

The special meeting of the Village of Arcade (VOA) Board of Trustees, Wyoming County, New York was held on Friday, July 31, 2015 at 7:15 am there were:

**PRESENT**

Mayor Jay May, Trustee Ken Rule, Trustee Jim McGarvey, Trustee Donna Schiener Trustee Andrew Koerner, , Clerk/Treasurer Jennifer Kraft, , Deputy Clerk/Treasurer Michelle Karpinski.

**ABSENT**

Superintendent of Public Works Larry Kilburn, Police Chief Anthony Biscaro

**ALSO PRESENT**

Brendan Kennedy, Matthew Walrath, Lauren Koshgarian, all from SaxBST

**PLEDGE OF ALLEGIANCE**

Mayor May opened the meeting with the Pledge of Allegiance.

The purpose of the special meeting was to discuss the financial situation of the Village after the close of the 2014-2015 fiscal year. The representatives from SaxBST assisted in preparing the Annual Update Document that is sent to the Office of the State Comptroller and the Public Service Utilities report. An audit was not performed.

**GENERAL FUND**

The General fund exceeded revenues resulting in a fund balance deficit of \$6,695. The General fund owes the Electric Fund \$290,987; this liability exceeds the assets of the fund creating a deficit. Without this obligation the general fund appears fine. The Village has signed a loan agreement between the General fund and the Electric fund to begin a repayment plan in the 2016-2017 fiscal year.

Mr. Kennedy stated the lack of relief from New York State mandates and the staying within the tax cap has created fiscal stress for Villages across the state and the Village of Arcade is not alone.

**WATER FUND**

This year the Water fund revenues exceeded expenditures by \$14,961. The unrestricted fund balance is relatively unchanged over the year with a balance of approximately \$213,000 which equates to about 4.3 months' worth of equity. The recommendation was to increase rates systematically to keep up with rising costs and to adequately maintain the reserve funds.

**SEWER FUND**

The Sewer fund revenues exceeded expenditures by \$88,621 resulting in an increase in the unrestricted fund balance. The unrestricted fund balance equates to about 5.5 months' worth of equity. Again the recommendation was to maintain the unrestricted fund balance by increasing their legal reserves.

**ELECTRIC FUND**

The Electric fund had a net income of \$107,421 for the 2014-15 years compared to a net loss of \$36,095 in the 2013-14 fiscal year. The Public Service Commission rate study is underway with new rates to be in effect by 10/1/2015. The cash flow from operations was a positive \$1.55 million, of which \$972 thousand was used to fund debt service and capital asset additions. There are no immediate concerns with the Electric fund.

The auditors reviewed bank reconciliation procedures, the AP process as well as the internal controls for payroll, cash disbursements and billing. There were no significant deficiencies noted.

In conclusion Mr. Kennedy found the employees to be well organized and knowledgeable; the Village's financial records were in good order; accounting policies and practices appeared appropriate with no significant and/or unusual transactions noted.

Overall, with the exception of the general fund, the other funds appear strong. Mr. Kennedy recommended the Village develop a capital plan. The capital plan would address infrastructure needs, help to manage debt, create reserves and monitor the timing of rate increases.

**ADJOURN**

There being no further business to come before the Board the meeting duly adjourned at 7:45 am upon motion by Trustee McGarvey and seconded by Trustee Rule.

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Clerk/Treasurer