

The special meeting of the Village of Arcade (VOA) Board of Trustees, Wyoming County, New York was held on Thursday, August 28, 2011 at 7:00 am there were:

PRESENT

Mayor Jay May, Trustee Ken Rule, Trustee Jim McGarvey, Trustee Donna Schiener, Superintendent of Public Works Larry Kilburn, Clerk/Treasurer Jennifer Kraft, Deputy Clerk Treasurer Michelle Karpinski.

ABSENT

Trustee Robert Davis

ALSO PRESENT

Will Reynold, George Person and Jill LaBoissiere, all from Bollam, Sheedy, Torani and Co. CPAs.

PLEDGE OF ALLEGIANCE

Mayor May opened the meeting with the Pledge of Allegiance.

ANNUAL REVIEW BST

Usually the annual review by BST concentrates on internal controls but due to the change in personnel the auditors worked on a compilation of reports. The Annual Update Document involves all the government funds; the Public Service Commission involves just the electric fund.

General fund has a deficit of approximately \$200,000 due to a fund balance appropriation last year in the amount of \$160,000 to fund operations when in reality the only fund balance available was \$80,000. We also had anticipated federal revenues of \$200,000 which we only received \$12,000. On the positive side we do have a number of reserves in the general funds which could be available if necessary. If reserves are legal we must have a permissive referendum to spend them. We did appropriate \$22,000 of reserve funds to the budget. Upon further review and a better understanding, adjustments can be made to lessen the deficit. Fortunately in the current budget we did not appropriate any fund balance.

George Person felt the substantial deficit in the general fund was of concern. In these difficult economic times we need to proceed cautiously. Expenses were not over budget, it was the funding sources that did not materialize.

The sewer fund has a net operating loss of \$60,000. In the sewer fund there is a number of reserves that could alleviate the loss. The sewer is holding its own considering the reserve funds that are available. The increased rates should help as well.

The water fund is fine.

The health insurance continues to be complicated as far as record keeping. Going forward the amount that the Village is committed to paying will now be a line item and reduced as payments are made, this will allow us to be able to determine any carry over amounts. The amount the Village is committed to will be entered on a quarterly basis.

The electric revenue is up about 13%, about \$923,000; expenses were up 23% about \$1,250,000; net operating revenues were \$625,000 which is down about \$444,000 from the prior year. Electric purchases were up 20%, most of that is related to the additional revenues; there are also the allocation differences to be considered. The health insurance and retirement costs have increased significantly. The major reason is due to the adjustment to record the prior year health insurance and the increased cost of the retirement plan. Operating costs of distribution lines and distribution substations increased about \$208,000. The balance sheet is consistent, construction and progress went up.

Electric's decrease in net income bears watching although the Noble monies offset that decrease. Although the electric fund is not in any trouble at all we need to continue to watch expenses.

It was recommended the board review a revenue and expense report on a regular basis to monitor the budget. Department heads should also regularly be made aware of where their department stands as far as revenue and expenses.

POSTPONE PUBLIC HEARING

Motion by Mayor May and seconded by Trustee Schiener to postpone the Public Hearing that was to be scheduled for August 16, 2011 to give the VOA board time to review, more thoroughly, signage concerns throughout the village.

The motion was passed upon the following vote:

VOTE									
Mayor Jay May	X	Yes		No		Abstain		Absent	
Trustee Robert Davis		Yes		No		Abstain	X	Absent	
Trustee Jim McGarvey	X	Yes		No		Abstain		Absent	
Trustee Ken Rule	X	Yes		No		Abstain		Absent	
Trustee Donna Schiener	X	Yes		No		Abstain		Absent	
VOTE TOTAL:									
	4	Yes	0	No	0	Abstain	1	Absent	
RESULTS	X	PASS					FAIL		

ADJOURN

There being no further business to come before the Board the meeting duly adjourned AT 8:40 am upon motion by Trustee Rule and seconded by Trustee McGarvey.

Clerk/Treasurer