, there is hereby established a capital reserve fund to be known as the “Village of Chatham Sewer Reserve Fund” (hereinafter “Sewer Reserve Fund”). The purpose of this Sewer Reserve Fund is to accumulate moneys to finance the cost of two specific capital improvements, consisting of an ultraviolet light system, with an expected maximum cost of two hundred fifty thousand dollars (\$250,000) and a sewer plant generator replacement, with an expected maximum cost of sixty thousand dollars (\$60,000). **BE IT FURTHER RESOLVED**, that the chief fiscal officer is hereby directed to deposit and secure the moneys of this Reserve Fund in the manner provided by Section 10 of the General Municipal Law. The chief fiscal officer of the Village may invest the moneys in the Sewer Reserve Fund in the manner provided by Section 11 of the General Municipal Law, and consistent with the investment policy of the Village of Chatham. Any interest earned or capital gains realized on the moneys so deposited or invested shall accrue to and become part of the Sewer Reserve Fund. The chief fiscal officer shall account for the Sewer Reserve Fund in a manner which maintains the separate identity of the Sewer Reserve Fund and shows the date and amount of each sum paid into the fund, interest earned by the fund, capital gains or losses resulting from the sale of investments of the fund, the amount and date of each withdrawal from the fund and the total assets of the fund, showing cash balance and a schedule of investments, and shall, at the end of each fiscal year, render to the Board of Trustees a detailed report of the operation and condition of the Sewer Reserve Fund. Except as otherwise provided by law, expenditures from this Sewer Reserve Fund shall be made only for the purpose for which the Sewer Reserve Fund is established. No expenditure shall be made from this Sewer Reserve Fund without the approval of this governing board and such additional actions or proceedings as may be required by Section 6-c of the General Municipal Law or any other law. This resolution is subject to permissive referendum pursuant to subdivision 4 of Section 6- c. of the General Municipal Law.

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Resolution 128 of 2023 – To add to the **General REPAIR RESERVE** in the amount of \$250k for the purpose of **unexpected repairs, maintenance and purchases**.

Resolution 129 of 2023 – To establish a **Village Fund Balance Policy** as follows: **“Fund Balance Policy-Village of Chatham”**

Purpose

The Village of Chatham (the “Village”) has enacted the following policy to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The following policy is for general, water, sewer, and capital funds.

Reserve funds (which essentially are a legally authorized savings account for specific purposes) are an important component in the Village's financial planning for specific expenses, future projects, acquisitions and other lawful purposes. To this end, the Village may establish and maintain reserve funds in accordance with New York State laws. The Village will also consider rules and/or opinions issued by the New York State Comptroller when they are not in conflict with the law.

Village reserve funds must be properly established and maintained to promote the goals of creating an open, transparent, and accountable use of public funds. The Village may engage independent experts and professionals, including but not limited to auditors, accountants, attorneys, and other financial and legal counsel, as necessary to monitor all reserve fund activity and prepare reports that the Village Board may require.

The Village’s primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The Village also seeks to maintain the highest possible credit ratings, which are dependent, in part, on the Village’s maintenance of a healthy fund balance.

Fund Balance Definitions

Fund Balance: Fund balance is the difference between the assets and liabilities reported in a governmental fund. Fund balance is not necessarily the cash balance of the Village. The fund balance consists of other assets as well such as money due from the state and federal government, and accounts receivable. Fund balances are classified into various components depending on the limitations placed on the use of the funds. The hierarchy indicates the extent to which a government is bound to observe spending constraints that govern how it can use amounts reported in the governmental funds balance sheet.

The Village shall comply with the reporting requirements of Article 3 of General Municipal Law of the State of New York and the Governmental Accounting Standards Board (GASB) Statement Number 54, Fund Balance Reporting and Governmental Fund Types Definitions. GASB Statement Number 54 (first issued in 2001) established the following classifications depicting how specific amounts can be spent:

- Non-spendable fund balance consists of amounts that are not in a spendable form in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, and financial assets held for resale.
- Restricted fund balance consists of amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Committed fund balance consists of amounts that are subject to a purpose constraint imposed by a formal action of the Village Board before the end of the fiscal year, and that require the same level of formal action to remove the constraint.
- Assigned fund balance consists of amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The assigned fund balance is mostly utilized in water and sewer funds.
- Unassigned fund balance consists of amounts that are available for any purpose; these amounts are reported only in the general fund.

Policy Statement

The fund balance of the Village's general fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The objective is to maintain an unrestricted fund balance between 75% and 100% of annual appropriations for the fiscal year.

Village finances will be managed to maintain balances of the various funds at levels sufficient to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, ensure stable tax rates and user fees, and protect the Village's creditworthiness. The decision to retain an unrestricted fund balance between 75% and 100% of fund appropriations stems from the following:

- This amount provides adequate funding to cover approximately 8-12 months of expenditures.
- This amount provides the liquidity necessary to accommodate the Village's uneven cash flow, which is inherent in its periodic tax collection schedule; and
- This amount is consistent with (reasonable) guidelines suggested by the NYS Comptroller's office and the Government Finance Officers Association.

The Village Board will set aside certain amounts as committed fund balance. Amounts are to be determined by the Village Mayor based on the need for extraordinary operating capital that could not be anticipated and cannot be funded with current budget resources. The Village Mayor will set aside committed fund balances equal to the amount of outstanding purchase orders or encumbrances.

The Village Board delegates to the Village Mayor the authority to determine the proper amounts to be assigned for purposes as are deemed necessary. This would provide the liquidity to respond to contingent liabilities and provide for capital asset replacements. Effective as of the year ending May 31, 2024, the unassigned fund balance shall be any remaining amounts left within the general fund.

The Village will spend, as allowed and available, the most restricted dollars before less restricted in the following order:

- a) Non-spendable (if funds become spendable)
- b) Restricted
- c) Committed
- d) Assigned – water and sewer (unrestricted within the fund) fund balance
- e) Unassigned – general (unrestricted) fund balance

Should the fund balance reach an upper limit of more than 100% after the year end books have been balanced and closed; the amount over 100% will be applied in the following order:

- a) Applied to debt
- b) Deposited into a reserve fund based on the Five-Year Capital Plan
- c) Balance the following year budget

The Village will be mindful of its role and responsibility as a fiduciary of public funds when acting on reserve fund issues.

This policy will be reviewed annually each June.

Resolution 130 of 2023 – To authorize the Treasurer to issue a check in the amount of **\$56.00** to **Fred Cappozzo** for the return of twenty-eight \$2 trash stickers.

Resolution 131 of 2023 – To grant a one-time **sewer relief** in the amount of **\$126.99** to **Margaret Wilhelm, 175 Hudson Ave**, due to a leak in a basement pipe which went undetected.

Resolution 132 of 2023 – To grant a one-time **sewer relief** in the amount of **\$486.88** to **Nina Grubin and Tom Rosenthal, 16 Payn Ave**, for usage through an outdoor garden drip irrigation system.

Resolution 133 of 123 – To grant a one-time **sewer relief** in the amount of **\$389.78** to **Art Park Homes, LLC, 34 Center Street**, due to a break in an outdoor water line which occurred the first week in August.

Resolution 134 of 2023 – To approve the Metz Wood Insurance Commercial Summary 2023-2024 Proposal for **Liability Insurance** coverage for the period **November 11, 2023- November 10, 2024** through NYMIR, in the amount of **\$74,222**, and authorize the Mayor to sign the agreement.

Resolution 135 of 2023 - To approve the **closing of Park Row** from **8:30am to 11:30am**, and the **use of Village streets** from the Morris Memorial on Park Row to Main Street, Kinderhook Street, Shore Road, Eaton Avenue, Woodbridge Avenue, and the CCSD school road; and CPD assistance for the **Annual Ray Barbuti Turkey Trot on November 24, 2023**.

Resolution 136 of 2023 – To approve the use of **Pumper Truck Reserve Funds** to cover payment of the **Pumper Truck Bond** in the amount of **\$48,827.77**, which was paid on 8/23/23 from lines 9721.6 (Rescue Pumper principal), and 9721.7 (Rescue Pumper interest).

Resolution 137 of 2023 – To authorize the DPW to hire _____ for the **Laborer position**, part-time, minimum 30 hours, at a rate of **\$18.25/hour**, effective immediately.

Resolution 137 of 2023 – To authorize the DPW to purchase a generator model XXXX in the amount of \$XXXXX from _____ to replace the Brookside Ave **Sewer Plant generator** which was destroyed by fire in the power outage on September 7, 2023.

Items for Discussion:

Halloween – Kinderhook Street thru traffic
Harlem Valley Rail Trail

Second Public Comment Period (limited to 15 minutes):

Executive Session: For discussion of proposed, pending, or current litigation.

Adjournment:

Next meeting: November 13, 2023 7:00pm
(rev. 10/16/23)

Meeting Place: Tracy Memorial Village Hall, 77 Main Street, Chatham, NY 12037