

The special meeting of the Village of Arcade (VOA) Board of Trustees, Wyoming County, New York was held on Friday, June 29, 2018 at 7:00 am there were:

PRESENT

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

ALSO PRESENT

William Freitag and Lynda Smith of BST, Mike McElheny, Todd Wittmeyer

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 2017-2018 fiscal year. The representatives from BST assisted in preparing the Annual Update Document that is sent to the Office of the State Comptroller and the Public Service Utilities report. In the past a Section 4-408 audit was performed. This type of audit reviews the accounting system and the underlying internal controls. Over the past several year no exceptions have been found and the accounting practices and principals were in accordance with generally accepted accounting practices. The VOA has a good segregation of duties despite the number of employees. This year the focus of the review was changed to reviewing the individual account balances and transactions in reference to the electric and water accounts due to the fire and the various capital projects that have multiple funding sources.

ELECTRIC

The electric fund generated a net profit of \$209,125 for fiscal year 2017-18. This was due to the rate increase along with a cold winter. This profit does not include any of the insurance reimbursements. Total customer consumption increased about 5%. The Clean Energy Standards Act did not cost the Village electric, it was a complete pass through.

The insurance proceeds the electric took in were \$1,037,000, this was spent on replacement of lost items therefore this is not shown as revenue and is not part of the net profit.

Last year the electric experienced a \$400,000 loss. All financial indicators have improved over last year, again due to the rate increase. The rate increase has done exactly as it was meant to do.

The average cost per kWh is 5 cents per kWh, one of the lowest rates for municipals throughout NYS. This is about 1/3 of the investor owned utility rates.

All of the significant financial statistics used as indicators of financial well-being were reviewed. Most indicators are above average when compared to other municipal electric companies across the state.

Overall the electric fund has finished in strong financial condition. Bill commended the record keeping used to account for the insurance proceeds along with expenditures associated with the fire. He appreciated the efforts and the fine job it made his process much smoother.

GENERAL

The General Fund had an increase in fund balance of \$290,000 of which \$171,000 is reserved for future retirement contributions, employee benefits and future capital improvements/purchases. The Village has appropriated \$17,000 of unrestricted fund balance in the 2018-19 budget year to purchase a police vehicle.

Revenues increased \$139,000 due to increases in property taxes and an increase in NYS aid while expenditures increased \$67,000.

Over all it was a good year for the general fund. The Unrestricted fund balance as of May 31, 2018 was \$448,000 which represents an increase of \$297,000 from the prior year.

WATER

The Water fund balance decreased by \$2,300, and was the result of a net loss generated during the year. Total fund balance as of May 31, 2018 was \$316,000 of which \$20,000 is appropriated in the 2018-19 budget. Unrestricted fund balance is \$190,000 with \$106,000 restricted for future retirement contributions, employee benefits and capital improvements.

The Water Fund saw an increase in revenues of \$84,000 of which \$17,000 is in metered sales and \$67,000 represents fire insurance recoveries. This insurance recovery was spent dollar for dollar therefore having a neutral impact on the budget. Expenditures increased \$63,000 which includes a land purchase and equipment as well as fire related purchases, with an offset of decreases in employee benefits costs.

SEWER

The Sewer Fund had a fund balance increase of \$140,000. The total fund balance is \$668,000 of which only \$23,000 is reserved for future retirement contributions, employee benefits and capital improvements. Revenues increased by \$37,000 due to a rate increase mainly due to a sewer rent increase which became effective June 1, 2017. Expenditures increased \$86,000 from the prior year and were primarily attributable to a \$96,000 increase in debt principal.

Overall this was a very strong year leaving the fund in a very strong financial position.

Bill Freitag thanked the VOA Board for entrusting them to perform this work. He also thanked the Village employees for their continuing willingness to work so well with the accountants.

SALARY EMPLOYEES WAGE INCREASE

Motion by Trustee Koerner and seconded by Trustee Schiener to increase the annual wage adjustment for the salary employees from 2% to 2.5% effective June 1, 2018 as was previously approved by the Board at the May 15, 2018 VOA board meeting.

The motion was passed upon the following vote:

VOTE									
Mayor Jay May	X	Yes		No		Abstain		Absent	
Trustee Andy Koerner	X	Yes		No		Abstain		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:	5	Yes	0	No	0	Abstain	0	Absent	
RESULTS	X	PASS					FAIL		

EXECUTIVE SESSION

Motion by Trustee McGarvey and seconded by Trustee Koerner enter into executive session to discuss the following topic(s) at 8:30 pm:

- Employment history of a particular employee

The motion was passed upon the following vote:

VOTE									
Mayor Jay May	X	Yes		No		Abstain		Absent	
Trustee Andy Koerner	X	Yes		No		Abstain		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:	5	Yes	0	No	0	Abstain	0	Absent	
RESULTS	X	PASS					FAIL		

Motion by Trustee Rule and seconded by Trustee Schiener, the Board exit executive session at 8:39 pm.

The motion was passed upon the following vote:

VOTE								
Mayor Jay May	X	Yes		No		Abstain		Absent
Trustee Andy Koerner	X	Yes		No		Abstain		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:								
	5	Yes	0	No	0	Abstain	0	Absent
RESULTS		X	PASS				FAIL	

WWTP UPDATE

Trustee McGarvey reported Wednesday morning he did a walk around WWTP and the project was complete. The underdrain pump and the screen, both of which are warranty items, are still a work in progress.

LIMELAKE UPDATE

The force main is installed from Lime Lake to Hurdville Rd. The project is waiting on the installation of power at the pump station in Delevan. VOA will be performing inspections and will keep track of readings but the reports will be sent to the Lime Lake sewer district.

ADJOURN

There being no further business to come before the Board the meeting duly adjourned at 8:48 am upon motion by Trustee Koerner and seconded by Trustee McGarvey.

Clerk/Treasurer