

EAST GREENBUSH TOWN FINANCE COMMITTEE
MINUTES OF MEETING
MARCH 3, 2010 AT 6:00 P.M., TOWN HALL

MEMBERS IN ATTENDANCE:

Rick Matters, Chairperson; Heather Mowat, Vice Chairperson; Jim Brieg, Comptroller; Phil Gause; Don Johnson; Terry Monteau; Sean Mulvey; Peter Stenson; and Ann Taylor

Rick stated the agenda will be firm going forward, and the committee should attempt to remain focused.

Review of minutes of previous meeting. Rick asked everyone to review minutes from previous meeting. Terry stated he would like more time to review the minutes. Ann offered, if it was agreeable to Rick, that everyone could review the minutes and e-mail any corrections or additions to her by Friday, March 5th at 9:00 am. Pete questioned future meeting dates – 1st & 3rd Wednesdays. Rick stated dates for meeting dates are not definite, and that, for now, meeting dates will be scheduled as committee moves forward.

Regular activity by Committee at future meetings. Rick stated he, Heather, and Jim thought the past 30-day expenses vs. budget should be the first topic for the next meeting. Heather stated a review by fund would be best. Don stated if there is a large variance note it and discuss why. Pete questioned the level of detail that the committee would want. Rick stated he asked Jim to work out a draft format for everyone to review.

Designation of subcommittee. Review of town's cash-receipt policy (frequency of postings, etc.). Rick stated he would like to review the town's cash receipt policy. He referred to Heather. Heather stated the NYS Comptroller released audit reports for Saratoga Springs and Rensselaer. Both brought out weaknesses in Cash Receipt Policies. She thought it might be helpful if we have sub-committees to review some of the policies. Jim stated we were "dinged" for transfer station cash policy many years ago. Rick stated he would like the sub-committees to consist of 3 people.

Comptroller's monthly report to Board; oral briefing at regular board meetings. Heather stated many times the Board is not brought up to date and it should be monthly. The Board needs to decide what type of report it should receive; should it be oral, written, charts. That could also be a sub-committee. Rick stated that department heads submit monthly reports. Pete stated that he would ask the Town Board to have the department-head reports be posted on the website. Terry asked how many department heads are present when the Town Board meets how respective reports are presented. Rick stated that there are eight department heads, and that each submits a written report. Sean asked how in tune are the department heads with their finances. Ann reiterated from a prior meeting that police were the only ones tracking OT; Jim confirmed. Ann then said DPW must be tracking it because at the January Board meeting the DPW Commissioner the stated hours of OT for his department during the previous month. She said that was the first time she heard a department head list OT hours during a Board meeting. Sean asked if department heads have been given a guideline to develop a report and it should be a one-page report. Jim stated he will check on what is reported. Terry noted that requiring it is sending them a message.

Sean asked if outside agencies should come in and review efficiencies. Heather stated State Comptroller offers the service when requested.

Jim stated that he has someone gathering information on fees in general, and that the Youth Dept has been losing money. Sean stated it is okay to lose money in some areas if we gain money in other areas in the long run.

Heather stated we should create sub-committees for the reports we are asking such as the cash-receipt policy, department pro-forma, and comptroller's report. Jim stated he will propose some different formats for consideration. Rick stated financial-related information from each department can be compiled by Jim. Jim stated department heads should submit their information to him. Heather stated this would help them prepare their budget requests for the next year.

Terry asked if there is an organizational chart. Jim stated he asked for one his second day and was told there is no organizational chart. Pete stated he thought the state Department of State website has forms of organizational charts.

Heather stated there are grant opportunities available if you consolidate, such as the 911 with the county. Pete stated Emergency 911 there is a budget code 3020.0 Public Safety rather than General Government.

Rick set up the subcommittees, with the following individuals volunteering: Cash Receipt Policy Subcommittee: Ann Taylor (chairperson), Heather, and Terry. Monthly Reports Subcommittee: Pete (chairperson), Don, and Sean. Capital Plan Subcommittee: Phil (chairperson) and Sean. The subcommittees will meet independently and report back to the committee. Heather stated a focus date needed to be listed to have ideas. Rick stated the first meeting in April is the focus date.

Various forms of debt are outstanding. There are BANs which are Bond Anticipation Notes. These are short-term instruments and can be up to a five-year term. There are TANs which are Tax Anticipation Notes, are issued with anticipation of tax revenue, and should have separate checking accounts. There are RANs which are Revenue Anticipation Notes which are issued in anticipation of receipt of revenue such as grant money. Heather stated we have many things that cause concern, including: the odd amounts of overages and odd underages (with BANs, you know what you have to pay back); and (2) the exact amount of the town's debt.

Pete asked how the CPA is doing on the A.U.D., which will have balance sheets and a listing of the debt. Jim stated the CPA will be here by Tuesday. After questioning by Pete, Jim stated next year we will not need a CPA to do it.

Near-future agenda items: (a) debt review, breakdown and terms thereof; and (b) fund balances, levels of reasonableness; and (c) preparation for 2011 budget.

Heather stated if the town wants to get out of junk-bond status, we need to know what kind of debt we have and how much we have. For example, NYS states a municipality cannot borrow beyond the life of an asset. For example, a police car cannot have a loan for more than three years because three years is the life for a police car. The life is based on transmission life and the idling, not miles on the vehicle. The zero variance in every category in 2009 was questioned. There should be zero variance; and it should be projected out. Rick questioned if debt instruments have been compromised. Also, have they been dedicated to the proper expense. Sean stated it is obvious how we got here based on the Bond Rating document. Terry said he somewhat agreed, and asked if there is a revenue stream for the outstanding

bonds. The answer was in the affirmative. Heather stated Moody's will want to know that the town has updated policies such as the cash receipts policy and debt review.

Sean stated we should not be in an OT position. Proper scheduling avoids OT.

Rick stated capital planning needed to be done; you have to know what you have to plan the finances. Sean stated a planning process brings in businesses and homeowners. Rick stated short-term every dept knows what they need. Jim stated the Comptroller's website has the forms to do that. Phil stated everything discussed has been discussed but has not been done. Monthly budget requests from each dept needs to be done and it's not hard to do. Heather stated it is important for Moody's to see that. It goes to credibility and legitimacy. She suggested a sub-committee to do this. She suggested Phil work with Jim to do this. Jim stated this should be started in April. Heather agreed.

Don stated that the last OSC review of the Ambulance district stated that the assets and financial transactions of the district should be brought under the control of the Town Comptroller. The annual expenditures amount to about \$900K. The last two district contracts with Bruen indicate that there is no control by the Town Comptroller. Rick stated the town defers to our no-bid contractor which is Bruen Emergency Squad. They use to pay an outside contractor to bill. It was suppose to be modeled after Town of Colonie. A non-resident would be required to pay full which is considered a hard bill. A resident is billed a soft bill which is not a full bill. We do not know if that is being done. Rick stated the OSC is doing an audit of the ambulance district. Rick feels the committee should see the preliminary report, but will wait to make sure the committee is allowed to the report. Heather stated elements of final report can be in writing or verbal. We can classify what we want to attack. Comptroller's office does take into consideration what we want to do. Terry asked if there was a review of the town's contracts, and does it involve a bidding process, including Bruen's role. A discussion followed regarding Bruen's role. Phil stated Bruen is not independent fiscally. Rick stated we agree on a set of services with Best-Luther Fire Dept. The town pays for services and they are independent because we have a contract. That is not the case with Bruen which, as a 501-3C not-for-profit corporation, has been treated by the town as a hybrid between an independent contractor and a de-facto town ambulance department. The town has purchased, and been vested with title to, personal property used by Bruen. Receipts from billing should be, but have not been, collected by the ambulance district.

Rick confirmed the town does have a procurement policy but he would like it modified. Sean asked how we buy supplies. Jim stated we currently use 2-3 different vendors.

Review of 2010 budget was deferred for the next meeting.

Rick adjourned the meeting and Don second.

Next meeting was scheduled Wednesday, March 17th, at 6:00 p.m. at Town Hall.

Respectfully submitted,
ANN TAYLOR