

# Village of Schuylerville

## Special Meeting Minutes

July 27, 2020

Mayor Carpenter opened the meeting with the pledge of allegiance.

Jason Marra from Cusack & Company, CPA's LLC presented their proposal for auditing services via zoom. He stated that he would like to work with the trustees to determine what the board would like to accomplish with this audit. Mayor Carpenter confirmed that it was the intention of the board to determine that the finances were being handled correctly as opposed to a full audit, which would be beyond the needs and financially insurmountable for the village. This would be more of a process of drilling down to determine which processes were more high risk and zone in on these transactions and control processes. Internal control studies that are fine tuned to address these transactions would be more along the lines of what he felt that the board was looking for regarding budgeting, cash receipts, cash disbursements and payroll, with a focus on the general and sewer funds. It would also involve determining that the year end cutoffs for expends and revenues were being recorded correctly. Mayor Carpenter asked if Jason could expand on the options that the firm had presented. Option one was a more tailored process that would look at cash receipts and cash disbursements to determine if these were being handled correctly. Initially this would be a one-time engagement to review just those transactions and procedures mentioned earlier. Option two was a full-blown audit. He stated that this was a much more intensive process. This could be done on a fund basis. He felt that to go through the capital assets portion on a village that has not had a full-blown audit since 2013 would be very labor intensive and that he felt that this service was not what the village was looking for.

Christopher Healy from Marvin and Company presented their proposal for auditing services via Zoom. He stated that he had sent over both a proposal and a slideshow. He introduced Heather Lewis, a director at the firm. She stated that she has been with the firm for eighteen years and the firm has been around for almost 100 years. She said that after much discussion she and her team had determined that they felt that what the village was looking for was more of an agreed upon procedure than an audit. She thought that they would be focusing on the AUD to determine if it was a true representation of the financial state of the village.

Christopher Healy stated that they could do a financial statement audit which would address the processes and procedure and present a risk assessment then perform audit procedures which would provide them with what he felt was the information that they were looking for. They would get an opinion on the risks assessment as well as a letter with any internal control matters if they found any. The agreed upon procedures would be to determine what procedures to test a sample of 100 disbursements and report on what they found. The office of state comptrollers puts out in their local government management guide. They provide a fiscal oversight manual which has some appendices in there that present things that key individuals within the village should be performing. The fee structure that the firm presented could be expanded or tailored as the village required.

Mayor Carpenter thanked the representatives for joining us and stated that the board would make their decision later in the meeting and that they would let them know. He asked the board if they had any input on the presentations. Deputy Mayor Young stated that he felt that the second presenter offered a better breakdown of what services they would be providing and although they were proposing a higher rate he felt that it was a higher value than the first. He felt that the second proposal seemed to offer more in the way of guidance for the staff to ensure that the finances were being handled correctly. Also the first proposal had language that stated that there could be additional charges per hour if there were special studies or additional services requested we will estimate the additional costs at \$75 to \$225 per hour. Mayor Carpenter asked Treasurer Heyman what she thought of the presentations. Heyman stated that she felt that it was up to the board to decide however much or little they wanted to do. She stated that she would work with the board and the accountants to provide whatever

they would like to get from the review and that her only request is that the services include assistance with the 2020 AUD as she would be much more comfortable submitting an AUD that had been reviewed by an accountant.

Mayor Carpenter brought to the board that fact that although the village would be saving the \$3,500.00 normally spent on having WDR assist with the AUD that there was still a considerable difference between the amount budgeted and the amount that the village would need to procure the services of Marvin and Company to perform the review. He stated that the board would need to decide what they would give up in exchange for this. He mentioned that the village had budgeted for new flooring in the hall and that possibly the funds could be transferred from the buildings contractual line. He asked the board to decide what the priority was. Trustee LeBaron asked Trustee Colvin how he felt the audit that was done back in 2013 helped the village. Trustee Colvin stated that the problem he saw with the results of that audit was that there was no follow up to ensure that the recommendations were followed. He felt that if we continue to have these reviews annually we could be assured that proper procedure was being followed. After some discussion it was determined that the board could opt to do two years as opposed to the three. It was also discussed that once the firm had instructed the staff in the proper procedures, that if we continue to use the firm consecutively, they could ensure that the procedures are followed. Deputy Mayor Young made the motion to approve Marvin and Companies proposal up to \$9,000.00 for two years of review and assistance with the AUD. Trustee Drew seconded the motion, all in favor.

Supervisor Decker spoke regarding the issue of the condition of the garbage truck. One entire side of the truck is rotted out. Decker is concerned that the side could fail and cause a dangerous situation. There was some discussion as to whether the village should consider eliminating garbage service. Trustee Colvin stated that he felt that this was an important service that the village provided to the residents. Trustee LeBaron stated that he felt that the village should not purchase a used garbage truck. The board discussed the options of whether they should go out for a BAN to purchase the truck or use fund balance. Trustee Colvin noted that the garbage truck is also used to process the brush. Deputy Mayor Young expressed concern that there were contractors that were underselling to obtain customers. It is estimated that some of the customers lost will return when the contractors raise their prices again. The board determined that it would be best to purchase new. Particularly as there were not many local options for used garbage trucks locally. The board felt that since they currently only had one piece of equipment that they were still paying on that they felt comfortable in taking out a BAN for the purchase of a new garbage truck. Mayor Carpenter tasked Supervisor Decker with obtaining quotes for a new garbage truck.

A resolution to transfer funds to increase playgrounds contractual was presented that would add funds to cover the costs for the woodchuck mitigation. The resolution also included an increase to Law Contractual to cover the costs to renew the Dump Truck ban. The funds would be taken from the buildings contractual line as follows; Decrease line A.1620.400 Buildings Contractual by \$5,500 and increase line A.7144.400 Playground/Rec Contractual by \$5,000.00 and increase line A.1420.400 Law Contractual by \$500.00. Trustee Colvin made the motion to approve the resolution, Trustee Drew seconded the motion, all in favor, motion passed.

A resolution to amend the budget to increase A.8350.400 water services contractual line and also increase the A.2378 Water services revenue line to allow posting to the appropriate line for the water clerk contractual services was presented. Deputy Mayor Young made the motion to approve the resolution, Trustee Drew seconded the motion, all in favor motion passed.

A resolution was presented to transfer funds from A.1620.400 Buildings Contractual to the newly created account A.1380.400 Fiscal Agent Fees in 2020 fiscal year in the amount of \$24.56 to balance the accounts for

the fiscal year ending 2020. Trustee Colvin made the motion to approve the resolution, Trustee Drew seconded the motion, all in favor, motion approved.

A resolution to add to the general ledger, revenue account code A.1603.000 Vital Statistics Fees was presented. Deputy Mayor Young made the motion to approve the resolution, Trustee Drew seconded the motion, all in favor, motion passed.

Mayor Carpenter brought up the matter of the draining of the pond located by the new brewery. He stated that Rob had opened the gates to the canal to let out the water, then at the Mayors request, given him the key to close it later, to avoid DPW overtime. Mayor Carpenter stated that he had let too much water out, with the result being that there was some overflow from the more northern portion of the canal into the pond. Deputy Mayor Young asked if while the water was low down by Curtis Lumber if we could clear out some of the debris there. Mayor Carpenter stated that unfortunately, that section of the canal had tested high in PCB levels. We are still waiting for the EPA to share GE's reports. We have seen pictures and numbers, but no reports.

There was further conversation regarding how the overflow situation could be mitigated.

Bryan Drew gave a recap of the presentation by Kathryn Serra of the master plan for the water district. Trustee LeBaron and Mayor Carpenter also attended the meeting. According to the studies performed by CT Male over 70% of the water mains in both villages are over 100 years old. The full amount to complete all the tasks proposed in the master plan was over 15 million dollars, with the villages' responsibility approximately 25% to 30% of the total cost if grants could be obtained.

CT Male presented the plan in phases. Phase one includes those tasks that need to be done by 2025 including the SCADA system (monitoring system of water processing at \$340,000) The ultraviolet lighting system under the plant and the mitigation of the water pressure issue on Monument Drive, Schuyler Heights and Morgan's Run. Currently these areas do not have sufficient water pressure for adequate use of the fire hydrants on these streets. This issue needs to be addressed. It was discussed that the areas that needed additional pressure could be included in a special taxing district to the 125 residents of these areas to pay an additional \$125 per year to pay for the extra cost to improve the pressure in these areas. It was discussed that Cemetery Drive could have individual water pumps for each household, as they have almost no pressure since they are basically on the same grade as the tower and do not benefit from the gravity system. The combined costs of these above items is between 1.1 and 1.2 million dollars.

Kathryn Serra also suggested adding to phase one the replacement of the main that leads out of Fort Hardy and the main coming out of the Victory Plant. This would bring phase one up to 1.5 to 1.6 million. Mayor Carpenter stated that he felt that it would be good to add this to the first phase, as there are plans by the state to reconstruct the corner of Broad and Ferry as well as plans to assist in the cost to replace the sidewalks on the west side of Broad. It would be to our benefit to replace these lines before these projects are completed to avoid ripping up new roads and sidewalks to replace these mains afterward.

Chairman Healy asked for a letter of support from each village to go forward with this master plan, as the water board currently cannot take on debt according to the original intermunicipal agreement. The board discussed the fee structure of how our water is billed. According to CT Male, unlike many other municipalities, we pay all of the capital costs (debt portion of the water bill) in our water bill, whereas most municipalities build these costs into the resident's taxes. This makes it appear that our water bills are higher than average, when in reality they are lower than most. The board agreed that they would support the water board in moving forward with the master water plan as presented by CT. Male. Mayor Carpenter asked the board to consider whether they want the residents that need the additional pressure to be responsible for the excess costs or do we want to spread the costs over all of the village residents. Trustee LeBaron stated that this would need to be discussed with Victory as well, as three of the streets involved were in Victory.

The outside users that are across the bridge in Greenwich were discussed. Trustee LeBaron stated that he thought there was an agreement with those residents that when any house in that area was sold that they would need to install a well. He asked if we could find the agreement that was supposedly written between Edward Sullivan and Mayor George Sullivan that guaranteed Ed Sullivan water for life since the main coming down from the reservoir runs through his property. Heyman asked if the agreement that was made regarding this easement gives us ownership of this piece of land that runs through the property. She stated that it would seem unfair if the agreement only allowed us use of the property. Mayor Carpenter asked Heyman to reach out to Mr. Sullivan to get a copy of the agreement.

The board decided to cancel the workshop that was scheduled for August 3<sup>rd</sup>, as they felt that they had covered all business at this special meeting.

Trustee Drew made the motion to adjourn, Trustee LeBaron seconded the motion, all in favor meeting adjourned.

Recording Secretary,

*Cory Heyman*