

**VILLAGE OF RED HOOK
WORKSHOP MEETING
SEPTEMBER 19, 2013
7:15 PM**

Present: Mayor Blundell, Deputy Mayor Kovalchik, Trustee Trapp, Trustee Norris, and Clerk Cole. Trustee Zacharzuk was absent.

- 1) **AUD** – adjustments – Mayor Blundell reminded the board that for many years Water Fund budget pays \$65,000.00 to the General Fund which is valid by Village Law. The Conference of Mayors states this is proper and allowable for a water fund to pay a fair return to the general fund. However, the last two years AUDs showed this \$65,000.00 as a liability to the General Fund; marking owed it back to Water. The Village has recently changed CPA firms and they concur that the amount is not a liability. The Garbage Fund has a \$70,000.00 adjustment by prior auditors that is similar. Our staff and auditors are not able to track the specifics of the Garbage Fund matter. Mayor Blundell read the following Resolution:

Balance Sheet Liabilities Corrections,

WHEREAS, the 2010 and 2011 AUD (annual update data) reports showed due to and due from figures that incorrectly recorded the \$65,000.00 annual funds transfer from Water to General as liabilities, for a total of \$130,00000; and

WHEREAS, Village Law allows funds from water operations to be utilized in the General Fund, as a fair return on investment; and

WHEREAS, the two transfers are not a liability, but a proper utilization of water revenue funds; and

WHEREAS, the two incorrectly labeled liabilities have been carried over in subsequent AUD reports; and

WHEREAS, the prior AUD preparation firm blended the \$130,000.00 as due from General Fund \$67,103.00 and Garbage at \$70,431.00 as due to Water, recording them as liabilities; and

WHEREAS, the current 2013 AUD needs to be finalized by our preparation firm September 2013 and will need to reflect corrections of the 2010 and 2011 bookings.

THEREFORE, BE IT RESOLVED, the Village of Red Hook Board of Trustees authorizes the correction of the 2010 and 2011 liabilities of \$130,000.00 by motion to reduce the due to amounts of \$67,103.00 General Fund and \$70,431.00 Garbage by \$130,000.00, bringing General to \$0 owed Water and Garbage to \$7,534.00, as supported by the attached spreadsheets; and BE IT RESOLVED, the Comptroller and Treasurer will correctly adjust the records and provide data to the audit firm Sedore and Co. so the 2013 AUD can be completed and filed within the September extension.

Mayor Blundell made a motion to approve Resolution 17-2013. DM Kovalchik seconded the motion. All were in favor.

DM Kovalchik stated when applying for grants a liability is not good for rating. Clerk Cole will forward adjustment to Sedore and Co.

- 2) **CDBG 2013** – We were approved for Well 5 & 6 upgrades. RFP is done and CT Male Engineers on contract now. Preliminary work is underway.
- 3) **2014 Dutchess County Block Grant** – A discussion started in regards to what projects the Village could use for the 2014 Block Grant. Trustee Trapp suggested upgrading Wells 2 & 8, sidewalk and resetting pavers. Wells 2 & 8 were taken off-line years ago for salinity issues and will be re-tested under the USDA project funding. Mayor Blundell suggested Firehouse Lane and Colburn's sidewalks, if the wells are not in safe use order then include the pavers. Trustee Trapp and DM Kovalchik will write the narrative of the 2014 Block Grant submission. Mayor Blundell made a motion to have Clerk Cole file a legal notice to schedule a Public Hearing on October 7, 2013 at 7:15 PM to discuss the 2014 CDBG. Trustee Trapp seconded. All were in favor. DM Kovalchik stated that Audra Murray has requested a spreadsheet in regards to the 2013 Block Grant indicating documentation of overage on the well project. Where is money coming from that is above and beyond what the Block Grant will cover?
- 4) **Surplus Items** – Mayor Blundell stated recently the Village previously declared as surplus a contact tank, diesel generator and a water main tapping machine. Highway Foreman Dan Streib has a sander that should be declared surplus. A new sander is in place and old one not needed. Board agreed to declare it surplus. Mayor Blundell stated the sander should go out to bid with the other items and could use The Observer. Foreman Streib will get details to Village Clerk.
- 5) **USDA Phase II** – Mayor Blundell stated that it was announced today the Village is tentatively approved by USDA_RD for funding for Phase II – The Village is currently in the application stage for Phase II for \$3.8 million for 38 years, currently at 2.75% interest. Much of the water main infrastructure is from 1937. Due to age and normal deterioration mains and elevated storage need to be replaced. DOH has recommendations on the elevated tank for replacement. Trustee Kovalchik stated Phase II also includes new hydrants and full street replacement which in the long run should be less maintenance. The EFC will likely issue a short term bond until the USDA money comes in – 2-3 year project. Trustee Trapp wondered if this be an additional cost to the taxpayers? Adding additional cost onto residents is not good, where will they get money from. Mayor Blundell stated Phase I was successful and took a lot of work to coordinate, monitor and complete within budget. The larger size project will require re-thinking the approach to manage and control the finances and work flow. However, the cost of not doing any more work will be replaced by piecemeal costs to repair and replace

failing items and interim fixes but the tower issue still exists. DM Kovalchik stated the water tank is paid off in 2014 which will free up \$50,000.00 annually. The new more accurate meters are still coming on line but may generate more revenue with correct consumption figures and therefore correct bills. Also, there is the possibility of more revenue from town customers south of the Village due to more development.

Mayor Blundell stated he is ready for Hardscrabble Day on Saturday the 21st. Weather should be good.

8:10 PM – Mayor Blundell excuses Clerk Cole to enter into Executive Session to discuss personnel. Seconded by Trustee Trapp. All were in favor.

8:50 PM – Board reconvenes from Executive Session.

8:51 PM – DM Kovalchik made a motion to adjourn. Trustee Trapp seconded. All were in favor.

Submitted by,

Cynthia Cole
Clerk/Treasurer