

The special meeting of the Village of Arcade (VOA) Board of Trustees, Wyoming County, New York was held on Wednesday, June 26, 2019 at 7:00 am there were:

PRESENT

Trustee Ken Rule, Trustee Jim McGarvey, Trustee Donna Schiener Trustee Andrew Koerner, Superintendent of Public Works Larry Kilburn, Clerk/Treasurer Jennifer Kraft, Police Chief Anthony Biscaro, Deputy Clerk/Treasurer Michelle Karpinski.

ABSENT

Mayor Jay May

ALSO PRESENT

William Freitag and Lynda Smith, BST

PLEDGE OF ALLEGIANCE

Deputy Mayor Rule 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 2018-2019 fiscal year. The representatives from BST will assist 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. Bill Freitag suggested the VOA could perform this type of audit themselves with some guidance from BST.

The focus this year included a review of the account balance presented by each Fund for accuracy and reasonableness as well as a review of the fire related costs and related insurance proceeds for the proper allocation of these costs.

Bill stated the staff was very cooperative and well organized as well as knowledgeable and in general the Village's financial records were in good order. Overall the financial health of the Village's funds appear good and in many respects, improving.

ELECTRIC

The electric fund generated a net operating profit of \$554,000. The primary reason for this increase was twofold, there was a new electric rate in effect and due to the cold, long winter, customer consumption had increased. Customer consumption increased about 5%. All the ratios that are indicators of financial position have all increased from the prior years. It is his expectation the electric fund will continue to do well for a few years to come.

The actual cost of the supplemental power has decreased which resulted in a lower base rate. The average cents per kWh increased by .3 cents due to the additional charges resulting from the Clean Energy Standards Act (CES), which is a complete pass through cost to the customer, resulting in an average cost for all rate classes of 5.1 cents per kWh. Our cost per kWh is one of the lower municipal rates across the state; the average is closer to 6-7 cents per kWh.

Cash balances have increased with balances on hand that represent approximately 5.5 months of operating costs.

There are some unspent insurance proceeds and Bill offered the following recommendations:

- 1) Create a rate stabilization fund, using the funds to defer a rate increase
- 2) Add to the reserve for capital improvement
- 3) Pay down outstanding loans on the new trucks

WATER

Revenues increased \$92,000 from the prior year primarily due to an increase in metered sales, interest income and insurance recoveries from the fire. The expenditures decreased primarily due to a bond being paid off in the prior year along with a decrease in water transmission and distribution expenses. Fund balance increased by \$139,000 from the prior year. Overall the water fund did very well this year.

SEWER

Revenues increased \$126,000 from the prior year primarily due to an increase in sewer rents as well as an increase in sewer charges from septage dumping. Expenditures increased mainly due to administrative costs and sewage costs but other cost categories had similar results as prior years. Fund balance increased \$191,000 from the prior year. Overall the sewer fund a very strong year.

GENERAL

The general fund had a net loss of \$29,000. While revenues increased so did expenditures. Notable expenditures included the purchase of a fire truck \$290,000 (paid with reserves) and the purchase of a police car \$35,000 (paid with reserves). Overall the general fund should finish at break even. The fund balances are strong and Bill recommended moving funds from the unrestricted fund balance to the restricted.

Overall the accounting processes are very good in the office and the information you receive from the treasurer's office is accurate and reasonable.

EXECUTIVE SESSION

Motion by Trustee McGarvey and seconded by Trustee Schiener, the Board enter into executive session to discuss the following topic(s) at 8:10 am:

- Contract negotiations

The motion was passed upon the following vote:

VOTE								
Mayor Jay May		Yes		No		Abstain	X	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:	4	Yes	0	No	0	Abstain	1	Absent
RESULTS	X	PASS				FAIL		

Motion by Trustee Schiener and seconded by Trustee Koerner, the Board exit executive session at 8:53 am.

The motion was passed upon the following vote:

VOTE								
Mayor Jay May		Yes		No		Abstain	X	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:	4	Yes	0	No	0	Abstain	1	Absent
RESULTS	X	PASS				FAIL		

AUTHORIZE BID OFFICE ROOF

Motion by Trustee McGarvey and seconded by Trustee Schiener to authorize Superintendent of Public Works Kilburn to post the bid for the office building roof repairs.

The motion was passed upon the following vote:

VOTE								
Mayor Jay May		Yes		No		Abstain	X	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:	4	Yes	0	No	0	Abstain	1	Absent
RESULTS	X	PASS				FAIL		

REPORTS RECEIVED

The following reports were received, reviewed, and placed on file:

- None.

ADJOURN

There being no further business to come before the Board the meeting duly adjourned at 8:55 am upon motion by Trustee McGarvey and seconded by Trustee Koerner.

Clerk/Treasurer